INDIVIOR®

IMAGINE
A BETTER FUTURE FOR PATIENTS

Annual Report and Accounts 2021

Contents

2021 Financial Results

$791m +22%
Net revenue
(2020: $647m)

$213m
Operating profit
(2020: $156m operating loss)

$205m
Net income
(2020: $148m net loss)

$244m 88%
Net revenue from SUBLOCADE®
(2020: $130m)

$187m 113%
Adjusted operating profit*
(2020: $88m)

$140m 137%
Adjusted net income*
(2020: $59m)

$853m 37%
Year-end net cash balance**
(2020: $623m)

$1,102m 28%
Year-end cash balance
(2020: $858m)

* Excluding exceptional items (further details on pages 137 to 139).
** See Note 19 of the Notes to the Group financial statements for the definition of net cash.

IMAGINE

...a better future for patients

WE DO.

Our vision is that the millions of people across the globe suffering from substance use disorders and serious mental illness have access to evidence-based treatment to change lives.

Our Company was founded to help tackle the opioid crisis, one of the largest and most urgent public health emergencies of our time. Our purpose is to bring science-based, life-transforming treatments to patients. We strive to help eliminate the stigma of addiction.

We discovered buprenorphine and developed it as a leading evidence-based treatment for opioid dependence, while concurrently advocating for a more effective recovery care model. Buprenorphine is among the medications for opioid use disorder that is included in the World Health Organization (WHO) essential medication list.[1]

Medication-assisted treatment (MAT) for opioid use disorder is a critical part of the solution to the global opioid crisis.

MAT is the use of medications, in combination with counseling and behavioral therapies, to provide a "whole-patient" approach to the treatment of substance use disorders.[2] While therapy and rehab are powerful tools in opioid use disorder and substance use disorder recovery, science shows that patients who use medication in addition to these treatments experience a higher recovery rate.[3]

Addiction and mental health are uniquely challenging treatment spaces.

A common misunderstanding about medications used to treat opioid use disorder is that some of the medicines used simply substitute one drug for another.[4] However, these medications may restore healthy brain function, which leads to improvements in behaviors associated with addiction. Longer-term use of these medications is associated with improved outcomes.[5]

We take our role as a responsible steward of these medications extremely seriously.

We cultivate a culture of integrity and commit ourselves to the highest standards of governance. We believe our long-term success is directly linked to operating in a responsible way and in a way that minimizes our impact on the environment. We support efforts to educate around safety and proper use of our medication-assisted treatments.

We are driving forward our understanding of addiction and other serious mental health illnesses to create new science that will help pave the way for an even deeper understanding of patient needs and treatment innovation.

We engage at all levels across the addiction treatment spectrum, interacting with governments, key opinion leaders, physicians, payers, patients, and patient advocacy groups to raise awareness and educate about addiction as a chronic, relapsing disease.

Imagine a better future for patients.
We do.

1. WHO Model list of essential medications https://www.who.int/selection_medicines/committees/expert/20/EML_2015_FINAL_amended_JUN2015.pdf?ua=1 accessed Sept 19, 2021
2. https://www.samhsa.gov/medication-assisted-treatment
3. Substance Abuse and Mental Health Services Administration. (2016). Decisions in Recovery: Medications for Opioid Use Disorder. Decisions in Recovery Treatment for opioid use disorders (HHS Pub No. SMA-16-4993), 2016. Retrieved from: www.samhsa.gov/brss-tacs/recovery-support-tools/shared-decision-making
4. SAMSHA2018_TIP63MedicationsForOpioidUseDisorder/p1-3/col2/para2/bullets1-3 (p.5) Retrieved from: TIP 63: Medications for Opioid Use Disorder – Full Document | SAMHSA Publications and Digital Products
5. Leshner, A. I., & Mancher, M. (2019). Summary. In Medications for opioid use disorder save lives (p. 5). essay, The National Academies Press.

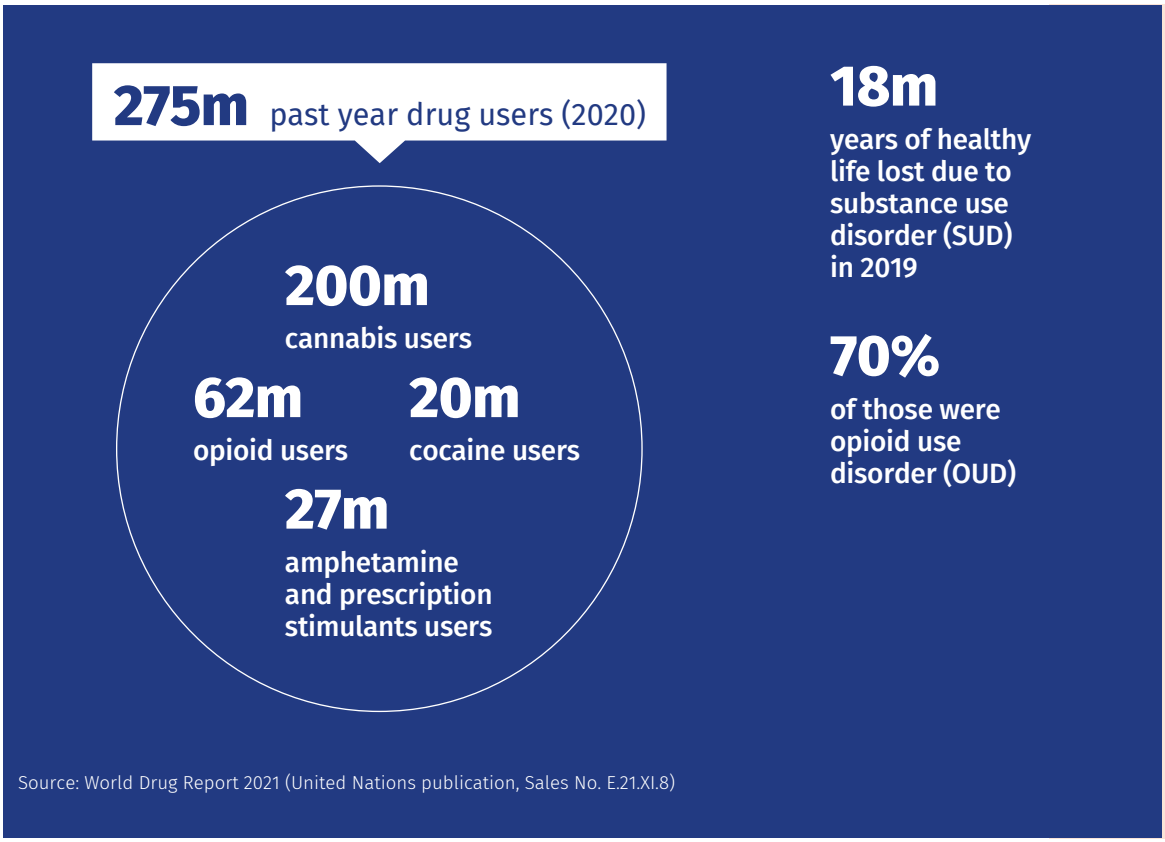
IMAGINE

...a better future for patients

More than ever, the world is in need of better outcomes for patients suffering from substance use disorders (SUD) and serious mental disease.

According to the United Nations, approximately 275 million people globally have used drugs in the past year. Addiction is a disease reaching epidemic proportions, with opioid dependence contributing significantly to the disease burden.[1]

A growing crisis



1. World Drug Report 2021 (United Nations publication, Sales No. E.21.XI.8)
2. https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm
3. Volkow, N.D. The epidemic of fentanyl misuse and overdoses: challenges and strategies. World Psychiatry. 2021. 20: 195-196. https://doi.org/10.1002/wps.20846.

Opioid use disorder in the United States

In the US, there has been a marked increase in drug overdoses. According to the Centers for Disease Control & Prevention (CDC), more than 100,000 people are predicted to have died from drug overdose in the 12-month period ended September 2021, with 78,388 of these deaths attributed to opioids.[2]

The majority of opioid-related overdose deaths in the US are the result of synthetic opioids (mainly fentanyl and illicit fentanyl analogs). Synthetic opioids are more potent than heroin and can unexpectedly cause respiratory depression by being ingested as a substitute for heroin or with drugs such as prescription opioids, cocaine, methamphetamine or nonopioids with sedative or hypnotic properties (e.g., benzodiazepines, gabapentin, and xylazine)[3,4,5,6]

Against the context of the concerning and dramatic rise in deaths from opioid overdose[3], Indivior is doing more to understand the interaction between fentanyl and buprenorphine. Data published in a peer-reviewed journal indicates that sustained high-plasma concentrations of buprenorphine reduced fentanyl-induced respiratory depression in opioid-tolerant participants during a recent study.

The unprecedented magnitude and dynamic nature of the global SUD crisis worsened by the COVID-19 pandemic requires evidence that comprehensive treatment strategies lead to better outcomes.

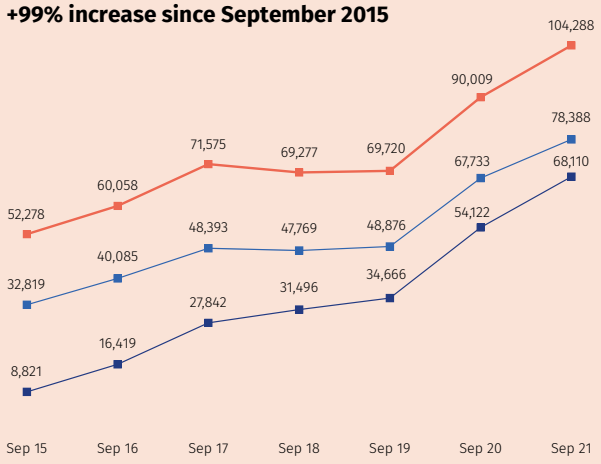
This is why, more than ever, we are focused on patients suffering from SUD and serious mental disease.

Increased drug overdoses in the U.S.

104,288 drug overdose deaths

Predicted drug overdose deaths in the 12-month period ending September 2021

+99% increase since September 2015



Total drug overdose deaths
+99%
increase since September 2015

Opioid overdose deaths
+138%
increase since September 2015

Synthetic opioid overdose deaths such as fentanyl
+672%
increase since September 2015

Source: Centers for Disease Control and Prevention. Vital Statistics Rapid Release: Provisional Drug Overdose Death Counts (updated 2/6/2022)

It's what drives us to do what we do

Purpose

Indivior's purpose is to pioneer life-transforming treatment

Vision

Indivior's vision is that the millions of people across the globe suffering from substance use disorders and serious mental illness have access to evidence-based treatment to change lives

Mission

Indivior's mission is to be the global leader who is a pioneer in developing innovative prescription treatments for people suffering from substance use disorders and mental disease

Commitment

Indivior commits to maintaining a robust and responsible business approach at all times

4. Dolinak, D, et al. Opioid Toxicity. Acad Forensic Pathol. 2017; (1): 19-35. doi: 10.23907/2017.003
5. Ochalek TA, Parker MA, Higgings ST, et al. Fentanyl exposure among patients seeking opioids treatments. J Subst Abuse Treat 2019; 96: 23-25. doi: 10.1016/j.jsat.2018.10.007
6. O'Donnell J, Tanz LJ, Gladden RM, Davis NL, Bitting J. Trends in and Characteristics of Drug Overdose Deaths Involving Illicitly Manufactured Fentanyls — United States, 2019–2020. MMWR Morb Mortal Wkly Rep 2021;70:1740-1746. DOI: DOI: http://dx.doi.org/10.15585/mmwr.mm7050e3

WE DO.

Indivior's foundation is built on our guiding principles, which puts our purpose into action.

We foster a culture of integrity and commit ourselves to high standards of governance. We believe our long-term success is directly linked to operating in a responsible way and in a way that minimizes our impact on the environment. We are proud of the work we have done and remain resolutely focused on continuing to reduce barriers to access and to develop new, innovative treatments for patients. We have a clear multi-year strategy in place to drive towards these goals, which we are confident will create sustainable, long-term results for all of our stakeholders.

We have a range of policies, processes, resources, and relationships to ensure the responsible management of our business. In practice, we address these aspects of our business by focusing on not only the environment and climate change, but also patient safety and product quality, business conduct, workforce, communities, and advocacy.

OUR PURPOSE IN ACTION

A patient story
See page 8

An employee perspective
See page 16

Indivior's global presence

As a global pharmaceutical company working to help change patients' lives by pioneering life-transforming treatments for addiction, including opioid use disorder and other serious mental illnesses, Indivior strives to increase access around the world to our evidence-based portfolio of medical therapies.

SUBLOCADE® is the first long-acting buprenorphine-based injectable approved by the US Food and Drug Administration (FDA) for the treatment of moderate to severe OUD.[1] Our proprietary RECOVER™ Study examines long-term recovery in individuals with moderate to severe opioid use disorder (OUD) following their transition from SUBLOCADE® into a real-world setting.[2,3]

Administration of monthly subcutaneous (SC) injections of SUBLOCADE only by a healthcare professional also eliminates the risk of missing daily doses that might result in subtherapeutic plasma levels, potentially leading to relapse to opioid-seeking and opioid-taking behaviors. Finally, because SUBLOCADE may only be administered by a healthcare professional, it is expected to negate any potential for diversion or misuse.

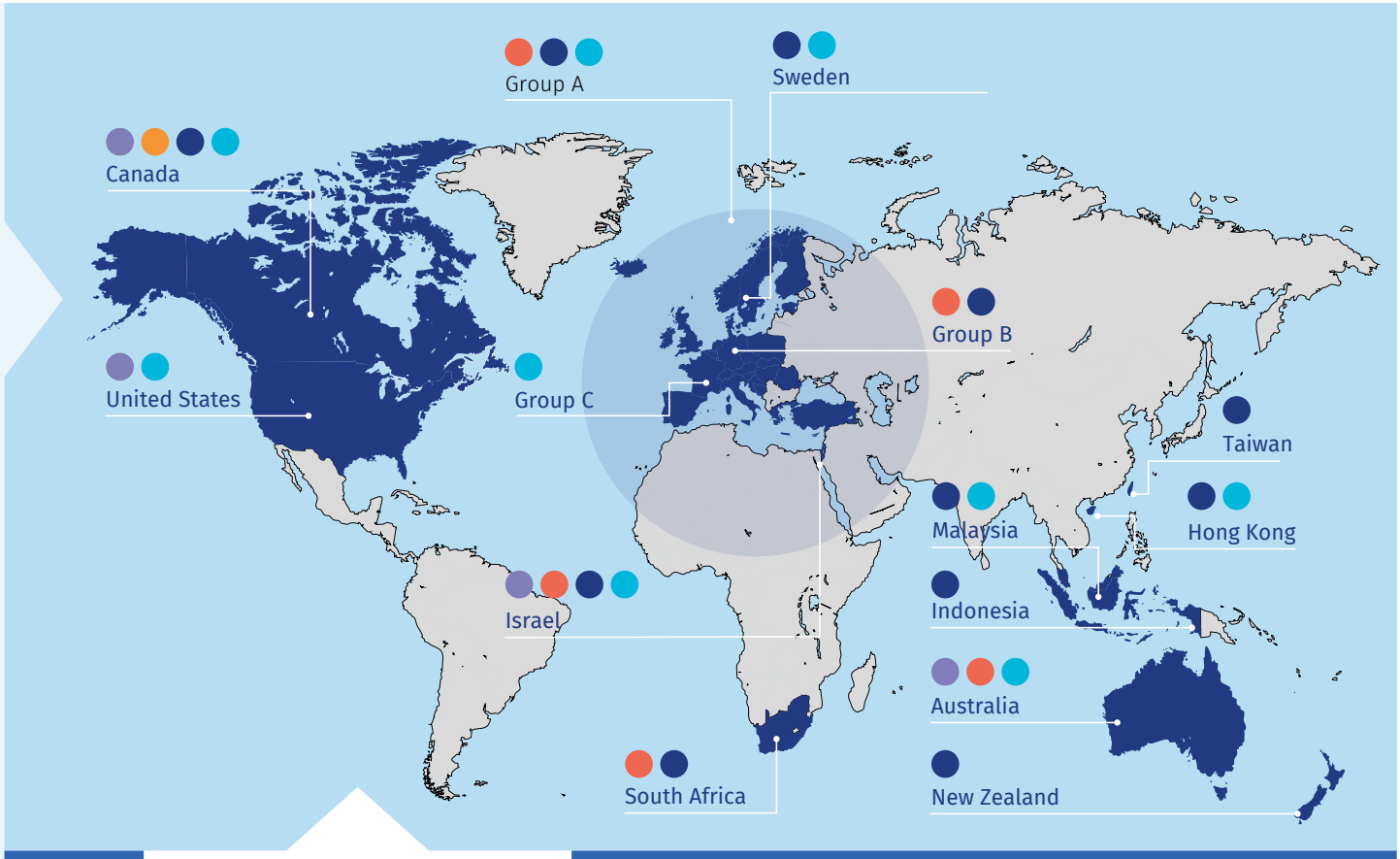
SUBOXONE® (buprenorphine and naloxone) Sublingual film (CIII) is also available in the US and some European countries for the treatment of OUD.[4] SUBOXONE Tablet is available in some European as well as Asian and African countries for the treatment of OUD, as is SUBUTEX® (buprenorphine hydrochloride) Tablet.

PERSERIS® is the first once-monthly subcutaneous extended-release injectable suspension of risperidone, indicated for the treatment of schizophrenia in adults[5], available in the US.

1. SUBLOCADE® prescribing information. North Chesterfield, VA: Indivior Inc; 2021. Retrieved from: https://www.sublocade.com.
2. Ling, W., Nadipelli, VR, Solem, CT, Chilcoat, H, Bickel, W. Characterizing Patient Outcomes After Treatment: Results of the RECOVER 24-month Observational Study. Presented at CPDD 2020 Virtual Meeting, June 22-24, 2020.
3. Struggling with recovery from opioid use disorder: Who is at risk during COVID-19? Keith D.R., Tegge A.N., Stein J.S., Athamneh L.N., Craft W.H., Chilcoat H.D., Le Moigne A., DeVeaugh-Geiss A., Nadipelli V.R., Solem C., Albright V., and Bickel W.K.
4. SUBOXONE® prescribing information. North Chesterfield, VA: Indivior Inc; 2021. Retrieved from: https://www.suboxone.com.
5. PERSERIS® prescribing information. North Chesterfield, VA: Indivior Inc; 2021. Retrieved from: https://www.perserishcp.com

Further information

View our website,
www.indivior.com



- SUBLOCADE Injection
- PERSERIS Injection
- SUBUTEX Tablet
- SUBOXONE Tablet
- SUBOXONE Film

Group A – Denmark, Finland, Germany, Italy, Norway and United Kingdom.

Group B – Belgium, Croatia, Czech Republic, France, Ireland, Luxembourg, Malta, Portugal and Switzerland.

Group C – Austria, Bosnia & Herzegovina, Cyprus, Estonia, Hungary, Iceland, Latvia, Lithuania, Lebanon, The Netherlands, Slovakia, Spain and Turkey.

Global presence based on countries where Indivior has a license and markets the product (January 2022).

Our culture, driven by our Guiding Principles, puts our purpose in action. But we have more to do to achieve our vision.

Our Guiding Principles

- Focus on patient needs to drive decisions
- Believe that people's actions are well intended
- See it, Own it, Make it happen
- Seek the wisdom of the team
- Care enough to coach
- Demonstrate honesty and integrity at all times

Graham Hetherington
Chair

IN MY FIRST FULL YEAR AS CHAIR OF INDIVIOR, I AM PLEASED TO REPORT SIGNIFICANT PROGRESS ON OUR COMMITMENT TO CREATE VALUE FOR ALL SHAREHOLDERS.

In 2021, Indivior delivered across its four Strategic Priorities. We also welcomed four new non-executive directors which broadened and strengthened the Board's skills and expertise. We enter 2022 united behind Indivior's clear strategy towards the treatment of addiction while generating sustained value for shareholders.

Our focus is on actively driving Indivior towards its potential. The opportunity for Indivior to make a sustained difference has never been greater, with overdose deaths in the US, mainly due to opioids, at record levels and with concerning escalation in misuse of other substances.

The Board remains committed to the relentless pursuit of the top strategic priority which is the growth of SUBLOCADE towards its peak net revenue goal of $1 billion plus. With SUBLOCADE, Indivior has a unique opportunity to make a major contribution to alleviating the enormous societal problems caused by the opioid epidemic and we are generating an increasing amount of scientific evidence to support this.

Success with SUBLOCADE is also the biggest potential driver of value creation and facilitator of other strategic options, including diversification of sources of revenue and building and advancing our pipeline for future growth. These three strategic growth priorities,

combined with our fourth long-term strategic priority of optimizing our operating model and financial discipline, continue to be actively managed by the Board in partnership with Mark Crossley and his team. Mark, in his Chief Executive Officer's review, outlines the actions and results from 2021.

In 2021, the Board broadened its range of expertise by adding experienced specialty pharmaceutical and financial leaders as non-executives. We welcomed Joanna Le Couilliard, previously at GSK, who brings extensive experience of transforming commercial models in the sector, and Mark Stejbach, previously at Alkermes, with first-hand experience of growing novel treatments targeting substance use disorders. Jo and Mark complement the wide-ranging contribution from Lorna Parker and the existing disease space expertise from Tom McLellan and sector experience with Peter Bains and Dan Phelan.

We also expanded the Board's financial and capital markets skills by adding Juliet Thompson, a FTSE 250 audit chair and former investment banker with sector experience, and Jerome Lande, a partner at Scopia Capital Management, our largest shareholder, with extensive investment experience in the sector.

In 2021, the Board evaluated and partnered with management to ensure balanced capital allocation towards delivering shareholder value including balancing reinvestment in growth and returning excess capital to shareholders. In 2021, a strong balance sheet and more positive cashflow, in part, due to the resilience of the SUBOXONE Film business, allowed us to announce and complete a $100 million share repurchase program. Going forward, our capital allocation priority will continue to be focused on creating shareholder value, including reinvestment for growth.

We continued to progress on our outstanding legal matters, and were able to resolve some matters in 2021. We will continue to progress on our legal matters and proceedings (as discussed on pages 43 to 46), with appropriate disclosure continuing to be made through normal channels in 2022, with these matters in the background for the Group.

In 2022, we will remain unwavering in our focus on our Strategic Priorities as well as ensuring good corporate governance and compliance to create value for stakeholders.

> **The Board remains committed to the relentless pursuit of the top strategic priority which is the growth of SUBLOCADE® towards its peak net revenue goal of $1 billion plus.**

The Board has been considering Indivior's optimal listing structure, including a secondary listing in the US. In February 2022, we announced our intention to consult extensively before deciding whether to put a formal resolution to shareholders. We believe this could allow us to tap into a deeper pool of biopharma investors in the US, to align investment interest in the Group with its largest geographical area of opportunity, and to greater visibility, and subsequently, greater value appreciation over time. More information on this initiative will be forthcoming as we undertake our consultation with shareholders.

The Board recognizes the importance of Environmental, Social & Governance ("ESG") matters to our stakeholders. We have invested in the development of our ESG framework to measure our progress against specific goals and to hold ourselves to account. The Board will be actively engaged with management to monitor progress in the year ahead.

The Board is fully committed to the highest standards of corporate governance, compliance, and integrity. We are acutely aware of the need to form a representative Board reflecting the diversity of society in all its forms and we are working towards that goal at Board level. This is supported by the wide-ranging diversity and inclusion initiative which continues to be developed within the organization. I am pleased that Indivior continues to meet the standards required by the agreements we signed with the US Government in 2020.

My Board colleagues join me in looking forward to another year of progress in changing patients' lives with treatments for substance use disorders and serious mental illness and, with it to create value for all shareholders.

Graham Hetherington
Chair

IMAGINE

… a better world where access to treatments and recovery is a reality for all patients

WE DO.

Emily's story

Emily remembers being a straight-A student and planning to go to college. She imagined becoming a mother and having a happy life. Today, she is the mother of two sons and considers herself happy. But she never imagined that opioid use disorder would lead her through a challenging 20-year journey to achieve these goals.

Her plans changed when she became pregnant while in high school. When her first son was born, she suffered from postpartum depression and shortly afterward had her wisdom teeth removed. She began taking medication to relieve the pain. It made her feel great, and soon she found herself taking more and hiding her disease from family and friends. When she was 21 years old, she overdosed for the first time.

Emily entered a rehabilitation program, but she relapsed a year later. She recalls how awful she felt during withdrawal. Feeling very low, she began using prescription opioids again and realized she had a serious problem.

"I was taking anything I could find," Emily remembers. "I ran out of money too quickly. I was also running out of food."

With the support of her mother, in 2008, Emily began a therapy regimen that included medication assisted treatment. Emily learned about a new buprenorphine long-acting injectable medication.

"SUBLOCADE had just come out," Emily recalls. "I did extensive research and realized it might be what I needed. I spoke to my doctor about it and together we decided that I should start this new treatment. I was a little scared at first, but it turned out fine, and I was relieved I had no cravings."

Over time, Emily's therapy regimen of a monthly subcutaneous injection and regular sessions with a psychologist have helped her feel like she has better control of her life. She says her eldest son is proud of her, and she feels more engaged with her youngest son.

"It was one of the best moves I ever made," she said about the decision to begin her current therapy regimen. "I feel good. It's nice to be thinking of other things than taking a medicine every day."

Now 39 years old, Emily's priorities have changed. She has gone back to school with the goal of becoming an addiction specialist to help others who struggle with opioid use disorder.

"I tell people not to hesitate to get help," Emily said. "The journey is not going to be easy. You must be willing to give it a try. I wasn't ready when I was younger. Now I want to help others who struggle with the cycle of addiction."

Results may vary
SUBLOCADE (buprenorphine extended-release) injection for subcutaneous use (CIII) is indicated for the treatment of moderate to severe opioid use disorder in patients who have initiated treatment with a transmucosal buprenorphine-containing product, followed by dose adjustment for a minimum of 7 days.

SUBLOCADE should be used as part of a complete treatment plan that includes counseling and psychosocial support.

Warning: risk of serious harm or death with intravenous administration; SUBLOCADE risk evaluation and mitigation strategy

- Serious harm or death could result if administered intravenously. SUBLOCADE forms a solid mass upon contact with body fluids and may cause occlusion, local tissue damage, and thrombo-embolic events, including life threatening pulmonary emboli, if administered intravenously.
- Because of the risk of serious harm or death that could result from intravenous self-administration, SUBLOCADE is only available through a restricted program called the SUBLOCADE REMS Program. Healthcare settings and pharmacies that order and dispense SUBLOCADE must be certified in this program and comply with the REMS requirements.

Taking other opioid medicines, benzodiazepines, alcohol, or other central nervous system depressants (including street drugs) while on SUBLOCADE can cause severe drowsiness, decreased awareness, breathing problems, coma, and death.

SUBLOCADE contains the opioid buprenorphine, a controlled substance that can be abused in a manner similar to other opioids. Naloxone, a medicine available to patients for emergency treatment of an opioid overdose may be prescribed when initiating or renewing SUBLOCADE treatment, because patients being treated for opioid use disorder have the potential for relapse, putting them at risk for opioid overdose.

For further information

about SUBLOCADE, the full US Prescribing Information, including BOXED WARNING, and the Medication Guide, visit sublocade.com.

The journey is not going to be easy. You must be willing to give it a try. I wasn't ready when I was younger. Now I want to help others who struggle with the cycle of addiction.

Emily
US patient

Mark Crossley
Chief Executive Officer

I AM DELIGHTED TO REPORT THAT 2021 WAS A YEAR OF REAL PROGRESS IN POSITIONING INDIVIOR FOR LONG-TERM SUSTAINABLE GROWTH AND SHAREHOLDER VALUE CREATION.

Today, Indivior is a stronger company with a brighter future. The fact that so much was achieved against the backdrop of the continuing COVID-19 pandemic speaks to the commitment of our people: their passion for and focus on delivering for patients is truly humbling. Indeed, never have our purpose – to deliver pioneering life-transforming treatments – and our patient-centered vision been more critical and relevant as, tragically, the need for our treatments has never been more urgent.

2021 saw Indivior execute strongly against our four Strategic Priorities:

1. Grow SUBLOCADE® to >$1 billion of Net Revenue

2. Diversify Revenue

3. Build our Pipeline for Future Growth

4. Optimize our Operating Model

Delivering against these priorities helped Indivior achieve renewed profitable growth and, importantly, continued financial strength and resilience. Compared to the previous year, net revenue grew by 22% to $791 million and adjusted net income increased 137% to $140 million. Cash flow from operations was $395 million and the year-end cash position was $1.1 billion.

Our strong financial performance and robust balance sheet allowed us to accelerate important elements of our strategy. We invested to build on our leadership position in global addiction treatment while also returning $100 million to shareholders through a share repurchase program.

We saw significant accomplishments across each of our Strategic Priorities and plan to build this success moving forward to create a more valuable and sustainable company.

> **The fact that so much was achieved against the backdrop of the continuing COVID-19 pandemic speaks to the commitment of our people.**

1 Grow SUBLOCADE to >$1 billion of Net Revenue

This remains our most important Strategic Priority because success here unlocks opportunities to reinvest and advance the others. In 2021, we delivered SUBLOCADE net revenue of $244 million, an increase of 88% compared to 2020. This was a good result considering the challenging market environment we faced due to COVID-19 restrictions. Our team generated consistent net revenue growth through 2021 and we ended the year with approximately 49,000 patients.

With these strong results we are about a quarter of the way to meeting our peak annual net revenue and 180,000 patient goal. Looking ahead, we will continue to focus on our successful strategy to expand SUBLOCADE's availability across Organized Health Systems (OHS) in the U.S. These larger care systems cover the majority of the approximately 3 million[1] opioid use disorder (OUD) patients in the U.S. and continue to gain influence due to consolidation in the healthcare market. Our now established capability in working with OHS clients is becoming a distinct competitive advantage and we are continuing to increase strategic investment to enhance our reach and capabilities in this important channel.

We are targeting to activate over 500 priority OHS customers, and at the end of 2021, we had agreements in place with over 400. We are also exploring opportunities within the criminal justice system, an OHS sub-channel. This is an important patient setting where daily treatment can be sub optimal given the inherent restrictions. SUBLOCADE offers a treatment avenue that meets the unique needs of the criminal justice system, including once-monthly dosing and a closed distribution system. As approximately 65%[2] of all currently incarcerated individuals meet the criteria for substance use disorder, often for non-violent offenses, it presents an important opportunity to expand the treatment population for SUBLOCADE. We are accelerating our progress in this channel with a dedicated team of 21 people focused on opening access to major correction customers.

The science behind SUBLOCADE is unique and powerful, and we are investing further to differentiate it from other existing treatments. 2021 saw continued momentum in this area with 17 peer-reviewed articles and an updated label including results from our study on buprenorphine interaction with fentanyl.

New studies we are initiating in 2022 are designed to build on the strong evidence base we have already established to ensure SUBLOCADE remains relevant to market trends we are observing. We want to remain a leading voice and empirical data generator in the fight against a disease epidemic that continues to rage, killing over 76,000[3] in the US alone in the last year. This is a 24% increase over the previous year.

We look forward to another year of growth for SUBLOCADE. In 2022, we expect net revenue to increase to a range of $360 million to $400 million. At the mid-point, this would represent an increase of 56% compared to 2021 and approaching 40% of our peak annual net revenue target of >$1 billion.

2
Diversify Revenue

In 2021, we made progress toward our goal of establishing a more diversified revenue base. Twin efforts are underway to broaden both our treatment and geographic opportunities within our current portfolio.

PERSERIS (risperidone) is our long-acting risperidone injectable treatment for schizophrenia in adults. 2021 net revenue for this product increased by 21% to $17 million. Our net revenue has been impacted by COVID-19 as it both limited our ability both to access the US healthcare system and expand beyond our "pilot" sales force of 50 sales representatives at launch. However, the differentiated product profile of PERSERIS is increasingly being recognized by treating physicians who have trialed the product. Among healthcare providers in the US who prescribed PERSERIS, the once-monthly risperidone long-acting injectable was listed as the first- or second-line preference 20%[4] of the time. This has given us the confidence to increase our investment in distributing PERSERIS by doubling its sales force in 2022.

Our peak net revenue goal of $200 to $300 million is predicated on operationalizing a national sales force. In 2022, we expect the net revenue range for PERSERIS to be $27 to $32 million. This performance range reflects the uncertain timing between hiring, training, and reaching full effectiveness of our expanded sales force and the pace at which access to the healthcare system reopens. We are planning for meaningful net revenue acceleration to begin in 2023.

Our other diversification goal is to return our ex-US markets to growth after the modest declines we have seen over recent years, excluding any currency benefits. We are pleased to have introduced to targeted geographies two new treatments, SUBLOCADE (SUBUTEX PR in some territories) and SUBOXONE (buprenorphine and naloxone) Film, to power our growth aspirations outside the US

In 2021, ex-US SUBLOCADE net revenue was $16 million from Australia, Canada, and Israel. With approvals now in place in 10 countries at the end of 2021, we plan to build on this progress in 2022 as market reimbursement is finalized. SUBOXONE Film is now approved in Canada, the European Union, and the United Kingdom. Adoption of SUBOXONE Film has been adversely impacted by COVID-19 healthcare restrictions during 2021, particularly in the European Union. Our marketing efforts will continue to flex with the evolving COVID-19 restrictions in these countries.

> **The science behind SUBLOCADE is unique and powerful, and we are investing further to differentiate it from other existing treatments.**

3
Build and advance our Pipeline for Future Growth

Our research and development activities are focused on building on our leadership position in the treatment of addiction. Through three active partnerships, we are investing to advance research into molecules that address alcohol use disorder (AUD), opioid use disorder (OUD) and cannabis-related disorders (CrD).

The most advanced program is the strategic collaboration we formed with France-based Aelis Farma ("Aelis") in June 2021. This gives the Group an exclusive option for AEF0117, a first-in-class synthetic CB1 specific signaling inhibitor designed to treat cannabis-related disorders. The molecule is in late-stage development – Phase 2B studies have started – and would, if approved, address the growing need for treatments targeting cannabis-related dependency and psychosis. (CrD) instances are increasing in the US, where regulation of marijuana has relaxed (18 states[5] now permit recreational use), while THC levels within marijuana have dramatically increased.

Over 48 million[6] people used marijuana in the US in 2019 and 4.8 million[6] people had a CrD during the same period. There are no FDA-approved medications for cannabis-related disorders, which is concerning. AEF0117 is the most advanced new chemical entity under investigation and potentially represents a unique opportunity to address a growing public health need. Our confidence in Aelis is demonstrated by a direct equity investment that we believe has potential upside for shareholders as Aelis progresses its pipeline.

We also have established partnerships for earlier-stage assets that have continued to advance. INDV-2000 (Selective Orexin-1 Receptor Antagonist), a non-opioid treatment for moderate to severe opioid use disorder, being developed in partnership with C4X Discovery, is in Phase 1. A final Clinical Study Report for a Single Ascending Dose (SAD) was completed and demonstrated good safety and pharmacokinetics in healthy volunteers. A Multiple Ascending Dose (MAD) study is now being planned and scheduled for the second half of 2022.

INDV-1000 (Selective GABAb Positive Allosteric Modulator), for treatment of alcohol use disorder, being developed in partnership with ADDEX therapeutics, is pre clinical, with the lead identification and optimization program continuing. We expect to enter lead molecules and back-up molecules into the optimization phase in 2022.

We continue to search actively for promising new molecules that could enhance our addiction treatment franchise. We expect to acquire and invest in additional early- or late-stage assets at an appropriate stage of value inflection and after thorough evaluation by our science, strategy and regulatory teams.

4
Optimize our Operating Model and Financial Discipline

Underpinning our success is our unwavering focus on fiscal prudence and operational rigor. Our discipline ensures we maintain a capital position that can support the growth of the business and deliver on our net revenue goals for both SUBLOCADE and PERSERIS, as well as outstanding obligations to the US Government.

In 2021, we solidified our capital structure with a new $250 million replacement term loan, due June 2026. This new financing provides greater flexibility by removing the leverage covenant and lower mandatory principal payments.

With our capital structure set and the business generating positive cash flow from operations, we were able to fund a share repurchase of $100 million. As we move forward, we will continue to evaluate capital allocation prudently, with prioritization toward mechanisms to deliver shareholder value including but not limited to reinvestment across our Strategic Priorities.

In 2021, we progressed on our outstanding legal matters by resolving some matters. Progress on our legal matters and proceedings (as discussed on page 43 to 46) remains an important component of this strategic pillar.

> **We continue to search actively for promising new molecules that could enhance our addiction treatment franchise.**

Environmental, Social and Governance (ESG)

We are pleased to report good progress in developing a measurable and accountable ESG program for the Group (see the 'Responsibility' section on pages 30 to 37). To support our efforts, we have formed an ESG Committee that will report directly to the Board and the Remuneration Committee has committed to including ESG metrics in the Group's annual and/or Long-Term Incentive Plans in 2023.

We have continued to build upon our diversity and inclusion initiative, which we launched in 2020, and will leverage the feedback from our global employee base and work with third-party experts to ensure we are focusing our resources in the most impactful areas. We have a clear path forward and look forward to reporting our continued progress in 2022 and beyond.

> **Our Strategic Priorities are clear; we are relentlessly focused on improving execution and demonstrating progress.**

Compliance & Integrity

2021 was the first full year of operating within the terms of three agreements as part of Indivior's 2020 US Government Resolution. Through our discipline, focus and ongoing commitment to being a compliant Company, we believe we have successfully met all of the commitments and external reporting requirements agreed with the US Department of Justice, US Office of Inspector General and US Federal Trade Commission. Our commitment to excellence in meeting these obligations is testament to our strong culture and engagement at all levels to embed an effective Global Integrity & Compliance Program at Indivior. We measure our culture of integrity and compliance annually via an independent and benchmarked survey of our global workforce conducted by Ethisphere. With continued above-benchmark results across all pillars measured, and strong year-on-year progress, we will look to build further on these achievements in 2022.

In conclusion, we enter 2022 with renewed confidence. Our Strategic Priorities are clear; we are relentlessly focused on improving execution and demonstrating progress. Crucially, we have the people and the financial resources to deliver on our commitments. I would like to thank our employees for their tireless work to move Indivior forward every day and our Board for their ongoing wisdom, partnership and support.

Mark Crossley
Chief Executive Officer

1. Symphony Health Analytica and Indivior analytics
2. National Institute on Drug Abuse: Criminal Justice DrugFacts: https://nida.nih.gov/publications/drugfacts/criminal-justice
3. Source (updated 1/28/2021): Products – Vital Statistics Rapid Release – Provisional Predicted Drug Overdose Data (cdc.gov)
4. Q1 2021 HCP Attitudes, Trial, and Usage (ATU) study (quant), amongst HCPs aware of PERSERIS, n=100
5. Alaska, Arizona, California, Colorado, Connecticut, Illinois, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, New Mexico, New York, Oregon, Vermont, Virginia, and Washington. Includes states that have passed legislation to legalize but the law has not yet gone into effect.
6. Substance Abuse and Mental Health Services Administration. (2020). Key substance use and mental health indicators in the United States: Results from the 2019 National Survey on Drug Use and Health (HHS Publication No. PEP20-07-01-001, NSDUH Series H-55). Rockville, MD: Center for Behavioral Health Statistics and Quality, Substance Abuse and Mental Health Services Administration. Retrieved from https://www.samhsa.gov/data/

OUR STRATEGIC PRIORITIES

Indivior's Strategic Priorities provide a clear roadmap against which the Group and key stakeholders measure its overall strategic progress. Collectively, they comprise the value creation foundation upon which the Group continues to build. In 2021, the Group continued to make clear progress against each one of its Strategic Priorities.

1. GROW SUBLOCADE >$1 BILLION

PROGRESS

- FY 2021 net revenue of $244 million increased 88% versus FY 2020.
- The number of SUBLOCADE patients at the end of 2021 was approximately 49,000[1], an increase of 69% versus approximately 29,000 at the end FY 2020.
- The Group had agreements in place with over 400 Organized Health Systems at the end 2021, progressing toward its target of 500+.

2. DIVERSIFY REVENUE

PROGRESS

- FY 2021 PERSERIS net revenue of $17 million increased 21% versus FY 2020; the Group is doubling the US salesforce to approximately 100 professionals to accelerate progress toward achieving its annual net revenue goal of $200 to $300 million.
- Regulatory approval of SUBLOCADE (SUBUTEX Prolonged Release) outside of the US has now been granted in 10 countries. 2021 approvals include Norway, Germany and Italy. Prior approvals include Canada, Australia, New Zealand, Israel, Sweden, Finland and Denmark. The treatment has been launched in Canada, Australia and Israel.
- Regulatory approval of SUBOXONE Film outside of the US in 2021 was granted in New Zealand, Qatar, and United Arab Emirates. Prior approvals include Australia, Canada, Israel, all EU Member States and the UK, Iceland, Norway, and Liechtenstein.

3. BUILD OUR PIPELINE

PROGRESS

- SUBLOCADE label updated to include relevant fentanyl pharmacodynamic study (FDA approved); the label update was based on the outcome of an open-label, cross-over study showing that treatment-relevant concentrations of buprenorphine significantly decreased respiratory depression and resultant apnea (cessation of breathing) induced by escalating doses of fentanyl.
- Acquired an exclusive option to Aelis Farma's lead compound (AEF 0117) for Cannabis Use Disorder and Cannabis Induced Psychosis; Phase 2b study expected to commence in Q1 2022.
- Early-stage assets:
  - INDV – 1000 (w/ADDEX Therapeutics Ltd) lead optimization of GABA-B positive allosteric modulator for Alcohol Use Disorder led to advancement of the ongoing characterization of two lead molecules.
  - INDV – 2000 (w/ C4X Discovery) – completed Phase 1 of a Non-Opioid, Highly-Selective Orexin-1 Receptor Antagonist single ascending dose (SAD) study and pursued drug substance and drug product development work.

4. OPTIMIZE OUR OPERATING MODEL

PROGRESS

- $1.1 billion of cash at the end of FY 2021 (net cash of $853 million).
- Completed term loan replacement providing the Group greater flexibility by extending the maturity (June 2026) and removing the leverage covenant.
- Completed $100 million share repurchase program; 33.8 million shares were repurchased at an average weighted price of 219p.
- Completed sale of TEMGESIC/ BUPREX/ BUPREXX (buprenorphine) analgesic business for approximately $21 million of cash.

1. Rolling 12-month patients estimate using both Specialty Pharmacy and Specialty Distributor proxy data.

IMAGINE

...removing the stigma of addiction and serious mental illnesses

WE DO.

Our teams work tirelessly to support the patient journey to treatment, enable access to effective treatment, and provide new scientific understanding and knowledge to the treatment community.

24 million people

diagnosed with schizophrenia globally

Source: World Health Organization: Schizophrenia Fact Sheet. January 2022

We work to help change lives

Like many people who grow up with a family member who exhibits the symptoms of a serious mental illness, Alicia did not know just what to make of her brother's behavior when she was younger. It took a while for Alicia, her parents and three other siblings to realize her brother's symptoms of delusions and hallucinations were common for someone suffering from schizophrenia.

He was not accurately diagnosed with this mental illness until he was 22 years old.

"Many people are stigmatized by this brain disorder, and many people with schizophrenia are untreated for their illness," Alicia says. "My brother's situation really opened our family's eyes to how challenging it is to be properly diagnosed and treated for schizophrenia. It was very hard on our family, but even more difficult for my brother."

Alicia said her brother has been in countless mental health facilities and approximately eight different group homes during the past 10 years. He has engaged with many social workers and healthcare providers specializing in mental illness.

When Alicia joined Indivior in 2019, she realized it was an opportunity to not only help healthcare providers learn more about Indivior's treatment option for schizophrenia in adults in the US, but be in a stronger position to advocate for her brother.

Alicia is proud to work for Indivior where she can support efforts to help remove the stigma associated with serious mental illness and help provide access to treatment options for those suffering from schizophrenia. Schizophrenia is a chronic brain disorder and Alicia hopes one day her brother, with the right treatment plan, will experience a fulfilling and purpose-driven life.

My brother's situation really opened our family's eyes to how challenging it is to be properly diagnosed and treated for schizophrenia.

Alicia
Senior Clinical Specialist, Commercial

Christian Heidbreder
Chief Scientific Officer

OUR RESPONSE TO THE OPIOID CRISIS: NEW EVIDENCE GENERATION

In 2021, our Research & Development (R&D) organization supported SUBLOCADE for the treatment of opioid use disorder (OUD) through a broad range of lifecycle management studies. For example, a new US label update was approved by the FDA based on the outcome of an open-label, cross-over study showing that treatment-relevant plasma concentrations of buprenorphine significantly decreased respiratory depression and resultant apnea (cessation of breathing) induced by escalating doses of fentanyl.

We further pursued our collaboration with Virginia Polytechnic Institute and State University to extend our Remission from Chronic Opioid Use-Studying Environmental and Socio-Economic Factors on Recovery (RECOVER® long-term study) to provide a multidimensional (e.g., substance use, psychosocial and physiological outcomes, temporal reward preference) understanding of recovery from OUD at an average of 4.2 years post-participation in SUBLOCADE pivotal Phase 3 clinical trial. A pilot proof-of-concept study supported by our Externally Sponsored Studies (ESS) Program also showed that SUBLOCADE treatment was acceptable to most criminal justice-involved adult participants with OUD, making it a feasible option in the setting of a large jail opioid treatment program.[1] Another pilot study evaluating the effectiveness of SUBLOCADE in Veterans Health Administration (VHA) facilities for complex treatment-resistant patients with high mortality risk showed that retention with SUBLOCADE treatment was associated with a reduction in emergency department (ED) visits, days of hospitalization, non-prescribed opioid use, and homelessness.[2]

Regulatory approval of SUBLOCADE outside of the US has now been granted in 10 countries: Canada, Australia, New Zealand, Israel, Sweden, Finland, Denmark, Norway, Germany, and Italy.
In Canada, Alberta's government announced that it is the first province to fully cover the cost of SUBLOCADE[3]. In Australia, an open-label real-world community-based services study[4] led by researchers at the National Drug and Alcohol Research Centre (NDARC) showed that SUBLOCADE treatment led to declines in heroin use, non-prescribed opioid use, and injecting drug use. Improvements in quality of life, participation in employment, and treatment satisfaction measures were also observed.

> **A pilot proof-of-concept study supported by our Externally Sponsored Studies (ESS) Program also showed that SUBLOCADE treatment was acceptable to most criminal justice-involved adult participants with OUD.**

Expanding into the under-treated cannabis-related disorders

The United Nations recently estimated that roughly 200 million people had used cannabis in 2019, which represents 4% of the global population.[8] The number of cannabis users globally has increased by nearly 18% over the past decade.[9] In the US alone, there were nearly 50 million past-year cannabis users among people aged 12 or older in 2020.[10] Numerous studies have shown that there is a short- and long-term cerebral toxicity of cannabis, marked mainly by cognitive, addictive and psychotomimetic effects linked to the duration, frequency, dose, and age at onset of cannabis use.[11]

We expanded pipeline toward Cannabis Use Disorder (CUD) by entering into a strategic collaboration with Aelis Farma, a public biotechnology company based in Bordeaux, France. The collaboration includes an exclusive option and license agreement for the global rights to AEF0117, Aelis' first-in-class synthetic Signaling Specific inhibitor (SSi) engineered to inhibit the cannabinoid type 1 (CB1) receptor (CB1-SSi). In clinical Phase 1 and Phase 2A studies, AEF0117 showed promising safety, tolerability, and efficacy signals in subjects with CUD. A Phase 2B proof-of-concept study protocol that will be coordinated by Prof. Frances Levin at Columbia University is planned to start at the end of Q1-2022.

We geographically expanded our SUBOXONE film franchise by securing regulatory approvals in Canada, Israel, all EU Member States (+ UK, Iceland, Norway, and Liechtenstein), New Zealand, Qatar and United Arab Emirates. The review is ongoing in Kuwait, and the Kingdom of Saudi Arabia.

With the support of an NIH grant entitled *Clinical Evaluation of C4X3256, a Non-Opioid, Highly Selective Orexin-1 Receptor Antagonist for the Treatment of Opioid Use Disorder* we completed our Phase 1 INDV-2000-101 single ascending dose (SAD) study and pursued drug substance and drug product development work. Finally, our collaboration with Addex Therapeutics for the lead optimization of INDV-1000 (GABA-B positive allosteric modulator (PAM) for Alcohol Use Disorder (AUD) led to major achievements with the ongoing characterization of two lead molecules.

Imagining a better future for patients

According to the United Nations,[6] approximately 275 million people globally have used drugs in the past year. The burden of disease caused by drug use continues to increase. In the United States in 2019, 18 million years of healthy life were lost due to substance use disorder (SUD), and opioid use disorder (OUD) accounted for 70% of the total.[6] Unfortunately, the COVID-19 pandemic has intensified substance misuse: the decrease in health services, limited access to medical care and increased access to highly potent synthetic opioids such as fentanyl and illicit fentanyl analogs have been complemented by an increased supply of methamphetamine, resulting in more than 100,000 drug overdose deaths in the United States.[7]

The unprecedented magnitude and dynamic nature of the global SUD crisis worsened by the COVID-19 pandemic requires evidence that comprehensive treatment strategies lead to better outcomes that ultimately offset medical costs associated with SUD, and costs of incarceration, shelter, and welfare when these burdensome conditions are untreated. In 2021, our science was disseminated through 15 peer-reviewed publications and 37 conference presentations around the globe to further characterize the process of recovery, identify factors that promote or hinder treatment success, and develop new treatment strategies for SUD.

> **The burden of disease caused by drug use continues to increase.**

1. Lee JD et al. (2021) Comparison of treatment retention of adults with opioid addiction managed with extended-release buprenorphine vs daily sublingual buprenorphine-naloxone at time of release from jail. JAMA Netw Open, 4(9):e2123032. https://doi.org/10.1001/jamanetworkopen.2021.23032
2. Cotton AJ et al. (2021) Extended-release buprenorphine outcomes among treatment resistant veterans, Am J Drug Alcohol Abuse, 1-4, https://doi.org/10.1080/00952990.2021.1992773
3. https://www.alberta.ca/release.cfm?xID=80578125DD79B-F2C1-83AF-C359561FDF962FFE
4. Farrell M et al. (2022) Outcomes of a single-arm implementation trial of extended-release subcutaneous buprenorphine depot injections in people with opioid dependence. Int J Drug Policy, 100: 103492. https://doi.org/10.1016/j.drugpo.2021.103492
5. Substance Abuse and Mental Health Services Administration. (2021). Key substance use and mental health indicators in the United States: Results from the 2020 National Survey on Drug Use and Health (HHS Publication No. PEP21-07-01-003, NSDUH Series H-56). Rockville, MD: Center for Behavioral Health Statistics and Quality, Substance Abuse and Mental Health Services Administration.
6. World Drug Report 2021 (United Nations publication, Sales No. E.21.XI.8)
7. Centers for Disease Control and Prevention. Vital Statistics Rapid Release: Provisional Drug Overdose Data. Updated 2/6/2022
8. Global Overview: Drug Demand Drug Supply, World Drug Report, 2021, United Nations Office on Drugs and Crime. Retrieved from: https://www.unodc.org/res/wdr2021/field/WDR21_Booklet_2.pd
9. https://news.un.org/en/story/2021/06/1094672
10. Substance Abuse and Mental Health Services Administration. (2021). Key substance use and mental health indicators in the United States: Results from the 2020 National Survey on Drug Use and Health. Pg 2, column 1 (49.6, "nearly 50 million"); Pg 29, column 2 (14.2 million)
11. https://www.who.int/substance_abuse/publications/msbcannabis.pdf

OUR PIPELINE AND MARKETED PRODUCTS

Compound Name	Preclinical	Phase 1	Phase 2	Phase 3	Regulatory Approval or Review
Treatment for Substance Use Disorder INDV-1000[1] – GABA-B Positive Allosteric Modulator					
Treatment for Substance Use Disorder INDV-2000[2] – Selective Orexin-1 Receptor Antagonist					
Treatment for Cannabis Use Disorder AEF0117[3] – Synthetic Signaling Specific inhibitor (SSi) of the Cannabinoid Type 1 (CB1) Receptor					
Treatment for Opioid Use Disorder RBP-6000 – Buprenorphine XR Injection for Subcutaneous Use					
Treatment for Schizophrenia RBP-7000[4] – Risperidone XR Injection for Subcutaneous Use					
Treatment for Opioid Use Disorder Buprenorphine/Naloxone Sublingual Film					
Treatment for Opioid Use Disorder Buprenorphine/Naloxone Sublingual Tablet					
Treatment for Opioid Use Disorder Buprenorphine Sublingual Tablet					

1. Partnership with Addex Therapeutics
2. Partnership with C4X Discovery Holdings
3. Partnership with Aelis Farma
4. Partnership with HLS Therapeutics in Canada

INSPIRING PATIENT TRANSFORMATION

Our people, culture, expertise and insight, coupled with our innovative science and stakeholder relationships, uniquely position us to help address patients' unmet needs around the world.

Our assets

Highly skilled and knowledgeable people

Indivior has an able workforce and management team with a deep understanding of patient needs and a strong commitment to improving patient lives.

Culture

Based on a clearly defined set of Guiding Principles, Indivior's culture is a key competitive advantage enabling Indivior to drive strategic business growth and create social value.

Product portfolio

Indivior's product portfolio is focused on helping meet adult patient needs in addiction and schizophrenia.

Intellectual property

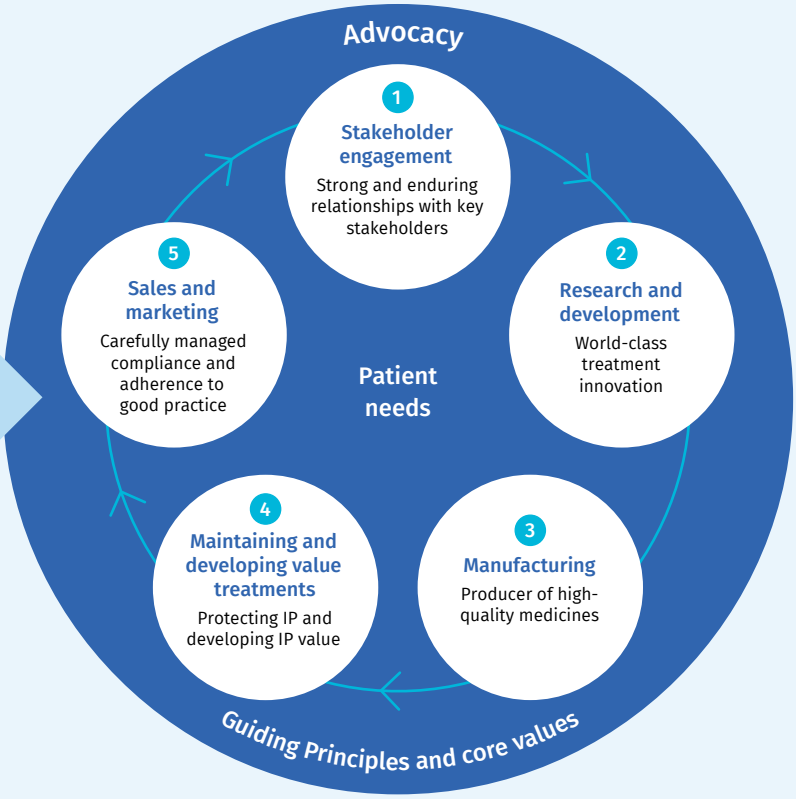
Indivior has a unique portfolio of licenses and patents which provide a platform for the creation of long-term value.

Financial capital

Indivior employs disciplined asset allocation with a focus on retaining a robust capital base to ensure flexibility in addressing legal matters, agility in managing unknown market impacts, and the ability to pursue identified growth opportunities.

How we generate value

The Group has been able to help address the global addiction crisis through the development and commercialization of buprenorphine medication-assisted treatments. By leveraging our capabilities, we are also now serving adult patients with schizophrenia which is a well-aligned adjacency for our business.



Advocacy

Indivior advocates to increase global understanding and awareness, destigmatize the disease and expand treatment access.

Meeting patient needs

Leveraging its deep understanding of patient needs, Indivior is committed to addressing the global addiction crisis by expanding the availability of its patient-focused treatments, including treatment access, while also leveraging its scientific expertise to develop novel treatments.

1

Stakeholder engagement

For more than 20 years, we have worked and engaged with policymakers, medical societies, patient advocacy groups, healthcare providers, payers and other stakeholders. These relationships provide Indivior with critical insights to develop and enhance its patient-focused business approach.

2

Research and development

Our aim is to advance treatment innovation by developing new patient-focused treatments, including enabling the Group to expand the scope of treatment it provides to help address addiction and the co-occurring disorders of addiction.

3

Manufacturing

Our aim is to improve the lives of patients through an uninterrupted supply of high-quality products.

4

Maintaining and developing the value of our treatments

Indivior has three main products. Two of these are opioid addiction treatments: SUBLOCADE, a buprenorphine extended-release injection for subcutaneous use (CIII), and SUBOXONE, a buprenorphine and naloxone sublingual film (CIII). Indivior's third treatment, PERSERIS (risperidone), addresses schizophrenia and is for extended-release injectable suspension. Indivior maintains the value of these treatments by protecting its intellectual property (IP) and developing IP value by obtaining further international licenses outside North America.

5

Sales and marketing

Our aim is to deliver high-quality products and accurate information, and maintain strong and credible relationships with customers and key stakeholders.

HOW WE ENGAGE WITH OUR STAKEHOLDERS

Regular engagement with our stakeholders is fundamental to developing and maintaining a robust, sustainable, and successful business model. Understanding the views and focus areas of our stakeholders helps inform our decisions and drive progress toward realizing Indivior's purpose, vision, and values.

Other relevant information can be found on the Company's website (www.indivior.com). The following table summarizes Indivior's key stakeholders and their areas of interest. It outlines how Indivior engages with each group and includes illustrative highlights of engagement activities during 2021. Indivior regularly reviews its understanding of each stakeholder group, their focus areas, and the team's efforts to identify further opportunities to strengthen and learn from these relationships.

Indivior employs experienced and qualified individuals to conduct its stakeholder engagement activities. These employees include members of the governance, investor relations, government, and communications teams, supported by external advisors.

Further information

Other relevant information can be found on the Group's website www.indivior.com

Treatment advocacy with government, healthcare professionals and community stakeholders

Indivior advocates on public policy issues that relate to opioid use disorder ("OUD") by engaging responsibly with public officials, policymakers and other stakeholders at all levels of government and with healthcare professionals and community stakeholders. In the US, Indivior's public policy priorities are focused on expanding treatment access, reducing barriers and promoting equitable access to medication for opioid use disorder ("MOUD").

Addressing access to treatment within the New York State criminal justice system

The US National Institute on Drug Abuse ("NIDA") estimates that around 65% of the population within the criminal justice system have a substance use disorder ("SUD"). However, only 5% of those who need treatment actually receive it. Until recently MOUD for persons with OUD was generally unavailable in criminal justice facilities.

Addressing the opioid crisis in the United States means addressing issues in criminal justice.

Indivior engaged its advocacy team in New York, to join patient and healthcare professional organizational allies in support of legislation mandating treatment of OUD within the New York State and local correctional institutions.

Following nearly a decade of debate, in 2021 members of the New York State legislature passed, and the Governor signed legislation mandating state prisons and local jails to provide MOUD to all incarcerated individuals suffering from OUD. Treatment was required to be consistent with the most current professional and medical standards, using individualized treatment plans and the FDA-approved medication the correctional healthcare professional and patient agree is best.

> **This legislation furthers an equitable and comprehensive public health approach to ensuring individuals have access to the care they need, when they need it, to aid in their recovery journey while incarcerated and upon re-entry into the community.**
>
> **Mark Crossley**
> **Chief Executive Officer**

The legislation, the most extensive of its kind in the country, also required New York State to develop and implement programs to transition persons receiving treatment for OUD in the correctional system into the community safely. Evidence shows that in the first weeks and months of release, individuals are 10 to 40 times more likely to die of an opioid overdose than the general population.

"This legislation furthers an equitable and comprehensive public health approach to ensuring individuals have access to the care they need, when they need it, to aid in their recovery journey while incarcerated and upon re-entry into the community," Mark Crossley, Chief Executive Officer.

Provision of resources to support the delivery of OUD patient care

Information for medical practitioners

The vision of the American Academy of Family Physicians (AAFP) is to transform health care to achieve optimal health for everyone. Their mission is to improve the health of patients, families, and communities by serving their needs with professionalism and creativity.

Family physicians throughout the US reported that there was a "gap" in what they need to know to care for patients with OUD. AAFP proposed a practice manual tailored to the family physician and Indivior was pleased to support this initiative through a grant. "Treating Opioid Use Disorder as a Chronic Relapsing Condition: A Practice Manual for Family Physicians" was published in February 2021.

Fourteen weeks after the manual was issued on the AAFP website, the Academy surveyed family physicians who had accessed it. When asked if they had used the information in the manual to screen for OUD, 50% responded "Yes." Of those who responded "Yes," 50% responded that they had used the manual "Often" for treating patients with OUD.

Information for patients, caregivers and families

Indivior's support for the AAFP project was preceded by the financial support the company provided to the US Addiction Policy Forum in 2020 to produce a guide about addiction treatment for patients, caregivers, and families.

> **Family physicians throughout the US reported that there was a "gap" in what they need to know to care for patients with OUD.**
>
> AAFP resource

"Navigating Addiction and Treatment: A Guide for Families" is a resource for family members who are navigating the complex world of OUD. It was created by the Addiction Policy Forum staff, with support from Indivior, in conjunction with an Expert Review Panel composed of prominent researchers and physicians in the addiction field.

The publication is free of charge to families throughout the US.

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires each Director of the Company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In this way, Section 172 requires a Director to have regard, among other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers, and others;
- impact of the Company's operations on local communities and the environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and the
- need to act fairly between members of the Company.

In discharging its section 172 duties, the Board has regularly considered the factors set out above and the views of key stakeholders. The Board acknowledges that some decisions will not necessarily result in a positive outcome for all our stakeholders. However, by considering the Company's Purpose, Mission, Vision, and Values and commitment to responsible business, together with its Strategic Priorities and having a process in place for decision-making, the Board aims to ensure that its decisions are in the best interests of the Company.

Further information regarding the principal activities and decisions taken by the Board during the year can be found in the section entitled "Principal Board decisions" on pages 68 to 70.

OUR STAKEHOLDER ENGAGEMENT

Patients and Healthcare Providers (HCPs)

Patient needs and the informational requirements of HCPs are fundamental to the success of the business

What matters to them

- Access to treatment
- Product safety, quality, and efficacy
- Accurate and up-to-date information about the Group's products

Why they matter to us

- Indivior's vision is that all patients around the world have access to evidence-based treatment for the chronic conditions and co-occurring disorders of addiction
- Indivior is committed to pioneering innovative and accessible treatments for addiction and its co-occurring disorders

How we engage

- Responsible and compliant sales and marketing activities
- Supporting regulatory and legislative developments intended to improve treatment access for patients and allow HCPs to care for more patients when they decide to seek help
- Regular dialog with representative patient groups
- Regular advocacy activity

2021 highlights

- Publication of Indivior-sponsored studies to advance the scientific understanding of addiction and the Group's products

See pages 8 & 16

These pages feature patient and employee stories

Workforce

Indivior has an experienced, passionate, and dedicated workforce, who are committed to the Group's vision and purpose

What matters to them

- A shared commitment to our vision and patients
- A diverse and inclusive workplace featuring flexibility, responsible business practice, and clear communication channels

Why they matter to us

- Indivior wishes to ensure that its workforce shares the common purpose of realizing Indivior's vision and embraces its culture, both of which are critical to its success
- Indivior believes that a diverse and inclusive workplace enables innovation and continuous improvement of quality

How we engage

- Annual Culture Surveys
- Regular "Town Hall" events hosted by senior management
- Dedicated Culture and Inclusion Champions Network
- Personal Development Reviews
- Regular training and development activity
- Engagement events with the Board
- Redesigned intranet

2021 highlights

- Regular "Town Hall" events hosted by senior management
- Redesigned Intranet, featuring internal and external news and feature content
- Workforce engagement event between the designated Non-Executive Director and Culture Inclusion Champions
- Diversity and inclusion training sessions for senior management held to accelerate development

See pages 32 to 34

This section provides further information about Indivior's workforce

Current & Potential Shareholders

Current and potential shareholders have an interest in the performance and long-term prospects of the business

What matters to them

- Effective value-adding strategy and business model
- Financial and share price performance
- Prudent cash management and effective risk management
- Governance, quality of leadership, and transparency
- Corporate responsibility performance

Why they matter to us

- The Board has fiduciary responsibilities to promote the long-term sustainable success of the Company
- Regular dialog and feedback between shareholders and the management team
- The investment community should fully understand Indivior's strategy, performance, earnings potential, and capital allocation priorities

How we engage

- Dedicated investor relations function
- Refreshed corporate website, including a distinct investor section
- Results presentations and regular engagement with major shareholders
- Participation in healthcare sector investor conferences
- Development of ESG strategy
- Frequent analyst consultations

2021 highlights

- Regular dialog between senior management and Company's major shareholders and analysts
- Quarterly public financial reporting and results presentations with the investment community
- Regular attendance at healthcare investor conferences

See pages 10 to 14

The Chief Executive Officer's review discusses the Group's performance in 2021 and Indivior's Strategic Priorities

Debt Holders

Access to capital is essential to maintaining a robust capital base and financial flexibility

What matters to them

- Financial stewardship and performance
- Compliance with debt agreement covenants
- Risk management effectiveness
- Governance and oversight

Why they matter to us

- Continued access to capital is vital to the long-term performance of the business, providing financial flexibility and liquidity
- The investment community should fully understand Indivior's strategy, performance, earnings potential, and capital allocation priorities

How we engage

- Dedicated investor relations function
- Refreshed corporate website, including a distinct investor section
- Results presentations and regular engagement with debt holders

2021 highlights

- Quarterly financial reporting
- Maintenance of debt ratings

See pages 47 to 56

The risk management section outlines Indivior's approach to managing its principal risks

Suppliers and Distributors

Indivior's supply chain is critical to the effective and continuous conduct of Indivior's day-to-day business activities

What matters to them

- Indivior's supply chain requirements and terms of business
- Contractual terms and payment timings
- Indivior's future development plans
- Tender process details

Why they matter to us

- Maintenance of product quality is essential
- Ensuring that Indivior's activities are supported by a reliable and effective supply chain

How we engage

- Indivior supply chain requirements, terms of business and audits
- Contractual terms and payment timings
- Indivior's future development goals
- Tender process details
- Communications and interactions with the relevant Indivior staff

2021 highlights

- Key suppliers are regularly considered as part of the ongoing assessment of business continuity risks
- Publication of the Supplier Code of Conduct

See www.indivior.com

The Supplier Code of Conduct is available to view on the Group's website

Communities

By working with community groups, including charities and patient advocacy groups, Indivior can amplify the need to address the addiction crisis and bring together patient support groups and networks

What matters to them

- Indivior's approach to the global addiction crisis
- Indivior's support for and work with patient advocacy groups, medical societies, NGOs, and charities that address people who are affected by addiction

Why they matter to us

- Indivior supports groups and charities that offer assistance to patients and families affected by addiction
- Indivior activities should not cause nuisance, pollution, or disruption
- A key business goal is to increase the scientific understanding of the disease space and our Vision that evidence-based treatments are available within wider stakeholder groups

How we engage

- Indivior's approach to the global addiction crisis
- Indivior's support for patient advocacy groups, medical societies, NGOs, and charities that address the needs of people affected by addiction

2021 highlights

- Ongoing cooperation with patient advocacy organizations and medical bodies to provide education on OUD and treatment options
- Continuation of the Indivior Volunteer Policy, which enables employees to take paid time off to engage in volunteering activities

See pages 24 and 31

Page 24 and page 31 set out further information regarding Indivior's approach to advocacy

Governing Bodies, Regulators, and Professional Advisors

Indivior works with governing bodies, regulators, and professional advisors to enable it to operate within the appropriate regulatory and legal requirements

What matters to them

- Maintaining the required quality of treatments delivered to patients
- Conducting all marketing and distribution activities responsibly and within applicable laws and regulations
- Ensuring that Indivior's wider activities are conducted within the law and applicable regulations

Why they matter to us

- Maintaining the Group's license to operate
- Indivior understands its obligations under laws and regulations

How we engage

- Regular reporting and communications about governance and regulatory matters
- Regular engagement with governments and regulators
- Supply of information about internal communications and training about compliance and regulatory matters

2021 highlights

- The Group believes that all requirements specified in the three separate agreements have been met, including the filing of all scheduled and ad hoc reports and notifications.
- Publication of the Supplier Code of Conduct

See page 35

Page 35 sets out further information regarding business conduct and compliance with the 2020 Resolution Agreement

Media

Stakeholders require up-to-date, timely, complete, and accurate information about Indivior

What matters to them

- Accurate and timely news and information about Indivior's activities
- Points of contact for further information and clarification

Why they matter to us

- Key stakeholder relationships are maintained through accurate and up-to-date news and information in the media

How we engage

- Accurate and timely news and information about Indivior's activities
- Dedicated points of contact for further information and clarification

2021 highlights

- Timely and regular news releases from the Group regarding all material aspects of its activities during the year
- Redesign of the Indivior.com website

See Indivior's website (www.indivior.com)

The redesigned website, launched in Q3 2021, includes a dedicated media section

EMBRACING INDIVIOR'S BUSINESS RESPONSIBILITIES

Indivior's culture is shaped by its Guiding Principles, which underpin our decision-making processes and provide a blueprint for all of Indivior's activities. This framework has also shaped Indivior's culture by driving its commitment to remove the stigma of addiction and shift its treatment into the delivery of mainstream medicine.

See Indivior's Business Model on pages 22 to 23.

Indivior addresses this aspect of its business by focusing on:

- Stakeholder engagement and advocacy
- Environment and climate change
- Patient safety and product quality
- Workforce matters
- Business conduct including its management of integrity and compliance matters

Steps to enhance Indivior's ESG approach

Indivior's management team recognizes the increasing stakeholder interest in its responsible business (or "ESG") approach and performance. Several steps have been taken and are planned in 2022 to transparently evidence and formalize this aspect of Indivior's business. The Group has also commenced or undertaken projects as part of its ongoing efforts to address ESG matters. These include:

- The establishment of an ESG Committee. The first meeting took place in January 2022. The Committee comprises all of the members of the Executive Committee and is Chaired by the Chief Manufacturing and Supply Officer. The Committee will meet quarterly and is responsible for:
  - developing, implementing and monitoring Indivior's strategy on key Environmental, Social and Governance (ESG) matters;
  - setting appropriate targets related to the Group's ESG strategy and monitoring performance against those targets; and
  - reporting on the implementation and making recommendations in respect of the Group's ESG strategy to the Board of Directors.
- The ESG Committee is supported by an ESG strategy team made up of members of the workforce drawn from different parts of the business, supported by external advisors. The team is led by a full-time ESG specialist who joined Indivior in the second half of 2021.
- Indivior intends to publish its first climate change statement and an environmental policy on its corporate website in 2022.
- Indivior plans to introduce quarterly emissions reporting internally in 2022 and, as part of this process, is intending to expand the range of its Scope 3 reporting.
- The launch of a redesigned corporate website (www.indivior.com) in Q4 2021, which includes a significantly expanded responsibility section and enhanced opportunities for stakeholders to understand Indivior's activities.
- The Remuneration Committee has considered the inclusion of ESG metrics in the Group's annual and long-term incentive plans and has committed to including ESG metrics in the Group's annual and/or long-term incentive plans in 2023.

Indivior's recently redesigned corporate website includes an expanded responsibility section (www.indivior.com/responsibility)

Stakeholder engagement and advocacy

Investment community

Indivior recognizes the increasing interest in ESG matters which is emanating from the investment community and other key stakeholders. This has included individual investors, specialist ESG research agencies and investor research exercises that focus on specific areas such as climate change.

Indivior's Investor Relations and ESG teams continued to respond to a variety of ESG information requests during 2021 and the Group has continued to participate in specific initiatives, such as CDP, which addresses climate-change matters.

Indivior is also developing its reporting and disclosure in line with the increasing requirements of the regulators. This report includes a new section which discloses information in line with the Task Force on Climate-Related Financial Disclosures ("TCFD").

Indivior has not, to date, produced a separate ESG or non-financial report aligned to an appropriate framework such as the Global Reporting Initiative. The management team may consider introducing this in the future should it be deemed appropriate. The current intention is to utilize the corporate website and the Annual Report and Accounts for the expansion of Indivior's ESG information.

Advocacy

Indivior advocates on public policy issues that relate to addiction by engaging responsibly with public officials, policymakers and other stakeholders at all levels of government, with healthcare professionals and with other stakeholders. These activities focus on:

- removing barriers to innovative treatments;
- addressing reimbursement barriers by supporting the enforcement of the US Mental Health Parity and Addiction Equity Act;
- increasing disease and treatment education;
- reducing the stigma associated with substance use disorders; and
- advocating for access to treatment in correctional settings.

Further details are available at the Indivior corporate website (www.indivior.com/responsibility). A case study of Indivior's recent advocacy activities appears on page 25 of this Annual Report and Accounts.

Environment and climate change

Information about Indivior's climate change strategy, governance, risks and metrics (except for the performance information recorded below) is recorded within the TCFD statement on pages 36 to 37.

Indivior's Fine Chemical Plant ("FCP"), which is located in Hull (UK), is the location which represents Indivior's main area of environmental risk. Buprenorphine is manufactured at this site using raw materials and a seven-stage process involving the use of hazardous chemicals.

The FCP has an environmental management plan which focuses on performing a process of continual improvement in line with the requirements of the UK Environment Agency and good industry practice. The site's operations are governed by the FCP's Environmental Permit and its ISO14001:2015 certification.

Indivior currently does not have emission reduction targets. Indivior will consider introducing these after it has introduced a regular internal emissions reporting system during 2022.

More information about the FCP environmental management plan and recent initiatives can be found within the responsibility section of the corporate website (www.indivior.com/responsiblity).

The rise in Scope 3 emissions is due to a methodology change to include additional upstream emissions associated with energy generation and fuel production in line with good practice. The noted Scope 1 rise is the result of greater activity levels at Indivior's UK sites in 2021 (lower in 2020 because of the greater effect of the global COVID-19 pandemic).

Indivior's TCFD reporting disclosure can be found on pages 36 to 37 of this report

Greenhouse gas emissions data for the Indivior Group

Type	**2021 tonnes CO2e**	2020 tonnes CO2e
Scope 1	**516**	451
Scope 2 location-based	**1,800**	1,808
Scope 2 market-based	**2,055**	2,084
Scope 3	**684**	140
Total emissions location-based	**3,000**	2,399
Total emissions market-based	**3,255**	2,675
Per tonne of production location-based	**1,308**	1,328
Per tonne of production market-based	**1,419**	1,481

Greenhouse gas emissions split by territory

Type	2021 tonnes CO2e	2020 tonnes CO2e
Scope 1 UK	450	385
Scope 1 non-UK	66	66
Total Scope 1	516	451
Scope 2 location-based UK	522	561
Scope 2 location-based non-UK	1,278	1,247
Total Scope 2 location-based	1,800	1,808
Scope 2 market-based UK	777	836
Scope 2 market-based non-UK	1,278	1,248
Total Scope 2 market-based	2,055	2,084
Scope 3 UK	272	53
Scope 3 non-UK	412	87
Total Scope 3	684	140
Total UK emissions location-based	1,244	999
Total non-UK emissions location-based	1,756	1,400
Total emissions location-based	3,000	2,399
Total UK emissions market-based	1,499	1,275
Total non-UK emissions market-based	1,756	1,401
Total emissions market-based	3,255	2,675

Energy consumption in MWh

Type	2021 MWh	2020 MWh
Scope 1 UK	2,398	2,090
Scope 1 non-UK	719	717
Total Scope 1	3,117	2,807
Scope 2 location-based UK	2,460	2,408
Scope 2 location-based non-UK	2,766	2,569
Total Scope 2 location-based	5,226	4,977
Scope 2 market-based UK	2,460	2,408
Scope 2 market-based non-UK	2,766	2,569
Total Scope 2 market-based	5,226	4,977

Patient safety and product quality

Patient safety and product quality have always been embedded in Indivior's culture and are key elements of its patient-focused business model.

The senior management team views this aspect of the business as fundamental to the integrity of its day-to-day activities. It promotes a culture of product innovation and quality which it views as critical to the maintenance of trust with regulators, healthcare professionals and patients.

Indivior maintains and constantly evolves its pharmacovigilance management system in partnership with its manufacturing suppliers. These processes monitor the safety of Indivior's products in a comprehensive and thorough manner. Indivior's management systems include the US FDA-required Risk Evaluation and Mitigation Strategies ("REMS") program to mitigate the risk of accidental overdose, misuse and abuse of sublingual film and to inform healthcare professionals and patients of the risks associated with the product. Indivior also has and maintains an FDA-required REMS program for SUBLOCADE in the US to mitigate the risk of serious harm or death that could result from intravenous self-administrations.

Globally, an ongoing program of enhancement of Indivior's product risk management plans is in place to minimize these risks in other countries.

Workforce

Indivior's qualified and experienced Human Resources team maintain and develop a policy and practice framework for the entire business. The team is responsible for ensuring that Indivior is an employer of choice. Indivior believes that its workforce is fundamental to its long-term success and the achievements of its aims and objectives.

Recorded within this section is key workforce data and examples of recent workforce initiatives including Indivior's focus on diversity and inclusion (D&I). Further information is recorded at the corporate website (www.indivior.com/responsibility).

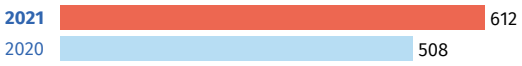
Workforce data

885

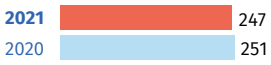
People employed by Indivior at December 31, 2021 (December 31, 2020: 788)

Breakdown of workforce data by territory

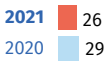
United States of America



Europe, Middle East, Africa and Canada



Australasia



Breakdown of workforce data by key employment function

Function	December 31 2021	December 31 2020
Commercial	483	411
Compliance	19	16
Corporate Affairs and Communications	2	1
Finance	58	59
Human Resources	19	18
Information Technology	32	31
Legal and Governance	14	13
Medical	71	57
Research and Development	87	89
Supply	100	93
Total	885	788

Diversity and inclusion

In 2020, Indivior entered into a partnership with Heidrick and Struggles to accelerate its diversity and inclusion (D&I) journey, addressing matters such as gender, race, creed and sexual orientation with the aim of creating an even more inclusive environment. The ongoing project, which continued into 2021, has a number of features, including:

- Over 400 digital conversations to obtain employee feedback and views
- In-depth interviews with senior management
- The conduct of multiple employee focus groups
- A review of Human Resources data, practices and outcomes
- The conduct of multiple Executive Committee training and planning sessions
- Training company leaders on activating inclusion
- Surveying employees on D&I communications preferences and tailoring subsequent communications activities

In 2022, Indivior will:

- Roll out “activating inclusion” training for the business leaders (c.250 employees) and “accelerating inclusion” training for all individual contributors (c.450 employees)
- Evolve the role of Indivior’s Culture Champions to become Culture and Inclusion Champions through the provision of advising training on “accelerating inclusion” concepts that will reinforce D&I concepts and initiatives across the business
- Train senior leaders and provide materials to enable quarterly “leader-led roundtables” with employees on relevant D&I topics

Additionally, Indivior will:

- Continue to look to expand sources for diverse candidates in the talent acquisition process
- Continue to aspire to create diverse candidate options for open and new positions
- Continue to review D&I data in relation to succession planning processes and outcomes

Gender pay-gap assessment and diversity data

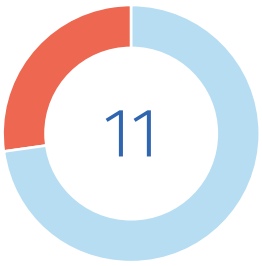
Indivior conducts regular gender pay reviews which are voluntary and driven by the desire to do the right thing and ensure pay equity. This exercise was first conducted in 2018 when an independent review was conducted by Mercer. It highlighted a small number of potential matters which were immediately addressed.

Subsequent annual internal reviews are conducted to ensure that an equitable approach is maintained throughout the business.

Indivior's gender diversity data, disclosed to meet the requirements of S414c of the UK Companies Act 2006, are recorded below.

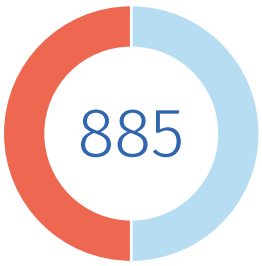
Indivior's diversity approach and performance is also discussed on page 88 of this report.

Directors of Indivior PLC



- **Male: 73%**
- **Female: 27%**

All employees



- **Male: 50%**
- **Female: 50%**

As at December 31, 2021	Total	Women	%	Men	%
Directors of Indivior PLC	11	3	27	8	73
Senior Managers[1]	41	11	27	30	73
All employees	885	444	50	441	50

1. Includes members of the Executive Committee who are not Directors of Indivior PLC and all subsidiary company directors.

Addressing the COVID-19 pandemic

During 2021 Indivior continued to maintain the measures it put in place in 2020 to maintain the health, welfare and safety of its employees during the pandemic. These were tailored to the specific circumstances of each workforce group and site (for example, workers at the FCP in Hull or salesforce representatives working in communities across the US).

The FCP put in place a comprehensive risk management process within 2020 which it is still continuing to operate and is tailoring to current circumstances and prevailing UK government regulations.

Indivior's remaining sites put in place COVID-19 measures to protect the workforce. The majority of workers at the Richmond headquarters and at Slough (UK) worked from home for most of the year. Sales and marketing professionals were supplied with appropriate Personal Protective Equipment and appropriate health and safety guidelines to ensure their own safety,

Flexible working

Indivior's management team is mindful of its employees' expectations following the working environment changes and experiences that resulted from the global COVID-19 pandemic. Indivior continues to promote flexible ways of working. These include a new collaboration model where eligible employees can work two core days within the working week in office, one flexible day in office and the remaining two days remotely.

Business conduct

Indivior has put in place a comprehensive compliance approach to help ensure that all of its business activities are conducted in a responsible and compliant manner via the Global Indivior Integrity and Compliance Program (ICP). It is administered by a team of over 20 people by Indivior's Chief Integrity & Compliance Officer, who is a member of the Executive Committee. Its operational methods have evolved in a cross-functional manner through integrated ownership and oversight at all levels across Indivior's departments.

In January 2019, Indivior established the Integrity & Compliance Committee, which is chaired by the Chief Integrity & Compliance Officer. It comprises all of the members of the Executive Committee and meets monthly. It is responsible for supporting the Chief Executive Officer and Chief Integrity & Compliance Officer with the administration of the ICP and overseeing compliance with applicable laws, rules and regulations related to Indivior's business operations, excluding compliance with securities regulation and financial reporting requirements.

Another important ICP element is the Compliance Champion Program. Its objective is to integrate and expand the compliance footprint within Indivior by training specific workforce members to act as support within their business unit or function to address the first line of compliance.

The ICP applies a "Learn, Adjust and Prevent" approach and has a multi-year strategy to guide continuous evolution.

Key ICP elements are:

- Optimization of written policies, procedures and standards of conduct
- Administration of the ICP by the Chief Integrity and Compliance Officer and the Integrity & Compliance Committee
- Workforce training and education
- Open lines of communication
- Annual risk assessment process
- Internal monitoring and auditing related to compliance
- Whistleblowing helpline for reporting of concerns and related reviews and internal investigation process
- Coaching and disciplinary processes

Meeting the requirements of the 2020 Resolution Agreement

In connection with the 2020 Resolution Agreement between Indivior Inc. and Indivior PLC and the United States Attorney's Office for the Western District of Virginia and the United States Department of Justice's Consumer Protection Branch, Indivior Inc.'s US operations are subject to compliance measures set forth in three separate agreements:

- A Corporate Integrity Agreement with the Department of Health and Human Services Office of Inspector General (OIG);
- Compliance Measures with the Department of Justice (DOJ); and
- A Stipulated Order for Permanent Injunction with the Federal Trade Commission (FTC).

These agreements contain various specific requirements concerning, for example, governance, policies, training, risk assessment, monitoring, disclosure programs, incentive compensation, data analytics, independent assessments, certifications, and further require scheduled and ad hoc reporting and notifications to the respective government agencies.

At their core, the agreements are geared toward the ongoing administration of an effective compliance program. Indivior committed to building an effective compliance program, and engaged in extensive program building, staffing and preparedness efforts, long before the 2020 Resolution Agreement.

The Group maintains this commitment today as the established ICP continues to evolve and mature based on internal learnings and relevant external benchmarks, as noted above. Indivior has established policies and procedures and government agreement administration protocols that have assured and continue to guide the successful implementation of the requirements of all three agreements, which is overseen by the Chief Integrity & Compliance Officer and the Integrity & Compliance Committee (comprised of all members of Indivior's Executive Committee). These policies, procedures, and protocols are well-integrated into ongoing business operations. To date, the Group believes that all requirements specified in the three agreements have been met, including the filing of all required scheduled and ad hoc reports and notifications.

Supplier Code of Conduct

During 2021, Indivior published its first Supplier Code of Conduct. This initiative followed on from the publication of the updated Global Code of Conduct in 2020. Both documents are available for download from the corporate website (www.indivior.com).

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Indivior recognizes that climate change is an important issue for everyone around the world. Climate change has resulted in more frequent and greater weather extremes including heatwaves, heavy precipitation, droughts and tropical cyclones across the globe. These climate change-related extremes also present business risks that may affect business operating costs and potential disruption to production and supply of medicines to patients.

Indivior believes that in view of the scale, nature, and size of this challenge, it is essential that governments and relevant non-governmental organizations take the lead in meeting this global challenge by putting clear, stable and consistent carbon policies in place, which include goals and measures that are well defined.

Indivior supports the activities of groups such as the Intergovernmental Panel on Climate Change (IPCC) and the UN Framework Convention on Climate Change (UNFCCC) as well as the various regulatory and best practice initiatives that aim to achieve greater transparency and to enable stakeholders to monitor related areas of climate change and environmental performance.

The recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) provide a framework for consistent disclosure of climate-related information. We support the TCFD framework and we have made disclosures consistent with the four TCFD recommendations and the 11 recommended disclosures.

We recognize that our approach to climate change is at an initial stage with steps planned for 2022 and beyond. We intend to enhance our reporting against the recommendations as our strategy matures over the next year.

Indivior has been responding to the CDP climate change questionnaire since 2016, which is aligned to the TCFD recommendations. Indivior will continue responding to the CDP climate change questionnaire each year and to requests for information about its approach, management and performance relating to climate change from its stakeholders.

Governance

Indivior's Chief Executive Officer is responsible for the executive management of the Group's business, including its approach to climate change and for implementing strategy and delivering performance against plans. To date the risks that climate change present to Indivior have been considered by the audit committee and the Board as part of its overall consideration of risk.

Indivior formed an ESG committee in January 2022 which is chaired by Hillel West, Chief Manufacturing and Supply Officer. The Committee comprises all of the members of the Executive Committee. The ESG Committee has responsibility for maintaining and developing Indivior's climate change strategy and related policies, management systems (including risk) and monitoring performance. Indivior has also formed an ESG strategy team that is responsible for day-to-day management of climate change matters that is also headed by the Chief Manufacturing and Supply Officer. Mark Crossley, Chief Executive Officer, has overall responsibility for the Group's ESG program.

Prior to these developments, Indivior's day-to-day climate change management was built around its management of risk and costs including at local site level. The principal area of focus was the Fine Chemical Plant ("FCP") in Hull (UK). Site management at the FCP includes regular consideration of climate change-related risks (particularly flooding) that are also regularly discussed with the local regulator, which is the UK Environment Agency. Day-to-day management of the site is the responsibility of the Chief Manufacturing and Supply Officer.

The Remuneration Committee has carefully considered the inclusion of ESG metrics in the Group's annual and long-term incentive plans. The Committee is fully aligned and supportive of developing metrics for inclusion, but has determined that the Group's ESG strategy is not yet sufficiently mature to enable specific and measurable targets to be included for 2022. The Committee is committed to including ESG metrics in the Group's annual and/or long-term incentive plans in 2023.

Actions for 2022

The ESG Committee will lead the development of Indivior's ESG public strategy, policy and reporting framework and supervise related stakeholder engagement activities. The terms of reference and matters arising statements for the Board Committees and the Board will be updated, where relevant, to address climate change.

Strategy

Indivior understands that its stakeholders expect the business to have in place a climate change plan and strategy. To address this, Indivior is committed to developing an action plan across all business functions to minimize its environmental impact and to reduce its carbon footprint.

This action plan will include:

- **Carbon Reduction Initiatives** – Collaborate with property providers, business partners, suppliers, regulators and employees to implement energy conservation measures where practicable at our operations and offices.
- **Renewable Energy Evaluation** – Explore renewable energy options such as wind, solar, and hydro to enable operations and offices to operate with a lower carbon footprint.
- **Greenhouse Gas Portfolio Management** – Enhance environmental reporting processes to improve GHG emission transparency and to facilitate GHG reduction initiatives. Develop a strategy to expand GHG reporting coverage to Scope 3 by engaging key suppliers and other stakeholders on climate issues to identify effective sustainability opportunities.
- **Target Setting** – Establish GHG targets in alignment with the IPCC and 2015 Paris Climate Agreement.
- **Leadership and Stakeholder Engagement** – Indivior's ESG Committee will have oversight of the climate change action plan and implementation, with regular updates on GHG performance as initiatives progress. Indivior will continue to engage with and communicate its climate change efforts to suppliers, customers, consumers, shareholders and other stakeholders interested in climate change matters.

Actions for 2022

Indivior will monitor and further develop its climate change strategy.

Risk management

Climate risks are evaluated using the Group's common risk assessment approach, using criteria such as financial metric values and likelihood of occurrence, and are incorporated into our enterprise risk assessments. From this objective baseline, the Group then evaluates actual or potential impacts considering subjective factors that may adjust the baseline to be higher or lower.

Indivior's 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 tolerance to respond to new threats and opportunities. These processes consider the short-, medium- and long-term and address matters such as expected changes in regulations and laws as well as changes to the climate.

Indivior defines a material financial impact on the business as one which could influence economic decisions on the basis of the information provided. With the Group's strategic pillars focused on revenue growth and diversification, the quantitative starting point for materiality is 1 to 1.5% of net revenue. From this objective baseline, the Group then evaluates actual or potential impacts considering subjective factors that may adjust the baseline higher or lower.

Indivior's risk assessments have not detected that climate change is a material risk or opportunity for the business. Further details about these procedures can be found within the risk section on pages 47 to 56.

Actions for 2022

Indivior will continue to monitor and assess its climate change-related risks and address any material threats that are identified.

Metrics and targets

Indivior's measurement of its emissions to date has been conducted annually. The emission data for 2021 are recorded on pages 31 to 32 of this Annual Report and Accounts. In 2022, Indivior will develop a strategy to expand Scope 3 emissions reporting coverage and consider the use of intensity metrics (such as emissions per employee or unit of turnover) to monitor emissions performance and set targets.

This data will be applied to monitor Indivior's performance by the ESG Committee and also to set reduction targets for various parts of the business.

Actions for 2022

Indivior will aim to set challenging emission reduction targets for different parts of the business applying the extended reporting and monitoring system.

NON-FINANCIAL INFORMATION STATEMENT

Indivior is committed to transparent reporting and disclosure of its financial and non-financial performance, risks and opportunities where this information is relevant to shareholders and other key stakeholders. Indivior is also required to comply with the reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006.

The table and other information below are provided to assist readers of this report to understand Indivior's approach, policies and performance.

It also aims to highlight where further relevant information, other than that disclosed within this report, can be accessed.

Further information – pages 22 to 23

Business model

An explanation of Indivior's business model.

Further information – pages 30 to 37

Responsibility

How Indivior addresses its responsible business obligations.

Further information – pages 47 to 56

Risk management

A description of the principal risks and their potential adverse impacts on the business can be found on these pages of this report.

Other reporting requirements	Policies and statements of approach, due diligence and outcomes	Risks, risk management and additional information	Page reference	Non-financial performance information
Environmental matters	› Environmental management approach › TCFD statement	› Business operations › Supply	p31 and p32 (Emissions) p49 and p54 (Business operations and Supply risks)	› Greenhouse gas emissions
Employees	› Workforce management approach	› Business operations	p33 (Employee data) p49 (Business operations risks)	› Employee data
Human rights	› Diversity and inclusion policy › UK Modern Slavery Statement	› Business operations › Product Pipeline, regulatory and safety	p34 and p88 (Gender diversity data) p50 (Product Pipeline, Regulatory and Safety risks)	› Employee gender diversity figures
Social matters	› Information Management Policy › Data Protection Policy › Healthcare professionals interaction policy	› Product Pipeline, regulatory and safety › Commercialization › Economic and financial › Supply › Legal and intellectual property › Compliance	p115 (Political donations) p47-56 (Risks)	› Political donations
Anti-corruption and bribery	› Anti-bribery policy › Whistleblowing policy	› About the Integrity & Compliance Program › Business operations › Compliance	p35 (Business conduct and 2020 Resolution Agreement) p49 (Business operations risks) p55-56 (Compliance risks)	

In particular, the Group provides the responsibility section of its website (www.indivior.com) for this purpose, participates in the annual disclosure of environmental and climate change information to CDP (www.CDP.net) and regularly enters into dialog with investors and investor research organizations (such as MSCI and FTSERussell) about this aspect of its activities.

FINANCIAL REVIEW

Year ended December 31 (as reported)

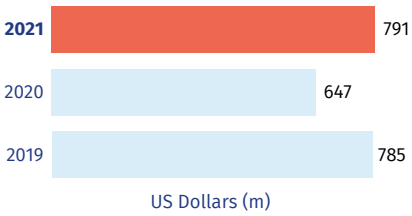
	2021 $m	2020 $m
Net revenue	791	647
Operating profit/(loss)	213	(156)
Net income/(loss)	205	(148)
Basic EPS/(LPS) (cents per share)	28	(20)

NM: Not Meaningful

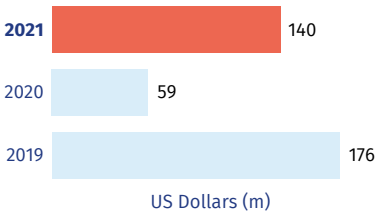
2021 operating and financial highlights

- Net revenue (NR) of $791m (+22% vs. 2020). 2021 SUBLOCADE NR grew to $244m (+88% vs. 2020) due to strong growth from the Organized Health Systems (OHS) channel and increased new patient enrollments. 2021 US units dispensed were approximately 183,000[3] (+66% vs. 2020). Total SUBLOCADE patients at the end of 2021 were approximately 49,000.
- 2021 PERSERIS NR of $17m (+21% vs. 2020). The Group is investing to expand the PERSERIS sales force to achieve US national coverage in 2022.
- 2021 SUBOXONE Film share averaged 20% (2020: 21%) and exited 2021 at 22% (2020 exit share: 21%). Share performance since the "at-risk" launch of generic buprenorphine/naloxone film products in February 2019 has continued to diverge from historical industry analogs.
- Reported operating profit of $213m (2020 operating loss: $156m). On an adjusted basis[1] 2021 operating profit was $187m (+113% vs. Adj. 2020).
- Reported net income of $205m (2020 net loss of $148m). 2021 Adj. net income of $140m (+137% vs. Adj. 2020).
- 2021 ending cash balance of $1,102m (2020: $858m); net cash, as calculated per Note 19 of the Notes to the Group financial statements, was $853m (2020: $623m).
- Regulatory approval of SUBLOCADE (SUBUTEX Prolonged Release) outside of the US has now been granted in 10 countries. 2021 approvals include Norway, Germany and Italy. Prior approvals include Canada, Australia, New Zealand, Israel, Sweden, Finland and Denmark. Launched in Canada, Australia, and Israel.
- Regulatory approval of SUBOXONE Film outside of the US in 2021 was granted in New Zealand, Qatar, and United Arab Emirates. Prior approvals include Australia, Canada, Israel, all EU Member States and the UK, Iceland, Norway, and Liechtenstein.

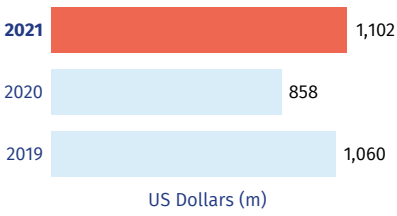
Net Revenue



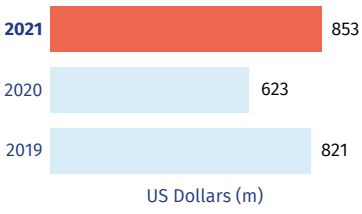
Adjusted Net Income[1]



Cash Balance



Net Cash[2]



1. Adjusted (Adj.) basis excludes the impact of exceptional items (see Note 5 of the Notes to the Group's financial statements for details)
2. See Note 19 of the Notes to the Group financial statements for the definition of net cash
3. Excludes one-time-in-nature orders from criminal justice system customers

Operating review

Share repurchase program

On December 23, 2021, the Group completed its $100m irrevocable share repurchase program. Through the program, the Group repurchased and canceled 34 million or 5% of the Group's ordinary shares at a daily weighted average purchase price of 219p. See Note 25 of the Notes to the Group's financial statements for further discussion.

US opioid use disorder (OUD) market update

In 2021, the U.S. buprenorphine medication-assisted treatment (BMAT) market grew in mid-single digits. Moderation in the growth rate versus 2020 reflects the high base period for comparison, when the BMAT market grew in the low- to mid-teens as a result of COVID-19-related demand and the implementation of new federal and state government actions to facilitate OUD patient access to medication-assisted treatment (MAT). Over the approximate two-year period just ended (2020 and 2021), the BMAT market averaged mid-to-high single-digits growth.

The Group continues to expect long-term US market growth to be sustained in the mid-to-high single digit percentage range due to increased severity and overall public awareness of the opioid epidemic and approved treatments, together with regulatory and legislative actions that have expanded OUD treatment funding and treatment capacity. The number of physicians, nurse practitioners and physician assistants who have received a waiver to administer MAT and those able to treat up to the permitted level of 275 patients continued to grow in 2021.

As a result, there is increasing patient access to BMAT. Indivior supports efforts to encourage more eligible healthcare practitioners (HCPs) to provide BMAT, and the Group continues to resource its compliance capabilities for the growing number of BMAT prescribers and patients.

The Group's focus is to continue to expand access to SUBLOCADE among OHS and core HCPs to ensure availability of this potentially important treatment option to the estimated 1 million-plus patients per month who are prescribed BMAT by HCPs.

Financial performance

Total net revenue in 2021 grew 22% to $791m at actual exchange rates (2020: $647m; +21% at constant exchange rates). The strong increase was primarily driven by higher NR from SUBLOCADE (+88% vs. 2020), continued growth in the BMAT market and by relatively stable market share for SUBOXONE (buprenorphine and naloxone) Film in the US.

2021 US net revenue increased 32% to $603m (2020: $456m). Strong year-over-year SUBLOCADE net revenue growth, SUBOXONE Film share resilience along with underlying BMAT market growth were the principal drivers of the net revenue increase.

2021 Rest of World and United Kingdom (collectively "ROW") net revenue decreased 2% at actual exchange rates to $188m (2020: $191m; -7% at constant exchange rates). The NR decline was mainly due to ongoing competitive pressure in the legacy tablet business in Western Europe, and the disposal of the legacy TEMGESIC/ BUPREX / BUPREXX analgesic franchise (2021 NR impact of -$5m), partially offset by NR from new products (2021 ROW SUBLOCADE NR: $16m) and favorable foreign currency translation benefits.

2021 reported and adjusted gross margin was 84% (2020: 85%; Adj. 2020: 86%). 2020 adjusted gross margin excludes $5m of net exceptional costs of sales related to inventory provisions due to the adverse impact of COVID-19. 2021 adjusted gross margin decline primarily reflects the continued relative strength of SUBOXONE Film in the United States, particularly in less profitable government channels.

2021 SG&A expenses as reported were $431m (2020: $666m). 2021 included $6m of net exceptional costs which include the adjustments to provisions related to DOJ-related matters (+$18m) and ANDA litigation matters (-$24m). 2020 SG&A expenses included exceptional costs of $239m, primarily related to resolution of litigation matters. On an adjusted basis, 2021 SG&A expense decreased slightly from 2020 to $425m (2020: $427m). The decline largely reflects one-time costs related to the US direct-to-consumer (DTC) advertising campaign for SUBLOCADE in the prior period and lower legal fees and expenses related to the DOJ matter. These were essentially offset by sales and marketing investments to grow the Group's long-acting injectable technologies, SUBLOCADE and PERSERIS, in the current period.

2021 R&D expenses were $52m (2020: $40m). The increase reflects planned higher R&D activity, as certain projects and post-market studies were suspended in 2020 due to the pandemic, and strategic pipeline and production capacity investments in 2021.

2021 other operating income was $32m (2020: $nil). 2021 included $32m of net exceptional other operating income related to the net proceeds received from the disposal of the legacy TEMGESIC/ BUPREX / BUPREXX (buprenorphine) analgesic franchise outside of North America (+$19m), net proceeds received from the out-licensing of nasal naloxone opioid overdose patents (+$1m) and Directors' & Officers' insurance claim settlement (+$12m).

2021 operating profit as reported was $213m (2020 operating loss: $156m). Net exceptional benefits of $26m are included in 2021 and exceptional costs of $244m are included in 2020. On an adjusted basis, 2021 operating profit was $187m (2020 adj. op. profit: $88m). The improvement in 2021 adjusted operating profit was primarily driven by strong net revenue growth.

2021 net finance expense as reported was $23m (2020: $17m). The increase primarily reflects lower interest income on the Group's cash balance due to lower short-term interest rates versus the year-ago period and higher expense primarily related to interest on the Group's outstanding DOJ settlement amount.

2021 reported total tax benefit was $15m, an effective tax rate of -8% (2020 tax benefit: $25m, 14% rate). Excluding the $40m tax benefit on exceptional items in 2021, total tax expense was $25m, an effective tax rate of 15% (2020: $12m, 17% rate).

2021 reported net income was $205m (2020 net loss: $148m). Excluding the $65m after-tax benefit from exceptional items, 2021 adjusted net income was $140m (Adj. 2020: $59m). The significant increase in 2021 adjusted net income was primarily driven by higher operating profit, partially offset by higher tax and net finance expenses.

2021 diluted earnings per share was 27 cents and 18 cents on an adjusted diluted basis (2020: 20 cents loss per share on a diluted basis and 8 cents earnings per share adjusted diluted basis). Higher 2021 adjusted EPS is primarily due to higher net revenue and the impact of the share repurchase program.

Balance sheet and cash flow

Cash and cash equivalents were $1,102m at year-end 2021, an increase of $244m versus the $858m position at year-end 2020. The increase was due to higher operating profit, timing of payments made on government rebate payables, and proceeds from the disposal of the legacy TEMGESIC/BUPREX/ BUPREXX (buprenorphine) analgesic franchise outside of North America, offset by cash used to purchase 34 million ordinary shares as part of the Group's share repurchase program. Gross borrowings, before issuance costs, were $249m at December 31, 2021 (2020: $235m). As a result, net cash (as defined in Note 19 of the Notes to the Group financial statements) stood at $853m at December 31, 2021 (2020: $623m), a $230m increase over the fiscal year.

Net working capital (inventory plus trade receivables, less trade and other payables) was negative $423m at year-end 2021, versus negative $252m at the end of 2020. The change in the period was primarily a result of timing of payments made on government rebate and trade payables.

Cash generated by operating activities in 2021 was $395m (2020 cash used: $148m), representing a change of $543m primarily due to strong 2021 operating profit, timing of government rebates payable and the surety bond refunded. Net cash inflow from operating activities was $353m in 2021 (2020 net cash outflow: $193m) reflecting higher cash from operations and an exceptional tax refund from the IRS, which were offset by taxes paid, interest paid, and transaction costs paid related to the Group's debt refinancing.

2021 cash outflow from investing activities was $14m (2020: $4m), which reflects a payment made to Aelis Farma for an exclusive option and license agreement to develop its leading compound (AEF0117) targeting cannabis use disorders, which was partially offset by the proceeds received from the sale of the legacy TEMGESIC / BUPREX / BUPREXX (buprenorphine) analgesic franchise outside of North America.

2021 cash outflow from financing activities was $94m (2020: $10m), which reflects payments made for the Group's share repurchase program and principal lease payments which were partially offset by the gross proceeds received upon refinancing of the Group's term loan.

Alternative performance measures (adjusted results)[1]

The Board and management use adjusted results to provide incremental insight to the financial results of the Group and the way it is managed. The tables below show the list of adjustments between the reported and adjusted results. Further details of each adjustment are available in Note 5 of the Notes to the Group's financial statements.

Reconciliation of gross profit to adjusted gross profit:

	2021 $m	2020 $m
Gross profit	**664**	550
Exceptional cost of sales	**–**	5
Adjusted gross profit	**664**	555

1. Adjusted results are not a substitute for, or superior to, reported results presented in accordance with IFRS.

Reconciliation of operating profit/(loss) to adjusted operating profit:

	2021 $m	2020 $m
Operating profit/(loss)	213	(156)
Exceptional cost of sales	–	5
Exceptional selling, general and administrative expenses	6	239
Exceptional other operating income	(32)	–
Adjusted operating profit	187	88

Reconciliation of profit/(loss) before taxation to adjusted profit before taxation:

	2021 $m	2020 $m
Profit/(loss) before taxation	190	(173)
Exceptional cost of sales	–	5
Exceptional selling, general and administrative expenses	6	239
Exceptional other operating income	(32)	–
Exceptional finance expense	1	–
Adjusted profit before taxation	165	71

Reconciliation of net income/(loss) to adjusted net income:

	2021 $m	2020 $m
Net income/(loss)	205	(148)
Exceptional cost of sales	–	5
Exceptional selling, general and administrative expenses	6	239
Exceptional other operating income	(32)	–
Exceptional finance expense	1	–
Exceptional tax	(40)	(37)
Adjusted net income	140	59

Reconciliation of earnings/(loss) per share to adjusted earnings per share:

	2021 cents	2020 cents
Earnings/(loss) per share	28	(20)
Exceptional selling, general and administrative expenses	1	33
Exceptional other operating income	(4)	–
Exceptional tax	(6)	(5)
Adjusted earnings per share	19	8
Weighted average number of shares (thousands)	728,299	732,863

Reconciliation of net cash:

	2021 $m	2020 $m
Net cash at the beginning of the year	623	821
Net increase/(decrease) in cash and cash equivalents	245	(207)
New borrowings	(250)	–
Repayment of borrowings	236	4
Exchange differences	(1)	5
Net cash at end of year	853	623

DOJ resolution

Agreement to resolve criminal charges and civil complaints related to SUBOXONE Film

- The Group settled with the United States Department of Justice (Justice Department or DOJ), the US Federal Trade Commission (FTC), and US state attorneys general the criminal and civil liability in connection with a multi-count indictment brought in April 2019 by a grand jury in the Western District of Virginia, a civil lawsuit joined by the Justice Department in 2018, and an FTC investigation. Under the terms of the resolution agreement with the Justice Department, the Group has agreed to compliance terms regarding its sales and marketing practices. Compliance with these terms is subject to annual Board and CEO certifications submitted to the US Attorney's Office.
- As part of the resolution with the FTC and as detailed in the text of the stipulated order, for a 10-year period Indivior Inc. is required to make specified disclosures to the FTC and is prohibited from certain conduct.
- Under the terms of the five-year Corporate Integrity Agreement with the HHS Office of the Inspector General (HHS-OIG), the Group will continue its commitment to promote compliance with laws and regulations and its ongoing evolution of an effective compliance program, including written standards, training, reporting, and monitoring procedures. The Group is subject to reporting and monitoring requirements, including annual reports and compliance certifications from key management and the Board's Nominating & Governance Committee, which is submitted to HHS-OIG. In addition, the Group is subject to monitoring by an Independent Review Organization, which submits audit findings to HHS-OIG, and review by a Board Compliance Expert, who prepared a compliance assessment report in the first reporting period and will prepare a compliance assessment report in the third reporting period. To date, the Group reasonably believes it has met all of the requirements specified in these three agreements.

In November 2020, the Group made a payment of $103m (including interest) when the resolution was approved by the Court and made a subsequent payment in January 2022 of $54m (including interest). Subsequently, five annual installments of $50m will be due every January 15 from 2023 through 2027. The final instalment of $200m will be due in December 2027. The Group carries a liability totaling of $492m (FY 2020: $486m) pertaining to the DOJ resolution.

Reckitt Benckiser

- On January 25, 2021, the Group reached a resolution with Reckitt Benckiser as discussed in Note 21 of the Notes to the Group's financial statements.

DOJ related-matters

Federal FCA qui tam suits

- In August 2018, the United States unsealed three qui tam suits pending in the Western District of Virginia that made a variety of allegations under state and federal False Claims Act statutes regarding marketing and promotion practices related to SUBOXONE, and in some instances claiming unlawful retaliation. The suits also sought reasonable attorney's fees and costs. Three other cases were filed in the District Court of the District of New Jersey that also made a variety of allegations under state and federal False Claims Act statutes regarding marketing and promotion practices related to SUBOXONE, and in some instances claiming unlawful retaliation. The Group settled these matters in 2020 and 2021.

State and local matters

- In November 2016, Indivior was served with a subpoena for records from the State of California Department of Insurance under its civil California insurance code authority. Certain of the qui tam suits filed in the Western District of Virginia and the District of New Jersey assert claims under the civil California insurance code. The Group settled with the relators and the California Department of Insurance in 2021.
- In June 2019, the Group learned that the State of Illinois Insurance Department is investigating potential violations of its civil Insurance Claims Fraud Prevention Act with respect to its sales and marketing activity. Certain of the qui tam suits filed in the Western District of Virginia and the District of New Jersey assert claims under this statute, including claims for associated attorney's fees and costs. The Group settled with the relators and the Illinois Insurance Department in 2021.
- In addition to the federal and state health program claims, claims have been asserted under the city False Claims Acts of Chicago and New York City regarding the promotion of SUBOXONE Film. The Group resolved the matter with the City of Chicago in 2020.

False Claims Act Allegations

- In August 2018, the United States District Court for the Western District of Virginia unsealed a declined qui tam complaint alleging causes of action under the federal and state False Claims Acts against certain entities within the Group predicated on best price issues and claims of retaliation (United States ex rel. Miller v. Reckitt Benckiser Group PLC et al., Case No. 1:15-cv-00017 (W.D. Va.)). The suit also seeks reasonable attorney's fees and costs. We understand that all government plaintiffs have declined to intervene. The Group was served with the complaint in January 2021. We are in discussions regarding this matter with the plaintiff-relator. The Group filed a Motion to Dismiss on June 24, 2021.
- In May 2018, Indivior Inc. received an informal request from the Office of the United States Attorney ("OUSA") for the Southern District of New York, seeking records relating to the SUBOXONE manufacturing process and the Group is discussing with the OUSA certain information and allegations regarding the SUBOXONE manufacturing process the government received.

Securities class action litigation

- In April 2019, Michael Van Dorp filed a putative class action lawsuit in the United States District Court for the District of New Jersey on behalf of holders of publicly traded Indivior securities, alleging violations of US federal securities laws under the Securities Exchange Act of 1934. The complaint names Indivior PLC, Shaun Thaxter, Mark Crossley and Cary J. Claiborne as defendants. In February 2021, the parties reached a settlement agreement. A Motion for Entry of Order Preliminarily Approving Settlement was granted by the court in September 2021. A settlement fairness hearing occurred in January 2022 and the case was dismissed.

Intellectual Property-related-matters

ANDA litigation

- Indivior filed actions against Dr. Reddy's Laboratories S.A. and Dr. Reddy's Laboratories, Inc. (together, "DRL") in the United States District Court for the District of New Jersey ("NJ District Court") alleging that DRL's generic buprenorphine/naloxone film product infringes US Patent Nos. 9,687,454 and 9,931,305 ("the '454 and '305 Patents") in 2017 and 2018, respectively. The cases were consolidated in May 2018. DRL received final FDA approval for all four strengths of its generic buprenorphine/naloxone film product in June 2018, and immediately launched its generic buprenorphine/naloxone film product "at-risk." In July 2018, the NJ District Court granted Indivior a Preliminary Injunction (PI) pending the outcome of a trial on the merits of the '305 Patent, and required Indivior to post a surety bond for $72m in connection with the PI. In November 2018, the Court of Appeals for the Federal Circuit (CAFC) issued a decision vacating the PI against DRL. On remand, the NJ District Court construed the claims of the '454 and '305 Patents. Indivior and DRL stipulated to noninfringement of the '305 Patent under the court's claim construction, but Indivior retained its rights to appeal the construction and pursue its infringement claims pending appeal. Separately, DRL filed an amended answer alleging various antitrust counterclaims. Indivior's infringement claims concerning the '454 patent and DRL's antitrust counterclaims remain pending in the NJ District Court. Summary judgment motions have been fully briefed, but the NJ District Court has not ruled on those motions. No trial date has been set. In February 2022, the NJ District Court ordered the parties to mediation.
- In November 2018, DRL filed two petitions for inter partes review ("IPR") of the '454 Patent with the US Patent and Trademark Office's Patent Trial and Appeal Board ("PTAB"). The PTAB denied institution of one IPR petition but granted institution for the other. The PTAB issued a decision in June 2020, finding that claims 1-5, 7, and 9-14 were unpatentable, but that DRL had not shown that claim 8 is unpatentable. Claim 6 was not challenged and therefore was not addressed in the PTAB decision. Indivior appealed to the CAFC. In December 2021, the CAFC affirmed the PTAB's decision. Indivior filed a petition with the CAFC for a panel rehearing or rehearing en banc, which was denied in March 2022.
- Indivior filed actions against Alvogen Pine Brook LLC and Alvogen Inc. (together, "Alvogen") in the NJ District Court alleging that Alvogen's generic buprenorphine/naloxone film product infringes US Patent Nos. 9,687,454 and 9,931,305 ("the '454 and '305 Patents") in 2017 and 2018, respectively. The cases were consolidated in May 2018. In January 2019, the NJ District Court granted Indivior a temporary restraining order ("TRO") to restrain the launch of Alvogen's generic buprenorphine/naloxone film product pending a trial on the merits of the '305 Patent and Indivior was required to post a surety bond of $36m. Indivior and Alvogen entered into an agreement whereby Alvogen was enjoined from selling in the US its generic buprenorphine/naloxone film product unless and until the CAFC issued a mandate vacating Indivior's separate PI against DRL. The CAFC's mandate vacating Indivior's PI as to DRL issued in February 2019 and Alvogen launched its generic product. Any sales in the US by Alvogen are on an "at-risk" basis, subject to the ongoing litigation against Alvogen in the NJ District Court. In November 2019, Alvogen filed an amended answer alleging various antitrust counterclaims.

In January 2020, Indivior and Alvogen stipulated to noninfringement of the '305 Patent under the court's claim construction, but Indivior retained its rights to appeal the construction and pursue its infringement claims pending appeal. Indivior's infringement claims concerning the '454 patent and Alvogen's antitrust counterclaims remain pending in the NJ District Court. Summary judgment motions have been fully briefed, but the NJ District Court has not ruled on those motions. No trial date has been set. In February 2022, the NJ District Court ordered the parties to mediation.

Opposition to SUBLOCADE European patent

- In October 2018, Teva Pharmaceutical Industries Ltd. ("Teva") filed a Notice of Opposition with the European Patent Office ("EPO") seeking to revoke European Patent No. EP 2579874 ("EP 874"), which relates to the formulation for SUBLOCADE. Oral proceedings took place in September 2021 and the patent was maintained as granted. Teva filed a notice of appeal with their grounds for such appeal, and the Group's deadline to respond in writing to such appeal is June 21, 2022.
- In March 2021, the law firm Elkington & Fife LLP filed a Notice of Opposition with the EPO seeking to revoke European Patent No. EP 3215223 ("EP 223"), which relates to the dosing regimen for SUBLOCADE. The Opposition alleges that the claims of EP 223 lack inventive step and extend beyond the content of the application as originally filed. The Group responded to the Opposition in August 2021. The oral hearing has been set for October 10, 2022.

Antitrust litigation and consumer protection

Antitrust class and state claims

- Civil antitrust claims have been filed by (a) a class of direct purchasers, (b) a class of end payor plaintiffs, and (c) a group of states, now numbering 41, and the District of Columbia. Each set of plaintiffs filed generally similar claims alleging, among other things, that Indivior violated US federal and/or state antitrust and consumer protection laws in attempting to delay generic entry of alternatives to SUBOXONE Tablets. Plaintiffs further allege that Indivior unlawfully acted to lower the market share of these products. These antitrust cases are pending in federal court in the Eastern District of Pennsylvania. The court has not set a trial date. Summary judgment motions related to the Direct Purchaser, End Payor, and States actions were fully briefed and were argued in December 2021. The deadline for the class exclusion or "opt out" is May 15, 2022.
- In 2013, Reckitt Benckiser Pharmaceuticals, Inc. (now known as Indivior Inc.) received notice that it and other companies were defendants in a lawsuit initiated by writ in the Philadelphia County (Pennsylvania) Court of Common Pleas. See Carefirst of Maryland, Inc. et al. v. Reckitt Benckiser Inc., et al., Case. No. 2875, December Term 2013. The plaintiffs include approximately 79 entities, most of which appear to be insurance companies or other providers of health benefits plans. The Carefirst Plaintiffs have not served a complaint, but they have indicated that their claims are related to those asserted by the plaintiffs in re SUBOXONE, MDL No. 2445 (E.D. Pa.). The Carefirst case remains pending.

The Group has evaluated the antitrust class and state claims in light of the DOJ settlement under which a Group subsidiary pled guilty to one count of making a false statement relating to healthcare matters in one state in 2012 (as discussed above under DOJ Resolution). The Group continues to believe its defenses and continues to vigorously defend itself. Select plaintiffs in these matters have previously made settlement demands (which were not accepted and most of which are not current offers), totaling approximately $290m, which was used for contingency planning only to model possible downside financial effects. The final aggregate cost of these matters, whether resolved by litigation or by settlement, may be materially different. If the Group were to entertain further settlement discussions, we make no representations as to what amounts, if any, it may agree to pay, nor regarding what amounts the plaintiffs will demand.

Other antitrust and consumer protection claims

- In July 2019, the Indiana Attorney General issued a Civil Investigative Demand investigating potential violations of Indiana's Civil Deceptive Consumer Sales Act with respect to sales and marketing activity by the Company. The Group has cooperated fully in this civil investigation.
- In 2020, the Group was served with lawsuits from a number of insurance companies, some of whom are proceeding both on their own claims and through the assignment of claims from affiliated companies. Cases filed by (1) Humana Inc. and (2) Centene Corporation, Wellcare Healthcare Plans, Inc., New York Quality Healthcare Corp. (d/b/a Fidelis Care), and Health Net, LLC were pending in the Eastern District of Pennsylvania. The complaints were dismissed in July 2021. Plaintiffs filed Notices of Appeal in August 2021 to the United States Court of Appeals for the Third Circuit ("Third Circuit"). The Third Circuit has indicated it may hear oral arguments on this appeal in March 2022. Humana also filed a Complaint in state court in Kentucky with substantially the same claims as were raised in the

Federal Court case. That case has been stayed pending a decision in the Third Circuit appeal. Cases filed by (1) Blue Cross and Blue Shield of Massachusetts, Inc., Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc., (2) Health Care Service Corp., (3) Blue Cross and Blue Shield of Florida, Inc., Health Options, Inc., (4) BCBSM, Inc. (d/b/a Blue Cross and Blue Shield of Minnesota) and HMO Minnesota (d/b/a Blue Plus), (5) Molina Healthcare, Inc., and (6) Aetna Inc. are pending in the Circuit Court for the County of Roanoke, Virginia (the "Roanoke Plaintiffs"). The allegations in these cases include many allegations made in other litigations, including prior antitrust complaints, indictments, and qui tam complaints. These plaintiffs have asserted claims under federal and state RICO statutes, state antitrust statutes, state statutes prohibiting unfair and deceptive practices, state statutes prohibiting insurance fraud, and common law fraud, negligent misrepresentation, and unjust enrichment. In June 2021, defendants' motion to stay was denied and certain claims were dismissed without prejudice. The Roanoke Plaintiffs have filed amended complaints, and the Group has filed demurrers, seeking dismissal of some of the asserted claims. Briefing is scheduled to be completed on these demurrers in March of 2022.

The Group has begun its evaluation of the claims, believes in its defenses, and intends to vigorously defend itself. Engagement with the claimants has been minimal. Accordingly, no estimate of the range of potential loss can be made at this time.

Civil opioid litigation

› Indivior has been named as a defendant in approximately 400 civil lawsuits brought by state and local governments, public health agencies, and individuals against manufacturers, distributors and retailers of opioids alleging that they engaged in a longstanding practice to market opioids as safe and effective for the treatment of long-term chronic pain in order to increase the market for opioids and their own market share. The vast majority of these cases have been consolidated and are pending in a federal multi-district litigation (MDL) in US District Court for the Northern District of Ohio. At the present time, litigation against Indivior in the MDL is stayed. Given the status and preliminary stage of litigation in both the MDL and state courts, no estimate of possible loss in the opioid litigation can be made at this time.

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 for our Group to execute on our strategic objectives and pursue our business opportunities in alignment with our mission. Risk management is therefore an integral component of our culture and governance.

Managing risks

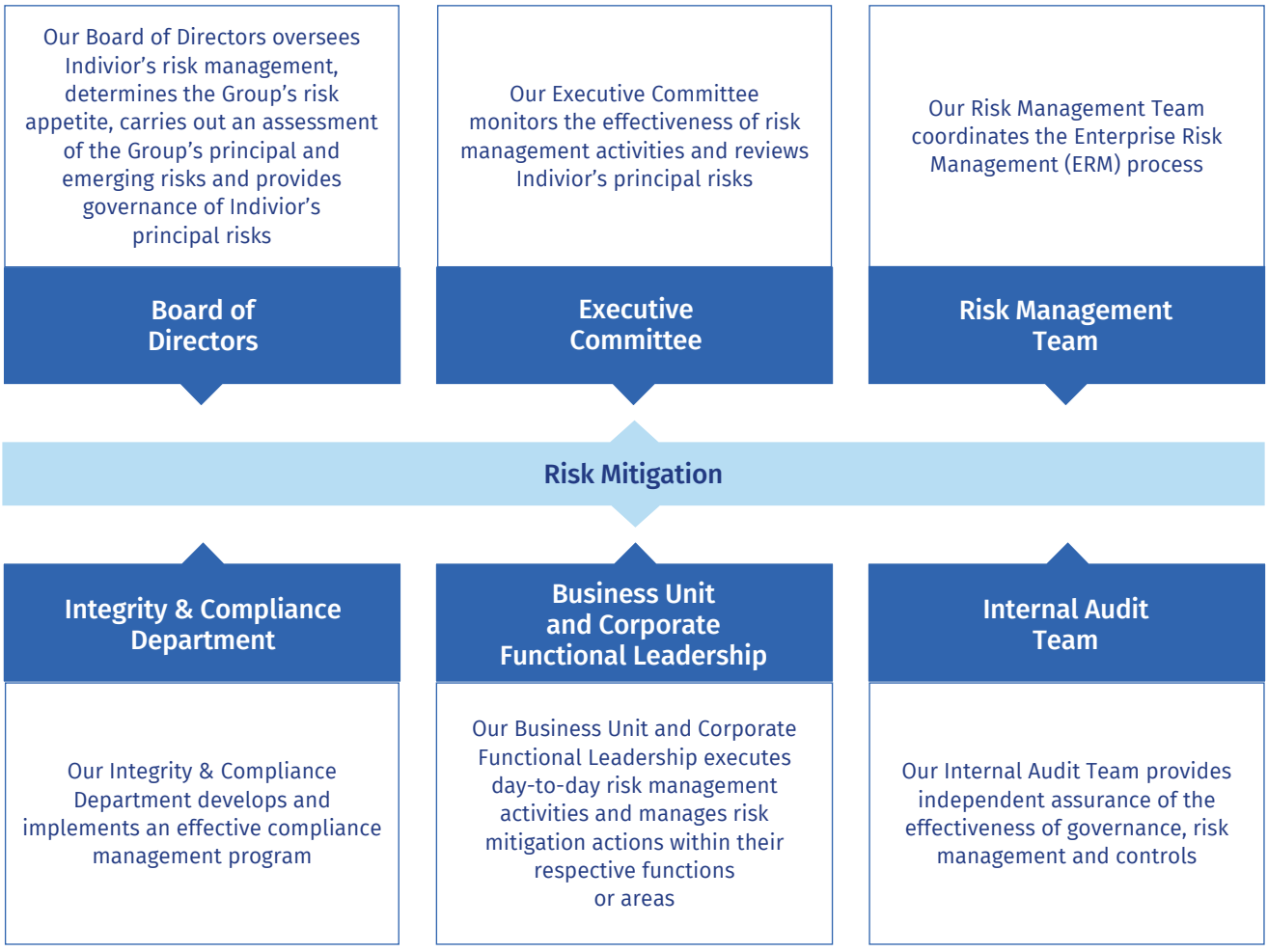
Our Enterprise Risk Management (ERM) process is designed to identify, assess, manage, report and monitor risks and opportunities that may impact the achievement of the Group's strategy and objectives. This includes adjusting the risk profile in line with the Group's risk appetite and tolerances to respond 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 of Directors of Indivior PLC (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

Indivior's approach to risk



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, regulatory, 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 and 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.

Our principal risks

The Board has carried out a robust risk assessment to ensure that the principal and emerging risks are effectively managed and/or mitigated to help ensure the Group remains viable. The Board considers the principal risks to be the most significant risks faced by the Group; these include those risks that could threaten the Group's business model, future performance, solvency, or liquidity.

While the Group aims to identify and manage such risks, no risk management strategy can provide absolute assurance against loss.

The tables on pages 49 to 56 provide 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 changes to the status of these risks since 2020. 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.

Principal risks remain unchanged compared to prior year, except for three principal risks. Business operations and supply principal risks which have increased due to continuing pandemic-related challenges impacting internal and third-party operations and the broad supply chain, manufacturing quality challenges, and industry-wide cyber and talent recruiting/retention risks. The economic and financial principal risk has decreased primarily due to better-than-anticipated financial performance.

Any one or combination of the risks listed below could impact the Group's viability (refer to our Viability Statement on page 57).

Update to the response to the COVID-19 pandemic

The COVID-19 pandemic is continuing longer than expected with the emergence of new variants, resulting in continuing uncertainty. Governments worldwide have deployed vaccination programs and other health measures to lower virus infection and mortality rates, which should, in time, enable businesses to return to normal or near-normal operations. While operations continue to be disrupted, our focus has been on the health, safety and wellbeing of our employees, patients, and the workforce of our partners.

Because of COVID-19, certain of our principal risks have been revisited in the light of the potential impact of the pandemic on those risks: business operations (refer to page 49); product pipeline, regulatory, and safety (refer to page 50); commercialization (refer to page 51); and supply (refer to page 53). Given the dynamic nature of the current environment, the continuing impact of COVID-19 (including its variants) on the Group's operations and our financial position, there remains uncertainty, which results in a potentially heightened effect on four of our principal risks to the Group.

Emerging risks

There is a continuous focus on identifying and assessing potential emerging risks. The ERM and Financial Planning & Analysis teams monitor potential disruptions that could dramatically impact our industry and business from a risk and opportunity perspective. The Board and Executive Committee review emerging risks.

The Group is proactively monitoring and assessing potential impact of climate change on our Strategic Priorities and business. See pages 36 and 37 for information on Indivior's TCFD disclosures.

1. Business operations

The Group's operations rely on complex processes and systems, strategic partnerships and specially qualified and high-performing personnel to develop, manufacture and sell our products. Failure to continuously maintain operational and compliance processes and systems, as well as to retain and/or recruit 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.

COVID-19 pandemic – The COVID-19 pandemic is continuing longer than expected with the emergence of new variants, resulting in continuing uncertainty. In response to COVID-19, the Group established an agile cross-functional response structure and implemented a number of mitigation and contingency actions to help maintain the functioning of operations across the organization, supply of all products to our patients, and the welfare of our employees. The Group continuously monitors the potential impact on the health and wellbeing of our employees, as well as the workforce of our key third parties, which ultimately may impact our operations, and ensures our mitigation and contingency actions are as appropriate and effective as possible. In the fourth quarter of 2021, we introduced a hybrid working model (i.e., in-office and remote working) in those countries where work-from-home restrictions were no longer in place. Given the shift to a remote working environment started in 2020, the Group continues to closely monitor cybersecurity threats and the overall operating effectiveness of the monitoring and control activities.

The current industry-wide challenging labor environment may have a potential negative impact on the Group's attrition rate and its ability to recruit for certain key positions in some geographies. The Group has established tools, development, performance management and reward programs to develop, retain, and recruit key personnel.

The incidence of sophisticated phishing and malware attacks, including ransomware, across industries is rising with an increase of companies suffering operational disruption and loss of data. The Group continuously assess cyber risk and manage the maturity of our infrastructure to effectively defend against any cyber attacks.

Change from 2020

→ Combination of continued internal and external (i.e., third-party partners) operational challenges due to the COVID-19 pandemic, industry-wide challenges to maintain and recruit key personnel, and heightened global risk of cyber incidents such as ransomware.

Further information:
Chief Executive Officer's review:

See pages 10 to 15

Financial Review section:

See pages 39 to 42

Examples of risks

- Failure, disruptions, or significant performance issues experienced with our key processes, Information Technology (IT) systems, and/or at our critical third-party partners, including due to the COVID-19 pandemic
- Loss of intellectual property, confidential data, and personally identifiable information or significant impact on operations from cybersecurity breaches
- Failure to motivate, retain and recruit qualified workforce and key talent

Management actions

- Continuous agile cross-functional response management is in place
- Hybrid work policy enabling flexible ways of working, and increased use of technology for meetings
- Business operating standards, monitoring processes, and contingency plans are in place
- IT policies, processes, systems, and disaster recovery plans supporting overall business continuity are in place, including cyber incidence response readiness
- Strategy, processes, and tools to secure systems and protect data are deployed, including, security awareness e-learning and phishing exercises
- Talent management programs are in place, including talent review and retention programs with focus on identifying key roles and successors

Link to Strategic Priorities

1. Grow SUBLOCADE to $1bn+ Net Revenue
2. Diversify Revenue
3. Build our Pipeline for Future Growth
4. Optimize our Operating Model

2. 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, as well as strategic partnerships. The Group is developing its early-stage assets (i.e., preclinical to phase 2 assets) in partnership with external organizations. Complex regulations with strict and high safety standards govern the development, manufacturing, and distribution of our products. 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 could impact patient safety and market access, which can have a material effect on the Group's performance and prospects. In addition, strong competition exists for strategic collaborations, licensing arrangements and acquisition targets. If we are unable to execute strategic transactions or if such transactions do not yield the expected product development, synergies or financial performance, our business prospects may suffer.

COVID-19 pandemic – The COVID-19 pandemic continues to negatively impact our R&D operations, specifically trial patient enrollments and chemistry, manufacturing & controls (CMC) operations, therefore causing certain delays in the execution of our internal and third-party clinical and/or CMC studies.

Change from 2020

→ No change

Examples of risks

- Failure to advance the development and/or obtain regulatory approval of pipeline products
- Failure to identify M&A targets, conduct effective due diligence, or to execute on M&A and drive value for the organization
- Potential liability and/or additional expenses associated with ongoing regulatory obligations and oversight
- Unexpected changes to the benefit/risk profiles of our products

Management actions

- Product development, including a stage-gate process, and business development strategies are in place
- A post-marketing study program is in place
- Market valuation and financial modeling are in place
- Comprehensive cross-functional due diligence process is in place
- Ongoing Quality, Safety and Regulatory monitoring and auditing programs are in place
- Policies and standards governing scientific interactions and communication are in place
- Strategies to defend against and pursue appropriate resolution of potential 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

Link to Strategic Priorities

1. Grow SUBLOCADE to $1bn+ net revenue
2. Diversify revenue
3. Build our pipeline for future growth

3. Commercialization

Successful commercialization of our products is a critical factor for the Group's sustained growth and robust financial position. New products involve 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: final label claims; healthcare professionals (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.

COVID-19 pandemic – The pandemic continues to result in overall fewer patient visits to healthcare provider offices for non-COVID-19 reasons or essential treatments, as patients become unable or unwilling to make visits due to overburdened healthcare systems, safety concerns, quarantines and other travel restrictions, or elect to have remote consultations with their providers. Furthermore, even though the Group has developed remote (digital) meeting capability with healthcare providers, the Group's commercial organization continues to only be able to engage with a limited number of HCPs and Organized Health Systems (OHS). Although we experienced an overall increase in new US patient enrollments and number of interactions with HCPs and OHS in 2021 as compared to 2020, we have not yet returned to pre-pandemic levels. Potential significant decline in patient enrollments, or adherence to the patient journey, or the inability to effectively engage with HCPs and OHS due to the continuing COVID-19 pandemic could have a negative impact on the Group's financial results and position.

Governments across the world continue to consider and take actions to lower drug prices. In the US, there is bi-partisan support for drug pricing reforms at both federal and state levels, which include potential legislative and regulatory actions to encourage the import of drugs, to price drugs according to a defined international pricing reference, to encourage more competition, and to undertake other initiatives. These, together with federal and state government fiscal constraints resulting from the COVID-19 pandemic which constrain public benefit health programs, pose direct and indirect downward pressure risk on drug prices. The Group continues to monitor potential legislative and regulatory changes and their impacts, advocating for the Group's products based on scientific studies and patient-centered outcomes. However, certain potential legislative and regulatory drug pricing changes could have an adverse impact on the Group's financial performance and results in the future.

Change from 2020

→ No change

Examples of risks

- Launch of competing branded and/or generic products
- Lower HCP adoption and patient enrollments and/or adherence to SUBLOCADE, including the decrease linked to limited/restricted patient visits and HCP interactions due to the COVID-19 pandemic
- Unexpected changes to government and/or commercial reimbursement levels and government pricing pressures
- Competition and challenges in the product/geographic expansion outside the US

Management actions

- Continued investments in OHS access (including a dedicated team for the Criminal Justice System) and in interactions with HCP (including remote (digital) meeting capability and virtual promotional events), expansion of the Behavioral Health sales force
- 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 eligible patients are in place
- Ongoing training and development for field-based employees are in place
- Policies and standards governing commercial activities, including pricing, are in place
- Monitoring of government and commercial pricing and reimbursement-related trends/measures and development of mitigation strategies are in place
- International growth, pipeline development, marketing, and business development strategies are in place

Link to Strategic Priorities

1. Grow SUBLOCADE to $1bn+ net revenue
2. Diversify revenue

4. Economic and financial

The pharmaceutical business includes inherent risks and uncertainties, requiring the Group to make significant financial investments to develop and support the success of our product portfolio. Generating cash flow from our approved products, together with external financing, sustains our financial position, allows development of new products and funds business growth. Realizing value on those investments is dependent upon regulatory approvals, market acceptance (including pricing reimbursement levels), strategic partnerships, competition, and legal developments. Unfavorable outcomes from resolutions of legal proceedings, impacts from the continuing COVID-19 pandemic, and/or changes in government pricing regulations could negatively impact our operating results and financial position. Together with potential pressure on our level of net working capital, our ability to comply with our debt covenants could be negatively impacted. As a global business, we are also subject to political, economic, capital markets, and tax regulation changes.

Change from 2020

→ Decreased given the better-than-anticipated performance of both SUBLOCADE and SUBOXONE Film and renegotiation of debt, and growth of cash balance

Examples of risks

- Inability to raise capital, or execute on business development and alliance opportunities
- Failure to meet financial obligations and performance
- Changes to international tax environment and regulations, including potential tax increases as governments seek to fund public finances

Management actions

- Optimization of cost and finance structures, and active expense management are in place
- Ongoing monitoring of financial performance and compliance with financial covenants
- Strategies supporting expansion opportunities and diversification are in place
- Regular appraisals of debt and capital market conditions with advisors and counterparties are in place
- Ongoing monitoring of potential changes in tax legislations and development of mitigation strategies

Link to Strategic Priorities

1. Grow SUBLOCADE to $1bn+ net revenue
2. Diversify revenue
3. Build our pipeline for future growth
4. Optimize our operating model

5. Supply

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 uses third parties, including contract manufacturing organizations (CMOs), to manufacture, package and distribute our products. The manufacturing of oral solid dose products, film products and aseptically filled injectables is subject to stringent global regulatory, quality and safety standards, including Good Manufacturing Practice (GMP). Major delays or interruptions in our supply chain and/or product quality failures could significantly disrupt patient access, adversely impact the Group's financial performance, and lead to product recalls and/or potential regulatory actions against the Group, along with potential reputational damages.

COVID-19 pandemic – The continuing pandemic could adversely impact our broad supply chain (i.e., "supply to patient" delivery process) if we experience either a significant absence of our employees and/or employees at our CMOs, vendors and service providers due to infection and/or government containment measures, and/or capacity issues at our airfreight and road logistics providers. Through ongoing management and proactive risk mitigation, internally and with our CMOs, the Group has not experienced any significant COVID-19-related disruptions to its supply-to-patient delivery process to date.

The Group's products are filled and packaged by CMOs in the US and Europe, and some are single sourced. The Group's supply monitoring and contingency planning processes include proactive management of inventories throughout the supply-to-patient delivery process and initiatives to identify and qualify alternative sites and/or suppliers. Despite these mitigating measures, if major delays, interruptions, or quality events occur at those CMOs, the delivery of products to our patients could be significantly disrupted.

Change from 2020

→ Continued challenges throughout the "supply to patient" process due to the COVID-19 pandemic, including potential related operational disruptions at our CMOs and capacity issues at our logistics providers, and manufacturing quality challenges at two CMOs. During 2021, the Group worked closely with our CMOs to increase manufacturing capacity, add alternatives sites and strengthen quality robustness in order to secure supply against growing demand.

Examples of risks

- Reliance on critical CMOs and supply chain partners
- Inability to supply compliant finished products in a continuous and timely manner, including operational disruptions due to the COVID-19 pandemic

Management actions

- Business continuity, disaster recovery, emergency response plans, and enhanced communication protocols across the supply chain network are in place
- Periodic risk-based reviews for critical vendors are in place
- Contingency plans (including qualification of alternative suppliers/providers) 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 inventory levels and business contingency planning

Link to Strategic Priorities

1. Grow SUBLOCADE to $1bn+ net revenue
2. Diversify revenue

6. Legal and intellectual property

Our pharmaceutical operations, which include the use of controlled substances, are subject to a wide range of laws and regulations. Perceived or actual non-compliance with these applicable laws and regulations by a pharmaceutical company can result in investigations or proceedings leading to civil or criminal sanctions, fines and/or damages, as well as reputational damages.

IP rights protecting our products may be challenged by external parties, including generic pharmaceutical manufacturers. Although we have developed patent protection for our products, including SUBLOCADE, 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.

In connection with the agreements entered in 2020 to resolve criminal charges and civil complaints related to SUBOXONE Film, the Group has specific requirements that are in addition to the Group's pre-existing obligations to comply with applicable laws and regulations associated with its US pharmaceutical operations. The Group is subject to penalties if it fails to fulfill the requirements within the agreements.

The Group is also a party to several civil lawsuits, including ongoing litigation in the Federal FCA qui tam suits, and civil antitrust and state claims filed by various plaintiffs. Some of the civil claims in part relate to the same conduct at issue in the Superseding Indictment filed by the DOJ.

The Group is also a defendant in approximately 400 civil lawsuits brought by various plaintiffs as part of the opioid class action litigation. These cases are at a preliminary stage and are currently stayed.

Unfavorable outcomes from resolutions of these legal proceedings could have a material adverse impact on the Group's business, financial condition and/or operating results (refer to Legal proceedings section on pages 43 to 46).

Change from 2020

→ No change

Examples of Risks

- Legal proceedings related to antitrust, state, shareholders, product liability claims, 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

Management Actions

- Quality, patient safety, monitoring and compliance are embedded in the Group's processes and culture
- Cooperation with the Government authorities in connection with ongoing litigations, utilizing internal and external counsel is in place
- Insurance coverage and monitoring activities are in place
- Ongoing active review, management and enforcement of our product patents, marketing exclusivity and other IP rights are in place
- Strategies to defend against and pursue appropriate resolution of potential IP claims are in place
- Geographic expansion and product diversification strategies are in place

Link to Strategic Priorities

1. Grow SUBLOCADE to $1bn+ net revenue
2. Diversify revenue
3. Build our pipeline for future growth

7. Compliance

Change from 2020

→ No change

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. The Group has processes and procedures to identify, analyze and investigate any potential or actual violations of policy or law and, if necessary, take appropriate remedial or corrective actions. Effective procedures and controls are necessary to provide reliable information, prevent and detect potential fraud. 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 of 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.

In 2020, as part of the Group's resolution of federal criminal and civil charges related to its legacy products (see Legal proceedings section on pages 43 to 46), the Group has also entered into a Corporate Integrity Agreement (CIA) with HHS-OIG. The five-year CIA requires, among other things, that the Group implement measures designed to ensure compliance with the statutes, regulations, and written directives of US Medicare, US Medicaid, and all other US federal healthcare programs, as well as with the statutes, regulations, and written directives of the US Food and Drug Administration. The Group is subject to additional periodic reporting and monitoring requirements related to the Agreements. In addition, the CIA requires reviews by an independent review organization, compliance-related certifications from the Group's executives and certain Board members, and the implementation of a risk assessment and mitigation process. The CIA sets forth specified monetary penalties that may be imposed on a per day basis for failure to comply with the obligations specified in the CIA. The CIA also includes specific procedures under which the Group must notify HHS-OIG if it fails to meet the requirements under the CIA. In the event that HHS-OIG determines the Group to be in material breach of certain requirements of the CIA (including repeated violations or any flagrant obligations under the CIA, a failure by the Group to report a reportable event and/or take corrective action, a failure to engage and use an independent review organization, or a failure to respond to certain requests from HHS-OIG), the Group may be subject to exclusion from participation in the US federal healthcare programs, which would have a severe impact on the Group's ability to comply with the financial covenants in the Group's debt facility, maintain sufficient liquidity to fund its operations, pay off its debt in 2026, generate future revenue and would ultimately impact the Group's viability.

The Resolution Agreement with the United States Attorney's Office for the Western District of Virginia and Consumer Protection Branch contains certain requirements, such as reporting obligations and that the Group's Chief Executive Officer (a) certifies on an annual basis that, to the best of their knowledge, after a reasonable inquiry, the Group was in compliance with the US Federal Food, Drug and Cosmetic Act and has not committed healthcare fraud, or (b) provides a list of all non-compliant activities and steps taken to remedy the activity. The FTC Stipulated Order contains specific notice and reporting requirements over a 10-year period related to certain activities (e.g., product switching conduct, filing of a Citizen Petition). The Group is subject to contempt prosecution if it fails to comply with any terms of the Resolution Agreement.

7. Compliance continued

Examples of risks

- Failure to meet the requirements of the government agreements (i.e., CIA, DOJ, and FTC)
- Non-compliance with our Code of Conduct, anti-corruption, healthcare, data privacy, or local laws and regulations across all geographies
- Inability to adequately respond to changes in laws and regulations, including data privacy
- Failure to comply with payment and reporting obligations under the U.S. and foreign government programs

Management actions

- Oversight, monitoring and reporting of compliance requirements with government agreements have been implemented, including a management certification, and defined sub-certification process
- Indivior Global Integrity & Compliance program and development of compliance capabilities, guided by defined strategic plan and learnings from program operations are in place
- Compliance policies and processes, including Code of Conduct and an enhanced risk assessment, and related mandatory employee training programs are in place
- Confidential independent reporting process for employees to report concerns is in place
- Oversight and monitoring of controls are in place across all markets
- Data privacy governance and management framework are in place
- Continuous review and assessment of developments in the law, applicable industry standards, and business practices are in place
- Ongoing monitoring of controls over government pricing and reporting is in place

Change from 2020

Link to Strategic Priorities

1. Grow SUBLOCADE to $1bn+ net revenue
2. Diversify revenue
3. Build our pipeline for future growth

VIABILITY STATEMENT

The Group's viability depends upon successful execution of our business strategy, with a focus on:

- continued growth of SUBLOCADE toward its potential of >$1 billion in annual net revenue,
- diversification of net revenue, including PERSERIS and rest-of-world net revenues,
- building and progressing the new product pipeline, and
- optimization of the operating model, including management of our remaining litigation risks.

The Board has evaluated the Group's risk profile considering the business performance in 2021. A return to a more normal situation and continued stability of the US film business facilitated acceleration of investments in the Group's Strategic Priorities.

The Group's future business prospects are evaluated throughout the year as part of the strategic planning process. This process is led by the Chief Executive Officer through the Executive Committee and involves all relevant functions such as R&D, manufacturing & supply chain, commercial, legal, integrity & compliance, human resources and finance. Development of the strategic plan includes a thorough examination of the principal risks and potential actions to manage and mitigate those risks.

The output of the strategic plan is the Group's Strategic Priorities, an analysis of the relevant and material principal risks that could prevent the priorities from being realized, and a financial budget covering the following year. The Board reviews and approves the budget for the upcoming year as well as the strategic plan, which includes challenging key assumptions and risk mitigation plans included therein.

In accordance with the UK Corporate Governance Code, the Directors have assessed the viability of the Group. In determining a time period to assess the viability of the Group, the Directors considered the Group's strategic plan, business cycle, impact of generic and potential branded competition, ongoing legal proceedings and liquidity. Considering the recent investments in commercialization of our long-acting injectable products and the status of antitrust and opioid multi-district litigation, the Directors believe a four-year period to the end of 2025 to be appropriate. This assessment period provides a reasonable horizon for the financial impact of these developments to be reasonably considered. Uncertainty in financial forecasts increases over the time period covered by our viability assessment.

The strategic plan reflects the Directors' best estimate of the Group's future business prospects. Additionally, they have "stress tested" the plan under various sensitivities. The resulting scenario begins with a gradual reversion to observed generic analogs for SUBOXONE Film in the US after 2023 and limited uptake of PERSERIS. The stress testing then explores resilience of the Group to the potential impact of principal risks set out on pages 47 to 56. This sensitivity reflects "severe but plausible" concurrent circumstances the Group could experience, specific to commercialization and legal risks, as follows:

- reasonable underperformance in the expected market acceptance of SUBLOCADE over the viability period (considering a 15% decline on forecasts),
- accelerated reversion to generic analogs for SUBOXONE Film, and
- reasonably unfavorable outcome of antitrust class and state claims at the previously made settlement demands of $290 million (refer to Legal Proceedings section on pages 43 to 46.

Having considered these risk factors along with other principal risks set out on pages 47 to 56, the Directors have assessed the Group's ability to comply with the liquidity covenant in the Group's debt facility, maintain sufficient liquidity to fund its operations and pipeline investments, fulfill obligations under litigation settlements and the DOJ Resolution Agreement, and address the reasonably possible financial implications of legal proceedings.

Other risks identified in the principal risk table on pages 47 to 56 were also considered, but the above financial risks and operating considerations were considered the most immediate and significant that could prevent the Group from delivering on its Strategic Priorities and remaining viable. A number of other aspects of the principal risks, including possible changes to government pharmaceutical pricing and reimbursement, could also threaten the Group's viability in its current form, because of their nature or potential impact, if they were to occur, but were not modeled because the range of reasonably possible impacts are unknown.

The results of this stress testing showed the Group would be able to withstand the impact of these scenarios over the period of the viability assessment. In doing so, the Group may use its cash reserves if certain risks materialize. Although further cuts to the Group's operating costs and planned strategic investments are not required in our scenario planning, the ultimate actions required will vary to ensure ongoing viability of the Group.

Other scenarios may occur that could impact the Group's viability during the assessment period beyond those modeled in stress testing. In the early portion of the viability period, the Director's control over certain matters, such as the strategy to respond to legal proceedings, helps mitigate risk to the Group's viability. However, over the full viability period, the Directors' ability to influence the outcome of such matters is more limited. The impacts of government pharmaceutical pricing and reimbursement changes, competition, and development of our pipeline may present further risks after the viability assessment period.

Based on their assessment of the Group's business prospects and viability above, the Directors confirm their reasonable expectation that the Group will continue in operation and meet its liabilities as they come due over the four-year period ending December 31, 2025.

The Strategic Report on pages 1 to 57 was approved by the Board on March 17, 2022.

By Order of the Board

Kathryn Hudson
Company Secretary

CHAIR'S GOVERNANCE STATEMENT

Graham Hetherington
Chair of the Board

Dear Shareholder,

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year ended December 31, 2021. This report sets out our approach to governance, important areas of focus during the year, and how the Board and its Committees operate.

> **Our purpose is underpinned by high standards of governance and compliance, and our commitment to acting responsibly to build the long-term success of the Group.**

Governance and purpose

Indivior has a clear purpose: to pioneer life-transforming treatments for patients suffering from addiction and other serious mental illnesses. Our purpose is underpinned by high standards of governance and compliance, and our commitment to acting responsibly to build the long-term success of the Group and ultimately create value for all shareholders.

Having led the Board throughout 2021, I am confident that all Board members have contributed effectively to the strategic goals of the Group and met challenges as they arose. A strong governance framework and regulatory control environment has supported the decisions the Board has taken throughout the year.

Succession planning

During the year, we announced a number of new appointments to the Board and shared details of a comprehensive succession plan. These important governance changes were designed to align with and support the Group's Strategic Priorities, while continuing to represent the best interests of all shareholders.

Indivior entered into a Relationship Agreement with its largest shareholder, Scopia Capital Management LP ("Scopia"). As part of this agreement, Jerome Lande was appointed as representative director of Scopia in March 2021.

Also in March 2021, Joanna Le Couilliard, Mark Stejbach and Juliet Thompson were appointed as Non-Executive Directors and we announced details of a phased and comprehensive succession plan.

The Board also agreed to implement a phased transition plan for those directors who joined the Board at its inception in 2014. As part of that transition plan, Lorna Parker stood down as the Chair of the Nomination & Governance Committee following the 2021 AGM and I assumed that role; Lorna will remain as a Non-Executive Director to provide a smooth

transition while a search process for a Non-Executive Director, to be selected from a shortlist generated with Scopia's input and approved by the Board, is completed. In line with the agreed transition plan, Dan Phelan will step down from the Board by the end of 2022 and Tom McLellan will step down from the Board by the end of 2023.

Following the conclusion of the 2021 AGM, Daniel Tassé stepped down as Senior Independent Director. Daniel had served on the Board since its inception in 2014 and acted as Interim Chair from June 2020 until my appointment in November 2020. I would like to thank Daniel for his many strong contributions during his tenure.

Diversity

As part of the Board's succession plan, we remain committed to improving diversity in its broadest terms. During the year, female representation increased from 13% (as at December 31, 2020) to 27% (as at December 31, 2021).

Although we have not yet achieved the targets set by the Hampton-Alexander Review, we have made good progress in 2021 and will continue to focus on this as we implement our succession plan. We remain fully supportive of the aims of the Hampton-Alexander and Parker Reviews.

Meetings and new ways of working

The COVID-19 pandemic continued to have a significant impact on the business in 2021, and this included the way in which the Board and its Committees worked together. We continued to meet virtually, with the timings of meetings shifted to accommodate multiple time zones. Through continued investment in our IT systems and infrastructure, the Board has been able to work efficiently and securely throughout the year to continue our formal program of business. I would like to extend my thanks to the Board and the entire management team, who have demonstrated their patience, commitment, and flexibility by attending Board and Committee meetings often held outside of normal business hours.

We were delighted to finally bring all the Board together to meet in November 2021 and I very much hope that we are able to continue to meet in person in 2022.

Engagement with shareholders

Due to COVID-19 restrictions, only a limited number of shareholders were permitted to attend the Company's 2021 AGM in person to ensure that it was quorate, and a facility was put in place for shareholders to join the meeting virtually.

We hope to welcome shareholders to the 2022 AGM in person in the absence of any relevant UK Government restrictions. Given the unpredictable nature of the COVID-19 pandemic, we will provide a facility for shareholders to join the AGM virtually. We encourage shareholders to vote in advance of the meeting, even if you intend to join the meeting in person or virtually.

> **During the year, we announced a number of new appointments to the Board and shared details of a comprehensive succession plan.**

The Board will monitor any changes to government guidance to assess whether any modifications to the format of the meeting are necessary or desirable.

Moving forward

As part of the Board's commitment to creating shareholder value, the Board approved a $100 million share repurchase program, which commenced in July 2021 and was completed in December 2021. In July 2021, the Company also announced it had successfully negotiated an amendment to provide replacement term loan facilities in an aggregate principal amount of $250 million that will assist in achieving the strategic objectives of the Company.

During the year, the Board assessed the optimal listing structure for Indivior's shares and reached the preliminary view that an additional US listing is likely to be beneficial to the Group's profile and ability to attract a broader group of shareholders. The Board recognizes that this is an important topic for shareholders and intends to consult extensively before deciding whether to put a formal resolution to shareholders regarding an additional listing in the US.

These activities and events show the willingness of the Board to make pivotal decisions to enhance shareholder value and fund future business growth.

Graham Hetherington
Chair of the Board

March 17, 2022

1. Graham Hetherington

Chair

Appointed to the Board
November 2019

Skills and experience
› Graham was appointed Non-Executive Director in November 2019 and Chair of the Board in November 2020. He brings substantial financial and industry experience having served as Chief Financial Officer of two FTSE 100 companies. Graham has a wide knowledge of international finance management and planning, including M&A and audit and risk management coupled with an in-depth understanding of the US market. This broad mix of skills and experience allows him to make an effective and valuable contribution to the Board.
› Fellow of the Chartered Institute of Management Accountants (CIMA)
› BTG plc: Non-Executive Director & Senior Independent Director (2016-2019)
› Shire plc: Chief Financial Officer (2008-2014)
› Bacardi: Chief Financial Officer (2007-2008)
› Allied Domecq plc: Chief Financial Officer (1999-2005)

Other current appointments
None

2. Mark Crossley

Chief Executive Officer

Appointed to the Board
February 2017

Skills and experience
› Mark was appointed Chief Executive Officer in June 2020. He was appointed to the Board in February 2017 and served as Chief Financial Officer between 2017 and 2019 and as Chief Financial & Operations Officer between 2019 and 2020. Mark has a wealth of financial and pharmaceutical industry experience and knowledge. His extensive career experience across multiple disciplines covering strategy, finance, information technology and systems, treasury, supply and procurement allows him to bring a valuable perspective to the Board. This, complemented with an understanding of the risks and opportunities within the pharmaceutical industry, is highly valued by the Board.
› Indivior Chief Strategy Officer
› Reckitt Benckiser Pharmaceuticals Inc.: Global Finance Director
› Procter and Gamble: Associate Director Corporate Portfolio Finance
› Procter and Gamble: Associate Director Female Beauty Strategy and Business Planning

Other current appointments
None

3. Ryan Preblick

Chief Financial Officer

Appointed to the Board
November 2020

Skills and experience
› Ryan was appointed Chief Financial Officer and Executive Director in November 2020, having served as Interim Chief Financial Officer from June to November 2020. He has a wealth of financial and pharmaceutical industry knowledge and experience across multiple disciplines covering strategy, finance, information technology, commercial and supply, which allows him to bring a valuable perspective to the Board.
› Indivior SVP, Global Finance & Commercial Operations
› Indivior VP, US Finance
› Altria Corporation (formerly Philip Morris) Senior Manager Financial Planning & Analysis
› Honeywell International Corporate Finance

Other current appointments
None

4. Daniel J. Phelan

Senior Independent Director
Designated Non-Executive Director for Workforce Engagement

Appointed to the Board
November 2014

Skills and experience
› Dan possesses over 30 years of pharmaceutical and executive management experience, including extensive experience dealing with executive remuneration matters. Having overseen and led operational teams, Dan brings valuable perspectives regarding people, leadership and development coupled with a wide-ranging knowledge of inclusion and diversity, thereby bringing a cultural focus to the Board. He is conscious of the value of shareholder engagement. Dan is an active and knowledgeable Chair of the Remuneration Committee.
› Rutgers University Board of Trustees: Member (2013-2017)
› Computer Sciences Corporation: Advisory Board member (2013-2015)
› RiseSmart: Advisory Board member (2012-2016)
› GlaxoSmithKline: Advisor to three CEOs and various executive positions (1981-2012)
› TE Connectivity Ltd: Board Director (2006-2022)

Other current appointments
› GLG Institute: Advisor

5. Jerome Lande

Non-Executive Director

Appointed to the Board
March 2021

Skills and experience
› Jerome has over 20 years of experience as a professional investor, including substantial investing in medical device, pharmaceutical and healthcare companies. He currently serves as Deputy Chief Investment Officer for Scopia Capital Management. Jerome co-founded Coppersmith Capital Management, where he was managing partner and portfolio manager until it combined with Scopia in 2016.
› MCM Capital Management, LLC: Partner (1998-2011)
› Forest City Realty Trust, Inc.: Board Director
› BA from Cornell University

Other current appointments
› CONMED Corporation: Board Director
› Itron Inc.: Board Director

6. Joanna Le Couilliard

Independent Non-Executive Director

Appointed to the Board
March 2021

Skills and experience
› Jo is a healthcare industry veteran with 25 years' healthcare management experience gained in Europe, the US and Asia. Much of her career has been in pharmaceuticals at GlaxoSmithKline where, amongst other roles, she headed the US vaccines business and Asia Pacific Pharmaceuticals business and led a program to modernize the commercial model.
› BMI Healthcare: Chief Operating Officer
› Frimley Park NHS Foundation Trust: Non-Executive Director
› Cello Health PLC: Non-Executive Director
› Duke NUS Medical School in Singapore: Non-Executive Director

Other current appointments
› Circassia Group plc: Non-Executive Director
› Alliance Pharma plc: Non-Executive Director
› Recordati S.p.A.: Non-Executive Director

7. Peter Bains

Independent Non-Executive Director

Appointed to the Board
August 2019

Skills and experience
› Peter has over 30 years of experience in the pharmaceutical and biotechnology industries including a 23-year career at GlaxoSmithKline where he held numerous senior operational and strategic roles. His background provides international experience and a deep commercial understanding of sustained delivery coupled with investment appraisal and contracting.
The Board values his experience in understanding the risks and opportunities present in these industries.
› Sosei Group Corporation: Chief Executive Officer (2010-2018)
› Syngene International: Chief Executive Officer (2010-2016)

Other current appointments
› ILC Therapeutics Limited: Chairman
› Apterna Limited: Non-Executive Director
› MiNA Therapeutics Limited: Chief Business Officer (part-time role)

8. A. Thomas McLellan, Ph.D.

Independent Non-Executive Director

Appointed to the Board
November 2014

Skills and experience
› Tom has extensive experience in the field of addiction, which spans 40 years as a career researcher in the treatment of, and policy-making around, substance use and abuse. This enables him to contribute valuable insight and perspective to his work on Indivior's Science & Policy Committee which can have a material impact on the operating context within a regulatory and political environment.
› Published over 600 articles and chapters on addiction research
› Tom has received a range of Life Achievement Awards, including from the American, Swedish, Italian, Egyptian and British Societies of Addiction Medicine, and the American Public Health Association
› Treatment Research Institute (TRI): Co-founder, CEO and Chairman until September 2016
› White House Office of National Drug Control Policy: Deputy Director (2009-2011)

Other current appointments
› Recover Together, Inc.: Director
› Serves on several editorial boards of scientific journals

9. Lorna Parker

Independent Non-Executive Director

Appointed to the Board
November 2014

Skills and experience
› Lorna has over 26 years of executive search experience, management assessment and board consulting experience, and UK listed company experience. Lorna provides strong leadership on governance matters including succession planning. Her experience and insight in collating and understanding wide-ranging views contribute to making her an invaluable source of knowledge for the Board. At Manchester Square Partners, and as an independent consultant, Lorna conducts board effectiveness reviews for FTSE 100 companies.
› CVC Capital Partners: Senior Advisor (2016-2021)
› Future Academies: Director (2014-2017)
› BC Partners: Senior Advisor (2008-2016)
› Spencer Stuart: Partner (1989-2008); led the private equity practice across Europe and the legal search practice globally

Other current appointments
› PAI Partners SAS: Supervisory Board Member
› Royal Horticultural Society: Trustee
› National Opera Studio: Trustee
› Manchester Square Partners: Advisory Partner

10. Juliet Thompson

Independent Non-Executive Director

Appointed to the Board
March 2021

Skills and experience
› Juliet has over 30 years of finance, banking and board experience with significant focus in the healthcare sector. Juliet is a proven FTSE 250 audit chair and a former investment banker who has spent her career advising pharmaceutical and biotech companies.
› Juliet played a leading role in setting up Code Securities, an investment banking firm focusing on the healthcare sector, which was later acquired by Nomura (becoming Nomura Code). At Nomura Code, Juliet was a member of the Board and head of corporate finance. As Managing Director, she worked on over 50 transactions.
› Stifel: headed up the life sciences where she advised CEOs and CFOs in the healthcare sector
› Vectura plc: Non-Executive Director
› GI Dynamics: Non-Executive Director
› Chartered Accountant holding an ACA from ICAEW
› BSc in Economics from the University of Bristol

Other current appointments
› Novacyt: Non-Executive Director
› OrganOx: Non-Executive Director

11. Mark Stejbach

Independent Non-Executive Director

Appointed to the Board
March 2021

Skills and experience
› Mark has over 30 years of experience in biotech and pharmaceuticals, including senior roles in a range of commercial functions including marketing, sales, economic affairs, managed care and finance. Mark most recently served as Senior Vice President and Chief Commercial Officer at Alkermes plc, where he was responsible for building sales of Vivitrol from $40m to $300m.
› Flexion Therapeutics: Non-Executive Director (2016-2021)
› Tengion, Inc.: Chief Commercial Officer (2008-2012)
› EIP Pharma Inc.: Senior Commercial Advisor

Other current appointments
None

12. Kathryn Hudson

Company Secretary

Appointed Company Secretary
June 2015

Skills and experience
› Over 20 years of experience as a Company Secretary and Chartered Governance Professional
› Fellow of the Chartered Governance Institute
› Kingfisher plc: Company Secretary (2012-2015)
› Senior Company Secretarial positions at Burberry Group plc and ICAP plc

Other current appointments
None

Committee Membership Key
A Audit Committee
R Remuneration Committee
N Nomination & Governance Committee
S Science & Policy Committee
D Disclosure Committee
C Integrity & Compliance Committee
E ESG Committee

1. Mark Crossley
C E

Chief Executive Officer

See biography on page 60.

2. Ryan Preblick
D C E

Chief Financial Officer

See biography on page 60.

3. Jeff Burris
D C E

Chief Legal Officer

Skills and experience

› 25 years
› Over 13 years as head of the legal function at various life sciences companies

Key previous roles

› Arbor Pharmaceuticals: Vice President, General Counsel, Chief Compliance Officer and Secretary
› Alimera Sciences: Vice President, General Counsel, Chief Compliance Officer and Secretary
› CryoLife: Vice President, General Counsel and Chief Compliance Officer
› University of Chicago Law School: JD

4. Cindy Cetani
C E

Chief Integrity and Compliance Officer

Skills and experience

› 30+ years
› Certification: Licensed Professional of Ethics and Compliance

Key previous roles

› Novartis Pharmaceuticals Corp: Chief Compliance Officer and U.S. Country Compliance Head
› Novartis International AG: Head of Compliance Operations, Group Integrity & Compliance
› Pharmacia Corp: Director of Operations, Managed Markets
› Prudential Healthcare: Manager, Advertising Compliance
› US Life: Assistant Vice President, Commissions and Compensation

5. Jon Fogle
C E

Chief Human Resources Officer

Skills and experience

› 25+ years
› Senior certified professional in human resources

Key previous roles

› Reckitt Benckiser Pharmaceuticals Inc.: Global Human Resources Director
› Reckitt Benckiser Pharmaceuticals Inc.: Human Resources Director for the US
› Capmark Finance (formerly GMAC Commercial Mortgage): Senior Vice President of Human Resources, North America

6. Christian Heidbreder
D C E

Chief Scientific Officer

Skills and experience

› 30 years' leadership in neurosciences
› 450+ publications
› Affiliate Professor, Dept. of Pharmacology & Toxicology of the VCU School of Medicine
› Member of the National Advisory Council on Drug Abuse
› Member of the Helping to End Addiction Long-term (HEAL) Multi-Disciplinary Working Group

Key previous roles

› Reckitt Benckiser Pharmaceuticals Inc.: Global R&D Director
› Altria: Health Sciences
› GlaxoSmithKline: R&D Centre of Excellence for Drug Discovery in Psychiatry
› SmithKline Beecham: R&D Neuroscience
› Swiss Federal Institute of Technology (ETH): Biology
› National Institute on Drug Abuse: Intramural Research Program
› University of Louvain: Psychopharmacology

7. Kathryn Hudson
D C E

Company Secretary

See biography on page 61

8. Richard Simkin
D C E

Chief Commercial and Strategy Officer

Skills and experience

› 20+ years

Key previous roles

› Reckitt Benckiser Pharmaceuticals Inc.: President, North America
› Reckitt Benckiser: General Manager Portugal
› Reckitt Benckiser: Marketing Director UK Healthcare
› Reckitt Benckiser: Two Global Category roles and a number of General Management positions

9. Hillel West
C E

Chief Manufacturing and Supply Officer

Skills and experience

› 25+ years

Key previous roles

› Teva Pharmaceuticals: VP, Integration & Separation Management
› Teva Pharmaceuticals: Exec. Director, Head of Specialty Medicines Supply Chain
› Teva Pharmaceuticals: Exec. Director, Global Supply Chain and Operations Strategy
› PwC Consulting Europe: Head of Supply Chain Strategy, Emerging Markets
› PwC Consulting US: Senior Director, Supply Chain Transformation

Committee Membership Key

D Disclosure Committee

C Integrity & Compliance Committee

E ESG Committee

CORPORATE GOVERNANCE

Roles and responsibilities of the Board

The role of the Board is to promote the long-term sustainable success of the Company for the benefit of all stakeholders, generating value for shareholders and contributing to the wider society. The Board is responsible for setting the long-term business strategy and establishing the Company's purpose, vision and values, which together underpin the culture of the business.

The Board has a schedule of matters specifically reserved for its decision-making and approval. The key areas reserved to the Board include:

- the Group's strategic aims and objectives and review of performance against those aims and objectives;
- the Group's annual budget and corporate plans;
- the Group's annual, half-yearly and quarterly financial reports and the reports included therein;
- dividend policy;
- succession planning for the Board and senior management, all Board appointments and removals, remuneration arrangements and termination payments;
- major capital projects, acquisitions or divestments;
- any increase in, or significant variation in, the terms of the borrowing facilities of the Group;
- capital expenditure projects outside the scope of the approved annual budgets and plans;
- routinely reviewing the Group's confidential reporting hotline facility (EthicsLine) and ensuring that arrangements are in place for investigations and follow-up action;
- establishing an effective method for gathering the views of the Group's workforce and keeping this mechanism under review; and
- considering the interests of the Group's shareholders and other key stakeholders in its discussions and decision-making.

The matters reserved for approval by the Board are regularly reviewed by the Board.

The Board has delegated responsibility for the day-to-day management of the business to the Chief Executive Officer.

Board and Committee attendance

Directors are expected to attend all Board meetings, except for in exceptional circumstances. To maximize attendance, scheduled meetings are arranged well in advance to help Directors avoid clashes with other commitments. If a Director is unable to attend a meeting, they are provided with the briefing materials before the meeting and can discuss any agenda item with the Chair of the Board, Chief Executive Officer or relevant Committee Chair. All Board and Committee meetings were held virtually with the exception of the meetings in November 2021, when the Directors were able to meet in person for the first time since the start of the COVID-19 pandemic.

	Independent	Date appointed to the Board	Board	Audit	Nomination & Governance	Remuneration	Science & Policy
Graham Hetherington[1,2]	n/a	November 2019	10/10	1/1	5/5	5/5	-
Peter Bains[3]	Yes	August 2019	9/10	7/7	-	-	5/5
Mark Crossley	No	February 2017	10/10	-	-	-	-
Jerome Lande[4]	No	March 2021	7/7	6/6	4/4	-	-
Joanna Le Couilliard[5]	Yes	March 2021	7/7	6/6	-	4/4	-
A. Thomas McLellan	Yes	November 2014	10/10	-	-	-	5/5
Lorna Parker	Yes	November 2014	10/10	-	5/5	5/5	-
Daniel J. Phelan	Yes	November 2014	10/10	-	5/5	5/5	-
Ryan Preblick	No	November 2020	10/10	-	-	-	-
Juliet Thompson[5]	Yes	March 2021	7/7	6/6	4/4	-	-
Mark Stejbach[5]	Yes	March 2021	7/7	6/6	-	-	4/4
Daniel Tassé[6]	Yes	November 2014	5/5	3/3	-	2/2	-

1. Graham Hetherington was appointed as an Independent Non-Executive Director on November 1, 2019, and was appointed Chair of the Board on November 18, 2020.
2. Graham Hetherington remained a member of the Audit Committee following his appointment as Chair of the Board to ensure that the Committee remained compliant with the Code requirement for one of the members to have recent and relevant financial experience. He stepped down as a member of the Audit Committee on March 24, 2021, following the appointments of Jerome Lande, Joanna Le Couilliard, Mark Stejbach and Juliet Thompson.
3. Peter Bains was unable to attend one Board meeting during the year due to scheduling conflicts. He received papers in advance of the meeting and held a follow-up call with Company Secretary following the meeting.
4. Jerome Lande was appointed as a Non-Executive Director on March 24, 2021. Mr Lande is a representative director of Scopia Capital Management LP, the Company's largest shareholder.
5. Joanna Le Couilliard, Juliet Thompson and Mark Stejbach were appointed as Independent Non-Executive Directors on March 24, 2021.
6. Daniel Tassé resigned as Senior Independent Director and Non-Executive Director on May 6, 2021.

Compliance with the 2018 UK Corporate Governance Code

The 2018 UK Corporate Governance Code published by the Financial Reporting Council (the "Code") sets out standards of good practice in relation to: board leadership and company purpose; division of responsibilities; composition, succession and evaluation; audit, risk and internal control; and remuneration.

The Board is supportive of the standards set by the Code. This section describes how the Board has applied the Principles of the Code. Throughout the financial year and up to the date of this report, the Company has complied with the Provisions of the Code, with the exception of the following:

Provision 20 – Appointment of Non-Executive Director

An external search process was not used in connection with the appointment of Jerome Lande. Mr Lande is a representative director of Scopia Management LP ("Scopia"), a significant shareholder of the Company. The Company was therefore not compliant with Provision 20 of the Code in respect of Mr Lande's appointment. An external search process was used for the appointments of Joanna Le Couilliard, Mark Stejbach and Juliet Thompson. Further details can be found in the Nomination and Governance Committee Report on pages 86 to 87.

Provision 21 – Annual performance evaluation

There were a number of new appointments to the Board in 2021, with new Board members attending their first Board meeting in April 2021 (virtually) and their first in-person meeting in November 2021. As a result of these changes to the Board, it was agreed to defer the annual evaluation process to allow the new Directors to complete their induction process and develop their understanding of the business. Dr Tracy Long of Boardroom Review Limited has been appointed to undertake a full external evaluation; the external evaluation process is underway and will be completed in the first half of 2022.

The Company was therefore not compliant with Provision 21 of the Code as it did not complete the annual review of its performance during the year.

Provision 24 – Audit Committee composition

In November 2020, Graham Hetherington was appointed Chair of the Board. Mr Hetherington, who was the designated member of the Audit Committee with recent and relevant financial experience and competence in auditing and accounting, remained a member of the Audit Committee until March 2021, when Joanna Le Couilliard and Juliet Thompson were appointed as members. Both Ms Le Couilliard and Ms Thompson are considered to have recent and relevant financial experience and competence in auditing and accounting.

Jerome Lande was appointed as a member of the Audit Committee in March 2021. Mr Lande is a partner of Scopia Capital Management LP ("Scopia"), a significant shareholder of the Company; he is therefore not considered independent under Provision 10 of the Code. Notwithstanding this, given Mr Lande's considerable financial and investment experience in the pharma sector, it was agreed that he would bring significant skills and expertise to the Audit Committee and would therefore be appointed a member of the Committee. A Relationship Agreement between the Company and Scopia was in place throughout the year to manage any conflicts of interest that may arise from Mr Lande's connection with Scopia. Please refer to the Directors' Report on page 114 for further information on the Relationship Agreement.

The Company was therefore not compliant with Provision 24 of the Code during the year as the Chair of the Board was a member of the Committee between January and March 2021 and Mr Lande, who is not considered independent, was a member of the Committee from March 2021 onwards.

Board Leadership and Company Purpose

Purpose and culture

The Board's primary focus is to support and further the Group's purpose of pioneering life-transforming treatment. It is critical to the strategy and long-term success of the Group that there is a culture and set of values that are widely understood and that guide the organization in everything it does.

The Board is responsible for establishing the Group's purpose, values and strategy, reviewing financial and operational performance, risk management and appetite, the Group's capital structure and plans proposed by management to implement the agreed strategy. The Board ensures that sufficient resources are available to meet the objectives set.

The Board is collectively responsible for the long-term success of the Company and for delivering value to shareholders. The Board provides strategic leadership and effective oversight of the Group's operations, either directly or through the work of its principal Committees. It has ultimate responsibility for the oversight and monitoring of the Group's governance, principal risks and control framework. Further information regarding the Group's internal financial control and risk management systems, including managing and resolving litigation risks, can be found on page 82.

The Group's culture is considered a key strength. The Board has responsibility for assessing and monitoring the culture of the Group and ensuring that its policies and practices are aligned with this. Central to Indivior's culture is the belief that the workforce is fundamental to the Group's ability to succeed. On induction, all employees take part in an interactive culture orientation session.

The Group engaged an external consultancy, M Marino & Associates, to support in a review of Indivior's operating culture and assess the impact of the current business environment and internal changes on operating behaviors. The review covered the period from 2016 to 2021 and was based on the results of annual culture surveys and a sampling of focus groups in 2019 and 2020.

The feedback from this review was positive and indicated high levels of trust and transparency were being built across the organization. The review also highlighted that there had been a significant focus on diversity and inclusion in 2021. The review had highlighted key opportunities which included the continued focus on patients, building confidence in the future of the business and investing in team building and recognition events as COVID-19 restrictions abated.

During the year, Daniel J. Phelan (the designated Non-Executive Director for workforce engagement) hosted a discussion with members of the Culture Champion network, which was attended in person and virtually. Further information regarding the Board's engagement with the workforce is set out on page 73.

Stakeholder engagement

As part of its decision-making processes, the Board considers the interests of shareholders, key stakeholders and wider society. Further information regarding the Board's stakeholder engagement activities can be found in the stakeholder engagement statement set out on pages 24 to 29 of the Strategic Report, the "Responsibility" section on pages 30 to 37 and in the "Engagement with shareholders" section on page 72. Further information regarding the Board's activities during the year, including examples of how it considered the interests of stakeholders, is provided in the "Principal Board decisions" section on pages 68 to 70.

Workforce policies and practices

The Board keeps workforce policies and practices under review to ensure they are consistent with the Group's values and support the long-term sustainable success of the Group. The Group's Code of Conduct ("Doing the Right Things Right") sets out standards expected of the workforce and how these standards align with the Group's culture and Guiding Principles.

During the year, the Group introduced a series of measures for the welfare, health and safety of its employees. Further information regarding the impact of the COVID-19 pandemic on the workforce can be found on page 34.

During the year, the Chief Integrity & Compliance Officer updated the Board on the continued focus on the Group's Integrity & Compliance Program including key program enhancements and compliance with the Corporate Integrity Agreement with the Office of the Inspector General of the U.S. Department of Health and Human Services (the "CIA"), DOJ Compliance Measures and FTC Stipulated Order, which present ongoing reporting and annual requirements.

The Chief Integrity & Compliance Officer provided an overview of reports received via the confidential reporting hotline facility (EthicsLine), which provides a facility for members of the workforce to raise concerns in confidence and (where local regulations permit) anonymously. The Nomination & Governance Committee routinely reviews reports received via the EthicsLine and monitors the case management and investigation process at each meeting. The Board has ultimate responsibility for the Group's confidential reporting facility and there is a process in place for promptly escalating significant reports. During the year, the Board reviewed the reports received through the confidential reporting facility and the arrangements in place for investigation and follow-up action.

An independent Ethics & Compliance Program Perceptions Survey was conducted by Ethisphere. The survey covers employee perceptions of an ethical culture across eight pillars, which include perceptions of the conduct, values and communications of senior leadership and management and awareness of the Integrity & Compliance Program. The survey was completed by 69% of the workforce and the results had improved across the majority of pillars, with all pillars exceeding Ethisphere benchmarks.

Further information regarding the Group's Integrity & Compliance Program, including 2021 program highlights, can be found in the "Responsibility" section on page 35.

The Remuneration Committee is responsible for reviewing workforce remuneration and related policies and the alignment of incentives with culture. Further information regarding the Remuneration Committee's review in 2021 can be found on page 106.

Compliance with the 2018 UK Corporate Governance Code continued

Division of responsibilities

The roles of Chair and Chief Executive Officer are separate. There is a clear division of responsibilities between the two and they may not be exercised by the same individual.

Chair of the Board

The Chair leads the Board and is responsible for ensuring its overall effectiveness. The Chair was considered independent on appointment, demonstrates objective judgment and promotes a culture of openness and constructive debate. He works with the Chief Executive Officer and Company Secretary to ensure that all Directors receive timely and clear information. The Chair works closely with the Senior Independent Director and Non-Executive Directors. A part of each Board meeting is reserved for a meeting of the Chair and the Non-Executive Directors, without executive management present.

Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day leadership of the business. He is supported in this role by the Executive Committee. The Chair and the Chief Executive Officer work together, supported by the Company Secretary, to set the Board's agenda.

Senior Independent Director

The Senior Independent Director acts as a sounding board for the Chair and can act as an intermediary for the other Directors and shareholders when required. He also leads the other Non-Executive Directors in the performance evaluation of the Chair. He provides an alternative point of contact for shareholders on matters where the usual channels of communication are deemed inappropriate.

Daniel Tassé was the Senior Independent Director until May 2021. Daniel J. Phelan was appointed Senior Independent Director in May 2021.

Board balance and independence

There is a clear division of responsibilities between the leadership of the Board and executive leadership of the business. The roles of Chair, Chief Executive Officer and Senior Independent Director are clearly separated and set out in writing. Their division of responsibilities, plus the matters reserved for the Board and the terms of reference for each principal Committee, ensure that no single individual can have unfettered powers of decision-making.

At December 31, 2021, the Board comprised the Chair, two Executive Directors and eight Non-Executive Directors.

The Board considers the independence of its Non-Executive Directors annually, based on the criteria in the Code and following consideration by the Nomination & Governance Committee.

The Board considered the independence of the Non-Executive Directors at its meeting in February 2022 and concluded that all the Non-Executive Directors, with the exception of Jerome Lande, remained independent of management and free from any relationship that could interfere with their judgment.

Jerome Lande is not considered to be independent as he is a partner of Scopia Capital Management LP ('Scopia'). Scopia is a significant shareholder of the Company. There is a Relationship Agreement in place between the Company and Scopia to manage any conflicts of interest that arise from Mr Lande's connection with Scopia. Please refer to the Directors' Report on page 114 for further information on the Relationship Agreement.

Graham Hetherington, the Chair of the Board, was considered to be independent upon his appointment as a Non-Executive Director in November 2019 and remained independent upon his appointment as Chair of the Board in November 2020.

The Non-Executive Directors bring an external perspective to Board discussion. The Company has benefited from the broad range of skills and experience that the Non-Executive Directors provide from different businesses and fields, including the pharmaceutical, financial and research sectors. They offer specialist advice, constructive challenge and strategic guidance to the Executive Directors as well as holding them to account.

Throughout the year they have helped to shape the Group's strategy, scrutinized the performance of management, agreed goals and objectives and monitored the Group's risk profile and reporting of performance.

Board processes and the role of the Company Secretary

The Company Secretary ensures that the Board receives appropriate and timely information and provides advice and support to the Chair, Board and senior management on regulatory and governance matters. All Directors have access to the Board portal, which is used to distribute Board and Committee materials and governance resources.

Board meetings are scheduled well in advance. Where it is necessary to call meetings at short notice, efforts are made to find suitable times when all Directors can attend; where this is not possible, Directors are provided with briefing materials and can discuss any agenda item with the Chair, Chief

Executive Officer or relevant Committee Chair. In addition, updates and analysts' notes are uploaded to the Board portal to ensure that Directors are kept apprised of developments.

All Directors have direct access to the advice and services of the Company Secretary. Directors may also obtain independent professional advice as required at the Company's expense.

Time commitment

The letters of appointment for the Chair and Non-Executive Directors state the expected time commitment to fulfill their roles. The Chair and Non-Executive Directors are expected to set aside sufficient time to prepare for meetings. The Board is satisfied that all Directors continue to devote sufficient time to discharge their duties effectively.

Composition, succession and evaluation

Appointment and re-appointment of Directors

There is a formal, rigorous and transparent procedure for the appointment of new Directors. The process for new appointments is led by the Nomination & Governance Committee, which makes its recommendations to the Board.

In accordance with Provision 18 of the Code, all Directors will stand for re-appointment at the 2022 AGM. The 2022 Notice of AGM will include a biography for each Director setting out the skills they bring to the Board and why their contribution is, and continues to be, important to the long-term success of the Group.

Further information regarding the process for the appointment of the Chair, Executive and Non-Executive Directors can be found in the Nomination & Governance Committee Report on pages 85 to 88.

Succession planning and diversity

The Nomination & Governance Committee is responsible for developing and overseeing the succession plans for the Board and senior management and, as part of this review, takes consideration of the length of service of each Director. The Committee also considers the skills and experience of each of the Directors and maintains a skills matrix. Appointments and succession plans are based on merit and objective criteria and, within this context, are intended to promote diversity.

Further information regarding the review of succession planning, diversity and inclusion in 2021 can be found in the Nomination & Governance Committee Report.

Board performance evaluation

The annual performance evaluation of the Board and its Committees considers the Board's composition, diversity and how effectively members work together to achieve objectives.

As a result of a number of changes to the composition of the Board during the year, the annual performance evaluation was deferred to allow the new Directors to complete their induction process and develop their understanding of the business.

Further information regarding the Board performance evaluation process can be found on page 71.

Audit, risk and internal control

The Board has ultimate responsibility for internal control and risk management systems and considers regular reviews carried out by the Audit Committee, which has responsibility for monitoring such systems.

Further information about the role and work of the Audit Committee is set out in the Audit Committee Report on pages 75 to 84.

Further information regarding the Group's approach to risk management, including the management of principal and emerging risks, can be found on pages 47 to 56.

Remuneration

Further information about our approach to remuneration and the role and work of the Remuneration Committee is set out in the Directors' Remuneration Report on pages 91 to 111.

Principal Board decisions in 2021

The Directors consider that they met sufficiently frequently to enable them to discharge their duties effectively. Details of the principal matters discussed and decisions made during the year are shown in the following table. Consideration of all of the Group's stakeholders is an integral part of the Board's decision-making and is predicated on discussions held with stakeholders. Further information on the Group's engagement with stakeholders can be found in the Strategic Report on pages 24 to 29.

Strategy

- The growth of SUBLOCADE remains the Group's most important strategic priority as it is considered the biggest potential driver of value creation and facilitator of other strategic priorities. The Board received an update on the operational performance of the business at each scheduled meeting, which included an update on the performance of SUBLOCADE and the focus on the development of the Organized Health Systems ("OHS") channel.
- As COVID-19 restrictions showed signs of abating and the US healthcare system started to reopen, the Board agreed to invest in the expansion of the PERSERIS sales force to achieve US national coverage in 2022.
- The Group sought to strengthen its leadership position in substance use disorder treatment by securing an exclusive agreement with Aelis Farma for their leading mid-stage asset (AEF 0117) targeting cannabis-related disorders.
- In June 2021, the Board agreed to the repricing and maturity extension of its $250m term loan facilities. This replaced the Group's previous borrowing facilities, providing greater flexibility by removing the previous leverage covenant and introducing a minimum liquidity covenant (greater of 50% of any outstanding balances or $100m). The new term loan has a maturity date of June 30, 2026.
- The Board approved the disposal of the legacy TEMGESIC/BUPREX/BUPREXX (buprenorphine) analgesic franchise outside of North America.
- The Board reviewed the Group's use of capital and approved the implementation of a $100 million share repurchase program.
- The Board assessed the optimal structure for Indivior's shares and reached the preliminary view that an additional US listing is likely to be beneficial to the Group's profile and ability to attract a broader group of shareholders. In February 2022, the Group announced its intention to consult extensively before deciding whether to put a formal resolution to shareholders.

Financial and operational performance

- The Board reviewed and approved the FY 2020 preliminary announcement, the 2021 Q1 results announcement, the 2021 half-year results announcement and the Q3 2021 results announcement.
- Based upon the strong commercial execution behind SUBLOCADE and the resilience of the legacy US SUBOXONE Film business, net revenue guidance was raised in June and October 2021 (from a base case of $625m at the beginning of the financial year to a range of $750m to $770m in October 2021); actual net revenue of $791m for the 2021 financial year was significantly ahead of 2021 plan.
- The Board received updates from the Chief Manufacturing & Supply Officer regarding the Group's supply chain, the processes in place to ensure continuous supply and plans to increase the supply of SUBLOCADE and PERSERIS in line with projected increases in demand.

Shareholder engagement

- The Chair of the Remuneration Committee consulted with shareholders in advance of, and following, the 2021 AGM, where the 2020 Remuneration Report and the resolution to re-elect the Chair of the Remuneration Committee received a 38.3% and 21.5% vote against respectively. Following consultation, an Update Statement was published on the Company's website. Further information regarding this can be found on page 109.
- The Board considered and agreed the terms of the Relationship Agreement with Scopia Capital Management LP, a significant shareholder of the Company. Further information regarding the Relationship Agreement with Scopia can be found on page 114.

ESG

- An external review on Indivior's operating culture was undertaken and the results were presented to the Board. The review covered the period from 2016 to 2021 and was based on results of annual culture surveys and a sampling of focus groups in 2019 and 2020. The feedback was positive and indicated that high levels of trust and transparency were being built across the organization and highlighted that there had been a significant focus on diversity and inclusion in 2021, which included training for the Executive Committee and senior leadership. Further information on diversity and inclusion can be found on pages 33 and 88.
- The Board reviewed the 2021 Culture Survey and noted that the results had significantly improved since the last Culture Survey had been conducted in 2019.
- The Board was updated on the development of the Group's Environmental, Social and Governance ("ESG") Strategy, including the key areas of focus, reporting structure and investment in resources to support the program.
- The Board, supported by the Nomination & Governance Committee, reviewed and approved the Group's Modern Slavery Statement.

Litigation matters

- During the year, the Board considered the Group's legal strategy and agreed that no changes would be made to that strategy.
- Updates were provided on litigation matters at Board meetings by the Interim Chief Legal Officer. Information regarding legal proceedings can be found on pages 43 to 46.

COVID-19 pandemic

- The Board was regularly updated on the financial and operational impact of the COVID-19 pandemic on the business. This included ensuring a continuous supply of product was available and monitoring the financial impact on the business.
- The Board was updated on the Group's response to the COVID-19 pandemic and the steps taken to protect the welfare of the Group's workforce. For the majority of 2021, most of the Group's offices remained closed. In the second half of 2021 a pilot hybrid working model was introduced. The "Collaboration Model" provides flexible working arrangements for office-based members of the workforce who may choose to work remotely up to two days per week and work in the office three days per week; with two fixed collaboration days to promote engagement and connectivity.

Succession planning

- Supported by the Nomination & Governance Committee, the Board approved the appointments of Jerome Lande, Joanna Le Couilliard, Mark Stejbach and Juliet Thompson to the Board in March 2021 and agreed a phased succession plan for those Non-Executive Directors who were appointed on demerger. As part of this phased succession plan, Lorna Parker stepped down as Chair of the Nomination & Governance Committee and was succeeded by Graham Hetherington.
- The Nomination & Governance Committee considered the role of Senior Independent Director following Daniel Tassé's notification that he would not stand for re-election at the 2021 AGM. Following review and recommendation from the Nomination & Governance Committee, Daniel J. Phelan was appointed as Senior Independent Director following Mr Tassé's departure.
- All matters discussed by the Nomination & Governance Committee were summarized to the Board for consideration or approval. Further information regarding those items discussed, including changes to the Board in 2021 and succession planning activities, can be found on pages 85 to 88.

Audit and Risk

- On the recommendation of the Audit Committee, the Board agreed to recommend the re-appointment of PricewaterhouseCoopers LLP as the External Auditor.
- Further information regarding the Group's approach to risk management, including the management of its principal and emerging risks, can be found on pages 47 to 56.
- All matters discussed by the Audit Committee were summarized to the Board for consideration or approval. Further information regarding the work of the Audit Committee, including any significant internal audit findings in 2021 can be found on pages 75 to 84.

Governance and compliance

- Following recommendations from the Audit and Disclosure Committees, the Board reviewed the Annual Report and Accounts and concluded that, when taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.
- The Board, supported by the Nomination and Governance Committee, reviewed the continued progress of the Group's Integrity & Compliance Program and approved the submission of the Annual Board of Directors' Resolution as required by the U.S. Department of Justice's Resolution Agreement and the Year 1 Annual Report to the Office of the Inspector General of Health and Human Services (OIG) under the Group's Corporate Integrity Agreement.
- The Board received refresher training on the Group's disclosure obligations under the Market Abuse Regulation.
- The Company Secretary provided an update on the impact of the COVID-19 pandemic on the arrangements for the 2021 AGM as a result of the continuing social distancing measures in the UK. Attendance at the 2021 AGM was, once again, limited to essential personnel as result of COVID-19 restrictions. The Board agreed to provide a virtual facility for shareholders to be able to listen to the AGM proceedings and to ask questions via an online chat facility.

Investor relations

- The Chief Executive Officer and Chief Financial Officer provided an update on feedback from investors following each quarterly results announcement.
- The Board was kept abreast of the views of shareholders during the year by management and presentations from the Group's brokers.

Board Induction of Jerome Lande, Joanna Le Couilliard, Mark Stejbach and Juliet Thompson

In March 2021, Jerome Lande, Mark Stejbach, Juliet Thompson and Joanna Le Couilliard were appointed as Non-Executive Directors. Their induction program contained a number of core elements, which included:

Induction pack

The new Directors were provided with a comprehensive induction pack, containing key corporate documents, governance documents and copies of recent press releases and analysts' notes.

Business induction

Meetings were scheduled with members of the Executive Committee and key employees to get an understanding of the Group's financial and commercial operations.

Corporate governance

The new Directors attended a corporate governance induction session, which was delivered by external counsel and covered the role, duties and legal responsibilities of a director, the UK Listing Regime and other legislative and regulatory matters.

Integrity & compliance

The new Directors received training on the hallmarks of an effective compliance program and the Board's obligations under the Group's Corporate Integrity Agreement. This session was delivered by the Chief Integrity & Compliance Officer and the Compliance Expert to the Board.

Legal induction

The Interim External Chief Legal Officer provided an overview of the key litigation matters impacting the Group.

Internal Audit Services

The VP, Chief Audit Executive provided an overview of the internal audit function, the internal audit plan and the function's key priorities for 2021.

External Audit

Meetings were held with the External Audit Partner to develop an understanding of the role of the External Audit. This included discussions regarding the current areas of focus and risks of the audit, significant judgment areas and regulatory and technical updates.

Board performance evaluation

2020 Effectiveness Review

The 2020 Effectiveness Review, which was internally facilitated, highlighted a number of areas for focus in 2021; these areas and the actions taken during the year to address them are set out below.

- Driving the growth of SUBLOCADE, with particular reference to Organized Health Systems channel development (OHC);
  – the Board received an update on the performance of SUBLOCADE and development of the OHS channel at each scheduled meeting. During the course of the year, SUBLOCADE net revenue increased by 88%, with good progress in the OHS channel.
- Effective implementation and oversight of the CIA and other government agreements;
  – the Nomination & Governance Committee received an update on the Group's Integrity & Compliance Program at each meeting. To date, all requirements specified in the three agreements have been met, including the filing of all required scheduled and ad hoc reports and notifications.
- Maintaining the culture of the organization, particularly with respect to the impact of COVID-19, and Board engagement with employees;
  – the Board reviewed the results of the 2021 culture survey; further information can be on page 69. Daniel J. Phelan, the designated Non-Executive Director for workforce engagement met with members of Indivior's Culture Champion network during the year and the focus of that discussion was the culture of the organization and the challenges brought about by the COVID-19 pandemic; further information can be found on page 34.
- The successful development of early-stage assets to create a sustainable and diversified platform for growth;
  – supported by the Science & Policy Committee, the Board approved entering into a strategic partnership with Aelis Farma for their leading mid-stage asset (AEF 0117) targeting cannabis-related disorders;
- The importance of orderly succession planning for the Non-Executive Directors and gender and ethnic diversity was identified as an area for focus;
  – in March 2021, the Group announced the appointment of four new Non-Executive Directors, two of whom are female. We also announced a phased and comprehensive succession plan for those Directors who joined the Board at its inception in November 2014; further information can be found on pages 86 to 87.

2021/2022 Board Effectiveness Review

The Company became a member of the FTSE 350 in September 2020. The 2021/2022 external effectiveness review will be the Board's first externally facilitated review since it became a member of the FTSE 350 index. Dr Tracy Long of Boardroom Review Limited has been appointed to undertake a full external evaluation; that review is underway and will be completed in the first half of 2022.

Board induction

New Directors receive a comprehensive, tailored induction program, which takes into account their background, skills and their position on the Board and Committees. The Company Secretary facilitates the induction of Directors and monitors ongoing training needs for the Board. Where an existing Director takes on a new role, they receive induction appropriate to their new role. Further information regarding the induction of new Non-Executive Directors in 2021 is set out on page 71.

Board accountability

The Board is responsible for the integrity of the Group's Annual Report and Accounts and recognizes its responsibility to present a fair, balanced and understandable assessment of the Group's position and prospects.

The Board has assessed, together with the Audit and Disclosure Committees, all information available in considering the overall drafting of the Group's Annual Report and Accounts and the process by which it was compiled and reviewed. In doing so, the Board ensured that adequate time was dedicated to the drafting process so that linkages and consistencies were worked through and tested. Drafts were reviewed by knowledgeable executives and senior management not directly involved in the year-end process.

The Board recognizes that this responsibility extends to interim and other inside information, information required to be presented in relation to statutory requests and reports to regulators. In relation to these requirements, reference is made to the Statement of Directors' Responsibilities for preparing the Annual Report and financial statements, set out on pages 116 and 117.

Engagement with shareholders

The Board recognizes the importance of regular, effective and constructive communications with its shareholders.

The principal opportunity for shareholders to engage with the Board is at the AGM. As a result of the COVID-19 pandemic, the Group was unable to hold its 2021 AGM in the normal way. Attendance at the 2021 AGM was limited to essential personnel only. Shareholders were able to submit questions to the Board in advance of the AGM by email. In addition, a facility was put in place for shareholders to join the meeting virtually, allowing shareholders to listen to the proceedings and ask questions via an online chat facility.

The Group announces its financial results on a quarterly basis, and these were released to the London Stock Exchange via an authorized Regulatory Information Service, and subsequently published on the Group's website. Results announcements were accompanied by a presentation for analysts and investors from the Chief Executive Officer, Chief Financial Officer and other executives; these were webcast live and archived on the Group's website. These presentations included dedicated question and answer sessions, where attendees were invited to ask questions.

During the year, the Chief Executive Officer, Chief Financial Officer and the Vice President, Investor Relations met regularly with the Group's major shareholders and financial analysts to discuss matters relating to the Group's business strategy and current performance. Where appropriate, the Chair, Chair of each of the Committees and Non-Executive Directors may attend meetings with major shareholders.

The Board regularly received reports covering discussions with major shareholders and was informed of any issues or concerns raised during those discussions. In addition, the Group's corporate brokers provided reports to the Board on the views of investors.

Analysts' briefing notes are circulated to the Board. This process enhances the Board's understanding of the views of shareholders and enables them to judge what future action would further assist investors' understanding of the Group's strategic objectives.

Annual General Meeting

The AGM provides an opportunity for shareholders to put questions to the Board of Directors and to vote on the resolutions set out in the Notice of Meeting. All resolutions are voted on by way of poll, with one vote for each share held. The results of the poll are announced to the London Stock Exchange and published on Indivior's website shortly after the end of the AGM.

Prior to the AGM, the Board receives and considers corporate governance and voting guidelines issued by the Company's major institutional shareholders, representative bodies and proxy advisory organizations.

It is intended that the 2022 AGM will be a physical meeting to be held in London with an online facility for shareholders to listen to the meeting and submit questions virtually. The Board will monitor the situation in relation to the AGM, with particular regard to any changes to the UK Government restrictions and guidance and any other factors relating to the health and safety of shareholders and the Board, and will change the arrangements for the AGM if deemed necessary.

Workforce engagement

Workforce voice in the Boardroom

During the year, Daniel J. Phelan, the designated Non-Executive Director for workforce engagement, met with members of Indivior's Culture and Inclusion Champion network, some of whom in attended in person while some attended the session virtually.

The focus of the discussion was the culture of the organization, and the biggest challenges faced by the business. The session was facilitated by an external facilitator, and the Culture and Inclusion Champions provided thoughtful and candid feedback.

Overall, feedback was very positive and there continues to be strong commitment to the Group's vision and Guiding Principles. The challenges brought about by the COVID-19 pandemic had been discussed and the new hybrid working model, which provides office-based employees with the opportunity to work flexibly, had been generally positively received. The Group's continued focus on diversity and inclusion had also been positively highlighted.

The Board hopes to be able to increase its face-to-face engagement activities in 2022.

Global Town Halls

Global Town Hall meetings were held quarterly. The purpose of these events is to provide a business update and an opportunity for employees to ask questions and engage with senior management. In addition, internal and external speakers are invited to present at meetings to provide an insight into different areas, including Strategic Priorities, business development and the global disease state. In 2021, external speakers included an author, patient advocate and healthcare professional. As a result of COVID-19, these events were held virtually.

In November 2021, Mark Crossley visited the UK Slough office and provided an update to employees followed by a Q&A session.

Board Committees

The Board has established four principal Committees to support it in fulfilling its oversight responsibilities; these are the Audit, Nomination & Governance, Remuneration and Science & Policy Committees.

Each of these Committees has certain delegated responsibilities which are set out in their Terms of Reference, which are available at www.indivior.com. The Chair of each principal Committee reports on the activities of their respective Committee at the following Board meeting. Copies of all papers and the minutes of meetings of the principal Committees are available to all Directors.

Executive Committees

In addition to the principal Committees, the Group has four executive Committees:

Executive Committee

The Executive Committee is chaired by the Chief Executive Officer. The Committee comprises key functional leaders from the business and its purpose is to assist the Chief Executive Officer in discharging his duties. The Executive Committee meets monthly.

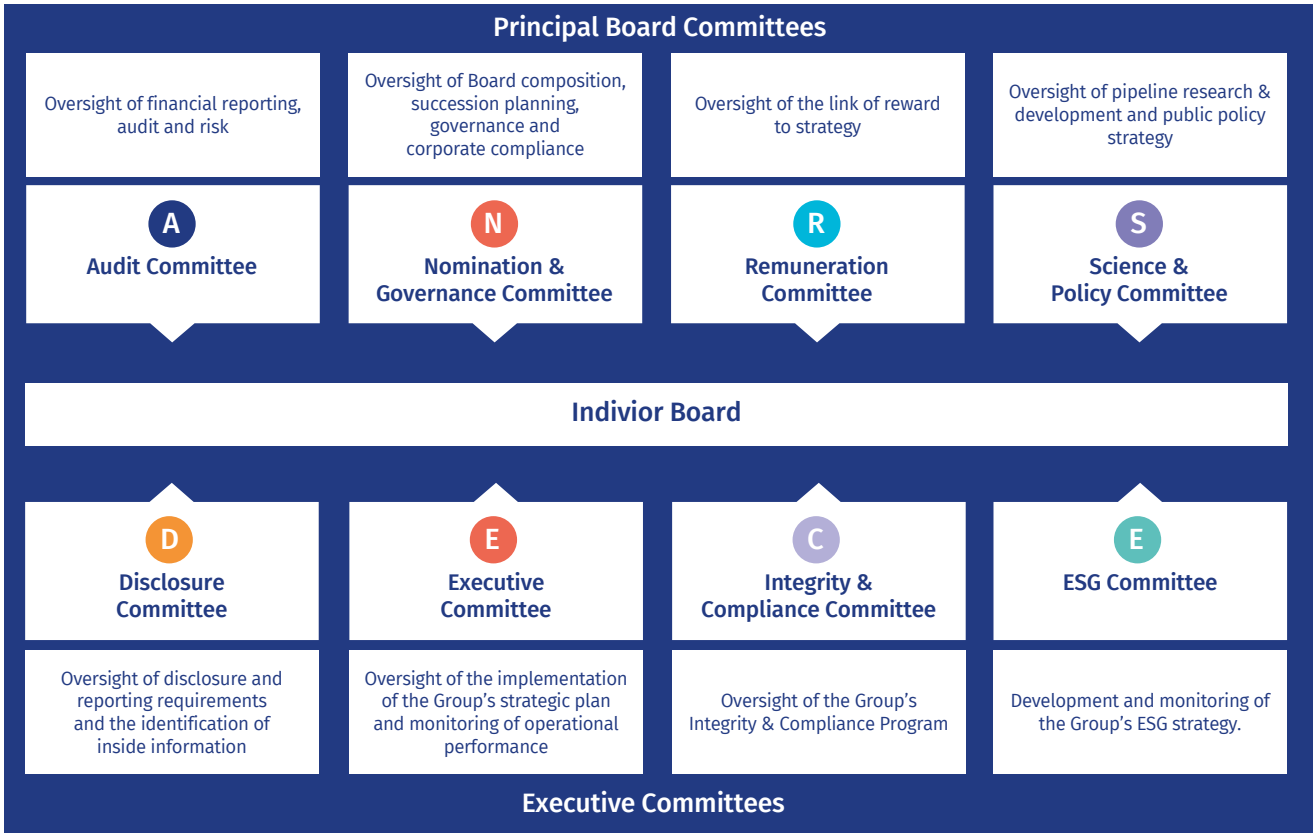
Biographical details of the members of the Executive Committee are on page 62.

Integrity & Compliance Committee

The Integrity & Compliance Committee comprises all members of the Executive Committee and is chaired by the Chief Integrity & Compliance Officer. The Integrity & Compliance Committee meets monthly and is responsible for overseeing compliance with applicable laws, rules and regulations related to Indivior's business operations (excluding compliance with securities regulations and financial reporting requirements). These meetings are also attended by the independent Compliance Expert to the Board.

Governance framework

The Board is responsible for ensuring there is a robust and transparent governance framework in place. There is a clear division of responsibilities between the Board and its Committees; each role is clearly defined and is distinct from the other.



Disclosure Committee

The Disclosure Committee comprises the Chief Financial Officer, the Chief Commercial & Strategy Officer, the Chief Legal Officer, the Chief Scientific Officer and the Company Secretary and is chaired by the Chief Financial Officer. The Committee meets as necessary and oversees the disclosure of information in accordance with the UK Market Abuse Regulation and the FCA's Disclosure Guidance and Transparency Rules.

The Disclosure Committee receives input and advice from relevant individuals and advisors as required. These include the Group's brokers and external legal counsel.

ESG Committee

In addition to the above executive committees, given the increasing focus on Environmental, Social and Governance ("ESG") matters, the Executive Committee determined to establish a formal ESG Committee. The ESG Committee's Terms of Reference were formalized in January 2022 and the Committee's first meeting was held shortly thereafter.

The ESG Committee comprises all members of the Executive Committee and is chaired by the Chief Manufacturing & Supply Officer. The Chief Executive Officer has overall responsibility for ESG matters.

AUDIT COMMITTEE REPORT

Juliet Thompson
Chair of the Audit Committee

At December 31, 2021, the membership of the Committee was as follows:

- **Juliet Thompson (Chair)**
- **Peter Bains**
- **Joanna Le Couilliard**
- **Jerome Lande**
- **Mark Stejbach**

Details of attendance at Committee meetings can be found on page 63.

On behalf of the Board, I am pleased to present the Audit Committee Report for the financial year ended December 31, 2021.

This report provides an overview of how the Committee operates, an insight into the Committee's activities and its role in ensuring the integrity of the Group's published financial information and the effectiveness of its risk management, controls and related processes. This report should be read in conjunction with the separate section of compliance under the UK Corporate Governance Code on page 64.

In 2022, the Committee will continue to work closely with the management team and the rest of the Board to meet the opportunities and challenges facing the Group and to help enhance stakeholder value.

Juliet Thompson
Chair of the Audit Committee

Members and meetings

There have been a number of changes to the composition of the Committee during the year.

On March 24, 2021, Juliet Thompson, Joanna Le Couilliard, Mark Stejbach and Jerome Lande were appointed as Non-Executive Directors and members of the Committee. Graham Hetherington, who had remained a member of the Committee as he was the designated member of the Committee with recent and relevant financial experience and competence in auditing and accounting, stepped down as a member of the Committee upon those appointments. Juliet Thompson and Joanna Le Couilliard are both considered to have recent and relevant financial experience and competence in auditing and accounting (see Directors' biographies on pages 60 to 61).

Daniel Tassé, who had served as a member of the Committee since November 2014, and who had served as Chair of the Committee from November 2020, did not stand for re-election at the Company's 2021 AGM, and accordingly stepped down on the conclusion of that meeting. Juliet Thompson was appointed Chair of the Committee on May 6, 2021.

The Committee, throughout the year, invited the Chair of the Board, Chief Executive Officer, Chief Financial Officer, Group Controller, VP, Chief Audit Executive, the Company Secretary, Vice President-Tax, External Audit Partner and other representatives from management and the External Auditor to attend Committee meetings. The Deputy Company Secretary acts as the secretary to the Committee. The Committee reserves the right to meet without any of these individuals present.

The Chair of the Committee reports to the Board, as a separate agenda item, on the activity of the Committee and matters of particular relevance. The Board has access to the Committee's papers and receives copies of the minutes of the Committee's meetings. For part of each meeting, the Committee meets separately with each of the Chief Financial Officer, VP, Chief Audit Executive and the External Auditor. The Committee also meets privately at each scheduled meeting without management present.

The Committee has unrestricted access to Group documents, information, employees, and the External Auditor. The Committee may also take independent professional advice on any matters covered by its Terms of Reference at the Group's expense.

Role and responsibilities

The Committee's principal responsibility is to oversee and give assurance to the Board with regard to the integrity of financial reporting, internal controls over financial reporting, risk management, and audit arrangements. In discharging this responsibility, the Committee, with the assistance of management, internal audit and the External Auditor, focused its attention in the following areas:

Financial reporting

- To monitor the integrity of the Group's financial reporting, including all formal announcements relating to financial results and compliance with accounting standards.
- To inform the Board of the outcome of the Group's internal and external audits and explain how they contributed to the integrity of financial reporting.
- To review the Group's strategy for management of key financial risks, and ensure the Group has followed appropriate accounting policies, and made appropriate estimates and judgments.
- To challenge, where necessary, the consistency of, and any changes to, accounting and treasury policies, the clarity and completeness of disclosures, any adjustments resulting from the external audit, the going concern assumption, the viability statement and compliance with accounting standards.
- To review the content of the quarterly, half-yearly and annual financial results and to advise the Board of the integrity of each. Further information is set out on page 81.

The Committee is mindful of the processes and controls that underpin the annual financial results, ensuring that all contributors, the core reporting team and senior management are fully aware of the requirements and their responsibilities. This includes the use and disclosure of alternative performance measures ("adjusted" or "non GAAP" measures), and the duties of the Directors under section 172 of the Companies Act 2006 to promote the success of the Group for the benefit of its members as well as considering the interests of other stakeholders which will have an impact on the Group's long-term success.

The Committee reviewed a draft of the Annual Report and Accounts to facilitate input and comment. The Committee also reviewed the financial results announcements, supported by the work of the Group's Disclosure Committee, which reviews and assesses the Annual Report and Accounts and investor communications. This work enabled the Committee to provide positive assurance to the Board to assist them in making the statement required by the 2018 UK Corporate Governance Code.

Matters relating to Climate-related Financial Disclosures are detailed on pages 36 to 37.

The COVID-19 pandemic continued to have a range of implications on risk management and corporate reporting in the year. Key risk factors and trends have been considered in the assessment of the Group's principal and emerging risks and uncertainties.

The year-end close process was impacted by the continuation of the COVID-19 pandemic as social distancing and travel restrictions remained in place for the majority of the year. The Group's employees involved in the preparation of ongoing management information, financial reporting and supporting the external audit worked remotely for much of the year. The year-end close process under these restrictions benefited from the increase in our capabilities and the efficiencies we have developed over the year, working away from our offices and the internal controls over financial reporting we implemented last year to support remote working remain in place.

Narrative reporting

- The Committee reviewed a draft copy of its Report for inclusion in the Annual Report and Accounts. This was undertaken at a Committee Meeting held in February. Additionally, Committee Members receive a draft copy of the Annual Report and Accounts for Board discussion on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.
- Reviewing and approving statements to be included in the Annual Report and Accounts concerning the going concern and viability statements.

Risk management

- To assist the Board in relation to its robust assessment of the principal and emerging risks facing the Group and the prospects of the Group for the purposes of disclosures required in the Annual Report and Accounts.

Internal financial controls

- To review the effectiveness of the Group's internal controls over financial reporting, including the policies and overall processes for assessing financial control and effectiveness of corrective action taken by management. Further information is set out on page 82.

Fraud

- To monitor the Group's policies, procedures and controls for preventing bribery and money laundering.

Internal Audit Services

- To monitor and review the effectiveness of the Group's Internal Audit Services function in the context of the Group's overall governance, risks and controls framework.
- To consider and review the remit of the Internal Audit Services function, ensuring it has adequate resources and access to all information necessary to enable the effective performance of the function. Further information can be found on page 81.
- To review progress against the Internal Audit Services plan along with any significant findings and the tracking of remedial actions.

External Auditor

- To oversee the relationship between the Group and the External Auditor, advise the Board how the External Auditor has contributed to the integrity of the Group's financial reporting process, and to report to the Board whether it considers the audit contract should be put out to tender, thereby conforming to the requirements for tendering or rotation of the audit services contract. Further information is set out on pages 82 to 84.
- To review and monitor the External Auditor's objectivity and independence, agree the scope of their work, negotiate and agree fees paid for the audit, assess the effectiveness of the audit process and agree the policy in relation to the provision of non-audit services.

Activities during the year

The Committee has an annual work plan linked to events in the Group's financial calendar including standing items that the Committee considers, in addition to any specific matters requiring the Committee's attention. The Committee met a total of seven times during the year and considers that it met with sufficient frequency to enable it to discharge its duties effectively. Details of the principal matters discussed during the year are set out below.

Financial reporting

- The Chief Financial Officer provided an update on the financial performance of the business at each scheduled meeting including market guidance where appropriate.
- The Committee reviewed and recommended to the Board the quarterly, half-yearly and annual financial results, including any recommended updates to market guidance.
- Matters relating to going concern, with supporting analysis, were reviewed throughout the year.
- The viability statement was reviewed by the Committee. The viability statement can be found on page 57.
- The Committee reviewed key accounting matters to ensure the Group followed appropriate accounting policies and made appropriate estimates and judgments.
- The Committee reviewed letters of representation issued to the External Auditor prior to them being agreed by the Board.
- At each scheduled Committee meeting, the Group Controller presented a treasury operations update including amendments to the treasury investment policy and the implementation of a share repurchase program, thereby assisting the Committee's oversight of the Group's capital base.
- The Committee received presentations from the Vice President-Tax regarding key tax judgments and amendments to the annual tax strategy, which is available on the Group's website.
- The Committee reviewed the Group's strategy for the management of key financial risks.
- The Committee reviewed a preliminary draft of the 2022 Budget/Plan.
- The Committee received a presentation on US Gross to Net analysis, from the US Vice President Finance, outlining the Group's approach, processes, estimates used and judgments taken with respect to rebates and similar arrangements when determining the ultimate amount of revenue to be recorded.
- The Committee met with the Chief Financial Officer following each scheduled meeting.

Internal Audit Services and risk

- The Committee agreed the Internal Audit Services plan for 2021 and reviewed and approved the 2022 Internal Audit Services plan. Both plans factored key risks to the Group, including the impact of the COVID-19 pandemic.
- The Committee received presentations from the VP, Chief Audit Executive on progress and delivery against the Internal Audit Services plan and results of Internal Audit Services activities, including key audit and significant findings.
- The Committee reviewed the Group's principal risks for inclusion in the Annual Report and Accounts and financial results announcements. Further information regarding the Group's principal risks can be found on pages 47 to 56.
- The Group's Enterprise Risk Management (ERM) program and process was reviewed by the Committee.
- The Group's approach to cybersecurity and the threats posed to the Group were reviewed by the Committee, and discussed with the Chief Information & Innovation Officer and Senior Information Security Head.
- The Committee reviewed the effectiveness of the Internal Audit Services function, including the annual quality assessment of the Internal Audit Services function.
- The Committee received a presentation on the risk landscape and the impact the COVID-19 pandemic could have across the Group and the need to re-prioritize resources as and when required.
- The Committee met privately with the VP, Chief Audit Executive following each scheduled meeting.

Governance

- The Committee received an update from the Chief Integrity and Compliance Officer on the work of the Group's Integrity & Compliance function.
- The Committee reviewed the Group's policies relating to related party transactions, non-audit services and non-GAAP adjusted measures and approved amendments where appropriate.
- The Committee received notification from the Financial Reporting Council (FRC) advising that the Company's 2020 Annual Report and Accounts had been included in the FRC's Thematic Review of Companies Disclosures relating to IAS 37 provisions, contingent liabilities and contingent assets. The FRC confirmed they had no questions or queries to raise with the Company. The Committee noted the FRC's general comments regarding improving existing and future disclosures in the Company's Annual Reports and Accounts.
- The Committee reviewed the Group's insurance program and made various recommendations regarding the 2021/22 renewal planning process.
- The Committee recommended to the Board the re-appointment of PricewaterhouseCoopers LLP as the External Auditor.

External Auditor

- The Committee agreed the External Auditor engagement and audit fee for 2021 as well as the external audit plan for 2021.
- The Committee considered the accounting and audit matters from the External Auditor's reports issued throughout the year.
- The Committee reviewed the independence of the External Auditor.
- The Committee received technical and regulatory update presentations from the External Audit partner.
- The annual quality assessment of the External Auditor was undertaken and reviewed by the Committee.
- The Committee met privately with the External Auditor following each scheduled meeting.

Significant judgments

In preparation for each meeting, management produced briefing papers on significant matters for review and discussion by the Committee. Management are invited to attend Committee meetings in order to respond to Committee inquiries. The following areas of focus in relation to the Group's Annual Report and Accounts and other judgmental accounting areas were considered and discussed with both management and the External Auditor:

Going Concern

- In light of the impact of the COVID-19 pandemic, ongoing compliance requirements with respect to the Corporate Integrity Agreement, provisions relating to litigation and IP-related claims and other legal settlements, including the settlement reached with Reckitt Benckiser Group plc in January 2021, and the DoJ, the Committee reviewed key assumptions. These assumptions underpinned management's longer-term forecasting, and the sufficiency and adequacy of future funding requirements, detailing sufficiency of the Group's liquidity over possible near-term trading and litigation outcomes.
- Cash outflows both before and after the going concern period under different forecasting scenarios were assessed by the Committee. To assist, management provided detailed financial planning analyses, detailing sufficiency of the Group's liquidity over possible near-term trading and litigation outcomes. Against this background, the Committee considered the term loan refinancing, completed in June 2021, and the flexibility to deploy cash back into the business and return to shareholders.
- The Committee assessed the current trends and net revenue forecasts for SUBLOCADE, PERSERIS, US SUBOXONE Film and rest of world products, including reasonably possible downside scenarios for SUBLOCADE.
- The Committee continued to challenge management regarding accounting processes to support the continuation of management's litigation strategy for unresolved legal matters, and to ensure internal accounting is consistent with maintaining the strategy.
- The Committee approved the disclosures in relation to both the going concern and viability assessment, and recommended to the Board the preparation of the financial statements under the going concern basis. The Committee also recommended the $100m share repurchase program; the program was implemented in July 2021 and completed in December 2021.

Viability statement

- Following on from the going concern assessment, including the effect of the COVID-19 pandemic, the Committee assessed the prospects and challenges facing the Group. The Committee considered scenarios that could impact future financial projections and the ability of the Group to remain viable.
- The Committee discussed with management the dependencies on which the viability statement was reliant, which included, amongst other items, the future growth of SUBLOCADE and PERSERIS, payment of existing liabilities and debts as they come due, the Group's overall legal strategy associated with remaining litigation matters and expectations for the Group's base business.
- The Committee reviewed management's business plan including net revenue and cash flow forecasts considering the impact of the COVID-19 pandemic, and the possible use of cash reserves during the viability period. The Committee probed management's judgment regarding litigation risks, and management's sensitivity analysis to assess SUBLOCADE growth potential.
- The Committee discussed the appropriate timeframe applicable for the Group over which to make the viability statement. The Committee agreed that a four-year period is an appropriate timeframe over which to make the viability statement. Whilst the Committee have no reason to believe that the Group will not be viable over a longer period, a four-year period allows the Directors to make a viability statement with reasonable confidence whilst providing shareholders with an appropriate longer term outlook.
- Based on the Committee's assessment of the Group's prospects, management's approach to the challenges facing the business, including appropriate and detailed financial disclosures in the Annual Report and Accounts referencing possible scenarios that could impact the Group's viability during the assessment period, the Committee agreed there was a reasonable expectation the Group will be able to continue to operate and meet its liabilities as they fall due over the next four years. Further information on the Group's principal risks including the viability statement are detailed on pages 47 to 57.

Critical accounting judgments and disclosures, and key sources of estimation

- When applying the Group's accounting policies, management must make a number of key judgments on the application of applicable accounting standards, estimates and assumptions. These judgments and estimates are based on relevant factors.
- The Committee has challenged management on key judgments and sources of estimation covering a number of areas underlying the Group's financial statements and results. The Committee discussed the uncertainty and potential outcome of ongoing litigation matters the Group faced in order to support judgments taken regarding maintaining provisions and/or contingent liabilities, which represent the best estimate of potential outcome. Accruals for returns, discounts, incentives and rebates were also discussed with the Committee. Management's growth forecasts for both SUBLOCADE and PERSERIS were also considered by the Committee in conjunction with the cash flows utilized for going concern, viability and inventory and other asset impairment and recoverability judgments.
- Given that certain matters disclosed in the Annual Report and Accounts are highly judgmental, the Committee has reviewed management's assumptions and inputs into their analysis and development of the judgments, estimates and disclosures, and discussed the critical nature of each with both management and the External Auditor.
- The Committee has satisfied itself that the Group's accounting policies and their application by management are appropriate. The Committee is also satisfied with both the appropriateness of analysis performed by management, including the judgments made and estimates used, and the related disclosures.

COVID-19 pandemic

- The COVID-19 pandemic continues to be a worldwide crisis which remains uncertain. Authorities continue to impose restrictions on both a regional and local basis. Since March 2020, the Committee has considered the implications of the COVID-19 pandemic on the Group. The Committee has considered future performance and potential impact on the going concern assessment and its viability statement over the next four years.
- The Committee has also considered the financial and accounting implications on the Group, and the Committee has reviewed and challenged scenarios considered by management including cash flow forecasts. The Committee has satisfied itself that management has adequately identified and considered all potentially significant accounting and disclosure matters.

Monitoring the integrity of reported financial information

Ensuring the integrity of the financial statements and associated announcements is a fundamental responsibility of the Committee. During the year, the Committee reviewed the Group's FY 2020 preliminary results announcement, the 2021 half-yearly and quarterly financial results. In doing so, these reviews considered:

- the accounting principles, policies and practices adopted in the Group's financial statements, any proposed changes to them and the adequacy of their disclosure;
- the description of performance to ensure it was fair, balanced and understandable;
- accounting matters or areas of complexity, the actions, estimates and judgments of management in relation to financial reporting, and the assumptions underlying the going concern and viability statements;
- any significant adjustments to financial reporting identified by the External Auditor;
- cybersecurity threats posed to the overall operating effectiveness of controls;
- tax contingencies, compliance with statutory tax obligations and the Group's tax strategy;
- litigation and contingent liabilities affecting the Group;
- treasury policies;
- long-term funding options; and
- COVID-19 pandemic challenges necessitating continued financial discipline.

Internal Audit Services

Internal Audit Services plays an important role by providing assurance and advice relating to the Group's governance, risks and controls. The Internal Audit Services function reports into the Committee and has authority to review any relevant part of the Group or its business and has a planned schedule of reviews that coincide with the Group's risks. The Committee is required to assist the Board in fulfilling its responsibilities regarding the adequacy of resourcing and the effectiveness of Internal Audit Services to ensure it is appropriate for the Group's needs. Internal Audit Services also has an important role to play in reviewing the effectiveness of internal controls over financial reporting as detailed on page 82.

The Committee approved the 2021 Internal Audit Services plan which is structured to align with the Group's Strategic Priorities and key risks. An integrated planning process is undertaken to ensure that internal audit work is appropriately aligned to, and coordinated with, the activities of other functions across the Group. The Internal Audit Services plan is dynamic to provide flexibility to respond to any change in priorities and risks, such as the COVID-19 pandemic. At each scheduled Committee meeting, progress against the Internal Audit Services plan is reviewed along with significant findings and the tracking of remedial actions. The Committee also tracks overdue remedial actions.

To fulfill its duties in keeping under review the effectiveness of the Internal Audit Services function, the Committee monitored the following areas linked to Internal Audit Services:

- reporting lines and its access to the Committee and all Board members;
- staffing and resources;
- plans and achievements of planned activity;
- results of audits and other significant findings, the adequacy of management's response and the timeliness of their resolution; and
- changes since the last annual assessment of the significant risks and the Group's ability to respond to changes in its business and the external environment.

Control issues across the Group remain low and those which occurred did not result in any material impact on the performance of the Group. Operational and procedural controls were tested by Internal Audit Services and were generally effective. Nevertheless, various issues were identified and local management acted swiftly to put in place remediation plans, including new Standard Operating Procedures, all of which have been or are in the process of being implemented.

During the year, the annual quality assessment review of the Internal Audit Services function was carried out by Lintstock, an independent evaluation consultancy. The assessment included input from Internal Audit Services stakeholders across the Group including the External Auditor. The Committee noted the review contained strong, positive feedback which demonstrates the quality and status of the Internal Audit Services function within the Group. One area of feedback identified is the desire for greater communication from the Internal Audit Services team throughout the audit process, and this will be addressed during 2022. Additionally, the Committee recognized that the Internal Audit Services function currently had the necessary blend of skills and experience and quality of leadership to deepen business understanding and awareness of the Group. The Committee concluded that it remained satisfied that the resourcing, quality and expertise of the Internal Audit Services function is effective and appropriate for the requirements of the Group.

Internal control over financial reporting and risk management

The Committee acknowledges its duty to assist the Board to fulfill its responsibilities for the Group's risk management and internal control systems, including the adequacy and effectiveness of the control environment, internal control over financial reporting and the Group's compliance with the 2018 Code.

During the year, all business areas prepared annual operating plans and budgets. These are regularly reviewed and updated as necessary. Performance against budget is monitored centrally and is discussed at Committee and Board meetings. The cash position of the Group is monitored daily by the treasury function.

Clear guidelines are in place for capital expenditure and investment decisions. These include budget preparation, appraisal and review procedures, and delegated authority levels.

Effective controls ensure the Group's exposure to avoidable risk is minimized, and the Committee is cognizant of the material controls within the Group, including, amongst other things, that proper accounting records are maintained, financial information used within all business areas is reliable and up-to-date, and the financial reporting processes comply with relevant regulatory reporting requirements.

Internal control systems are in place in relation to the Group's financial reporting processes for preparation of consolidated accounts. These systems include policies and procedures that relate to the maintenance of records which accurately and fairly reflect transactions, provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements, require representatives of the Group to certify that their reported information gives a true and fair view of the state of affairs of the business and its results for the period, and review and reconcile reported data. The Group Controller regularly updates the Committee on the Group's internal control over financial reporting, particularly as for most of the year those employees who are engaged in providing ongoing financial reporting have been working remotely.

Control processes are designed to manage, rather than eliminate, the risk of assets being unprotected and guard against their unauthorized use, culminating in the failure to achieve business objectives. Internal controls provide reasonable and not total assurance against material misstatement or loss.

The Group's 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.

To fulfill its duties, the Committee reviewed:

- medium- and longer-term strategic plans, reports on key operational issues, tax, treasury, risk management, and Internal Audit Services reports;
- presentations from the Chief Information & Innovation Officer outlining the Group's approach to IT and cybersecurity;
- reports from Internal Audit Services at each scheduled Committee meeting covering key audit areas and any deficiencies in the control environment covering internal financial control, operational, IT and risk management; and
- External Auditor's reports to the Committee.

Accordingly, the Committee confirms its oversight of the process for identifying, evaluating and managing risks faced by the Group and the operational effectiveness of the appropriate controls, all of which have been in place throughout the year and up to the date of approval of the 2021 Annual Report and Accounts. The Committee considered whether any matter required disclosure as a significant failing or weakness in internal control during the year. No such matters were identified.

Misstatements

Management and the External Auditor reported to the Committee misstatements they had found during their work and, after due consideration, the Committee agreed that these misstatements were not material and that no adjustments were required.

External Auditor

PricewaterhouseCoopers LLP (PwC) were appointed as the Group's External Auditor on demerger in December 2014, and were last re-appointed by shareholders at the AGM in May 2021. The External Audit team is led by Sarah Quinn (External Audit Partner), who was appointed following the conclusion of the 2016 year-end audit.

The Committee oversees the work undertaken by the External Auditor, and is responsible for the development, implementation and monitoring of policies and procedures on the use of the External Auditor for non-audit services in accordance with professional and regulatory requirements. These policies are reviewed to ensure the Group benefits, in a cost-effective manner, from the cumulative knowledge and experience of the External Auditor while ensuring the External Auditor maintains the necessary degree of independence and objectivity. During the year, the Committee continued to meet with the External Auditor following Committee meetings, without members of management being present, and reviewed key issues within their scope of interest and responsibility. Such meetings provided a forum for open dialog and feedback.

Auditor effectiveness

On behalf of the Board, the Committee is responsible for assessing the effectiveness of the audit process. This process was in place throughout the year and post year-end up to and including the date of approval of the Annual Report and Accounts.

In fulfilling its responsibilities in assessing the effectiveness of the External Auditor the Committee reviewed:

- the fulfilment by the External Auditor of the agreed audit plan and variations from it;
- reports highlighting the significant risks and key judgments that arose during the course of the audit and their resolution;
- a report from the External Audit Partner at each Committee meeting; and
- fees charged for execution of the external audit.

As in previous years, the Committee received feedback from key internal stakeholders in assessing the effectiveness of the External Auditor. This assessment was undertaken by Lintstock on the quality of the External Auditor's communication, delivery and interaction with the various finance teams across the Group. The results were discussed with the Committee and the External Auditor at the Committee meeting held in November 2021, and it was concluded that the working relationship between the External Auditor and the various finance teams was effective and that the audit had been undertaken in an independent, constructive and professional manner with appropriate challenge.

The current External Audit Partner will rotate off the Group audit on conclusion of the 2021 year-end audit, in accordance with professional and regulatory requirements. Both the Committee and management discussed with the External Auditor the need to preserve continuity of External Auditor team members and the need to undertake a thorough induction program for the new External Audit Partner to ensure knowledge of the Group audit is not diminished and audit quality maintained.

To fulfill its responsibilities for oversight of the external audit process the Committee reviewed:

- the terms, areas of responsibility, associated duties and scope of the audit as set out in the engagement letter with the External Auditor;
- the overall audit plan and fee proposal;
- key accounting and audit judgments and how the External Auditor applied constructive challenge and professional skepticism when dealing with management;
- recommendations made by the External Auditor to the Committee and the adequacy of management's response;
- recent and historical performance of the External Auditor in relation to the Group's audits including the quality and probity of communication with the Committee;
- the depth of understanding of the Group's business, operations and systems, and accounting policies and practices; and
- the demonstration of professional integrity and objectivity to rotate and select other key engagement partners at least every five years or as otherwise required by applicable law or regulation.

During the year, the External Auditor has challenged management's judgments and assertions regarding:

- contingent liabilities associated with outstanding litigation, including provisioning for ongoing IP matters;
- US sales rebate adjustments and accruals; and
- focus on management's forecasts used to support going concern, asset recognition and recoverability of assets.

The Committee continues to review annually the appointment of the External Auditor, taking into account the External Auditor's effectiveness, independence and Audit Partner rotation, and makes a recommendation to the Board accordingly.

Any decision to open the external audit to tender would be taken on the recommendation of the Committee. To date, no tender has been conducted, and there are no contractual obligations that restrict the Group's current choice of External Auditor. PwC has completed their eighth year as External Auditor to the Company and a tender process will be required prior to the year-end 2024.

Further details of the responsibilities of the Committee regarding the engagement of the External Auditor and the supply of non-audit services can be found in the Committee's Terms of Reference.

External Auditor independence

Indivior has a formal policy in place to safeguard the independence of the External Auditor. The Committee and the Chief Financial Officer keep the independence and objectivity of the External Auditor under review, and during the year the Committee formally reviewed the independence of the External Auditor, and believes they remained independent throughout the year. Separately, the External Auditor has reported to the Committee confirming its independence throughout the year within the meaning of the regulations on this matter and in accordance with its professional standards.

To fulfill its responsibilities to ensure the independence of the External Auditor, the Committee reviewed:

- a report from the External Auditor describing arrangements to identify, report and manage any conflict of interest, and policies and procedures for maintaining independence and monitoring compliance with relevant requirements; and
- the extent of non-audit services provided by the External Auditor.

The Committee has reviewed the nature and level of non-audit services undertaken by the External Auditor during the year to satisfy itself that there is no effect on their independence.

Non-audit services

The Committee and the Board place great emphasis on the objectivity of the Group's External Auditor in reporting to shareholders. The Group's policy relating to the Provision of Non-Audit Services recognizes the criticality of the independence and objectivity of the External Auditor and the need to ensure independence is not impaired by the provision of non-audit services.

The Committee, in keeping under review the nature and level of non-audit services undertaken by the External Auditor, recognizes it may be more beneficial for the External Auditor to provide certain services because of its existing knowledge of the business or because the information required is a by-product of the audit process. In these circumstances, the External Auditor is permitted to provide certain non-audit services where these are not, and are not perceived to be, in conflict with its independence.

The Committee considers non-audit services when it is in the best interests of the Group to do so, provided they can be undertaken without jeopardizing the independence of the External Auditor.

The Group's policy on non-audit fees states that, on an annual basis, non-audit fees by external auditors must not exceed 70% of the average of the Group's external audit fees billed over the last three-year period. Any permitted service with a fee of $0.05m or less is considered trivial and must be pre-approved by the Chief Financial Officer. Any services with a fee of more than $0.05m must first be approved by the Committee.

Amounts paid to the External Auditor were $3.6m (2020: $3.1m) during the year, comprising $2.7m (2020: $2.6m) for audit services and $0.9m (2020: $0.5m) for audit-related assurance services as set out in Note 6 to the consolidated financial statements. In conclusion, taking into account the application of the Provision of Non-Audit Services Policy, the Committee is satisfied that the External Auditor was independent at all times during the year under review.

External Auditor re-appointment

The Committee has recommended to the Board that PricewaterhouseCoopers LLP be proposed for re-appointment by shareholders as the External Auditor at the AGM in May 2022.

The external audit contract will be put out to tender at least every 10 years and the Committee has discussed the most appropriate time to carry out the external audit tender process, taking into account the independence, objectivity and quality of PwC's external audit and has concluded that, based on current performance, it is anticipated that a competitive tender process will commence by no later than 2023 for the 2024 year end. The Committee has concluded that a competitive tender is in the best interests of the Company's shareholders as it will allow the Company to appoint the audit firm that will provide the highest quality, most effective and efficient audit.

The Company continues to comply with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee responsibilities) Order 2014 for the financial year under review.

Juliet Thompson
Chair of the Audit Committee

March 17, 2022

NOMINATION & GOVERNANCE COMMITTEE

Graham Hetherington
Chair of the Nomination & Governance Committee

At December 31, 2021, the membership of the Committee was as follows:

- **Graham Hetherington (Chair)**
- **Jerome Lande**
- **A. Thomas McLellan**
- **Lorna Parker**
- **Daniel J. Phelan**
- **Juliet Thompson**

Details of attendance at Committee meetings can be found on page 63.

On behalf of the Board, I am pleased to present the Nomination & Governance Committee Report for the financial year ended December 31, 2021.

During the year, the Committee supported the Board in the development of a comprehensive and phased succession plan and in making recommendations regarding the appointment of new Non-Executive Directors. The new appointments broadened the Board's range of expertise by adding additional specialty pharmaceutical, financial and investment experience. The Committee will continue to implement the phased succession plan over the course of 2022, taking into consideration the skills, experience and diversity required to support the long-term success of the Group.

The Committee has responsibility for reviewing the Group's corporate governance arrangements and oversees its Integrity & Compliance Program. As part of the settlement with the US Attorney's Office for the Western District of Virginia, the Group entered into a Corporate Integrity Agreement with the Office of Inspector General of the U.S. Department of Health and Human Services (the "CIA"), DOJ Compliance Measures and FTC Stipulated Order, which present ongoing reporting and annual requirements. To support it in its oversight of the Integrity & Compliance Program, the Board appointed an independent consultancy, Epsilon Life Sciences, as Compliance Expert to the Board. The Board and the Committee will continue to oversee the continuous development of our Integrity & Compliance Program in 2022.

Graham Hetherington
Chair of the Nomination & Governance Committee

Members and meetings

At the invitation of the Committee, the Chief Executive Officer, the Chief Legal Officer and the Company Secretary attended meetings of the Committee.The Company Secretary is secretary to the Committee. The Chief Integrity & Compliance Officer and Compliance Expert to the Board attend the relevant section of each Committee meeting which relates to integrity and compliance matters. For part of each meeting, the Committee meets privately with the Chief Integrity & Compliance Officer and the Compliance Expert to the Board and then also separately meets with the Compliance Expert to the Board only.

The Chair of the Committee reports on the activities of the Committee at the following Board meeting, and copies of the minutes of Committee meetings are circulated to all Directors. In May 2021, Lorna Parker stepped down as Chair of the Committee and Graham Hetherington assumed that role.

The Committee has authority to appoint search consultants and other advisors at its discretion.

The Committee has delegated authority from the Board, which is set out in its Terms of Reference.

Roles and responsibilities

The roles and responsibilities of the Committee fall into two key areas:

Board composition and succession planning:

- reviewing the size, composition, diversity and balance of skills of the Board and its Committees;
- overseeing the appointment process for Directors and making recommendations to the Board regarding appointments to the Board and its Committees; and
- overseeing succession plans for the Board, its Committees and for senior management positions, and ensuring that these support the development of a diverse pipeline for succession.

Corporate governance and compliance:

- keeping the Group's corporate governance arrangements under review and monitoring external corporate governance developments;
- reviewing and evaluating additional external appointments for the Directors of Indivior PLC and members of the Executive Committee and conflicts of interest notified by Directors, and making recommendations to the Board; and
- overseeing the Integrity & Compliance Program.

Director independence and conflicts of interest

Processes exist for actual or potential conflicts of interest to be reviewed and disclosed and to make sure Directors do not participate in any decisions where they may have a conflict or potential conflict.

External directorships

In accordance with Provision 15 of the 2018 Code, the External Appointments Policy requires that the Directors of Indivior PLC receive approval from the Board prior to accepting an external appointment. In reviewing an additional appointment, consideration will be given to the Director's existing commitments, the likely time commitment of the new role (having regard to "overboarding" guidelines) and if the appointment is likely to give rise to a conflict of interest.

Executive Directors may hold one non-executive appointment and members of the Executive Committee may hold one non-executive appointment subject to the approval of the Executive Committee. The Executive Directors do not hold any external directorships.

Activities during the year

During the year, the Committee considered, amongst other items, the following matters:

Corporate governance

During the year, the Committee was kept abreast of developments in corporate governance by the Company Secretary. In particular, the Committee:

- considered proposed changes to the UK Listing Rules relating to Board and senior management diversity;
- reviewed the External Appointments Policy, which requires that all Directors of Indivior PLC receive approval from the Board prior to accepting an additional external appointment;
- considered the independence of the Non-Executive Directors and their other commitments and if these were likely to give rise to a potential conflict of interest. On the recommendation of the Committee, the Board confirmed that each of the Non-Executive Directors, with the exception of Jerome Lande (who is a representative of the Group's largest shareholder, Scopia Capital Management LP) remained independent;
- received an update on the Group's data privacy program, which included the establishment of a Data Governance Committee and appointment of a Senior Information Risk Owner; and
- reviewed and approved the Group's UK Modern Slavery Statement, and recommended to the Board that it be approved and published on the Group's website (www.indivior.com).

Succession planning

Non-Executive succession

During the year, the Board broadened its range of expertise by adding four additional Non-Executive Directors, with significant specialty pharmaceutical, investment and financial experience. Joanna Le Couilliard, Jerome Lande, Mark Stejbach and Juliet Thompson joined the Board in March 2021.

Jerome Lande is a representative director of Scopia Capital Management LP ("Scopia"), Scopia are a significant shareholder of the Company. An external search process was not used in connection with Mr Lande's appointment.

Russell Reynolds Associates, who have no other connection with the Company or individual Directors, were engaged to support the Committee in the identification of potential candidates with pharmaceutical industry and recent and relevant financial experience. Russell Reynolds is accredited under the Enhanced Code of Conduct for Executive Search Firms and are a signatory to the Voluntary Code of Conduct for Executive Search Firms.

Russell Reynolds developed candidate specifications for the roles and developed a long and shortlist of candidates. Eight potential candidates were interviewed and following these interviews, Joanna Le Couilliard, Mark Stejbach and Juliet Thompson were identified as possessing the appropriate skills, experience and expertise. Following review of any actual or potential conflicts and confirmation of the time commitment required, the Committee recommended the appointments of Ms Le Couilliard, Ms Thompson and Mr Stejbach to the Board.

At the same time, the Group announced a phased and comprehensive succession plan for those directors who joined the Board at its inception in November 2014. As part of that succession plan, Lorna Parker stood down as Chair of the Nomination & Governance Committee at the 2021 AGM and Graham Hetherington assumed that role.

A search process is currently underway to appoint an additional Non-Executive Director and Ms Parker will remain a Director until that appointment is made to provide a smooth transition and continuity. As announced in March 2021, the additional Non-Executive Director will be selected from a shortlist generated with Scopia's input and approved by the Board.

In line with the agreed transition plan, Daniel J. Phelan will step down from the Board by the end of 2022 and Dr A. Thomas McLellan will step down from the Board by the end of 2023.

Board effectiveness review

The Committee considered the approach regarding the review of the effectiveness of the Board, its Committees and the individual Directors.

There were a number of new appointments to the Board in 2021, with new Board members attending their first Board meeting in April 2021 (virtually) and their first in-person meeting in November 2021. As a result of these changes, the Committee agreed to recommend to the Board that the 2021 effectiveness review be delayed to allow the new Directors to complete their induction process and develop their understanding of the business. Dr Tracy Long of Boardroom Review Limited has been appointed to undertake a full external evaluation; that process is underway and will be completed in the first half of 2022.

Integrity & Compliance

At each meeting, the Committee received an update from the Chief Integrity & Compliance Officer on the Group's Integrity & Compliance Program. The Compliance Expert to the Board also attends these parts of the Committee's meeting.

For part of each meeting, the Committee meets privately with the Chief Integrity & Compliance Officer and the Compliance Expert to the Board and then also separately meets with the Compliance Expert to the Board only.

Ahead of each meeting, the Committee receives the Integrity & Compliance dashboards, which show performance across all program areas, including:

- progress against the Integrity & Compliance key strategic priorities for the year;
- key program enhancements, including developments to policies and process enhancements supported by external advisors;
- risk assessments and mitigation plans;
- details of training and workforce education activities;
- field monitoring activities;
- transparency reporting;
- reports received via the Group's confidential reporting hotline (EthicsLine) and subsequent investigations; and
- staffing and resourcing of the Integrity & Compliance Department.

Further information regarding the Group's Integrity & Compliance program can be found on page 35.

Appointments to the Board

There is a formal process in place for the recruitment of new Directors. This process will normally include the appointment of an external search consultancy to support the Committee in the development of a candidate specification, development of long and shortlists, conducting of screening interviews and taking up of references. Candidate specifications are developed by reference to the skills matrix, which is regularly reviewed and updated by the Committee.

Prior to recommendation, a review is undertaken of any actual or potential conflicts and there is an assessment of the proposed Director's existing commitments. Following these steps, the Committee makes a recommendation to the Board regarding the appointment of the preferred candidate to the Board and relevant Committees.

Diversity & inclusion

At Indivior, we value our distinctive culture and believe it is a key source of sustainable competitive advantage. We believe diversity and inclusion in its broadest sense supports innovation, continuous improvement of quality, and increased speed and efficiency in meeting the various needs of patients, customers and stakeholders.

Our Diversity and Inclusion Policy, which applies to the Board and our workforce, reflects our beliefs and values. Supporting and promoting the diversity of our people is an important priority for the Group, and we have focused on developing an inclusive culture that values all employees regardless of their age, disability, gender, race, sexual orientation or other protected characteristics. We achieve this through targeted sourcing of people from diverse backgrounds and cultures and an ongoing focus on creating an environment that allows our talented people to prosper.

When making new appointments, the Nomination & Governance Committee and the Board give careful consideration to the skills, experience and knowledge of the potential candidates and makes recommendations and appointments based on merit, objective criteria and, within this context, the promotion of diversity of gender, social and ethnic backgrounds and cognitive and personal strengths.

During the year, there were four new appointments to the Board, two of which are female. Whilst we believe we have made significant strides forward, we recognize that there is more that we need to do, and the advancement of diversity and inclusion remains a key priority for the Committee. A search process is currently underway to identify an additional Non-Executive Director, as announced in March 2021. The Committee will carefully consider the skills, experience and diversity of potential candidates as part of that recruitment and recommendation process.

The Board is supportive of the targets set by the Hampton Alexander Review and Parker Review and aspires to achieve the targets set by Hampton Alexander Review by the 2023 AGM and the Parker Review by the target date of 2024.

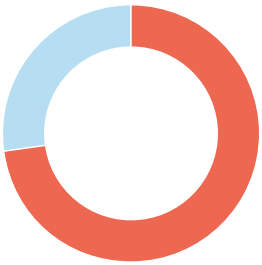
There are currently three female Directors on the Board, representing 27% of the composition of the Board. Our senior management (the Executive Committee) is comprised of 22% women. At senior leadership levels in the organization (direct reports to the Executive Committee), there is 33% female representation.

The Group's Diversity & Inclusion Policy is available at www.indivior.com.

Graham Hetherington
Chair of the Nomination & Governance Committee

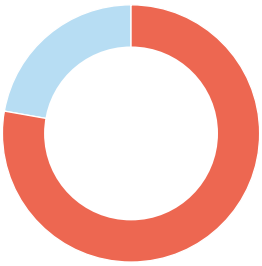
March 17, 2022

Directors of Indivior PLC



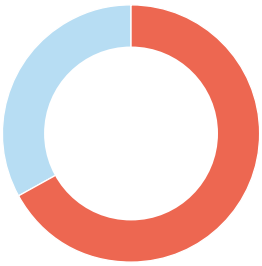
Male: 73%
Female: 27%

Executive Committee



Male: 78%
Female: 22%

Senior leadership



Male: 67%
Female: 33%

SCIENCE & POLICY COMMITTEE

Peter Bains
Chair of the Science & Policy Committee

At December 31, 2021, the membership of the Committee was as follows:

- **Peter Bains**
- **A.Thomas McLellan**
- **Mark Stejbach**

Details of attendance at Committee meetings can be found on page 63.

On behalf of the Board, I am pleased to present the Science & Policy Committee Report for the financial year ended December 31, 2021.

This has been a significant year for the Committee, during which it has renewed its focus to support the Board in delivering the Group's R&D and Medical Affairs strategies, and initiatives relating to the Group's Government Affairs program, through regular dialog with key policy and opinion leaders.

The Committee will continue to assist the Board in achieving its strategic objectives and I look forward to working with all stakeholders both current and future.

Peter Bains
Chair of the Science & Policy Committee

Members and meetings

The Committee typically meets before scheduled meetings of the Board. At the invitation of the Chair of the Committee, the Chief Scientific Officer and Chief Commercial and Strategy Officer regularly attend meetings of the Committee. Additionally, members of the Commercial and Government Affairs teams have also attended meetings of the Committee during the year on an ad hoc basis.

The Deputy Company Secretary is secretary to the Committee.

Role and responsibilities

The principal role and responsibilities of the Committee include:

- to provide assurance to the Board regarding the quality, competitiveness and integrity of the Group's research and development (R&D) activities;
- to evaluate emerging issues and trends in science and policy matters including the potential impact of wider government policy that may affect the Group's overall business strategy;
- to review the scientific technology and R&D capabilities deployed within the business;
- to assess the decision-making processes for R&D projects and programs, and to review benchmarking against industry and scientific best practice, where appropriate; and
- to review relevant and important bioethical issues and assist in the formulation of, and agreement on behalf of the Board of, appropriate policies in relation to such issues.

Activities during the year

During the year the Committee:

- monitored the strategic priorities of the R&D, Medical Affairs and Government Affairs teams to ensure continued alignment with the strategic objectives of the Group;
- received detailed presentations, including but not limited to, SUBLOCADE label updates, data collection through the RECOVER long-term study, participation in lifecycle management studies, expansion of the US Field Medical team, the integrated use of data and data analytics and focused investment in other sub-disease areas of Substance Use Disorder;
- monitored and reviewed the planning and execution of the final SUBLOCADE post-marketing requirement study;
- monitored and reviewed the progress and development of the Group's product pipeline growth strategy and early stage asset development opportunities including INDV-2000: Selective OX1 receptor antagonist, INDV-1000: Selective GABAb positive allosteric modulator and asset opportunities associated with the Group's ATRIGEL drug delivery platform;
- received comprehensive briefings on the Group's public policy strategies with emphasis on the federal and state landscape in the US, including legislative developments focusing on the provision of medication assisted treatment and drug pricing reforms;
- reviewed the revised strategy and priorities for the Group's Global Medical Affairs team including strategic alignment and collaboration between the US Medical Affairs team and the Group's R&D team;
- received briefings and endorsed the entering into a strategic partnership with Aelis Farma to acquire an exclusive option to Aelis Farma's lead asset (AEF 0117) for the treatment of Cannabis Use Disorder;
- reviewed strategy for controlled product involvement in the US Criminal Justice System including greater investment and embedded policy initiatives coupled with greater participation and delivery to health ecosystems;
- monitored the Group's initiative focused on advancing patient interests through innovation, advancing policies and messaging through the "New Leaf for Patients" initiative;
- reviewed progress of regulatory filings outside the US with particular emphasis on SUBOXONE Film; and
- throughout the year, the Chief Scientific Officer updated the Committee on progress of Peer-Review publications in which the Group was involved and approving the Peer-Review Publication Plan for 2022.

The Committee has delegated authority from the Board, which is set out in its Terms of Reference and available to view on the Group's website www.indivior.com.

The Committee has authority to appoint consultants and other advisors at its discretion.

The Committee holds a private session at each meeting without members of the management team being present.

The Chair of the Committee reports on the activities of the Committee to the Board, and copies of the minutes of Committee meetings are circulated to all Directors.

Peter Bains
Chair of the Science & Policy Committee

March 17, 2022

ANNUAL REMUNERATION STATEMENT

Daniel J. Phelan
Chair of the Remuneration Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the financial year ended December 31, 2021. This report is split into three sections:

- the Annual Remuneration Statement, which summarizes the remuneration outcomes in 2021 and how the Remuneration Policy will be operated in the current financial year;
- the Annual Report on Remuneration, which describes how the Remuneration Policy was implemented in 2021 and how it will be operated in the current financial year; and
- a summary of the Directors' Remuneration Policy, which was approved by shareholders at the AGM on May 6, 2021.

My colleagues on the Remuneration Committee and I hope that you find the report clear, transparent and informative, and we look forward to your support on the resolution relating on the Directors' Remuneration Report at the 2022 AGM. The Committee believes the Remuneration Policy will continue to support and drive our long-term growth ambitions and deliver returns on behalf of shareholders.

All payments to Directors during the year were made in accordance with the Remuneration Policy.

Remuneration policies and practices

We continue to implement the Remuneration Policy approved at the 2021 AGM with the remuneration philosophy of aligning the incentives of senior executives with the Group's Strategic Priorities.

Our Remuneration Policy is designed to support our Strategic Priorities, the long-term sustainable success of the Group, and our purpose of pioneering life-transforming treatments.

Our approach remains the careful balancing of our position as a primarily US-based business that competes for talent in a global market, but one which is UK listed and operates within the UK governance framework. We recognize that our remuneration structure is different in some respects from a "typical" UK company; however, the Committee has carefully designed the structure to balance these factors and to support in attracting and retaining the talent needed to deliver on our strategic ambitions.

A summary of the Remuneration Policy is on pages 110 and 111 of this Annual Report and Accounts.

2021 business performance

The COVID-19 pandemic continued to impact business operations and market conditions in 2021. As COVID-19 restrictions began to abate, we saw signs of recovery and growth in our business, particularly in the growth of SUBLOCADE where the team generated consistent quarter-on-quarter net revenue growth throughout the year.

This positive operational performance enabled the Group to grow net revenues to $791 million and adjusted net income to $140 million. Our continued strong cash generation enabled us to complete a $100 million share repurchase program during the year and, over the course of 2021, the Group's share price increased by 136% (from 108.8p at December 31, 2020, to 257.0p at December 31, 2021).

2021 remuneration outcomes

The Group's strong performance in 2021 resulted in a positive outturn in respect of the 2019-2021 Long-Term Incentive Plan and 2021 Annual Incentive Plan. This was the first time since 2018 (in respect of the 2015-2017 performance period) that there has been any outturn under the Group's Long-Term Incentive Plan and the first year since 2020 (in respect of the 2019 AIP) where there has been any outturn under the Annual Incentive Plan for the Executive Directors. The Committee believes this year's outturn reflects the positive performance and significant progress the Group has made during the year.

The Committee believes that the outcomes of the 2019-2021 Long-Term Incentive Plan and 2021 Annual Incentive Plan accurately reflected the performance of the Group over the relevant performance periods. Consequently, the Committee concluded that it was not necessary to exercise its discretion to override the formulaic outcomes under the 2019-2021 Long-Term Incentive Plan and 2021 Annual Incentive Plan.

Annual Incentive Plan

The 2021 Annual Incentive Plan measures were focused on financial performance; global net revenue for SUBLOCADE and US net revenue for PERSERIS; weighted 80%/20% respectively, reflecting the key strategic focus on SUBLOCADE.

The Group continued to make significant progress in driving the growth of SUBLOCADE, delivering consistent quarter-on-quarter net revenue growth, achieving global net revenue of $244 million in 2021 (2020: $130 million), which exceeded the maximum target set. PERSERIS continued to make progress, but growth was stymied by COVID-19 and the ability to access the US healthcare system with a relatively small salesforce. US net revenue of $17 million (2020: $14 million) was between threshold and target. Overall, this resulted in an outturn of 88.5% of the maximum bonus payable.

In line with our Remuneration Policy, 75% of the bonus earned was delivered in cash, and 25% has been deferred into conditional shares for a period of two years under the Deferred Bonus Plan.

Long-Term Incentive Plan

For Long-Term Incentive Plan awards granted in 2019, and which vested in March 2022, the year ended December 31, 2021 was the final year of the three-year performance period. These awards were subject to two separate measures (each with 50% weighting): 1) relative Total Shareholder Return (TSR) versus the constituents of the FTSE 250 Index excluding investment trusts and 2) relative TSR versus the constituents of the S&P 1500 Pharmaceutical and Biotech Index. Indivior ranked between the 50th and 75th percentiles against each of these TSR peer groups, resulting in the vesting of 67.8% of the maximum award.

The award held by Mark Crossley, Chief Executive Officer, will be released at the end of the two-year post-vesting holding period.

Further information regarding the targets and remuneration outcomes are set out in the Annual Report on Remuneration on pages 96 to 110.

Implementation of Remuneration Policy for Executive Directors in 2022

Base salary

The Executive Directors received a base salary increase of 4% effective January 1, 2022. The Committee carefully considered the increases in base salary and concluded that these were appropriate given that they were aligned with the average increase for the wider workforce.

Annual Incentive Plan

The structure of the Annual Incentive Plan remains unchanged in 2022, with 75% of any bonus payment delivered in cash and 25% to be deferred into conditional shares for a period of two years. The metrics will remain focused on the key strategic growth drivers for the business: global net revenues for SUBLOCADE and US net revenues for PERSERIS.

Long-Term Incentive Plan

Awards granted under the Long-Term Incentive Plan in 2022 will be subject to relative TSR versus the constituents of the FTSE 250 (excluding investment trusts) and relative TSR versus the constituents of the S&P 1500 Pharmaceutical and Biotech Index, each with equal weighting. The Committee believes that relative TSR remains a relevant metric as it is directly aligned with the interests of shareholders. The use of two relative TSR comparator groups is intended to balance the fact that Indivior is a FTSE 250 listed company, but also recognizes that Indivior operates within a specialized sector, where the majority of its direct peers are listed in the US. The awards granted to the Executive Directors in 2022 will be subject to an additional two-year holding period following the end of the three-year performance period. Further details can be found on page 101.

ESG metrics

The Committee has carefully considered the inclusion of ESG metrics in the Group's annual and long-term incentive plans. The Committee is fully aligned and supportive of developing metrics for inclusion, but has determined that the Group's ESG strategy is not yet sufficiently mature to enable specific and measurable targets to be included for 2022. The Committee is committed to including ESG metrics in the Group's annual and/or long-term incentive plans in 2023.

Shareholding requirements and post-cessation holding requirements

Our executive shareholding requirements are significantly higher than UK market practice. Executive Directors are required to hold 1,500,000 shares or shares with a value equivalent to 400% of salary (whichever is the lower), aligned with the annual LTIP opportunity. They are expected to achieve this holding within five years of the date of appointment to their current role. Executive Directors are also required to hold Indivior shares equal to their incumbent shareholding requirement (or actual shareholding if lower) for two years post departure.

At December 31, 2021, the Chief Executive Officer held shares with a value equivalent to 211% of base salary and the Chief Financial Officer held shares with a value of 73% of base salary. They both have until 2025 to achieve their respective shareholding requirements.

All-employee plans

The Group operates all-employee share plans in the US and UK. The Executive Directors are not eligible to participate in the US Employee Stock Purchase Plan, which is open to US employees who do not participate in the Long-Term Incentive Plan.

Shareholder engagement

The Committee is committed to aligning the interests of the Executive Directors with shareholders and will continue to take into account their feedback when making decisions in respect of our remuneration practices.

The 2020 Directors' Remuneration Report received a 38.3% vote against and the resolution to approve my re-appointment received a 21.5% vote against at the 2021 Annual General Meeting. We understand that there were concerns about the approach taken in relation to the termination arrangements for the former Chief Executive Officer, Shaun Thaxter. While the Committee and the Board are confident the right decision was made, we acknowledge and understand that a significant number of shareholders were concerned about the approach taken.

Engagement with shareholders has been ongoing since the 2021 AGM and we have consulted with our largest shareholders regarding the votes against these resolutions. Following our consultation, we published an Update Statement on our website in October 2021. The Committee is grateful for the engagement and feedback received and greatly values the views of our shareholders and their representatives. Further information regarding the voting outcome at the 2021 AGM, the Committee's engagement with shareholders during the year and their feedback can be found on page 109.

2022 Annual General Meeting

We hope to receive your support for the Directors' Remuneration Report at our AGM in May 2022.

Daniel J. Phelan
Chair of the Remuneration Committee

March 17, 2022

REMUNERATION AT A GLANCE

Year ended 31 December 2021

Fixed Pay

Base Salary

Base salaries effective 1 January 2021

Mark Crossley	$775,000
Ryan Preblick	$480,000

Pension and Benefits

Profit-sharing contributions of 4% of base salary plus any Company match of 75% on elected deferrals up to 4.5% of base salary provided to Mark Crossley and Ryan Preblick, in line with the wider workforce.

Other benefits provided in line with policy.

Variable Pay

AIP

Performance against the AIP targets set at the start of 2021 was as follows:

Measure	Weighting	Outturn (as a % of maximum)
Global net revenue – SUBLOCADE	80%	**80.0%**
US net revenue – PERSERIS	20%	**8.5%**
Outturn		**88.5%**

Variable Pay

LTIP

For awards granted in 2019, performance measures and outcomes were as follows:

Measure	Weighting	Outturn (as a % of maximum)
TSR (FTSE 250)	50%	**43.8%**
TSR (S&P 1500 Pharma & Biotech)	50%	**24.0%**
Outturn		**67.8%**

Awards granted in 2021

The following awards were granted to Executive Directors in 2021:

Measure	% of base salary	**No. of shares under award**
Mark Crossley	348%	**1,500,000**
Ryan Preblick	400%	**1,068,329**

Measure	Weighting
TSR (FTSE 250)	50%
TSR (S&P 1500 Pharma & Biotech)	50%

A two-year holding period applies to vested awards.

Proposed implementation for 2022

Fixed Pay

Base Salary

Base salaries were increased by 4% effective January 1, 2022, in line with wider workforce increases, as follows:

Mark Crossley	$806,000
Ryan Preblick	$499,200

Pension and Benefits

The pension benefits of the Executive Directors are aligned with those of the wider US workforce.

Benefits include healthcare, car allowance and life and disability insurance.

No changes will be made to benefits and pension arrangements for 2022.

Variable Pay

AIP

The maximum award for 2022 remains unchanged:

1. Mark Crossley – 200% of salary
2. Ryan Preblick – 120% of salary

The performance measures are unchanged from 2021 as follows:

Measure	Weighting
Global net revenue – SUBLOCADE	80%
US net revenue – PERSERIS	20%

25% of any bonus amount will be deferred into conditional shares for two years under the Deferred Bonus Plan.

Variable Pay

LTIP

The maximum number of shares to be awarded is the lower of 400% of base salary and 1,500,000 shares.

Performance measures remain unchanged from the previous award:

Measure	Weighting
TSR (FTSE 250)	50%
TSR (S&P 1500 Pharma & Biotech)	50%

A two-year holding period will apply to vested awards.

UK Corporate Governance Code: Provision 40

When developing the 2021 Remuneration Policy and considering its proposed operation for 2022, the Committee was mindful of, and feels it has appropriately addressed, the following factors set out in the UK Corporate Governance Code:

Clarity

The Committee welcomes open and frequent dialog with shareholders on our approach to remuneration. During the course of the year, shareholders were consulted to gather feedback and understand their views on our approach to remuneration, including shareholder feedback in relation to the votes against the Remuneration Report and re-appointment of Daniel Phelan received at the 2021 AGM.

A focus group session, involving members of Indivior's Culture & Inclusion Champions Network, was held during the year to review executive remuneration arrangements and their alignment with wider pay policy. The feedback from that session was considered by the Committee and will be used to guide future engagement sessions.

Simplicity

We believe the remuneration arrangements for Executive Directors, as well as those throughout the organization, are simple in nature and well understood by both participants and shareholders. The purpose, structure and strategic alignment has been clearly laid out in the Remuneration Policy.

Risk

The Committee considers that the structure of incentive arrangements does not encourage inappropriate risk-taking. Performance targets for incentive arrangements are set to reward delivery of the Group's strategy, which is set in line with the Group's risk appetite.

AIP deferral, the LTIP holding period and our shareholding requirement, including post-cessation holding, provide a clear link to the ongoing performance of the business and the experience of our shareholders. Malus and clawback provisions also apply to the AIP and the LTIP.

Predictability

Our Remuneration Policy contains details of threshold, target and maximum opportunity levels under our AIP and LTIP, with actual outcomes dependent on performance achieved against predetermined measures and target ranges. This is illustrated by the scenario charts, which can be found on page 89 of the 2020 Annual Report and Accounts.

Proportionality

Our performance measures and target ranges under the AIP and LTIP are aligned with the Group's strategy and with shareholders' interests over the longer term.

Under the AIP and LTIP, discretion may be applied where formulaic outturns are not considered reflective of underlying Group or individual performance. The Committee has exercised this discretion in recent years to reduce the outcomes under the 2018 AIP, the 2017-2019 LTIP and 2018-2020 LTIP to zero.

Alignment to culture

The Remuneration Policy has been designed to support the delivery of the Group's key Strategic Priorities and is aligned to Indivior's purpose, values and culture.

All employees are entitled to participate in the pension scheme. The pension provided to the Executive Directors is aligned to the wider US workforce rate.

ANNUAL REPORT ON REMUNERATION

This Directors' Remuneration Report has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008 (as amended), the UK Corporate Governance Code (the "Code") and the Financial Conduct Authority's UK Listing Rules and Disclosure Guidance and Transparency Rules.

The following report outlines our remuneration framework, how the Remuneration Policy was implemented in 2021, and how the Committee intends to apply the Policy in 2022. This Annual Report on Remuneration, together with the Annual Remuneration Statement from the Chair of the Committee, will be submitted to an advisory shareholder vote at the 2022 AGM. There were no deviations from the procedure for the implementation of the Remuneration Policy during the year.

The Remuneration Committee

All members of the Committee are considered to be independent for the purposes of the Code, with the exception of the Chair of the Board, who was independent on appointment. All members of the Committee exercise independent judgment and discretion when authorizing remuneration outcomes, and they do not have a personal financial interest, other than as shareholders, in the matters considered by the Committee. The Committee's Terms of Reference require that the Chair of the Committee should have served on a remuneration committee for at least 12 months prior to appointment.

Meetings

Only members of the Committee have the right to attend Committee meetings. The Company Secretary acts as secretary to the Committee. At the invitation of the Committee, the Chief Executive Officer, Jon Fogle (Chief Human Resources Officer), Diego Castro Albano (Global Compensation and Benefits Director), and Kathryn Hudson (Company Secretary) attended meetings and provided advice to the Committee. The Committee meets with the advisors to the Committee at each meeting without management present.

Members of the Committee and any person attending its meetings do not participate in and are not involved in deciding their own remuneration outcomes.

The Chair of the Committee reports on the activities of the Committee at the following Board meeting, and copies of the minutes of Committee meetings are circulated to all Directors.

Advice provided to the Remuneration Committee

Deloitte LLP were appointed as advisor to the Committee in December 2014, following a review undertaken in advance of the Company's listing on the London Stock Exchange. Deloitte LLP is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. Fees for advice provided to the Committee for the year, charged on a time spent basis, were £69.9k. Deloitte LLP also provided other employee and tax-related services to the Group during the year. This included payroll support for the Non-Executive Directors and tax-return support in respect of the Executive Directors' US and UK taxable income.

Willis Towers Watson also provided the Committee with benchmarking information during the year and their fees in respect of this were $59.9k. Willis Towers Watson also provided benefits consulting support in the US during the year.

The Committee reviews its relationships with its advisors periodically and is satisfied that the advice provided by Deloitte LLP and Willis Towers Watson is objective and independent.

At December 31, 2021, the membership of the Committee was as follows:

- **Daniel J. Phelan**
- **Graham Hetherington**
- **Joanna Le Couilliard**
- **Lorna Parker**

Details of attendance at Committee meetings can be found on page 63.

Role and responsibilities

Indivior's remuneration policies and practices are designed to promote the Group's purpose and its long-term sustainable success. The Committee's role is to assist the Board of Directors in fulfilling its oversight responsibility by ensuring that Remuneration Policy and practices reward fairly and responsibly, are linked to corporate performance, and take account of the generally accepted principles of good governance.

The Committee has delegated authority from the Board for determining the policy for Executive Director remuneration and setting remuneration for the Chair, Executive Directors and senior management. This delegated authority is set out in the Committee's Terms of Reference.

On behalf of, and subject to approval by, the Board, the Committee primarily:

- sets and regularly reviews the Group's overall remuneration strategy;
- determines the Remuneration Policy for senior management; and
- in respect of senior management sets, reviews and approves:
  - remuneration policies, including the Annual and Long-Term Incentive Plans;
  - individual remuneration and compensation arrangements;
  - participation in the Group's Annual and Long-Term Incentive Plans; and
  - the targets for the Annual and Long-Term Incentive Plans.

Key activities during the year

During the year, the Committee:

- considered the voting outcomes in respect of the 2020 Annual Report on Remuneration and the re-appointment of Daniel J. Phelan at the 2021 Annual General Meeting and engaged with shareholders to understand their views and concerns. The Board subsequently approved the publication of an Update Statement on the Group's website in October 2021;
- reviewed the Group's executive remuneration arrangements in line with the 2021 Remuneration Policy;
- reviewed and agreed the outturn in respect of the AIP for the 2020 financial year and LTIP awards granted in 2018;
- reviewed and approved the targets and measures in respect of the 2022 AIP and the LTIP awards granted in March 2022; the measures under the LTIP and AIP are unchanged from the prior year;
- reviewed the progress of the Executive Directors and members of the Executive Committee against their shareholding requirements;
- considered the changes in the regulatory and corporate governance environment and emerging trends in executive remuneration, with particular reference to the increasing focus on the inclusion of ESG metrics in executive remuneration plans;
- reviewed participation rates for the Group's all-employee share plans;
- considered the approach in respect of engagement with the workforce on executive remuneration and its alignment with wider pay policy. The Committee agreed that a focus group session be held and subsequently considered the feedback from that session; and
- reviewed workforce remuneration arrangements and related policies and their alignment with Indivior's culture and executive remuneration arrangements.

Single total figure of remuneration for the Executive Directors (audited)

The table below sets out the remuneration of the Executive Directors for the financial year ended December 31, 2021, and comparative figures for the financial year ended December 31, 2020 (where applicable).

Executive Directors	Mark Crossley		Ryan Preblick	
Fixed pay	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Base salary	775.0	674.9[1]	480.0	55.4[2]
Taxable benefits[3]	53.7	61.4	51.5	6.3
Pension benefits	20.8	24.2	17.9	–[4]
Total fixed pay	**849.5**	**760.5**	**549.4**	**61.7**
Variable pay				
AIP[5]	1,371.8	–	509.8	–
LTIP	2,888.7[6]	–	197.9[7]	37.5
Total variable pay	**4,260.4**	**–**	**707.6**	**37.5**
Total pay	**5,109.9**	**760.5**	**1,257.0**	**99.3**

Note: Totals may not sum up due to rounding.

1. Mark Crossley was appointed Chief Executive Officer on June 29, 2020, and his base salary increased from $571,650 to $775,000; his base salary in 2020 represents his pro-rated salary during the year.
2. Ryan Preblick was appointed Chief Financial Officer and Executive Director on November 19, 2020, with a base salary of $480,000. His base salary shown is for the period November 19 to December 31, 2020.
3. Taxable benefits included a car allowance ($19.5k) and medical cover ($16.6k for Mark Crossley and $25.6k for Ryan Preblick).
4. The Company had contributed the maximum amount permitted under Ryan Preblick's pension arrangements prior to his appointment as Chief Financial Officer and Executive Director, and consequently there were no further contributions made between the date of his appointment and December 31, 2020.
5. The AIP is paid 75% in cash, with the remaining 25% deferred into conditional shares for two years under the Deferred Bonus Plan.
6. The LTIP awards granted to Mark Crossley in March and August 2019 vested on March 5, 2022, will be released at the end of the two-year post-vesting holding period.
   The value of the award has been estimated based on the number of shares vesting (830,618) at the mid-market closing price of Indivior shares on December 31, 2021 (257.0p), and converted to US$ using the GBP/US$ exchange rate on December 31, 2021 (GB£1:US$1.3532).
7. The LTIP award granted to Ryan Preblick in March 2019 vested on March 5, 2022. The value of the award has been estimated, based on the number of shares vesting (56,895) at the mid-market closing price of Indivior shares on December 31, 2021 (257.0p), and converted to US$ using the GBP/US$ exchange rate on December 31, 2021 (GB£1:US$1.3532).

Base salary

The Executive Directors did not receive a base salary merit increase as part of the 2020/21 annual review cycle, in line with the wider workforce. The Executive Directors received a base salary increase of 4% effective January 1, 2022. The Committee carefully considered these increases in base salary and concluded that these were appropriate given that they were aligned with the average increase for the wider workforce. The annual base salaries for the Executive Directors as at January 1, 2022 and January 1, 2021 are set out below.

Executive Directors	Base salary at January 1, 2022 $'000	Base salary at January 1, 2021 $'000	% increase on prior year
Mark Crossley	806.0	775.0	4%
Ryan Preblick	499.2	480.0	4%

Taxable benefits

Taxable benefits consist primarily of healthcare, car allowance, life and disability insurance and professional support for the completion of US and UK tax returns.

Pension benefits

Profit-sharing contributions were suspended from January 1, 2021 to September 30, 2021 for all US employees, including Mark Crossley and Ryan Preblick, as part of certain cost initiatives implemented in response to the COVID-19 pandemic. In the period between October 1, 2021 and December 31, 2021, Mark Crossley received pension contributions consisting of profit-sharing contributions of $7,750 (4% of base salary) and Company match of $13,050 (75% on elected deferrals up to 4.5% of base salary). Ryan Preblick received pension contributions consisting of profit-sharing contributions of $4,800 (4% of base salary) and Company match of $13,050 (75% on elected deferrals up to 4.5% of base salary).

No changes have been made to the pension arrangements for 2022. The pension benefits of the Executive Directors remain fully aligned with those of the wider US workforce.

Annual Incentive Plan (AIP) (audited)

AIP 2021

The maximum AIP opportunity for the Chief Executive Officer is 200% of base salary. The maximum AIP opportunity for the Chief Financial Officer is 120% of base salary.

The Committee set stretching performance targets in the context of the business plan for 2021 and taking account of external forecasts. These targets were set by reference to the key strategic drivers for the business: global net revenues for SUBLOCADE and US net revenues for PERSERIS. For threshold performance, 12.5% of the maximum bonus would be paid, for target performance, 50% of the maximum bonus would be paid, and 100% of the maximum bonus would be paid for the delivery of exceptional performance significantly above both internal and external expectations. The outturn is calculated on a straight-line basis between threshold and target, and between target and maximum.

The table below provides an overview of the performance against the targets set in respect of the two financial metrics set by the Committee.

		Performance targets				
Measure	Weighting	Threshold $m	Target $m	Maximum $m	Achieved $m	Outturn as a % of maximum
Global net revenue – SUBLOCADE	80%	180	200	220	244	80.0%
US net revenue – PERSERIS	20%	15	18	21	17	8.5%
Total	100%					88.5%

Overall performance resulted in a formulaic outturn of 88.5% of maximum. 25% of the 2021 AIP bonus payment has been deferred into conditional shares for two years under the Deferred Bonus Plan (see 'Deferred Bonus Plan (DBP) Awards (audited)' below.

AIP 2022

The Chief Executive Officer and Chief Financial Officer will have a maximum bonus opportunity under the AIP of 200% and 120% of base salary respectively.

The Committee has considered the key strategic objectives for the business and has aligned the performance measures for the 2022 AIP with these. Consequently, the targets for 2022 will be focused on accelerating the global growth of SUBLOCADE and advancing PERSERIS in the US, with the majority of the weighting on SUBLOCADE.

Bonuses for 2022 will be based on the following measures and weightings:

Measure	Weighting
Global net revenue – SUBLOCADE	80%
US net revenue – PERSERIS	20%

The performance targets for 2022 have not been disclosed as they are considered to be commercially sensitive. However, we commit to disclosing the performance targets retrospectively in next year's Annual Report on Remuneration.

In line with our Remuneration Policy, 75% of any bonus amount will be delivered in cash and 25% will be deferred into conditional shares for two years under the Deferred Bonus Plan.

Deferred Bonus Plan (DBP) Awards (audited)

In line with the Remuneration Policy, 25% of the 2021 bonus was deferred into conditional shares under the DBP. The deferred conditional share awards vest after two years subject to continued employment as well as malus provisions.

Executive Directors	Date of grant	No of shares under award[1]	Closing share price at date of grant	Face value $'000[2]	Vesting date
Mark Crossley	Mar 15, 2022	96,077	269.8p	356.2	Mar 15, 2024
Ryan Preblick	Mar 15, 2022	35,703	269.8p	132.4	Mar 15, 2024

1. The market value used to determine the number of shares under award was 274.0p, being the mid-market closing price of Indivior shares on the business day immediately preceding the date of grant.
2. The face value of the awards have been calculated using the closing share price on the date of grant and converted to US$ exchange rate on December 31, 2021 (US$1.3532).

Long-Term Incentive Plan (LTIP) Awards (audited)

2019-2021 LTIP Awards

In 2019, the Committee determined that the quantum of awards to be granted under the LTIP would be reduced by 35%, reflecting the decline in the Company's share price between 2018 and 2019. In March 2019, Mark Crossley was granted an LTIP award with a value equivalent to 325% of base salary (reduced by 35% from the maximum amount of 500% base salary under the 2018 Remuneration Policy). In August 2019, Mr Crossley was granted an additional award to reflect his increased base salary following the broadening of his responsibilities and promotion to Chief Financial & Operations Officer. This additional award was calculated on his pro-rated base salary for the year, and calculated by reference to the share price used to determine the March 2019 award.

Executive Director	Date of grant	No. of shares under award at maximum	Closing share price at date of grant	Face value $'000[1]	Vesting date	Release date
Mark Crossley	Mar 5, 2019	1,180,880	108.4p	1,697.8	Mar 5, 2022	Mar 5, 2024
	Aug 8, 2019	44,222	58.4p	34.3	Mar 5, 2022	Mar 5, 2024

1. The face value of the awards was calculated using the closing share price on the date of grant and converted to US$ using the GB£/US$ exchange rate on December 31, 2019 (GB£1:US$1.3263).

The measures set and performance against those measures for the awards granted to Mark Crossley were as follows:

Measure	Weighting (% of award)	Outturn (as a % of maximum)
Relative TSR vs. the constituents of the FTSE 250 excluding investment trusts	50%	43.8%
Relative TSR vs. the constituents of the S&P 1500 Pharmaceutical and Biotech Index	50%	24.0%
Outcome		67.8%

The awards remain subject to a two-year post vesting holding period and will be released in March 2024.

2021-2023 LTIP Awards

Under the 2018 Remuneration Policy, the Executive Directors would ordinarily have been granted annual LTIP awards with a value of 500% of base salary. For the 2021-2023 awards, the Committee determined to grant awards in line with the 2021 Remuneration Policy in advance of its approval by shareholders at the 2021 AGM. On March 1, 2021, the Chief Executive Officer was granted an award over 1,500,000 shares (348% of base salary), being the maximum cap under the 2021 Remuneration Policy. The Chief Financial Officer was granted an award over 400% of base salary.

Executive Director	Date of grant	No. of shares under award at maximum[1]	Closing share price at date of grant	Face value $'000[2]	Performance period	Vesting date	Release date[3]
Mark Crossley	Mar 1, 2021	1,500,000	129.2p	$2,622.5	Jan 2021–Dec 2023	Mar 1, 2024	Mar 1, 2026
Ryan Preblick	Mar 1, 2021	1,068,329	129.2p	$1,867.8	Jan 2021–Dec 2023	Mar 1, 2024	Mar 1, 2026

1. The market value used to determine the number of shares subject to awards was 128.2p, being the average mid-market closing price of Indivior shares on the five business days immediately preceding the date of grant on March 1, 2021.
2. The face values of the awards have been calculated using the closing share price on the date of grant and converted to US$ using the GB£/US$ exchange rate on December 31, 2021 (GB£1:US$1.3532).
3. Awards granted to the Executive Directors are subject to a post-vesting holding period of two years.
4. Conditional awards include the right to receive an amount equal in value to any dividends payable on the number of vested shares between the date of grant and the release date.

The vesting of these awards is subject to the achievement of the following performance measures.

Measure	Weighting	Rationale for metric
Relative TSR vs. FTSE 250 excluding investment trusts	50%	Provides alignment with shareholders through the relative outperformance of other UK listed companies.
Relative TSR vs. S&P 1500 Pharmaceutical and Biotech Index	50%	Provides alignment with shareholders through the relative outperformance of direct sector peers who are subject to similar market influences.

1. 12.5% of the maximum award will vest for Indivior being ranked median in comparison to the respective peer group, and 100% of the maximum award will vest for being ranked upper quartile or above. The award will vest on a straight-line basis between median and upper quartile, with none of the awards vesting if Indivior is ranked below median.

Relative TSR performance against each comparator group will be measured over three financial years (2021-2023). The 2021-2023 LTIP awards are subject to an additional two-year holding period following the end of the three-year performance period.

2022-2024 LTIP Awards

On March 1, 2022, awards were granted to the Chief Executive Officer and Chief Financial Officer over shares with a value equivalent to 400% of base salary.

Executive Director	Date of grant	No. of shares under award at maximum[1]	Closing share price at date of grant	Face value $'000[2]	Performance period	Vesting date	Release date
Mark Crossley	Mar 1, 2022	878,498	280.6p	3,335.7	Jan 2022–Dec 2024	Mar 1, 2025	Mar 1, 2027
Ryan Preblick	Mar 1, 2022	544,102	280.6p	2,066.0	Jan 2022–Dec 2024	Mar 1, 2025	Mar 1, 2027

1. The market value used to determine the number of shares subject to awards was 274.12p, being the average mid-market closing price of Indivior shares on the five business days immediately preceding the date of grant on March 1, 2022.
2. The face values of the awards have been calculated using the closing share price on the date of grant and converted to US$ using the GB£/US$ exchange rate on December 31, 2021 (GB£1:US$1.3532).

The Committee considered the LTIP metrics in the current business context and determined that the performance measures for 2022-2024 LTIP awards will remain focused on shareholder returns. One half will be based on relative ranked TSR versus the FTSE 250 excluding investment trusts, and the other half will be based on relative ranked TSR versus the S&P 1500 Pharmaceutical & Biotech Index. The use of two relative TSR comparator groups is intended to balance the fact that Indivior is a UK-listed company, but also recognizes that Indivior operates within a specialized sector, where the majority of its peers are listed in the US.

Measure	Weighting	Rationale for metric
Relative TSR vs. FTSE 250 excluding investment trusts	50%	Provides alignment with shareholders through the relative outperformance of other UK listed companies.
Relative TSR vs. S&P 1500 Pharmaceutical and Biotech Index	50%	Provides alignment with shareholders through the relative outperformance of direct sector peers who are subject to similar market influences.

1. 12.5% of the maximum award will vest for Indivior being ranked median in comparison to the respective peer group, and 100% of the maximum award will vest for being ranked upper quartile or above. The award will vest on a straight-line basis between median and upper quartile, with none of the awards vesting if Indivior is ranked below median.

Relative TSR performance against each comparator group will be measured over three financial years (2022-2024). The 2022-2024 LTIP awards are subject to an additional two-year holding period following the end of the three-year performance period.

Malus and Clawback

The Remuneration Committee has the discretion to scale back or cancel LTIP awards, extend the performance period or defer the exercise period prior to the satisfaction of awards or after the end of any relevant holding period in the event that results are materially misstated for part of the performance period applicable to an award, an individual's conduct has amounted to gross misconduct or, in respect of awards made after the adoption of the 2018 Remuneration Policy, in the event of serious reputational damage to Indivior. Where LTIP awards have vested, the Committee has the discretion to "claw back" awards or reduce amounts of other payments due to the individual up to the fifth anniversary of the grant of awards in the circumstances described above.

Executive Financial Recoupment Program

As part of the Group's Corporate Integrity Agreement with the Office of the Inspector General of the U.S. Department of Health and Human Services, an Executive Financial Recoupment Program was implemented (the "Recoupment Program"). Under the terms of the Recoupment Program, up to two years of performance pay may be put at risk of forfeiture and/or recoupment for certain US-based executives (which includes both serving Executive Directors).

Forfeiture and/or recoupment may be applied in the event that it is determined that there has been a "Triggering Event"; a Triggering Event includes significant misconduct (violation of law or regulation or a significant violation of an Indivior policy) related to covered activities, or, significant misconduct related to covered activities by subordinate employees in the business unit for which the relevant executive had responsibility that is not an isolated incident and which the relevant executive knew or should have known was occurring.

Forfeiture and/or recoupment under the Recoupment Program may be applied to awards granted after November 20, 2020 and will cease to apply to awards on July 24, 2025 or the date on which the Group's obligations under the Corporate Integrity Agreement expire (if later).

A copy of the Corporate Integrity Agreement can be found on the Group's website (www.indivior.com).

Outstanding share awards under the LTIP and DBP (audited)

Details of conditional awards over shares awards held by the Executive Directors at December 31, 2021, are shown below.

Executive Directors	Plan[1]	Date of grant	No. of shares under award at January 1,2021	Granted during the year	Lapsed during the year	Released during the year[2]	No. of shares under award at December 31, 2021	Closing share price at date of grant	Face value of award granted in 2021 $'000[3]	Performance period	Normal vesting date	Normal release date[4]
Mark Crossley												
	LTIP	Mar 1, 2021[5]	-	1,500,000	-	-	1,500,000	129.2p	2,623	2021-2023	Mar 1, 2024	Mar 1, 2026
	LTIP	Nov 6, 2020[6]	157,981	-	-	-	157,981	117.3p	-	2020–2022	Mar 9, 2023	Mar 9, 2025
	LTIP	Mar 9, 2020[6]	2,057,610	-	-	-	2,057,610	45.0p	-	2020–2022	Mar 9, 2023	Mar 9, 2025
	LTIP	Aug 8, 2019[7]	44,222	-	-	-	44,222	58.4p	-	2019–2021	Mar 5, 2022	Mar 5, 2024
	LTIP	Mar 5, 2019[7]	1,180,880	-	-	-	1,180,880	108.4p	-	2019–2021	Mar 5, 2022	Mar 5, 2024
	LTIP	Mar 9, 2018[8]	452,209	-	452,209	-	-	402.0p	-	2018–2020	Mar 9, 2021	Mar 9, 2023
	DBP	Mar 13, 2020	188,523	-	-	-	188,523	43.7p	-	n/a	Mar 13, 2022	n/a
Total			**4,081,425**	**1,500,000**	**452,209**	**-**	**5,129,216**					
Ryan Preblick												
	LTIP	Mar 1, 2021[5]	-	1,068,329	-	-	1,068,329	129.2p	1,868	2021-2023	Mar 1, 2024	Mar 1, 2026
	LTIP	Mar 9, 2020	264,935	-	-	-	264,935	45.0p	-	2020–2022	Mar 9, 2023	n/a
	LTIP	Mar 9, 2020	66,233	-	-	-	66,233	45.0p	-	n/a	Mar 9, 2023	n/a
	LTIP	Mar 5, 2019	56,895	-	-	-	56,895	108.4p	-	n/a	Mar 5, 2022	n/a
	LTIP	Nov 28, 2018	58,999	-	26,609	32,390	-	58.4p	-	n/a	Nov 28, 2021	n/a
	LTIP	Mar 9, 2018	21,578	-	7,638	13,940	-	402.0p	-	n/a	Mar 9, 2021	n/a
Total			**468,640**	**1,068,329**	**34,247**	**46,330**	**1,456,392**					

1. Awards granted under the LTIP and the DBP are made in the form of conditional awards over shares. Participants are entitled to receive an amount equivalent in value to any dividends payable on the number of vested shares between the date of grant and the vesting (or release date for awards subject to a post-vesting holding period).
2. These awards were settled on a net settled basis, resulting in a reduction in the number of shares delivered with a value equivalent to the taxes due on vesting.
3. The face values of the awards granted in 2021 have been calculated using the closing share price on the date of grant and converted to US$ using the GB£/US$ exchange rate on December 31, 2021 (GB£1:US$1.3532).
4. Awards granted to the Executive Directors under the LTIP are subject to a two-year post-vesting holding period and are then released to the Executive Director. The LTIP awards held by Ryan Preblick, which were granted prior to his appointment as Chief Financial Officer, are not subject to a two-year post-vesting holding period.
5. Mark Crossley was granted an LTIP award over 1,500,000 shares in March 2021, being the maximum award under the 2021 Remuneration Policy. Ryan Preblick was granted an LTIP award with a value of 400% of base salary in March 2021.
6. Mark Crossley was granted an LTIP award with a value of 225% of base salary in March 2020. He was granted an additional award under the LTIP on November 6, 2020, to reflect his increased base salary for 2020 following his appointment as Chief Executive Officer. The award was calculated on his pro-rated base salary for the year and the market value used to calculate the number of shares subject to the award was 112.66p, being the average mid-market closing price of Indivior shares for the five business days immediately preceding the date of grant on November 6, 2020.
7. Mark Crossley was granted LTIP award with a value of 325% of base salary in March 2019. He was granted an additional award under the LTIP on August 8, 2019, to reflect his increased base salary for 2020 following his appointment as Chief Financial & Operations Officer. The award was calculated on his pro-rated base salary for the year and the market value used to calculate the number of shares subject to the award was 106.38p, being the same price as that used to calculate his award in March 2019; the Committee determined that using the price used for the March award would avoid any inadvertent gains as a result of the share price depreciation between March 2019 and August 2019.
8. Mark Crossley was granted an LTIP award with a value of 500% of base salary in March 2018.
9. Mark Crossley holds a vested but unexercised market-value option over 210,619 shares. This option was granted under the rules of the LTIP in December 2014 (on demerger) at an option price of 111.0p per share. The option vested on May 11, 2016 and is scheduled to lapse on December 28, 2024.

Executive Directors' shareholding and share interests (audited)

Indivior's remuneration schemes have been designed to promote long-term shareholdings by Executive Directors. Awards granted under the LTIP vest subject to the achievement of stretching performance targets measured over a performance period of at least three years and are then subject to a two-year post vesting holding period. In addition, 25% of any annual bonus paid under the AIP is deferred into conditional shares for two years under the Deferred Bonus Plan.

Aligned with the maximum opportunity under the LTIP, the Executive Directors are required to build a shareholding with a value equivalent to 400% of base salary or 1,500,000 shares, whichever is the lower. For the purposes of this requirement the following count towards the Executive Directors shareholding: shares held outright by the Executive (and where applicable shares held by their spouse or partner); unvested awards granted under the DBP (adjusted to take account of the estimated tax liability arising on vesting); awards granted under LTIP which have vested but are subject to a post-vesting holding period (adjusted to take account of the estimated tax liability arising on release); and, vested but unexercised options (adjusted to take account of the exercise price and estimated tax liability arising on exercise). Executive Directors have five years from the date of appointment to their current role in which to achieve this shareholding requirement. Members of the Executive Committee are expected to build a shareholding of 150% of base salary within the same time frames.

Once the requirement has been met, Executive Directors are not expected to buy shares in the open market to rebuild their shareholding where the market value of their shareholding has subsequently reduced as a result of share price decline and/or exchange rate fluctuations. In such circumstances, the Executive Directors would be expected to retain a proportion of shares arising from future vestings or releases of shares to rebuild their holding.

The table below shows the shareholding of each of the Executive Directors (together with interests held by their connected persons) and a summary of outstanding awards as at December 31, 2021. The changes in the interests of the Directors in the shares of Indivior PLC between December 31, 2021 and the date of this report are noted in the table below.

	Number of shares owned outright		LTIP awards			Deferred Bonus awards	Options held			
Executive Directors	At March 17, 2022	At December 31, 2021	Vested and subject to two-year post-vesting holding period at December 31, 2021	Unvested and subject to performance conditions and continued employment at December 31, 2021	Unvested and subject to continued employment at December 31, 2021	Unvested and subject to certain conditions at December 31, 2021	Vested but not exercised	Shareholding requirement (% of base salary)	Shareholding at December 31, 2021 (% of base salary)	Date by which shareholding requirement to be achieved
Mark Crossley	450,162[4]	346,663	-	4,940,693	-	188,523	210,619[2]	400%	211%[3]	Jun 2025
Ryan Preblick	140,531[5]	109,296	-	1,333,264	123,128	-	-	400%	73%	Nov 2025

1. In line with Indivior's executive shareholding requirements, the Executive Directors' shareholdings as a % of base salary have been calculated based on shares owned outright valued using the three-month average share price to December 31, 2021 (237.1p), and the US/UK exchange rate over the same period (GB£1:US$1.3492).
2. Mark Crossley holds a vested but unexercised market-value option over 210,619 shares. This option was granted under the rules of the LTIP in December 2014 (on demerger) at an option price of 111.0p per share. The option vested on May 11, 2016 and is scheduled to lapse on December 28, 2024.
3. Includes shares owned outright, the unvested award held under the DBP (adjusted for the estimated tax liability arising on vesting) and the vested but unexercised market value option (adjusted for the exercise price and estimated tax liability arising on vesting).
4. Mark Crossley was granted an award over 188,523 shares under the DBP on March 13, 2020. The vesting of this award was settled on a net settled basis, resulting in the delivery of 103.499 shares to Mr Crossley on March 15, 2022.
5. Ryan Preblick was granted an award over 56,895 shares under the LTIP on March 5, 2019. The vesting of this award was settled on a net settled basis, resulting in the delivery of 31,235 shares to Mr Preblick on March 7, 2022.

Payments to past Directors (audited)

Shaun Thaxter stepped down from the Board on June 27, 2020. His termination arrangements were detailed on page 103 of the 2020 Annual Report. In 2021, the Group paid $3,900 to Deloitte for the provision of UK and US tax return preparation services, in line with Mr Thaxter's termination arrangements. Save as previously disclosed, there were no other payments to past directors.

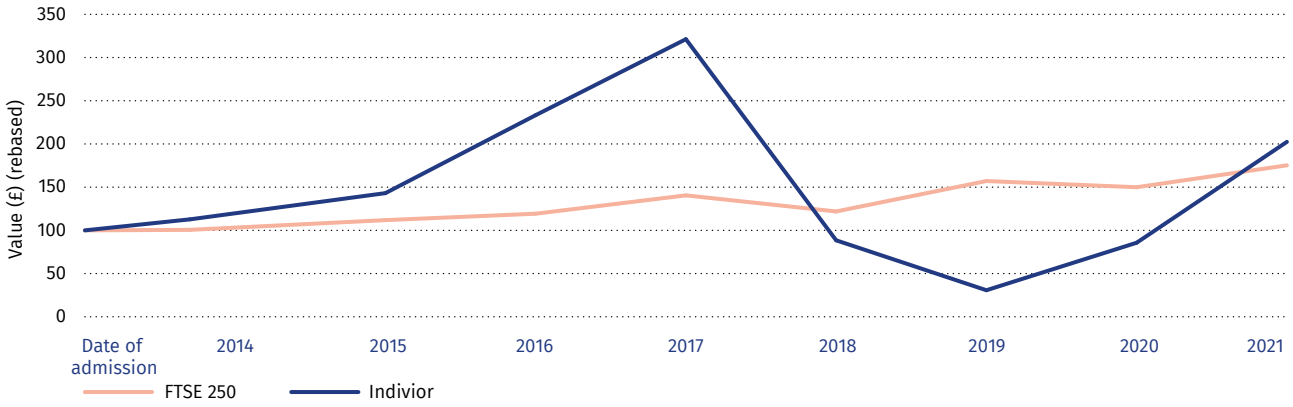
External appointments

Subject to the prior approval of the Board, Executive Directors are able to accept an external appointment to a corporate board outside the Company. The Executive Directors do not hold any external appointments.

Review of past performance

Historical TSR performance

The graph below shows the TSR of the Company and the FTSE 250 Index over the period from admission on December 23, 2014, to December 31, 2021. The FTSE 250 Index was selected on the basis that the Company was a member of the FTSE 250 Index in the UK for the majority of the period.



Chief Executive Officer remuneration

The historical total remuneration for the Chief Executive Officer for the period from January 1, 2014, to December 31, 2021, is set out in the table below. The AIP payout and LTIP vesting level as a percentage of the maximum opportunity is also shown.

	Shaun Thaxter 2014	Shaun Thaxter 2015	Shaun Thaxter 2016	Shaun Thaxter 2017	Shaun Thaxter 2018	Shaun Thaxter 2019	Shaun Thaxter[1] 2020	Mark Crossley[1] 2020	**Mark Crossley 2021**
Single figure of total remuneration ($'000)	1,968.1	4,317.9	5,024.8	9,215.7	1,009.6	2,138.7	557.3	760.5	**5,109.9**
AIP (outturn as a % of maximum)	100%	94.5%	94.5%	78.5%	0.0%	65.5%	0.0%	0.0%	**88.5%**
LTIP (outturn as a % of maximum)	n/a	93.3%	100%	73.5%	0.0%	0.0%	0.0%	0.0%	**67.8%**

1. Mark Crossley was appointed Chief Executive Officer on June 29, 2020. Shaun Thaxter was Chief Executive Officer from the date of listing in 2014 until June 27, 2020.
2. Historical data is not provided prior to 2014 when the Group was a division of Reckitt Benckiser Group plc.

The Group has fewer than 250 employees in the UK and is therefore not required to publish Chief Executive Officer pay ratio information as set out by The Companies (Miscellaneous Reporting) Regulations 2018.

Percentage change in the remuneration of Directors and employees

The following table sets out the change in remuneration, excluding LTIP and pension contributions, paid to the Directors who served on the Board in 2020 and 2021, compared with the average percentage change for the US employee population; the majority of the Group's employees are based in the US.

	Year-on-year change in remuneration of Directors compared to US employee population					
	2021			2020		
	Base salary/ fees	**Taxable benefits**	**Annual bonus**	Base salary/ fees	Taxable benefits	Annual bonus
US Employee Population[1]	**1.0%**	**(11.0)%**	**106%**	4.8%	13.0%	(38.0)%
Executive Directors						
Mark Crossley[2]	**14.8%**	**(12.5)%**	**n/a**[8]	27.7%	32.7%	(100)%
Ryan Preblick[3]	**766.7%**	**711.9%**	**n/a**[8]	n/a	n/a	n/a
Non-Executive Directors						
Graham Hetherington[4]	**157.5%**	**n/a**	**n/a**	754.4%	n/a	n/a
Peter Bains	**0%**	**n/a**	**n/a**	172.0%	n/a	n/a
Jerome Lande[5]	**n/a**[8]	**n/a**	**n/a**	n/a	n/a	n/a
Joanna Le Couilliard[5]	**n/a**[8]	**n/a**	**n/a**	n/a	n/a	n/a
A. Thomas McLellan	**0%**	**(100)%**[9]	**n/a**	(10.7)%	1.0%	n/a
Lorna Parker	**(7.9)%**	**n/a**	**n/a**	0.0%	n/a	n/a
Daniel J. Phelan[6]	**(15.0)%**	**(100)%**[9]	**n/a**	0.0%	(1.1)%	n/a
Mark Stejbach[5]	**n/a**[8]	**n/a**	**n/a**	n/a	n/a	n/a
Juliet Thompson[5]	**n/a**[8]	**n/a**	**n/a**	n/a	n/a	n/a
Former Non-Executive Director						
Daniel Tassé[7]	**(79.7)%**	**(100)%**[9]	**n/a**	77.5%	1.3%	n/a

1. Indivior PLC is not an employing company and therefore the remuneration of the US employee population has been included as the comparator group as this is where the majority of the Group's employees are based.
2. Mark Crossley was appointed Chief Executive Officer on June 29, 2020, having previously served as Chief Financial & Operations Officer; his base salary for 2020 reflects his pro-rated base salary. Further details of his remuneration arrangements can be found on page 98.
3. Ryan Preblick was appointed Chief Financial Officer and Executive Director on November 19, 2020; his base salary and taxable benefits for 2020 reflects his pro-rated base salary. Further details of his remuneration arrangements can be found on page 98.
4. Graham Hetherington was appointed as Independent Non-Executive Director on November 1, 2019 and appointed Chair of the Board on November 18, 2020. The large % change in his fee between 2019 and 2020 reflects that he was appointed during the latter part of 2019. The large % change in his fee between 2020 and 2021 reflects that he was appointed Chair of the Board in November 2020.
5. Jerome Lande, Joanna Le Couilliard, Juliet Thompson and Mark Stejbach were appointed to the Board on March 24, 2021.
6. Daniel J. Phelan was appointed Senior Independent Director on May 7, 2021.
7. Daniel Tassé stepped down from the Board on May 6, 2021.
8. "n/a" refers to nil value in the previous year, which means that a year-on-year change cannot be calculated.
9. Benefits comprised the grossed-up cost of providing professional support for the completion of UK tax returns for US tax residents. As a result of COVID-19, the US-based Non-Executive Directors did not travel to the UK in the 2020/21 tax year and consequently did not incur a UK tax liability.

Workforce remuneration and engagement on executive remuneration

During the year, the Committee undertook a review of the remuneration arrangements and related policies for the wider workforce. This comprised of a review of the Group's core compensation programs, including the base salary merit increase process, benefits, and short- and long-term incentive arrangements. Variable remuneration schemes are designed to drive performance and behaviors consistent with the Group's purpose, values and strategy. Performance measures under the AIP are designed to align to the key strategic drivers for the year ahead, and are developed alongside the Group's annual financial plans. Performance measures for awards granted to senior leaders under the LTIP are subject to relative TSR measures and are therefore directly aligned with the interests of shareholders.

In 2021, representatives from Indivior's Culture & Inclusion Champions Network took part in a focus group session on executive remuneration. The focus group consisted of seven employees, each representing different functions and levels of the organization. The session, which took place in December 2021, included a presentation which explained the various principles, policies and practices involved in setting executive remuneration and how these aligned with Indivior's strategy, culture and the wider workforce.

Following the session, a pulse survey was conducted to obtain feedback from the employee focus group. Overall feedback was very positive, with all attendees agreeing that Indivior's pay principles, policies and practices are aligned with strategy and culture and that the principles, policies and practices for executives are aligned with the wider workforce. Areas for enhancement were primarily focused on improving clarity and transparency. Feedback from the session will be used to guide future employee engagement on executive remuneration, which will include executive remuneration as an element of discussion at engagement sessions with the Designated Non-Executive Director for workforce engagement.

Feedback from the focus group session was reviewed and discussed at the Committee's meeting in February 2022.

Further information on workforce engagement can be found on pages 73.

Relative importance of spend on pay

The following table shows total employee pay compared with shareholder distributions and research and development expenses for 2021 and 2020. Research and development expenses have been selected as a comparator as this measure is considered to be an indicator of investment in the future performance of the business.

	2021 $m	2020 $m	% change
Total employee pay[1]	**206**	187	10.2%
Shareholder distributions[2]	**100**	–	n/a
Research and development expenses[3]	**52**	40	30.0%

1. See Note 7 to the Financial Statements on page 140 for further information regarding employee costs.
2. In line with the Dividend Policy approved by the Board in 2016, there were no dividends paid in respect of the 2020 and 2021 financial year. The Group completed a $100m share repurchase program in 2021. See Note 25 to the Financial Statements on page 159 for further information regarding share capital.
3. See Note 4 to the Financial Statements on pages 136-137 for further information regarding research and development expenses.

Dilution limits

Indivior's share plans provide that awards can be satisfied by newly issued shares, the transfer of treasury shares, or existing shares (purchased in the market and held in an employee benefit trust). Indivior's share plans state that the aggregate number of shares that may be issued to satisfy awards made under these plans must not exceed 10% of the Company's issued share capital in any ten-year period.

The Committee has reviewed the number of shares subject to award to ensure that these limits would not be breached by the granting of awards in 2022.

Single total figure of remuneration for the Chair and Non-Executive Directors (audited)

The table below sets out the total remuneration received by the Chair and the Non-Executive Directors for the year ended December 31, 2021.

	Role as at December 31, 2021	**2021 Fees[1] '000**	2020 Fees[1] '000	**2021 Benefits '000**	2020 Benefits[2] '000	**2021 Total[3] '000**	2020 Total[3] '000
Graham Hetherington[3]	Chair	**£275.0**	£106.8	**-**	-	**£275.0**	£106.8
Peter Bains	Independent Non-Executive Director	**£85.0**	£85.0	**-**	-	**£85.0**	£85.0
Jerome Lande[4]	Non-Executive Director	**$83.7**	-	**-**	-	**$83.7**	-
Joanna Le Couilliard[4]	Independent Non-Executive Director	**£58.0**	-	**-**	-	**£58.0**	-
A. Thomas McLellan	Independent Non-Executive Director	**$108.3**	$108.3	**-**	$2.1	**$108.3**	$110.3
Lorna Parker[5]	Independent Non-Executive Director	**£78.3**	£85.0	**-**	-	**£78.3**	£85.0
Daniel J. Phelan	Senior Independent Director	**$141.1**	$122.7	**-**	$2.1	**$141.1**	$124.8
Mark Stejbach[4]	Independent Non-Executive Director	**$83.7**	-	**-**	-	**$83.7**	-
Juliet Thompson[4]	Independent Non-Executive Director	**£64.3**	-	**-**	-	**£64.3**	-
Former Non-Executive Director							
Daniel Tassé[6]		**$52.9**	$254.1	**-**	$2.1	**$52.9**	$256.2

Note: Totals may not sum up due to rounding.

1. Fees paid to the Chair and the Non-Executive Directors are paid in their local currency. Since 2016, a fixed exchange rate (GB£1:US1.4434) has been applied to translate UK amounts into US dollars, effectively setting fees at that time, on both a UK and US basis.
2. Benefits comprise the grossed-up cost of providing professional support for the completion of UK tax returns for US tax residents; these costs were translated to US$ using the average exchange rate for 2020 (GB£1:US1.2833). As a result of COVID-19, the US-based Non-Executive Directors did not travel to the UK in the 2020/21 tax year, and consequently did not incur a UK tax liability.
3. Graham Hetherington was appointed Chair of the Board on November 18, 2020.
4. Jerome Lande, Joanna Le Couilliard, Juliet Thompson and Mark Stejbach were appointed as Directors of the Company on March 24, 2021. The fee shown for 2021 is from the date of appointment to December 31, 2021.
5. Lorna Parker was the Chair of the Nomination & Governance Committee until May 6, 2021; she stepped down as Chair of that Committee and Graham Hetherington assumed that role. Ms Parker remains a member of the Committee.
6. Daniel Tassé stepped down from the Board on May 6, 2021; the fee shown for 2021 is for the period from January 1, 2021 to May 6, 2021.

Chair and Non-Executive Directors' fees (audited)

The current fee levels for the Chair and Non-Executive Directors are set out in the table below.

	Fee in GB£[1]	Fee in US$[1]
Chair's Fee[2]	£275,000	n/a
Non-Executive Director Fee	£55,000	$79,387
Additional Senior Independent Director Fee	n/a	$28,868
Additional Committee Chair Fee	£20,000	$28,868
Additional Committee Membership Fee	£10,000	$14,434

1. Fees paid to the Chair and the Non-Executive Directors are paid in their local currency. Since 2016, a fixed exchange rate (GB£1:US1.4434) has been applied to translate UK amounts into US dollars, effectively setting fees at that time, on both a UK and US basis.
2. The Chair of the Board does not receive additional fees for being a member of the Committees or for chairing any Committee.

The fees paid to the Chair and Non-Executive Directors were set at the time of listing in 2014 and have not been increased since that time. The Chair and Non-Executive Directors' Fee are reviewed on a biennial basis and are next scheduled to be reviewed in November 2022. The Chair and the Non-Executive Directors are not eligible to participate in the Company's annual bonus, long-term incentive, or pension schemes.

Chair and Non-Executive Directors' shareholding (audited)

The Chair and Non-Executive Directors are expected to acquire an interest in Indivior shares over the course of their appointment. The following table shows the shareholdings of each of the Chair and Non-Executive Directors (together with the interests of their connected persons) as at December 31, 2021 (or up to the date they stepped down from the Board) and as at the date of this report. There have been no changes in the interests of the Chair and Non-Executive Directors in the shares of Indivior PLC between December 31, 2021 and the date of this report.

	Total number of shares held at March 17, 2022	Total number of shares held at December 31, 2021	Total number of shares held at December 31, 2020
Peter Bains	**54,000**	**54,000**	54,000
Graham Hetherington	**79,220**	**79,220**	50,000
Jerome Lande	**319**	**319**	n/a
Joanna Le Couilliard	**-**	**-**	n/a
A. Thomas McLellan	**7,546**	**7,546**	7,546
Lorna Parker	**25,890**	**25,890**	25,890
Daniel J. Phelan	**60,318**	**60,318**	60,318
Mark Stejbach	**41,424**	**41,424**	n/a
Juliet Thompson	**-**	**-**	n/a

Former Directors	Total number of shares held at date of stepping down from Board	Total number of shares held at December 31, 2020
Daniel Tassé	12,996	12,996

Executive Directors' service agreements

The Executive Directors have service agreements that set out the contract between them and the Group.

	Date of appointment	Notice period from Group	Notice period from individual	Expiry of current term
Mark Crossley	June 2020	12 months	12 months	Rolling contract
Ryan Preblick	November 2020	12 months	12 months	Rolling contract

Chair and Non-Executive Directors' letters of appointment

The terms of service of the Chair and the Non-Executive Directors are contained in letters of appointment. In accordance with the 2018 Code, the Chair and Non-Executive Directors are appointed subject to re-appointment by shareholders at the Company's next AGM following their appointment and re-appointment at each subsequent AGM. The Chair and Non-Executive Directors are not entitled to receive compensation for loss of office.

The table below sets out the dates of appointment of the Chair and the Non-Executive Directors and the expiry of their current terms.

	Date of appointment	Expiry of current term	Length of service at December 31, 2021 in years	Notice period
Peter Bains	August 2019	July 2022	2	1 month
Graham Hetherington[1]	November 2019	November 2023	2	1 month
Jerome Lande[2]	March 2021	December 2023	<1	1 month
Joanna Le Couilliard	March 2021	March 2024	<1	1 month
A. Thomas McLellan	November 2014	November 2023	7	1 month
Lorna Parker	November 2014	November 2023	7	1 month
Daniel J. Phelan	November 2014	November 2023	7	1 month
Mark Stejbach	March 2021	March 2024	<1	1 month
Juliet Thompson	March 2021	March 2024	<1	1 month

1. Graham Hetherington was appointed a Non-Executive Director in November 2019. He was appointed Chair of the Board in November 2020.
2. Jerome Lande was appointed a Non-Executive Director in March 2021; his appointment is subject to the terms of the Relationship Agreement between the Company and Scopia Capital Management LP. Further information regarding the Relationship Agreement can be found on page 114.

Summary of voting outcomes for the 2021 Remuneration Policy and 2020 Remuneration Report

The 2020 Remuneration Report received a c.38.3% vote against at the 2021 Annual General Meeting and the resolution to re-elect the Chair of the Remuneration Committee, Daniel J. Phelan, received a 21.5% vote against. We understand that a significant number of shareholders were unsupportive of the termination arrangements for the former Chief Executive Officer, Shaun Thaxter, and consequently voted against these resolutions.

Engagement with shareholders has been ongoing since the 2021 AGM and we have consulted with our largest shareholders regarding the votes received against these resolutions. Given the absence of any findings of personal wrongdoing or malfeasance by Mr Thaxter, the Board and the Remuneration Committee remain agreed that it could not pursue malus and clawback claims and that Mr Thaxter retain his outstanding LTIP awards, pro-rated for time worked and subject to the achievement of stretching performance conditions and a two-year post-vesting holding period. Mr Thaxter's awards remain subject to the Company's malus and clawback policies. While the Committee is confident the right decision was made, we also acknowledge that a significant number of shareholders were concerned about the approach taken.

Following our consultation, we published an Update Statement on our website in October 2021. The Committee is grateful for the engagement and feedback received and greatly values the views of our shareholders and their representatives. The Committee continues to take this constructive feedback into account when making decisions in respect of our remuneration framework.

The Remuneration Policy was last put to shareholders for a vote at the 2021 AGM and 95.2% of shareholders voted in favor of it. The Remuneration Committee were very pleased with the level of support received for the 2021 Remuneration Policy, which we believe recognizes the significant changes that have been made to Indivior's remuneration structure to align to best practice and corporate governance requirements.

The votes cast by proxy and at the meeting in respect of the 2020 Directors' Remuneration Report and 2021 Remuneration Policy were as follows:

Resolution	Votes for	Votes for (%)	Votes against	Votes against (%)	Votes withheld (abstentions)
Approve the 2020 Directors' Remuneration Report (2021 AGM)	330,455,934	61.7%	204,877,688	38.3%	11,757,556
Approve the Remuneration Policy (2021 AGM)	520,455,001	95.2%	26,236,873	4.8%	398,798

Summary Remuneration Policy

This section of the report sets out a summary of the Remuneration Policy that was approved by shareholders at the AGM on May 6, 2021, and became effective on that date. It is intended that the Policy will remain effective for a period of three years, i.e. until 2024. The full Policy can be found in the Directors' Remuneration Report in the 2020 Annual Report on the Company's website www.indivior.com.

Summary Policy table – Executive Directors

Remuneration element	Overview
Base salary	Base salaries are normally reviewed annually, with any increase normally being applied with effect from January 1 each year. Base salary levels/increases take account of: the competitive practice in the Group's remuneration peer group; the scope and responsibility of the position; individual and overall business performance; and salary increases awarded across the Group as a whole.
Pension benefits	Executive Directors may receive contributions into a defined contribution scheme, a cash allowance, pension benefits in the form of profit-sharing contributions into the US qualified 401(K) plan, Group matching on 401(K) elected deferrals, or a combination thereof. Maximum levels of contributions for Executive Directors will be in line with the rates available to the wider workforce in the Executive Director's local market.
Benefits	Executive Directors may receive various market-competitive benefits, which may include: a company car (or cash equivalent), travel allowance, private medical and dental insurance, travel accident policy, disability and life assurance. Where appropriate, other benefits may be provided to take account of individual circumstances, such as but not limited to expatriate allowances, relocation expenses, housing allowance and education support. The Company provides Directors' and Officers' liability insurance, and an indemnity to the extent permitted by law.
Annual Incentive Plan (AIP)	Performance is assessed on an annual basis with measures and targets set by the Committee at the start of the performance year. At the end of the performance year, the Committee determines the extent to which these have been achieved. Bonuses are paid after the end of the performance year. 75% of the annual bonus is delivered in cash and 25% is deferred into shares for a period of two years. During the deferral period, deferred share awards may be reduced or cancelled in certain circumstances. Dividend equivalents may be paid, normally in the form of additional shares, on deferred share awards up to the end of the deferral period, where relevant. The Committee has discretion to adjust the formulaic bonus outcomes both upward and downward (including to zero) to ensure alignment of pay with the underlying performance of the Group, e.g. in the event performance is impacted by unforeseen circumstances outside management control. The maximum annual bonus payable under the AIP is 200% of base salary.

Remuneration element	Overview
Long-Term Incentive Plan (LTIP)	Awards under the LTIP may consist of grants of conditional share awards, nil cost options or market-value share options which vest subject to the achievement of stretching performance targets measured over a performance period of at least three years. Awards granted to Executive Directors are subject to an additional holding period following the performance period. For awards with a three-year performance period, this holding period will normally be two years. The LTIP opportunity is reviewed annually with reference to market data and the associated cost to the Group is calculated using an expected value methodology. The performance conditions are reviewed before each award cycle to ensure they remain appropriate and targets are suitably stretching and may be amended in accordance with the terms of the LTIP or if the Committee reasonably considers it appropriate, provided that the amended performance conditions are not materially easier to satisfy. Dividend equivalents may be paid, normally in the form of additional shares, on LTIP awards that vest up to the end of the post-vesting holding period, where relevant. The Committee has discretion to adjust the formulaic LTIP outcomes to improve the alignment of pay with value creation for shareholders to ensure the outcome is a fair reflection of the underlying performance of the Group. The maximum annual award that may be made to any individual in respect of any financial year will be the lower of 1,500,000 shares and 400% of base salary.
Shareholding guidelines	Executive Directors are expected to acquire a significant number of shares over a period of five years and retain these until retirement from the Board of Directors. The shareholding requirement is the lower of 1,500,000 shares or the number of shares equivalent to 400% of base salary for the Executive Directors, in line with the overall LTIP maximum. This is generally expected to be achieved within five years of the date of appointment. With effect from 2021, Executive Directors will also be subject to a post-cessation shareholding policy. Executive Directors will normally be expected to maintain a holding of Indivior shares at a level equal to the lower of the in-post shareholding guideline or the individual's actual shareholding for a period of two years from the date the individual ceases to be a Director. The specific application of this shareholding policy will be at the Committee's discretion. The Committee has the discretion to waive this requirement in certain circumstances (e.g. compassionate circumstances).
All-employee share plans	Executive Directors may participate in all-employee share plans offered by the Group on the same basis as is offered to the Group's other eligible employees. Maximum opportunity for awards will be in line with the savings limits set by local regulations.

Daniel J. Phelan
Chair of the Remuneration Committee

March 17, 2022

DIRECTORS' REPORT

The Directors present their Annual Report and Accounts which includes the audited Group financial statements and audited Parent Company financial statements for the year ended December 31, 2021.

Corporate governance statement

The Directors' Report on pages 112 to 115 which includes the Corporate Governance Statement on pages 58 to 111, together with the Strategic Report on pages 1 to 57, when taken together constitute the management report as required by DTR 4.1.8R.

The Statement of Directors' Responsibilities on pages 116 to 117 is incorporated into the Directors' Report by reference.

The following information fulfilling the further disclosure requirements contained in the Companies Act 2006, Schedule 7 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and the FCA's Listing Rules and Disclosure Guidance and Transparency Rules (DTRs) has been included elsewhere within the Annual Report and Accounts and is incorporated into the Directors' Report by reference:

Disclosure	Location
Future business developments and R&D activities	Strategic Report (pages 18 to 21)
Principal Risks and Risk Management	Strategic Report (pages 47 to 56)
Going Concern	Statement of Directors' Responsibilities (page 117)
Viability Statement	Strategic Report (page 57)
Greenhouse gas emissions	Strategic Report (pages 31 and 32)
Stakeholder Engagement	Strategic Report (pages 24 to 29)

Both the Directors' Report and the Strategic Report have been drawn up and presented in accordance with, and in reliance upon, applicable company law in England and Wales. The liabilities of the Directors in connection with those reports shall be subject to the limitations and restrictions provided by such law.

Results and dividends

The consolidated income statement is on page 128. The net income for the financial year attributable to equity shareholders amounted to $205m.

In line with the dividend policy approved by the Board in 2016, the Directors do not recommend payment of a dividend in respect of the financial year ended December 31, 2021.

Directors and their interests

The Directors of the Company who served during the financial year ended December 31, 2021 and up to the date of signing the financial statements appear on pages 60 and 61. Details of Directors' interests in the Company's ordinary shares, including any interest in share awards and long-term incentive plans, are set out in the Directors' Remuneration Report on pages 91 to 111.

No Director held a material interest at any time during the year in any derivative or financial instrument relating to the Company's shares.

Powers of Directors

The Directors are responsible for managing the business of the Company and may exercise all the powers of the Company, subject to the provisions of the Company's Articles of Association in respect of the liability incurred as a result of their office. Powers relating to the issuing of shares are also included in the Articles of Association, and such authorities are renewed by shareholders at the AGM each year; see page 113.

Appointment and replacement of Directors

The Company's Articles of Association give the Directors power to appoint and replace Directors. Under the Terms of Reference of the Nomination & Governance Committee, any appointment will be recommended by that Committee for approval by the Board of Directors.

The Articles of Association require Directors to retire and submit themselves for re-appointment at the first Annual General Meeting ("AGM") following appointment, and all Directors who have held office at the date of the two preceding AGMs.

Notwithstanding these provisions of the Articles of Association, in compliance with the UK Corporate Governance Code and in line with previous years, all Directors wishing to continue in office will offer themselves for re-appointment by the shareholders at the 2022 AGM. Details of unexpired terms of Directors' service contracts are set out in the Directors' Remuneration Report on page 109.

Director indemnities and insurance cover

The Directors have the benefit of an indemnity provision contained in the Company's Articles of Association in respect of the liability incurred as a result of their office. Also, throughout the financial year, the Company purchased and maintained Directors' and Officers, liability insurance for its Directors and Officers, which remained in force at the date of the approval of the Directors' Report. Neither the indemnity nor the insurance provides cover in the event that a Director is found to have acted dishonestly or fraudulently.

Articles of Association

The Articles of Association may be amended by special resolution of the shareholders.

Stakeholder engagement

How the Directors have had regard to the need to foster business relationships with suppliers, customers and others can be found on pages 26 to 29 of the Strategic Report. Further information regarding the Board's engagement with the workforce can be found on page 26.

Shares

Share capital

Details of the Company's share capital are set out in Note 25 on page 160.

The Company has one class of ordinary share which carries no rights to fixed income. Each share carries the right to one vote at general meetings of the Company. The ordinary shares are listed on the Official List and traded on the London Stock Exchange. As of December 31, 2021, the Company had 702,439,638 ordinary shares in issue. The Company does not hold any shares in Treasury.

There are no restrictions on the voting rights attaching to the Company's ordinary shares or the transfer of securities in the Company. No person holds securities in the Company which carry special voting rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

The Company has a Sponsored Level 1 American Depositary Receipt ("ADR") program in the US. The ADR program is closed to new issuances. For further information please go to www.adr.com.

Authority to allot shares

At the 2022 AGM, the Directors will ask shareholders to renew the authority last granted to them at the 2021 AGM to allot shares up to a maximum of an amount equivalent to two-thirds of the shares in issue (of which one-third must be offered by way of rights issue). The renewed authority will apply until the conclusion of the 2023 AGM. Two special resolutions will be proposed at the 2022 AGM to authorize the Directors to allot equity shares in the Company for cash, without regard to the pre-emption provisions of the Companies Act 2006.

These authorities are also renewable annually and are in line with institutional shareholder guidance.

Authority to purchase own shares

At the 2021 AGM, shareholders approved a resolution for the Company to make purchases of its own shares up to a maximum number of ordinary shares, being approximately 10% of the issued share capital. The authority is renewable annually and shareholders will be asked to approve an equivalent resolution at the 2022 AGM.

As announced on December 29, 2021, the Company completed its share repurchase program to repurchase its ordinary shares of $0.10 each. In aggregate, the Company purchased 33,763,488 shares for a total consideration of $99,997,939.89 between August 3, 2021 and December 29, 2021; all purchased shares were subsequently cancelled.

The Directors consider it desirable for these general authorizations to be available in order to maintain an efficient capital structure but will only purchase the Company's shares in the market if they believe it is in the best interests of shareholders generally.

Shares held in the Indivior PLC Employee Benefit Trust

The trustee of the Indivior PLC Employee Benefit Trust ("EBT") has agreed not to vote using any shares held by the EBT at any general meeting. If any offer is made to shareholders to acquire their shares the trustee will not be obliged to accept or reject the offer in respect of any shares which are at that time subject to subsisting awards, but will have regard to the interests of the award holders and will have power to consult them to obtain their views on the offer. Subject to the above, the trustee may take action with respect to the offer it thinks fair.

Relationship Agreement with Scopia Capital Management LP

In March 2021, the Company entered into a relationship agreement with its largest shareholder, Scopia, which contains certain standstill, voting and governance terms.

This includes commitments from Scopia:

- not to exercise voting rights in excess of 20 per cent of the Company's total voting rights; and
- to vote on ordinary course resolutions in accordance with the Board's recommendation.

The agreement also provides for Scopia to have one representative director appointed to the Board (currently Jerome Lande).

The agreement will remain in force until December 31, 2023, unless extended or terminated earlier in accordance with its terms.

Substantial shareholdings

As at December 31, 2021 and the date of this Report, the Company had been notified under Rule 5 of the Disclosure Guidance and Transparency Rules of the following major interests in the voting rights in the capital of the Company:

	Number of Shares	At March 17, 2022 (% of total voting rights)	At December 31, 2021 (% of total voting rights)
Scopia Capital Management LP	99,868,842	13.52%	13.52%
Standard Life Aberdeen	66,672,048	9.07%	9.07%
Two Seas Capital (formerly Kairos Capital Management)	37,559,040	5.13%	5.13%

Workforce

Our workforce includes employees, interns and contingent workers. During the year under review, the Group employed an average of 802 people worldwide (2020: 819). The Group's business priority remains to safeguard the well-being, development and safety of its workforce. It also wants its workforce to have opportunities to grow and progress as part of an enjoyable career.

The Group is an inclusive and equal opportunity employer that relies on Human Resources specialists throughout its worldwide locations to ensure compliance with all applicable laws governing employment practices and to advise on all Human Resources policies and practices, including for example recruitment and selection, training and development, promotion and retirement.

Group policies seek to create a workplace that has an open atmosphere of trust, honesty and respect. Harassment or discrimination of any kind is not tolerated. This principle applies to all aspects of employment from recruitment and promotion, through to termination and all other terms and conditions of employment. It is Group policy not to discriminate on the basis of any unlawful criteria, and its practices include the prohibition on the use of child or forced labor. Employment policies are fair and equitable and consistent with the skills and abilities of the employee and the needs of the business.

The Group is committed to offering equal opportunities in recruitment, training, career development and promotion to all people, including those with disabilities, having regard to their individual aptitudes and abilities. As a matter of policy, full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled while employed by the Group an opportunity for retraining and for continuation in employment. It is Group policy that the training, career development and promotion of disabled persons should, as far as possible, be the same as that of other employees.

The workforce are regularly updated on the financial and economic factors affecting the performance of the Group. Information relevant to the employees is provided to them and, where appropriate, to employee trade union representatives.

The Group also supports the wider fundamental human rights of its employees.

Further information regarding our people can be found on pages 32 to 34.

Significant agreements – change of control

There are several agreements that take effect, alter or terminate upon a change of control of the Company following a takeover, such as commercial contracts, bank agreements, property lease arrangements and employee share plans. None of these are deemed to be significant in terms of their potential impact on the business of the Group as a whole.

There are no significant agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs due to a takeover, save that provisions of the Company's share plans may cause options and awards to vest on a takeover, and if the employment of an Executive Director or other employee is terminated by the Company following a takeover then there may be an entitlement to appropriate notice and/or compensation as provided in applicable contracts or terms of employment.

There is no information that the Company would be required to disclose about persons with whom it has contractual or other arrangements which are essential to the business of the Company.

The Directors acknowledge that there are other significant stakeholders, in addition to shareholders, who provide valuable feedback and help shape the Group's overall approach to governance. For further information, please refer to the Stakeholder Engagement section on pages 24 to 29 and specifically to the Section 172(1) Statement within this on page 25.

Political donations

There were no political donations, as defined in the Companies Act 2006, during 2021 (2020: nil). The Company's US subsidiaries do make "political donations" as defined under UK law, but these donations are not subject to that law. Donations by US subsidiaries did not exceed US$500,000.

Branches

The Group has branches in Finland, Norway and Sweden.

Disclosure of information to External Auditor

Each of the persons who are Directors at the time when this Directors' Report is approved confirms that:

- so far as he/she is aware, there is no relevant audit information of which the Company's External Auditor is unaware; and
- each Director has taken all reasonable steps that he/she ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group and Parent Company's External Auditor is aware of that information.

For these purposes, relevant audit information means information needed by the Company's External Auditor in connection with the preparation of their report on pages 118 and 127.

External Auditor

PricewaterhouseCoopers LLP have agreed to be re-appointed as the External Auditor of the Company. Resolutions for their re-appointment, and to authorize the Audit Committee to determine their remuneration, will be proposed at the forthcoming AGM.

Financial risk management

Details of the Group's use of financial instruments, together with information on the Company's risk objectives, policies and exposure to price, credit, liquidity, cash flow and interest rate risks, can be found in Note 17.

Disclosures required under Listing Rule 9.8.4

There are no disclosures required to be made under UK Listing Rule 9.8.4. Details of long-term incentive plans can be found in the Directors' Remuneration Report on pages 100 to 102.

Annual General Meeting ("AGM")

The AGM will be held at 11.00am (UK time) on Thursday, May 5, 2022, at the offices of Freshfields Bruckhaus Deringer LLP, 100 Bishopsgate, London EC2P 2SR. A full description of the business to be conducted at the meeting is set out in the Notice of AGM, available from the Company's website www.indivior.com.

Strategic Report

The Strategic Report set out on pages 1 to 57 was approved by the Board on March 17, 2022.

By Order of the Board

Kathryn Hudson
Company Secretary of Indivior PLC

234 Bath Road,
Slough, Berkshire, SL1 4EE
Company registration number: 09237894

March 17, 2022

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 UK-adopted international accounting standards 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 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 UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgments 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 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's 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.

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 UK-adopted international accounting standards, 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 Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Parent 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 page 115.

Going concern

The Group's business model, strategy, and viability assessment are set out in the Strategic Report on pages 1 to 57, along with the Group's risk management strategy and the principal risks that could threaten the Group's business model, future performance and solvency or liquidity. The Group's and Parent Company's financial position, cash flows, and liquidity position are discussed in the notes to the Group and Parent Company financial statements, along with the Group's and Parent Company's objectives, policies and processes for managing its financial risks, and the Group's and Parent Company's exposure to liquidity risk and capital risk.

The Directors have considered the Group's and Parent Company's financial plan, in particular with reference to the period through June 2023.

As disclosed in Notes 5, 21, 22 and 23 to the Group Financial Statements, the Group has liabilities and provisions totaling $537m (FY 2020: $568m) for the Department of Justice (DOJ) Resolution and related matters and the Reckitt Benckiser (RB) settlement. The Directors have assessed the Group's ability to comply with the minimum liquidity covenant in the Group's debt facility, maintain sufficient liquidity to fund its operations, fulfill obligations under the DOJ resolution and RB agreement, and address the possible financial implications of the ongoing legal proceedings. The Directors have also modeled the risk that SUBLOCADE will not meet revenue growth expectations (considering a 15% decline on forecasts), an accelerated reversion to generic analogs for SUBOXONE Film, and the ongoing legal proceedings (as disclosed in Note 23) may result in reasonably possible payments as part of the Group's going concern assessment and downside scenario.

These risks were balanced against the Group's current and forecast working capital position. As a result of the factors set out above, the Directors of the Group and Parent Company have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for at least one year from the approval of these financial statements.

The Directors have given the going concern assessment due consideration and have concluded that it is appropriate to adopt the going concern basis for accounting and preparing these financial statements. The viability statement is on page 57.

By Order of the Board

Kathryn Hudson
Company Secretary of Indivior PLC

234 Bath Road
Slough, Berkshire, SL1 4EE
Company Registration number: 9237894

March 17, 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDIVIOR PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- Indivior PLC's Group financial statements and Parent Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts ('Annual Report'), which comprise: the Consolidated and Parent Company balance sheets as at 31 December 2021; the Consolidated income statement, the Consolidated statement of comprehensive income/(loss), the Consolidated cash flow statement and the Consolidated and Parent Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 6, we have provided no non-audit services to the Parent Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We conducted work in two key territories, being the US and UK. This included full scope audits at three components and specific Financial Statement line item audit procedures for one further component.
- The components where we performed audit work, taken together with our central corporate functions, accounted for 93% of the Group's net revenue and 82% of the Group's profit before tax adjusted for exceptional items (on an absolute basis).
- During the audit we focused on climate risk as part of our work. We enquired with management regarding its risk assessment and governance process in place to address climate risk impacts including the impact of those risks on the underlying assumptions and estimates that have been used in the financial statements.

Key audit matters

- Sales rebate adjustments recognised in the US business in relation to SUBOXONE and SUBLOCADE (Group)
- Ongoing litigation and investigative matters (Group)
- Carrying value of investments in subsidiaries (Parent Company)

Materiality

- Overall Group materiality: US$7.9m (2020: US$6.5m) based on 1% of total net revenue.
- Overall Parent Company materiality: US$14.7m (2020: US$14.6m) based on 1% of total assets.
- Performance materiality: US$5.9m (2020: US$4.8m) (Group) and US$11.0m (2020: US$11.0m) (Parent Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Going concern considerations, recoverability of assets and the impact of COVID-19, which were key audit matters last year, are no longer included. Going concern considerations has been removed following the resolution of the US Department of Justice matter and the agreement reached with the US Department of Health and Human Services (HHS), therefore potential exclusion from participating in US government health programmes has been eliminated as long as the company maintains compliance with the Corporate Integrity Agreement (CIA). Recoverability of assets has been removed due to the improved performance of the Group and given these are less sensitive to changes in forecast as compared to the prior year. The impact of COVID-19 has been removed as a key audit matter as the impact on the Group has reduced and this is now incorporated within other key audit matters, where relevant. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Ongoing litigation and investigative matters (Group) Refer to the Audit Committee report within the Corporate Governance section and Note 2, 21, 22 and 23 to the Group Financial Statements The pharmaceutical industry is a highly regulated industry. Compliance is required across the industry, however, with the US representing 76% of the Group's net revenue, the US regulatory requirements, including those of the Federal Trade Commission and US Food and Drug Administration is considered a significant focus. The Group is engaged in a number of ongoing litigation and investigative matters, which may have a material impact on the Group Financial Statements. As described in Note 21 to the Group Financial Statements, on 24 July 2020, the Group reached an agreement with the DOJ and other litigants, which was approved by the court in November 2020. As at 31 December 2021, the Group has recorded other liabilities amounting to $492m (2020: $486m) in relation to this matter, with annual instalments payable until December 2027. On 25 January 2021, the Group reached an agreement with Reckitt Benckiser (RB) to pay a total of $50m and release RB from any claims to seek damages relating to its settlement with the DOJ and the FTC. As at 31 December 2021 the Group has recorded other liabilities amounting to $40m (2020: $50m) related to this settlement. The Group is also involved in a number of other ongoing legal matters as explained in Note 23 to the Group Financial Statements. The Group believes that it has strong defences and is actively litigating these matters. We focused on this area because the outcome of claims is uncertain and the positions taken by the Directors are based on the application of material judgements and estimation. Accordingly, should the outcomes of the legal proceedings differ from those anticipated by the Directors, this could materially impact the Group's results and balance sheet position.	We discussed actual or pending litigation and investigative matters with the Group's external and internal legal counsel to gain an understanding of the status of each matter. Where the Group has reached a settlement, we assessed whether appropriate amounts have been recorded in the Group Financial Statements and are classified appropriately as per the agreed payment arrangements. We also assessed whether these liabilities are appropriately discounted to net present value as at 31 December 2021. Where contingent liabilities have been disclosed in the Group Financial Statements we have evaluated management's position of the likely outcome by: › reading documentation such as correspondence from external legal counsel and Board and other committee minutes; › reviewing management's litigation paper; › evaluating independent confirmations that we received from the Group's external legal counsel; › utilising an auditor's subject matter expert to assess the information provided by management and the Group's external counsel in arriving at the judgements taken and perform an independent review of public court documents outlining the legal arguments presented in relation to summary judgement hearings; › enquiring (with support of an auditor's subject matter expert) of external and internal legal counsel; and › agreeing the magnitude of the contingent liability disclosed to previous settlement offers received from plaintiffs as confirmed by external legal counsel. In addition, we considered the completeness of litigation and investigative matters through discussions with internal and external legal counsel, by reading Board and Committee minutes and reviewing legal expense accounts. We did not detect any other litigation and investigative matters that had not already been disclosed to us. Given the Group entered into a Corporate Integrity Agreement with the Office of Inspector General (OIG) of the United States Department of Health and Human Services (HHS) in 2020, we have reviewed the ongoing compliance activities that are required under the terms of this agreement and based on enquiries with management and a review of the reporting submitted we have not identified any areas of non-compliance. Finally, we reviewed the sufficiency and appropriateness of the legal proceedings disclosures in the Group Financial Statements based on our underlying work. We determined that appropriate disclosures are included in Note 21, 22 and 23 to the Group Financial Statements.

Key audit matter	How our audit addressed the key audit matter
Sales rebate adjustments recognised in the US business in relation to SUBOXONE and SUBLOCADE (Group) Refer to the Audit Committee report within the Corporate Governance section and Notes 2 and 24 to the Group Financial Statements At 31 December 2021, payables in respect of sales rebates, discounts and returns totalled $436m; 96% of which originated in the US in relation to Managed Care, Federal and Medicaid (31 December 2020: $396m of which 96% originated in the US). In the US, the Group sells products through both wholesalers into pharmacies and through specialty pharma distributors. The ultimate net amount received is determined based on the contractual arrangements that the Group has with the patient's insurer or other payment programmes (Medicaid, Medicare or equivalent schemes). The time between initial shipment to the wholesaler (when the revenue is recognised) and the dispensing of a product to a patient may be several weeks or months. Accordingly, an estimate of the net amount to be received is necessary at the date of shipment, when the revenue is recognised. As a result, net revenue recognised on sales to wholesale and retail distributors is subject to a final determination of the ultimate sales price in the form of rebates, discounts and sales returns. The estimate is more subjective for the recently launched products where there is a shorter track record. We focused on this area as the process for calculating sales rebates is complex and highly manual, requiring management to use judgement and estimation and is therefore at risk of management manipulation or bias.	We have focused on the rebate accruals for Medicaid and Managed Care, as the key judgements and estimates are with respect to these balances. We have performed the following procedures on management's estimate: › Understood and evaluated the end-to-end process around rebate provisions, including authorisation and approval of commitments and subsequent payments; › Performed a retrospective review of the 2020 accruals by comparing accruals recognised in previous periods to actual rebates received in order to test the historical accuracy in calculating these accruals; › Detailed testing of rebate contracts with third parties on a sample basis; › Reviewed true up assessments of amounts paid compared to amounts provided; › Used Government Pricing Specialists to advise on the reasonableness of the assumptions on average manufacturer price, unit rebate amount and best price for product, including advising on relevant changes in the US government pricing regulations; › Tested rebate calculations; and › Tested the integrity of the model used to determine the level of rebates. To assess the accuracy and completeness of the rebates balances, we have determined that the most appropriate approach is to develop an independent point estimate or an independent range to encompass reasonable outcomes using independently verifiable inputs and assumptions, including historical invoices received, adjusted for current volumes, rebate rates and adjustments based on industry experience of inventory pipeline. We have developed these separately by product as this reflects the way in which they are managed and the performance of each product is assessed separately. The total accruals recognised in the Group Financial Statements were not materially different from our internally generated expectations. We have evaluated management's revenue recognition policy and from the evidence obtained we found the assumptions, methodology and policies used to be consistent with UK-adopted International Accounting Standards, noting no differences.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investments in subsidiaries (Parent) Refer to Notes 1 and 2 to the Parent Company Financial Statements Investments in subsidiaries of $1,437m (2020: $1,437m) are accounted for at cost less provision for impairment in the Parent Company's balance sheet at 31 December 2021. Investments are assessed for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Income Statement. At 31 December 2021, the market capitalisation of the Group was higher than the book value of the investment held on the Parent Company balance sheet and there are no other internal or external indicators of impairment such that management has concluded that no assessment for impairment is required.	We have considered the market capitalisation of the Group as at 31 December 2021 and note that given the increase in share price over the course of 2021 the market capitalisation (adjusted for net cash) of the Group exceeds the book value of the investment in subsidiaries of $1,437m as at 31 December 2021. In addition to market capitalisation, we have considered other internal and external factors, including comparing the carrying value of the investment in subsidiaries to the book value of net assets and no impairment triggers have been identified, such that we have concluded that it is appropriate that no impairment assessment has been performed by management.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

The Group operates a single business activity and therefore has one reportable segment. The Group Financial Statements are a consolidation of 45 components comprising the Group's operating businesses and centralised Group functions. The Group consolidation, financial statements disclosures and corporate functions were audited by the Group engagement team. This included our work over legal matters, intangible assets impairment, tax, borrowings, net finance expense, share-based payments and equity.

In addition to centralised Group audit procedures, we conducted our audit by concentrating our work on those parts of the Group that make up the most significant proportions of the Group Financial Statements. We identified one component in the US and two in the UK and Ireland that required a full scope audit due to their size. Audit procedures over specific financial statement line items were performed at a further component in the US to give sufficient audit coverage. The Parent Company is not in Group audit scope as it is a holding company and predominantly eliminated on consolidation which is tested centrally. With the largest components of the Group being the US and UK and Ireland we focused our audit work there. For the audit of the US component, we utilised our Richmond, Virginia based component audit team with knowledge and experience of the US pharmaceuticals industry and regulations. For the audit of the UK and Ireland components, we utilised our Reading, UK based component audit team with knowledge and experience of the UK and European pharmaceuticals industry and regulations. These component teams were supplemented by procedures performed on certain Group related balances by PwC staff based in London, UK.

Although our Group engagement team could not carry out a physical site visit to the US component in the current year, there were no changes made to the extent of our oversight of the components, nor to the extent of the work performed by the component teams. We held numerous meetings with our component teams, including via video conference, and performed remote reviews of the key working papers associated with the component teams audits in the US and UK. We were also in attendance at both the US and UK component audit closing meetings. This helped to ensure that the Group audit team was sufficiently involved in the component auditors' planned response to the sales rebate key audit matter.

Taken together, the components and corporate functions where we conducted audit procedures accounted for 93% of the Group's net revenues and 82% of the Group's profit before tax adjusted for exceptional items (on an absolute basis). This provided the evidence we needed for our opinion on the Consolidated Financial Statements taken as a whole. This was before considering the disaggregated Group level analytical review procedures, which covered certain of the Group's smaller and lower risk components that were not directly included in our Group audit scope.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit

procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Parent Company
Overall materiality	US$7.9m (2020: US$6.5m).	US$14.7m (2020: US$14.6m).
How we determined it	1% of total net revenue.	1% of total assets.
Rationale for benchmark applied	As the market focus is on the Group's revenues rather than profitability, we have considered net revenue to be the most appropriate benchmark for materiality.	As explained in the scoping section and based on our professional judgement, the Parent Company is not in Group audit scope as it is a holding company which is predominantly eliminated on consolidation. We believe total assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark for holding companies.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between $3.0m and $7.1m.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to US$5.9m (2020: US$4.8m) for the Group financial statements and US$11.0m (2020: US$11.0m) for the Parent Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $0.5m (Group audit) (2020: $0.6m) and $1.5m (Parent Company audit) (2020: $1.5m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- agreeing the underlying cash flow projections to Board approved forecasts, assessing how these forecasts are compiled and assessing the accuracy of these forecasts by reviewing third-party data for SUBLOCADE and PERSERIS revenue streams;
- evaluating the key assumptions within management's forecasts and ensuring that such assumptions are consistent with those modelled in relation to impairment assessments and deferred tax recoverability;
- evaluating the assumptions regarding the revenue forecast for SUBOXONE Film by reference to the actual results since the launch of other generics for film;
- considering with the support of an auditor's expert, the potential timing to resolve the remaining outstanding legal matters and noted that based on the Board's strategy to litigate, the resolution of these matters is not expected to occur in the going concern period;
- assessing whether the downside model prepared by management appropriately considered the risks facing the business as identified in the principal risk section of the Strategic Report;
- performing additional sensitivities on the downside model by incorporating a further decline in revenues and additional legal payments relating to the other ongoing litigation and investigation matters; and
- checking the mathematical accuracy of the spreadsheet used to model future financial performance and determining whether the minimum cash balance requirements will be met.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Parent Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or, with the exception of the matter noted below, nothing else we wish to draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- The directors' explanation as to their assessment of the Group's and Parent Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Parent Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

However, we draw attention to the disclosures made within the Viability Statement of the Annual Report regarding the possible scenarios that may occur where the uptake of SUBLOCADE falls significantly below expectations, there is an accelerated reversion to generic analogues for SUBOXONE film, and there is an unfavourable outcome of remaining legal proceedings at the amount disclosed in Note 23 to the Group Financial Statements.

Our review of the directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Parent Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Parent Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to pharmaceutical regulatory requirements (including, but not limited to, those of the Federal Trade Commission, US Food and Drug Administration, the European Medicines Agency and the UK Medicines & Healthcare products Regulatory Agency) in addition to the on-going compliance requirements with respect to the CIA and US, UK and European tax legislation (refer to the Risk Management section of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate revenue or expenditure, and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions, including a PwC industry forensic specialist, with management, VP Internal Audit, Chief Integrity and Compliance Officer and the Group's Chief Legal Officer and legal advisors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing key correspondence with regulatory authorities, including reviewing the reporting submitted under the terms of the CIA, and discussion with external and internal legal counsel;
- Review of significant component's auditors' working papers;
- Reading of internal audit reports;
- Challenging assumptions and judgements made by management in its significant accounting estimates, in particular in relation to litigation related other liabilities and contingent liabilities, provisions, sales rebate adjustments, impairment of intangible assets and recoverability of other non-current assets, deferred tax assets and inventories;
- Obtaining an understanding of management's controls designed to prevent and detect irregularities;
- Assessment of matters reported on the Group's whistleblowing helpline and the results of management's investigation of such matters; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, or posted by senior management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 23 December 2014 to audit the financial statements for the year ended 31 December 2014 and subsequent financial periods. The period of total uninterrupted engagement is eight years, covering the years ended 31 December 2014 to 31 December 2021.

Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Sarah Quinn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

17 March 2022

CONSOLIDATED INCOME STATEMENT

For the year ended December 31	Notes	2021 $m	2020 $m
Net revenue	3	**791**	647
Cost of sales		**(127)**	(97)
Gross profit		**664**	550
Gross profit before exceptional items		**664**	555
Exceptional items	5	**–**	(5)
Selling, general and administrative expenses	4	**(431)**	(666)
Research and development expenses	4	**(52)**	(40)
Other operating income	4	**32**	–
Operating profit/(loss)		**213**	(156)
Operating profit before exceptional items		**187**	88
Exceptional items	5	**26**	(244)
Finance income		**4**	9
Finance expense		**(27)**	(26)
Net finance expense	8	**(23)**	(17)
Net finance expense before exceptional items		**(22)**	(17)
Exceptional items within finance expense	5	**(1)**	–
Profit/(loss) before taxation		**190**	(173)
Income tax benefit	9	**15**	25
Taxation before exceptional items		**(25)**	(12)
Exceptional items within taxation	5	**40**	37
Net income/(loss)		**205**	(148)
Earnings/(loss) per ordinary share (cents)			
Basic earnings/(loss) per share	10	**28**	(20)
Diluted earnings/(loss) per share	10	**27**	(20)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

For the year ended December 31	2021 $m	2020 $m
Net income/(loss)	**205**	(148)
Other comprehensive (loss)/income		
Items that may be reclassified to profit or loss in subsequent years:		
Net exchange adjustments on foreign currency translation	**(7)**	10
Other comprehensive (loss)/income	**(7)**	10
Total comprehensive income/(loss)	**198**	(138)

As at December 31	Notes	2021 $m	2020 $m
Assets			
Non-current assets			
Intangible assets	11	**82**	62
Property, plant and equipment	12	**58**	60
Right-of-use assets	13	**37**	43
Deferred tax assets	14	**105**	75
Other assets	16	**106**	104
		388	344
Current assets			
Inventories	15	**95**	93
Trade receivables	16	**202**	179
Other assets	16	**32**	50
Current tax receivable		**13**	7
Cash and cash equivalents	18	**1,102**	858
		1,444	1,187
Total assets		**1,832**	1,531
Liabilities			
Current liabilities			
Borrowings	19	**(3)**	(4)
Provisions	21	**(5)**	(38)
Other liabilities	21	**(61)**	(10)
Trade and other payables	24	**(720)**	(524)
Lease liabilities	13	**(8)**	(8)
Current tax liabilities		**(7)**	(15)
		(804)	(599)
Non-current liabilities			
Borrowings	19	**(239)**	(230)
Provisions	21	**(76)**	(51)
Other liabilities	21	**(474)**	(526)
Lease liabilities	13	**(36)**	(43)
		(825)	(850)
Total liabilities		**(1,629)**	(1,449)
Net assets		**203**	82
Equity			
Capital and reserves			
Share capital	25	**70**	73
Share premium		**7**	6
Capital redemption reserve	26	**3**	–
Other reserves	26	**(1,295)**	(1,295)
Foreign currency translation reserve	26	**(20)**	(13)
Retained earnings		**1,438**	1,311
Total equity		**203**	82

The financial statements on pages 128 to 161 were approved by the Board of Directors on March 17, 2022 and signed on its behalf by:

Mark Crossley
Director

Ryan Preblick
Director

	Notes	Share capital $m	Share premium $m	Capital redemption reserve $m	Other reserves $m	Foreign currency translation reserve $m	Retained earnings $m	Total equity $m
Balance at January 1, 2020		73	5	–	(1,295)	(23)	1,449	209
Comprehensive loss								
Net loss		–	–	–	–	–	(148)	(148)
Other comprehensive income		–	–	–	–	10	–	10
Total comprehensive loss		–	–	–	–	10	(148)	(138)
Transactions recognized directly in equity								
Shares issued	25	–	1	–	–	–	–	1
Share-based plans	27	–	–	–	–	–	8	8
Deferred taxation on share-based payments	14	–	–	–	–	–	2	2
Total transactions recognized directly in equity		–	1	–	–	–	10	11
Balance at December 31, 2020		73	6	–	(1,295)	(13)	1,311	82
Balance at January 1, 2021		73	6	–	(1,295)	(13)	1,311	82
Comprehensive income								
Net income		**–**	**–**	**–**	**–**	**–**	**205**	**205**
Other comprehensive loss		**–**	**–**	**–**	**–**	**(7)**	**–**	**(7)**
Total comprehensive income		**–**	**–**	**–**	**–**	**(7)**	**205**	**198**
Transactions recognized directly in equity								
Shares issued	25	**–**	**1**	**–**	**–**	**–**	**–**	**1**
Shares repurchased and canceled	25	**(3)**	**–**	**3**	**–**	**–**	**(101)**	**(101)**
Share-based plans	27	**–**	**–**	**–**	**–**	**–**	**11**	**11**
Settlement of equity awards		**–**	**–**	**–**	**–**	**–**	**(1)**	**(1)**
Deferred taxation on share-based plans	14	**–**	**–**	**–**	**–**	**–**	**13**	**13**
Total transactions recognized directly in equity		**(3)**	**1**	**3**	**–**	**–**	**(78)**	**(77)**
Balance at December 31, 2021		**70**	**7**	**3**	**(1,295)**	**(20)**	**1,438**	**203**

For the year ended December 31	Notes	2021 $m	2020 $m
Cash flows from operating activities			
Operating profit/(loss)		**213**	(156)
Depreciation, amortization, and impairment	11, 12	**15**	18
Gain on disposal of intangible assets		**(20)**	–
Gain on disposal of right-of-use assets	13	**–**	(2)
Depreciation and impairment of right-of-use assets	13	**7**	8
Share-based plans	27	**11**	8
Settlement of tax on employee awards		**(1)**	–
Impact from foreign exchange movements		**(3)**	(5)
(Increase)/Decrease in trade receivables		**(25)**	15
Decrease/(Increase) in current and non-current other assets		**16**	(44)
Increase in inventories		**(3)**	(16)
Increase/(Decrease) in trade and other payables		**201**	(103)
(Decrease)/Increase in provisions and other liabilities[1]		**(16)**	129
Cash generated from/(used in) operations		**395**	(148)
Interest paid		**(18)**	(20)
Interest received		**1**	9
Exceptional tax refund		**31**	–
Taxes paid		**(48)**	(34)
Transaction costs related to debt refinancing	19	**(8)**	–
Net cash inflow/(outflow) from operating activities		**353**	(193)
Cash flows from investing activities			
Purchase of property, plant and equipment	12	**(4)**	(4)
Purchase of intangible asset	11	**(30)**	–
Exceptional net proceeds from disposal of intangible assets	11	**20**	–
Net cash outflow from investing activities		**(14)**	(4)
Cash flows from financing activities			
Proceeds from borrowings	19	**250**	–
Repayment of borrowings	19	**(236)**	(4)
Payment of lease liabilities		**(8)**	(7)
Proceeds from the issuance of ordinary shares		**1**	1
Cash paid for the repurchase and cancellation of shares (including direct transaction costs)	25	**(101)**	–
Net cash outflow from financing activities		**(94)**	(10)
Net increase/(decrease) in cash and cash equivalents		**245**	(207)
Cash and cash equivalents at beginning of the year	18	**858**	1,060
Exchange difference		**(1)**	5
Cash and cash equivalents at end of the year		**1,102**	858

1. Changes in provisions and other liabilities for 2021 include exceptional payments of $10m for the RB settlement and $9m for DOJ-related matters (2020 includes a $103m initial payment under the DOJ resolution).

1. General information

Indivior PLC (the "Company") and its subsidiaries (together, "Indivior" or the "Group") are predominantly engaged in the development, manufacture and sale of buprenorphine-based prescription drugs for the treatment of opioid dependence, and co-occurring disorders (the "Indivior Business").

The Indivior Business was previously the pharmaceuticals business of the Reckitt Benckiser Group plc (RB), carried out by RBP Global Holdings Limited and its subsidiaries.

The Company is a public limited company incorporated and domiciled in England, United Kingdom on September 26, 2014, and is the holding company for the Group. The address of the registered office and company number are stated on page 171.

The principal accounting policies adopted in the preparation of these financial statements are set out below. Unless otherwise stated, these policies have been consistently applied to all years presented.

2. Basis of preparation

On December 31, 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards in its Group financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement, or disclosure in the period reported as a result of the change in framework. The financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements are presented in US dollars ($) and are prepared on a historical cost basis except where otherwise stated. The 2020 balance sheet has been expanded to present provisions and other liabilities on separate lines to improve the presentation and transparency.

The Directors have considered the Group's and Parent Company's financial plan, in particular reference to the period through to June 2023.

As disclosed in Notes 5, 21, 22 and 23 to the Group financial statements, the Group has liabilities and provisions totaling $537m (2020: $568m) for the Department of Justice (DOJ) Resolution and related matters and the Reckitt Benckiser (RB) settlement. The Directors have assessed the Group's ability to comply with the minimum liquidity covenant in the Group's debt facility, maintain sufficient liquidity to fund its operations, fulfill obligations under the DOJ resolution and RB agreement, and address the reasonably possible financial implications of the ongoing legal proceedings. The Directors have also modeled the risk that SUBLOCADE will not meet revenue growth expectations (considering a 15% decline on forecasts), an accelerated reversion to generic analogs for SUBOXONE Film, and the ongoing legal proceedings (as disclosed in Note 23) may result in reasonably possible payments as part of the Group's going concern assessment and downside scenario.

These risks were balanced against the Group's current and forecast working capital position. As a result of the factors set out above, the Directors of the Group and Parent Company have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for at least one year from the approval of these financial statements.

The Directors have given the going concern assessment due consideration and have concluded that it is appropriate to adopt the going concern basis for accounting and preparing these financial statements. The viability statement is on page 57.

Adoption of new and revised standards

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021:

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 29 and IFRS 7)

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) was issued in response to the ongoing reform of interest rate benchmarks around the world. These standards relate to the replacement of benchmark interest rates such as LIBOR, a priority of global regulators. The International Accounting Standards Board (IASB) identified two phases of the reform: Phase 1 amendments primarily deal with pre-LIBOR reform where uncertainty could arise in the lead-up to transition and Phase 2 amendments relate to post-LIBOR reform, when uncertainty is removed, and new rates adopted. Phase 1 amendments provide relief from applying specific hedge accounting requirements. The Group's adoption of these amendments had no impact on the consolidated financial statements as the amendments were not applicable to the Group.

Phase 2 amendments primarily address potential financial reporting issues that may arise when LIBOR is replaced. For contractual changes or changes to cash flows directly required by LIBOR reform, the effective interest rate (EIR) will be updated without adjusting the carrying amount of the financial asset/liability or the EIR will be used to recalculate the carrying amount, with any modification gain or loss recognized in profit or loss. Phase 2 amendments became effective in 2021. While the Group's term loan is USD LIBOR based, the term loan contains fallback language to convert to a new reference rate when USD LIBOR is discontinued or becomes non-representative, which is expected to occur in early 2023. The Group does not expect the adoption of this standard to have a significant impact on the future consolidated financial statements.

2. Basis of preparation continued

COVID-19 related rent concessions (Amendments to IFRS 16)

The Group did not receive rent concessions due to COVID-19 or other factors. As this amendment was not applicable it did not have an impact on the amounts recognized in prior periods or the current year and are not expected to significantly affect future periods.

New accounting standards issued but not yet effective

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2021 reporting periods and have not been early adopted by the Group. These standards, amendments, or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Basis of consolidation

The consolidated financial statements include the results of the Company and its subsidiaries, which are entities controlled by the Group. The Company has a 100% direct or indirect interest in all of its consolidated subsidiaries. Inter-company transactions, outstanding balances payable or receivable and unrealized income and expense on transactions between Group companies have been eliminated on consolidation. All subsidiaries have year ends which are co-terminous with the Company's. For IFRS reporting, subsidiaries' accounting policies are consistent with the policies adopted by the Group.

Foreign currency translation

The financial statements of each Group entity is measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is generally the local currency with the exception of treasury and holding companies where the functional currency is the US dollar. The Group's presentation currency is the US dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the remeasurement of monetary assets and liabilities denominated in foreign currencies are recognized within SG&A in the income statement.

The exchange rates used for the translation of currencies into US dollars that have the most significant impact on the Group's results were:

	2021	2020
GBP year-end exchange rate	**1.3532**	1.3651
GBP average exchange rate	**1.3763**	1.2833
EUR year-end exchange rate	**1.1378**	1.2226
EUR average exchange rate	**1.1840**	1.1403

The financial statements of subsidiaries with different functional currencies are translated into US dollars on the following basis:

- Assets and liabilities at the year-end rate.
- Profit and loss account items at the weighted average exchange rate for the year.

Exchange differences arising from translation of retained earnings and the net investment in foreign entities are taken to equity and recognized in the statement of comprehensive income on consolidation.

Accounting estimates and judgments

The Directors make several estimates and assumptions regarding the future and significant judgments in applying the Group's accounting policies.

Key estimates and assumptions

Estimates and assumptions may affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. These estimates are based on the Group's knowledge of the amount, events, or actions; however, actual results may ultimately differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The Group reviewed the impact of COVID-19 on key business practices and further evaluated estimates used in judgmental accounting positions. This review focused on inventory obsolescence, impact on cash flow (going concern), impairment of intangible assets, impairment of fixed assets and expected credit loss provisions for trade receivables. Revisions to estimates are recognized prospectively. The key estimates and assumptions used in the financial statements are set out below.

Provisions for returns, discounts, incentives and rebates

The Group offers various types of reductions from list prices on its products. Products sold in the United States are covered by various programs (such as Medicare and Medicaid) under which products are sold at a discount. Rebates are granted to healthcare authorities, and under contractual arrangements with certain customers. Some wholesalers are entitled to chargeback incentives under specific contractual arrangements. Cash discounts may also be granted for prompt payment.

The discounts, incentives and rebates described above are estimated based on contractual arrangements with customers or terms of the relevant regulations and/or agreements applicable for transactions with healthcare authorities, and in some cases on assumptions about the attainment of targeted volumes. Several months may pass between the original estimate of rebates due and confirmation of the amount, which may increase the estimation risk. Please refer to Note 3 for further details.

2. Basis of preparation continued

The Group also estimates the amount of product returns based on contractual sales terms and reliable historical data, adjusted for future expectations. The estimates are recognized in the period in which the underlying sales are recognized, as a reduction of sales revenue.

A 5% variation in our provision for rebates and product returns would impact net revenue by $22m. For more details of accruals for returns, discounts, incentives, and rebates, see Note 24 to the Group financial statements.

Impairment of intangible assets

In carrying out impairment reviews, specifically in relation to products in development, several significant assumptions have to be made. These include the probability of success in obtaining regulatory approvals, future rate of market growth, discount rates, market demand for the products acquired, future profitability, and levels of reimbursement for pharmaceutical products. If actual results should differ, or changes in expectations arise, impairment charges may be required which would have a material adverse impact on reported results and financial position. Consistent with other products in early stages of development, it is reasonably possible that products in development could fail to obtain regulatory approvals. The probability of success is factored into the risk-adjusted calculation of the recoverable amount; however, failure to reach commercialization would result in a full impairment of the asset. See Note 11 to the Group financial statements for further details.

Critical judgments

The Directors have made the following critical judgments in applying the Group's accounting policies that have the most significant effect on the amounts recognized in the Group financial statements:

Ongoing litigation and IP-related claims

The Group is involved in litigation, arbitration, and other legal proceedings. These proceedings typically are related to compliance and trade practices, commercial claims, product liability claims, intellectual property rights, and employment and wrongful discharge claims. For each claim or grouping of similar claims, the Directors make judgments regarding the relative merits and risks within the claims. These judgments inform the Group's defense strategies, whether a loss or settlement from the claims is probable and whether sufficient information exists to make a reliable estimate of the likely outcome of the claims. Provisions are recognized when the Group has a present legal or constructive obligation, an outflow of resource to settle the obligation is more likely than not, and the amount can be reliably estimated. The Directors have assessed as 'contingent' matters that cannot be reliably estimated or are not considered probable at the current time. For more details of all the outstanding legal proceedings including those that have been deemed contingent, see Note 23 to the Group financial statements.

Provisions, when made, are valued based on the Directors' best estimates considering all available information, external advice, and historical experience. The assessment of provisions can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions, including advice from counsel on the merits of the claim, the settlement or litigation strategy, amount and timing of potential payments, and discounting. The Group currently maintains a provision related to DOJ-related matters for $5m (2020: $32m) and IP-related claims for $73m (2020: $47m). These provisions are valued based on the Directors' best estimates considering available historical information and external advice. Provisions for DOJ-related matters are expected to be settled within the next 12 months and are not expected to materially change. IP-related claims are expected to be settled in FY 2023/2024 and are not expected to materially change over the next 12 months, or through settlement proceedings, as the Group's estimate considers the value of the court-established surety bonds and an assessment by subject matter experts. For more details of provisions for litigation and IP-related claims, see Notes 21 and 23 to the Group financial statements.

3. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer (CEO).

The Group is engaged in a single business activity, which is predominantly the development, manufacture, and sale of buprenorphine-based prescription drugs for treatment of opioid dependence and related disorders. The CEO reviews disaggregated net revenue on a geographical and product basis. Financial results are reviewed on a consolidated basis for evaluating financial performance and allocating resources. Accordingly, the Group operates in a single reportable segment.

Accounting policy

Revenues

Net revenues are generated from sales of pharmaceutical products, net of provisions for returns, discounts, incentives and rebates.

Net revenue is recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over pharmaceutical products to the customer, substantially all of which is upon receipt of the products by the customer. The amount of net revenue recognized is based on the consideration expected in exchange for pharmaceutical products. The consideration Indivior receives may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur. The Group has no material contracts with more than one performance obligation.

The Group is required to determine the net transaction price in respect of each of its contracts with customers. In making such judgment, the Group assesses the impact of any variable consideration in the contract due to returns, discounts, incentives and rebates. These are estimated and recognized in the period in which the underlying sales are recognized as a reduction of sales revenue.

These amounts are calculated as follows:

- accruals for rebates based on attainment of sales targets are estimated and recorded as each of the underlying sales transactions is recognized;
- accruals for price reductions under government and state programs, largely in the US, are estimated on the basis of the specific terms of the relevant regulations and agreements, and recorded as the underlying sales transactions are recognized;
- accruals for sales returns are calculated on the basis of management's best estimate of the amount of product that will ultimately be returned in accordance with our return policy. The Group's returns policy allows the customer to return products within a certain period either side of the expiry date (usually three to six months before and six to twelve months after the expiry date). The accrual is estimated on the basis of past experience of sales returns and expectations of future returns.

The Group also takes account of factors such as levels of inventory in its various distribution channels, product expiry dates, information about potential discontinuation of products and the entry of competing products into the market. In each case, the accruals are subject to continuous review and adjustment as appropriate, based on the most recent information available to management. The Group believes it has the ability to measure each of the above accruals reliably, using the following factors in developing its estimates:

- the nature and patient profile of the underlying product;
- the applicable regulations and/or the specific terms and conditions of contracts with governmental authorities, wholesalers and other customers;
- historical data relating to similar contracts, in the case of qualitative and quantitative rebates and chargeback incentives;
- past experience and sales growth trends;
- actual inventory levels in distribution channels, monitored by the Group using internal sales data and externally provided data;
- the shelf life of the Group's products; and
- market trends including competition, pricing and demand.

There may be adjustments to the accruals when the actual rebates are invoiced based on utilization information submitted to the Group (in the case of accruals for rebates related to sales targets or contractual rebates) and claims/invoices received (in the case of regulatory rebates and chargebacks). Management believes the estimates made are reasonable; however, such estimates involve judgments on distribution channel mix, distributors' sales performance and market competition.

3. Segment information continued

Revenues are attributed geographically based on the country where the sale originates. The following table represents net revenues and non-current assets, net of accumulated depreciation, amortization and impairment, by country. Non-current assets for this purpose consist of intangible assets, property, plant and equipment, right-of-use assets, and other assets.

Net revenue:

For the year ended December 31	**2021 $m**	2020 $m
United States	**603**	456
Rest of World	**181**	182
United Kingdom	**7**	9
Total	**791**	647

On a disaggregated basis, the Group's net revenue by major product line:

For the year ended December 31	**2021 $m**	2020 $m
SUBLOCADE	**244**	130
PERSERIS	**17**	14
Sublingual/Other	**530**	503
Total	**791**	647

Significant customers

Net revenues include amounts derived from significant customers that amount to 10% or more of the Group's revenues as net follows (in percentages of total net revenue):

Customer	**2021 %**	2020 %
Customer A	**21%**	19%
Customer B	**18%**	17%
Customer C	**18%**	21%

Non-current assets:

At December 31	**2021 $m**	2020 $m
United States	**133**	141
United Kingdom	**145**	122
Rest of World	**5**	6
Total	**283**	269

4. Operating expenses and other operating income

Research and development

Research expenditure is charged to the consolidated income statement in the year in which it is incurred.

Development expenditure is expensed as incurred, unless the following criteria are met, in which case it is capitalized:

- it must be technically feasible to complete the development project (or intangible asset) so that the related product will be available for use or sale;
- there is an intention to complete the intangible asset or development project and use or sell it;
- the Group has the ability to use the intangible asset or to sell it;
- the way in which the intangible asset will generate probable future economic benefits. The Group must be able to demonstrate the existence of a market for the intangible asset's output or for the intangible asset itself or, if it is to be used internally, it must be able to demonstrate the usefulness of the intangible asset;
- adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset; and
- expenditure attributable to the intangible asset during its development can be reliably measured.

Amounts capitalized are amortized over the useful life of the developed product, once commercialized.

4. Operating expenses and other operating income continued

The Group has determined that filing for regulatory approval is generally the earliest point at which internal development costs can be capitalized. However, judgment is exercised when assessing the point at which it is probable that the asset created will generate future economic benefits, which may not be until final regulatory approval for certain assets. All internal development expenditure incurred prior to filing for regulatory approval is therefore expensed as incurred. Internally generated intangibles recognized include software and technology and development costs in relation to PERSERIS.

Selling, general and administrative expenses

Expenses are recognized in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

Marketing and promotional expenses are charged to the income statement as incurred.

The table below sets out selected operating costs and expense information.

	Notes	**2021 $m**	2020 $m
Research & development expenses		**(52)**	(40)
Selling and marketing expenses		**(192)**	(202)
Administrative and general expenses[1]		**(239)**	(464)
Selling, general and administrative expenses		**(431)**	(666)
Depreciation, amortization and impairment[2]	11, 12, 13	**(13)**	(17)

1. Administrative and general expenses include exceptional costs in the current and prior year as outlined in Note 5. Medical Affairs functional costs are included in administrative expenses.
2. Depreciation and amortization expense is included in research and development and selling, general and administrative expenses. Depreciation and amortization expense of $9m (2020: $9m) for intangibles and ROU assets is included within cost of sales.

Other operating income

Other operating income is credited to the income statement as incurred. Other operating income includes the net cash proceeds received from the disposal of the TEMGESIC/BUPREX/BUPREXX (buprenorphine) analgesic franchise outside of North America to Eumedica Pharmaceuticals AG for $19m, the out-licensing of nasal naloxone opioid overdose patents for $1m, and the Directors' and Officers' insurance reimbursements for $12m. See further discussion under "Exceptional Items" in Note 5.

	2021 $m	2020 $m
Other operating income	**32**	–

5. Exceptional items and adjusted results

Where significant expenses or income that do not reflect the Group's ongoing operations are incurred during the year, these items are disclosed as exceptional items in the income statement. Examples of such items could include income or restructuring and related expenses for the reconfiguration of the Group's activities and/or capital structure, impairment of current and non-current assets, proceeds from the sale of intangible assets, certain costs arising as a result of material and non-recurring regulatory and litigation matters, certain non-recurring benefits, and certain tax-related matters. Exceptional items are excluded from adjusted results consistent with the internal reporting provided to Management and the Directors.

Adjusted results are not a substitute for, or superior to, reported results presented in accordance with IFRS. Exceptional items with an impact of less than $1m are not considered for exceptional treatment.

The COVID-19 pandemic had an adverse impact on the Group in 2020, primarily driven by a decrease in patient enrollments during the onset of the initial outbreak. In 2020, the Group announced cost-saving actions to protect the financial and operational flexibility of the Group. Consistent with the Group's existing policies, the restructuring charges due to COVID-19 were considered non-recurring and therefore classified as exceptional. Additionally, the Group revised estimates used in inventory provision calculations for SUBLOCADE and PERSERIS which led to an overall increase in inventory needing to be provided for. Provisions were based on expiration dating and sales forecasts associated with SUBLOCADE and PERSERIS inventory in line with the Group policy. The change in inventory provision due to COVID-19 was considered a one-off transaction in 2020 and therefore recorded as exceptional. No exceptional items were recorded in 2021 specifically due to the impact of COVID-19.

5. Exceptional items and adjusted results continued

Exceptional items

	2021 $m	2020 $m
Exceptional items within cost of sales		
Cost of sales[1]	**–**	(5)
Total exceptional items within cost of sales	**–**	(5)
Exceptional items within SG&A		
Restructuring costs[2]	**1**	(11)
Legal expenses/provision[3]	**18**	(228)
ANDA litigation[4]	**(24)**	–
Debt refinancing[5]	**(1)**	–
Total exceptional items within SG&A	**(6)**	(239)
Exceptional items within other operating income		
Net proceeds from the sale of intangible assets[6]	**20**	–
Insurance reimbursement[7]	**12**	–
Total exceptional items within other operating income	**32**	–
Exceptional items within net finance expense		
Debt refinancing[5]	**(1)**	–
Total exceptional items within net finance expense	**(1)**	–
Total exceptional items before taxes	**25**	(244)
Exceptional items within tax		
Tax on exceptional items	**(3)**	37
Exceptional tax items[8]	**43**	–
Total exceptional items within taxation	**40**	37
Total exceptional items	**65**	(207)

1. 2020 exceptional cost of sales relate to changes in inventory provision estimates due to the adverse impact of COVID-19 on the business.
2. Restructuring costs incurred in 2020 relate to cost-saving actions taken by the Group in response to challenges posed by COVID-19. In 2021 the restructuring program concluded, and the remaining provision was released which resulted in an exceptional benefit of $1m.
3. In 2021, negotiation with DOJ-related plaintiffs led to a change in the Group's provision for DOJ-related matters which resulted in a provision release of $18m. Legal costs incurred in 2020 relate to net settlement expenses with the DOJ Resolution/DOJ-Related Matters ($178m) and RB ($50m). Refer to Note 23, Legal proceedings for further discussion.
4. In 2021, upon conclusion of expert discovery, the Group increased the provision for intellectual property-related matters – ANDA Litigation, to $73m, resulting in an exceptional charge for $24m. Refer to Note 23, Legal proceedings for further discussion.
5. Debt refinancing costs in 2021 consist of advisory and legal fees incurred related to the Group's debt refinancing. These costs are included in SG&A. Additionally, in 2021 the Group wrote off $1m of unamortized deferred financing costs due to extinguishment and settlement of the previous term loan. These costs are included within finance expense.
6. Exceptional other operating income in 2021 relates to the net proceeds received from the disposal of the TEMGESIC / BUPREX / BUPREXX (buprenorphine) analgesic franchise outside of North America to Eumedica Pharmaceuticals AG for $19m. Remaining exceptional income in 2021 relates to the proceeds received from the out-licensing of nasal naloxone opioid overdose patents for $1m. Refer to Note 4 for further discussion.
7. In 2021, the Group recognized $12m exceptional other income related to a Directors' & Officers' insurance reimbursement claim.
8. Exceptional tax benefit recorded in 2021 relates to the approval of tax credits by the Internal Revenue Service in relation to development credits for SUBLOCADE claimed for years 2014 to 2017, the tax impact of settlement costs incurred with Reckitt Benckiser (RB) which were recorded in the prior year.

5. Exceptional items and adjusted results continued

The Board and management team use adjusted results and measures to provide incremental insight to the financial results of the Group and the way it is managed. The tables below show the list of adjustments between the reported and adjusted results for 2021 and 2020.

Reconciliation of gross profit to adjusted gross profit:

	Notes	2021 $m	2020 $m
Gross profit		**664**	550
Exceptional cost of sales		**–**	5
Adjusted gross profit		**664**	555

Reconciliation of operating profit/(loss) to adjusted operating profit:

	Notes	2021 $m	2020 $m
Operating profit/(loss)		**213**	(156)
Exceptional cost of sales		**–**	5
Exceptional selling, general and administrative expenses		**6**	239
Exceptional other operating income		**(32)**	–
Adjusted operating profit		**187**	88

Reconciliation of profit/(loss) before taxation to adjusted profit before taxation

	Notes	2021 $m	2020 $m
Profit/(loss) before taxation		**190**	(173)
Exceptional cost of sales		**–**	5
Exceptional selling, general and administrative expenses		**6**	239
Exceptional other operating income		**(32)**	–
Exceptional finance expense		**1**	–
Adjusted profit before taxation		**165**	71

Reconciliation of net income/(loss) to adjusted net income

	Notes	2021 $m	2020 $m
Net income/(loss)		**205**	(148)
Exceptional cost of sales		**–**	5
Exceptional selling, general and administrative expenses		**6**	239
Exceptional other operating income		**(32)**	–
Exceptional finance expense		**1**	–
Tax on exceptional items		**3**	(37)
Exceptional tax items		**(43)**	–
Adjusted net income		**140**	59

Reconciliation of basic earnings/(loss) per share to adjusted basic earnings per share:

	Notes	2021 cents	2020 cents
Basic earnings/(loss) per share	10	**28**	(20)
Exceptional selling, general and administrative expenses		**1**	33
Exceptional other operating income		**(4)**	–
Tax on exceptional items		**–**	(5)
Exceptional tax items		**(6)**	–
Adjusted basic earnings per share	10	**19**	8
Weighted average number of shares (thousands)	10	**728,299**	732,863

6. Auditors' remuneration

	2021 $m	2020 $m
Audit of Parent Company and consolidated financial statements:		
Audit of the Group's Annual Report and financial statements	**(2.3)**	(2.3)
Audit of the Group's subsidiaries	**(0.4)**	(0.3)
Audit services	**(2.7)**	(2.6)
Audit-related assurance services	**(0.9)**	(0.5)
Total auditors' remuneration	**(3.6)**	(3.1)

Audit-related assurance services pertained primarily to the performance of quarterly reviews and, for 2021, incremental audit procedures under US auditing standards in anticipation of future listing in the US.

7. Employees

Employee benefits

Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits, vacation and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for vacation and accumulating sick leave is recognized in the provision for employee benefits. All other short-term employee benefits are included within trade and other payables.

Pension commitments

Some companies within the Group operate defined contribution and (funded and unfunded) defined benefit pension schemes. The cost of providing pensions to employees who are members of defined contribution schemes is charged to the income statement as contributions are made. The Group has no further payment obligations in respect of such schemes once the contributions have been paid. See also Note 21.

Post-retirement benefits other than pensions

Some companies within the Group provide post-retirement medical care to their retirees. The costs of providing these benefits are accrued over the period of employment and the liability recognized in the balance sheet is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related asset is deducted. See also Note 21.

Details of employee costs

(a) Staff costs	Note	2021 $m	2020 $m
The total employment costs, including Directors, were:			
Wages and salaries		**(165)**	(139)
Social security costs		**(25)**	(22)
Pension costs[1]		**(6)**	(9)
Share-based payments	27	**(11)**	(8)
Exceptional termination reversal/(costs)	5	**1**	(9)
Total staff costs		**(206)**	(187)

1. Pension costs predominately reflect contributions made towards the Group's defined contribution plans.

Key Management is defined as the Executive Committee, a body of nine employees (2020: 9 employees) including the CEO and the functional leads directly reporting the CEO. Compensation awarded to Key Management was:

	2021 $m	2020 $m
Short-term employee benefits	**(10)**	(6)
Termination costs	**(1)**	(2)
Share-based payments	**(7)**	(5)
Total compensation awarded to Key Management	**(18)**	(13)

Remuneration for executive and non-executive Directors are disclosed on pages 91 through 111.

7. Employees continued

(b) Staff numbers

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

	2021	2020
Operations	**573**	567
Management	**164**	168
Research and development	**65**	84
Average number of employees	**802**	819

8. Net finance expense

Finance costs of borrowings are recognized in the income statement over the term of those borrowings. Finance costs related to lease arrangements are recognized in the income statement over the lease period. Finance costs on legal matters predominantly relate to the Group's settlement with the DOJ and are recognized in the income statement over the settlement payment period. See Note 21 for further details. Finance income on cash and cash equivalents and investments are recognized in the income statement in the period they are earned.

Finance income	**2021 $m**	2020 $m
Interest income on cash and cash equivalents/investments	**1**	7
Other finance income	**3**	2
Total finance income	**4**	9
Finance expense		
Interest expense on borrowings	**(16)**	(14)
Interest expense on lease liabilities	**(2)**	(3)
Interest expense on legal matters	**(8)**	(7)
Other finance expense	**(1)**	(2)
Total finance expense	**(27)**	(26)
Net finance expense	**(23)**	(17)

9. Income tax

Income tax for the year comprises current and deferred tax. Current tax is the expected tax payable on taxable income for the year, using tax rates enacted, or substantively enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Income tax is recognized in the income statement except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

	2021 $m	2020 $m
Current tax	**(48)**	(11)
Adjustments for prior year exceptional tax items	**43**	–
Other adjustments for prior year	**2**	3
Total current tax	**(3)**	(8)
Origination and reversal of temporary differences	**18**	37
Adjustments for changes in tax rates	**(1)**	–
Adjustments for prior year deferred tax	**1**	(4)
Total deferred tax	**18**	33
Total income tax benefit	**15**	25

The standard rate of corporation tax in the UK was 19% for the year ended December 31, 2021 (2020: 19%). The Group's profits for the year ended December 31, 2021, are taxed at an effective rate of -8% (2020: 14%).

9. Income tax benefit/(expense) continued

The total tax benefit for the year reconciles to the accounting profit as follows:

	2021 $m	2020 $m
Profit/(loss) before taxation	**190**	(173)
Tax at the notional UK corporation tax rate of 19% (2020: 19%)	**36**	(33)
Effects of:		
Tax at rates other than the UK corporation tax rate	**(1)**	5
Permanent differences	**(4)**	7
R&D tax credit	**(1)**	(1)
Adjustment for prior year exceptional tax items	**(43)**	–
Other adjustments for prior year	**(2)**	5
Adjustments to amounts carried in respect of unresolved tax matters	**(1)**	(6)
Impact of rate changes	**1**	–
Share awards	**–**	(2)
Income tax benefit	**(15)**	(25)

The reported effective tax rate of -8% (2020: 14%) was impacted by:

- Permanent difference tax benefit of $4m (2020: tax expense of $7m). Permanent differences arise due to differences between financial statement income and taxable income determination that will never reverse. Current year differences resulted from income not subject to tax, offset by business expenses not deductible.
- The adjustments for prior year exceptional tax items relate to exceptional tax items detailed in Note 5.
- The other adjustments in respect of prior years relate to tax accrual to return true ups of $2m benefit (2020: $5m expense).
- Excluding the impact of exceptional items, the effective tax rate for the year ended December 31, 2021, was 15% (2020: 17%).

	2021 $m	2020 $m
Income tax benefit	**(15)**	(25)
Tax on exceptional items	**(3)**	37
Exceptional tax items	**43**	–
Income tax expense excluding exceptional items	**25**	12

Details of the exceptional items can be found at the bottom of Note 5.

The Group believes it has made adequate provision for the liabilities likely to arise from periods that are open and not yet agreed by tax authorities. The ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of agreements with relevant tax authorities or litigation where appropriate. As a multinational Group, tax uncertainties remain in relation to Group financing, intercompany pricing, the location of taxable operations and the tax treatment of exceptional items. Management has concluded tax provisions made to be appropriate and does not believe a significant risk of material change to uncertain tax positions exists in the next 12 months.

Factors affecting future tax charges

As a Group with worldwide operations, Indivior is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed and tax regime reforms. The enacted United Kingdom Statutory Corporation Tax rate is 19% for the year ended December 31, 2021. On March 3, 2021, the UK Chancellor announced an increase in the corporation tax rate from 19% to 25% with effect from April 1, 2023. The increase to the corporation tax rate was substantively enacted on May 24, 2021. The effect of the rate change is immaterial.

Other tax matters

In 2019, a European Commission review into State Aid concluded the UK's Finance Company Partial Exemption rules are only partly justified. The UK Government was required to initiate recovery of the alleged State Aid where they assess a benefit of the potential State Aid has been received. HMRC has confirmed that there has been no such benefit to the Group and therefore the enquiry in relation to this matter up to December 31, 2017, is closed. HMRC has opened enquiries in relation to years ended December 31, 2018, and December 31, 2019, in relation to this matter. Based on the similar fact pattern applicable to the later years, the Group has determined no provision is required.

9. Income tax benefit/(expense) continued

As disclosed in Note 21, the Group reached a settlement with Reckitt Benckiser on January 25, 2021. Based on the strength of external advice received, an $8m tax benefit from the settlement cost has been recognized in the year within exceptional tax items. Tax authorities may potentially challenge the Group's position.

The potential tax liability on unremitted earnings would be less than $1m. Given our permanent investment assertion and the immateriality of this balance, no provision has been made at this time.

10. Earnings/(loss) per share

	2021 cents	2020 cents
Basic earnings/(loss) per share	**28**	(20)
Diluted earnings/(loss) per share	**27**	(20)
Adjusted basic earnings per share	**19**	8
Adjusted diluted earnings per share	**18**	8

Basic

Basic earnings/(loss) per share is calculated by dividing net income/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted

Diluted earnings/(loss) per share is calculated similarly to the basic earnings/(loss) per share but adds to the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares in the form of share awards and options. The weighted average number of shares is adjusted for the number of shares granted, assuming the vesting of all awards and exercise of all stock options as of the beginning of the period.

The weighted average number of ordinary shares outstanding for 2021 (on a basic basis) includes the favorable impact of the share repurchase program. Refer to Note 25 for further details.

Weighted average number of shares	**2021 thousands**	2020 thousands
On a basic basis	**728,299**	732,863
Dilution for share awards and options	**42,842**	37,132
On a diluted basis	**771,141**	769,995

Adjusted earnings per share

The Directors believe that earnings/(loss) per share, adjusted for the impact of exceptional items after the appropriate tax amount, provides meaningful information on underlying trends to shareholders in respect of earnings per share. Reconciliations of net income/(loss) to adjusted net income and earnings/(loss) per share to adjusted earnings per share are included in Note 5.

11. Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment.

Payments made in respect of acquired distribution rights are capitalized when it is probable that the expected future economic benefits attributable to the asset will flow to the Group. The useful life of the acquired distribution rights is determined based on legal, regulatory, contractual, competitive, economic or other relevant factors. Acquired rights with finite lives are subsequently amortized using the straight-line method over their defined useful economic lives. Amortization expense related to acquired distribution rights is included in selling, general and administrative expenses.

Payments related to the acquisition of rights to products in development or marketed products are capitalized if it is probable that future economic benefits from the asset will flow to the Group. Probability of future economic benefit is assumed for all payments made for externally acquired products in development and therefore capitalized. Subsequent success-based milestone payments up to and including approval are capitalized when achieved. Amortization of the asset starts when it becomes available for use, at which point the asset is amortized over its useful economic life, which is generally estimated as the patent life within the product's primary market. Amortization of marketed products is recognized within cost of sales.

Gains and losses on the disposal of intangible assets are determined by comparing the asset's carrying value with any sale proceeds and are included in the income statement.

11. Intangible assets continued

Impairment of intangible assets

The carrying values of intangible assets are reviewed for impairment annually and/or when events or changes in circumstances indicate the carrying value may be impaired depending on the intangible asset type. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which it belongs.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal or its value in use. In assessing value in use, its estimated future cash flows are discounted to their net present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

In carrying out impairment reviews of products in development, several significant assumptions have to be made. These include the probability of success in obtaining regulatory approvals, future rate of market growth, discount rates, market demand for the products acquired, future profitability, and levels of reimbursement for pharmaceutical products. If actual results should differ, or changes in expectations arise, impairment charges may be required which would have a material adverse impact on reported results and financial position. Products in development of $39m (2020: $10m) are subject to potential impairment in line with the aforementioned assumptions.

Sensitivity analysis

For the INDV-2000 asset, which is a product in development valued at $10m (2020: $10m), the recoverable amount calculation is particularly sensitive due to limited headroom when compared to the carrying amount as at December 31, 2021, which could give rise to future impairment. The Group performed a sensitivity analysis by applying reasonable changes to key assumptions used in the calculation. Consistent with other products in early stages of development, it is reasonably possible that the product could fail to obtain regulatory approvals. The probability of success is factored into the risk-adjusted calculation of the recoverable amount; however, failure to reach commercialization would result in a full impairment of the asset. The Group determined that an increase of 50bps to the discount rate and a three-month delay in the launch timeline would result in an impairment of $5m, assuming all other factors are kept constant. Reasonable changes in any individual assumption will not result in a material impairment charge.

	Acquired distribution rights $m	Products in development $m	Marketed products $m	Software $m	Total $m
Cost					
At January 1, 2021	235	37	57	39	368
Additions	–	30	–	–	30
Disposal	(12)	–	–	–	(12)
Exchange adjustments	(3)	(1)	–	–	(4)
At December 31, 2021	**220**	**66**	**57**	**39**	**382**
Accumulated amortization and impairment					
At January 1, 2021	235	27	15	29	306
Amortization charge	–	–	6	3	9
Disposal	(12)	–	–	–	(12)
Exchange adjustments	(3)	–	–	–	(3)
At December 31, 2021	220	27	21	32	300
Net book amount at December 31, 2021	**–**	**39**	**36**	**7**	**82**

11. Intangible assets continued

	Acquired distribution rights $m	Products in development $m	Marketed products $m	Software $m	Total $m
Cost					
At January 1, 2020	228	36	56	39	359
Exchange adjustments	7	1	1	–	9
At December 31, 2020	235	37	57	39	368
Accumulated amortization and impairment					
At January 1, 2020	228	26	9	24	287
Amortization charge	–	–	6	5	11
Exchange adjustments	7	1	–	–	8
At December 31, 2020	235	27	15	29	306
Net book amount at December 31, 2020	–	10	42	10	62

Acquired distribution rights

In 2021, $19m of net cash proceeds were received from the disposal of the TEMGESIC /BUPREX / BUPREXX (buprenorphine) analgesic franchise outside of North America to Eumedica Pharmaceuticals AG which had a nil carrying value.

Products in development

Products in development are products in different stages of research and development which have not received regulatory approval. These products are not amortized as they are not yet in use but are assessed for impairment at the end of each reporting period. Once approved in their primary market, products in development are transferred to marketed products. There were no new primary market product approvals in 2021.

In 2021 the Group entered a strategic collaboration with Aelis Farma that includes an exclusive option for the license of the global rights to AEF0117, a leading compound to treat cannabis-related disorders. Under the agreement, the Group paid $30m to secure the option.

In 2021, $1m of proceeds were received for the out-licensing of nasal naloxone opioid overdose patents to Adapt Pharmaceuticals (Emergent BioSolutions) which had a nil carrying value.

Marketed products

Marketed products include approved product rights for SUBLOCADE of $17m (2020: $18m) and PERSERIS of $19m (2020: $24m) which are amortized on a straight-line basis over the patent exclusivity period in the United States, the major market to which the approvals relate. In 2021, a new SUBLOCADE patent was approved in the United States extending the patent exclusivity period and amortization period from 2031 to 2035. All products are assessed for impairment indicators at the end of each reporting period and tested for impairment annually. No impairments were recognized in the year. Amortization expense of $6m (2020: $6m) was recognized in cost of sales.

Software

Acquired computer software licenses and related implementation costs are capitalized at cost. For cloud-based software licenses, implementation costs are expensed as incurred and subscription costs are expensed ratably over the license period. These costs are typically amortized on a straight-line basis, generally over a period of up to five years. Acquired computer software primarily relates to SAP, the Group's ERP system. In 2020, the Group extended the useful life estimate for its SAP instance through December 2024.

12. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, with the exception of freehold land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of subsequent improvements and enhancements are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured.

Except for freehold land and assets under construction, the cost of property, plant and equipment is depreciated on a straight-line basis over the expected useful life of the asset. For this purpose, expected lives are determined within the following limits:

› freehold buildings: not more than 20 years;

› plant and equipment: not more than 10 years;

› motor vehicles and computer equipment: not more than 4 years; and

› leasehold improvements: up to the expected lease term.

Assets' residual values and useful lives are reviewed, and adjusted if necessary, at each balance sheet date. Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be appropriate. Freehold land is reviewed for impairment on an annual basis.

Gains and losses on the disposal of property, plant and equipment are determined by comparing the asset's carrying value with any sale proceeds and are included in the income statement.

	Land and buildings $m	**Plant and equipment $m**	**Total $m**
Cost			
At January 1, 2021	55	73	128
Additions	–	4	4
Exchange adjustment	–	–	–
At December 31, 2021	**55**	**77**	**132**
Accumulated depreciation and impairment			
At January 1, 2021	18	50	68
Charge for the year	3	3	6
Exchange adjustment	–	–	–
At December 31, 2021	21	53	74
Net book amount at December 31, 2021	**34**	**24**	**58**

	Land and buildings $m	Plant and equipment $m	Total $m
Cost			
At January 1, 2020	54	66	120
Additions	–	6	6
Exchange adjustment	1	1	2
At December 31, 2020	55	73	128
Accumulated depreciation and impairment			
At January 1, 2020	14	46	60
Charge for the year	4	3	7
Exchange adjustment	–	1	1
At December 31, 2020	18	50	68
Net book amount at December 31, 2020	37	23	60

Depreciation expense of $6m (2020: $7m) is included in SG&A. Additions in the year relate primarily to PERSERIS syringe-filler equipment and other manufacturing equipment.

13. Leases and right-of-use assets

Leases and right-of-use assets

As a lessee, the Group assesses whether a contract conveys the right to control use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease. The Group recognises a right-of-use asset (lease asset) and a corresponding liability at the lease commencement date, measured on a present value basis.

Leases with a term of 12 months or less (short-term leases) and low-value leases are not recognized on the balance sheet. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Group's right-of-use assets are calculated based upon the following:

› the amount of the initial measurement of the lease liability;

› any lease payments made to the lessor at or before the commencement date, less any lease incentives (e.g. rent abatements, tenant improvement allowances) received; and

› any initial direct costs incurred by the Group.

Right-of-use assets are amortized on a straight-line basis from the commencement date of the lease over the shorter of the lease term or useful life of the right-of-use asset. Right-of-use assets are assessed for impairment whenever there is an indication the carrying amount may not be recoverable, generally using cash flow projections for the cash-generating unit in which the right-of-use asset belongs.

Lease liabilities are initially measured at the present value of the lease payments to be made over the lease term using the discount rate for the lease at lease commencement. If the interest rate implicit in the lease can be determined, it will be used to measure the liability. If an interest rate is not implicit in the lease, the incremental borrowing rate for the respective loan type at the date of commencement will be used, which ranged from 3.9% to 6.8% depending upon type of lease and country of origin. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever the lease terms or expected payments under the lease change, or a modification occurs that is not accounted for as a separate lease. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The repayment of lease liabilities and corresponding interest payments are recognized as cash flows from financing activities.

The Group leases various properties and equipment (including vehicles). Rental contracts are typically made for fixed periods of 3 to 10 years but may have termination or extension options. The Group assesses whether it is reasonably certain to exercise the options at lease commencement and subsequently, if there is a change in circumstances within its control. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Such assessment involves management judgment and estimations based on information at the time the assessments are made. Potential future cash outflows of $21m (2020: $21m) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The following tables summarize movements of the right-of-use assets in 2021 and 2020:

	Land and buildings $m	Plant and equipment $m	Total $m
Net Book Value			
At January 1, 2021	**14**	**29**	**43**
Additions	**–**	**2**	**2**
Depreciation	**(2)**	**(5)**	**(7)**
Exchange adjustments	**–**	**(1)**	**(1)**
At December 31, 2021	**12**	**25**	**37**

13. Leases and right-of-use assets continued

	Land and buildings $m	Plant and equipment $m	Total $m
Net Book Value			
At January 1, 2020	17	30	47
Additions	2	3	5
Depreciation	(3)	(5)	(8)
Impairment	(2)	–	(2)
Exchange adjustments	–	1	1
At December 31, 2020	14	29	43

Depreciation expense of $4m (2020: $5m) is included in SG&A and $3m (2020: $3m) in cost of sales within the income statement. Additions in the year relate primarily to vehicle leases and office space.

Lease liabilities at December 31, 2021 and 2020 by maturity were as follows:

	2021 $m	2020 $m
Within one year	**10**	10
Later than one and less than five years	**29**	31
More than five years	**12**	19
Gross lease liabilities	**51**	60
Less: future interest on lease liabilities	**(7)**	(9)
Net lease liabilities	**44**	51

Lease payments during the year were comprised of the following:

	2021 $m	2020 $m
Interest paid on lease liabilities	**2**	3
Payments of lease liabilities	**8**	7
Total lease payments	**10**	10

14. Deferred tax

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements using the balance sheet approach. Deferred tax is not recorded if it arises from the initial recognition of an asset or liability in a transaction (other than a business combination) that affects neither accounting nor taxable profit or loss at that time. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and apply when the deferred tax asset or liability is expected to reverse. They are revalued for changes in tax rates when new tax rates are substantively enacted.

The Group recognizes deferred tax assets to the extent that sufficient future taxable profits are probable against which these future tax deductions can be utilized. At December 31, 2021, the Group's net deferred tax assets of $105m includes $81m (2020: $51m) in USA and $11m (2020: $7m) in UK. Deferred tax assets relate primarily to inventory costs capitalized for tax purposes, litigation liabilities (including exceptional items that are not expected to recur), share-based compensation, and other short-term timing differences. Recognition of deferred tax assets is driven by the Group's ability to utilize the deferred tax asset which is reliant on forecast taxable profits arising in the jurisdiction in which the deferred tax asset is recognized. The Group has assessed recoverability of deferred tax assets using Group-level budgets and forecasts consistent with those used for the assessment of viability and asset impairments, particularly in relation to levels of future sales. These forecasts are therefore subject to similar uncertainties to those assessments. This exercise is reviewed each year and, to the extent required, an adjustment to the recognized deferred tax asset may be made. With the exception of specific assets that are not currently considered accessible (see unrecognized deferred tax assets below), management have concluded full recognition of deferred tax assets to be appropriate and do not consider there a significant risk of a material change in their assessment in the next 12 months.

14. Deferred tax continued

Deferred tax assets	Unrealized profit in inventory $m	Short-term temporary differences $m	Share-based payments $m	Long-term temporary differences $m	Inventory costs capitalized $m	Other $m	Total $m
At January 1, 2020	12	19	2	1	4	2	40
Credit to the income statement	2	–	2	27	–	2	33
Credit directly to equity	–	–	2	–	–	–	2
At December 31, 2020	14	19	6	28	4	4	75
(Charged)/credit to the income statement	**(6)**	**4**	**1**	**6**	**11**	**2**	**18**
Credit directly to equity	**–**	**–**	**13**	**–**	**–**	**–**	**13**
Exchange adjustments	**–**	**–**	**–**	**(1)**	**–**	**–**	**(1)**
At December 31, 2021	**8**	**23**	**20**	**33**	**15**	**6**	**105**

On March 3, 2021, the UK Chancellor announced an increase in the corporation tax rate from 19% to 25% with effect from April 1, 2023. The increase to the corporation tax rate was substantively enacted on May 24, 2021. The effect of the rate change is immaterial.

The Group has not recognized deferred tax assets in relation to certain losses and interest expense in the UK, as the likelihood of future economic benefit is not sufficiently assured.

Unrecognized deferred tax assets consist of those in respect of losses of earlier periods of $14m (2020: $11m) and on interest expense of $8m (2020: $6m). Both the losses and interest expense have an unlimited carry-forward period.

15. Inventories

Raw materials, stores and consumables, work in progress and finished goods are stated at the lower of cost or net realizable value. Cost comprises materials, direct labor and an appropriate portion of overhead expenses (based on normal operating capacity) required to get the inventory to its present location and condition. Inventory valuation is determined on a first in, first out basis. Selling expenses, product amortization, and certain other overhead expenses are excluded from product cost. Net realizable value is the estimated selling price less applicable selling expenses. Impairment of inventory is recognized in cost of sales.

Inventory, net is comprised of:

	2021 $m	2020 $m
Raw materials, stores and consumables	**34**	38
Work in progress	**28**	19
Finished goods and goods held for resale	**33**	36
Total inventories, net	**95**	93

The cost of inventories recognized as an expense and included as cost of sales amounted to $127m (2020: $97m). The increase in cost of sales is primarily due to higher volume. Cost of sales included inventory write-offs and losses of $12m (2020: $6m). The inventory provision (reflected in the carrying amounts above) at December 31, 2021, was $13m (2020: $12m).

16. Trade receivables and other assets

Trade receivables are initially recognized at their invoiced amounts less estimated adjustments for deductions such as cash discounts. Trade receivables consist of amounts due from customers, primarily wholesalers and distributors, for which there is no significant history of default. The credit risk of customers is assessed, taking into account their financial positions, past experiences and other relevant factors. Individual customer credit limits are imposed based on these factors. Provisions for expected credit losses are established using an expected credit loss model (ECL). The provisions are based on a forward-looking ECL, which includes possible default events on the trade receivables over the entire holding period. These provisions represent the difference between the carrying amount in the consolidated balance sheet and the estimated collectible amount. Charges for ECL are recognized in the consolidated income statement within SG&A expenses. The recognized amounts approximate fair value.

The Group is not aware of any deterioration in the credit quality of its customers and considers the net receivables to be fully recoverable.

16. Trade receivables and other assets continued

Trade receivables	2021 $m	2020 $m
Trade receivables	**205**	181
Less: provision for ECL	**(3)**	(2)
Trade receivables, net	**202**	179

The ageing of past due trade receivables as of December 31 is as follows:

	2021 $m	2020 $m
Up to three months past due	**6**	9
Three to six months past due	**1**	3
Over six months past due	**6**	2
	13	14
Not due and not impaired	**192**	167
Provision for impairment of receivables	**(3)**	(2)
Trade receivables – net	**202**	179

As at December 31, 2021, a provision of $3m (2020: $2m) was recorded against the trade receivables balance based on the Group's assessment of ECL. The assessment factors are discussed earlier within this note. The maximum exposure to credit risk at the year end is the carrying value of each class of receivable. The Group does not hold any collateral as security.

The Group's trade receivables are denominated in the following currencies:

	2021 $m	2020 $m
Sterling	**2**	4
Euro	**16**	18
US dollar	**172**	146
Other currencies	**15**	13
Total trade receivables	**205**	181

Current and non-current other assets	2021 $m	2020 $m
Short-term prepaid expenses	**18**	17
Other current assets	**14**	33
Total other current assets	**32**	50
Long-term prepaid expenses	**22**	22
Other non-current assets	**84**	82
Total other non-current assets	**106**	104
Total other assets	**138**	154

Other current and non-current assets relate primarily to surety bond funding (see Note 23). At December 31, 2021, collateral provided to surety bond holders, inclusive of accrued interest, was $82m (2020: $108m). In 2021, one of the surety bond holders returned $26m causing a decrease in other current assets, which is partially offset by a $6m increase related to a Directors' & Officers' insurance claim settlement receivable.

Long-term prepaid expenses relate primarily to payments for contract manufacturing capacity.

17. Financial instruments and risk management

The Group's financial assets and liabilities include trade receivables, other assets, cash and cash equivalents, borrowings, trade and other payables as set out in Notes 16, 18, 19 and 24, respectively. The Group measures financial assets and liabilities at amortized cost. Financial assets and liabilities are offset, and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset and net settlement is intended. The carrying value (less impairment provision, where applicable) of current borrowings, cash, trade receivables, other assets, trade accruals and trade payables is assumed to approximate fair value due to their short-term nature. The non-current borrowing, which is presented at amortized cost, was trading at approximately 99% (2020: 98%) of par value.

Financial risk management of the Group is mainly exercised and monitored at Group level. The Group's financing and financial risk management activities are centralized to achieve benefits of scale and control with the goal of maximizing liquidity and mitigating operational and financial risks. Financial exposures of the Group are managed in a manner consistent with underlying business risks. Only those risks and flows generated by the underlying commercial operations are managed; speculative transactions are not undertaken.

Foreign exchange risk management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations. The Group's policy is to align the foreign currency assets and liabilities within its major subsidiaries in order to provide some protection against the remeasurement exposure on profits.

Interest rate risk management

The Group has interest-bearing assets and liabilities. The Group monitors interest income and expense rate exposure on a regular basis with an objective of minimizing net interest cost. The main interest rate risk arises from the Group's borrowings, which are discussed in Note 19, due to the floating interest rate. This exposure is partially offset by the interest income generated on the Group's cash and cash equivalents which are based on variable market interest rates.

Liquidity risk management

Liquidity risk is the risk that the Group is not able to settle or meet its obligations on time or at a reasonable price. The Group's policy is to ensure sufficient funding and facilities are in place to meet foreseeable liquidity requirements. The Group manages and monitors liquidity risk through regular reporting of current cash and borrowing balances and periodic review of short-, medium- and long-term cash forecasts, while considering the maturity of its borrowing facility. At December 31, 2021, Indivior had $3m (2020: $4m) of borrowings repayable within one year and $1,102m (2020: $858m) of cash and cash equivalents.

Credit risk management

The Group's exposure to credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, trade receivables and other assets. Financial institution counterparties are subject to approval under the Group's counterparty risk policy and such approval is limited to financial institutions with a BBB rating or above. Concentration of credit risk with respect to trade receivables in the US is limited as the balances consist of amounts due from customers, primarily major wholesalers and distributors, for whom there is no significant history of default. Outside the US, no single customer accounts for a significant share of Group's trade receivables balance. In the US, in line with other pharmaceutical companies, the Group sells its products through a small number of wholesalers in addition to hospitals, pharmacies, physicians and other groups. Sales to the three largest wholesalers amounted to approximately 57% of the Group sales in 2021 and 2020. At December 31, 2021, the Group had trade receivables due from these three wholesalers totaling $142m (2020: $142m). The Group is exposed to a concentration of credit risk in respect of these wholesalers such that, if one or more of them encounters financial difficulty, it could materially and adversely affect the Group's financial results. The Group's credit risk monitoring activities relating to these wholesalers include a review of their financial information and Standard & Poor's credit ratings, and establishment and periodic review of credit limits. However, the Group believes there is no further credit risk provision required in relation to these customers (see Note 16).

17. Financial instruments and risk management continued

Capital risk management

The Group considers capital to be net cash plus total reported equity. Net cash is calculated as cash and cash equivalents less total borrowings. Total borrowings do not include lease liabilities of $44m (2020: $51m). Refer to Note 19 for further discussion on borrowings.

Total equity includes share capital, reserves and retained earnings as shown in the consolidated balance sheet.

	Note	2021 $m	2020 $m
Net cash	19	**853**	623
Total equity		**203**	82
		1,056	705

The objectives for managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimize the cost of capital.

The Group monitors net cash, which at year end amounted to net cash of $853m (2020: $623m) to maintain an appropriate level of financial flexibility.

18. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, and highly liquid investments with original maturities of less than three months.

	2021 $m	2020 $m
Cash and cash equivalents	**1,102**	858

There were no bank overdrafts at December 31, 2021 or 2020.

19. Financial liabilities – borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost, with any difference between cost and redemption value being recognized within finance expense in the income statement over the year of the borrowings on an effective interest basis.

Borrowings are classified as a current liability unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

In 2021, the Group completed a refinancing of its term loan, repaying in full the existing $235m term loan and replacing it with a new term loan with a principal amount of $250m. As a result of the debt refinancing, the Group incurred a collective charge of $2m related to writing off unamortized deferred financing costs due to the extinguishment and settlement of previous term loan ($1m) and advisory fees incurred in conjunction with the refinancing ($1m). These costs were classified as exceptional. See Note 5 for further details.

The Group capitalized $8m of deferred financing and original issue discount costs related to the new term loan, which were netted against the total amount borrowed and are amortized over the maturity period.

Term loan	2021 $m	2020 $m
Term loan – current	**(3)**	(4)
Term loan – non-current	**(239)**	(230)
Total term loan	**(242)**	(234)

Analysis of net cash	2021 $m	2020 $m
Cash and cash equivalents	**1,102**	858
Borrowings[1]	**(249)**	(235)
Total net cash	**853**	623

1. Borrowings reflect the outstanding principal amount drawn before debt issuance cost of $7m (2020: $1m). These do not include lease liabilities of $44m (2020: $51m).

19. Financial liabilities – borrowings continued

Reconciliation of net cash	2021 $m	2020 $m
Net cash at beginning of year	**623**	821
Net increase/(decrease) in cash and cash equivalents	**245**	(207)
New borrowings	**(250)**	–
Repayment of borrowings	**236**	4
Exchange adjustments	**(1)**	5
Net cash at end of year	**853**	623

Net cash is presented consistently with prior periods and represents a measure of liquidity considered by the Directors. The term loan traded at approximately 99% of par value at December 31, 2021 (2020: 98%).

The terms of the loan in effect at December 31, 2021 are as follows:

	Currency	Nominal interest margin	Maturity	Required annual payments	Minimum liquidity
Term loan facility	USD	LIBOR (0.75%) +5.25%	2026	1%	Larger of $100m or 50% of Loan Balance

While the new term loan is USD Libor based, the new term loan contains fallback language to convert to a new reference rate when USD LIBOR is discontinued or becomes non-representative, which is expected to occur in early 2023. The term loan amounting to $249m (2020: $235m), is secured against the assets of certain subsidiaries of the Group in the form of guarantees issued by respective subsidiaries.

Also included within the terms of the loan were:

- Nominal interest margin is calculated over three-month USD LIBOR, subject to a floor of 0.75%; and
- There are no revolving credit commitments.

Maturity of gross borrowings (including expected interest using the rate at the balance sheet date)	2021 $m	2020 $m
Within one year or on demand	**18**	17
Bank loans payable due:		
Later than one and less than five years	**298**	243
More than five years	**–**	–
Gross borrowings (including interest)	**316**	260

Analysis of changes in liabilities from financing activities

	At January 1, 2021 $m	Cash flows $m	Profit and loss $m	Additions $m	Reclassifications $m	Exchange adj. $m	At December 31, 2021 $m
Current borrowings	(4)	3	–	–	(2)	–	(3)
Non-current borrowings	(230)	–	–	(11)	2	–	(239)
Lease liabilities	(51)	8	–	(2)	–	1	(44)
Interest payable	(2)	16	(14)	–	–	–	–
Total financial liabilities	**(287)**	**27**	**(14)**	**(13)**	**–**	**1**	**(286)**

20. Commitments

The Group has various purchase commitments for services and materials in the ordinary course of business. These commitments are generally entered into at current market prices and reflect normal business operations.

As of December 31, 2021, the Group had no material PP&E or intangible asset commitments for future periods.

21. Provisions and other liabilities

The Group is involved in legal and intellectual property disputes as described in Note 23, Legal proceedings.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, an outflow of resources to settle that obligation is more likely than not, and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed regularly, and amounts updated where necessary to reflect the latest assumptions. The assessment of provisions can involve complex judgments about future events and can rely heavily on judgments and estimates. Given the inherent uncertainties related to these judgments and estimates, the actual outflows resulting from the realization of those risks could differ adversely and materially from the Group's assessments.

Provisions	DOJ-related matters $m	IP-related matters $m	Restructuring costs $m	Other provisions $m	Total provisions $m
At January 1, 2020	(438)	(45)	(2)	(3)	(488)
Charged to the income statement	(178)	–	(9)	(1)	(188)
Transfer to other liabilities	586	–	–	–	586
Interest and discounting	(2)	(2)	–	–	(4)
Utilized during the year/payments	–	–	5	–	5
At December 31, 2020	(32)	(47)	(6)	(4)	(89)
Released/(Charged) to income statement	18	(24)	1	1	(4)
Interest and discounting	–	(2)	–	–	(2)
Utilized during the year/payments	9	–	5	–	14
At December 31, 2021	**(5)**	**(73)**	**–**	**(3)**	**(81)**

Provisions					
Current	(5)	–	–	–	(5)
Non-current	–	(73)	–	(3)	(76)
At December 31, 2021	**(5)**	**(73)**	**–**	**(3)**	**(81)**
Current	(32)	–	(6)	–	(38)
Non-current	–	(47)	–	(4)	(51)
At December 31, 2020	(32)	(47)	(6)	(4)	(89)

DOJ-related matters

The Group carries a provision of $5m (2020: $32m) pertaining to all of the DOJ-related matters as discussed in Note 23. Negotiations with the DOJ-related plaintiffs resulted in an exceptional provision release of $18m (2020: nil). The remaining movement of $9m in the provision relates to amounts settled and paid during the year. DOJ-related matters of $5m are based upon settlement discussions in progress or analogs of comparable settlements and are expected to be settled within the year.

IP-related matters: ANDA litigation

The Group carries provisions totaling $73m (2020: $47m) for intellectual property-related matters, all of which relate to potential redress for intellectual property litigation with DRL and Alvogen should the Group not be successful with those cases outlined in Note 23, Intellectual property-related matters: ANDA litigation. In 2021, upon conclusion of expert discovery, the Group increased the provision for intellectual property-related matters to $73m, resulting in an exceptional charge of $24m (2020: nil). The provision represents the Group's best estimate of potential damages owed to DRL and Alvogen for the period between FDA approval and lifting of the preliminary injunction. This estimate considers the value of the court-established surety bonds. The provision has been recorded at the net present value, using a risk-free rate, considering the estimated timing of the settlement in FY 2023/2024, timing of which is dependent upon progression of the trial. During the year, the Group recorded finance expense totaling $2m (2020: $2m) for time value of money on the provision. The Group does not expect the matter to be settled within a year and therefore the entire provision is classified as non-current. Refer to Note 23 for further details.

Restructuring costs

The restructuring provision related to cost-saving initiatives announced and implemented in 2020 which consisted of redundancy and related costs has been fully utilized as of December 31, 2021.

21. Provisions and other liabilities continued

Other provisions

Other provisions totaling $3m (2020: $4m) primarily represent retirement benefit costs which are not expected to be settled within one year.

Other liabilities

Other liabilities represent contractual obligations to third parties where the amount and timing of payments is fixed. Where other liabilities are not interest-bearing and the impact of discounting is significant, other liabilities are recorded at their present value, generally using a discount rate appropriate to the liability or approximating the risk-free rate at the time the Group entered into the obligation.

Other liabilities	DOJ Resolution $m	RB indemnity settlement $m	Other $m	Total other liabilities $m
At January 1, 2020	–	–	–	–
Charged to the income statement	–	(50)	–	(50)
Transfer from provisions	(586)	–	–	(586)
Interest and discounting	(3)	–	–	(3)
Utilized during the year/payments	103	–	–	103
At December 31, 2020	(486)	(50)	–	(536)
Contract liabilities	–	–	(3)	(3)
Interest and discounting	(6)	–	–	(6)
Utilized during the year/payments	–	10	–	10
At December 31, 2021	**(492)**	**(40)**	**(3)**	**(535)**

Other liabilities				
Current	(53)	(8)	–	(61)
Non-current	(439)	(32)	(3)	(474)
At December 31, 2021	**(492)**	**(40)**	**(3)**	**(535)**
Current	–	(10)	–	(10)
Non-current	(486)	(40)	–	(526)
At December 31, 2020	(486)	(50)	–	(536)

DOJ resolution

In July 2020, the Group reached an agreement with the DOJ and other litigants described in Note 23 under "DOJ and related matters" to resolve the investigation of alleged charges of healthcare fraud, wire fraud, mail fraud, and conspiracy, in connection with the marketing and promotion practices, pediatric safety claims, and overprescribing of SUBOXONE Film and/or SUBOXONE Tablet by certain physicians. In November 2020, the Group made a payment of $103m (including interest) when resolution was approved by a judge. Subsequently, six annual installments of $50m will be due every January from 2022 to 2027. A final installment of $200m will be due in December 2027. Interest accrues on certain portions of the resolution which will be paid together with the annual installments. For non-interest-bearing portions, the liability has been recorded at the net present value based on timing of the estimated payments. The discount rate and interest rate are 1.25%. In 2021, the Group recorded finance expense totaling $6m (2020: $3m). As of December 31, 2021, the Group carries other liabilities of $492m (2020: $486m) related to the settlement agreement with the DOJ.

RB resolution

In January 2021, the Group announced it had reached an agreement with Reckitt Benckiser (RB) to resolve claims which RB issued in the Commercial Court in London in November 2020, seeking indemnity under the 2014 Demerger Agreement. Pursuant to the settlement, RB agreed to withdraw the $1.4b claim and to release Indivior from any claim for indemnity under the Demerger Agreement relating to the DOJ and FTC settlements which RB entered into in July 2019, as well as other claims for indemnity arising from those matters. Indivior agreed to pay RB a total of $50m and has agreed to release RB from any claims to seek damages relating to its settlement with the DOJ and the FTC. The Group made a $10m payment, in February 2021 following the settlement. Subsequently, annual installment payments of $8m will be due every January from 2022 to 2026. The effect of discounting was not material. The Group carries a liability totaling $40m (2020: $50m) related to this settlement.

Other

Other represents deferred revenue related to a supply agreement which is non-current as of December 31, 2021.

22. Contingent liabilities

The Group has assessed certain legal and other matters to be not probable based upon current facts and circumstances, including any potential impact the DOJ resolution could have on these matters. These represent contingent liabilities. Except for those matters discussed in Note 23 under "DOJ Resolution", "Reckitt Benckiser", "DOJ-Related Matters" and "Intellectual Property-Related Matters", for which provisions have been recognized, Note 23 sets out the contingent liabilities for legal and other disputes for which the Group has assessed as contingent liabilities. Refer to Note 9 for discussion on State Aid and other tax-related contingent liabilities.

23. Legal proceedings

DOJ resolution

Agreement to resolve criminal charges and civil complaints related to SUBOXONE Film

The Group settled with the United States Department of Justice (Justice Department or DOJ), the US Federal Trade Commission (FTC), and US state attorneys general the criminal and civil liability in connection with a multi-count indictment brought in April 2019 by a grand jury in the Western District of Virginia, a civil lawsuit joined by the Justice Department in 2018, and an FTC investigation. Under the terms of the resolution agreement with the Justice Department, the Group has agreed to compliance terms regarding its sales and marketing practices. Compliance with these terms is subject to annual Board and CEO certifications submitted to the US Attorney's Office.

As part of the resolution with the FTC and as detailed in the text of the stipulated order, for a ten-year period Indivior Inc. is required to make specified disclosures to the FTC and is prohibited from certain conduct.

Under the terms of the five-year Corporate Integrity Agreement with the HHS Office of the Inspector General (HHS-OIG), the Group will continue its commitment to promote compliance with laws and regulations and its ongoing evolution of an effective compliance program, including written standards, training, reporting, and monitoring procedures. The Group is subject to reporting and monitoring requirements, including annual reports and compliance certifications from key management and the Board's Nominating & Governance Committee, which is submitted to HHS-OIG. In addition, the Group is subject to monitoring by an Independent Review Organization, which submits audit findings to HHS-OIG, and review by a Board Compliance Expert, who prepared a compliance assessment report in the first reporting period and will prepare a compliance assessment report in the third reporting period. To date, the Group reasonably believes it has met all of requirements specified in these three agreements.

In November 2020, the Group made a payment of $103m (including interest) when the resolution was approved by the Court and made a subsequent payment in January 2022 of $54m (including interest). Subsequently, five annual installments of $50m will be due every January 15 from 2023 through 2027. The final installment of $200m will be due in December 2027. The Group carries a liability totaling of $492m (2020: $486m) pertaining to the DOJ resolution.

Reckitt Benckiser

On January 25, 2021, the Group reached a resolution with Reckitt Benckiser as discussed in Note 21.

DOJ-related matters

Federal FCA qui tam suits

In August 2018, the United States unsealed three qui tam suits pending in the Western District of Virginia that made a variety of allegations under state and federal False Claims Act statutes regarding marketing and promotion practices related to SUBOXONE, and in some instances claiming unlawful retaliation. The suits also sought reasonable attorney's fees and costs. Three other cases were filed in the District Court of the District of New Jersey that also made a variety of allegations under state and federal False Claims Act statutes regarding marketing and promotion practices related to SUBOXONE, and in some instances claiming unlawful retaliation. The Group settled these matters in 2020 and 2021.

State and local matters

In November 2016, Indivior was served with a subpoena for records from the State of California Department of Insurance under its civil California insurance code authority. Certain of the qui tam suits filed in the Western District of Virginia and the District of New Jersey assert claims under the civil California insurance code. The Group settled with the relators and the California Department of Insurance in 2021.

In June 2019, the Group learned that the State of Illinois Insurance Department is investigating potential violations of its civil Insurance Claims Fraud Prevention Act with respect to its sales and marketing activity. Certain of the qui tam suits filed in the Western District of Virginia and the District of New Jersey assert claims under this statute, including claims for associated attorney's fees and costs. The Group settled with the relators and the Illinois Insurance Department in 2021.

In addition to the federal and state health program claims, claims have been asserted under the city false claims acts of Chicago and New York City regarding the promotion of SUBOXONE film. The Group resolved the matter with the City of Chicago in 2020.

23. Legal proceedings continued

False Claims Act allegations

In August 2018, the United States District Court for the Western District of Virginia unsealed a declined qui tam complaint alleging causes of action under the Federal and state False Claims Acts against certain entities within the Group predicated on best price issues and claims of retaliation (United States ex rel. Miller v. Reckitt Benckiser Group PLC et al., Case No. 1:15-cv-00017 (W.D. Va.)). The suit also seeks reasonable attorneys' fees and costs. We understand that all government plaintiffs have declined to intervene. The Group was served with the complaint in January 2021. We are in discussions regarding this matter with the plaintiff-relator. The Group filed a Motion to Dismiss on June 24, 2021.

In May 2018, Indivior Inc. received an informal request from the Office of the United States Attorney ("OUSA") for the Southern District of New York, seeking records relating to the SUBOXONE manufacturing process and the Group is discussing with the OUSA certain information and allegations regarding the SUBOXONE manufacturing process the government received.

Securities class action litigation

In April 2019, Michael Van Dorp filed a putative class action lawsuit in the United States District Court for the District of New Jersey on behalf of holders of publicly traded Indivior securities alleging violations of US federal securities laws under the Securities Exchange Act of 1934. The complaint names Indivior PLC, Shaun Thaxter, Mark Crossley and Cary J. Claiborne as defendants. In February 2021, the parties reached a settlement agreement. A Motion for Entry of Order Preliminarily Approving Settlement was granted by the court in September 2021. A settlement fairness occurred in January 2022 and the case was dismissed.

Intellectual property-related matters

ANDA litigation

Indivior filed actions against Dr. Reddy's Laboratories S.A. and Dr. Reddy's Laboratories, Inc. (together, "DRL") in the United States District Court for the District of New Jersey ("NJ District Court") alleging that DRL's generic buprenorphine/naloxone film product infringes US Patent Nos. 9,687,454 and 9,931,305 ("the '454 and '305 Patents") in 2017 and 2018, respectively. The cases were consolidated in May 2018. DRL received final FDA approval for all four strengths of its generic buprenorphine/naloxone film product in June 2018, and immediately launched its generic buprenorphine/naloxone film product "at-risk." In July 2018, the NJ District Court granted Indivior a Preliminary Injunction (PI) pending the outcome of a trial on the merits of the '305 Patent, and required Indivior to post a surety bond for $72m in connection with the PI. In November 2018, the Court of Appeals for the Federal Circuit (CAFC) issued a decision vacating the PI against DRL. On remand, the NJ District Court construed the claims of the '454 and '305 Patents. Indivior and DRL stipulated to noninfringement of the '305 Patent under the court's claim construction, but Indivior retained its rights to appeal the construction and pursue its infringement claims pending appeal. Separately, DRL filed an amended answer alleging various antitrust counterclaims. Indivior's infringement claims concerning the '454 patent and DRL's antitrust counterclaims remain pending in the NJ District Court. Summary judgment motions have been fully briefed, but the NJ District Court has not ruled on those motions. No trial date has been set. In February 2022, the NJ District Court ordered the parties to mediation.

In November 2018, DRL filed two petitions for inter partes review ("IPR") of the '454 Patent with the US Patent and Trademark Office's Patent Trial and Appeal Board ("PTAB"). The PTAB denied institution of one IPR petition but granted institution for the other. The PTAB issued a decision in June 2020, finding that claims 1-5, 7, and 9-14 were unpatentable, but that DRL had not shown that claim 8 is unpatentable. Claim 6 was not challenged and therefore was not addressed in the PTAB decision. Indivior appealed to the CAFC. In December 2021, the CAFC affirmed the PTAB's decision. Indivior filed a petition with the CAFC for a panel rehearing or rehearing en banc, which was denied in March 2022.

Indivior filed actions against Alvogen Pine Brook LLC and Alvogen Inc. (together, "Alvogen") in the NJ District Court alleging that Alvogen's generic buprenorphine/naloxone film product infringes US Patent Nos. 9,687,454 and 9,931,305 ("the '454 and '305 Patents") in 2017 and 2018, respectively. The cases were consolidated in May 2018. In January 2019, the NJ District Court granted Indivior a temporary restraining order ("TRO") to restrain the launch of Alvogen's generic buprenorphine/naloxone film product pending a trial on the merits of the '305 Patent and Indivior was required to post a surety bond of $36m. Indivior and Alvogen entered into an agreement whereby Alvogen was enjoined from selling in the US its generic buprenorphine/naloxone film product unless and until the CAFC issued a mandate vacating Indivior's separate PI against DRL. The CAFC's mandate vacating Indivior's PI as to DRL issued in February 2019 and Alvogen launched its generic product. Any sales in the US by Alvogen are on an "at-risk" basis, subject to the ongoing litigation against Alvogen in the NJ District Court. In November 2019, Alvogen filed an amended answer alleging various antitrust counterclaims. In January 2020, Indivior and Alvogen stipulated to noninfringement of the '305 Patent under the court's claim construction, but Indivior retained its rights to appeal the construction and pursue its infringement claims pending appeal. Indivior's infringement claims concerning the '454 patent and Alvogen's antitrust counterclaims remain pending in the NJ District Court. Summary judgment motions have been fully briefed, but the NJ District Court has not ruled on those motions. No trial date has been set. In February 2022, the NJ District Court ordered the parties to mediation.

23. Legal proceedings continued

Opposition to SUBLOCADE European patent

In October 2018, Teva Pharmaceutical Industries Ltd. ("Teva") filed a Notice of Opposition with the European Patent Office ("EPO") seeking to revoke European Patent No. EP 2579874 ("EP 874"), which relates to the formulation for SUBLOCADE. Oral proceedings took place in September 2021 and the patent was maintained as granted. Teva filed a notice of appeal with their grounds for such appeal, and the Group's deadline to respond in writing to such appeal is June 21, 2022.

In March 2021, the law firm Elkington & Fife LLP filed a Notice of Opposition with the EPO seeking to revoke European Patent No. EP 3215223 ("EP 223"), which relates to the dosing regimen for SUBLOCADE. The Opposition alleges that the claims of EP 223 lack inventive step and extend beyond the content of the application as originally filed. The Group responded to the Opposition in August 2021. The oral hearing has been set for October 10, 2022.

Antitrust litigation and consumer protection

Antitrust class and state claims

Civil antitrust claims have been filed by (a) a class of direct purchasers, (b) a class of end payor plaintiffs, and (c) a group of states, now numbering 41, and the District of Columbia. Each set of plaintiffs filed generally similar claims alleging, among other things, that Indivior violated US federal and/or state antitrust and consumer protection laws in attempting to delay generic entry of alternatives to SUBOXONE Tablets. Plaintiffs further allege that Indivior unlawfully acted to lower the market share of these products. These antitrust cases are pending in federal court in the Eastern District of Pennsylvania. The court has not set a trial date. Summary judgment motions related to the Direct Purchaser, End Payor, and States actions were fully briefed and were argued in December 2021. The deadline for the class exclusion or "opt out" is May 15, 2022.

In 2013, Reckitt Benckiser Pharmaceuticals, Inc. (now known as Indivior Inc.) received notice that it and other companies were defendants in a lawsuit initiated by writ in the Philadelphia County (Pennsylvania) Court of Common Pleas. See Carefirst of Maryland, Inc. et al. v. Reckitt Benckiser Inc., et al., Case. No. 2875, December Term 2013. The plaintiffs include approximately 79 entities, most of which appear to be insurance companies or other providers of health benefits plans. The Carefirst Plaintiffs have not served a complaint, but they have indicated that their claims are related to those asserted by the plaintiffs in re SUBOXONE, MDL No. 2445 (E.D. Pa.). The Carefirst case remains pending.

The Group has evaluated the antitrust class and state claims in light of the DOJ settlement under which a Group subsidiary pled guilty to one count of making a false statement relating to healthcare matters in one state in 2012 (as discussed above under DOJ Resolution). The Group continues to believe its defenses and continues to vigorously defend itself. Select plaintiffs in these matters have previously made settlement demands (which were not accepted and most of which are not current offers), totaling approximately $290m, which was used for contingency planning only to model possible downside financial effects. The final aggregate cost of these matters, whether resolved by litigation or by settlement, may be materially different. If the Group were to entertain further settlement discussions, we make no representations as to what amounts, if any, it may agree to pay, nor regarding what amounts the plaintiffs will demand.

Other antitrust and consumer protection claims

In July 2019, the Indiana Attorney General issued a Civil Investigative Demand investigating potential violations of Indiana's Civil Deceptive Consumer Sales Act with respect to sales and marketing activity by the Company. The Group has cooperated fully in this civil investigation.

In 2020, the Group was served with lawsuits from a number of insurance companies, some of whom are proceeding both on their own claims and through the assignment of claims from affiliated companies. Cases filed by (1) Humana Inc. and (2) Centene Corporation, Wellcare Healthcare Plans, Inc., New York Quality Healthcare Corp. (d/b/a Fidelis Care), and Health Net, LLC were pending in the Eastern District of Pennsylvania. The complaints were dismissed in July 2021. Plaintiffs filed Notices of Appeal in August 2021 to the United States Court of Appeals for the Third Circuit ("Third Circuit"). The Third Circuit has indicated it may hear oral arguments on this appeal in March 2022. Humana also filed a Complaint in state court in Kentucky with substantially the same claims as were raised in the Federal Court case. That case has been stayed pending a decision in the Third Circuit appeal. Cases filed by (1) Blue Cross and Blue Shield of Massachusetts, Inc., Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc., (2) Health Care Service Corp., (3) Blue Cross and Blue Shield of Florida, Inc., Health Options, Inc., (4) BCBSM, Inc. (d/b/a Blue Cross and Blue Shield of Minnesota) and HMO Minnesota (d/b/a Blue Plus), (5) Molina Healthcare, Inc., and (6) Aetna Inc. are pending in the Circuit Court for the County of Roanoke, Virginia (the "Roanoke Plaintiffs"). The allegations in these cases include many allegations made in other litigations, including prior antitrust complaints, indictments, and qui tam complaints. These plaintiffs have asserted claims under federal and state RICO statutes, state antitrust statutes, state statutes prohibiting unfair and deceptive practices, state statutes prohibiting insurance fraud, and common law fraud, negligent misrepresentation, and unjust enrichment. In June 2021, defendants' motion to stay was denied and certain claims were dismissed without prejudice. The Roanoke Plaintiffs have filed amended complaints, and the Group has filed demurrers, seeking dismissal of some of the asserted claims. Briefing is scheduled to be completed on these demurrers in March of 2022.

23. Legal proceedings continued

The Group has begun its evaluation of the claims, believes in its defenses, and intends to vigorously defend itself. Engagement with the claimants has been minimal. Accordingly, no estimate of the range of potential loss can be made at this time.

Civil opioid litigation

Indivior has been named as a defendant in approximately 400 civil lawsuits brought by state and local governments, public health agencies, and individuals against manufacturers, distributors and retailers of opioids alleging that they engaged in a longstanding practice to market opioids as safe and effective for the treatment of long-term chronic pain in order to increase the market for opioids and their own market share. The vast majority of these cases have been consolidated and are pending in a federal multi-district litigation (MDL) in US District Court for the Northern District of Ohio. At the present time, litigation against Indivior in the MDL is stayed. Given the status and preliminary stage of litigation in both the MDL and state courts, no estimate of possible loss in the opioid litigation can be made at this time.

24. Trade and other payables

	2021 $m	2020 $m
Sales returns and rebates	**(436)**	(396)
Accounts payable	**(137)**	(20)
Accruals and other payables	**(136)**	(97)
Other tax and social security payable	**(11)**	(9)
Interest payable	**–**	(2)
Trade and other payables	**(720)**	(524)

Sales return and rebate accruals, primarily in the US, are provided for by the Group at the point of sale in respect of the estimated rebates, discounts or allowances payable to direct and indirect customers. Trade and other payables are recognized initially at fair value and, where applicable, subsequently measured at amortized cost using the effective interest method. Accruals are made at the time of sale, while the amounts eventually paid are based on claims made some time after the initial recognition of the sale. As the amounts are estimated, they may not fully reflect the final outcome and are subject to change dependent upon, amongst other things, the channel (e.g. Medicaid, Medicare, Managed Care) and product mix. The level of accrual is reviewed and adjusted in light of historical experience of actual rebates, discounts or allowances given and returns made, and any expected changes in arrangements or rules. Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the Group.

The increase in trade payables is primarily driven by timing of payments made on government rebate payables in the US.

The carrying amounts of total trade and other payables are denominated in the following currencies:

	2021 $m	2020 $m
Sterling	**(36)**	(25)
Euros	**(10)**	(14)
US dollar	**(658)**	(473)
Other currencies	**(16)**	(12)
	(720)	(524)

25. Share capital

Issued and fully paid	Equity ordinary shares	Nominal value paid per share $	Nominal value $m
At January 1, 2021	733,635,511	0.10	73
Ordinary shares issued	2,311,560	0.10	–
Shares repurchased and canceled	(33,507,433)	0.10	(3)
At December 31, 2021	**702,439,638**		**70**

In addition, 256,055 ordinary shares purchased as part of the share repurchase program were canceled in January 2022. These shares are included in the total number of share capital outstanding as at December 31, 2021.

25. Share capital continued

Issued and fully paid	Equity ordinary shares	Nominal value paid per share $	Nominal value $m
At January 1, 2020	730,787,719	0.10	73
Ordinary shares issued	2,847,792	0.10	–
At December 31, 2020	733,635,511		73

Ordinary shares issued

During the year, 2,311,560 ordinary shares (2020: 2,847,792) were allotted to satisfy vesting/exercises under the Group's Long-Term Incentive Plan and the US Employee Stock Purchase Plan.

Shares repurchased and canceled

On July 30, 2021, the Group commenced an irrevocable share repurchase program for an aggregate purchase price up to no more than $100m or 73,462,098 of ordinary shares. On December 23, 2021, the program concluded with the Group repurchasing 33,763,488 of the Group's ordinary shares over the duration of the program for an aggregate nominal value of $3m ($0.10 per share). All ordinary shares repurchased during the program were canceled (except for those canceled in January 2022) which resulted in a transfer of the aggregate nominal value to a capital redemption reserve. The total cost of the share repurchase program was $101m, consisting of $100m paid for the repurchase of shares and $1m of directly attributable transaction costs paid, which include advisory fees and stamp duties.

26. Other equity

Foreign currency translation

The foreign currency translation reserve contains the accumulated foreign exchange differences from the translation of the financial statements of the Group's foreign operations arising when the Group's entities are consolidated.

Other reserves

The other reserves balance relates to the Group formation in 2014. It represents the difference between the nominal value of the shares issued by the Company and the net investment in the Group by the former owner.

Capital redemption reserve

The capital redemption reserve was created for capital maintenance purposes as a result of the repurchase and cancellation of ordinary shares under the share repurchase program executed in 2021.

27. Share-based plans

The Group operates three equity-settled executive and employee share plans. For all grants of share options and awards, the fair value at the grant date is calculated using appropriate pricing models. The grant date fair value is recognized over the vesting period as an expense, with a corresponding increase in retained earnings.

Employee plans

Indivior Long-Term Incentive Plan (LTIP)

In 2015, a share-based incentive plan was introduced for employees (including Executive Directors) of the Group. An award under the LTIP can take the form of a nil-cost option, a market value option, or a conditional award.

The Remuneration Committee may determine the vesting of awards is conditional upon the satisfaction of one or more performance conditions. Awards with performance conditions granted under the LTIP will normally have a performance period of at least three years. Awards granted to Executive Directors are subject to a further two-year post-vesting period.

The fair values of awards granted under the Long-Term Incentive Plans are calculated using a Monte Carlo simulation model. The key assumptions in the simulation model are share price of the Company, expected volatilities of the Company, risk-free rate, and dividend yield.

Other employee plans

The Group operates an HMRC-approved SAYE plan for UK employees and US Employee Stock Purchase Plan ("ESPP") for US employees. The amounts recognized for these plans are not material for disclosure.

For all plans, the inputs to the option pricing models are reassessed for each grant. The following assumptions were used in calculating the fair value of options granted.

27. Share-based plans continued

Award	Grant date	Performance period	Share price on grant date £	Volatility %	Dividend yield %	Expected life in years	Risk-free interest rate[1] %	Weighted average fair value £
2019	March 5, 2019	2019–21	1.08	73	0.0	3	0.82	0.77
2019	March 5, 2019	2019–21	1.08	73	0.0	3	0.82	0.50
2019	August 8, 2019	2019–21	0.58	73	0.0	3	0.82	0.50
2020	March 9, 2020	2020–22	0.45	110	0.0	3	0.10	0.41
2020	March 9, 2020	2020–22	0.45	110	0.0	3	0.10	0.42
2020	November 6, 2020	2020–23	1.17	110	0.0	3	0.10	1.10
2021	March 1, 2021	2021-23	1.29	115	0.0	3	0.10	1.16
2021	March 1, 2021	2021-23	1.29	115	0.0	3	0.10	1.17

1. The risk-free interest rate reflects the continuous risk-free yield based on the UK Government interest rates as of the valuation date, based upon a maturity commensurate with the performance period.

At the end of the year, the maximum number of shares that could vest under the Group's LTIP was:

	Total LTIP millions
Outstanding at January 1, 2020	25
Awarded	22
Vested/Exercised	(1)
Forfeited	(12)
Outstanding at December 31, 2020	34
Awarded	14
Vested/Exercised	(1)
Forfeited	(7)
Outstanding at December 31, 2021	**40**

Charged to income statement

The expense charged to the income statement for share-based payments is as follows:

	2021 $m	2020 $m
Granted in current year	**(6)**	(3)
Granted in prior years	**(7)**	(10)
Unvested awards due to unmet performance conditions	**2**	5
Total share-based expense for the year	**(11)**	(8)

The Group does not expect income statement benefits for unvested awards due to unmet performance conditions in the coming years, as performance conditions for outstanding awards are market-based.

28. Related parties

In March 2021, the Group entered into a relationship agreement with its largest shareholder, Scopia Capital Management LP ("Scopia"). The relationship agreement provides for Scopia to have one representative director appointed to the Board and contains certain standstill, voting and governance terms. This includes commitments from Scopia not to exercise voting rights in excess of 20% of the Group's total voting rights and to vote on ordinary course resolutions in accordance with the Board's recommendation. The relationship agreement will remain in force until December 31, 2023, unless extended or terminated earlier in accordance with its terms.

Key management compensation is disclosed in Note 7.

The subsidiaries included in the consolidated financial statements at December 31, 2021 are disclosed in Note 2 to the Parent Company financial statements.

Income statement	**2021 $m**	2020 $m	2019 $m	2018[1] $m	2017[1] $m
Revenue from continuing operations	**791**	647	785	1,005	1,093
Operating profit/(loss)	**213**	(156)	178	292	193
Net finance (expense)/income	**(23)**	(17)	2	(14)	(56)
Profit/(loss) on ordinary activities before tax	**190**	(173)	180	278	137
Tax benefit/(expense) on profit on ordinary activities	**15**	25	(46)	(3)	(79)
Net income/(loss)	**205**	(148)	134	275	58
Balance sheet					
Net assets/(liabilities)	**203**	82	209	66	(203)
Net working capital[2]	**(423)**	(252)	(323)	(356)	(335)
Statistics					
Reported basis					
Operating margin	**26.9%**	-24.1%	22.7%	29.1%	17.7%
Tax rate	**-7.9%**	14.4%	25.6%	1.1%	57.7%
Diluted earnings/(loss) per share (cents)	**27**	(20)	18	37	8

1. 2018 and 2017 balances have not been restated to reflect the adoption of IFRS 16.
2. Net working capital includes inventory plus trade receivables less trade and other payables for 2021 and 2020. Net working capital for 2017-2019 includes the aforementioned accounts plus current other assets.

As at December 31	Note	2021 $m	2020 $m
Fixed assets			
Investments in subsidiaries	2	**1,437**	1,437
Deferred tax	3	**–**	5
Current assets			
Debtors due within one year	4	**9**	6
Cash and cash equivalents		**21**	19
Creditors due within one year	6	**(11)**	(11)
Net current assets		**19**	14
Creditors due after one year	6	**(32)**	(40)
Net assets		**1,424**	1,416
Equity			
Share capital	7	**70**	73
Share premium		**7**	6
Capital redemption reserve		**3**	–
Retained earnings		**1,344**	1,337
Total equity		**1,424**	1,416

The net income of the Parent Company for the financial year was $105m (2020: $60m net loss). The financial statements on pages 163 to 170 were approved by the Board of Directors on March 17, 2022 and signed on its behalf by:

Mark Crossley
Director

Ryan Preblick
Director

	Notes	Share capital $m	Share premium $m	Capital redemption reserve $m	Retained earnings $m	Total equity $m
Balance at January 1, 2020		73	5	–	1,387	1,465
Comprehensive loss						
Net loss for the financial year		–	–	–	(60)	(60)
Other comprehensive income		–	–	–	–	–
Total comprehensive loss		–	–	–	(60)	(60)
Transactions with owners						
Shares issued		–	1	–	–	1
Share-based plans	8	–	–	–	8	8
Deferred taxation on share-based payments		–	–	–	2	2
Total transactions recognized directly in equity		–	1	–	10	11
Balance at December 31, 2020		73	6	–	1,337	1,416
Balance at January 1, 2021		**73**	**6**	**–**	**1,337**	**1,416**
Comprehensive income						
Net income for the financial year		**–**	**–**	**–**	**105**	**105**
Other comprehensive income		**–**	**–**	**–**	**–**	**–**
Total comprehensive income		**–**	**–**	**–**	**105**	**105**
Transactions with owners						
Shares issued		**–**	**1**	**–**	**–**	**1**
Shares repurchased and canceled		**(3)**	**–**	**3**	**(101)**	**(101)**
Share-based plans	8	**–**	**–**	**–**	**11**	**11**
Settlement of equity awards		**–**	**–**	**–**	**(1)**	**(1)**
Deferred taxation on share-based payments		**–**	**–**	**–**	**(7)**	**(7)**
Total transactions recognized directly in equity		**(3)**	**1**	**3**	**(98)**	**(97)**
Balance at December 31, 2021		**70**	**7**	**3**	**1,344**	**1,424**

The Parent Company financial statements of Indivior PLC (the "Company") for the year ended December 31, 2021, were authorized for issue by the Board of Directors on March 17, 2022, and the balance sheet was signed on the Board's behalf by Mark Crossley and Ryan Preblick. Indivior PLC is an investment holding company and is a public limited company incorporated and domiciled in England, United Kingdom. The address of the registered office and company number are given on page 171.

These financial statements were prepared in accordance with Financial Reporting Standard 101. 'Reduced Disclosure Framework' (FRS 101). The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

As permitted by s408 (4) of the Companies Act 2006, no profit and loss account is presented for Indivior PLC. The results of the Company are included in the consolidated financial statements of Indivior PLC.

The accounting policies which follow apply to preparation of the financial statements for the year ended December 31, 2021. They have all been applied consistently throughout the year and the preceding year. The financial statements are prepared in US dollars and are rounded to the nearest million.

The exchange rates used for the translation of currencies into US dollars that have the most significant impact on the Company results were:

	2021	2020
GBP year-end exchange rate	**1.3532**	1.3651
GBP average exchange rate	**1.3763**	1.2833

1. Accounting policies

Basis of preparation

Indivior PLC (the "Company") is the Parent Company of the Indivior Group. Indivior PLC is a public limited company incorporated and domiciled in England, United Kingdom.

The Company and its subsidiaries (together, "the Group") are predominantly engaged in the development, manufacture and sale of buprenorphine-based prescription drugs for the treatment of opioid dependence, and co-occurring disorders.

The Parent Company financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the "Act") for all periods presented.

The Company is included in the Group financial statements of Indivior PLC, which are publicly available on the Company's website.

The Directors have considered the Group's and Parent Company's financial plan, in particular reference to the period through to June 2023.

As disclosed in Notes 5, 21, 22 and 23 of the Notes to the Group Financial Statements, the Group has liabilities and provisions totaling $537m (2020: $568m) for the Department of Justice (DOJ) Resolution and related matters and the Reckitt Benckiser (RB) settlement. The Directors have assessed the Group's ability to comply with the minimum liquidity covenant in the Group's debt facility, maintain sufficient liquidity to fund its operations, fulfill obligations under the DOJ resolution and RB agreement, and address the reasonably possible financial implications of the ongoing legal proceedings. The Directors have also modeled the risk that SUBLOCADE will not meet revenue growth expectations (considering a 15% decline on forecasts), an accelerated reversion to generic analogs for SUBOXONE Film, and the ongoing legal proceedings (as disclosed in Note 23) may result in reasonably possible payments as part of the Group's going concern assessment and downside scenario.

These risks were balanced against the Group's current and forecast working capital position. As a result of the factors set out above, the Directors of the Group and Parent Company have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for at least one year from the approval of these financial statements.

The Directors have given the going concern assessment due consideration and have concluded that it is appropriate to adopt the going concern basis for accounting and preparing these financial statements. The viability statement is on page 57.

1. Accounting policies continued

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a. The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-Based Payments for an ultimate parent: the share-based payment arrangement must concern its own equity instruments and its separate financial statements must be consolidated financial statements of the Group; and in both cases, this exemption requires that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.

b. The requirements of paragraphs 17 and 18 of IAS 24 Related-Party Disclosures to disclose information about key management personnel compensation and related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

c. The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to provide information about the impact of IFRSs that have been issued but are not yet effective.

d. The requirements of IAS 7 Statement of Cash Flow to prepare a cash flow statement for any qualifying entity.

e. The requirements of paragraphs 10(d), 10(f), 16, 38, 38A-D, 40A-D, 111, 134-6 of IAS 1 Presentation of Financial Statements to present:

- a cash flow statement;
- a statement of financial position and related notes at the beginning of the earliest comparative period whenever an entity applies an accounting policy retrospectively, makes a retrospective restatement, or when it reclassifies items in its financial statements;
- an explicit statement of compliance with IFRS. Indeed, FRS 101 prohibits such a statement of compliance and an FRS 101 statement of compliance is required instead; and
- information about capital and how it is managed.

New standards and amendments

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 29 and IFRS 7) Phase II and COVID-19 Related Rent Concessions (Amendments to IFRS 16) are new accounting standards that are effective from January 1, 2021 and have had no impact on the Parent Company.

Foreign currency translation

Transactions denominated in foreign currencies are translated using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Taxation

The tax charge/credit is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax liabilities are provided for in full and deferred tax assets are recognized to the extent that they are considered recoverable.

A deferred tax asset is considered recoverable if it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried-forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, and highly liquid investment with original maturities of less than three months.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of basic financial assets and liabilities, including receivables and payables and loans to and from related parties. These transactions are initially recorded at transaction price and subsequently recognized at amortized cost. See Note 17 of the Notes to the Group financial statements for more information on the Group's policies on financial instruments.

Accounting estimates and judgments

In the application of the Company's accounting policies, the Directors are required to make some estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. See Note 2 of the Parent Company financial statements for key judgments and assumptions used in assessing the carrying value of the Company's investments.

2. Investments in subsidiaries

Investments in subsidiaries are stated at the lower of cost and their recoverable amount, which is determined as the higher of fair value less cost to sell and value in use.

	2021 $m	2020 $m
At January 1	**1,437**	1,437
At December 31	**1,437**	1,437

Impairment of investments in subsidiaries

A review of the potential impairment of an investment is carried out by the Directors if events or changes in circumstances indicate that the carrying value of the investment may not be recoverable. Such impairment reviews are performed in accordance with IAS 36 Impairment of Assets. At the end of the year the Directors evaluated internal and external factors and other triggering events that may give rise to a potential impairment.

The Directors also consider the relationship between market capitalization of the Company and the carrying value of the Company's investments, among other factors, when reviewing for indicators of impairment. As at December 31, 2021, Indivior PLC's market capitalization (adjusted for net cash) was above the Company's investments in subsidiaries value of $1,437m (2020: $1,437m) indicating no impairment triggers. The Directors concluded its evaluation noting that no impairment indicators were identified.

The Directors believe that the carrying value of the investments is supported by the underlying net assets of the subsidiary. The cost of investments has been determined with reference to the nominal value of shares issued as permitted by s615 of the Act. The Directors have concluded that the investment in subsidiary balance was fully recoverable, and no impairment was required as of December 31, 2021.

2. Investments in subsidiaries continued

Subsidiaries

The subsidiaries as at December 31, 2021, all of which are included in the consolidated financial statements, are shown below, in accordance with s410 of the Act.

Name	Country of incorporation or registration and operation	Registered office	Principal activity	Effective % of share capital held by the Group
Bio-Found Limited	England and Wales	234 Bath Road, Slough, Berkshire, SL1 4EE, United Kingdom	Dormant company	Ordinary shares 100
Indivior Austria GmbH	Austria	Kärntner Ring 12, 3. Stock, 1010 Wien, Austria	Operating company	Ordinary shares 100
Indivior Belgium SRL	Belgium	De Kleetlaan 12A, 1831 Machelen, Belgium	Operating company	Ordinary shares 100
Indivior Canada Ltd	Canada	333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6, Canada	Operating company	Common shares 100
Indivior Česko s.r.o	Czech Republic	Na Prikope 988/31, Prague 1, Czech Republic	In liquidation	Ordinary shares 100
Indivior Deutschland GmbH	Germany	Hermsheimer Straße 3, 68163 Mannheim, Germany	Operating company	Ordinary shares 100
Indivior España S.L.U.	Spain	Pasceo de la Castellana, 135-planta 7a, 28406 Madrid, Spain	Operating company	Ordinary shares 100
Indivior EU Limited	England and Wales	The Chapleo Building, Henry Boot Way, Priory Park, Hull, HU4 7DY, United Kingdom	Operating company	Ordinary shares 100
Indivior Europe Limited	Ireland	27 Windsor Place, Dublin 2, Ireland	Operating company	Ordinary shares 100
Indivior Finance LLC	US*	251 Little Falls Drive, Wilmington, Delaware 19808, United States	Finance company	Common stock 100
Indivior Finance (2014) LLC	US	251 Little Falls Drive, Wilmington, Delaware 19808, United States	Holding and finance company	US $1 shares 100
Indivior Finance S.àr.l	Luxembourg	21 Fort Elizabeth, L-1463 Luxembourg	Finance company	US $100 shares 100
Indivior France SAS	France	7 Avenue de la Cristallerie, 92310 Sèvres, France	Operating company	Ordinary shares 100
Indivior Global Holdings Limited	England and Wales	234 Bath Road, Slough, Berkshire.SL1 4EE, United Kingdom	Holding and operating company	Ordinary shares 100
Indivior Hrvatska d.o.o.	Croatia	Ozaljska 136, 10 000 Zagreb, Croatia	Operating company	Ordinary shares 100
Indivior Inc.	US	251 Little Falls Drive, Wilmington, Delaware 19808, United States	Operating company	Common stock 100
Indivior Israel Ltd	Israel	6th Habanai St., Modiin, 7178365, Israel	Operating company	Ordinary shares 100
Indivior Italia S.r.l	Italy	Corso di Porta Romana 68, 20122 Milano, Italy	Operating company	Ordinary shares 100
Indivior Jersey Limited	Jersey	28 Esplanade, St Helier, Jersey, JE2 3QA, Jersey	In liquidation	Ordinary shares 100
Indivior Jersey Finance LLC	US**	251 Little Falls Drive, Wilmington, Delaware 19808, United States	Finance company	Membership interests
Indivior Jersey Finance (2021) Limited	Jersey	28 Esplanade, St Helier, Jersey, JE2 3QA, Jersey	Finance company	Ordinary shares 100
Indivior Nederland B.V.	Netherlands	Basisweg 10, 1043AP Amsterdam, Netherlands	Operating company	Ordinary shares 100
Indivior Nordics ApS	Denmark	c/o Lundgrens Advokatpartnerselskab, Tuborg Boulevard 12, 4., 2900 Hellerup, Denmark	Operating company	Ordinary shares 100
Indivior Pty Ltd	Australia	Pod B.02, Level 3, 78 Waterloo Road, Macquarie Park, NSW 2113, Australia	Operating company	Ordinary shares 100
Indivior Schweiz AG	Switzerland	Neuhofstrasse 5A, 6340, Baar, Switzerland	Operating company	Ordinary shares 100
Indivior SMTM LLC	US	251 Little Falls Drive, Wilmington, Delaware 19808, United States	Finance company	Membership interests
Indivior Solutions Inc.	US	251 Little Falls Drive, Wilmington, Delaware 19808, United States	Operating company	Common stock 100
Indivior South Africa (Pty) Ltd	South Africa	Building 21 C, Woodlands Office Park, 20 Woodlands Drive, Woodmead, 2191, South Africa	Operating company	Common stock 100
Indivior Treatment Services, Inc.	US	251 Little Falls Drive, Wilmington, Delaware 19808, United States	Operating company	Common stock 100
Indivior UK Limited	England and Wales	The Chapleo Building, Henry Boot Way, Priory Park, Hull, HU4 7DY, United Kingdom	Holding and operating company	Ordinary shares 100
Indivior UK Finance Limited	England and Wales	156 Great Charles Street, Queensway, Birmingham B3 3HN	In liquidation	Ordinary shares 100
Indivior UK Finance Lending Limited	England and Wales	156 Great Charles Street, Queensway, Birmingham B3 3HN	In liquidation	Ordinary shares 100
Indivior UK Finance No1 Limited	England and Wales	234 Bath Road, Slough, Berkshire, SL1 4EE, United Kingdom	Finance company	Ordinary shares 100
Indivior UK Finance No2 Limited	England and Wales	234 Bath Road, Slough, Berkshire, SL1 4EE, United Kingdom	Finance company	Ordinary shares 100
Indivior UK Finance No3 Limited	England and Wales	234 Bath Road, Slough, Berkshire, SL1 4EE, United Kingdom	Finance company	Company limited by guarantee
Indivior US Holdings Inc.	US	251 Little Falls Drive, Wilmington, Delaware 19808, United States	Holding company	Class A and Class B common stock 100
RBP Global Holdings Limited	England and Wales	234 Bath Road, Slough, Berkshire, SL1 4EE, United Kingdom	Holding and Finance company	Ordinary shares 100

* Indivior Finance LLC is registered in the US state of Delaware but also has a UK establishment.
** Indivior Jersey Finance LLC is registered in the US state of Delaware, but also has a principal place of business in Jersey.

With the exception of Indivior Global Holdings Limited, none of the above subsidiaries is held directly by Indivior PLC.

The following subsidiaries were dissolved or deregistered in 2021: Indivior (Beijing) Pharmaceuticals Information Consulting Co. Ltd, Indivior Finance (2015) S.àr.l, Indivior Ireland (Investments) Limited, Indivior Middle East FZ-LLC, and Indivior Portugal Unipessoal LDA. The following subsidiaries have been placed in liquidation effective in 2021: Indivior Česko s.r.o., Indivior Jersey Limited, Indivior UK Finance Limited, and Indivior UK Finance Lending Limited. The following subsidiaries were newly formed in 2021: Indivior Jersey Finance (2021) Limited and Indivior SMTM LLC.

2. Investments in subsidiaries continued

Exemption from statutory audit by parent guarantee

Certain wholly owned entities within the Group are covered by a guarantee provided by Indivior PLC. Under this guarantee, the Company guarantees all outstanding liabilities of these entities as at December 31, 2021. No liability is expected to arise under this guarantee. These entities will utilize an exemption under Section 479A of the Act from the requirement for statutory audit of the individual entity accounts. The entities covered by this guarantee are listed below.

Name	Country of incorporation or registration and operation	Registered office	Principal activity	Effective % of share capital held by the Group
Indivior Global Holdings Limited	England and Wales	234 Bath Road, Slough, Berkshire.SL1 4EE, United Kingdom	Holding and operating company	Ordinary shares 100
Indivior UK Finance No1 Limited	England and Wales	234 Bath Road, Slough, Berkshire, SL1 4EE, United Kingdom	Finance company	Ordinary shares 100
Indivior UK Finance No2 Limited	England and Wales	234 Bath Road, Slough, Berkshire, SL1 4EE, United Kingdom	Finance company	Ordinary shares 100
Indivior UK Finance No3 Limited	England and Wales	234 Bath Road, Slough, Berkshire, SL1 4EE, United Kingdom	Finance company	Company limited by guarantee

3. Deferred tax

	2021 $m	2020 $m
Deferred tax assets	**–**	5

Deferred tax assets relate primarily to share awards of $nil (2020: $5m).

4. Debtors due within one year

Debtor balances due within one year have been assessed for recoverability in accordance with IFRS 9 and no impairment was identified and thus no provision was recorded. In 2021 and 2020 there have been no credit losses.

	2021 $m	2020 $m
Amounts owed by subsidiaries	**–**	3
Corporate tax receivable	**–**	1
Prepayments and other receivables	**9**	2
Debtors due within one year	**9**	6

Amounts owed by Group undertakings are unsecured and repayable on demand.

5. Financial instruments

	2021 $m	2020 $m
Financial assets:		
Financial assets that are debt instruments measured at amortized cost	**–**	3
Financial liabilities:		
Financial liabilities that are measured at amortized cost	**(43)**	(51)

6. Creditors

	2021 $m	2020 $m
Amounts falling due after one year:		
Amounts owed to third parties	**(32)**	(40)
Amounts falling due within one year:		
Amounts owed to subsidiaries	**(2)**	(1)
Amounts owed to third parties	**(9)**	(10)
Creditors	**(43)**	(51)

Amounts owed to Group undertakings are payable within one year with a maturity date of December 2022. Amounts owed to third parties primarily relate to the settlement agreement between the Group and Reckitt Benckiser. Further information on the settlement can be found in Note 21 of the Notes to the Group financial statements.

7. Share capital and share premium

Further information on the share capital of the Company including the repurchase and cancellation of ordinary shares can be found in Note 25 of the Notes to the Group financial statements. Share premium represents additional paid in capital or paid in surplus (not distributable). All ordinary shares repurchased under the share repurchase program were canceled resulting in a transfer of the aggregate nominal value to a capital redemption reserve.

8. Share-based plans

The disclosure relating to the Company is detailed in Note 27 of the Notes to the Group financial statements.

9. Directors and employees

There were no employees of the Company during this or the previous financial year.

Details of the remuneration for the Group's key management personnel and Directors, are given in Note 7 of the Notes to the Group financial statements.

10. Auditors' remuneration

The fee charged for the statutory audit of the Company was $0.04m (2020: $0.04m). Details for the Group audit fees and non-audit fees are given in Note 6 of the Notes to the Group financial statements.

11. Related party transactions

The Company has taken advantage of the exemption within IAS 24 Related Party Disclosures not to disclose related party transactions with wholly owned subsidiaries of the Group. There were no other related party transactions.

INFORMATION FOR SHAREHOLDERS

Registered address

Indivior PLC
234 Bath Road, Slough, Berks, SL1 4EE, UK

Registered in England and Wales
(company number: 09237894)

Website: www.indivior.com

Company Secretary

Kathryn Hudson
Email: cosec@indivior.com

Registrar

Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, UK

Website: www.investorcentre.co.uk
Telephone: +44 (0) 370 707 1820

Key dates

First quarter financial results announcement	April 28, 2022
Annual General Meeting	May 5, 2022
Half year financial results announcement	July 28, 2022
Third quarter financial results announcement	October 27, 2022

Note: dates may be subject to change

Annual General Meeting ("AGM")

The AGM will be held at 11.00am on May 5, 2022 at the offices of Freshfields Bruckhaus Deringer LLP, 100 Bishopsgate, London EC2P 2SR. The Notice of Meeting, together with information regarding the business to be conducted at the meeting and results of voting, will be available on the Company's website www.indivior.com.

To the extent that the prevailing circumstances as at the date of the AGM continue to permit in person attendance, shareholders who plan to attend the meeting in person are asked not to attend if they are displaying any symptoms of COVID-19. An online facility will be made available to enable shareholders to listen to the AGM and submit questions. Shareholders are encouraged to submit their votes ahead of the meeting either by submitting a form of proxy or by voting electronically (please see the Notice of Meeting for further details regarding voting at the AGM).

Managing your shareholding

Investor centre

Investor Centre is Computershare's easy to use self-service website (www.investorcentre.co.uk) through which shareholders can do the following:

- amend personal details;
- view payment and tax information;
- register for eComms; and
- view share balances.

eComms

Our Registrar, Computershare Investor Services PLC, is responsible for sending shareholder communications and documents to you as well as handling any queries you may have.

We encourage you to join the growing number of our shareholders who receive shareholder communications and documents electronically, in place of receiving paper copies by mail. By registering for eComms you will receive information by email quickly and efficiently and help us to reduce both our environmental impact and our costs.

Visit www.investorcentre.co.uk/eComms to register for the eComms service, or alternatively contact Computershare by using one of the methods outlined on the "Contact Us" page. By registering you will receive an email to let you know when and how to access shareholder documents online.

Shareholders who receive eComms are entitled to request hard copy shareholder documents at any time free of charge and can also revoke their consent to receive eComms at any time.

Dividends

The Board have determined that it does not anticipate the payment of dividends for the foreseeable future. The Directors are of the view that the dividend policy remains appropriate for the Group considering its current financial position and strategy.

Dealing in Indivior securities

Ordinary shares

The Company has ordinary shares admitted to the Official List of the Financial Conduct Authority and traded on the London Stock Exchange, a regulated market. Live trading data for the Company's ordinary shares can be accessed through www.indivior.com/en/investors/share-price-and-tools, or via the London Stock Exchange's website www.londonstockexchange.com.

Shareholders wishing to sell or purchase shares in the Company may do so through a bank or a stockbroker. Alternatively, please go to www.computershare.com/dealing/uk for a range of dealing services made available by Computershare.

Boiler room scams

Shareholders are advised to be wary of any offers of unsolicited investment advice or offers of free company or research reports. These are typically from overseas brokers, who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK securities.

If you receive any unsolicited investment advice you should firstly obtain the name of the person and organization and check that they are properly authorized by the Financial Conduct Authority before getting involved, by visiting www.fca.org.uk/register.

Using an unauthorized firm to buy or sell shares or other securities will prohibit access to the Financial Ombudsman Service or Financial Services Compensation Scheme.

Shareholder analysis

Analysis of shareholder bands at December 31, 2021

Range	No. of Shareholders	%	No. of Shares[(i)]	%
1 - 1,000	8,548	76.95	2,685,625	0.38
1,001 - 5,000	1,862	16.76	3,747,016	0.53
5,001 - 10,000	194	1.75	1,379,522	0.20
10,001 - 100,000	259	2.33	8,620,238	1.23
100,001 - 999,999,999	245	2.21	686,007,237	97.66
Total	**11,108**	**100%**	**702,439,638**	**100%**

Analysis of shareholder categories as at December 31, 2021

	Holdings	%	No. of Shares[(i)]	%
Individuals	10,018	90.19	9,227,566	1.31
Bank or nominees	967	8.71	526,675,523	74.98
Investment trust	13	0.12	25,840	0.00
Insurance company	2	0.02	12,492	0.00
Other company	80	0.72	23,290,628	3.32
Pension trust	2	0.02	6,501	0.00
Other corporate body	26	0.22	143,201,088	20.39
Total	**11,108**	**100%**	**702,439,638**	**100%**

(i) 256,055 ordinary shares purchased as part of the share repurchase program were cancelled in January 2022. These shares are included in the total number of shares detailed above.

American Depositary Receipts

In addition to having its securities listed on the London Stock Exchange, Indivior sponsors a Level 1 American Depositary Receipt (ADR) program in the US. The ADRs are publicly traded on a US over-the-counter market, under symbol INVVY; the value of one Indivior ADR corresponds to the value of five ordinary shares of the Company. Please note that with effect from Monday December 2, 2019 the ADR Program was closed to new issuances.

For questions related to Indivior's ADR Program, please contact Equiniti Shareowner Services (see details) or visit the J.P. Morgan Depositary Receipts Services website at www.adr.com.

JPMorgan Chase Bank, N.A.
383 Madison Avenue, Floor 11
New York, NY 10179, US

ADR Holders can contact:
Equiniti Shareowner Services
P.O. Box 64874, St. Paul, MN 55164-0874, US

Delivery of ADR Certificates and overnight mail:
Equinti Shareowner Services 1110
Centre Point Curve, Suite 101
Mendota Heights, MN 55120, US

General enquiries:
In the US: +1 (800) 990 1135
Hearing impaired: +1 (866) 700 1652
Outside the US: +1 (651) 453 2128
www.shareowneronline.com/informational/contact-us

ShareGift

We support ShareGift, a charity share donation scheme (registered charity number: 1052686).

Through ShareGift, shareholders with only a very small number of shares, which might be considered uneconomic to sell, are able to donate them to charity.

Donated shares are aggregated and sold by ShareGift, the proceeds being passed on to a wide range of UK registered charities.

Please contact ShareGift with any queries or for further information using the details below or visit the ShareGift website at www.sharegift.org.

Email: help@sharegift.org
Telephone: +44 (0)20 7930 3737
Address: PO Box 72253, London, SW1P 9LQ.

Disclaimer

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.

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INDIVIOR®

Focus on you.

Our name is iconic

Our name is iconic of the individual patient's journey to reclaim life from the disease of addiction and our endeavor to address patients' unmet needs.

Our logo radiates our patient-focused, holistic approach to expanding access to evidence-based treatment for addiction worldwide.