May 14, 2020

Q1 2020 Results Announced

Quarter to March 31	2020 $m	2019 $m	% change at actual FX	% change at constant FX
Net Revenue	**153**	238	-36%	-35%
Operating (Loss)/Profit	**(189)**	75	NM	NM
Net (Loss)/Income	**(163)**	66	NM	NM
EPS (cents per share)	**(22)**	9	NM	NM
Adjusted Operating Profit*	**3**	102	NM	NM
Adjusted Net (Loss)/Income*	**(3)**	89	NM	NM
Adjusted EPS* (cents per share)	**-**	12	NM	NM

* ***Adjusted (Adj.) basis excludes the impact of exceptional items as referenced in Notes 3 and 4.*** *NM: Not Meaningful.*

This Release Contains Inside Information.

The Group increased its provision for investigative and antitrust litigation matters to $621m (previously $438m). Because these matters are in various stages, it is not possible for Indivior to predict with any certainty the potential impact of this litigation or to quantify the ultimate cost of a verdict or resolution, but it could have a material impact on the Group. The Group cannot predict with any certainty whether it will reach an ultimate resolution with the Department of Justice or any or all of the parties to the other matters referred to under the Litigation Update. Please see Notes 9 and 11 beginning on page 22 for further details on legal proceedings and any related provisions.

FY 2020 Guidance

On April 8, 2020 Indivior withdrew its FY 2020 guidance in the face of COVID-19 uncertainty. The Company does not expect to be in a position to provide revised guidance until it has greater clarity regarding the duration and extent of the market disruptions from the COVID-19 pandemic.

Comment by Shaun Thaxter, CEO of Indivior PLC

"Indivior's performance in Q1 was in-line with our expectations as we executed against our strategy. However, at the end of the quarter, we experienced an abrupt change in market conditions as the COVID-19 pandemic began to take effect. Our priorities in this challenging period are to put our people and patients first, to maintain supplies of our medicines to those that need them most and to plan for the potential impacts of COVID-19 across our business. Cash preservation will also remain a key element of our near-term strategy, and as part of our COVID-19 response the Executive Committee has decided that its members will forgo any bonus payment for 2020 associated with the Group's Annual Incentive Bonus Plan (AIP). We continue to actively mitigate enterprise risk, including our ongoing efforts to settle outstanding litigation, for which we took a further provision, and by making further investments in our internal compliance and processes to reflect the new working practices. As we navigate the challenges posed by this global public health crisis, we remain committed to our Vision and patient-focused strategy on behalf of all stakeholders."

Q1 2020 Financial Highlights

- Total net revenue of $153m declined 36% (-35% at constant currency). U.S. net revenue declined 48% as SUBOXONE® (buprenorphine and naloxone) Film share loss (which was at lower rates than analogues[1]) and the absence of net revenue contribution from the Group's authorized buprenorphine/naloxone generic film program was partially offset by an increase in the underlying growth rate in the oral medication-assisted treatment (MAT) market in the U.S. due to the effects of the COVID-19 pandemic (see "U.S. Market Update" on page 3) and by increased net revenue from SUBLOCADE® (buprenorphine extended-release) injection (Q1 2020: $29m; Q1 2019: $11m). Rest of World net revenue improved 26% primarily due to a prior year one-time net revenue adjustment in Canada and modest volume growth in Australia.

(1) IMS Institute Report, January 2016, "Price Declines after Branded Medicines Lose Exclusivity in the U.S."

- Reported operating loss was $189m (Q1 2019 operating profit: $75m). Adjusted operating profit was $3m (Adj. Q1 2019 operating profit: $102m). The adjusted operating profit reflects lower overall net revenue as well as increased operating expenses (SG&A and R&D combined), principally promotional expenses for SUBLOCADE and legal expenses related to the Department of Justice (DOJ) matter.
- Net loss was $163m (Q1 2019 net income: $66m). Adjusted net loss was $3m (Adj. Q1 2019 net income: $89m), reflecting lower net revenue and increased operating expenses partially offset by tax benefits.
- Cash balance at the end of Q1 was $912m (FY 2019: $1,060m). Net cash was $674m (FY 2019: $821m). The lower cash balances primarily reflect the negative net working capital impact associated with the timing of payables related to Film share loss in government programs.

Q1 2020 Operating Highlights

- U.S. buprenorphine market growth improved to a low teens rate, primarily led by Government channels (see "U.S. Market Update" on page 3 for more detail).
- SUBOXONE Film market share averaged and exited at 22% (Q1 2019 avg. of 48% and exit of 40%). Share erosion continues to be lower than historical industry analogues[1].
- SUBLOCADE net revenue of $29m (Q1 2019: $11m); total SUBLOCADE units dispensed were 23,400 (+19% vs. Q4 2019; +148% vs. Q1 2019). PERSERIS® (risperidone) extended release injection net revenue of $3m.
- COVID-19 pandemic resulted in sharp reduction beginning in mid-March in patient enrollments for SUBLOCADE and PERSERIS, while SUBOXONE Film continued to show relative market share strength.
- SUBUTEX® prolonged-release solution for injection (100mg and 300mg) approved in Sweden for the treatment of opioid dependence; marks Indivior's first approval of monthly long-acting buprenorphine treatment for opioid dependence in Europe; treatment expected to be available in Q1 2021.
- Positive opinion adopted by the European Committee for Medicinal Products for Human Use (CHMP) on Marketing Authorization Application for SUBOXONE® Film.
- SUBLOCADE (buprenorphine extended-release injection) listed for reimbursement in Canada; SUBLOCADE (buprenorphine modified release solution for injection) listed for reimbursement in Australia.

COVID-19 Response: Prioritizing our People and Patients and Preparing for the Future

Indivior is committed to the safety and well-being of its global employee base, ensuring that patients around the world continue to have access to treatment and building a strong foundation for future growth. To that end, the Group has taken the following actions:

Employees

- Heeding recommended actions by local government and health organizations across the world to contain the spread of COVID-19 and asking employees, other than essential supply manufacturing employees, to work remotely.
- Providing access to resources, tools and training on topics including wellness and remote working.
- Making available free access to employee assistance programs covering legal, parenting, elder care, childcare and mental health support.
- Continuing to practice compliance with all regulatory and safety standards where we conduct business.
- Assessing on a regular basis our global operations on a location by location basis and following the advice of local governments and health organizations to determine when to return each location to business.

Patients

- Ensuring all patients have access to their treatment, including working to comply with the recommended "safety-stock" guidelines across global locations.
- Working closely with key supplier and distribution partners to help ensure continuity of supply of all treatments for opioid use disorder (OUD) and schizophrenia.

(1) IMS Institute Report, January 2016, "Price Declines after Branded Medicines Lose Exclusivity in the U.S."

- Continuing to manufacture buprenorphine at the Group's wholly-owned fine chemical plant.
- Voluntarily producing personal protection equipment (PPE) in the UK for the COVID-19 response effort.

Operational Discipline

- Actively monitoring the dynamic situation and evaluating the ongoing impacts of the COVID-19 pandemic outbreak on its business and operations.
- Preparing business intervention plans to effect if it is deemed necessary, including delaying or reducing capital expenditures that do not compromise regulatory and safety compliance, as well as managing operating expenses across all key areas of spending. As part of its response, the Executive Committee has decided that its members will forgo any bonus payment for 2020 associated with the Group's Annual Incentive Bonus Plan (AIP).
- Preserving the Group's strong balance sheet to ensure liquidity through the COVID-19 pandemic and the ability to accelerate business activity when conditions normalize.
- Throughout these changes to our working practices we have reviewed and adjusted our corporate compliance program to ensure that ethics and standards are maintained.

Department of Justice Action

- On April 9, 2019, a federal grand jury in the Western District of Virginia indicted Indivior PLC and Indivior Inc. on charges of health care 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. DOJ is seeking to recover $3 billion in monetary forfeitures and all assets derived from the commission of the alleged offenses. Indivior believes it has strong defences to the government's charges and will vigorously defend itself. On August 14, 2019, in response to Indivior's Motion to Dismiss the original indictment, DOJ obtained a Superseding Indictment that did not add to or change the charges, but changed certain factual allegations. On November 14, 2019, the Court denied the Motion to Dismiss the original indictment, and on December 19, 2019, Indivior filed a Motion to Dismiss the superseding indictment. On March 31, 2020, the Court denied the Motion to Dismiss the Superseding Indictment.
- The parties entered into an Agreed First Protective Order on February 26, 2020; please see Note 11 for further information.
- The Group increased its provision for investigative and antitrust litigation matters, primarily related to the DOJ, to $621m (previously $438m). The Group determined it was prudent to increase the provision related to these matters to reflect their current status and represents the Group's revised best estimate in accordance with IFRS. Because these matters are in various stages, it is not possible for Indivior to predict with any certainty the potential impact of this litigation or to quantify the ultimate cost of a verdict or resolution, but it could have a material impact on the Group. The Group cannot predict with any certainty whether it will reach an ultimate resolution with the Department of Justice or any or all of the parties to the other matters referred to under the Litigation Update. Please see Notes 9 and 11 beginning on page 22 for further details on legal proceedings and any related provisions.

Operating Review

U.S. Market Update

In Q1 2020, growth of the U.S. market for buprenorphine medication-assisted treatment (BMAT) products increased to a low-teens rate. More recently, BMAT growth has reached mid-teen levels. The increased BMAT growth rate in both the quarter and in the more recent period were primarily driven by an increase in the underlying growth rate in the oral medication-assisted treatment (MAT) market in the U.S. due to the effects of the COVID-19 pandemic. The increase may reflect several new federal and state government actions recently implemented to facilitate access to MAT, including counselling, for patients suffering from OUD in light of the COVID-19 pandemic and social distancing requirements. For example, the Drug Enforcement Administration

(DEA), jointly with the Substance Abuse and Mental Health Services Administration (SAMHSA), are allowing healthcare providers to initiate and continue buprenorphine treatment by telemedicine and telephone. The Group is uncertain how long the elevated BMAT growth rate will continue, but anticipates the underlying growth rate will revert to the previously observed low double-digit growth rate.

Underlying market volume growth continues to benefit both from increased overall public awareness of the opioid epidemic and approved treatments, and from regulatory and legislative changes that have expanded OUD treatment funding and treatment capacity. States are also realizing that, while providing treatment brings substantial value to both patients and society, BMAT remains under-utilized[1].

In response, both the number of physicians who have received a waiver to administer MAT and those able to treat to the permitted level of 275 patients continued to grow in the first quarter of 2020. The number of nurse practitioners and physician assistants who have received a waiver also continued to grow in the first quarter of 2020. Indivior supports efforts to encourage more eligible healthcare practitioners to provide treatment, and the Group continues to resource its compliance program to meet the growing number of BMAT prescribers and patients.

On February 19, 2019, the market for generic buprenorphine/naloxone film products began to form rapidly after the Court of Appeals for the Federal Circuit (CAFC) vacated the preliminary injunction (PI) granted to Indivior against Dr. Reddy's Laboratories (DRL) and Alvogen Pine Brook LLC (Alvogen).

As a result of the launch of generic buprenorphine/naloxone film products, branded SUBOXONE Film experienced significant market share loss in 2019, albeit at a lower rate than suggested by historical industry analogues[2]. SUBOXONE Film market share exiting the first quarter of 2020 was 22% compared to first quarter 2019 exit share of 40%. Overall formulary access for SUBOXONE Film remains above expectations at this point in the lifecycle of the treatment. However, Indivior prudently assumes the pace of market share loss will intensify for SUBOXONE Film, ultimately resulting in a branded market share position in-line with industry analogues[2]. However, the exact timing for reaching this level is uncertain at this point.

In Q4 2019, the Group terminated its authorized generic (AGx) buprenorphine/naloxone sublingual film program with Sandoz. Final shipments of Indivior-produced AGx film were made in Q4 2019, which Sandoz continued to market during Q1 2020. The termination of the AGx program has not affected availability of branded or generic buprenorphine/naloxone sublingual film.

Financial Performance in Q1 2020

Total net revenue in Q1 2020 decreased 36% to $153m (Q1 2019: $238m) at actual exchange rates (-35% at constant exchange rates).

U.S. net revenue decreased 48% to $105m (Q1 2019: $200m). Growth in the overall U.S. BMAT market improved to a low-teens rate as discussed above ("U.S. Market Update"). Underlying market strength and SUBLOCADE net revenue growth to $29m (Q1 2019: $11m) were more than offset by SUBOXONE Film share loss due to generic buprenorphine/naloxone film alternatives (launched in Q1 2019) and the absence of net revenue contribution from the AGx film program that was terminated in October 2019.

Rest of World net revenue increased 26% at actual exchange rates to $48m (Q1 2019: $38m) (+31% at constant exchange rates). Rest of World net revenue improved primarily due to a prior year one-time net revenue adjustment in Canada and modest volume growth in Australia.

(1) JAMA Network Open. 2019;2(6):e196373. Doi:10.1001/jamanetworkopen.2019.6373
(2) IMS Institute Report, January 2016, "Price Declines after Branded Medicines Lose Exclusivity in the U.S."

Gross margin was 85% (Q1 2019: 84%). On an adjusted basis, excluding $7m of exceptional cost of sales related to inventory provisions due to the adverse impact of COVID-19, gross margin was 90%. The gross margin improvement reflects a more favourable product mix, primarily due to discontinuation of the AGx film.

SG&A expenses as reported were $309m (Q1 2019: $114m). Q1 2020 SG&A included exceptional costs of $185m. The exceptional costs comprised of $183m related to the Department of Justice (DOJ) matter and $2m for restructuring-related lease impairments. Q1 2019 SG&A expenses included exceptional costs of $27m. The exceptional costs comprised of $19m primarily related to restructuring actions and $8m related to potential redress for ongoing intellectual property litigation.

On an adjusted basis, Q1 2020 SG&A expenses increased 43% to $124m (Q1 2019: $87m). The increase largely reflects increased SUBLOCADE marketing expenses, mainly the continuation through Q1 2020 of the U.S. national DTC (direct-to-consumer) television advertising campaign launched in Q4 2019, as well as increased legal expenses related to the pending trial for the DOJ matter (rescheduled to begin September 28, 2020).

R&D expenses decreased to $10m (Q1 2019: $12m). Investments and activity related to SUBLOCADE Health Economics and Outcomes Research (HEOR) and post-marketing study commitments for SUBLOCADE and PERSERIS remain on track.

Operating loss as reported was $189m (Q1 2019 op. profit: $75m). Exceptional costs of $192m are included in the Q1 2020 results (Q1 2019: $27m). On an adjusted basis, Q1 2020 operating profit was $3m versus $102m in Q1 2019. The decrease primarily reflects the decline in revenue combined with increased operating expenses (principally SG&A) related to planned promotional initiatives for SUBLOCADE (primarily the DTC campaign) and to higher legal expenses related to the pending trial for the DOJ matter.

Net finance expense in the quarter was $2m (Q1 2019 income: $2m). The expense primarily reflects lower interest income on the Group's cash balance due to lower short-term interest rates versus the year-ago period.

Tax benefit in the quarter was $28m at a rate of 15% (Q1 2019 tax charge: $11m, 14%). On an adjusted basis, Q1 2020 tax was a $4m expense at a non-meaningful rate which excludes $32m of tax benefits on exceptional costs (Q1 2019: $15m, 14%).

Net loss was $163m (Q1 2019 net income: $66m), and $3m on an adjusted basis excluding the $160m after-tax impact from exceptional items (Q1 2019 net income: $89m).

Loss per share was 22 cents and nil on an adjusted basis (Q1 2019 EPS: 9 cents and 12 cents on an adjusted basis).

Balance Sheet & Cash Flow

Cash and cash equivalents at the end of Q1 2020 were $912m (FY 2019: $1,060m). Borrowings, net of issuance costs, were $236m at the end of Q1 2020 (FY 2019: $237m). As a result, net cash stood at $674m at the end of Q1 2019 (FY 2019: $821).

Net working capital (inventory plus trade and other receivables, less trade and other payables) was negative $236m at the end of Q1 2020 versus negative $323m at the end of FY 2019. The $87m decline was primarily driven by a decrease in sales returns and rebates in the U.S. within payables and a reduction in accrual levels partially offset by a decrease in trade and other receivable balances.

Cash used in operations in Q1 2020 was $141m (Q1 2019 cash generated: $101m), an increased use of cash of $242m primarily due to lower revenues and trade receivables in the period exacerbated by timing of payments of sales rebates and other payables. Net cash outflow from operating activities was $146m in the quarter (Q1 2019 net cash inflow: $135m) reflecting the lower cash from operating activities and tax payments in the quarter.

Q1 2020 cash outflow from investing activities was nil (Q1 2019: $2m). The prior year outflow related to the purchase of property, plant and equipment.

Q1 2020 cash outflow from financing activities was $3m (Q1 2019: $3m), reflecting the principal portion of lease payments and the quarterly amortisation on the term loan facility partially offset by proceeds from issuance of shares to satisfy the vesting of options under an employee stock purchase plan.

R&D / Pipeline Update

Indivior's quarterly R&D and pipeline update may be found at: http://www.indivior.com/research-and-development/

Risk Factors

The Group utilizes a formal process to identify, evaluate and manage significant risks. The Directors have reviewed the principal risks and uncertainties for the remainder of 2020 financial year. In addition to the principal risks and uncertainties affecting the business activities, detailed on pages 41 to 44 of the Indivior PLC Annual Report 2019, the emergence of the COVID-19 and government measures to address the global pandemic have resulted in business pressures and disruptions across industries worldwide, and corresponding risks to the Group's business and operations.

In response to COVID-19, the Group has implemented a number of mitigation and contingency actions to help maintain the supply of all products to our patients and the welfare of our employees, including mandating our global workforce, other than essential supply manufacturing employees, to work remotely (for more details refer to the aforementioned section "COVID-19 Response: Prioritizing our People and Patients and Preparing for the Future" of this press release).

The pandemic could restrict our operations and adversely impact our broad supply chain (i.e., "supply to patient delivery" process), if we have to experience a significant absence of our employees and/or employees at our critical partners and vendors because of the infection and/or the government containment measures. The Group has not experienced any material disruptions to its supply chain through the date of this report.

Although the Group had cash and cash equivalents of $912 million (net cash of $674 million) as of March 31, 2020 and COVID-19 has not had a material financial impact on the Group to date, the Group has observed a meaningful decline in patient enrollments for both SUBLOCADE and PERSERIS injections. The pandemic has likely resulted in fewer patient visits to healthcare provider offices for non-COVID-19 reasons, as patients become unable or unwilling to make visits due to overburdened healthcare systems, safety concerns, quarantines or other travel restrictions. In addition, the Group's commercial organization is unable to engage in-person with healthcare professionals (HCPs) and Organized Health Systems (OHS) – an important element of the Group's growth strategy – while remote working requirements are in place. A potential significant decline in patient enrollments and the inability to effectively engage with HCPs and OHS could have a negative impact on the Group's financial results in future periods.

Given the evolving and dynamic nature of the COVID-19 pandemic, and uncertainty surrounding the duration of measures designed to mitigate its spread, the impact on the Group's operations and financial position is highly uncertain and cannot be predicted with confidence. The developments in relation to COVID-19 are under constant review to ensure our mitigation and contingency actions are appropriate, proportionate and as effective as possible. However, despite the measures the Group has taken, if the pandemic adversely affects Indivior's operations and/or performance, it will have a heightened effect on many of the risks described beginning on page 41 of the Annual Report 2019, specifically those relating to business operations, the execution of the commercial strategy, the manufacturing and supply of products, as well as the delivery of and reliance on third-party products and services.

In preparation for the UK's exit from the European Union (Brexit), The Group has been proactive in taking necessary actions should a hard Brexit/no-deal occurred. We are continuing to review our plans (e.g., increasing safety stocks) and potential impacts on our operations, as negotiations and regulations develop and be prepared for all foreseeable outcomes at the end of the expected transition period on December 31, 2020.

Other than in respect to the above, the Directors consider the principal risks and uncertainties which could have a material impact on the Group's performance for the rest of the year remain the same as described on pages 41 to 44 of the Annual Report 2019. These include:

Business Operations

The Group's operations rely on complex processes and systems, strategic partnerships, as well as specially qualified and high performing personnel to develop, manufacture and sell our products. Failure to continuously maintain operational processes and systems as well as to recruit and/or retain qualified personnel could adversely impact products availability and patient health, and ultimately the Group's performance and financials. Additionally, an ever evolving regulatory, political and technological landscape requires that we have the right priorities, capabilities and structures in place to successfully execute on our business strategy and adapt to this changing environment. The finishing of our SUBOXONE and SUBUTEX tablets for all our European markets is manufactured by a third-party contract manufacturer located in the UK. The Group has been proactive in taking appropriate actions since the referendum should a hard Brexit/no-deal occurred, including changes to logistics, shipping, and quality testing and release processes, as well as transfer of regulatory licenses and additional inventory builds. Uncertainties of the impact of Brexit on our operations remain a risk closely monitored as it impacts various areas of the Group, including Operations, Regulatory, Supply Chain, and Quality.

Product Pipeline, Regulatory & Safety

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

Commercialization

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

Economic & Financial

The nature of the pharmaceutical business is inherently risky and uncertain and requires that we make significant financial investments to develop and support the success of our product portfolio. Generating cash flow and external financing are key factors in sustaining our financial position, developing our product pipeline and, expanding our business growth. Our ability to realize value on those investments is often dependent upon regulatory approvals, market acceptance, strategic partnerships, competition, and legal developments. Unfavorable outcome from government resolutions and/or from legal proceedings (including the Western District of Virginia Indictment), as well as potential exclusion from participating in US Federal Health Care Programs may negatively impact our financial position and therefore, our ability to comply with our debt covenants. As a global business, we are also subject to political, economic, and capital markets changes.

Supply Chain

The manufacturing and supply of our products are highly complex and rely on a combination of internal manufacturing capabilities and third parties for the timely supply of our finished drug and combination drug products. The Group has a single source of supply for buprenorphine, an active pharmaceutical ingredient (API) in most of the Group's products and uses contract manufacturing organizations (CMOs) to manufacture, package and distribute our products. The manufacturing of non-sterile pharmaceutical and sterile filled, pharma/medical device combination drug products is subject to stringent global regulatory quality and safety standards, including Good Manufacturing Practice (GMP). 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 to lead to product recalls, and/or potential regulatory actions against the Group, along with potential reputational damages.

Legal & Intellectual Property

Our pharmaceutical operations, which include controlled substances, are subject to a wide range of laws and regulations from various governmental and non-governmental bodies. Perceived noncompliance with these applicable laws and regulations

may result in investigations or proceedings leading the Group to become subject to civil or criminal sanctions and/or pay fines and/or damages, as well as reputational damages. Intellectual Property (IP) rights protecting our products may be challenged by external parties, including generic manufacturers. Although we have developed robust patent protection for our products, we are exposed to the risk that courts may decide that our IP rights are invalid and/or that third parties do not infringe our asserted IP rights. Unfavorable outcome from government investigations and/or resolutions from legal proceedings (including the Western District of Virginia Indictment), expiry and/or loss of IP rights could have a material adverse impact on the Group's prospects, results of operations and financial condition, including potential exclusion from participating in US Federal Health Care Programs. As previously disclosed in the Prospectus dated November 17, 2014, Indivior has indemnification obligations in favor of Reckitt Benckiser (RB) (page 43). Some of these indemnities are unlimited in terms of amount and duration and amounts potentially payable by the Group pursuant to such indemnity obligations could be significant and could have a material adverse effect on the Group's business, financial condition and/or operating results. Requests for indemnification may be subject to legal challenge.

Compliance

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

The Group's Annual Report for the 2019 financial year contains additional details on these principal business risks.

Exchange Rates

The average and period end exchange rates used for the translation of currencies into U.S. dollars that have most significant impact on the Group's results were:

	Q1 2020	Q1 2019
GB £ period end	1.2460	1.3219
GB £ average rate	1.2820	1.3019
€ Euro period end	1.1143	1.1254
€ Euro average	1.1026	1.1360

Webcast Details

There will be a webcast today (May 14, 2020) at 1:00 PM GMT (8:00 am EDT) hosted by Shaun Thaxter, CEO. The details are below. All required materials are available on the Group's website at www.indivior.com.

Webcast link: *https://edge.media-server.com/mmc/p/b49br8wm*

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This announcement does not constitute an offer to sell, or the solicitation of an offer to subscribe for or otherwise acquire or dispose of shares in the Group to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation.

Forward-Looking Statements

This announcement contains certain statements that are forward-looking. By their nature, forward-looking statements involve risks and uncertainties as they relate to events or circumstances that may or may not occur in the future. Actual results may differ materially from those expressed or implied in such statements because they relate to future events. Forward-looking statements include, among other things, statements regarding the Indivior Group's financial guidance for 2020, if any, and its medium- and long-term growth outlook, its operational goals, its product development pipeline and statements regarding ongoing litigation and other statements containing the words "subject to", "believe", "anticipate", "plan", "expect", "intend", "estimate", "project", "may", "will", "should", "would", "could", "can", the negatives thereof, variations thereon and similar expressions.

Various factors may cause differences between Indivior's expectations and actual results, including, among others (including those described in the risk factors described in the most recent Indivior PLC Annual Report and in subsequent releases): factors affecting sales of Indivior Group's products and financial position; the outcome of research and development activities; decisions by regulatory authorities regarding the Indivior Group's drug applications or authorizations; the speed with which regulatory authorizations, pricing approvals and product launches may be achieved, if at all; the outcome of post-approval clinical trials; competitive developments; difficulties or delays in manufacturing and in the supply chain; disruptions in or failure of information technology systems; the impact of existing and future legislation and regulatory provisions on product exclusivity; trends toward managed care and healthcare cost containment; legislation or regulatory action affecting pharmaceutical product pricing, reimbursement or access; challenges in the commercial execution; claims and concerns that may arise regarding the safety or efficacy of the Indivior Group's products and product candidates; risks related to legal proceedings, including the indictment by the U.S. Department of Justice, potential exclusion from participating in U.S. Federal Health Care Programs; the ongoing investigative and antitrust litigation matters; the opioid national multi-district litigation and securities class action litigation; the Indivior Group's ability to protect its patents and other intellectual property; the outcome of patent infringement litigation relating to Indivior Group's products, including the ongoing ANDA lawsuits; changes in governmental laws and regulations; issues related to the outsourcing of certain operational and staff functions to third parties; risks related to the evolving COVID-19 pandemic and the potential impact of COVID-19 on the Indivior Group's operations and financial condition, which cannot be predicted with confidence; uncertainties related to general economic, political, business, industry, regulatory and market conditions; and the impact of acquisitions, divestitures, restructurings, internal reorganizations, product recalls and withdrawals and other unusual items.

Consequently, forward-looking statements speak only as of the date that they are made and should be regarded solely as our current plans, estimates and beliefs. You should not place undue reliance on forward-looking statements. We cannot guarantee future results, events, levels of activity, performance or achievements. Except as required by law, we do not undertake and specifically decline any

obligation to update, republish or revise forward-looking statements to reflect future events or circumstances or to reflect the occurrences of unanticipated events.

SUBOXONE® (BUPRENORPHINE AND NALOXONE) SUBLINGUAL FILM (CIII)

Indication

SUBOXONE (buprenorphine and naloxone) Sublingual Film (CIII) is a prescription medicine indicated for treatment of opioid dependence and should be used as part of a complete treatment plan to include counseling and psychosocial support.

Treatment should be initiated under the direction of healthcare providers qualified under the Drug Addiction Treatment Act.

Important Safety Information

Do not take SUBOXONE Film if you are allergic to buprenorphine or naloxone as serious negative effects, including anaphylactic shock, have been reported.

SUBOXONE Film can be abused in a manner similar to other opioids, legal or illicit.

SUBOXONE Film contains buprenorphine, an opioid that can cause physical dependence with chronic use. Physical dependence is not the same as addiction. Your healthcare provider can tell you more about the difference between physical dependence and drug addiction. Do not stop taking SUBOXONE Film suddenly without talking to your healthcare provider. You could become sick with uncomfortable withdrawal symptoms because your body has become used to this medicine.

SUBOXONE Film can cause serious life-threatening breathing problems, overdose and death, particularly when taken by the intravenous (IV) route in combination with benzodiazepines or other medications that act on the nervous system (i.e., sedatives, tranquilizers, or alcohol). It is extremely dangerous to take nonprescribed benzodiazepines or other medications that act on the nervous system while taking SUBOXONE Film.

You should not drink alcohol while taking SUBOXONE Film, as this can lead to loss of consciousness or even death.

Death has been reported in those who are not opioid dependent.

Your healthcare provider may monitor liver function before and during treatment.

SUBOXONE Film is not recommended in patients with severe hepatic impairment and may not be appropriate for patients with moderate hepatic impairment. However, SUBOXONE Film may be used with caution for maintenance treatment in patients with moderate hepatic impairment who have initiated treatment on a buprenorphine product without naloxone.

Keep SUBOXONE Film out of the sight and reach of children. Accidental or deliberate ingestion of SUBOXONE Film by a child can cause severe breathing problems and death.

Do not take SUBOXONE Film before the effects of other opioids (e.g., heroin, hydrocodone, methadone, morphine, oxycodone) have subsided as you may experience withdrawal symptoms.

Injecting the SUBOXONE Film product may cause serious withdrawal symptoms such as pain, cramps, vomiting, diarrhea, anxiety, sleep problems, and cravings.

Before taking SUBOXONE Film, tell your healthcare provider if you are pregnant or plan to become pregnant. If you are pregnant, tell your healthcare provider as withdrawal signs and symptoms should be monitored closely and the dose adjusted as necessary. If you are pregnant or become pregnant while taking SUBOXONE Film, alert your healthcare provider immediately and you should report it using the contact information provided below.

Opioid-dependent women on buprenorphine maintenance therapy may require additional analgesia during labour.

Neonatal opioid withdrawal syndrome (NOWS) is an expected and treatable outcome of prolonged use of opioids during pregnancy, whether that use is medically authorized or illicit. Unlike opioid withdrawal syndrome in adults, NOWS may be life-threatening if not recognized and treated in the neonate. Healthcare professionals should observe newborns for signs of NOWS and manage accordingly.

Before taking SUBOXONE Film, talk to your healthcare provider if you are breastfeeding or plan to breastfeed your baby. The active ingredients of SUBOXONE Film can pass into your breast milk. You and your healthcare provider should consider the development and health benefits of breastfeeding along with your clinical need for SUBOXONE Film and should also consider any potential adverse effects on the breastfed child from the drug or from the underlying maternal condition.

Do not drive, operate heavy machinery, or perform any other dangerous activities until you know how SUBOXONE Film affects you. Buprenorphine in SUBOXONE Film can cause drowsiness and slow reaction times during dose-adjustment periods.

Common side effects of SUBOXONE Film include nausea, vomiting, drug withdrawal syndrome, headache, sweating, numb mouth, constipation, painful tongue, redness of the mouth, intoxication (feeling lightheaded or drunk), disturbance in attention, irregular heartbeat, decrease in sleep, blurred vision, back pain, fainting, dizziness, and sleepiness.

This is not a complete list of potential adverse events associated with SUBOXONE Film. Please see full Prescribing Information www.suboxoneREMS.com for a complete list.

*To report pregnancy or side effects associated with taking SUBOXONE Film, please call 1-877-782-6966. You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch or call 1-800-FDA-1088

For more information about SUBOXONE Film, SUBOXONE (buprenorphine and naloxone) Sublingual Tablets (CIII), or SUBUTEX® (buprenorphine) Sublingual Tablets (CIII), please see the respective full Prescribing Information and Medication Guide at www.suboxoneREMS.com.

SUBLOCADE® (BUPRENORPHINE EXTENDED-RELEASE) INJECTION FOR SUBCUTANEOUS USE (CIII)

INDICATION AND HIGHLIGHTED SAFETY INFORMATION

INDICATION

SUBLOCADE 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 counselling 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.**

HIGHLIGHTED SAFETY INFORMATION

Prescription use of this product is limited under the Drug Addiction Treatment Act.

CONTRAINDICATIONS

SUBLOCADE should not be administered to patients who have been shown to be hypersensitive to buprenorphine or any component of the ATRIGEL® delivery system.

WARNINGS AND PRECAUTIONS

Addiction, Abuse, and Misuse: SUBLOCADE contains buprenorphine, a Schedule III controlled substance that can be abused in a manner similar to other opioids. Monitor patients for conditions indicative of diversion or progression of opioid dependence and addictive behaviours.

Respiratory Depression: Life threatening respiratory depression and death have occurred in association with buprenorphine. Warn patients of the potential danger of self-administration of benzodiazepines or other CNS depressants while under treatment with SUBLOCADE.

Neonatal Opioid Withdrawal Syndrome: Neonatal opioid withdrawal syndrome is an expected and treatable outcome of prolonged use of opioids during pregnancy.

Adrenal Insufficiency: If diagnosed, treat with physiologic replacement of corticosteroids, and wean patient off of the opioid.

Risk of Opioid Withdrawal with Abrupt Discontinuation: If treatment with SUBLOCADE is discontinued, monitor patients for several months for withdrawal and treat appropriately.

Risk of Hepatitis, Hepatic Events: Monitor liver function tests prior to and during treatment.

Risk of Withdrawal in Patients Dependent on Full Agonist Opioids: Verify that patient is clinically stable on transmucosal buprenorphine before injecting SUBLOCADE.

Treatment of Emergent Acute Pain: Treat pain with a non-opioid analgesic whenever possible. If opioid therapy is required, monitor patients closely because higher doses may be required for analgesic effect.

ADVERSE REACTIONS

Adverse reactions commonly associated with SUBLOCADE (in ≥5% of subjects) were constipation, headache, nausea, injection site pruritus, vomiting, increased hepatic enzymes, fatigue, and injection site pain.

For more information about SUBLOCADE, the full Prescribing Information including BOXED WARNING, and Medication Guide visit www.sublocade.com**.**

PERSERIS® (risperidone) for extended-release injectable suspension

INDICATION AND HIGHLIGHTED SAFETY INFORMATION

PERSERIS (risperidone) is indicated for the treatment of schizophrenia in adults.

WARNING: INCREASED MORTALITY IN ELDERLY PATIENTS WITH DEMENTIA-RELATED PSYCHOSIS

See full prescribing information for complete boxed warning.

- **Elderly patients with dementia-related psychosis treated with antipsychotic drugs are at an increased risk of death.**
- **PERSERIS is not approved for use in patients with dementia-related psychosis.**

CONTRAINDICATIONS

PERSERIS should not be administered to patients with known hypersensitivity to risperidone, paliperidone, or other components of PERSERIS.

WARNINGS AND PRECAUTIONS

Cerebrovascular Adverse Reactions, Including Stroke in Elderly Patients with Dementia-Related Psychosis: Increased risk of cerebrovascular adverse reactions (e.g., stroke, transient ischemic attack), including fatalities. PERSERIS is not approved for use in patients with dementia-related psychosis.

Neuroleptic Malignant Syndrome (NMS): Manage with immediate discontinuation and close monitoring.

Tardive Dyskinesia: Discontinue treatment if clinically appropriate.

Metabolic Changes: Monitor for hyperglycemia, dyslipidemia and weight gain.

Hyperprolactinemia: Prolactin elevations occur and persist during chronic administration. Long-standing hyperprolactinemia, when associated with hypogonadism, may lead to decreased bone density in females and males.

Orthostatic Hypotension: Monitor heart rate and blood pressure and warn patients with known cardiovascular disease or cerebrovascular disease, and risk of dehydration or syncope.

Leukopenia, Neutropenia, and Agranulocytosis: Perform complete blood counts (CBC) in patients with a history of a clinically significant low white blood cell count (WBC) or history of leukopenia or neutropenia. Consider discontinuing PERSERIS if a clinically significant decline in WBC occurs in absence of other causative factors.

Potential for Cognitive and Motor Impairment: Use caution when operating machinery.

Seizures: Use caution in patients with a history of seizures or with conditions that lower the seizure threshold.

ADVERSE REACTIONS

The most common adverse reactions in clinical trials (≥ 5% and greater than twice placebo) were increased weight, sedation/somnolence and musculoskeletal pain. The most common injection site reactions (≥ 5%) were injection site pain and erythema (reddening of the skin).

For more information about PERSERIS, the full Prescribing Information including BOXED WARNING, and Medication Guide visit www.perseris.com**.**

Condensed consolidated interim income statement

For the three months ended March 31	Notes	**Unaudited 2020 $m**	Unaudited 2019 $m
Net Revenues	2	**153**	238
Cost of sales		**(23)**	(37)
Gross Profit		**130**	201
Gross profit before exceptional items	4	**137**	201
Exceptional items	3	**(7)**	-
Selling, general and administrative expenses	3	**(309)**	(114)
Research and development expenses	3	**(10)**	(12)
Operating (Loss)/Profit		**(189)**	75
Operating profit before exceptional items	4	**3**	102
Exceptional items	3	**(192)**	(27)
Finance income		**4**	7
Finance expense		**(6)**	(5)
Net finance (expense)/income		**(2)**	2
(Loss)/Profit Before Taxation		**(191)**	77
Income tax benefit/(expense)		**28**	(11)
Taxation before exceptional items	5	**(4)**	(15)
Tax benefit on exceptional items	3,5	**32**	4
Net (Loss)/Income		**(163)**	66
Earnings per ordinary share (cents)			
Basic (loss)/earnings per share	6	**(22)**	9
Diluted (loss)/earnings per share	6	**(22)**	9

Condensed consolidated interim statement of comprehensive income

For the three months ended March 31	**Unaudited 2020 $m**	Unaudited 2019 $m
Net (loss)/income	**(163)**	66
Other comprehensive (loss)/income		
Items that may be reclassified to profit or loss in subsequent years:		
Net exchange adjustments on foreign currency translation	**(10)**	6
Other comprehensive (loss)/income	**(10)**	6
Total comprehensive (loss)/income	**(173)**	72

The notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet

	Notes	**Unaudited Mar 31, 2020 $m**	Audited Dec 31, 2019 $m
ASSETS			
Non-current assets			
Intangible assets		**66**	72
Property, plant and equipment		**56**	60
Right-of-use assets		**41**	47
Deferred tax assets		**57**	40
Other assets	7	**129**	73
		349	292
Current assets			
Inventories		**76**	73
Trade and other receivables		**175**	227
Cash and cash equivalents	8	**912**	1,060
		1,163	1,360
Total assets		**1,512**	1,652
LIABILITIES			
Current liabilities			
Borrowings	8	**(4)**	(4)
Provisions	9	**(138)**	(71)
Trade and other payables	12	**(487)**	(623)
Lease liabilities		**(6)**	(5)
Current tax liabilities	5	**(30)**	(39)
		(665)	(742)
Non-current liabilities			
Borrowings	8	**(232)**	(233)
Provisions	9	**(533)**	(417)
Lease liabilities		**(43)**	(51)
		(808)	(701)
Total liabilities		**(1,473)**	(1,443)
Net assets		**39**	209
EQUITY			
Capital and reserves			
Share capital	13	**73**	73
Share premium		**6**	5
Other Reserves		**(1,295)**	(1,295)
Foreign currency translation reserve		**(33)**	(23)
Retained Earnings		**1,288**	1,449
Total equity		**39**	209

The notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

Unaudited	Share capital $m	Share premium $m	Other reserve $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	-	-	-	-	(163)	(163)
Other comprehensive loss	-	-	-	(10)	-	(10)
Total comprehensive loss	**-**	**-**	**-**	**(10)**	**(163)**	**(173)**
Transactions recognised directly in equity						
Share-based plans	-	1	-	-	2	3
Balance at March 31, 2020	**73**	**6**	**(1,295)**	**(33)**	**1,288**	**39**
Balance at January 1, 2019	73	5	(1,295)	(32)	1,315	66
Comprehensive income						
Net income	-	-	-	-	66	66
Other comprehensive income	-	-	-	6	-	6
Total comprehensive income	**-**	**-**	**-**	**6**	**66**	**72**
Transactions recognised directly in equity						
IFRS 16 impact (adjustment to opening balance)	-	-	-	-	(2)	(2)
Share-based plans	-	-	-	-	(3)	(3)
Balance at March 31, 2019	**73**	**5**	**(1,295)**	**(26)**	**1,376**	**133**

The notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim cash flow statement

For the three months ended March 31	Unaudited 2020 $m	Unaudited 2019 $m
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (Loss)/Profit	**(189)**	75
Depreciation, amortization, and impairment	**6**	5
Gain on disposal of ROU assets	**(2)**	-
Depreciation and impairment of right-of-use assets	**3**	2
Share-based payments	**2**	(4)
Impact from foreign exchange movements	**5**	1
Decrease in trade and other receivables	**49**	75
Increase in other assets	**(57)**	-
(Increase)/Decrease in inventories	**(7)**	8
Decrease in trade and other payables	**(133)**	(60)
Increase/(Decrease) in provisions	**182**	(1)
Cash (used in)/generated from operations	**(141)**	101
Interest paid	**(5)**	(4)
Interest received	**4**	5
Taxes (paid)/refunded	**(4)**	33
Net cash (outflow)/inflow from operating activities	**(146)**	135
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**-**	(2)
Net cash outflow from investing activities	**-**	(2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	**(1)**	(1)
Payment of lease liabilities	**(2)**	(2)
Proceeds from the issuance of ordinary shares	**1**	-
Net cash outflow from financing activities	**(2)**	(3)
Net (decrease)/increase in cash and cash equivalents	**(148)**	130
Cash and cash equivalents at beginning of the period	**1,060**	924
Exchange differences	**-**	-
Cash and cash equivalents at end of the period	**912**	1,054

The notes are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Indivior PLC (the 'Company') is a public limited company incorporated and domiciled in the United Kingdom on September 26, 2014. In these condensed consolidated interim financial statements ('Condensed Financial Statements'), reference to the 'Group' means the Company and all its subsidiaries.

These Condensed Financial Statements have been prepared in conformity with IAS 34, Interim Financial Reporting. The financial information herein has been prepared in the basis of the accounting policies set out in the annual accounts of the Group for the year ended December 31, 2019 and should be read in conjunction with those annual accounts. The Group prepares its annual accounts in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the European Union and the Companies Act 2006 (the Act) applicable to companies reporting under IFRS. In preparing these Condensed Financial Statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2019, with the exception of changes in estimates that are required in determining the provision for income taxes.

The Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2019. These Condensed Financial Statements have been reviewed and not audited. These Condensed Financial Statements were approved for issue on May 13, 2020.

As disclosed in Notes 9 and 11, the Group carries a provision of $621m, substantially all relating to the Department of Justice (D0J) litigation matters. While the Directors believe the Group has strong defences to the government's charges and will vigorously defend itself, they will still endeavour to pursue a settlement. If a settlement cannot be reached, the outcome from the DoJ indictment is not expected to impact the Group during the going concern period over the next 12 months. However, an unfavorable outcome from legal proceedings (including the Western District of Virginia Indictment and the agreed First Protective Order), or potential exclusion from participating in US federal healthcare programs would negatively impact the financial position and long-term viability of the Group including the ability to comply with debt covenants. Additionally, the final resolution of the Group's legal proceedings as disclosed in Note 11 may be materially higher than the amount provided, require payment over a shorter period or could adversely impact the ongoing business operation as noted above. Reasonably possible impacts on the Group from the COVID-19 pandemic, as currently understood, have also been considered as part of the Group's adoption of the going concern basis. Whilst the full financial impact of the pandemic is impossible to predict with a high degree of certainty, the Board has considered a range of scenarios to assess potential outcomes relating to the Group's revenues, costs, and cash flows, which, together with the current legal risks noted above, failure of SUBLOCADE® and PERSERIS® to meet revenue growth expectations and/or lower than forecast revenue of SUBOXONE Film, could impact the Group's ability to operate. The Directors have already taken significant steps to reduce the cost base of the business and manage its capital structure to ensure the Group will comply with the Term Loan covenant as specified in Note 8. A combination of the above risks may require additional measures to be taken such as further cost reductions and/or obtaining court approval for cash and cash equivalents to go below the minimum level specified in the Agreed First Protective Order (see Note 11). The above factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. However, the Directors believe the Group has sufficient liquidity and the ability to carry out any further measures that may be necessary for the Group to continue as a going concern for at least the next twelve months. The Condensed Financial Statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

The financial information contained in this document does not constitute statutory accounts as defined in section 434 and 435 of the Act. For the Group's financial statements for the year ended December 31, 2019, the auditors issued (1) an emphasis of matter dealing with the outcome of litigation matters, details of which are included above and in Notes 9 and 11; and (2) a material uncertainty related to going concern dealing with the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern in relation to the Group's litigation matters, which may be further adversely affected by the failure of SUBLOCADE and PERSERIS to meet revenue growth expectations and/or lower than forecast revenue of SUBOXONE Film. The Group's statutory financial statements for the year ended December 31, 2019 were approved by the Board of Directors on March 5, 2020 and will be delivered to the Registrar of Companies.

2. 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 predominantly engaged in a single business activity, which is the development, manufacture and sale of buprenorphine-based prescription drugs for treatment of opioid dependence and related disorders. The CEO reviews net revenues to third parties, operating expenses by function, and financial results on a consolidated basis for evaluating financial performance and allocating resources. Accordingly, the Group operates in a single reportable segment.

Net revenues

Revenues are attributed to countries based on the country where the sale originates. The following table represents net revenues from continuing operations and non-current assets, net of accumulated depreciation and amortization, by country. Non-current assets for this purpose consist of intangible assets, property, plant and equipment, right-of-use assets, and other assets. Net revenues and non-current assets for the three months to March 31, 2020 and 2019 were as follows:

Net revenues from sale of goods:

For the three months ended March 31	**2020 $m**	2019 $m
United States	**105**	200
ROW	**48**	38
Total	**153**	238

On a disaggregated basis, the Group's net revenue by major product line:

For the three months ended March 31	2020 $m	2019 $m
SUBLOCADE	29	11
Sublingual/Other	124	227
Total	153	238

Non-current assets:

	Mar 31, 2020 $m	**Dec 31, 2019 $m**
United States	**170**	68
ROW	**122**	184
Total	**292**	252

3. OPERATING EXPENSES

The table below sets out selected operating expenses information:

For the three months ended March 31	**2020 $m**	2019 $m
Research and development expenses	**(10)**	(12)
Selling and general expenses	**(74)**	(43)
Administrative expenses[1]	**(229)**	(67)
Depreciation, amortization and impairment[2]	**(6)**	(4)
Total	**(309)**	(114)

[1]Administrative expenses include exceptional costs in the current and prior period as outlined in table below. Prior year administrative expenses also included non-exceptional expenses of $4m related to the ongoing protection of the company's intellectual property. These costs were not considered exceptional as they primarily related to non-litigation expenses for the ongoing protection of the Group's prospective revenues.
[2]Additional depreciation and amortization of $3m (2019: $2m) for intangibles and ROU assets is included within cost of sales.

Exceptional Items

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 restructuring and related expenses for the reconfiguration of the Group's activities and/or capital structure, impairment of current and non-current assets, certain costs arising as a result of material and non-recurring regulatory and litigation matters, and certain tax related matters.

The table below sets out selected exceptional operating costs and expenses information:

For the three months ended March 31	**2020 $m**	2019 $m
Cost of sales[1]	**(7)**	-
Restructuring costs[2]	**(2)**	(19)
Legal Expenses/Provision[3]	**(183)**	(8)
Total exceptional items before taxes	**(192)**	**(27)**
Tax benefit on exceptional items	**32**	**4**
Total exceptional items	**(160)**	**(23)**

[1]$7m of exceptional cost of sales relate to inventory provisions due to the adverse impact of Covid-19 on the business.
[2]Restructuring costs in 2020 and 2019 relate to the cost saving initiatives to offset the financial impact of recent adverse U.S. market developments. These consist primarily of lease disposals and termination costs (in 2020) and supply chain restructuring (in 2019). These are included in SG&A.
[3]$183m of legal provision in 2020 relates predominantly to the DOJ. $8m of legal expenses in the 2019 relate to potential redress for ongoing intellectual property related litigation with DRL and Alvogen Pharmaceuticals. These are included within SG&A.

4. ADJUSTED RESULTS

The board and management team use adjusted results and measures to give greater 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 operating profit and net income for both Q1 2020 and 2019. Refer to Note 3 for more information on exceptional items.

Reconciliation of gross profit to adjusted gross profit

For the three months ended March 31	**2020 $m**	2019 $m
Gross profit	**130**	201
Exceptional cost of sales	**7**	-
Adjusted gross profit	**137**	201

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

For the three months ended March 31	**2020 $m**	2019 $m
Operating (loss)/profit	**(189)**	75
Exceptional cost of sales	**7**	-
Exceptional selling, general and administrative expenses	**185**	27
Adjusted operating profit	**3**	102

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

For the three months ended March 31	**2019 $m**	2019 $m
(Loss)/profit before taxation	**(191)**	77
Exceptional cost of sales	**7**	-
Exceptional selling, general and administrative expenses	**185**	27
Adjusted profit before taxation	**1**	104

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

For the three months ended March 31	**2019 $m**	2019 $m
Net (loss)/income	**(163)**	66
Exceptional cost of sales	**7**	-
Exceptional selling, general and administrative expenses	**185**	27
Tax on exceptional items	**(32)**	(4)
Adjusted net (loss)/income	**(3)**	89

5. TAXATION

The Group calculates tax expense for interim periods using the expected full year rates, considering the pre-tax income and statutory rates for each jurisdiction. The resulting expense is allocated between current and deferred taxes based upon the forecasted full year ratio.

In the three months ended March 31, 2020, the reported total tax benefit was $28m, or a rate of 15% (Q1 2019 tax charge: $11m, 14%). Tax expense of $4m (Q1 2019: $15m) excluding tax exceptionals of $32m (Q1 2019: $4m), on adjusted profit before tax of $1m (Q1 2019: $104m) represented a non-meaningful quarterly effective tax rate (Q1 2019:14%). The Group's balance sheet at March 31, 2020 included a current tax payable of $30m (FY 2019: $39m), and deferred tax asset of $57m (FY 2019: $40m).

The change in the adjusted effective tax rate was primarily driven by the relative contribution to pre-tax income by taxing jurisdiction in the quarter.

Other tax matters

The European Commission issued a press release on April 2, 2019 announcing its conclusion that the United Kingdom ('UK') Finance Company Partial Exemption Rules are partly justified. The UK government has made an annulment application to the General Court against this decision. The UK government is now required to initiate recovery of the alleged State Aid irrespective of any appeal against the decision. The group continues to monitor its position regarding the potential State Aid challenge and continue to believe there is still significant uncertainty at this stage to quantify any potential future liability that may arise, so no provision has been made at this time. The Group has benefited from the UK controlled foreign company financing exemption and the tax thereon is approximately $24m including interest.

The UK decision to withdraw from the European Union ('EU') may have a material effect on our taxes. Whilst the UK left the EU on the January 31, 2020, the impact of the withdrawal will not be known until both the EU and the UK develop the exit plan and the related changes in tax laws are enacted. The UK has entered into a transition period and has until December 31, 2020 to negotiate and conclude additional arrangements. We will adjust our current and deferred income taxes when tax law changes related to the UK withdrawal are substantively enacted and/or when EU law ceases to apply in the UK.

The main rate of UK corporation tax was reduced to 19% from 1 April 2017. Further reductions were enacted by Finance Act 2016 to reduce the corporation tax rate to 17% from 1 April 2020. On 11 March 2020, the Chancellor announced that from 1 April 2020 the corporation tax rate will remain at 19%. This new law was substantively enacted on 17 March 2020.

6. EARNINGS PER SHARE

For the three months ended March 31	**2020 cents**	2019 cents
Basic (loss)/earnings per share	**(22)**	9
Diluted (loss)/earnings per share	**(22)**	9
Adjusted basic (loss)/earnings per share	**-**	12
Adjusted diluted (loss)/earnings per share	**-**	12

Basic

Basic earnings per share ("EPS") is calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted

Diluted earnings per share is calculated by adjusting 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 stock options and awards. The weighted average number of shares is adjusted for the number of shares granted assuming the exercise of stock options.

Weighted average number of shares	**2020 Thousands**	2019 thousands
On a basic basis	**731,982**	729,411
Dilution from share awards and options	**45,106**	27,120
On a diluted basis	**777,088**	756,531

Adjusted Earnings

The Directors believe that diluted earnings per share, adjusted for the impact of exceptional items after the appropriate tax amount, provides more meaningful information on underlying trends to shareholders in respect of earnings per ordinary share. A reconciliation of net income to adjusted net income is included in Note 4.

7. OTHER ASSETS

	Mar 31 2020 $m	Dec 31 2019 $m
Long-term prepaid expenses	**21**	23
Other non-current assets	**108**	50
Total	**129**	73

Long-term prepaid expenses relate primarily to payments for contract manufacturing capacity and other non-current assets relate to surety bond. The increase in other non-current assets relates to surety bond underwriting (see Note 11).

8. FINANCIAL LIABILITIES – BORROWINGS

Current	Mar 31 2020 $m	Dec 31 2019 $m
Bank loans	**(4)**	(4)
	(4)	(4)

Non-current	Mar 31 2020 $m	Dec 31 2019 $m
Bank loans	**(232)**	(233)
	(232)	(233)

Analysis of net debt	Mar 31 2020 $m	Dec 31 2019 $m
Cash and cash equivalents	**912**	1,060
Borrowings*	**(238)**	(239)
	674	821

*Borrowings reflect the principal amount drawn before debt issuance costs of $2m (FY 2019: $2m). These do not include lease liabilities of $49m.

Reconciliation of net debt	Mar 31 2020 $m	Dec 31 2019 $m
The movements in the period were as follows:		
Net cash at beginning of period	**821**	681
Net (decrease)/increase in cash and cash equivalents	**(148)**	136
Net repayment of borrowings	**1**	4
Net cash at end of period	**674**	821

Net cash is presented as it is relevant to our Term Loan maximum leverage ratio. These do not include lease liabilities of $49m.

At March 31, 2020, the term loan was trading at approximately 82% of par value. Cash at bank, trade receivables, and trade payables are assumed to approximate their fair values. The terms of the loan in effect at March 31, 2020 are as follows:

	Currency	Nominal interest margin	Maturity	Required annual repayments	Maximum leverage ratio
Term loan facility	USD	Libor* (1%) + 4.5%	2022	$4m	3.0

*The Term Loan matures after publication of LIBOR is expected to end. We have engaged with the administrative agent and expect to work with other market participants in the transition to a reasonable substitute base rate. No financial impact is expected in 2020.

- Nominal interest margin is calculated over three-month LIBOR subject to the LIBOR floor of 1%.
- The maximum leverage ratio (adjusted aggregated net debt divided by Adjusted EBITDA) is a financial covenant to maintain net secured leverage below 3.0x.
- A $50m revolving credit facility is available to the Group which remained undrawn at the balance sheet date.

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9. PROVISIONS

	Mar 31 2020 $m	Dec 31 2019 $m
Litigation/Investigative matters	**(621)**	(438)
Intellectual property related matters	**(46)**	(45)
Restructuring costs	**(1)**	(2)
Other	**(3)**	(3)
Total	**(671)**	(488)

The Group is involved in legal and intellectual property disputes as described in Note 11, "Legal Proceedings."

The Group carries a provision for investigative and antitrust litigation matters of $621m. The Group determined it was prudent to increase the provision related to these matters to reflect their current status and represents the Group's revised best estimate in accordance with IFRS. Substantially all of the provision relates to the DoJ litigation, described in Note 11 under "Western District of Virginia Indictment." The Group remains open to resolving the matter, although it cannot predict with any certainty whether, when, or at what cost it will reach an ultimate resolution. The final resolution may be materially higher than this provision.

The Group also carries provisions totalling $46m for intellectual property related matters, all of which relate to potential redress for ongoing intellectual property related litigation with DRL and Alvogen, and have been recognized as exceptional costs (see Note 3).

The final aggregate cost of these matters may be materially higher than the amount provided.

The Group believes that it has strong defences in the antitrust and other litigations and is actively litigating these matters. Indivior cannot predict with any certainty whether, when, or at what cost it will reach ultimate resolution of the antitrust and other litigation matters.

10. CONTINGENT LIABILITIES

Other than the disputes for which provisions have been taken as disclosed in Note 9, 'Provisions' or as separately disclosed in Note 5, 'Taxation', reliable estimates could not be made of the potential range of cost required to settle legal or intellectual property disputes where the possibility of losses is more than remote. Descriptions of the significant tax, legal and other disputes to which the Group is a party are set out in Note 5, 'Taxation' and Note 11, 'Legal Proceedings.'

11. LEGAL PROCEEDINGS

Litigation/Investigative Matters

Western District of Virginia Indictment

- On April 9, 2019, a federal grand jury in the Western District of Virginia indicted Indivior PLC and Indivior Inc. on charges of health care 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. DOJ is seeking to recover $3 billion in monetary forfeitures and all assets derived from the commission of the alleged offenses. Indivior believes it has strong defenses to the government's charges and will vigorously defend itself. On August 14, 2019, in response to Indivior's Motion to Dismiss the original indictment, DOJ obtained a Superseding Indictment that did not add to or change the charges, but changed certain factual allegations. On November 14, 2019, the Court denied the Motion to Dismiss the original indictment, and on December 19, 2019, Indivior filed a Motion to Dismiss the superseding indictment. On March 31, 2020, the Court denied the Motion to Dismiss the Superseding Indictment.
- The parties reached agreement on an Agreed First Protective Order, which was entered by the court on February 26, 2020. The Agreed Protective Order requires Indivior to seek court approval prior to engaging in various transactions outside in the ordinary course of business with a value of more than $5m or that would reduce cash and cash equivalents below $600m, as well as other relief. Indivior is authorized to continue engaging in ordinary course transactions related to intercompany obligations, payments made in accordance with its secured credit obligations, payments to goods and service vendors, payments of employee and related costs, and other similar transactions consistent with Indivior's ordinary past practices.
- The Group increased its provision for investigative and antitrust litigation matters to $621m (previously $438m). The Group determined it was prudent to increase the provision related to these matters to reflect their current status and represents the Group's revised best estimate in accordance with IFRS. Because these matters are in various stages, it is not possible for Indivior to predict with any certainty the potential impact of this litigation or to quantify the ultimate cost of a verdict or resolution, but it could have a material impact on the Group. The Group cannot predict with any certainty whether it will reach an ultimate resolution with the Department of Justice or any or all of the parties to the other matters discussed above.

State Subpoenas and Civil Investigative Demands

- On October 12, 2016, Indivior was served with a subpoena for records from the State of Connecticut Office of the Attorney General under its Connecticut civil false claims act authority. The subpoena requests documents related to the Group's marketing and promotion of SUBOXONE products and its interactions with a non-profit third-party organization. The Group has fully cooperated in this civil investigation.

- On November 16, 2016, Indivior was served with a subpoena for records from the State of California Department of Insurance under its civil California insurance code authority. The subpoena requests documents related to SUBOXONE Film, SUBOXONE Tablet, and SUBUTEX® Tablet. The State of California served additional deposition subpoenas on Indivior in 2017 and served a subpoena in 2018 requesting documents relating to the bioavailability / bioequivalency of SUBOXONE Film, manufacturing records for the product and its components, and the potential to develop dependency on SUBOXONE Film. The Group has fully cooperated in this civil investigation and is in discussions aimed toward resolving the matter.
- 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 sales and marketing activity by the Company. The Group is in discussions aimed toward resolving this matter.
- On July 1, 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 is cooperating fully in this civil investigation.
- 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.

FTC investigation and Antitrust Litigation

- The U.S. Federal Trade Commission's investigation remains pending. Litigation regarding privilege claims has now been resolved. Indivior has produced certain documents that it had previously withheld as privileged; other such documents have not been produced.
- 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 U.S. 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. Pre-trial proceedings were coordinated. The fact and expert discovery periods have closed. On September 27, 2019, the court certified a class of direct purchasers of branded SUBOXONE Tablets. The same day, the court also certified, with respect to specified issues, a class of end-payor plaintiffs. The court denied certification of a putative "nationwide injunctive class" of end-payor plaintiffs. On November 4, 2019, the Court of Appeals for the Third Circuit granted Indivior's petition for permission to appeal the certification of the direct purchaser class; this appeal is pending. The District Court ordered that scheduling for submissions of summary judgment motions and for trial will be set after the Third Circuit's ruling on class certification.

Opioid Class Action Litigation

- In February 2019, Indivior, along with other manufacturers of opioid products, was first named but not served in one of the national multi-district litigation cases brought by state and local governments and public health agencies in the Northern District of Ohio, alleging misleading marketing messages. Thereafter, Indivior was named in additional cases brought in both federal and state courts by additional state and local government entities as well as individual plaintiffs. To date, there are 311 lawsuits pending against Indivior. The vast majority of these cases (299) have been consolidated and are pending in the multi-district litigation in the Northern District of Ohio. With respect to litigation outside the multi-district litigation, there is currently one case pending in state court in Arlington County, Virginia. An additional seven cases also filed in Virginia state courts have been removed to federal district courts by defendants seeking ultimately to consolidate those cases in the multi-district litigation. Two other state court cases naming Indivior, one originating in Maryland and the other originating in Oklahoma, have similarly been removed to federal district courts with the possibility of transfer to the multi-district litigation. Indivior has also been named in one case in the Commonwealth of Pennsylvania and one case in the State of Arizona. All proceedings in the multi-district litigation pending in the Northern District of Ohio and the one Pennsylvania state court matter have been stayed. The cases pending in Virginia and Arizona state courts are proceeding with litigation. The Company will vigorously defend against these cases and has already filed motions to dismiss both of the complaints.

Securities Class Action Litigation

- On April 23, 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 U.S. 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. On July 30, 2019, the Court granted Mr. Van Dorp's motion for appointment as lead plaintiff on behalf of the putative class. On September 30, 2019, Mr. Van Dorp filed an amended complaint on behalf of the putative class. On November 29, 2019, the Defendants filed a motion to dismiss the amended complaint. Plaintiff filed its opposition to the motion on January 28, 2020, and Defendants' filed their reply on February 27, 2020. A decision on the motion is still pending.

Intellectual property related matters

ANDA Litigation

- On December 18, 2019, Indivior settled its SUBOXONE Film patent litigation against Aveva Drug Delivery Systems, Inc. ("Aveva"), the terms of which are confidential. So far as Indivior is aware, FDA to date has not granted tentative or final approval for Aveva's generic buprenorphine/naloxone film product.
- On October 24, 2017, Actavis Laboratories UT, Inc. ("Actavis," formerly known as Watson Laboratories Inc.) received tentative approval from FDA for its 8mg/2mg generic product under its Abbreviated New Drug Application (ANDA) No. 204383 and on November 15, 2017, it received tentative approval for its 12mg/3mg generic product under ANDA No. 207087. Actavis is currently enjoined from launching a generic buprenorphine/naloxone film product until April 2024 based on a June 3, 2016 ruling by the United States District Court for the District of Delaware finding the asserted claims of the '514 Patent valid and infringed. That ruling was affirmed by the Court of Appeals for the Federal Circuit ("CAFC") on July 12, 2019. Litigation against Actavis in the District of Delaware on the '305 and '454 patents was dismissed on September 16, 2019.
- On August 31, 2017, the United States District Court for the District of Delaware found that asserted claims of the '150 Patent, U.S. Patent No. 8,900,497 ("the '497 Patent") and the '514 Patent are valid but not infringed by Dr. Reddy's Laboratories, S.A. and Dr. Reddy's Laboratories Inc. (collectively, "DRL"). Indivior appealed the rulings as to the '514 and '150 patents, and on July 12, 2019, the CAFC upheld the District Court ruling, finding the patents not invalid but also not infringed by DRL. DRL requested that the District of Delaware award it attorneys' fees and costs, and Indivior opposed that request. A hearing on DRL's request took place on February 12, 2020. On April 23, 2020, the court issued an opinion denying DRL's motion for attorneys' fees, and on April 27, 2020, the clerk of court denied DRL's request for costs.
- Litigation against DRL is currently pending in the District of New Jersey regarding the '454 and '305 Patents. DRL received final FDA approval for all four strengths of its generic buprenorphine/naloxone film product on June 14, 2018, and immediately launched its generic buprenorphine/naloxone film product "at-risk." On July 13, 2018, the District Court issued a ruling granting Indivior a Preliminary Injunction (PI) pending the outcome of a trial on the merits of the '305 Patent. Indivior was required to post a surety bond for $72 million in connection with the PI. On November 20, 2018, the CAFC issued a decision vacating the PI against DRL. Indivior's motion for rehearing and rehearing en banc was denied on February 4, 2019, and the mandate issued on February 19, 2019. DRL is no longer prevented from selling, offering to sell, or importing their generic buprenorphine/naloxone sublingual film products. DRL has re-launched its generic product, and any sales in the U.S. are on an "at-risk" basis, subject to the outcome of the ongoing litigation in the District of New Jersey. On June 18, 2019, DRL filed a motion for leave to file their first amended Answer, Affirmative Defenses, and Counterclaims to add counterclaims for anticompetitive conduct by Indivior in violation of federal antitrust laws and for recovery against Indivior' sureties for damages resulting from the injunction that was issued against DRL. The motion was granted by the Magistrate Judge on November 20, 2019. Indivior appealed that ruling to the District Court Judge on December 4, 2019 and a decision is pending with the court. The Court held a claim construction hearing on October 17, 2019, and entered its ruling on November 5, 2019. In light of the claim construction, the parties filed a Stipulated Order and Judgment of non-infringement on the '305 Patent, which was entered by the Court on January 7, 2020. On January 21, 2020, DRL filed a motion requesting the entry of final partial judgment of noninfringement of the '305 Patent pursuant to Federal Rule of Civil Procedure 54(b), which Indivior opposed. That motion is pending with the court.
- On November 13, 2018, DRL filed two separate petitions for inter partes review ("IPR") of the '454 Patent with the USPTO. The USPTO denied institution of one of the IPR petitions but granted institution for the second IPR petition. Oral argument took place on March 3, 2020. A final decision on the IPR is expected in or about June 2020.
- Teva Pharmaceuticals USA, Inc. ("Teva") filed a 505(b)(2) New Drug Application (NDA) for a 16mg/4mg strength of buprenorphine/naloxone film (CASSIPA™). Indivior, Aquestive Pharmaceuticals (formerly known as MonoSol Rx) and Teva agreed that infringement of the '514, '497, and '150 patents by Teva's 16mg/4mg dosage strength would be governed by the infringement ruling as to DRL's 8mg/2mg dosage strength that was the subject of the trial in November 2016. Accordingly, the non-infringement ruling by the District of Delaware in the DRL case means that the Teva 16mg/4mg dosage strength has been found not to infringe those patents. Indivior appealed the November 2016 DRL ruling as to the '514 and '150 patents, and on July 12, 2019, the CAFC upheld the District Court finding of noninfringement. Teva received final approval from the FDA for CASSIPA on September 7, 2018 and has agreed to be bound by the decision in the District of New Jersey DRL case for the '454 and '305 Patents. Teva was therefore able to launch CASSIPA at-risk as of February 19, 2019, when the CAFC issued a mandate vacating the PI against DRL. Any sales of CASSIPA in the U.S. would be on an "at-risk" basis, subject to the outcome of the ongoing litigation against Teva and DRL in the District of New Jersey.
- Trial against Alvogen Pine Brook, Inc. ("Alvogen") in the lawsuit involving the '514 and '497 Patents took place in September 2017. The trial was limited to the issue of infringement because Alvogen did not challenge the validity of either patent. On March 22, 2018,

the United States District Court for the District of Delaware ruled both patents were not infringed by Alvogen. Indivior appealed this ruling, and on July 12, 2019, the CAFC upheld the noninfringement judgments. Alvogen requested that the District of Delaware award it attorneys' fees and costs. Indivior opposed Alvogen's request for fees, but agreed to pay a portion of Alvogen's costs. A hearing on Alvogen's request for fees took place on February 12, 2020. On April 23, 2020, the court issued an opinion denying Alvogen's motion for attorneys' fees.

- Litigation against Alvogen is pending in the United States District Court for the District of New Jersey regarding the '454 and '305 Patents. On January 22, 2019, Indivior filed a motion for a temporary restraining order ("TRO") and preliminary injunction in the District of New Jersey, requesting that the Court restrain the launch of Alvogen's generic buprenorphine/naloxone film product until a trial on the merits of the '305 Patent. Alvogen received approval for its generic product on January 24, 2019. The same day, the District of New Jersey granted a TRO until February 7, 2019. On January 31, 2019, Indivior and Alvogen entered in to an agreement whereby Alvogen was enjoined from the use, offer to sell, or sale within the United Sates, or importation into the United States, of its generic buprenorphine and naloxone sublingual film product unless and until the CAFC issued a mandate vacating the PI against DRL. The mandate vacating the DRL PI issued on February 19, 2019, and Alvogen launched its generic product. Any sales in the US are on an "at-risk" basis, subject to the ongoing litigation against Alvogen in the District of New Jersey. On June 21, 2019, Alvogen filed a motion for recovery on the bond for improper restraints and asked that the court set a schedule for an accounting of damages. This motion was denied on November 5, 2019. On August 9, 2019, Alvogen filed a motion for leave to file an amended Answer to Complaint and Separate Defenses and Counterclaims to add counter claims alleging anticompetitive conduct by Indivior in violation of federal and state antitrust laws. The motion was granted by the Magistrate Judge on November 20, 2019. Indivior appealed that ruling to the District Court Judge on December 4, 2019, and a decision is pending with the court. The Court held a claim construction hearing on October 17, 2019, and the Court entered its ruling on November 5, 2019. In light of the claim construction, the parties filed a Stipulated Order and Judgment of non-infringement on the '305 Patent, which was signed by the Court on January 9, 2020. On January 24, 2020, Alvogen filed a motion requesting the entry of final partial judgment of noninfringement of the '305 Patent pursuant to Federal Rule of Civil Procedure 54(b). Indivior and Alvogen subsequently agreed that they would be bound by the ruling on DRL's similar motion, which Indivior opposed. That motion is pending with the court.
- By a Court order dated August 22, 2016, Indivior's SUBOXONE Film patent litigation against Sandoz was dismissed without prejudice because Sandoz is no longer pursuing Paragraph IV certifications for its proposed generic formulations of SUBOXONE Film. Sandoz launched an authorized generic version of SUBOXONE Film on February 19, 2019. In October 2019, Indivior notified Sandoz that it was terminating the agreement allowing Sandoz to market the authorized generic version of SUBOXONE film.
- On September 25, 2017, Indivior settled its SUBOXONE Film patent litigation against Mylan Technologies Inc.; Mylan Pharmaceutics Inc.; and Mylan N.V. ("Mylan"), the terms of which are confidential. Mylan received final FDA approval for its generic version of the 8mg/2mg buprenorphine/naloxone film product on June 14, 2018. Mylan launched its generic version on or about February 22, 2019.
- On May 11, 2018, Indivior settled its SUBOXONE Film patent litigation against Par Pharmaceutical, Inc. ("Par"). Under the terms of the settlement agreement, Par can launch its generic buprenorphine/naloxone film product on January 1, 2023, or earlier under certain circumstances. Other terms of the settlement agreement are confidential. So far as Indivior is aware, FDA to date has not granted tentative or final approval for Par's generic buprenorphine/naloxone film product.

Teva Opposition to SUBLOCADE European Patent

- On October 10, 2018, Teva Pharmaceutical Industries Ltd. ("Teva") filed a Notice of Opposition with the European Patent Office seeking to revoke European Patent No. EP 2579874 ("EP 874"), which relates to the formulation for SUBLOCADE. Teva alleges that the claims of EP 874 lack novelty and inventive step, and extend beyond the content of the application as originally filed.
- On March 11, 2019, Indivior filed its Response to the Notice of Opposition. On June 19, 2019, the Opposition Division communicated its provisional non-binding opinion that the claims are supported, the claims are novel over the cited art, and identified areas for discussion at oral proceedings with respect to inventive step.
- On January 21, 2020, Teva submitted further comments in support of its arguments to the Opposition Division that EP 874 should be revoked. On January 22, 2020, Indivior submitted further comments in support of its arguments that the claims of EP 874 are valid.
- On September 5, 2019, the European Patent Office notified Indivior that an oral hearing would take place on March 26, 2020. On March 17, 2020 Teva requested cancellation of the oral hearing in view of travel restrictions resulting from the coronavirus pandemic. On March 24, 2020, Indivior was notified that the hearing had been cancelled and a new date will be set later.

Regulatory exclusivity related matters

Braeburn Inc. v. FDA and Indivior Inc.

- On December 21, 2018, Braeburn Inc. received tentative approval for its injectable depot buprenorphine product, Brixadi™. FDA did not grant final approval to Braeburn because it determined that the monthly version of Brixadi was blocked until November 30, 2020 by Indivior's three-year exclusivity period for injectable depot buprenorphine products that are approved to treat moderate to severe opioid use disorder.
- On April 9, 2019, Braeburn Inc. sued the FDA in the United States District Court for the District of Columbia, asking the Court for an order holding unlawful, vacating, and setting aside FDA's decision that SUBLOCADE's three-year exclusivity period bars approval of its monthly Brixadi product. Indivior moved to intervene on April 11, 2019, and that motion was granted on April 12, 2019. Braeburn moved for summary judgment on May 13, 2019, and both the FDA and Indivior filed cross-motions for summary judgment on June 3, 2019. The court heard oral argument on the parties' cross-motions on July 15, 2019.
- On July 22, 2019, the U.S. District Court for the District of Columbia granted Braeburn's motion for summary judgment, and vacated FDA's initial three-year exclusivity decision. The Court remanded the issue for FDA "to reconsider, with deliberate speed, Braeburn's application for final approval of Brixadi Monthly."
- On November 7, 2019, FDA issued a decision concluding that the 3-year exclusivity recognized for SUBLOCADE precludes final approval of Brixadi monthly until November 30, 2020.

Braeburn Citizen Petition

- On April 5, 2019, Braeburn submitted a Citizen Petition to the FDA asking that FDA revoke the Orphan Drug Designation that previously was granted to Indivior and applied to SUBLOCADE, and that the FDA further refuse to grant Orphan Drug Exclusivity to SUBLOCADE. Indivior submitted a response to this Citizen Petition on July 24, 2019. Braeburn submitted two additional supplements on August 27, 2019. Indivior submitted a response to those supplements on October 4, 2019. On October 9, 2019, FDA issued an interim response stating that it was still considering the petition because it raises significant issues requiring extensive review and analysis by Agency officials, and it would respond to the petition as soon as the Agency has reached a decision. Braeburn submitted additional comments on October 11, 2019.
- FDA issued a response on November 7, 2019, revoking the orphan drug designation for buprenorphine for "treatment of opiate addiction in opiate users" because the Agency had determined that buprenorphine was not eligible for orphan drug designation at the time it was requested. See Notes 3 and 5 for more information.

12. TRADE AND OTHER PAYABLES

	Mar 31 2020 $m	Dec 31 2019 $m
Sales returns and rebates	**(367)**	(460)
Trade payables	**(26)**	(39)
Accruals	**(83)**	(113)
Other tax and social security payables	**(11)**	(11)
Total	**(487)**	(623)

Sales return and rebate accruals, primarily in the U.S., are provided in respect of the estimated rebates, discounts or allowances payable to direct and indirect customers. Accruals are made at the time of sale while the actual amounts to be paid are based on claims made some time after the initial recognition of the sale. The estimated amounts may not reflect the final outcome and are subject to change dependent upon, amongst other things, the payor channel (e.g. Medicaid, Medicare, Managed Care, etc.) and product mix. Accrual balances are reviewed and adjusted quarterly in the light of actual experience of rebates, discounts or allowances given and returns made and any changes in arrangements. Future events may cause the assumptions on which the accruals are based to change, which could affect the future results of the Group.

13. SHARE CAPITAL

	Equity Ordinary Shares	Issue price	Nominal value $m
Issued and fully paid			
At January 1, 2020	**730,787,719**	**$0.10**	**73**
Allotments	**1,620,613**	**$0.10**	**-**
At March 31, 2020	**732,408,332**		**73**

	Equity Ordinary Shares	Issue price	Nominal value $m
Issued and fully paid			
At January 1, 2019	728,441,653	$0.10	73
Allotments	1,588,935	$0.10	-
At March 31, 2019	730,030,588		73

Allotment of ordinary shares

During the period, 1,620,613 ordinary shares (2019: 1,588,935) were allotted to satisfy vestings/exercises under the Group's Long-Term Incentive Plan and U.S. Employee Stock Purchase Plan.

14. POST BALANCE SHEET EVENTS

There have been no material post balance sheet events.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors declare that, to the best of their knowledge:

- This condensed set of Interim Financial Statements, which have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position, and profit or loss of Indivior; and
- The interim management report gives a fair review of the information required pursuant to regulations 4.2.7 and 4.2.8 of the Disclosure Guidance and Transparency Rules.

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

Indivior PLC's Directors are listed in the Annual Report and Accounts for 2019.

Details of all current Directors are available on our website at **www.indivior.com**

By order of the Board

Shaun Thaxter
Chief Executive Officer

Mark Crossley
Chief Financial and Operations Officer

May 13, 2020

Independent review report to Indivior PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Indivior PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Q1 2020 Results of Indivior PLC for the three month period ended 31 March 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Emphasis of matter – Outcome of litigation

Without modifying our conclusion on the interim financial statements, we draw your attention to Notes 9 and 11 that describe the uncertain outcome of the ongoing litigation by the U.S. Department of Justice (DoJ), Federal Trade Commission and other matters. While the Directors believe the Group has strong defences to the U.S. government's charges and will vigorously defend itself, they will still endeavour to pursue a settlement. The Group carries a provision of $621 million, substantially all of which relates to the potential settlement of DoJ litigation matters. The final outcome of the DoJ litigation and the aggregate settlement amount for all of the other outstanding matters referred to may be materially higher than this provision and could result in exclusion from participation in US federal healthcare programs.

Emphasis of matter – Going Concern

In forming our conclusion on the interim financial statements, which is not modified, we have considered the adequacy of the disclosure made in Notes 1, 9 and 11 that describe the uncertain outcome of the ongoing litigations by the DoJ, Federal Trade Commission and other matters. If a settlement cannot be reached, the outcome from the DoJ indictment is not expected to impact the Group during the going concern period over the next 12 months. However, an unfavourable outcome from legal proceedings (including the Western District of Virginia Indictment and the agreed First Protective Order), or potential exclusion from participating in US federal healthcare programs would negatively impact the financial position and long-term viability of the Group including the ability to comply with debt covenants. Additionally, the final resolution of the Group's legal proceedings as disclosed in Note 11 may be materially higher than the amount provided, require payment over a shorter period or could adversely impact the ongoing business operation as noted above. Reasonably possible impacts on the Group from the COVID-19 pandemic, as currently understood, have also been considered as part of the Group's adoption of the going concern basis which together, with the current litigation risks noted above, could impact the Group's ability to operate, which would be further adversely impacted in the event of:

- the failure for SUBLOCADE and PERSERIS to meet revenue growth expectations; and/or
- lower than forecast revenue of SUBOXONE.

The Directors have already taken significant steps to reduce the cost base of the business and manage its capital structure to ensure the Group will comply with the Term Loan covenant as specified in Note 8. A combination of the above risks may require additional measures to be taken, such as further cost reductions. The Directors believe the Group has sufficient liquidity and ability to carry out further measures that may be necessary for the Group to continue as a going concern for at least the next 12 months. As explained in Note 1 to the interim financial statements, the above factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The interim financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

What we have reviewed

The interim financial statements comprise:

- the Condensed consolidated interim balance sheet as at 31 March 2020;

- the Condensed consolidated interim income statement and Condensed consolidated interim statement of comprehensive income for the three month period then ended;
- the Condensed consolidated interim cash flow statement for the three month period then ended;
- the Condensed consolidated interim statement of changes in equity for the three month period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Q1 2020 Results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Q1 2020 Results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Q1 2020 Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Q1 2020 Results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Q1 2020 Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
13 May 2020