# Alvotech

Annual report and Report of the

*Réviseur d'entreprises agréé* as of

31 December 2024 and 2023 and for the

years ended 31 December 2024 and 2023

Alvotech
9, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg
RCS Luxembourg B 258.884

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Alvotech

Société Anonyme

(the “Company”)

Registered Office: 9, rue de Bitbourg, L-1273 Luxembourg

R.C.S. Luxembourg B 258.884

**Management report to the General Meeting of Shareholders**

Dear shareholders,

We hereby wish to submit to you the financial statements of the Company and the Alvotech Group (“**Alvotech**” or the “**Group**”) for the financial year ending on 31 December 2024. The present report relates to the consolidated accounts in accordance with article 1720-1 (3) of the law of 10 August 1915 on commercial companies, as amended.

## I. Business developments for the financial year ended 31 December 2024

In February 2024, the Company announced that the U.S. Food and Drug Administration (FDA) has approved Simlandi (adalimumab) injection, the AVT02 interchangeable biosimilar to Humira. Teva Pharmaceuticals International GmbH (“Teva”) is Alvotech’s strategic partner for the exclusive commercialization of Simlandi in the United States. In April 2024, the Company signed an agreement with Quallent Pharmaceuticals ("Quallent") allowing the interchangeable biosimilar to be distributed under Quallent's private label in the U.S. Additionally, The Company extended its European commercial partner, STADA Arzneimittel AG (“Stada”), commercial rights to AVT02 to Commonwealth of Independent States (CIS) countries in Central Asia in June 2024.

On 26 February 2024, Alvotech announced it had received and accepted an offer from investors outside the U.S. for the sale of 10,127,132 Ordinary Shares, for an approximate gross value of $166 million, at a purchase price of $16.41 per share, or ISK 2,250, at the foreign exchange rate on 23 February 2024. The shares were to be delivered to investors from previously issued treasury shares held by Alvotech´s subsidiary Alvotech Manco. As of 31 December 2024, the settlement of the sale offers resulted in 9,213,333 Ordinary Shares delivered to investors upon the payment of $150.5 million, the net proceeds of the transaction totaling $144 million.

The FDA approved AVT04, a biosimilar to Stelara (ustekinumab), for the U.S. in April 2024 enabling a commercialization starting on or after 21 February 2025. Alvotech launched AVT04 in Canada with its commercial partner JAMP Pharma ("Jamp"), on 1 March 2024 and started commercialization in Japan with Fuji Pharma ("Fuji") in May 2024. In July 2024, the Company launched Uzpruvo, the first approved AVT04 biosimilar to Stelara across select European countries, with its commercial partner Stada. The Company extended Stada’s commercial rights to AVT04 to CIS countries in Central Asia in June 2024. In October 2024, the FDA approved SELARSDI (ustekinumab) in a new presentation, 130 mg/26 ml solution in a single-dose vial for intravenous infusion. This approval paves the way for SELARSDI to

further align its label with the indications of the reference product Stelara in the U.S. at launch, which is expected in the first quarter of 2025.

In April 2024, the Company announced positive topline results from a confirmatory clinical study for AVT05, a proposed biosimilar for Simponi and Simponi Aria (golimumab). In November 2024, the European Medicines Agency (EMA) accepted a Marketing Authorization Application (MAA) for AVT05. The approvals process is anticipated to be completed in the fourth quarter of 2025.

In May 2024, the Company announced its collaboration with Dr. Reddy's Laboratories SA, ("Dr. Reddy"), for the commercialization of AVT03, a proposed biosimilar to Prolia (denosumab) and Xgeva (denosumab), in the U.S., Europe and UK. Dr. Reddy's commercialization rights are exclusive for the U.S., and semi-exclusive for Europe and the UK. In June 2024, the Company extended its partnership with Stada who will assume marketing license for AVT03 in Europe through semi-exclusive rights, including Switzerland and the UK, as well as exclusive rights in selected markets in Central Asia and the Middle East. In July 2024, the Company announced positive topline results from a confirmatory patient study for AVT03. In October 2024, the EMA accepted a MAA for AVT03.

In June 2024, the Company entered into an exclusive partnership agreement with Mercury Pharma Group Limited ("Advanz") regarding the supply and commercialization of AVT06 (aflibercebt), its proposed biosimilar to Eylea in Europe, except for Germany and France where the rights are semi-exclusive. In August 2024, the European Medicines Agency (EMA) has accepted a Marketing Authorization Application for AVT06.

The Company announced in June 2024 that all holders of the Tranche A and some holders of the Tranche B of the 2022 Convertible Bonds exercised their right to conversion into ordinary shares at the fixed conversion price of $10.00 per share on the last scheduled conversion date prior to maturity, which is 1 July 2024. Similarly, some holders of the Aztiq Convertible Bonds decided to exercise similar conversion right into ordinary shares at the same conversion price. Based on the used exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $220.7 million of aggregate value of these bonds with accrued interest. The holders of the 2022 Convertible Bonds and the Aztiq Convertible Bonds that did not exercise their right to conversion, obtained repayment from the Group in July 2024, upon the closing of the senior secured first lien term loan facility of $965.0 million, led by GoldenTree Asset Management (the "Secured Loan Facility").

On 11 July 2024, the Company announced the closing of its previously executed Secured Loan Facility. The closing has allowed Alvotech to refinance outstanding debt obligations, reduce the cost of capital and improve its overall debt maturity profile. The Secured Loan Facility, for $965.0 million in aggregate principal amount, matures in July 2029. The first tranche is a first lien $900.0 million term loan which bears an interest rate of Secured Overnight Funding Rate (SOFR) plus 6.5% per annum. The second tranche is a $65.0 million first lien, second out term loan, which bears an interest rate of SOFR plus 10.5% per annum. This resulted in the concurrent settlement of its existing debt obligations.

In September 2024, the Company announced the initiation of a confirmatory patient study for AVT16, a biosimilar candidate to Entyvio (vedolizumab).

The Consolidated Statement of Financial Position total assets amount to **1,221.4** million United States dollars (USD).

The financial year ending on 31 December 2024 has produced a loss of **231.9** million USD.

In addition to its operating results, as calculated in accordance with IFRS, the Group uses Adjusted EBITDA when monitoring and evaluating operational performance. Adjusted EBITDA is defined as profit or loss for the relevant period, as adjusted for certain items that Alvotech management believes are not indicative of ongoing operating performance. Alvotech believes that this non-IFRS measure assists its shareholders because it enhances the comparability of results each period, helps to identify trends in operating results and provides additional insight and transparency on how management evaluates the business. Alvotech's executive management team uses this non-IFRS measure to evaluate financial measures to budget, update forecasts, make operating and strategic decisions, and evaluate performance. This non-IFRS financial measure is not meant to be considered alone or as a substitute for IFRS financial measures and should be read in conjunction with Alvotech's consolidated financial statements prepared in accordance with IFRS. Additionally, this non-IFRS measure may not be comparable to similarly titled measures used by other companies. The most directly comparable IFRS measure to this non-IFRS measure is loss for the year.

The following table reconciles loss for the year to Adjusted EBITDA for the years ended 31 December 2024 and 2023, respectively:

| *USD in thousands* | 2024 | 2023 |
|---|---|---|
| Loss for the year…….. | (231.9) | (551.7) |
| Income tax benefit | 14.3 | (99.3) |
| Total net finance | 223.0 | 262.3 |
| Loss on extinguishment of financial liabilities …..……... | 69.4 | - |
| Depreciation and amortization | 31.3 | 24.2 |
| Impairment and loss of sale of property, plant and equipment.. | - | 0.4 |
| Impairment of intangible assets ……. | - | 1.8 |
| Charge related to contract termination …….…… | - | 18.5 |
| Incentive plan expense ……. | 7.6 | 18.1 |
| Share of net loss of joint venture ……..……. | - | 7.1 |
| Impairment loss on investment in joint venture …….. | - | 21.5 |
| Loss on sale of interest in joint venture ……..……. | 3.0 | - |
| Exchange rate differences …….. | (8.1) | 5.2 |
| Recovery related to contract termination ..……. | (1.1) | - |
| Transaction costs | 0.8 | 0.9 |
| **Adjusted EBITDA**……. | 108.3 | (291.0) |

We suggest the following allocation of the result:

**USD (million)**

| | |
|---|---|
| Result brought forward from the previous year | (2,205.8) |
| Result for the year | (231.9) |
| Distribution of dividends | 0 |
| Result to be carried forward to the following financial year | (2,437.7) |

As of 31 December 2024, the Company had $51.4 million in cash and cash equivalents and the Company had borrowings of $1,068.6 million, including $32.7 million of current portion of borrowings, as of 31 December 2024.

**Product revenue:** Product revenue was $273.5 million for the year ended 31 December 2024, compared to $48.7 million for the year ended 31 December 2023. Revenue for the year ended 31 December 2024, consisted of product revenue from sales of AVT02 in select European countries and Canada, launch of AVT02 in the U.S., and the launches of AVT04 in Canada, Japan and select European markets.

**License and other revenue:** License and other revenue was $216.2 million for the year ended 31 December 2024, compared to $42.7 million for the year ended 31 December 2023. The license and other revenue of $216.2 million was primarily attributable to the recognition of a $6.6 million research and development milestone due to the approval of AVT04 in Europe, $6.8 million due to the MAA submission with the EMA for AVT03, $12.1 million relative to the MAA submission with the EMA for AVT05, $15.5 million due to the MAA submission with the EMA for AVT06, $16.8 million relative to CTA submission for AVT16, $39.1 million due to the CES completion of AVT03, and $56.4 million due to the CES completion of AVT05. This also included $5.4 million relative to the product launch of AVT04 in Japan, $6.9 million relative to the achievement of sales target of AVT02 in Europe and Canada, $10.0 million relative to the product launch of AVT04 in Europe, $18.8 million relative to the product launch of AVT02 in the U.S., and a net milestone revenue of $20.4 million for the execution of out-license contracts during the year ended 31 December 2024.

**Cost of product revenue:** Cost of product revenue was $185.3 million for the year ended 31 December 2024, compared to $160.9 million for the year ended 31 December 2023. This is the result of sales in the period, including the launches of AVT02 in the U.S., AVT04 in Canada, Japan and select European countries, tempered by lower production-related charges and lower costs associated with FDA inspection readiness.

**Research and development expenses:** Research and development expenses were $171.3 million for the year ended 31 December 2024, compared to $210.8 million for the year ended 31 December 2023. The decrease was primarily driven by a one-time charge of $18.5 million relating to the termination of the co-development agreement with Biosana for AVT23 recognized during the year 2023, a decrease of $6.3 million primarily related to programs which reached commercialization (i.e., AVT02 and AVT04 programs), a decrease of $25.0 million related to programs for which the clinical phase is substantially completed (i.e. AVT03, AVT05, and AVT06), and overall lower headcount and other R&D expenses of $8.2 million, partially offset by a $20.0 million increase in direct program expenses mainly due to AVT16 that is advancing through clinical phase.

**General and administrative expenses:** General and administrative expenses were $65.7 million for the year ended 31 December 2024, compared to $76.6 million for the year ended 31 December 2023. The decrease in G&A expenses was primarily attributable to $4.5 million in lower third-party services, lower insurance premiums and headcount, coupled with a $6.0 million decrease in expenses for share-based payments.

**Net Loss:** Net loss was $231.9 million, or $(0.87) per share on a basic and diluted basis, for the year ended 31 December 2024 as compared to net loss of $551.7 million, or $(2.43) on a basic and diluted basis, for the year ended 31 December 2023.

## II. Future developments

On 27 January 2025, the Company announced filing acceptance of U.S. Biologics License Applications (BLA) for AVT05, a proposed biosimilar to Simponi and Simponi Aria (golimumab). The FDA review process for these applications is anticipated to be completed in the fourth quarter of 2025.

On 18 February 2025, the Company announced that the FDA has accepted for review a BLA for AVT06, Alvotech's proposed biosimilar to Eylea (aflibercept), a biologic used to treat eye disorders, including diseases which can lead to vision loss or blindness. The process to obtain regulatory approval is anticipated to be completed in the fourth quarter of 2025.

On 21 February 2025, the Company announced the availability of SELARSDI (ustekinumab) injection in the U.S., a biosimilar to Stelara (ustekinumab), for the treatment of psoriatic arthritis, plaque psoriasis, Crohn's disease, ulcerative colitis, pediatric plaque psoriasis and pediatric psoriatic arthritis.

On 18 March 2025, the Company announced the FDA acceptance of BLA for AVT03, a proposed biosimilar to Prolia and Xgeva (denosumab).

On 20 March 2025, the Company announced the acquisition of Xbrane Biopharma AB's ("Xbrane") research and development operations and a biosimilar candidate, further expanding the Company's development capabilities, and establishing a footprint in the Swedish life science sector. Xbrane retains other pre-clinical development programs and will focus on the commercialization of this portfolio. The purchase price for the acquisition amounts to approximately SEK 275 million (approximately $27 million) and will be payable in cash at closing for SEK 102.2 million and by assumption of SEK 172.8 million in debt and accounts payable. The creditors have agreed to accept payment for SEK 152.8 million of the debt with Alvotech equity shares. Closing of the acquisition is expected to occur in April 2025 and is contingent on approvals from the relevant authorities and Xbrane's shareholders. The Company also announced that it intends to explore the possibility of a listing of Swedish Depository Receipts (SDR), equity share equivalents, on Nasdaq Stockholm, in the future.

At this point, the Board of Directors is confident that the appropriate level of funding will be available from these sources to meet the business needs in 2024 and beyond. See further information in note 1.4.

## III. Business risks and their mitigation

This section contains a summary of the main risks that the Group may face during the normal course of its business. Detailed information on the Group's risks relating to financial instruments, risk management objectives and policies can be found in note 27.

Please note however, that

- This section does not purport to contain an exhaustive list of the risks faced by the Group, as the Group may be significantly affected by risks that it has not identified, or not considered as material;
- Some risks faced by the Group, whether they are mentioned in this section or not, may arise from external factors beyond the Group's control;
- Where means of mitigation are mentioned in this section, such mention does not constitute a guarantee that the means of mitigation will be effective (in whole or in part) to remove or reduce the effect of the risk.

The Group's business model is built around the development, manufacturing and commercialization of biosimilar medicine. Development of biosimilar medicine is subjected to numerous risks, as the product travels through different stages of development, scale-up, clinical, regulatory to name a few. On the commercial side the Group is faced with an ever-changing competitive landscape, as well as pricing pressure for its products.

## IV. Additional disclosures

Alvotech is committed to strong and transparent corporate governance. Our corporate governance framework, along with our internal controls and policies, is intended to support sustainable financial performance and long-term value creation for all of our stakeholders including shareholders, patients, employees and other stakeholders. Further information on corporate governance can be found in these financial statements and on the Groups website at www.alvotech.com.

Information about sustainability and non-financial reporting is disclosed in these financial statements, where information about operations, environment, social environment and governance can be found.

In our opinion, the Consolidated Financial Statements of Alvotech as of 31 December 2024 and for the year then ended with the file name 222100DCZBOWV5DZ8372-2024-12-31-en.xhtml is prepared, in all material respects, in compliance with the ESEF Regulation.

Pursuant to Article 68 of the law of 19 December 2002 regarding the trade and companies' register and the accounting as well as annual accounts of companies, as amended, the board of directors hereby declares:

1. To the best of our knowledge, we are not aware of any events which would have a material bearing on the accounts since the end of the previous financial year. Information on subsequent events can be found in note 29.
2. The Group's likely foreseeable future development is stable.
3. Research and development expenses consist primarily of costs incurred in connection with Alvotech's research, development and pre-commercial manufacturing activities prior to the commercialization of its biosimilar products. Expenditures related to research and development activities are generally recognized as an expense in the period in which they are incurred. Due to significant regulatory uncertainties and other uncertainties inherent in the development of pharmaceutical products, Alvotech did not capitalize any research and development expenses as internally developed intangible assets during the year. Research and development activities will continue to be central to Alvotech's business model and will vary significantly based upon the success of its programs. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of development, primarily due to the increased size and duration of later-stage clinical trials. The Group conducts research and development activities at its subsidiaries in Iceland, Germany and Switzerland.
4. In March 2024 Alvotech issued 13,000,000 new shares which were transferred to a group company, Alvotech Manco ehf. On 31 December 2024 Alvotech Manco ehf. owned 22,905,618 treasury shares in Alvotech.
5. The Group does not have established branches.

We kindly ask you to grant discharge to the directors for the exercise of their mandates during the financial year ended on 31 December 2024.

Done in Luxembourg on 26 March 2025,

**For the Board of Directors:**

Robert Wessman

Title: CEO & Chairman

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L-1821 Luxembourg

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To the Shareholders of
Alvotech S.A.
9, rue de Bitbourg
L-1273 Luxembourg

**REPORT OF THE *REVISEUR D'ENTREPRISES AGREE***

**Report on the Audit of the Consolidated Financial Statements**

***Opinion***

We have audited the consolidated financial statements of Alvotech S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

***Basis for Opinion***

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *réviseur d'entreprises agréé* for the Audit of the Consolidated Financial Statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

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***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How the Key Audit Matter Was Addressed in the Audit |
|---|---|
| **Income Taxes — Deferred Tax Assets — *Refer to Notes 2.14 and 10 to the Consolidated Financial Statements*** | Our audit procedures related to the determination of whether sufficient taxable profits will be generated in the future against which the deferred tax assets can be utilized, particularly as it pertains to estimates for unit price and market share, included the following, among others: |
| The Group recognizes deferred tax assets for deductible temporary differences arising from unused tax losses, amortization, depreciation, reserves and employee benefits in accordance with IAS 12, Income Taxes.<br><br>The Group's deferred tax assets balance as of December 31, 2024 was $298 million. The deferred tax assets balance is reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The majority of the deferred tax asset recognized relates to tax losses that have arisen in Iceland, whereby it is probable that future forecasted taxable profits associated with product and out-licensing revenue, driven by management's assumptions for unit price and market share, will be available to offset the cumulative tax losses as of December 31, 2024.<br><br>Given the determination that it is probable that there will be sufficient taxable profits generated in the future against which the deferred tax assets can be utilized requires management to make significant judgements and estimates related to taxable profits, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to taxable profits required a high degree of auditor judgment and an increased extent of effort, particularly related to unit price and market share assumptions. | • We evaluated the unit price and market share assumptions to determine if such assumptions are consistent with internal and external data as well as relevant existing market information, industry and other external factors such as:<br>  ○ Internal budgets.<br>  ○ Historical taxable profits.<br>  ○ Analyst and industry reports for the Company and its peer companies.<br>• We evaluated management's ability to accurately estimate taxable profits by comparing actual results to management's historical estimates.<br>• We assessed unit price and market share assumptions utilized within the future forecasts for potential manipulation or bias by considering contradictory evidence. |

***Other information***

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the *réviseur d'entreprises agréé* thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

***Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements***

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format as amended ("the ESEF Regulation").

Those charged with governance are responsible for overseeing the Group's financial reporting process.

***Responsibilities of the réviseur d'entreprises agréé for the Audit of the Consolidated Financial Statements***

The objectives of our audit are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *réviseur d'entreprises agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *réviseur d'entreprises agréé* to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *réviseur d'entreprises agréé*. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Our responsibility is also to assess whether the consolidated financial statements have been prepared in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

**Report on Other Legal and Regulatory Requirements**

We have been appointed as *réviseur d'entreprises agréé* by the Board of Directors on June 7, 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 3 years.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying Corporate Governance Statement is presented on pages 70 to 76. The information required by Article 68ter paragraph (1) letters c) and d) of the law of December 19, 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at December 31, 2024 with the relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements
For the Group it relates to:

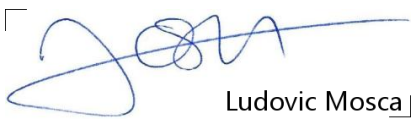
- Financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at December 31, 2024, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

For Deloitte Audit, *Cabinet de révision agréé*




Ludovic Mosca, *Réviseur d'entreprises agréé*
Partner

March 26, 2025

Consolidated Statements of Profit or Loss and Other Comprehensive Income or Loss for the years ended 31 December 2024 and 2023

| *USD in thousands, except for per share amounts* | Notes | 2024 | 2023 |
|---|---|---|---|
| Product revenue | 5 | 273,472 | 48,699 |
| License and other revenue | 5 | 216,210 | 42,735 |
| Other income | | 2,296 | 1,948 |
| Cost of product revenue | | (185,309) | (160,856) |
| Research and development expenses | | (171,312) | (210,827) |
| General and administrative expenses | | (65,713) | (76,559) |
| **Operating profit / (loss)** | | 69,644 | (354,860) |
| Share of net loss of joint venture | 26 | — | (7,153) |
| Impairment loss on investment in joint venture | | — | (21,519) |
| Loss on sale of interest in joint venture | 26 | (2,970) | — |
| Finance income | 7 | 80,145 | 4,823 |
| Finance costs | 7 | (303,165) | (267,157) |
| Exchange rate differences | | 8,161 | (5,183) |
| Loss on extinguishment of financial liabilities | 21 | (69,378) | — |
| **Non-operating loss** | | (287,207) | (296,189) |
| **Loss before taxes** | | (217,563) | (651,049) |
| Income tax (expense) / benefit | 10 | (14,301) | 99,318 |
| **Loss for the year** | | (231,864) | (551,731) |
| **Other comprehensive loss** | | | |
| *Item that will be reclassified to profit or loss in subsequent periods:* | | | |
| Exchange rate differences on translation of foreign operations | | (690) | (86) |
| **Total comprehensive loss** | | (232,554) | (551,817) |
| **Loss per share** | | | |
| Basic and diluted loss for the year per share | 11 | (0.87) | (2.43) |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

*USD in thousands*

| **Non-current assets** | **Notes** | **31 December 2024** | **31 December 2023** |
|---|---|---|---|
| Property, plant and equipment | 12 | 284,546 | 236,779 |
| Right-of-use assets | 13 | 125,198 | 119,802 |
| Goodwill | 14 | 11,330 | 12,058 |
| Other intangible assets | 15 | 20,621 | 19,076 |
| Contract assets | 5 | 22,710 | 10,856 |
| Interest in joint venture | 26 | — | 18,494 |
| Other long-term assets | | 3,615 | 2,244 |
| Restricted cash | 16 | — | 26,132 |
| Deferred tax assets | 10 | 298,360 | 309,807 |
| **Total non-current assets** | | 766,380 | 755,248 |
| **Current assets** | | | |
| Inventories | 17 | 127,889 | 74,433 |
| Trade receivables | | 160,217 | 41,292 |
| Contract assets | 5 | 67,304 | 35,193 |
| Other current assets | 18 | 48,064 | 31,871 |
| Receivables from related parties | 24 | 118 | 896 |
| Cash and cash equivalents | 16 | 51,428 | 11,157 |
| **Total current assets** | | 455,020 | 194,842 |
| **Total assets** | | 1,221,400 | 950,090 |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

*USD in thousands*

| Equity | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Share capital | 19 | 2,826 | 2,279 |
| Share premium | 19 | 2,007,058 | 1,229,690 |
| Other reserves | 20 | 17,272 | 42,911 |
| Translation reserve | | (2,218) | (1,528) |
| Accumulated deficit | | (2,437,709) | (2,205,845) |
| **Total equity** | | (412,771) | (932,493) |
| **Non-current liabilities** | | | |
| Borrowings | 21 | 1,035,882 | 922,134 |
| Derivative financial liabilities | 27 | 210,224 | 520,553 |
| Lease liabilities | 13 | 112,137 | 105,632 |
| Contract liabilities | 5 | 80,721 | 73,261 |
| Deferred tax liability | 10 | 1,811 | 53 |
| **Total non-current liabilities** | | 1,440,775 | 1,621,633 |
| **Current liabilities** | | | |
| Trade and other payables | | 67,126 | 80,563 |
| Lease liabilities | 13 | 9,515 | 9,683 |
| Current maturities of borrowings | 21 | 32,702 | 38,025 |
| Liabilities to related parties | 24 | 8,465 | 9,851 |
| Contract liabilities | 5 | 15,980 | 59,183 |
| Taxes payable | | 204 | 925 |
| Other current liabilities | 25 | 59,404 | 62,720 |
| **Total current liabilities** | | 193,396 | 260,950 |
| **Total liabilities** | | 1,634,171 | 1,882,583 |
| **Total equity and liabilities** | | 1,221,400 | 950,090 |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

*USD in thousands*

| Cash flows from operating activities | Notes | 2024 | 2023 |
|---|---|---|---|
| Loss for the period | | (231,864) | (551,731) |
| **Adjustments for non-cash items:** | | | |
| Long-term incentive plan expense | | — | 78 |
| Depreciation and amortization | 12 | 31,301 | 24,210 |
| Impairment of other intangible assets | 15 | — | 1,779 |
| Impairment loss on investment in joint venture | 26 | — | 21,519 |
| Change in allowance for receivables | | (946) | 18,500 |
| Change in inventory reserves | 17 | (3,483) | 8,341 |
| Share-based payments | 22 | 7,626 | 18,033 |
| Loss on disposal of property, plant and equipment | | — | 365 |
| Loss on sale of interest in joint venture | 26 | 2,970 | — |
| Share of net loss of joint venture | 26 | — | 7,153 |
| Finance income | 7 | (80,145) | (4,823) |
| Finance costs | 7 | 303,165 | 267,157 |
| Exchange rate difference | | (8,161) | 5,183 |
| Loss on extinguishment of financial liabilities | 22 | 69,378 | — |
| Income tax benefit | 10 | 14,301 | (99,318) |
| **Operating cash flow before movement in working capital** | | 104,142 | (283,554) |
| Increase in inventories | 17 | (49,973) | (11,304) |
| (Increase) in trade receivables | | (119,063) | (8,320) |
| Decrease / (increase) in receivables with related parties | 24 | 20 | 881 |
| (Increase) in contract assets | 5 | (45,192) | (17,393) |
| (Increase) in other assets | | (7,125) | (802) |
| (Decrease) increase in trade and other payables | | (13,695) | 31,772 |
| (Decrease) / increase in contract liabilities | 5 | (31,446) | 35,396 |
| (Decrease) / increase in liabilities with related parties | | (7,871) | 1,280 |
| (Decrease) in other liabilities | | (14,299) | (5,182) |
| **Cash used in operations** | | (184,502) | (257,226) |
| Interest received | | 4,617 | 3,649 |
| Interest paid | | (54,921) | (57,254) |
| Income tax paid | | (2,037) | (1,354) |
| **Net cash used in operating activities** | | (236,843) | (312,185) |

| | | | |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | 12 | (53,661) | (33,234) |
| Disposal of property, plant and equipment | | — | 133 |
| Acquisition of intangible assets | 15 | (3,339) | (13,239) |
| Restricted cash in connection with debt extinguishment | 16 | 26,132 | — |
| Proceeds from the sale in joint venture | 26 | 12,000 | — |
| **Net cash generated from (used in) investing activities** | | (18,868) | (46,340) |
| **Cash flows from financing activities** | | | |
| Repayments of borrowings | 21 | (749,082) | (99,367) |
| Repayments of principal portion of lease liabilities | 13 | (10,197) | (8,269) |
| Proceeds from new borrowings | 21 | 896,263 | 278,831 |
| Transaction cost from new borrowings | | (4,236) | (9,004) |
| Gross proceeds from equity offering | 19 | 150,451 | 136,879 |
| Fees from equity offering | | (5,812) | (4,141) |
| Proceeds from warrants | 27 | 4,843 | 6,390 |
| Stock options exercised | | 76 | — |
| Proceeds from loans from related parties | | 24,500 | — |
| Repayment of loans from related parties | | (9,500) | — |
| **Net cash generated from financing activities** | | 297,306 | 301,319 |
| Increase / (decrease) in cash and cash equivalents | | 41,595 | (57,206) |
| Cash and cash equivalents at the beginning of the year | 16 | 11,157 | 66,427 |
| Effect of movements in exchange rates on cash held | | (1,324) | 1,936 |
| **Cash and cash equivalents at the end of the period** | 16 | 51,428 | 11,157 |

Supplemental cash flow disclosures (Note 28)

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

*USD in thousands*

| | Share capital | Share premium | Other reserves | Translation reserve | Accumulated deficit | Total equity |
|---|---|---|---|---|---|---|
| **At 1 January 2023** | 2,126 | 1,058,432 | 30,582 | (1,442) | (1,654,114) | (564,416) |
| Loss for the period | — | — | — | — | (551,731) | (551,731) |
| Foreign currency translation differences | — | — | — | (86) | — | (86) |
| Total comprehensive loss | — | — | — | (86) | (551,731) | (551,817) |
| Capital contribution | 118 | 132,618 | — | — | — | 132,736 |
| Vested earn-out shares | 6 | 8,300 | — | — | — | 8,306 |
| Penny warrants exercised | 25 | 27,159 | — | — | — | 27,184 |
| Public warrants exercised | 6 | 7,612 | — | — | — | 7,618 |
| Recognition of share-based payments | — | — | 16,985 | — | — | 16,985 |
| Settlement of RSUs with shares | 8 | 5,095 | (5,781) | — | — | (678) |
| Settlement of SARs with shares | (10) | (9,526) | (4,231) | — | — | (13,767) |
| Recognition of equity component of convertible bonds | — | — | 5,356 | — | — | 5,356 |
| **At 31 December 2023** | 2,279 | 1,229,690 | 42,911 | (1,528) | (2,205,845) | (932,493) |
| Loss for the period | — | — | — | — | (231,864) | (231,864) |
| Foreign currency translation differences | — | — | — | (690) | — | (690) |
| Total comprehensive loss | — | — | — | (690) | (231,864) | (232,554) |
| Capital contribution | 92 | 144,547 | — | — | — | 144,639 |
| Vested earn-out shares | 198 | 310,703 | — | — | — | 310,901 |
| Penny warrants exercised | 17 | 24,293 | — | — | — | 24,310 |
| Public warrants exercised | 4 | 6,691 | — | — | — | 6,695 |
| Recognition of share-based payments | — | — | 6,486 | — | — | 6,486 |
| Stock options recognised | — | — | 276 | — | — | 276 |
| Settlement of RSUs with shares | 15 | 5,890 | (10,981) | — | — | (5,076) |
| Settlement of options with shares | 0 | 105 | (29) | — | — | 76 |
| Conversion of convertible bonds | 221 | 285,139 | (21,391) | — | — | 263,969 |
| **At 31 December 2024** | 2,826 | 2,007,058 | 17,272 | (2,218) | (2,437,709) | (412,771) |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

1. General information

Alvotech (the "Parent" or the "Company" or "Alvotech") is a Luxembourg public limited company (société anonyme) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies' Register under number B 258884. The Company was incorporated on 23 August 2021. These consolidated financial statements were approved by the Group's Board of Directors, and authorized for issue, on 26 March 2025.

The Company and its subsidiaries (collectively referred to as the "Group") are a global biotech company specialized in the development and manufacture of biosimilar medicines for patients worldwide. The Group has commercialized a certain biosimilar product and has multiple biosimilar molecules.

1.1 Capital Reorganization

On 15 June 2022 (the "Closing Date"), the Company consummated the capital reorganization with Alvotech Holdings S.A. and OACB (the "Business Combination" or "Capital Reorganization") pursuant to the business combination agreement, dated as of 7 December 2021, as amended by an amendment agreement dated 18 April 2022 and 7 June 2022 (the "Business Combination Agreement"), by and among the Company, Oaktree Acquisition Corp. II ("OACB") and the Predecessor. The closing of the Business Combination resulted in the following transactions:

- OACB merged with and into the Company, whereby (i) all of the outstanding ordinary shares of OACB ("OACB Ordinary Shares") were exchanged for ordinary shares of Alvotech ("Ordinary Shares") on a one-for-one basis, pursuant to a share capital increase of Alvotech and (ii) all of the outstanding warrants of OACB ceased to represent a right to acquire OACB Ordinary Shares and now represent a right to be issued one Ordinary Share, with Alvotech as the surviving company in the merger. Prior to the merger OACB shares were redeemed, resulting in $9.8 million of cash proceeds from the OACB trust account;
- Alvotech redeemed and canceled the initial shares held by the initial sole shareholder of Alvotech pursuant to a share capital reduction of Alvotech;
- The legal form of Alvotech changed from a simplified joint stock company (société par actions simplifiée) to a public limited liability company (société anonyme) under Luxembourg law; and
- The Predecessor merged with and into the Parent, whereby all outstanding ordinary shares of the Predecessor ("Predecessor Ordinary Shares") were exchanged for Ordinary Shares, pursuant to a share capital increase of Alvotech, with Alvotech as the surviving company in the merger.

Concurrently with the execution of the Business Combination Agreement, OACB and Alvotech entered into subscription agreements ("Subscription Agreements") with certain investors (the "PIPE Financing"). On 15 June 2022, immediately prior to the closing of the Business Combination, the PIPE Financing was closed, pursuant to the Subscription Agreements, in which subscribers collectively subscribed for 17,493,000 Ordinary Shares at $10.00 per share for an aggregate subscription price equal to $174.9 million.

As part of the Business Combination, Predecessor shareholders were granted a total of 38,330,000 Ordinary Shares subject to certain vesting conditions ("Predecessor Earn Out Shares"). Former OACB shareholders were granted a total of 1,250,000 Ordinary Shares subject to certain vesting conditions ("OACB Earn Out Shares"). Additionally, as part of the Business Combination the Company assumed the 10,916,647 outstanding warrants ("OACB Warrants"), on substantially the same contractual terms and conditions as were in effect immediately prior to the Business Combination. See Note 28 for further details.

The Business Combination was accounted for as a capital reorganization. Under this method of accounting, OACB was treated as the "acquired" company for financial reporting purposes, with Alvotech Holdings S.A. being the accounting acquirer and accounting predecessor. Accordingly, the capital reorganization was treated as the equivalent of Alvotech issuing shares at the closing of the Business Combination for the net assets of OACB as of the Closing Date, accompanied by a recapitalization. The capital reorganization, which was not within the scope of IFRS 3 since OACB did not meet the definition of a business in accordance with that guidance, was accounted for within the scope of IFRS 2. In accordance with IFRS 2, Alvotech recorded a one-time non-cash share listing expense of $83.4 million, recognized as a general and administrative expense, based on the excess of the fair value of

Alvotech shares issued, at the Closing Date, over the fair value of OACB's identifiable net assets acquired. The fair value of shares issued was estimated based on a market price of $9.38 per share as of 15 June 2022.

| | Shares | (in 000s) |
|---|---|---|
| OACB Shareholders | | |
| Class A Shareholders | 976,505 | |
| Class B Shareholders | 5,000,000 | |
| OACB Earn Out Shares | 1,250,000 | |
| Total Alvotech Shares issued to OACB shareholders | 7,226,505 | |
| Fair value of Shares issued to OACB as of 15 June 2022 | | $56,060 |
| Fair value of OACB Earn Out Shares issued to OACB as of 15 June 2022 | | 9,100 |
| Estimated fair market value | | 65,160 |
| Adjusted net liabilities of OACB as of 15 June 2022 | | (18,251) |
| Difference – being the share listing expense | | 83,411 |

In connection with the Business Combination and PIPE Financing, the Company incurred $28.5 million of transaction costs, which represent legal, financial advisory, and other professional fees in connection with the Business Combination and PIPE Financing, during the year ended December 31, 2022. Of this amount, $5.6 million represented equity issuance costs related to PIPE Financing that were capitalized in share premium. The remaining $22.9 million was recognized as general and administrative expense.

1.2 Information about subsidiaries and joint ventures

| Entity name | Principal activity | Issued and paid capital *(presented in whole shares)* | Place of establishment | Proportion of ownership and voting power held by Alvotech | |
|---|---|---|---|---|---|
| | | | | **2024** | **2023** |
| Alvotech hf. | Biopharm. | 4,356,613 | Iceland | 100.00% | 100.00% |
| Fasteignafélagið Sæmundur hf. | Real estate | 6,068,029 | Iceland | 100.00% | 100.00% |
| Alvotech Manco ehf. | Group Serv. | 215,390 | Iceland | 100.00% | 100.00% |
| Alvotech Swiss AG | Biopharm. | 153,930 | Switzerland | 100.00% | 100.00% |
| GlycoThera Holding S.à.r.l. | Holding Co | 15,000 | Luxembourg | 100.00% | —% |
| Glycothera Analytics GmbH (formerly Alvotech Hannover GmbH) | Biopharm. | 29,983 | Germany | 100.00% | 100.00% |
| Glycothera Development GmbH (formerly Alvotech Germany GmbH) | Biopharm. | 31,182 | Germany | 100.00% | 100.00% |
| Alvotech Biosciences India Pvt Limited | Biopharm. | 96,113 | India | 100.00% | 100.00% |
| Alvotech USA Inc | Group Serv. | 10 | USA | 100.00% | 100.00% |
| Alvotech UK Limited | Group Serv. | 135 | UK | 100.00% | 100.00% |
| Alvotech Malta Limited | Group Serv. | 13,533 | Malta | 100.00% | 100.00% |
| Alvotech Spain, S.L. | Group Serv. | 3,114 | Spain | 100.00% | —% |
| Alvotech & CCHN Biopharmaceutical Co. Ltd* | Biopharm. | 0 | China | —% | 50.00% |

* Alvotech & CCHN Biopharmaceutical Co. Ltd. unconsolidated joint venture was sold during 2024 (see Note 26).

1.3 Information about shareholders

Significant shareholders of the Company are Aztiq Pharma Partners S.à r.l. (Aztiq) and Alvogen Lux Holdings S.à r.l. (Alvogen), with 33.5% and 29.8% ownership interest as of 31 December 2024, respectively. The remaining 36.7% ownership interest is held by various entities, with no single shareholder holding more than 2.4% ownership interest as of 31 December 2024.

1.4 Going concern

The Group has primarily funded its operations with proceeds from the issuance of ordinary shares and the issuance of loans and borrowings to both related parties and third parties. The Group has incurred recurring losses since its inception, including net losses of $231.9 million, $551.7 million, and $513.6 million for the years ended 31 December 2024, 2023, and 2022, respectively, and had an accumulated deficit of $2,437.7 million as of 31 December 2024 and $2,205.8 million as of 31 December 2023. The Group has not generated positive operational cash flow, largely due to the continued focus on biosimilar product development and expansion efforts.

As of 31 December 2024, the Group had cash and cash equivalents of $51.4 million and current assets less current liabilities of $261.6 million.

On 26 February 2024, Alvotech announced it had received and accepted an offer from investors outside the U.S. for the sale of 10,127,132 Ordinary Shares, for an approximate gross value of $166 million, at a purchase price of $16.41 per share, or ISK 2,250, at the foreign exchange rate on 23 February 2024. The shares were to be delivered to investors from previously issued treasury shares held by Alvotech´s subsidiary Alvotech Manco. As of 31 December 2024, the settlement of the sale offers resulted in 9,213,333 Ordinary Shares delivered to investors upon the payment of $150.5 million, the net proceeds of the transaction totaling $144 million.

The Company announced in June 2024 that all holders of the Tranche A and some holders of the Tranche B of the 2022 Convertible Bonds exercised their right to conversion into ordinary shares at the fixed conversion price of $10.00 per share on the last scheduled conversion date prior to maturity, which is 1 July 2024. Similarly, some holders of the Aztiq Convertible Bonds decided to exercise similar conversion right into ordinary shares at the same conversion price. Based on the used exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $220.7 million of aggregate value of these bonds with accrued interest. The holders of the 2022 Convertible Bonds and the Aztiq Convertible Bonds that did not exercise their right to conversion, obtained repayment from the Group in July 2024, upon the closing of the senior secured first lien term loan facility of $965.0 million, led by GoldenTree Asset Management (the "Secured Loan Facility").

On 11 July 2024, the Company announced the closing of its previously executed Secured Loan Facility. The closing has allowed Alvotech to refinance outstanding debt obligations, reduce the cost of capital and improve its overall debt maturity profile. The Secured Loan Facility, for $965.0 million in aggregate principal amount, matures in July 2029. The first tranche is a first lien $900.0 million term loan which bears an interest rate of Secured Overnight Funding Rate (SOFR) plus 6.5% per annum. The second tranche is a $65.0 million first lien, second out term loan, which bears an interest rate of SOFR plus 10.5% per annum. This resulted in the concurrent settlement of its existing debt obligations.

Additionally, the Group continues to focus its efforts on the launch and commercialization of its existing biosimilar programs, as follows:

- In February 2024, the Company announced that the U.S. Food and Drug Administration (FDA) has approved Simlandi (adalimumab) injection, the AVT02 interchangeable biosimilar to Humira. Teva Pharmaceuticals International GmbH (“Teva”) is Alvotech’s strategic partner for the exclusive commercialization of Simlandi in the United States. In April 2024, the Company signed an agreement with Quallent Pharmaceuticals ("Quallent") allowing the interchangeable biosimilar to be distributed under Quallent's private label in the U.S. Additionally, The Company extended its European commercial partner, STADA Arzneimittel AG (“Stada”), commercial rights to AVT02 to Commonwealth of Independent States (CIS) countries in Central Asia in June 2024.
- The FDA approved AVT04, a biosimilar to Stelara (ustekinumab), for the U.S. in April 2024 enabling a commercialization starting on or after 21 February 2025. Alvotech launched AVT04 in Canada with its commercial partner JAMP Pharma ("Jamp"), on March 1, 2024 and started commercialization in Japan with Fuji Pharma ("Fuji") in May 2024. In July 2024, the Company launched Uzpruvo, the first approved

AVT04 biosimilar to Stelara across select European countries, with its commercial partner Stada. The Company extended Stada's commercial rights to AVT04 to CIS countries in Central Asia in June 2024. In October 2024, the FDA approved SELARSDI (ustekinumab) in a new presentation, 130 mg/26 ml solution in a single-dose vial for intravenous infusion. This approval paves the way for SELARSDI to further align its label with the indications of the reference product Stelara in the U.S. at launch, which is expected in the first quarter of 2025.

- In April 2024, the Company announced positive topline results from a confirmatory clinical study for AVT05, a proposed biosimilar for Simponi and Simponi Aria (golimumab). In November 2024, the European Medicines Agency (EMA) accepted a Marketing Authorization Application (MAA) for AVT05. The approvals process is anticipated to be completed in the fourth quarter of 2025.
- In May 2024, the Company announced its collaboration with Dr. Reddy's Laboratories SA, ("Dr. Reddy"), for the commercialization of AVT03, a proposed biosimilar to Prolia (denosumab) and Xgeva (denosumab), in the U.S., Europe and UK. Dr. Reddy's commercialization rights are exclusive for the U.S., and semi-exclusive for Europe and the UK. In June 2024, the Company extended its partnership with Stada who will assume marketing license for AVT03 in Europe through semi-exclusive rights, including Switzerland and the UK, as well as exclusive rights in selected markets in Central Asia and the Middle East. In July 2024, the Company announced positive topline results from a confirmatory patient study for AVT03. In October 2024, the EMA accepted a MAA for AVT03.
- In June 2024, the Company entered into an exclusive partnership agreement with Mercury Pharma Group Limited ("Advanz") regarding the supply and commercialization of AVT06 (aflibercebt), its proposed biosimilar to Eylea in Europe, except for Germany and France where the rights are semi-exclusive. In August 2024, the European Medicines Agency (EMA) has accepted a Marketing Authorization Application for AVT06.
- In September 2024, the Company announced the initiation of a confirmatory patient study for AVT16, a biosimilar candidate to Entyvio (vedolizumab).

The Group expects to fund its activities through a combination of utilizing the existing cash, the projected cash generation from milestone collections and product revenues under agreements with its commercial partners, and the current funding arrangements it has access to. Due to the relatively recent launch of AVT02 and AVT04 products on which the Group is currently reliant for cash flow generation, the recent debt refinancing as set out above, and the anticipated future launches of AVT03, AVT05, AVT06, which are undergoing regulatory approval, there is still some level of uncertainty associated with the timing of future cash flow generation. This may mean that the Group ultimately might need to rely on other financing arrangements in the future, such as successive capital increases or debt financings that are not wholly within the control of the Group. If such funding is unavailable, then management may be required to delay, limit, reduce or terminate one or more of its research or product development programs or future commercialization efforts to free up sufficient cash. However, as the Group's cash flow projections indicate there will be sufficient cash flow generation over the next twelve months without the need for additional financing, such uncertainty does not represent a material uncertainty which gives rise to significant doubt over going concern.

In conclusion, based on the existing cash on hand, funding received to date, and projected future cash flows, management concluded that the Group has the ability to continue as a going concern for at least one year after the date that the consolidated financial statements are issued. As such, the consolidated financial statements have been prepared on a going concern basis.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance and in compliance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), which comprise all standards and interpretations approved by the IASB, and as adopted by the European Union ("EU").

All amendments to IFRSs issued by the IASB that are effective for annual periods that begin on or after 1 January 2024 have been adopted as further described within the footnotes to the consolidated financial statements. The Group has not adopted any standards or amendments to standards in issue that are available for early adoption.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The consolidated financial statements are presented in U.S. Dollar ("USD") and all values are rounded to the nearest thousand unless otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

All intra-group transactions, balances, income and expenses are eliminated in full in consolidation.

2.3 Investments in joint ventures

To the extent the Group concludes that it does not control, and thus consolidate, a joint venture, the Group accounts for its interest in joint ventures using the equity method of accounting. As such, investments in a joint venture are initially recognized at cost and the carrying amount is subsequently adjusted for the Group's share of the profit or loss of the joint venture, as well as any distributions received from the joint venture. The Group carries its ownership interest in a joint venture as "Investment in joint venture" on the consolidated statements of financial position. The Group's profit or loss includes its share of the profit or loss of the joint venture and, to the extent applicable, other comprehensive income or loss for the Group includes its share of other comprehensive income or loss of the joint venture. The Group's share of a joint venture's profit or loss in a particular year is presented as "Share of net loss of joint venture" in the consolidated statements of profit or loss and other comprehensive income or loss.

The carrying amount of equity-accounted investments is assessed for impairment as a single asset. Impairment losses are incurred only if there is objective evidence of impairment as a result of loss events that have an impact on estimated future cash flows and that can be reliably estimated. Losses expected as a result of future events are not recognized. The Group recognized an impairment loss of $21.5 million related to its investment in the joint venture for the year ended 31 December 2023; the interests in the joint venture were sold during the year 2024, resulting in a net loss of $3.0 million (refer to Note 26).

2.4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires Group management to make judgments, estimates and assumptions about the reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources.

The estimates and associated assumptions are based on information available when the consolidated financial statements are prepared, historical experience and other factors that are considered to be relevant. Judgments and assumptions involving key estimates are primarily made in relation to the measurement and recognition of revenue, the valuation of derivative financial liabilities, and the valuation of deferred tax assets.

Existing circumstances and assumptions may change due to events arising that are beyond the Group's control. Therefore, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.5 Segment reporting

The Group operates and manages its business as one operating segment based on the manner in which the Chief Executive Officer, the Group's chief operating decision maker, assesses performance and allocates resources across the Group.

2.6 Revenue recognition

Product revenue

The Company recognizes revenue from the sale of its biosimilar product to commercial partners, identified as the customer, when control is transferred, and the performance obligations have been satisfied. This is when the title passes to the customer, which is upon shipment of the product. At that point, the commercial partner has full discretion over the channel and price to sell the products. Revenue is recognized based on the net selling price from the commercial partners, which is considered to be the transaction price and includes estimated rebates, returns and chargebacks, and other forms of variable consideration recognized by the customer. Variable consideration is accounted for by the Company only to the extent that it is highly probable that a significant reversal in the revenue recognized will not occur. Variable consideration, which includes any adjustments to the net selling price, is estimated based on the most likely amount method on a contract-by-contract basis.

Out-licensing revenue

A significant part of the Group's revenue is generated from long-term out-license contracts which provide the customer with an exclusive right to market and sell products in a particular territory once such products are approved for commercialization. These contracts typically include the Group's promises to continue development of the underlying compound and to provide supply of the product to the customer upon commercialization. The Group concludes that the license, development services and commercial supply are separate performance obligations. This is because customers generally have the capabilities to perform the necessary development, manufacturing and commercialization activities on their own or with readily available resources and have the requisite expertise in the industry and the territory for which the license has been granted. Further, the intellectual property is generally in a later phase of development at the time the license is granted such that any subsequent development activities performed by the Group are not expected to significantly modify or transform the intellectual property. The fact that the Group is contractually obligated to perform development activities for and provide commercial supply to the customer does not impact this conclusion. The Group's promise to provide commercial supply to its customers is contingent upon the achievement of regulatory approval in the particular territory for which the license has been granted.

The consideration to which the Group is entitled pursuant to these contracts generally includes upfront payments and payments based upon the achievement of development and regulatory milestones. All contracts include a potential refund obligation whereby the Group must refund the consideration paid by the customer in the event of a technical failure or the occurrence of certain other matters that result in partial or full cancellation of the contract. As such, the entire transaction price is comprised of variable consideration, which is estimated using the most likely amount method due to the binary nature of the outcomes under these contracts. Such variable consideration is included in the

transaction price only when it is highly probable that doing so will not result in a significant reversal of cumulative revenue recognized when the underlying uncertainty associated with the variable consideration is subsequently resolved. The Group does not account for a significant financing component since a substantial amount of consideration promised by the customer is variable and the amount or timing of that consideration varies on the basis of a future event that is not substantially within the control of either party. Certain contracts also include commercialization milestones upon the first commercial sale of a product in a particular territory, as well as royalties. Commercialization milestones and royalties are accounted for as sales-based royalties; therefore, such amounts are not included in the transaction price and recognized as performance revenue until the underlying sale that triggers the milestone or royalty occurs.

Upfront payments, when applicable, are received in advance of transferring control of all goods and services. Therefore, a portion of upfront payments is recorded as a contract liability upon receipt. Due to the existence of refund provisions, upfront payments and certain development milestone payments are generally included in the transaction price upon submission of the first clinical trial application to the respective regulatory agency, since it is at this point in time that a significant reversal of cumulative revenue recognized related to such payments is no longer highly probable. Other development and regulatory milestones may not be included in the transaction price until such milestones are achieved due to the degree of uncertainty associated with achieving these milestones. Contract liabilities are presented on the consolidated statements of financial position as either current or non-current based upon forecasted performance. In certain contracts, the Group may transfer control of goods and services, and thus recognize revenue, prior to having the right to invoice the customer. In these circumstances, the Group recognizes contract assets for revenue recognized, and subsequently reclasses the contract asset to trade receivables upon issuing an invoice and the right to consideration is only conditional on the passage of time. Contract assets are presented on the consolidated statements of financial position as either current or non-current based upon the expected timing of settlement.

The standalone selling prices of the development services and the license to intellectual property are not directly observable and, therefore, are estimated. The standalone selling price of the development services is estimated based on the expected costs to be incurred during the development period, using various data points such as the underlying development budget, contractual milestones and performance completed at the time of entering into the contract with a customer. The standalone selling price of the license is estimated using the residual approach on the basis that the Group licenses intellectual property for a broad range of amounts and has not previously licensed intellectual property on a standalone basis. Therefore, the Group first allocates the transaction price to the development services and subsequently allocates the remainder of the transaction price to the license. If the product is still in early phase of development and the constraint on variable consideration has not been resolved, all the transaction price is allocated to the development service.

The standalone selling price of the commercial supply is directly observable and the stated prices in the Group’s supply contracts reflect the standalone selling price of such goods.

The licenses to intellectual property are right of use licenses on the basis that the ongoing development work performed by the Group does not significantly affect the intellectual property to which the customer has rights. Therefore, control of the license transfers to the customer at the point in time when the right to use the license is granted to the customer. The license is generally granted to the customer at the time the contract is executed with the customer.

The Group satisfies its performance obligation related to the development services over time as the Group’s performance enhances the value of the licensed intellectual property controlled by the customer throughout the performance period. The Group recognizes revenue using a cost-based input measure since this measure best reflects the progress of the development services and, therefore, the pattern of transfer of control of the services to the customer. In certain instances, the Group may subcontract services to other parties for which the Group is ultimately responsible. Costs incurred for such subcontracted services are included in the Group’s measure of progress for satisfying its performance obligation. Changes in the total estimated costs to be incurred in measuring the Group’s progress toward satisfying its performance obligation may result in adjustments to cumulative revenue recognized at the time the change in estimate occurs.

Upon the achievement of regulatory approval and the commencement of commercial sale of its products, the Group will satisfy its performance obligation related to commercial supply at the point in time when control of the manufactured product is transferred to the customer. Transfer of control for such goods will occur in accordance with the stated shipping terms.

The Group does not incur incremental costs of obtaining a contract with a customer that would require capitalization. Costs to fulfill performance obligations are not incurred in advance of performance and, as such, are expensed when incurred.

Other revenue

Other revenue primarily consists of clinical trial support services rendered by the Group for its customers, which is recognized as the service is provided. Revenue for such services is presented in the consolidated statements of profit or loss and other comprehensive income or loss net of any discounts.

2.7 Cost of product revenue

Cost of product revenue includes the cost of inventory sold, labor costs, manufacturing overhead expenses and reserves for expected scrap, as well as shipping and freight costs and royalty costs related to in-license agreements.

2.8 Research and development expenses

Research and development expenses primarily consist of personnel costs, material and other lab supply costs, facility costs and internal and external costs related to the execution of studies and other development program advancement initiatives. Such expenses also include costs incurred in preparation for commercial launch, such as designing and developing commercial-scale manufacturing capabilities and processes, quality control processes, production asset validation and other related activities. The costs also include amortization, depreciation and impairment losses related to software, property, plant and equipment, and right-of-use assets used in research and development activities and pre-commercial manufacturing and quality control activities.

An internally generated intangible asset arising from the Group’s development is recognized only if the Group can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intent to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets the aforementioned recognition criteria. If an internally-generated intangible asset cannot be recognized, the related development expenditure is charged to profit or loss in the period in which it is incurred.

Expenditures related to research and development activities are recognized as an expense in the period in which they are incurred. The Company did not capitalize any development expenses as intangible assets during the years ended 31 December 2024 and 2023 as not all the criteria in paragraph 57 of IAS 38 have been met.

2.9 General and administrative expenses

General and administration expenses primarily consist of personnel-related costs, including salaries and other related compensation expense, for corporate and other administrative and operational functions including finance, human resources, information technology and legal, as well as facility-related costs. These costs relate to the operation of the business and are not related to research and development initiatives.

Expenditures related to general and administration activities are recognized as an expense in the period in which they are incurred.

2.10 Finance income and finance cost

Finance income consists of changes in the fair value of derivative financial liabilities and interest income. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Finance cost consists of changes in the fair value of derivative financial liabilities, interest expense related to lease liabilities and borrowings, accretion of borrowings and amortization of deferred debt issue costs.

2.11 Foreign currency translation

The consolidated financial statements are presented in U.S. Dollars, which is the Group's presentation currency. The Group maintains the financial statements of each entity within the Group in its respective functional currency. The majority of the Group's expenses are incurred in U.S. Dollars and Icelandic Krona, and the majority of the Company's cash and cash equivalents are held in a combination of Icelandic Krona, Euros and U.S. Dollars. Transactions in currencies other than the Group's presentation currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

Exchange differences arising on translation of a foreign controlled subsidiary are recognized in other comprehensive income or loss and accumulated in a translation reserve within equity. The cumulative translation amount is reclassified to profit or loss if and when the net investment in the foreign controlled subsidiary is disposed.

2.12 Fair value measurements

The Group measures certain financial liabilities at fair value through profit or loss (FVTPL) at each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair values of such financial liabilities, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques, as follows:

- Level 1: quoted prices in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (e.g., prices) or indirectly (e.g., derived from prices); and
- Level 3: inputs for the asset or liability that are unobservable.

The carrying amounts of cash and cash equivalents, restricted cash, trade receivables, other current assets, contract assets, trade and other payables and other current liabilities in the Group's consolidated statements of financial position approximate their fair value because of the short maturities and nature of these instruments.

For liabilities that are measured at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the fair value hierarchy by reassessing the inputs used in determining fair value at the end of each reporting period.

2.13 Goodwill and other intangible assets

Goodwill and business combinations

Acquisitions are first reviewed to determine whether a set of assets acquired constitute a business and should be accounted for as a business combination. If the assets acquired do not meet the definition of a business, the Group will account for the transaction as an asset acquisition. If the definition of a business combination is met, the Group will account for the transaction using the acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in the consolidated statements of profit or loss and other comprehensive income or loss as incurred.

Goodwill represents the excess of the purchase price of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities, contingent liabilities, the amount of any noncontrolling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree. Goodwill is reviewed for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The value in use calculation is performed using discounted expected future cash flows. The discount rate applied to these cash flows is based on the weighted average cost of capital and reflects current market assessments of the time value of money.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or as additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The Group did not complete any business combinations during the years ended 31 December 2024 and 31 December 2023.

Other intangible assets

Other intangible assets consist of software, customer relationships, and intellectual property rights. Intangible assets acquired in a business combination are identified and recognized separately from goodwill if they satisfy the definition of an intangible asset and their fair values can be reliably measured. The cost of intangible assets is their fair value at the acquisition date.

Intangible assets with finite useful lives are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over an asset's estimated useful life. The estimated useful life and amortization method are reviewed at each balance sheet date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The following useful lives are used in the calculation of amortization:

| | |
|---|---|
| Software | 3-10 years |
| Customer relationships | 7 years |
| Intellectual property rights* | 10 years |

- *From launch date*

Certain of the Group's intellectual property rights have been pledged to secure borrowings as further described in Note 21.

Intangible assets with indefinite useful lives are reviewed for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The value in use calculation is performed using discounted expected future cash flows. The discount rate applied to these cash flows is based on the weighted average cost of capital and reflects current market assessments of the time value of money.

2.14 Income tax

Income tax includes the current tax and deferred tax charge recorded in the consolidated statements of profit or loss and other comprehensive income or loss.

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statements of profit or loss and other comprehensive income or loss because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or

deductible. The Group's current tax expense is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Accruals for tax contingencies are made when it is not probable that a tax authority will accept the tax position, based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Accruals for tax contingencies are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty.

Deferred tax

Deferred tax is provided in full for all temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, except to the extent the temporary difference arises from:

- The initial recognition of an asset or a liability in a transaction that is not a business combination and that affects neither the taxable profit nor accounting profit;
- The initial recognition of residual goodwill (for deferred tax liabilities only); or
- Investments in subsidiaries, branches, associates and joint ventures, where the Group is able to control the timing of the reversal of the temporary difference and it is not probable that it will reverse in the foreseeable future.

The tax value of tax loss carry-forwards is included in deferred tax assets to the extent that these are expected to be utilized against future taxable income. The deferred taxes are measured according to the respective territorial current tax rules and tax rates assumed in the year in which the assets are expected to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of the assets and liabilities.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the consolidated statements of profit or loss and other comprehensive income or loss, except when the tax arises from a business combination or it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis in that taxation authority.

2.15 Property, plant and equipment

Property, plant and equipment is recognized as an asset when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured in a reliable manner. Property, plant and equipment which qualifies for recognition as an asset are initially measured at cost.

The cost of property, plant and equipment includes an asset's purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Depreciation is calculated and recognized as an expense on a straight-line basis over an asset's estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the

effect of any changes in estimate accounted for on a prospective basis. The following useful lives are used in the calculation of depreciation:

| | |
|---|---|
| Facility | 40 years |
| Facility equipment | 5-20 years |
| Computer equipment | 3 years |
| Leasehold improvements | 3-15 years |
| Furniture and fixtures | 5 years |

Certain of the Group's property, plant and equipment assets have been pledged to secure borrowings as further described in Note 21. Significant disposals of pledged assets are subject to lender approval. Upon disposal or retirement of an asset, the difference between the sales proceeds, if applicable, and the carrying amount of the asset is recognized in the consolidated statements of profit or loss and other comprehensive income or loss at the time of disposal or retirement.

At the end of each reporting period, or sooner if events triggering an interim impairment assessment occur, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that the value of such assets are impaired. Triggering events that warrant an interim impairment assessment include, but are not limited to, the technical obsolescence of equipment or failure of such equipment to meet regulatory requirements. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and the carrying amount of the asset is reduced to its recoverable amount, which is the higher of fair value less costs of disposal and value in use.

2.16 Inventories

Inventories, which consist of raw materials and supplies, work in progress and finished goods are stated at the lower of cost or net realizable value. Net realizable value is the expected sales price less completion costs and costs to be incurred in marketing, selling and distributing the inventory. Cost is calculated using the weighted average cost method or the first-in, first-out method, depending on the nature of the inventory.

Inventories include direct costs for raw materials and supplies and, as applicable, direct and indirect labor and overhead expenses that have been incurred to bring inventories to their present location and condition.

If the net realizable value is lower than the carrying amount, a write-down of inventory is recognized for the amount by which the carrying amount exceeds net realizable value.

The Group's inventories have been pledged to secure borrowings as further described in Note 21.

2.17 Financial assets

Recognition of financial assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, other than financial assets measured at FVTPL, are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss. There were no transaction costs related to the acquisition of financials assets in 2024 and 2023. All of the Group's financial assets are measured at amortized cost as of 31 December 2024 and 2023.

Financial assets measured at amortized cost

Financial assets measured at amortized cost are debt instruments that give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group's financial assets measured at amortized cost are trade receivables, certain other current assets, receivables from related parties, restricted cash and cash and cash equivalents.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on its trade receivables and other debt instruments that are measured at amortized cost. In addition, although contract assets are not financial assets, a loss allowance for ECL are also recognized for such assets. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecasted direction of conditions at the reporting date, including time value of money where appropriate.

The Group writes off a financial asset when there is no reasonable expectation of recovery, such as information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. A trade receivable or contract asset that is considered uncollectible is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. The Group did not write off any trade receivables or contract assets during the years ended 31 December 2024 and 2023 except for the Biosana related asset which was fully reserved (see Note 18).

The Group estimates impairment for related party receivables on an individual basis. No impairment is recognized for restricted cash or cash and cash equivalents as management has estimated that the effects of any calculated ECL would be immaterial.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset as well as an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income or loss and accumulated in equity is recognized in profit or loss.

2.18 Financial liabilities

Financial liabilities

The Group's financial liabilities consist of trade and other payables, certain other current liabilities loans and borrowings, lease liabilities, derivative financial instruments, long-term incentive plans, share appreciation right plans and other long-term liability to a related party. All financial liabilities are initially measured at fair value. Loans and borrowings are recorded net of directly attributable transaction costs and less the value attributable to any embedded derivative financial instruments, if applicable.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled, substantially modified or have expired. Additionally, management elected, as part of its accounting policy, to recognize the difference between the carrying amount of the financial liabilities and the fair value of the consideration paid for the extinguishment in the consolidated statement of profit or loss and other comprehensive income or loss.

Financial liabilities subsequently measured at amortized cost

After initial recognition, financial liabilities other than derivative financial instruments and awards issued pursuant to long-term incentive plans are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating

interest expense over the relevant period. The effective interest rate is the rate that discounts all estimated future cash payments through the expected life of the financial liability, or a shorter period if appropriate, to the amortized cost of a financial liability. The effective interest rate includes the effects of any discount or premium on acquisition of the financial liability, as well as any fees or costs incurred upon acquisition.

Financial liabilities subsequently measured at FVTPL

*Derivative financial instruments*

Certain rights and features pursuant to borrowing arrangements and other contracts may provide the counterparty with one or more financial instruments that need to be evaluated and potentially accounted for separately by the Group. These financial instruments are either embedded in a host instrument or are treated as a separate financial instrument if they are contractually transferable independent from the host instrument. Such rights and features pursuant to the Group's contracts with both third parties and related parties include earn out rights, conversion rights and warrant rights.

Equity conversion features within host debt instruments that meet the definition of a derivative and have economic and risk characteristics that are not closely related to the host instrument are embedded derivatives that are separated from the host instrument and accounted for separately. As part of the accounting for embedded derivatives or separate financial instruments, management considers the appropriate accounting classification under IAS 32.

Embedded derivatives and separate financial instruments that meet the fixed-for-fixed criteria are classified as equity and initially measured at fair value. Warrant rights that provide the holder with an option to purchase ordinary shares at a specified price or pursuant to a specified formula are generally separate derivative financial instruments that are accounted for as derivative liabilities. Earn Out Shares grant the holder with a variable number of Ordinary Shares based on certain vesting conditions tied to the stock price and are accounted for as derivative liabilities. In the event that the fair value of any derivative liabilities, determined using unobservable inputs, exceeds the transaction price of a borrowing arrangement, the Group records a deferred loss at the inception of the borrowing arrangement for the difference between the fair value of the derivative liabilities and the transaction price of the borrowing arrangement. Such deferred losses are recognized over the term of the related borrowing arrangement using the straight-line method of amortization. The deferred loss is netted against derivative financial liabilities on the consolidated statements of financial position. Amortization of the deferred loss is recognized as a component of "Finance costs" in the consolidated statements of profit or loss and other comprehensive income or loss.

The Group recognized derivative liabilities related to the Predecessor Earn Out Shares, OACB Earn Out Shares and assumed OACB warrants. Additionally, the Group recognized an embedded derivative for the conversion feature associated with the Tranche A Convertible Bonds, as further described in Note 27. These features are liability-classified, rather than equity-classified, because the Group is obligated to issue a variable number of ordinary shares to the holder upon conversion or exercise of the feature. Therefore, these derivative liabilities were initially recorded at fair value and remeasured to fair value at each reporting period with gains and losses arising from changes in the fair value recognized in finance income or finance costs, as appropriate.

The fair values of the derivative liabilities were determined using a valuation approach that incorporated a range of inputs that are both observable and unobservable in nature. The inputs used in the initial and subsequent fair value measurements predominantly relate to (i) the price of the Group's Ordinary Shares (ii) the volatility of the Group's Ordinary Shares, (ii) a risky discount rate corresponding to the credit risk associated with the repayment of the host debt instruments, and (iii) the probabilities of each derivative being exercised by the holder and the timing of such exercises. The probabilities are determined based on all relevant internal and external information available and are reviewed and reassessed at each reporting date.

The Group will derecognize any derivative liabilities if and when the rights are exercised by the holders or the time period during which the rights can be exercised expires.

*Long-term incentive plans*

Management Incentive Plan

The Group can issue share options, restricted share units ("RSUs"), and other share-based awards under the Company's new incentive plan (the "Management Incentive Plan") which was approved by the Board in June 2022. Awards issued under the Management Incentive Plan are accounted for in accordance with IFRS 2. Share-based

payments are classified as equity-settled share-based payments as the Company intends to settle the awards with equity and has the commercial substance to do so. Share-based payments are measured at the grant date fair value of the instruments issued and recognized over the expected vesting periods. The number of shares expected to vest are reviewed and adjusted at the end of each reporting period such that the amount of expense recognized shall be based on the number of equity instruments that will eventually vest.

### 2.19 Litigation and other contingencies

The Group may, from time to time, become involved in legal proceedings arising out of the normal course of its operations. For instance, as a developer and manufacturer of biosimilars, the Group may be subject to lawsuits alleging patent infringement or other similar claims filed by the reference product sponsor. Similarly, the Group may utilize patent challenge procedures to challenge the validity, enforceability or infringement of the reference product sponsor's patents. Other parties may also file patent infringement claims against the Group alleging that the Group's products or manufacturing process techniques infringe their patents.

The Group establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. When such conditions are not met for a specific legal matter, no reserve is established. Although management currently believes that resolving claims against the Group, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of the Group, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. It is possible that an unfavorable outcome of a lawsuit or other contingency could have a material impact on the liquidity, results of operations, or financial condition of the Group.

Significant judgment is required in both the determination of probability of loss and the determination as to whether the amount of loss can be reasonably estimated. Accruals are based only on information available at the time of the assessment, due to the uncertain nature of such matters. As additional information becomes available, management reassesses potential liabilities related to pending claims and litigation and may revise its previous estimates, which could materially affect the Group's results of operations in a given period.

The Group maintains liability insurance coverages for various claims and exposures. The Group's insurance coverage limits its maximum exposure on claims; however, the Group is responsible for any uninsured portion of losses. Management believes that present insurance coverage is sufficient to cover potential exposures.

### 2.20 Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for those with a lease term of twelve months or less and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The Group's leased assets consist of various real estate, fleet and equipment leases.

Right-of-use assets reflect the initial measurement of the lease liability, lease payments made at or before the lease commencement date and any initial direct costs less lease incentives that may have been received by the Group. These assets are subsequently measured at cost less accumulated depreciation, impairment losses and remeasurements of the underlying lease liability. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group or the lease includes a purchase option that the Group is reasonably certain to exercise, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate, which is the rate of interest that the Group would need to pay to borrow, on a collateralized basis, an amount equal to the lease payments over a similar term in a similar economic environment based on information available at the commencement date of the lease. The lease payments included in the measurement of the lease liability comprise fixed payments (including in-substance fixed payments) less any incentives, variable lease payments that depend on an index or rate, expected residual guarantees and the exercise price of purchase options reasonably certain to be exercised by the Group.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, using the effective interest method, and by reducing the carrying amount to reflect payments made during the lease term. The Group remeasures the lease liability if the lease term has changed, when lease payments based on an index or rate change or when a lease contract is modified and the modification is not accounted for as a separate lease.

Variable payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, lessees are not required to separate non-lease components from lease components, and instead account for any lease and associated non-lease components as a single lease component. The Group has used this practical expedient.

2.21 Loss per share

Holders of the Predecessor Earn Out Shares and OACB Earn Out Shares have equal dividend and participation rights to the ordinary shareholders. However, these participating securities are classified as liabilities and as such, the shares held are not included in the weighted average number of ordinary shares outstanding in the basic loss per share calculation.

The calculation of basic loss per share is based on the loss for the year attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is computed by dividing the loss for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding in the basic loss per share calculation, both of which are adjusted for the effects of all dilutive potential ordinary shares. Antidilutive effects of potential ordinary shares, which result in an increase in earnings per share or a reduction in loss per share, are not recognized in the computation of diluted loss per share.

## 3. New accounting standards

Management has assessed that new or amended IFRS Accounting Standards and interpretations issued by the IASB and endorsed by the EU effective on or after 1 January 2024 has not had a significant effect on the Consolidated financial statements, specifically:

- Amendments to IFRS 16 *Leases: Lease Liability in a Sale and Lease back*;
- Amendment to IAS 1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*; and
- Amendment to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures: Supplier Finance Arrangement*s.

New or amended IFRS Accounting Standards and interpretations issued by the IASB that have not yet become effective are generally not adopted until they become effective and endorsed by the EU. Management does not anticipate any significant impact on the consolidated financial statements in the period of initial application from the adoption of these new standards and amendments, apart from IFRS 18 *Presentation and Disclosure in Financial Statements* which replaces IAS 1 effective from 1 January 2027. The new IFRS 18 is expected to change the presentation of the statements of profit or loss and other comprehensive income or loss and to differentiate between earnings from operating activities, investment activities and financing activities. IFRS 18 will also add additional disclosures but will not change any accounting policies on recognition and measurement, hence it will not change reported net results. Management is currently assessing the impact of this new standard.

## 4. Segment reporting

As disclosed in Note 2, the Group operates and manages its business as one operating segment.

A significant portion of the Group’s revenue is generated from long-term out-license contracts which provide the customer with exclusive or semi-exclusive rights to a particular territory, which generally span multiple countries or a particular continent, as well as the Group’s promises to continue development of the underlying compound and to

provide supply of the product to the customer upon commercialization. Therefore, based on the nature of the customer agreements, revenue information is not currently available on a country-by-country basis.

Revenue from customers based on the geographic market in which the revenue is earned, which predominantly aligns with the rights conveyed to the Group's customers pursuant to its out-license contracts, is as follows:

| | 2024 | 2023 |
|---|---|---|
| Europe | 157,587 | 63,510 |
| USA | 273,036 | 9,430 |
| Rest of World | 59,059 | 18,494 |
| | 489,682 | 91,434 |

Non-current assets, excluding financial instruments and deferred tax assets, based on the location of the asset is as follows:

| | 2024 | 2023 |
|---|---|---|
| Europe | 451,066 | 415,659 |
| USA | 6,407 | 5,094 |
| Rest of World | 10,547 | 6,194 |
| | 468,020 | 426,947 |

Revenue from transactions with individual customers that exceeds ten percent or more of the Group's total revenue is as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Revenue | % Total | Revenue | % Total |
| Customer A | 144,384 | 29.5% | 9,430 | 10.3% |
| Customer B | 72,105 | 14.7% | 46,954 | 51.4% |
| Customer C | 26,094 | 5.3% | 8,876 | 9.7% |
| Customer D | 72,339 | 14.8% | 16,556 | 18.1% |
| Customer E | 101,862 | 20.8% | — | —% |

## 5. Revenue

*Disaggregated revenue*

The following table summarizes the Group's revenue from contracts with customers, disaggregated by the type of good or service and timing of transfer of control of such goods and services to customers during the years ended 31 December 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Product revenue (point in time revenue recognition) | 273,472 | 48,699 |
| License revenue (point in time revenue recognition) | 75,813 | 7,775 |
| Performance revenue (point in time revenue recognition) | 42,391 | 4,402 |
| Development and other service revenue (over time revenue recognition) | 98,006 | 30,558 |
| | 489,682 | 91,434 |

Performance revenue is disaggregated from license revenue as the Company reached significant performance milestones during the year. Those were previously reported under license revenue in 2023.

*Reassessment of measure of progress*

Subsequent changes to the estimate of the transaction price are recorded as adjustments to revenue in the period of change. The Group updates the measure of progress estimates on a quarterly basis. The quarterly changes in estimates did not result in material adjustments to the Group's previously reported revenue or trade receivables during the years ended 31 December 2024 and 2023.

*Contract assets and liabilities*

A reconciliation of the beginning and ending balances of contract assets and contract liabilities is shown in the table below:

| | Contract Assets | Contract Liabilities |
|---|---|---|
| 31 December 2022 | 28,656 | 93,932 |
| Contract asset additions | 19,634 | — |
| Amounts transferred to trade receivables | (2,412) | — |
| Derecognition of contract liability | — | (42,089) |
| Customer prepayments | — | 100,555 |
| Revenue recognized | — | (23,101) |
| Foreign currency adjustment | 171 | 3,147 |
| 31 December 2023 | 46,049 | 132,444 |
| Contract asset additions | 133,756 | — |
| Amounts transferred to trade receivables | (88,564) | — |
| Derecognition of contract liability | — | (331) |
| Customer prepayments | — | 51,255 |
| Revenue recognized | — | (82,454) |
| Foreign currency adjustment | (1,227) | (4,213) |
| 31 December 2024 | 90,014 | 96,701 |

The net increase in contract assets as of 31 December 2024 is due to the revenue recognized when the performance obligation has been met which is offset by transfer of amounts to trade receivables on the basis that the Group's right to that consideration is no longer contingent on its performance. The net decrease in contract liabilities as of 31 December 2024 is due to revenue recognized when the performance obligation has been met which is offset by customer prepayments in advance of the Group's performance. As of 31 December 2024, $22.7 million and $67.3 million are recorded as non-current contract assets and current contract assets, respectively. Non-current contract assets will materialize over the next 2 to 3 years. As of 31 December 2024, $80.7 million and $16.0 million are recorded as non-current contract liabilities and current contract liabilities, respectively. Non-current contract liabilities will be recognized as revenue over the next 2 to 5 years as either services are rendered or contractual milestones are achieved, depending on the performance obligation to which the payment relates.

*Remaining performance obligations*

Due to the long-term nature of the Group's out-license contracts, the Group's obligations pursuant to such contracts represent partially unsatisfied performance obligations at year-end. The revenues under existing out-license contracts with original expected durations of more than one year are estimated to be $265.5 million. The Group expects to recognize the majority of these revenues over the next 5 years.

6. Salaries and other employee expenses

The average number of individuals employed by the Group during the years ended 31 December 2024 and 2023 was 1,011 and 999, respectively. The aggregate salary and other employee expenses incurred by the Group for these employees were as follows:

| | 2024 | 2023 |
|---|---|---|
| Salary expense | 109,042 | 107,067 |
| Defined contribution plan expense [(1)] | 11,168 | 11,518 |
| Long-term incentive plan expense | 198 | 78 |
| Share-based payments (see Note 22) | 7,626 | 18,033 |
| Other employee expense | 19,998 | 19,718 |
| Temporary labor | 5,994 | 8,495 |
| | 154,026 | 164,909 |

(1) Defined contribution plan expense consists of costs incurred by the Group for employees of certain subsidiaries that are required by local laws to participate in pension schemes. These pension schemes are not sponsored or administered by the Group. Pursuant to the requirements of the schemes, the Group is required to contribute a certain percentage of its payroll costs to the pension schemes. Such contributions are charged to the consolidated statements of profit or loss and other comprehensive income or loss as they are incurred in accordance with the rules of the pension schemes.

Salaries and other employee expenses are included within the consolidated statements of profit or loss and other comprehensive income or loss as follows:

| | 2024 | 2023 |
|---|---|---|
| Cost of product revenue | 77,241 | 76,908 |
| Research and development expenses | 37,652 | 44,339 |
| General and administrative expenses | 39,133 | 43,662 |
| Total salary and other employee expenses | 154,026 | 164,909 |

7. Finance income and finance costs

Finance income earned for the years ended 31 December 2024 and 2023 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Changes in the fair value of derivatives | 75,528 | — |
| Interest income from cash and cash equivalents | 4,577 | 4,547 |
| Other interest income | 40 | 276 |
| | 80,145 | 4,823 |

Finance costs incurred for the years ended 31 December 2024 and 2023 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Changes in the fair value of derivatives (see Note 27) | (145,564) | (132,333) |
| Interest on debt and borrowings | (147,373) | (129,327) |
| Interest on lease liabilities (see Note 13) | (6,614) | (3,840) |
| Amortization of deferred debt issue costs | (3,614) | (1,657) |
| | (303,165) | (267,157) |

8. Depreciation, amortization and impairment

Depreciation, amortization and impairment expenses incurred during the years ended 31 December 2024 and 2023 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Depreciation and impairment of property, plant and equipment (see Note 12) | 17,105 | 14,353 |
| Depreciation of right of use assets (see Note 13) | 13,377 | 8,913 |
| Amortization and impairment of intangible assets (see Note 15) | 819 | 2,723 |
| | 31,301 | 25,989 |

Depreciation, amortization and impairment expenses are included within the consolidated statements of profit or loss and other comprehensive income or loss as follows:

| | 2024 | 2023 |
|---|---|---|
| Cost of product revenue | 18,683 | 15,582 |
| Research and development expenses | 8,359 | 6,886 |
| General and administrative expenses | 4,259 | 3,521 |
| Total depreciation, amortization and impairment expense | 31,301 | 25,989 |

9. Audit fees

| | 2024 | 2023 |
|---|---|---|
| Financial Statement audit fees | 3,335 | 2,876 |
| Other fees, including tax services | 279 | 462 |
| Total fees | 3,614 | 3,338 |

Financial Statements audit fees consist of fees for the audit of our annual financial statements and other professional services provided in connection with the statutory and regulatory filings or engagements, including fees for the review of our interim financial information.

Other fees, including tax services, include fees for review of our current and historical financial information included in our SEC registration statements, fees for tax compliance, tax advice, and tax planning.

10. Income tax

Taxation recognized in the consolidated statements of profit or loss and other comprehensive income or loss during the years ended 31 December 2024 and 2023 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Current tax | | |
| Direct taxes - current | 1,149 | 1,307 |
| Direct taxes – prior year | (48) | (60) |
| Total current tax | 1,101 | 1,247 |
| Deferred tax | | |
| Current | 7,284 | (89,847) |
| Prior year | 5,916 | (10,719) |
| Total deferred tax | 13,200 | (100,565) |
| Total income tax charge / (benefit) | 14,301 | (99,318) |

The prior year deferred tax impact of $5.9 million mainly relates to foreign currency impact on losses denominated in Icelandic krona.

The factors affecting the tax charge during the year ended 31 December 2024 relate to the utilization of the deferred tax asset on accumulated tax losses previously recognized . The factors affecting the tax benefit during the year ended 31 December 2023 relate to the recognition of a deferred tax asset on accumulated tax losses, as management assessed that it was probable that the accumulated tax losses would be fully utilized in the coming years.

There were no accruals for tax contingencies during the years ended 31 December 2024 and 2023.

The effective tax rate for the year of -6.6% (2023: 15.3%) is lower than the applicable Luxembourgish statutory rate of corporation tax. The reconciling items between the statutory rate and the effective tax rate are as follows:

| | 2024 | 2023 |
|---|---|---|
| Tax rate | 24.9% | 24.9% |
| Effect of tax rate in foreign jurisdictions | 0.8% | (3.4%) |
| Permanent Differences | (17.4%) | (6.7%) |
| Non-recognition of tax losses | (12.2%) | (1.5%) |
| Other items | (2.8%) | 1.9% |
| Effective tax rate | (6.6%) | 15.3% |

The movement in net deferred taxes during the years ended 31 December 2024 and 2023 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance at 1 January | 309,754 | 209,187 |
| Deferred tax credited to profit or loss | (13,205) | 100,567 |
| Balance at 31 December | 296,549 | 309,754 |
| Deferred tax assets | 298,360 | 309,807 |
| (Deferred tax liabilities) | (1,811) | (53) |

| | 2024 | | 2023 | |
|---|---|---|---|---|
| Deferred Tax Assets and Liabilities | DTA | (DTL) | DTA | (DTL) |
| Intangible Assets | 751 | — | (1,131) | (8) |
| Tangible Assets | 530 | (849) | (1,967) | (10) |
| Inventory Reserves | 1,384 | — | 1,829 | — |
| Bad Debt Reserves | 3,483 | — | 3,700 | — |
| Employee Benefits | 4,611 | — | 5,652 | — |
| Provisions and accruals | — | (679) | (410) | — |
| Other | (275) | (283) | 760 | (35) |
| Taxable Losses | 287,874 | — | 301,375 | — |
| Total Deferred Taxes | 298,360 | (1,811) | 309,807 | (53) |

Where there is a right of offset of deferred tax balances within the same tax jurisdiction, IAS 12 requires these to be presented after such offset in the consolidated statements of financial position. The closing deferred tax balances included above are after offset; however, the disclosure of deferred tax assets by category below are presented before such offset.

The amount of deferred tax recognized in the consolidated statements of financial position as of 31 December 2024 and 2023 is composed of:

| | 2024 | 2023 |
|---|---|---|
| Deferred tax assets attributable to tax loss carryforwards | 287,874 | 301,375 |
| Deferred tax assets attributable to other temporary differences | 10,760 | 11,941 |
| (Deferred tax liabilities) attributable to other temporary differences | (2,085) | (3,562) |
| Net deferred tax assets / (liabilities) | 296,549 | 309,754 |

A deferred tax liability has been recognized in relation to ordinary timing differences arising from depreciation and other provisions. A deferred tax liability of $2.1 million and $3.6 million has been recognized as of 31 December 2024 and 2023, respectively.

A deferred tax asset has been recognized in relation to ordinary timing differences arising from amortization, depreciation, reserves, employee benefits and tax losses carried forward in the Group. The deferred tax asset on tax losses relates to tax losses arising in Iceland, and management considers probable that future forecasted profit associated with product, license and other revenue will be available to offset the cumulative tax losses as of 31 December 2024. In assessing the probability of recovery, management has reviewed the Group's long-term plan, for the years 2025-20230, that has been used for the going concern assessment and the goodwill and fixed asset impairment testing. This long-term plan anticipates successful completion of biosimilar programs currently in the pipeline and execution of future commercial launches that will support profitability in the near future. The forecasts included in the long-term plan are evaluated to incorporate potential uncertainty associated with the amount and timing of expected future revenues, driven by factors such as potential competition and the inherent risk associated with biosimilar product development.

No deferred tax asset is recognized on tax losses arising in Luxembourg as their recoverability is unlikely to be realized.

A net deferred tax asset of $296.5 million and $309.8 million is recognized as of 31 December 2024 and 2023, respectively.

These tax losses expire as follows:

| | |
|---|---|
| 2025-2027 | 118,340 |
| 2028-2030 | 392,857 |
| Later | 969,441 |
| Indefinite | — |
| Total | 1,480,638 |

As of 31 December 2024, the Group has total unused tax losses of $1,480.6 million which is comprised of $1,439.4 million of accumulated tax losses in Iceland and $41.2 million accumulated tax losses in Luxembourg.

## 11. Loss per share

Basic loss per share is computed by dividing loss for the year by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is computed by adjusting the calculation of basic loss per share for the effects of dilutive potential ordinary shares from financial instruments that may be converted or exercised into ordinary shares of the Group. For the years ended 31 December 2024 and 2023, 31,432,382 and 86,745,377, respectively, potential ordinary shares pursuant to the RSUs, Senior Bond Warrants, Aztiq Convertible Bond, 2022 Convertible Bonds, OACB Warrants, Predecessor Earn Out Shares, and OACB Earn Out Shares (as defined and discussed in Notes 21 and 27) were excluded in the calculation of diluted loss per share, since the effect of doing so would result in a reduction of loss per share and thus be antidilutive.

The calculation of basic and diluted loss per share for the years ended 31 December 2024 and 2023 is as follows (in thousands, except for share and per share amounts):

| | 2024 | 2023 |
|---|---|---|
| Earnings | | |
| Loss for the year | (231,864) | (551,731) |
| Number of shares | | |
| Weighted average number of ordinary shares outstanding | 267,924,570 | 227,256,469 |
| Basic and diluted loss per share | (0.87) | (2.43) |

12. Property, plant and equipment

Property, plant and equipment consists of facility, facility equipment, furniture, fixtures and leasehold improvements, and computer equipment. Movements within property, plant and equipment during the years ended 31 December 2024 and 2023 are as follows:

| | Facility | Facility Equipment | Furniture, fixtures and leasehold improvements | Computer equipment | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Balance at 1 January 2024 | 115,000 | 176,718 | 10,878 | 2,312 | 304,908 |
| Additions | — | 61,633 | 3,517 | 98 | 65,248 |
| Translation difference | — | (880) | (94) | (22) | (996) |
| Balance at 31 December 2024 | 115,000 | 237,471 | 14,301 | 2,388 | 369,160 |
| **Depreciation** | | | | | |
| Balance at 1 January 2024 | 3,234 | 59,497 | 3,815 | 1,583 | 68,129 |
| Depreciation | 2,875 | 13,189 | 776 | 265 | 17,105 |
| Translation difference | — | (579) | (22) | (19) | (620) |
| Balance at 31 December 2024 | 6,109 | 72,107 | 4,569 | 1,829 | 84,614 |
| **Net carrying amount** | | | | | |
| Balance at 31 December 2024 | 108,891 | 165,364 | 9,732 | 559 | 284,546 |

| | Facility | Facility Equipment | Furniture, fixtures and leasehold improvements | Computer equipment | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Balance at 1 January 2023 | 115,000 | 145,150 | 9,598 | 1,959 | 271,707 |
| Reclassification of assets | — | 2,771 | (112) | (7) | 2,652 |
| Additions | — | 29,351 | 1,500 | 518 | 31,369 |
| Disposals | — | (1,233) | (23) | (136) | (1,392) |
| Translation difference | — | 679 | (85) | (22) | 572 |
| Balance at 31 December 2023 | 115,000 | 176,718 | 10,878 | 2,312 | 304,908 |
| **Depreciation** | | | | | |
| Balance at 1 January 2023 | 359 | 46,002 | 3,233 | 1,519 | 51,113 |
| Reclassification of assets | — | 3,330 | (112) | (7) | 3,211 |
| Depreciation | 2,875 | 10,572 | 676 | 230 | 14,353 |
| Disposals | — | (737) | (22) | (136) | (895) |
| Translation difference | — | 330 | 40 | (23) | 347 |
| Balance at 31 December 2023 | 3,234 | 59,497 | 3,815 | 1,583 | 68,129 |
| **Net carrying amount** | | | | | |
| Balance at 31 December 2023 | 111,766 | 117,221 | 7,063 | 729 | 236,779 |

On 12 December 2024 the Group entered into a settlement with Fasteignafélagið Eyjólfur hf. with respect to Alvotech hf.'s equipment located in the leased premises and operated by Alvotech hf., which had been acquired by Faseignafélagið Eyjólfur hf. This resulted in an amendment of the lease agreement (see Note 13). The settlement amount was $14.8 million.

The Group pledged $284.5 million and $127.4 million of property, plant and equipment as collateral to secure bank loans with third parties as of 31 December 2024 and 2023, respectively.

## 13. Leases

The Group's leased assets consist of facilities, fleet and equipment pursuant to both arrangements with third parties and related parties. The carrying amounts of the Group's right-of-use assets and the movements during the years ended 31 December 2024 and 2023 are as follows:

| | 2024 | 2023 |
|---|---|---|
| **Right-of-use assets** | | |
| Balance at 1 January | 119,802 | 47,501 |
| Adjustments for indexed leases | 6,283 | 7,354 |
| New leases | 41,506 | 74,109 |
| Cancelled leases | (476) | (139) |
| Remeasurement due to acquisition of equipment | (27,902) | — |
| Reclassification | — | (443) |
| Depreciation | (13,377) | (8,913) |
| Translation difference | (638) | 333 |
| Balance at 31 December | 125,198 | 119,802 |

The Group entered into a lease agreement with Fasteignafélagið Eyjólfur hf. in April 2023 for a new facility in Iceland with remaining lease terms of approximately 14 years as of 31 December 2024. The building is 140,000 square feet. The construction was completed in 2024 and the final details are expected to be finalized in 2025. The lease amount is in substance fixed and is based on construction cost. On 12 December 2024 the Group entered into a settlement with Fasteignafélagið Eyjólfur hf. with respect to Alvotech hf.'s equipment located in the leased premises and operated by Alvotech hf., which had been acquired by Faseignafélagið Eyjólfur hf. This resulted in an amendment of the lease agreement which resulted in a partial termination of the right-of-use asset amounting to $27.9 million and remeasurement of the lease liability reducing the liability by $28.3 million. The Group recognized $0.4 million income due to this remeasurement in the consolidated statements of profit or loss and other comprehensive income or loss. The related right-of-use asset as of 31 December 2024 amounts to $78.7 million.

The Group's right-of-use assets as of 31 December 2024 and 2023 are comprised of the following:

| | 2024 | 2023 |
|---|---|---|
| **Right-of-use assets** | | |
| Facilities | 117,931 | 110,692 |
| Fleet | 268 | 389 |
| Equipment | 6,999 | 8,721 |
| | 125,198 | 119,802 |

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The Group's lease liabilities and the movements during the years ended 31 December 2024 and 2023 are as follows:

| | 2024 | 2023 |
|---|---|---|
| **Lease liabilities** | | |
| Balance at 1 January | 115,315 | 40,532 |
| Adjustments for indexed leases | 6,325 | 7,405 |
| New leases | 41,584 | 72,882 |
| Cancelled leases | (484) | (167) |
| Installment payments | (10,725) | (7,260) |
| Remeasurement due to acquisition of equipment | (28,252) | — |
| Foreign currency adjustment | (1,695) | 1,932 |
| Translation difference | (416) | (9) |
| Balance at 31 December | 121,652 | 115,315 |
| Current liabilities | (9,515) | (9,683) |
| Non-current liabilities | 112,137 | 105,632 |

The amounts recognized in the consolidated statements of profit or loss and other comprehensive income or loss during the years ended 31 December 2024 and 2023 in relation to the Group's lease arrangements are as follows:

| | 2024 | 2023 |
|---|---|---|
| **Depreciation expense from right-of-use assets** | | |
| Facilities | (11,922) | (7,631) |
| Fleet | (161) | (180) |
| Equipment | (1,294) | (1,102) |
| Total depreciation expense from right-of-use assets | (13,377) | (8,913) |
| Interest expense on lease liabilities | (6,614) | (3,840) |
| Foreign currency difference on lease liability | (1,695) | (1,932) |
| Gain/(loss) from extinguishment of lease agreement | 375 | (28) |
| Total amount recognized in profit and loss | (21,311) | (14,713) |

The maturity analysis of undiscounted lease payments as of 31 December 2024 and 2023 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Less than one year | 16,731 | 14,637 |
| One to five years | 58,722 | 51,053 |
| Thereafter | 101,703 | 89,682 |
| | 177,156 | 155,372 |

The Group's lease liabilities as of 31 December 2024 and 2023 do not include short-term leases and low value leases. During these years the Group expensed $0.2 million and $0.7 million, respectively, in relation to such leases.

14. Goodwill

The Group's goodwill balances as of 31 December 2024 and 2023 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance as of 1 January | 12,058 | 11,643 |
| Translation difference | (728) | 415 |
| Balance as of 31 December | 11,330 | 12,058 |

Goodwill is recognized at the Group level and allocated to group of cash-generating units, which represents the lowest level at which goodwill is monitored. The recoverable amount of the cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on the financial forecast for the period 2025-2030 which reflect the recent business developments of the Group and has been approved by management and the Board of Directors. The Group determined that the terminal growth rate and the discount rate are the key assumptions used in determining the current estimate of value in use.

Cash flows beyond 2031 have been extrapolated using a negative 5% terminal rate in both the 2024 and 2023 value in use calculations, respectively. A discount rate of 24.3% (2023: 25.0%) per annum was used in determining the current estimate of value in use. Since the recoverable amount of the cash-generating unit was substantially in excess of its carrying amount as of 31 December 2024 and 2023, management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the cash-generating unit is based would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

There were no goodwill impairment charges recognized in the consolidated statements of profit or loss and other comprehensive income or loss in any prior periods.

15. Other Intangible assets

Other intangible assets consist of software, customer relationships, and licensed intellectual property rights. Movements in intangible assets during the years ended 31 December 2024 and 2023 are as follows:

| | Software | Customer relationships | Intellectual property rights | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| Balance at 1 January 2024 | 17,073 | 2,271 | 6,000 | 25,344 |
| Additions | 2,409 | — | — | 2,409 |
| Translation difference | (248) | (137) | — | (385) |
| Balance at 31 December 2024 | 19,234 | 2,134 | 6,000 | 27,368 |
| **Amortization** | | | | |
| Balance at 1 January 2024 | 3,997 | 2,271 | — | 6,268 |
| Amortization | 819 | — | — | 819 |
| Translation difference | (203) | (137) | — | (340) |
| Balance at 31 December 2024 | 4,613 | 2,134 | — | 6,747 |
| **Net carrying amount** | | | | |
| Balance at 31 December 2024 | 14,621 | — | 6,000 | 20,621 |

Additions during the year ended 31 December 2024 were primarily the implementation of our new SAP system.

| | Software | Customer relationships | Intellectual property rights | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| Balance at 1 January 2023 | 13,684 | 2,181 | 15,000 | 30,865 |
| Reclassification of assets | 1,002 | — | — | 1,002 |
| Additions | 4,094 | — | 6,000 | 10,094 |
| Impairment | (1,779) | — | — | (1,779) |
| Retirement | — | — | (15,000) | (15,000) |
| Translation difference | 72 | 90 | — | 162 |
| Balance at 31 December 2023 | 17,073 | 2,271 | 6,000 | 25,344 |
| **Amortization** | | | | |
| Balance at 1 January 2023 | 3,343 | 1,870 | — | 5,213 |
| Amortization | 626 | 318 | — | 944 |
| Translation difference | 28 | 83 | — | 111 |
| Balance at 31 December 2023 | 3,997 | 2,271 | — | 6,268 |
| **Net carrying amount** | | | | |
| Balance at 31 December 2023 | 13,076 | — | 6,000 | 19,076 |

Additions during the year ended 31 December 2023 were primarily comprised of licensed intellectual property rights from Kashiv as detailed below.

Expense for amortization of the Group's intangible assets is included within the consolidated statements of profit or loss and other comprehensive income or loss as follows:

| | 2024 | 2023 |
|---|---|---|
| Cost of product revenue | — | 318 |
| Research and development expenses | 21 | 8 |
| General and administrative expenses | 798 | 618 |
| | 819 | 944 |

At 31 December 2024 the Group performed a review of its intangible assets and determined that there was no impairment in 2024. At 31 December 2023, the Group determined certain software development had been abandoned. In assessing recoverable amount, the Group determined the market for resale was non-existent. Management therefore determined to fully impair the assets, resulting in an impairment charge of $1.8 million during the year ended 31 December 2023. The impairment charge for the year ended 31 December 2023 was recognized as an expense within "General and administrative expense".

At 31 December 2023, following the termination of the agreement with Biosana, the Group derecognized $15.0 million of other intangible assets relating to intellectual property rights for the co-development and commercialization of AVT23. A corresponding receivable was recognized to reflect the claim against Biosana (see Note 18 for further information).

Alvotech entered into an exclusive product licensing and supply agreement with Kashiv for the development and commercialization of AVT23 in September 2023. Under the terms of the agreement, Kashiv granted Alvotech an exclusive right for AVT23 which will be produced using Kashiv's proprietary process technology and commercialized by Alvotech in specific territories. In exchange, Alvotech made an upfront payment of $3.0 million upon the signing of the agreement, with an additional $3.0 million due upon the beginning of Phase 3 which coincides with the clinical trial application ("CTA") submission.

In addition, Alvotech may be obligated to pay Kashiv up to an aggregate of $25 million (including the $6 million upfront payments mentioned above), payable upon the achievement of various development and regulatory milestones, as well as certain tiered royalty payments up to an aggregate of $15 million based on commercial sales of AVT23. The agreement terminates 10 years after the launch of AVT23 and is subject to certain customary termination rights.

16. Cash and cash equivalents

Cash and cash equivalents include both cash in banks and on hand. Cash and cash equivalents as of 31 December 2024 and 31 December 2023 are as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Cash and cash equivalents denominated in US dollars | 36,930 | 1,466 |
| Cash and cash equivalents denominated in other currencies | 14,498 | 9,691 |
| | 51,428 | 11,157 |

Restricted cash

Restricted cash relates to cash that may only be used pursuant to certain of the Group's borrowing arrangements (see note 21). Therefore, these deposits are not available for general use by the Group. Movements in restricted cash balances during the years ended 31 December 2024 and 31 December 2023 are as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Balance at 1 January | 26,132 | 25,187 |
| Interest income | 740 | 945 |
| Release during the period | (26,872) | — |
| Balance at 31 December | — | 26,132 |

17. Inventories

The Group's inventory balances as of 31 December 2024 and 31 December 2023 are as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Raw materials and supplies | 53,566 | 51,524 |
| Work in progress | 81,243 | 33,068 |
| Finished goods | — | 244 |
| Inventory reserves | (6,920) | (10,403) |
| Total Balance | 127,889 | 74,433 |

The increase in inventory from 31 December 2023 to 31 December 2024 is due to the expansion of the commercial launch of certain of the Group's biosimilar products.

The Group recognized $117.9 million and $42.8 million within cost of goods sold during the years ended 31 December 2024 and 2023, respectively.

During the years ended 31 December 2024 and 2023, write-down of inventories amounted to $6.9 million and $10.4 million, respectively, due to product expiration and results from quality control inspections.

There was a reversal of inventory write-downs of $8.9 million during the year ended 31 December 2024. There was no reversal of inventory write-downs during the year ended 31 December 2023.

18. Other current assets

The composition of other current assets as of 31 December 2024 and 31 December 2023 is as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Value-added tax | 17,719 | 8,801 |
| Prepaid expenses | 23,984 | 22,035 |
| Proceeds receivable from sale of joint venture (Note 26) | 5,950 | — |
| Other short-term receivables | 411 | 1,035 |
| | 48,064 | 31,871 |

During the year 2023, the Group terminated the co-development agreement with Biosana for AVT23 and derecognized $15.0 million of other intangible assets and $3.5 million of prepaid development costs. A receivable of $18.5 million was recognized under other current assets which was fully reserved due to the uncertainty that it would be collected. In 2024, the Group collected $1.1 million of the receivable, which was recognized through profit and loss during the year.

19. Share capital

Share capital and share premium of the Group's Ordinary Shares issued as of 31 December 2024, and 2023 are as follows (in thousands, except for share amounts):

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Shares | Share capital and share premium | Shares | Share capital and share premium |
| Ordinary Shares | 301,805,677 | 2,009,884 | 266,821,844 | 1,231,969 |
| Total share capital and share premium | 301,805,677 | 2,009,884 | 266,821,844 | 1,231,969 |

The authorised capital, excluding the share capital, is set at $59.0 million, consisting of 5,901,355,465 shares, each having a nominal value of $0.01.

On 26 February 2024, Alvotech announced it had received and accepted an offer from investors outside the U.S. for the sale of 10,127,132 Ordinary Shares, for an approximate gross value of $166 million, at a purchase price of $16.41 per share, or ISK 2,250, at the foreign exchange rate on 23 February 2024. The shares were to be delivered to investors from previously issued treasury shares held by Alvotech´s subsidiary Alvotech Manco. As of 31 December 2024, the settlement of the sale offers resulted in 9,213,333 Ordinary Shares delivered to investors upon the payment of $150.5 million, the net proceeds of the transaction totaling $144 million.

The Company announced in June 2024 that all holders of the Tranche A and some holders of the Tranche B of the 2022 Convertible Bonds exercised their right to conversion into ordinary shares at the fixed conversion price of $10.00 per share on the last scheduled conversion date prior to maturity, which is 1 July 2024. Similarly, some holders of the Aztiq Convertible Bonds decided to exercise similar conversion right into ordinary shares at the same conversion price. Based on the current exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $220.7 million of aggregate value of these bonds with accrued interest. The holders of the 2022 Convertible Bonds and the Aztiq Convertible Bonds that did not exercise their right to conversion, obtained repayment from the Group in July 2024, upon the closing of the Secured Loan Facility of $965.0 million.

Movements in the Group's Ordinary shares, share capital and share premium during the years ended 31 December 2024 and 2023 are as follows (in thousands, except for share amounts):

| | Ordinary Shares | Predecessor Ordinary Shares | Share capital | Share premium | Total |
|---|---|---|---|---|---|
| Balance at 1 January 2023 | 252,160,087 | — | 2,126 | 1,058,432 | 1,060,558 |
| Capital contribution | 11,834,061 | — | 118 | 132,618 | 132,736 |
| Vested earn-out shares | — | — | 6 | 8,300 | 8,306 |
| Penny warrants (Note 27) | 2,479,962 | — | 25 | 27,159 | 27,184 |
| Public warrants (Note 27) | 553,552 | — | 6 | 7,612 | 7,618 |
| Settlement of RSUs with shares (Note 22) | 838,919 | — | 8 | 5,095 | 5,103 |
| Settlement of SARs with shares | (1,044,737) | — | (10) | (9,526) | (9,536) |
| Balance at 31 December 2023 | 266,821,844 | — | 2,279 | 1,229,690 | 1,231,969 |
| Capital contribution | 9,213,333 | — | 92 | 144,547 | 144,639 |
| Vested earn-out shares | — | — | 198 | 310,703 | 310,901 |
| Penny warrants (Note 27) | 1,718,845 | — | 17 | 24,293 | 24,310 |
| Public warrants (Note 27) | 419,660 | — | 4 | 6,691 | 6,695 |
| Settlement of RSUs with shares (Note 22) | 1,549,290 | — | 15 | 5,890 | 5,905 |
| Settlement of options with shares | 9,127 | — | 0 | 105 | 105 |
| Conversion of convertible bonds (Note 21) | 22,073,578 | — | 221 | 285,139 | 285,360 |
| Balance at 31 December 2024 | 301,805,677 | — | 2,826 | 2,007,058 | 2,009,884 |

No dividends were paid or declared during the years ended 31 December 2024 and 2023.

At 31 December 2024 and 2023 Alvotech Manco ehf., a subsidiary of Alvotech hf., owned 22,995,363 and 22,905,618 Ordinary Shares in Alvotech. Such shares are intended for the future issuance of Ordinary Shares under the Management Incentive Plan and other equity offerings.

## 20. Other reserves

The composition of other reserves as of 31 December 2024 and 2023 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Equity component of convertible bonds | — | 21,391 |
| Share based payments | 17,272 | 21,520 |
| | 17,272 | 42,911 |

21. Borrowings

The Group's debt consists of interest-bearing borrowings from financial institutions and third parties. Outstanding borrowings, net of transaction costs and debt discounts, presented on the consolidated statements of financial position as current and non-current as of 31 December 2024 and 31 December 2023 are as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Senior Bonds | — | 549,411 |
| 2022 Convertible Bonds | — | 155,914 |
| Aztiq Convertible Bonds | — | 80,663 |
| Alvogen Facility | — | 76,556 |
| Senior Secured First Lien Term Loan Facility | 990,744 | — |
| Other borrowings | 77,840 | 97,615 |
| Total outstanding borrowings, net of debt issue costs | 1,068,584 | 960,159 |
| Less: current portion of borrowings | (32,702) | (38,025) |
| Total non-current borrowings | 1,035,882 | 922,134 |

*Senior Secured First Lien Term Loan Facility*

On 7 June 2024, the Company entered into a $965.0 million senior secured first lien term loan facility, enabling the Company to improve cost of capital, address upcoming debt maturities in 2025 and add incremental cash to the statement of financial position. Upon the closing of the Secured Loan Facility, the Company was required to settle its existing debt obligations.

On 10 July 2024, the Company closed its previously executed Secured Loan Facility. The closing has allowed Alvotech to refinance outstanding debt obligations on 10 July 2024 and 11 July 2024, reducing the cost of capital and improving its overall debt maturity profile. The Secured Loan Facility, for $965.0 million in aggregate principal amount, matures in July 2029. The first tranche is a first lien $900.0 million term loan which bears an interest rate of SOFR plus 6.5% per annum (the "First Tranche Facility"). The second tranche is a $65.0 million first lien, second out term loan, which bears an interest rate of SOFR plus 10.5% per annum (the "Second Tranche Facility"). This resulted in the concurrent settlement of its existing debt obligations as described below.

The refinancing resulted in net cash proceeds of $140.5 million after transaction costs paid of $32.6 million. The Group has pledged key assets, including trade receivables, inventory, bank accounts, equity interests in its subsidiaries, intellectual property, equipment (1st lien pledge), and the manufacturing facility (2nd lien pledge) as collateral to secure the Secured Loan Facility.

Under the terms of the Secured Loan Facility, the First Tranche Facility includes payments of 0.25% of aggregated principal amount at the closing date that are due quarterly with a final maturity in July 2029 and the Group can elect payment-in-kind interest for any quarterly payment due on or before 30 June 2025, provided that if such election is made, the annual interest rate will increased by 0.75%. The Second Tranche Facility is a bullet loan with a final maturity in July 2029 and payment-in-kind interest.

The Group has the option, at any time, to prepay all or any part of the First Tranche Facility in exchange for the payment of the redemption premium pursuant to the terms of the Secured Loan Facility agreement at the time of such prepayment. The Group can elect to prepay the Second Tranche Facility once the First Tranche Facility has been repaid in full.

The Group is in compliance with all representations and non-financial covenants required by the Secured Loan Facility agreement.

As of 31 December 2024, the carrying amount of the Secured Loan Facility is $990.7 million.

*Conversion of the 2022 Convertible Bonds and the Aztiq Convertible Bonds*

On 26 June 2024, the Company announced that all holders of the Tranche A and some holders of the Tranche B of the 2022 Convertible Bonds exercised their right to conversion into ordinary shares at the fixed conversion price of $10.00 per share on the last scheduled conversion date prior to maturity, which is 1 July 2024. Similarly, some holders of the Aztiq Convertible Bonds decided to exercise similar conversion right into ordinary shares at the same conversion price. Based on the transaction date exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $220.7 million of aggregate value of these bonds with accrued interests. The holders of the 2022 Convertible Bonds and the Aztiq Convertible Bonds that did not exercise their right to conversion obtained repayment from the Group in July 2024 upon settlement of the Secured Loan Facility.

A loss on extinguishment of financial liabilities of $58.3 million related to the conversion of existing debt obligations was recorded during the year ended 31 December 2024, including the following:

- Conversion of all the Tranche A and some of the Tranche B of the 2022 Convertible Bonds with a principal value of $195.2 million, and $0.6 million of accrued interest, resulting in a loss on extinguishment of $56.3 million; and
- Conversion of some of the Aztiq Convertible Bonds with a principal value of $24.5 million, and $0.4 million of accrued interest, resulting in a loss on extinguishment of $2.0 million.

*Refinancing of existing debt obligations*

As described above, the Company refinanced its outstanding debt obligations following the close of the Secured Loan Facility. This resulted in the extinguishment of the Senior Bonds, the Alvogen Facility, and a portion of other outstanding borrowings.

A loss on extinguishment of financial liabilities of $10.7 million related to the refinancing of existing debt obligations was recorded during the year ended 31 December 2024, including the following:

- Repayment of the Senior Bonds with a principal value of $550.8 million, and $4.7 million of accrued interest, resulting in a loss on extinguishment of $1 million;
- Repayment of the unconverted 2022 Convertible Bonds with a principal value of $43.7 million, and $0.5 million of accrued interest, resulting in a loss on extinguishment of $2.9 million; and
- Repayment of the unconverted Aztiq Convertible Bonds with a principal value of $72.4 million, and $1.0 million of accrued interest, resulting in a loss on extinguishment of $6.8 million.

*Facility loans*

The Group assumed the Facility loans as part of the asset acquisition for the manufacturing facility in Reykjavik. On 9 December 2022, the Group extinguished the assumed loans from Arion banki hf., with an outstanding balance of $30.9 million, with two new loans from Landsbankinn hf. for $48.8 million, with variable interest rate. The refinancing resulted in net cash proceeds of $17.2 million after transaction costs paid. The Group has pledged the facility as collateral to secure these loans (1st lien pledge), as further described in Note 12.

These two loans were denominated in Icelandic Krona and included a conversion clause to convert them into USD. The conversion of these two loans took place in March 2023.

Under the terms of the loan agreements after conversion, the first loan includes annuity payments that are due monthly with a final maturity in December 2029 and a variable interest rate of SOFR plus a margin of 4.75%. The second loan is a bullet loan with a final maturity in December 2027 and a variable interest rate of SOFR plus a margin of 3.75%

The Group determined that conversion to USD of the two loans was a substantial modification to loan agreements and accounted for the transaction as an extinguishment. No gain or loss was recognized as part of the extinguishment.

As part of securing the Secured Loan Facility in June 2024, the two loans have been merged into one loan with annuity payments that is due monthly with a final maturity in February 2030 and a variable interest rate of SOFR plus a margin of 4.05%.

As of 31 December 2024, the carrying amount of the Facility loans is $45.8 million, compared to $48.5 million as of 31 December 2023.

*Other borrowings*

On 22 February 2022, the Group entered into a credit facility agreement with Landsbankinn hf., which was amended in July 2024, with the ability to draw down an amount up to $18.3 million. The credit facility is in place to help finance equipment purchases in the future. Per the terms of the credit facility, the agreement expires on 1 September 2025 and the borrowings have a variable interest rate of USD SOFR plus a margin of 4.95%. As of 31 December 2024, the outstanding balance on the credit facility was $18.3 million, compared to $7.8 million as of 31 December 2023.

On 22 February 2022, the Group entered into a loan agreement with Landsbankinn hf. for a principal amount of $3.2 million. The loan is in place to help finance equipment purchases. Per the terms of the loan agreement, annuity payments are due monthly with a final maturity in February 2030. The loan has a variable interest rate of USD SOFR plus a margin of 4.25%. As of 31 December 2024, the outstanding balance on the loan was $2.2 million, compared to $2.5 million as of 31 December 2023.

On 5 August 2022, the Group entered into a loan agreement with Landsbankinn hf. for a principal amount of $1.8 million. The loan is in place to help finance equipment purchases. Per the terms of the loan agreement, annuity payments are due monthly with a final maturity in February 2030. The loan has a variable interest rate of USD SOFR plus a margin of 4.25%. As of 31 December 2024, the outstanding balance on the loan was $1.3 million, compared to $1.6 million as of 31 December 2023.

On 4 August 2023, the Group entered into a loan agreement with Landsbankinn hf. for a principal amount of $11.5 million. The loan is in place to help finance equipment purchases. Per the terms of the loan agreement, annuity payments are due monthly with a final maturity in July 2030. The loan has a variable interest rate of USD SOFR plus a margin of 4.25%. As of 31 December 2024, the outstanding balance on the loan was $9.7 million, compared to $11.0 million as of 31 December 2023.

The Group is in compliance with all representations and non-financial covenants required by these agreements. In addition, the Group has pledged equipment as collateral to secure these borrowings, as further described in Note 12.

Movements in the Group's outstanding borrowings during the year ended 31 December 2024 are as follows:

| | 2024 |
|---|---|
| Borrowings, net at 1 January | 960,159 |
| Recognition of deferred debt issue costs | (32,601) |
| Accretion/derecognition of borrowings discount | 13,127 |
| Loss on extinguishment | 69,047 |
| Proceeds from new borrowings | 1,064,958 |
| Bonds converted to equity | (220,736) |
| Repayments of borrowings | (874,412) |
| Accrued interest | 88,206 |
| Amortization of deferred debt issue costs | 3,614 |
| Foreign currency exchange difference | (2,777) |
| Borrowings, net at 31 December | 1,068,584 |

The table below details the changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

| | 1 January 2024 | Financing Cash flows (a) | Capitalized loan cost changes | Fair value changes, including accretion | Other changes (b) | Foreign exchange impact | Conversion to equity | 31 December 2024 |
|---|---|---|---|---|---|---|---|---|
| 2022 Convertible Bonds and Aztiq Convertible Bonds | 236,577 | (116,108) | 761 | 80,829 | 21,454 | (2,777) | (220,736) | — |
| Senior Bonds | 549,411 | (550,755) | — | 1,344 | — | — | — | — |
| Senior Secured First Lien Term Loan Facility | — | 927,899 | 2,852 | | 59,993 | | | 990,744 |
| Other borrowings | 97,615 | (19,760) | — | — | (15) | — | — | 77,840 |
| Alvogen Facility | 76,556 | (83,330) | — | — | 6,773 | — | — | — |
| Borrowings, net | 960,159 | 157,945 | 3,614 | 82,174 | 88,205 | (2,777) | | 1,068,584 |

(a) This represents the proceeds from the Secured Loan Facility and the repayments of the existing borrowings in the cash flow statement as described above.

(b) Other changes include interest accruals and effects of interest payments including $60 million PIK interest from the Secured Loan Facility and $15.1 million of PIK interest converted to equity following the settlement of existing debt obligations.

| | 1 January 2023 | Financing Cash flows (a) | Capitalized loan cost changes | Fair value changes, including accretion | Other changes (b) | Foreign exchange impact | 31 December 2023 |
|---|---|---|---|---|---|---|---|
| 2022 Convertible Bonds and Aztiq Convertible Bonds | 98,234 | 145,358 | 1,657 | (36,071) | 27,603 | (204) | 236,577 |
| Senior Bonds | 530,506 | — | — | 888 | 18,017 | — | 549,411 |
| Other borrowings | 71,242 | 25,102 | — | — | (8) | 1,279 | 97,615 |
| Alvogen Facility | 64,588 | — | — | — | 11,968 | — | 76,556 |
| Borrowings, net | 764,570 | 170,460 | 1,657 | (35,183) | 57,580 | 1,075 | 960,159 |

(a) The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the cash flow statement.

(b) Other changes include interest accruals and payments.

The weighted-average interest rates of outstanding borrowings for the years ended 31 December 2024 and 31 December 2023 are 12.4% and 12.73%, respectively.

Contractual maturities of principal amounts on the Group's outstanding borrowings as of 31 December 2024 are as follows:

| | 31 December 2024 |
|---|---|
| Within one year | 32,702 |
| Within two years | 14,590 |
| Within three years | 14,784 |
| Within four years | 14,996 |
| Thereafter | 992,539 |
| | 1,069,611 |

22. Share-based payments

On 1 December 2022, the Remuneration Committee authorized and the Group granted RSUs to employees, executives, and directors, granting rights to Ordinary Shares once vesting conditions are met. Compensation expense for RSUs is determined based upon the market price of the Ordinary Shares underlying the awards on the date of grant and expensed over the vesting period, which is generally a 1 to 4-year period, with a 1-year cliff vesting period and either subsequent monthly vesting or annual vesting, resulting from participants completing a service condition. Movements in RSUs during the years ended 31 December 2024 and 2023 are as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | RSUs | Weighted Average Fair Value | RSUs | Weighted Average Fair Value |
| Outstanding at 1 January | 3,745,781 | $7.04 | 6,979,482 | $6.72 |
| New grants during the period | 673,425 | $11.66 | 820,602 | $8.79 |
| Forfeited during the period | (589,482) | $7.98 | (1,587,929) | $7.11 |
| Vested during the period | (1,487,906) | $6.99 | (2,466,374) | $6.67 |
| Outstanding at 31 December | 2,341,818 | $8.17 | 3,745,781 | $7.04 |

The Group recognized $7.6 million and $18.0 million of share-based payment expense during the years ended 31 December 2024 and 2023, respectively, as follows:

| | 2024 | 2023 |
|---|---|---|
| Cost of product revenue | 941 | 3,319 |
| Research and development expenses | 1,879 | 3,991 |
| General and administrative expenses | 4,806 | 10,723 |
| | 7,626 | 18,033 |

23. Litigation

The Group was involved in four litigations (all now dismissed) in the United States adverse to AbbVie arising out of the development of Alvotech's AVT02 product, and the filing of a biologics license application with the U.S. Food and Drug Administration seeking regulatory approval (the "AbbVie Litigations").

Alvotech entered into the AbbVie U.S. Agreement with AbbVie Inc. and AbbVie Biotechnology Ltd with respect to AVT02 for the U.S. market. Pursuant to the settlement component of the AbbVie U.S. Agreement, the parties agreed to stipulate to the dismissal of all claims, counterclaims and potential claims in the four U.S. litigations, with each party to bear its own fees and costs. The parties further agreed to release each other from certain claims and demands.

The Group incurred approximately $0.0 million and $0.0 million in legal expenses during the years ended 31 December 2024 and 2023, respectively, in preparation for, and/or in relation to, these litigations. Aside from this matter, the Group is not currently a party to any material litigation or similar matters.

24. Related parties

Related parties are those parties which have considerable influence over the Group, directly or indirectly, including a parent company, owners or their families, large investors, key management personnel and their families and parties that are controlled by or dependent on the Group, such as affiliates and joint ventures. Key management personnel

include the Group's executive officers and directors, since these individuals have the authority and responsibility for planning, directing and controlling the activities of the Group. Interests in subsidiaries are set out in Note 1.

Transactions with related parties

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged. The Group engages with related parties for both purchased and sold services, loans and other borrowings and other activities.

**Lease agreements with related parties**

The Group entered into a lease agreement with Fasteignafelagid Eyjolfur hf. in April 2023 for a new facility in Iceland with remaining lease terms of approximately 14 years as of 31 December 2024. The building is 140,000 square feet. The construction was completed in 2024 and the final details are expected to be finalized in 2025. Lease liabilities as of 31 December 2024 amount to $80.6 million.

The Group entered into six separate lease agreements with Flóki Fasteignir ehf. in 2024 for apartment buildings in Iceland used for temporary housing of employees and third-party contractors. The remaining lease terms approximate 10 years, on average, as of 31 December 2024. Lease liabilities as of 31 December 2024 for the new leases amount to $1.5 million.

The Group entered into office sublease sharing agreement with Alvogen UK Ltd. in August 2023. The agreement was effective from 1 January 2023 and shall terminate upon the expiration or termination of the lease. The office is approximately 5,500 square feet and the group leases 30% of the premises, containing approximately 1,645 square feet of space. Lease liabilities as of 31 December 2024 amount to $0.5 million.

The Group entered into an art lease agreement with Flóki-Art ehf. in January 2023, as a result of the Share Purchase Agreement pursuant to which the Group rent pieces of art located in Sæmundargata 15-19, Reykjavik. The remaining lease term for the leased asset is 14 years as of 31 December 2024. Lease liabilities as of 31 December amount to $0.4 million.

The Group provides and receives certain support services through arrangements with Aztiq, Alvogen, and Adalvo Ltd. (Adalvo). Services provided to Alvogen consist of finance, administrative, legal and human resource services. Services received from Alvogen primarily consist of marketing, salary processing, and information technology support services. Services received from Adalvo primarily consist of legal, regulatory, supply chain management, and portfolio and market intelligence services.

Purchased service includes rental fees and service expenses, as described above. Rental fees and service expenses with related parties are presented as "General and administrative expenses" or "Research and development expenses" in the consolidated statements of profit or loss and other comprehensive income or loss, depending on the nature of the service performed and expense incurred by the Group. Rental liabilities from lease arrangements with related parties are presented as a component of "Lease liabilities" on the consolidated statements of financial position. Service payables are presented as "Liabilities to related parties" on the consolidated statements of financial position.

Interest includes interest expense on borrowings. Interest expenses on loans from related parties are presented as "Finance costs" in the consolidated statements of profit or loss and other comprehensive income or loss. Borrowings are presented as "Borrowings" and "Current maturities of borrowings" on the consolidated statements of financial position. See Note 21 for further details on the borrowing arrangements with related parties.

Sold service includes services provided to related parties, as described above. Income from related parties for such services are presented as "Other income" in the consolidated statements of profit or loss and other comprehensive income or loss. Amounts receivable for such activities are presented as "Receivables from related parties" on the consolidated statements of financial position. The Group has not recorded bad debt provisions for its receivables from related parties.

Related party transactions as of 31 December 2024 are as follows:

| | Purchases / interest | Sold service | Receivables | Payables/ borrowings |
|---|---|---|---|---|
| Alvogen Lux Holdings S.à r.l. – Sister company (a) | 9,754 | — | — | — |
| ATP Holdings ehf. - Sister company (a) | 4,926 | — | — | — |
| Aztiq Consulting ehf. – Sister company | 192 | — | — | 2 |
| Flóki-Art ehf. - Sister company | 52 | — | — | 410 |
| Alvogen Iceland ehf. - Sister company | 25 | — | — | — |
| Alvogen ehf. - Sister company | — | 132 | 18 | — |
| Alvogen UK - Sister company | 233 | — | — | 76 |
| Alvogen Finance B.V. - Sister Company | 565 | — | — | — |
| Alvogen Inc. - Sister company | 355 | — | 3 | 619 |
| Adalvo Limited - Sister company | 265 | 220 | 97 | 149 |
| L41 ehf. - Sister company | 53 | — | — | — |
| Flóki Invest ehf - Sister company | 696 | 32 | — | 60 |
| Alvogen Spain SL - Sister company | — | — | — | 14 |
| Norwich Clinical Services Ltd - Sister company | 906 | — | — | 177 |
| Fasteignafélagið Eyjólfur ehf - Sister company | 28,456 | — | — | 87,946 |
| Flóki fasteignir ehf. - Sister company | 2,300 | — | — | 10,937 |
| | 48,778 | 384 | 118 | 100,390 |

*(a) The full amount of purchased service relates to interest expenses from long-term liabilities which have been extinguished (see Note 21).*

Related party transactions as of 31 December 2023 are as follows:

| | Purchased service / interest | Sold service | Receivables | Payables/ borrowings |
|---|---|---|---|---|
| Alvogen Lux Holdings S.à r.l. – Sister company (a) | 11,968 | — | — | 76,556 |
| ATP Holdings ehf. - Sister company (a) | 9,193 | — | — | 49,560 |
| Aztiq Consulting ehf. - Sister company | 178 | 69 | — | 54 |
| Flóki-Art ehf. - Sister company | 88 | — | — | 422 |
| Alvogen Iceland ehf. - Sister company | 19 | 1 | — | 484 |
| Alvogen ehf. - Sister company | — | 152 | 16 | — |
| Alvogen UK - Sister company | 273 | — | — | 581 |
| Alvogen Finance B.V. - Sister company | 3,382 | — | — | 65 |
| Lotus Pharmaceuticals Co. Ltd. - Sister company (b) | — | 29 | 29 | 7,440 |
| Lotus International Pte. Ltd. - Sister company | — | 2 | — | — |
| Alvogen Emerging Markets - Sister company | 108 | — | — | — |
| Alvogen Inc. - Sister company | 305 | — | — | 284 |
| Alvotech and CCHT Biopharmaceutical Co., Ltd. (c) | — | — | 758 | 539 |
| Adalvo Limited - Sister company | 402 | 189 | 86 | 337 |
| Adalvo UK - Sister company | — | 49 | — | — |
| Flóki Invest ehf. - Sister company | 680 | 4 | — | 251 |
| Floki Holdings S.à r.l. – Sister company | 40 | — | — | — |
| Alvogen Malta Sh. Services - Sister company | — | — | 7 | — |
| Alvogen Spain SL - Sister Company | 14 | — | — | 15 |
| Norwich Clinical Services Ltd - Sister company | 642 | — | — | 170 |
| Fasteignafélagið Eyjólfur ehf - Sister company (d) | 3,807 | 102 | — | 69,732 |
| Flóki fasteignir ehf. - Sister company | 1,682 | — | — | 11,466 |
| | 32,781 | 597 | 896 | 217,956 |

*(a) The full amount of purchased service relates to interest expenses from long-term liabilities and the full amount of payables / loans are interest-bearing long-term liabilities including discount and accretion (see Note 21).*

*(b) Payables to Lotus Pharmaceuticals Co. Ltd. consists of an other current liability. This other current liability is presented as "Liabilities to related party" on the unaudited condensed consolidated interim statements of financial position.*

*(c) The amount receivable from Alvotech & CCHN Biopharmaceutical Co., Ltd. relates to amounts due for reference drugs used in research and development studies and certain consulting fees incurred by the Group.*

*(d) Refer to Note 13 for the details of the new lease.*

Commitments and guarantees

The Group does not have any contractual commitments with its related parties other than the receivables, loans and payables previously disclosed.

Key management personnel

At 31 December 2024 and 2023 there were no loans to the members of the Board of Directors and the CEO. In addition, there were no transactions carried out between the Group and members of the Board of Directors nor the CEO in the years ended 31 December 2024 and 2023. The Board of Directors' remuneration is shown in the table below.

| Board of Directors' fee for the year and shares at year end (board fees in thousands and shares in whole amounts). | 2024 | | | |
|---|---|---|---|---|
| | Board fees | Pension contribution | Other long-term benefits | Shares at year-end** |
| Robert Wessman, Chairman of the board* | — | — | — | — |
| Richard Davies, Vice-Chairman | 156 | — | 183 | 1,163,422 |
| Ann Merchant, Board Member | 112 | — | 183 | 21,164 |
| Árni Harðarson, Board Member* | — | — | — | — |
| Faysal Kalmoua, Board Member* | — | — | — | — |
| Hjörleifur Pálsson, Board Member (from 7 June 2024) | 41 | — | — | 2,350 |
| Linda McGoldrick, Board Member | 92 | — | 183 | 21,164 |
| Lisa Graver, Board Member | 68 | — | 183 | 21,164 |
| Tomas Ekman, Board Member* | — | — | — | — |
| | 469 | — | 732 | 1,229,264 |

* Waived their board compensation (both cash and equity)
** Direct share ownership

| | 2024 | | | |
|---|---|---|---|---|
| **Key employees** | Salaries and benefits | Pension contribution | Termination benefits | Other long- term benefits |
| Robert Wessman CEO | 2,176 | 147 | — | — |
| Other Executive Team Members (10) | 5,332 | 362 | 125 | 13,844 |
| | 7,508 | 509 | 125 | 13,844 |

| Board of Directors' fee for the year and shares at year end (board fees in thousands and shares in whole amounts). | 2023 | | | |
|---|---|---|---|---|
| | Board fees | Pension contribution | Other long-term benefits | Shares at year-end** |
| Robert Wessman, Chairman of the board* | — | — | — | — |
| Richard Davies, Vice-Chairman | 156 | — | 104 | 1,143,713 |
| Ann Merchant, Board Member | 113 | — | 104 | 10,582 |
| Árni Harðarson, Board Member* | — | — | — | — |
| Faysal Kalmoua, Board Member* | — | — | — | — |
| Linda McGoldrick, Board Member | 81 | — | 104 | 10,582 |
| Lisa Graver, Board Member | 71 | — | 104 | 10,582 |
| Tomas Ekman, Board Member* | — | — | — | — |
| | 421 | — | 416 | 1,175,459 |

* Waived their board compensation (both cash and equity)
** Direct share ownership

| | 2023 | | | |
|---|---|---|---|---|
| **Key employees** | Salaries and benefits | Pension contribution | Termination benefits | Other long- term benefits |
| Robert Wessman CEO | 1,491 | 26 | — | — |
| Other Executive Team Members (9) | 5,020 | 346 | 52 | 9,456 |
| | 6,511 | 372 | 52 | 9,456 |

25. Other current liabilities

The composition of other current liabilities as of 31 December 2024 and 31 December 2023 is as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Unpaid salary and salary related expenses | 14,465 | 31,340 |
| Accrued interest | 428 | 3,333 |
| Accrued vacation leave | 6,631 | 6,075 |
| Employee incentive plan | — | 659 |
| Accrued royalties | 15,858 | 5,001 |
| Accrued profit sharing | 12,604 | — |
| Accrued other expenses | 9,418 | 16,312 |
| | 59,404 | 62,720 |

26. Interests in joint ventures

In September 2018, Alvotech hf., a subsidiary of the Group, entered into a joint venture agreement with Changchun High & New Technology Industries (Group) Inc. (the "joint venture partner", "CCHN") to form a newly created joint venture entity, Alvotech & CCHN Biopharmaceutical Co., Ltd. (the "joint venture" or "JVCO"). The purpose

of the JVCO is to develop, manufacture and sell biosimilar products in the Chinese market. The JVCO's place of business is also the country of incorporation.

| Name of entity | Place of business | Ownership interest 2024 | Ownership interest 2023 | Carrying Amount 2024 | Carrying Amount 2023 |
|---|---|---|---|---|---|
| Alvotech & CCHN Biopharmaceutical Co., Ltd. | China | —% | 50% | —% | 18,494 |

In June 2024, Alvotech hf. sold its share in the joint venture for a gross proceeds of $18.0 million (less $1.3 million in transaction costs). The sale resulted in a net loss of $3.0 million, including accumulated translation difference, recognized during the year ended 31 December 2024. The total gross proceeds was $18.0 million, and the unpaid portion of $6.0 million is classified as other short-term assets.

The following table provides the change in the Group's interest in a joint venture during the years ended 31 December 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Balance at 1 January | 18,494 | 48,568 |
| Share in losses | — | (7,153) |
| Sale of shares in joint venture | (18,494) | — |
| Translation difference | — | (1,402) |
| Balance at 31 December | — | 18,494 |

27. Financial instruments

Accounting classification and carrying amounts

Financial assets as of 31 December 2024 and 2023, all of which are measured at amortized cost, are as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Cash and cash equivalents | 51,428 | 11,157 |
| Restricted cash | — | 26,132 |
| Trade receivables | 160,217 | 41,292 |
| Other current assets | 6,361 | 1,035 |
| Receivables from related parties | 118 | 896 |
| Other long-term assets | 213 | 336 |
| | 218,337 | 80,848 |

Financial liabilities as of 31 December 2024 and 2023 are as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Borrowings (measured at amortized cost) | 1,068,584 | 960,159 |
| Derivative financial liabilities (measured at FVTPL) | 210,224 | 520,553 |
| Trade and other payables (measured at amortized cost) | 67,126 | 80,563 |
| Lease liabilities (measured at amortized cost) | 121,652 | 115,315 |
| Liabilities to related parties (measured at amortized cost) | 8,465 | 9,851 |
| Other current liabilities | 58,903 | 61,873 |
| | 1,534,954 | 1,748,314 |

It is management's estimate that the carrying amounts of financial assets and financial liabilities carried at amortized cost approximate their fair value, with the exception of, in 2024, the Secured Loan Facility, and, in 2023, the Senior Bonds, Aztiq Convertible Bond, 2022 Convertible Bonds, and Alvogen Facility, since any applicable interest receivable or payable is either close to current market rates or the instruments are short-term in nature. Material differences between the fair values and carrying amounts of these borrowings are identified as follows:

| | 31 December 2024 | |
|---|---|---|
| | Carrying Amount | Fair Value |
| Senior Secured First Lien Term Loan Facility | 990,744 | 969,077 |
| | 990,744 | 969,077 |

| | 31 December 2023 | |
|---|---|---|
| | Carrying Amount | Fair Value |
| Senior Bonds | 549,411 | 559,867 |
| Aztiq Convertible Bond | 80,663 | 84,756 |
| 2022 Convertible Bonds | 155,914 | 217,419 |
| Alvogen Facility | 76,556 | 82,060 |
| | 862,544 | 944,102 |

Fair value measurements

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments measured at fair value on a recurring basis as of 31 December 2024 and 31 December 2023:

| | 31 December 2024 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Predecessor Earn Out Shares | — | 179,300 | — | 179,300 |
| OACB Warrants | 30,924 | — | — | 30,924 |
| | 30,924 | 179,300 | — | 210,224 |

| | 31 December 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Senior Bond Warrants | 19,715 | — | — | 19,715 |
| Tranche A Conversion Feature | — | — | 118,830 | 118,830 |
| Predecessor Earn Out Shares | — | 349,900 | — | 349,900 |
| OACB Earn Out Shares | — | 6,200 | — | 6,200 |
| OACB Warrants | 25,908 | — | — | 25,908 |
| | 45,623 | 356,100 | 118,830 | 520,553 |

The Group did not recognize any transfer of assets or liabilities between levels of the fair value hierarchy during the year ended 31 December 2024.

During the year ended 31 December 2024, Senior Bond Warrant holders elected to exercise their warrants. As a result, 1,718,845 Ordinary Shares were issued in exchange for the exercising of the penny warrants. The Company received an immaterial amount of cash and recognized the transaction as an extinguishment of the derivative financial liabilities. The difference between the equity issued and carrying value of the derivative financial liabilities was recognized in the consolidated statements of profit or loss and other comprehensive income or loss.

The Tranche A Conversion Feature was extinguished upon the conversion of the Tranche A 2022 Convertible Bonds on 1 July 2024 (refer to Note 21 for further details).

In February 2024, the second tranche of OACB Earn Out Shares vested resulting in the issuance of 625,000 Ordinary Shares. The issuance of Ordinary Shares for the second tranche was accounted for as an extinguishment of a financial liability in the consolidated statements of profit or loss and other comprehensive income or loss.

*Predecessor Earn Out Shares*

In February 2024, the first tranche of Predecessor Earn Out Shares vested resulting in the issuance of 19,165,000 Ordinary Shares. The issuance of Ordinary Shares for the first tranche was accounted for as an extinguishment of a financial liability in the consolidated statements of profit or loss and other comprehensive income or loss.

The Predecessor Earn Out Shares had a fair value of $179.3 million as of 31 December 2024, resulting in $130.5 million of finance costs for the year ended 31 December 2024.

The fair value of the Predecessor Earn Out Shares was determined using Monte Carlo analysis that incorporated inputs and assumptions as further described below. The inputs and assumptions associated with the valuation of the

instruments are determined based on all relevant internal and external information available and are reviewed and reassessed at each reporting date.

The following table presents the assumptions and inputs that were used for the model in valuing the Predecessor Earn Out Shares:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Number of shares | 19,165,000 | 38,330,000 |
| Share price | $13.23 | $11.48 |
| Volatility rate | 52.0 % | 55.0 % |
| Risk-free rate | 4.26 % | 3.97 % |

*OACB Warrants*

During the year ended 31 December 2024, holders of the OACB Warrants exercised their warrant rights for an exercise price of $11.50 for the rights to one Ordinary Share per warrant. The exercises resulted in the issuance of 419,660 Ordinary Shares and cash proceeds of $4.8 million. The Company recognized the transaction as an extinguishment of the derivative financial liabilities. The difference between the equity issued and carrying value of the derivative financial liabilities was recognized in the consolidated statements of profit or loss and other comprehensive income or loss.

The OACB warrants had a fair value of $30.9 million as of 31 December 2024. The fair value of the warrants was derived from the publicly quoted trading price at the valuation date. The change in fair value of the OACB Warrants resulted in $6.9 million of finance costs for the year ended 31 December 2024.

Capital management

The capital structure of the Group consists of equity, debt and cash. For the foreseeable future, the Board of Directors will maintain a capital structure that supports the Group's strategic objectives through managing the budgeting process, maintaining strong investor relations and managing the financial risks of the Group, as further described below. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

Financial risk management

The Group's corporate treasury function provides services across the organization, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the Group's operations through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of fluctuations in market interest rates primarily relates to the cash in bank and borrowings that are subject to floating interest rates.

The following table provides an interest rate sensitivity analysis for the effect on loss before tax. The analysis assumes that all other variables, such as foreign currency exchange rates, remain constant.

| | 2024 | 2023 |
|---|---|---|
| Variable-rate financial instruments +100 | (9,873) | (89) |
| Variable-rate financial instruments -100 | 9,873 | 89 |

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group uses the U.S. dollar as its reporting currency and conducts business on a global basis in various currencies. As a result, the Group is exposed to foreign currency exchange movements, primarily in European, Icelandic and UK market currencies, as well as in the Swiss franc.

Below are the foreign currencies that have the most significant impact on the Group's operations.

| | Closing rate | | Average rate | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | Change |
| EUR | 1.038 | 1.105 | 1.082 | 1.091 | (6.0%) |
| GBP | 1.251 | 1.275 | 1.278 | 1.266 | (1.8%) |
| ISK | 0.007 | 0.007 | 0.007 | 0.007 | (2.0%) |
| CHF | 1.103 | 1.188 | 1.136 | 1.156 | (7.2%) |
| INR | 0.012 | 0.012 | 0.012 | 0.012 | (2.6%) |

The Group's assets and liabilities that are denominated in foreign currencies as of 31 December 2024 are as follows:

| | Assets | Liabilities | Net assets |
|---|---|---|---|
| EUR | 49,968 | 23,847 | 26,121 |
| GBP | 315 | 3,669 | (3,354) |
| ISK | 3,162 | 154,048 | (150,886) |
| CHF | 2,522 | 2,837 | (315) |
| INR | 881 | 536 | 345 |

The Group's assets and liabilities that are denominated in foreign currencies as of 31 December 2023 are as follows:

| | Assets | Liabilities | Net assets |
|---|---|---|---|
| EUR | 36,568 | 46,303 | (9,735) |
| GBP | 69 | 3,479 | (3,410) |
| ISK | 3,247 | 144,812 | (141,565) |
| CHF | 335 | 7,488 | (7,153) |
| INR | 167 | 536 | (369) |

A reasonable possible strengthening or weakening of the Group's significant foreign currencies against the U.S. dollar would affect the measurement of financial instruments denominated in a foreign currency and affect profit or loss and equity by the amount shown in the sensitivity analysis table below. The analysis assumes that all other variables, such as interest rates, remain constant.

| | EUR | GBP | ISK | CHF | INR |
|---|---|---|---|---|---|
| Year ended 31 December 2024 | | | | | |
| -10% weakening | (2,612) | 335 | 15,089 | 32 | (35) |
| + 10% strengthening | 2,612 | (335) | (15,089) | (32) | 35 |
| Year ended 31 December 2023 | | | | | |
| -10% weakening | (974) | (341) | (14,156) | (715) | (37) |
| + 10% strengthening | 974 | 341 | 14,156 | 715 | 37 |

Credit risk

Credit risk is the risk that a counterparty will not fulfill its contractual obligations under a financial instrument contract, leading to a financial loss for the Group. The maximum credit risk exposure for the Group's financial assets as of 31 December 2024 and 2023 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Cash and cash equivalents | 51,428 | 11,157 |
| Restricted cash | — | 26,132 |
| Trade receivables | 160,217 | 41,292 |
| Other assets | 6,692 | 2,267 |
| | 218,337 | 80,848 |

The Group's cash and cash equivalents are deposited with high-quality financial institutions. Management believes these financial institutions are financially sound and, accordingly, that minimal credit risk exists. The Group has not experienced any losses on its deposits of cash and cash equivalents and restricted cash yet monitors the credit rating of these financial institutions on a periodic basis.

Other assets primarily consist of other current assets, as described in Note 18, and contract assets recognized in connection with the Group's performance pursuant to its contracts with customers, all of which are large multinational pharmaceutical companies. In 2023, the Group recognized a receivable of $18.5 million in other current assets following the termination of the co-development agreement with Biosana which was fully reserved as of 31 December 2023 due to the uncertainty of its collection (see Note 18). In 2024, the Group collected $1.1 million of the receivable, which was recognized through profit and loss during the year. There are no other significant amounts past due as of 31 December 2024 and 2023 and the Group concludes that any expected credit losses with respect to these assets, except as described above, is immaterial.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Contractual maturities of financial assets and liabilities as of 31 December 2024 are as follows:

| | Within one year | One to two years | Thereafter | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Non-interest bearing | 166,696 | — | — | 166,696 |
| Variable-interest bearing | 51,428 | 213 | — | 51,641 |
| Total financial assets | 218,124 | 213 | — | 218,337 |
| **Financial liabilities** | | | | |
| Non-interest bearing | 126,029 | — | — | 126,029 |
| Derivative liabilities | — | 210,224 | — | 210,224 |
| Variable-interest bearing - Borrowings | 75,235 | 127,313 | 1,470,805 | 1,673,353 |
| Total financial liabilities | 201,264 | 337,537 | 1,470,805 | 2,009,606 |

Contractual maturities of financial assets and liabilities as of 31 December 2023 are as follows:

| | Within one year | One to two years | Thereafter | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Non-interest bearing | 43,223 | — | — | 43,223 |
| Variable-interest bearing | 11,157 | — | 26,468 | 37,625 |
| Total financial assets | 54,380 | — | 26,468 | 80,848 |
| **Financial liabilities** | | | | |
| Non-interest bearing | 142,436 | — | — | 142,436 |
| Fixed-interest bearing - Borrowings | 66,309 | 1,101,185 | — | 1,167,494 |
| Derivative liabilities | — | 520,553 | — | 520,553 |
| Variable-interest bearing - Borrowings | 44,995 | 10,198 | 65,826 | 121,019 |
| Total financial liabilities | 253,740 | 1,631,936 | 65,826 | 1,951,502 |

Refer to Note 13 for the maturity analysis of the Group’s undiscounted lease payments.

28. Supplemental cash flow information

Supplement cash flow information as of 31 December 2024 and 2023 is included below. (see Note 21 for non-cash movements in borrowings).

| **Non-cash investing and financing activities** | 2024 | 2023 |
|---|---|---|
| Acquisition of property, plant and equipment in trade payables and other current liabilities | 13,917 | 2,266 |
| Acquisition of intangibles in trade payables and other current liabilities | — | 930 |
| Right-of-use assets obtained through new leases | 41,506 | 74,109 |
| Sale of joint venture | 5,950 | — |
| Settlement of borrowings through refinancing | 118,330 | — |
| Settlement of transaction cost through refinancing | 28,365 | — |
| Equity issued through conversion of borrowings | 263,969 | — |
| Settlement of RSUs with shares | 5,076 | 678 |
| Settlement of SARs with shares | — | 13,767 |

29. Subsequent events

The Group evaluated subsequent events through 26 March 2025, the date that the consolidated financial statements were available to be issued.

On 27 January 2025, the Company announced filing acceptance of U.S. Biologics License Applications (BLA) for AVT05, a proposed biosimilar to Simponi and Simponi Aria (golimumab). The FDA review process for these applications is anticipated to be completed in the fourth quarter of 2025.

On 18 February 2025, the Company announced that the FDA has accepted for review a BLA for AVT06, Alvotech’s proposed biosimilar to Eylea (aflibercept), a biologic used to treat eye disorders, including diseases which can lead to vision loss or blindness. The process to obtain regulatory approval is anticipated to be completed in the fourth quarter of 2025.

On 21 February 2025, the Company announced the availability of SELARSDI (ustekinumab) injection in the U.S., a biosimilar to Stelara (ustekinumab), for the treatment of psoriatic arthritis, plaque psoriasis, Crohn’s disease, ulcerative colitis, pediatric plaque psoriasis and pediatric psoriatic arthritis.

On 18 March 2025, the Company announced the FDA acceptance of BLA for AVT03, a proposed biosimilar to Prolia and Xgeva (denosumab).

On 20 March 2025, the Company announced the acquisition of Xbrane Biopharma AB's ("Xbrane") research and development operations and a biosimilar candidate, further expanding the Company's development capabilities, and establishing a footprint in the Swedish life science sector. Xbrane retains other pre-clinical development programs and will focus on the commercialization of this portfolio. The purchase price for the acquisition amounts to approximately SEK 275 million (approximately $27 million) and will be payable in cash at closing for SEK 102.2 million and by assumption of SEK 172.8 million in debt and accounts payable. The creditors have agreed to accept payment for SEK 152.8 million of the debt with Alvotech equity shares. Closing of the acquisition is expected to occur in April 2025 and is contingent on approvals from the relevant authorities and Xbrane's shareholders. The Company also announced that it intends to explore the possibility of a listing of Swedish Depository Receipts (SDR), equity share equivalents, on Nasdaq Stockholm, in the future.

# Corporate Governance Report for 2024

This corporate governance report (the "**Report**") covers the period from 1 January 2024 through 31 December 2024 of Alvotech, a *société anonyme*, incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B258884, having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg ("**Alvotech**" or the "**Company**"). Alvotech was incorporated on August 23, 2021 for the sole purpose of completing a business combination between Alvotech Holdings S.A., Oaktree Acquisition Corp. II and Alvotech. The business combination closed on 15 June 2022 and, concurrently with the closing, the current Directors of Alvotech S.A. were appointed.

The ordinary shares and warrants of Alvotech are listed on The Nasdaq Stock Market LLC ("**Nasdaq US**") under the symbol "ALVO" and "ALVOW", respectively, since 16 June 2022. Alvotech's ordinary shares are also listed on the Nasdaq Iceland Main Market under the ticker symbol "ALVO" since 8 December 2022 and, prior to that, on the Nasdaq First North Growth Market since 23 June 2022 until their admission to trading to the Nasdaq Iceland Main Market. This Report will be a part of the financial statements for the year ended 31 December 2024 and has been approved by the board of directors of the Company (the "**Board of Directors**" or "**Board**") and reviewed by its Audit Committee.

As regards general meetings of shareholders, at an ordinary general meeting, there is no quorum requirement, and resolutions are adopted by a simple majority cast vote. Abstentions are not considered "votes".

Resolutions at an extraordinary general meeting are required for any of the following matters, among others (i) an increase or decrease of the authorized or issued capital, (ii) a limitation or exclusion of preferential subscription rights, (iii) approval of a statutory merger or de-merger (scission), (iv) Alvotech's dissolution and liquidation, (v) any and all amendments to Alvotech´s articles of association and (vi) change of nationality. Pursuant to Alvotech´s articles of associations, for any resolution to be considered at an extraordinary general meeting of shareholders, the quorum shall be at least one half of Alvotech´s issued share capital unless otherwise mandatorily required by law. If the said quorum is not present, a second meeting may be convened, for which Luxembourg Company Law does not prescribe a quorum. Any extraordinary resolution shall be adopted at a quorate general meeting, except otherwise provided by law, by at least a two-thirds majority of the votes validly cast on such resolution by shareholders. Abstentions are not considered "votes".

An annual general meeting of shareholders ("**AGM**") shall be held in the Grand Duchy of Luxembourg within 6 months of the end of the preceding financial year.

Each Ordinary Share entitles the holder thereof to one vote. Neither Luxembourg law nor Alvotech´s articles of association contain any restrictions as to the voting of Ordinary Shares by non-Luxembourg residents. The Luxembourg Company Law distinguishes ordinary general meeting of shareholders and extraordinary general meetings of shareholders with respect to the required quorums and majorities.

Alvotech is committed to recognizing general principles aimed to ensure good corporate governance. Our approach to corporate governance is further described in this report.

Alvotech's corporate governance consists of a framework of principles and rules, including its Articles of Association, the 6$^{th}$ edition from February 2021 of the Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, Nasdaq Iceland and the Confederation of Icelandic Employers (the "**Guidelines**"). The Guidelines are accessible on the website www.leidbeiningar.is.

The Board of Directors also adopted a Code of Business Conduct and Ethics (the "**Code**") applicable to the directors, officers, employees and other team members that complies with the rules and regulations of Nasdaq US, Nasdaq Iceland Main Market, and the SEC. Alvotech's relevant policies, rules and procedures can be found on Alvotech's website.

Alvotech's regulatory framework for corporate governance practices consists of the law applicable to listed companies in Luxembourg as well as other applicable law and regulations, including those imposed by Nasdaq Iceland Main Market and Nasdaq US available at their respective websites.

The Board of Directors is committed to excellence in corporate governance by complying with the applicable regulatory standards and international best practices in the field of corporate governance.

All directors of the Company must act honestly, with due skill and care in the best interests of the Company and the group. All directors must adhere to the highest standards of honest and ethical conduct, including taking proper and due actions to avoid any conflicts of interest in his or her dealings with the Company or the group, or dealings with other parties that may relate to or affect the group of Alvotech, its interest and assets.

**Internal Control & Risk Management**

The Board has the role to ensure that Alvotech maintains sound and effective internal controls to safeguard the shareholders investment and the Company's assets, and conducts an annual review of the effectiveness of Alvotech's internal control systems. The Audit and Risk Committee is responsible, among other things, for establishing procedures for the confidential anonymous submission of complaints (a whistleblowing mechanism).

The Board of Directors is responsible for overseeing Alvotech's risk management process. The Board of Directors focuses on Alvotech's general risk management strategy, the most significant risks, and oversees the implementation of risk mitigation strategies by management. The audit and risk committee is also responsible for discussing Alvotech's policies with respect to risk assessment and risk management. The Board of Directors believes its risk oversight function has not negatively affected the Board's leadership structure. As part of the steady expansion of Alvotech´s risk management processes, the Company has launched several initiatives. Each initiative is contributing to achieving the company´s objectives regarding efficacy and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The Company has identified certain key risks that are given special attention and monitored.

**Audit, accounting and risk**

The Board of Directors adopted the Audit and Risk Committee Charter. The Chief Executive Officer of the Company ensures that the directors are provided with accurate information on Alvotech´s finances, development, operations and risk assessments on a regular basis and the Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities in the financial reporting process and the system of internal controls. The Board of Directors ensures that internal procedures for risk management are revised at least annually.

The financial statements are published on an annual, semi-annual and quarterly basis as applicable, subject to and in accordance with applicable publication requirements under Icelandic and/or Luxembourg and/or U.S laws.

The **AGM** appoints the independent auditor (*réviseur d´entreprises agréé*) and shall determine their office, in accordance with Alvotech´s Articles of Association. The Board´s proposal to the AGM is based on the Audit and Risk Committee´s recommendation on the selection of an audit firm and the statutory auditors and shall determine their office, which may not exceed six years, in accordance with Alvotech´s Articles of Association. The Board´s proposal to the AGM is based on the Audit and Risk Committee´s recommendation on the selection of an audit firm. Deloitte Audit (20, Boulevard de Kockelscheuer L-1821, Luxembourg, Grand Duchy of Luxembourg) is appointed as the independent auditor (*réviseur d´entreprises agréé*) of Alvotech and in recent years conducted external audits in accordance with the Luxembourg law of 23 July 2016 on the audit profession (the "Audit Law"). In accordance with article 51 of the Audit Law and by way of derogation from Article 17 (1) of Regulation (EU) No 537/2014, the maximum duration of a statutory audit of a public-interest entity may be of 20 years, where a public tendering process for the statutory audit is conducted in accordance with paragraphs 2 to 5 of Article 16 of the above-mentioned regulation.

**Compliance**

Alvotech has a Compliance function. The General Counsel of the company is the Compliance Officer and is responsible for the Code, the training of employees and business ethics. Under the Icelandic law no. 60/2021 on actions against market abuse a Securities Compliance Officer has been appointed to oversee the compliance in accordance with the abovementioned law and in compliance with the Company´s Insider Trading policy. The Securities Compliance Officer is responsible for assessing and monitoring if Alvotech, its directors, officers and employees are in compliance with the laws and regulations that apply to a company listed on the Nasdaq Iceland Main Market. The Compliance Officer monitors if the company is in compliance with other applicable law and the Company´s Business Code of Conduct.

**Code of Business Conduct and Ethics**

The Board of Directors adopted a Code of Business Conduct and Ethics for Alvotech´s directors, officers and employees. The Code sets out Alvotech´s code of business conduct and ethics, consisting of the principal business, ethical, moral and legal standards which Alvotech´s directors, officers and employees are required to observe. The aim of the Code is a further testament to Alvotech´s commitment to sustainability, to having oversight and managing relevant environment, social and government risks and opportunities in Alvotech´s operations and value chain.

**Sustainability**

Alvotech has adopted a Sustainability Policy that is focused on making its operations exemplary in the pharmaceutical environment based on established international environmental, social and governance ("**ESG**") criteria.

**Diversity**

Alvotech's Equality Policy, first issued in January 2021, sets out clear principles to ensure equal conditions and opportunities for all employees, regardless of gender, age, religion, nationality, or other personal characteristics. An annual Equality Report is published, which among other metrics, details the gender distribution across all levels of management. Alvotech has made meaningful progress toward greater gender balance and continues to implement initiatives that promote diversity, equity and inclusion.

**Board Committees**

Alvotech has five committees of the Board of Directors (an audit and risk committee, a compensation committee, a nominating and corporate governance committee, a strategy committee and a corporate sustainability committee). All the committees are constituted of members of the Board based on their expertise, skills and experience, relevant to that Committee and in accordance with the rules set for each committee by the Board. The charters outlining the rules of procedure for each of the Board Committees are accessible on Alvotech's website.

**Audit and Risk Committee**

The members of Alvotech's audit and risk committee are Dr. Linda McGoldrick (Chair), Ann Merchant, Hjörleifur Pálsson and Richard Davies. Each member of Alvotech's audit and risk committee qualifies as independent directors according to the rules and regulations of the SEC and Nasdaq with respect to audit and risk committee membership. In addition, all audit and risk committee members meet the requirements for financial literacy under applicable SEC and Nasdaq rules and at least one of the audit and risk committee members qualifies as an "audit and risk committee financial expert," as such term is defined in Item 407(d) of Regulation S-K under the United States Securities Act of 1933, as amended. The committee held 7 formal meetings in 2024. The audit and risk committee is responsible for, among other things:

- appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm;
- discussing with our independent registered public accounting firm their independence from management;
- reviewing, with our independent registered public accounting firm, the scope and results of their audit;
- approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the annual financial statements that we file with the SEC;
- overseeing our financial and accounting controls and compliance with legal and regulatory requirements;
- reviewing our policies on risk assessment and risk management;
  reviewing related party transactions; and
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters.

**Compensation Committee**

The committee members are Richard Davies (Chair), Árni Harðarson and Tomas Ekman. Mr. Davies qualifies as an independent director according to the rules and regulations of the SEC and Nasdaq with respect to compensation committee membership, including the heightened independence standards for members of a compensation committee. The committee held 4 formal meetings in 2024. The compensation committee is responsible for, among other things:

- reviewing and approving the corporate goals and objectives, evaluating the performance of and reviewing and approving, (either alone or, if directed by the board of directors, in conjunction with a majority of the independent members of the board of directors) the compensation of our chief executive officer;
- overseeing an evaluation of the performance of and reviewing and setting or making recommendations to our board of directors regarding the compensation of our other executive officers;
- reviewing and approving or making recommendations to our board of directors regarding our incentive compensation and equity-based plans, policies and programs;
- reviewing and approving all employment agreement and severance arrangements for our executive officers;
- making recommendations to our shareholders regarding the compensation of our directors; and
- retaining and overseeing any compensation consultants.

**Corporate Sustainability Committee**

The members of Alvotech's ESG committee are Ann Merchant (Chair), Árni Hardarson and Dr. Linda McGoldrick. The committee held 6 formal meetings in 2024. The ESG committee is responsible for, among other things:

- reviewing, monitoring and setting strategy in the area of corporate responsibility;
- overseeing Alvotech's activities in the area of corporate responsibility that may have an impact on the Company's reputation and operations;

- periodically assess the Alvotech's compliance obligations;
- monitor and review matters of health and safety and report findings to the broader board; and
- review and evaluate environmental, social and political issues and trends and their relevance to Alvotech's business and make recommendations to the board regarding those trends and issues.

**Nomination and Corporate Governance Committee**

The members of Alvotech's nominating and corporate governance committee are Richard Davies (Chair), Dr. Linda McGoldrick and Ann Merchant. The nominating committee is responsible for, among other things:

- identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors;
- overseeing succession planning for our Chief Executive Officer and other executive officers;
- periodically reviewing our board of directors' leadership structure and recommending any proposed changes to our board of directors;
- overseeing an annual evaluation of the effectiveness of our board of directors and its committees; and
- developing and recommending to our board of directors a set of corporate governance guidelines.

**Strategy Committee**

The Strategy committee is responsible for, among other things, reviewing, monitoring and setting strategy for the business of Alvotech. The members of Alvotech's Strategy committee are Faysal Kalmoua (Chair), Lisa Graver and Róbert Wessman.

**The structure and composition of the Board of Directors**

Alvotech's Board of Directors is currently composed of nine members. In accordance with Alvotech's Articles of Association, the Board is not divided into classes of directors. Eight of the directors were appointed at the closing of the business combination on 15 June, 2022, to serve as director until the end of the general meeting of shareholders called to approve Alvotech's annual accounts for the 2024 financial year. Hjörleifur Pálsson was appointed at the AGM on 6 June, 2024, to serve until the end of the AGM called to approve Alvotech's annual accounts for the 2025 financial year. There are no limitations on the duration of the board membership. The composition of the board shall at any time be diverse, regarding educational and professional background, gender and age.

The board undertakes Alvotech´s affairs in between shareholders´ meetings unless otherwise provided by law or Alvotech´s Articles of Association. The board is responsible for setting Alvotech´s general strategy. The board has a supervisory role in overseeing that Alvotech´s organization and activities are at all times in accordance with the relevant law, regulation and good business practices. The board met 12 times last year. The Board conducts a regular evaluation of its own performance, as well as reviewing the contribution required from a director to perform his or her duties to the Company, and whether he or she is spending sufficient time performing them. The rules of procedure for the Board, outlined in Alvotech's Corporate Governance Rules, can be found on Alvotech's website. Details regarding the Directors' ownership of Company shares are available in the Company's Form 20-F filed with the SEC.

**Members of the Board of Directors**

*Robert Wessman, Chairman and CEO,* is the founder of Alvotech and has served as Executive Chairman and member of the board of directors of Alvotech since January 2019. He served as a Director on the board of Fuji Pharma from 2018 to 2023. He serves as chairman of the board of directors of Lotus Pharmaceuticals since 2018 and since May 2009, he has served as a member of the board of directors of Aztiq and as a member of the board of directors of Aztiq GP, the general partner of Aztiq Fund I SCSp, a Luxembourg alternative investment fund, and the parent company of

Aztiq. Mr. Wessman is also the founder and main partner of the Aztiq group. Mr. Wessman founded Alvogen in July 2009, and served as its Executive Chairman and Chief Executive Officer until June 2022. He continues to serve as Alvogen's chairman since July 2022. Between 1999 and 2008, Mr. Wessman served as the Chief Executive Officer of Actavis. He has a Bachelor of Science degree in Business Administration from the University of Iceland. Mr. Wessman is not considered independent of Alvotech or its day-to-day managers, nor of the Company's major shareholders.

*Richard Davies, Director and Deputy Chairman*, has served as Deputy Chairman of Alvotech's board from June 2022. He was previously the Chairman of Alvotech's board, and as one of Alvotech's directors since January 2019. Since November 2018, he has served as Chief Executive Officer of Auregen Bio Therapeutics SA. Prior to joining Auregen Bio Therapeutics, Mr. Davies served as Chief Executive Officer of Bonesupport AB between 2016 and 2018, as Senior Vice President and Chief Commercial Officer of Hospira Inc. between 2012 and 2015, and in various leadership roles at Amgen Inc between 2003 and 2012. Mr. Davies holds an MBA from the University of Warwick and Bachelor of Science in applied chemistry from the University of Portsmouth. Mr. Davies is considered independent of Alvotech, its day-to-day managers and its major shareholders.

*Tomas Ekman, Director,* has served as one of Alvotech's directors since January 2019. Since November 2014 he has served as a partner at CVC Capital Partners where he is a member of the CVC Nordics team and is based in Stockholm. Prior to joining CVC in 2014, Mr. Ekman was a partner and Managing Director at 3i, responsible for its Nordic business. Mr. Ekman holds MSc degrees from the University of Strathclyde and Chalmers University of Technology, and an MBA from IMD, Switzerland. Mr. Ekman is considered independent of Alvotech and its day-to-day managers but is not considered independent of the Company's major shareholders.

*Faysal Kalmoua, Director,* has served as one of Alvotech's directors since June 2020. Mr. Kalmoua has also served as a partner of the Aztiq group since June 2022. Between April 2020 and June 2022, Mr. Kalmoua served as Executive Vice President of Portfolio, Business Development and Research and Development for Alvogen. Between November 2015 and March 2020, Mr. Kalmoua served as Executive Vice President of Portfolio for Alvogen, Inc. Prior to joining Alvogen, Mr. Kalmoua served in various management positions for Synthon for nearly 16 years. Mr. Kalmoua holds a master's degree in chemistry from the Radboud University Nijmegen and an executive MBA from Instead. Mr. Kalmoua is not considered independent of Alvotech or its day-to-day managers, nor of the Company's major shareholders.

*Ann Merchant, Director,* has served as one of Alvotech's directors since June 2022. Since January 2024, Ann has served as one of Biodexa Pharmaceuticals PLC directors. Since 2018, she has served as Vice President for MorphoSys, and as Head of Global Supply Chain since January 2019 and Head of External Operations since April 2022. Prior to joining MorphoSys, from September 2011 to August 2018, Ms. Merchant served as the President for Schreiner Medipharm. Between 1994 and 2011, Ms. Merchant held various roles at Amgen, including Vice President, Head of International Supply Chain and Site Head between 2007 and 2011. Ms. Merchant holds an MBA from the Henley Business School and a Bachelor of Science in Languages from Georgetown University. Ms. Merchant is considered independent of Alvotech, its day-to-day managers and its major shareholders.

*Arni Hardarson, Director,* has served as one of Alvotech's directors since June 2022. Mr. Hardarson is a co- founder and partner of the Aztiq group. Between 2009 and June 2022, he served as Deputy to the Chief Executive Officer and General Counsel of Alvogen. Prior to joining Alvogen, Mr. Hardarson was Vice President of Tax and Structure at Actavis, and as partner, member of the executive management committee, and served as a head of tax and legal at Deloitte. Mr. Hardarson holds a Master's degree in law from the University of Iceland. Mr. Hardarson is considered independent of Alvotech and its day-to-day managers but not considered independent of the Company's major shareholders. *Lisa Graver, Director,* has served as one of Alvotech's directors since June 2022. Ms. Graver has served in various leadership positions for Alvogen since June 2010, including as President of Alvogen Inc, a subsidiary of Alvogen, since August 2015, as Executive Vice President and Deputy to the Chief Executive Officer of Alvogen Inc. since February 2013, and as Vice president Intellectual Property of Alvogen since June 2010. Prior to joining Alvogen, Ms. Graver was Vice President Intellectual Property and Senior Director Intellectual Property at Actavis Inc. between 2006 and 2008. Ms. Graver holds a BSc in Biology from Lakehead University and a law degree from the Case Western Reserve University School of Law. Ms. Graver is considered independent of Alvotech and its day-to-day managers but is not considered independent of the Company's major shareholders.

*Dr. Linda McGoldrick, Director*, has served as one of Alvotech's directors since June 2022 and as the Chairman of the Audit Committee. In 1985, Dr. McGoldrick founded, and currently serves as Chairman and Chief Executive

Officer of, Financial Health Associates International, a strategic consulting company specializing in healthcare and life sciences. Since January 2020, she has served as the Chief Executive Officer for 2Enable Health LLC. Prior to joining 2Enable Health LLC, Dr. McGoldrick served as interim CEO at Zillion between June 2019 and December 2019. Over her professional career, Dr. McGoldrick has served in a number of leadership roles, including Senior Vice President and National Development Director for the Healthcare and Life Sciences Industry Practices at Marsh-MMC Companies, International Operations and Marketing Director of Veos plc, and Managing Director Europe for Kaiser Permanente International. In 2018, Dr. McGoldrick was appointed by the Governor of Massachusetts to serve on the state's Health Information Technology Commission. Dr. McGoldrick has served as a director of numerous publicly traded and private held companies and non-profit organizations in the U.S., UK and Europe, including as director for Compass Pathways since September 2020. In 2012, Dr. McGoldrick was named as one of the Top 100 Corporate Directors of Fortune 100 Companies by the Financial Times. Dr. McGoldrick holds a Master's Degree in Healthcare from the University of Pennsylvania, an MBA from Wharton, and a PhD in Philosophy from Worcester Polytechnic Institute. Dr. McGoldrick is considered independent of Alvotech, its day-to-day managers and its major shareholders.

*Hjörleifur Pálsson, Director*, has served on the board of directors and on the audit and risk committee at Alvotech SA since June 7th, 2024. From 2015 Mr. Pálsson has served as a member of the board of directors at Brunnur vaxtarsjóður slhf., from 2016 as a member of the board at Ankra ehf. (Feel Iceland), from 2022 as a member of the board of directors and as the chairman of the remuneration committee at Festi hf., and from 2023 as a member of the board at Brandr Global ehf. From 2019 Mr. Pálsson has been a member of the audit committee at Landsbankinn and from 2021 he has been the chairman of the Audit committee at Harpa tónlistar- og ráðstefnuhús ohf. From 2014 to 2022 he was the chairman of the board of directors and the board of trustees at Reykjavik University. He served as a member of the board of directors at Sýn hf. (Vodafone Iceland) from 2013 to 2022, thereof as a chairman for four years. From 2015 to 2024 he served on the board of Directors and as a chairman of the audit committee and a member of the remuneration committee at Lotus Pharmaceutical & Co., Ltd., a global pharmaceutical company listed at the Taiwan stock exchange. Mr. Pálsson graduated with a cand oecon. degree from the University of Iceland in 1988. He was granted a license as a State Authorized Public Accountant in Iceland in 1989 and practiced as such until 2001. From 2001 to 2013 he was the VP of Finance and CFO at Össur hf., a global Medical Device company listed at NASDAQ Iceland and NASDAQ Copenhagen. Mr. Pálsson is considered independent of Alvotech, its day-to-day managers and its major shareholders.

**Business ethics and Code of Conduct**

Alvotech sets high standards for all employees and directors. We also adhere to ethical commitments in every aspect of our business, with respect to our employees as well as outside stakeholders, including contractors, suppliers, commercial partners, government authorities and the public. These commitments are spelled out in our Code of Corporate Conduct and Ethics, which applies to all our employees, including our senior executive officers and directors. We apply our Code of Conduct both in internal and external relations and give preference in our business dealings to those who adhere to comparable ethical standards.

It is the duty of the Board of Directors to serve as fiduciary for shareholders and to oversee the management of the company. To fulfill its responsibilities and to discharge its duties prudently, the Board of Directors follows the procedures and standards that are set forth in guidelines and charters. These documents are subject to modification from time to time as the Board of Directors deems appropriate in the best interests of Alvotech or as required by applicable laws and regulations.

The Code of Conduct and other charters are accessible on Alvotech's website at https://investors.alvotech.com/corporate-governance/documents-charters

**Information on Infringements of Laws and Regulations**

No remarks were received concerning major violations of laws or regulations in 2024.

Approved by the board on: 26 March 2025

# Non-Financial Disclosure

## Introduction

### Advancing sustainability through transparency and action

At Alvotech, we recognize the increasing importance of sustainability in the global healthcare industry. Sustainability, a balance of environmental, social, and economic considerations, remains important for our long-term success and for the stakeholders that we serve. One of the key decisions to locate Alvotech's development and manufacturing operation in Iceland, was the abundance renewable energy and availability of clean water, robust system of government, and a general commitment to advance gender equality and fairness, values which are considered a bedrock of society. As we continue our rapid growth, we are taking important steps to integrate sustainability considerations into our business strategy and decision-making processes.

This sustainability report marks our first year moving towards adapting to the Corporate Sustainability Reporting Directive (CSRD), a European regulation designed to enhance corporate transparency, comparability, and accountability in sustainability disclosures. While the CSRD has not taken effect in Iceland (which is a member of the European Economic Area, but not of the European Union) or in Luxembourg, we have paid close attention to the directive and the discussions taking place at the European Union level. Alvotech is preparing to adhere to the CSRD framework, strengthening its sustainability reporting to align with evolving expectations and market standards.

In 2024, we took significant steps towards constructing a more structured approach to sustainability. Key milestones included conducting a Double Materiality Assessment (DMA) and further assessment of our greenhouse gas emissions. These efforts have laid the foundation for a more robust sustainability strategy and will help to inform our continuous improvements.

### Regulatory uncertainty around the CSRD

In 2024, Alvotech dedicated significant efforts to preparing for compliance with the CSRD, aligning its sustainability reporting with evolving European regulatory requirements. As a publicly listed company on stock markets in Iceland and the United States, that is incorporated under Luxembourg law with all major operations based in Iceland, Alvotech operates in fairly a complex regulatory landscape.

While the CSRD has been transposed into national law in some EU countries, including Sweden and Denmark, it has yet to be adopted in other markets, such as Germany, Spain, and Luxembourg, where Alvotech is incorporated. The fragmented implementation of the CSRD has created legal asymmetry within the European market, where companies are subject to differing compliance obligations depending on their jurisdiction.

Alvotech remains committed to aligning with the evolving sustainability market practice and enhancing its sustainability disclosures despite these regulatory uncertainties. Looking ahead to 2025, Alvotech will continue to monitor these regulatory developments while refining and streamlining its sustainability infrastructure to ensure compliance with the evolving CSRD framework.

**A year of progress, a future of commitment**

Some of Alvotech's sustainability efforts are still at an early stage, which simply reflects the rapid growth of Alvotech from being focused on R&D to having multiple biosimilars launched in multiple major markets. In fact, 2024 was a pivotal year in our scale-up as well as in advancing our understanding of key sustainability impact areas.

While Alvotech has historically disclosed metrics for sustainability performance, we acknowledge the need to conduct a more comprehensive Scope emissions assessment including our supply chain, to give us a more comprehensive view of our indirect environmental impact. We now have a clearer picture of the emissions footprint of our value chain. While we are still refining our data, this baseline will enable more informed decision-making in the years ahead.

Similarly, our DMA has helped us identify and prioritize the ESG topics most relevant to our business. Key focus areas include climate change, resource use and circular economy, own workforce, consumers and end-users, and business conduct. These topics will guide our sustainability efforts as we work toward measurable progress.

Looking ahead to 2025, one of our key priorities is setting measurable and credible targets across these material topics. Alvotech is strategically evaluates climate targets to ensure they align with our operational realities and business growth trajectory. Our focus in the coming year will be to refine our sustainability data, enhance reporting accuracy, and lay the groundwork for setting ambitious but achievable targets.

We are committed to continuous improvement and embedding sustainability more effectively into our operations over time. By aligning with the CSRD framework, at least on a preliminary basis while the regulation is being revised at the EU level, Alvotech is taking an important step toward greater accountability, structured sustainability management, and long-term value creation for all stakeholders.

1. General Information ESRS 2 - General Disclosures

### 1.1. Basis for preparation

#### General basis for preparation (ESRS 2 BP-1)

The format and content of this sustainability reporting has been adapted to prepare for the CSRD and the European Sustainability Reporting Standards (ESRS) under the requirements of the CSRD. Mandatory disclosures based on the CSRD are included in this report, while best efforts have been made to adhere to other relevant standards and frameworks applicable to our operations, such as the GHG Protocol. The following information outlines the general basis for preparation:

1. **Scope of preparation**: The sustainability statement covers the period from 1 January 2024 to 31 December 2024 and has been prepared and consolidated, encompassing all entities included in Alvotech's financial statements. The scope of consolidation is aligned with that of the financial reporting under Directive 2013/34/EU.

2. **Subsidiary exemptions**: No subsidiaries have been exempted from individual or consolidated sustainability reporting under Articles 19a(9) or 29a(8) of Directive 2013/34/EU. Therefore, all subsidiaries are included in the scope of this sustainability statement.

3. **Coverage of the value chain**: The report includes upstream and downstream value chain impacts to the extent data is currently available:

    a. **Upstream**: Focused on suppliers and production partners, covering areas such as greenhouse gas emissions and resource use.

    b. **Downstream**: Includes impacts related to distribution, patient accessibility, and end-user safety for biosimilar medicines.

    While efforts were made to gather comprehensive value chain data, certain data points remain incomplete due to limitations in supplier engagement. These areas will be expanded upon in subsequent reporting cycles as part of Alvotech's phased implementation plan.

4. **Use of omission options**:

    a. **Intellectual property**: No specific information corresponding to intellectual property, know-how, or innovation results relevant to meeting the objective of an applicable disclosure requirement has been omitted from this report.

    b. **Negotiations and impending developments**: Alvotech has not used the option to omit information on impending developments or matters in negotiation under Articles 19a(3) or 29a(3) of Directive 2013/34/EU.

#### Disclosures concerning specific circumstances (ESRS 2 BP-2)

1. **Time horizons**: Alvotech has adopted the standard definitions for short- (the reporting period in the financial statements), medium- (up to 5 years), and long-term (more than 5 years) horizons outlined in ESRS 1 Section 6.4. No deviations from these definitions were applied in this report.

2. **Value chain estimations**: Alvotech has had to rely on estimations and modeling of the value chain impact, due to the limited availability of primary data for the metrics that include upstream and downstream value chain data. The following disclosures provide additional details:

    a. **Identified metrics**: Greenhouse Gas emissions: Data was estimated mainly using emission factors from publicly available databases or other references from standard literature, as a limited amount of supplier-specific ESG reports were available.

    b. **Basis for preparation**: The value chain analysis followed a structured methodology to integrate upstream and downstream data. The basis for the calculation is the total dollar spend on goods or services multiplied by an emission factor, primarily sourced from databases such as Eco Invent or Carbon Minds, as well as information published by the IEA, IPCC, U.S. Environmental Protection Agency (EPA) and UK Department for Environment, Food & Rural Affairs.

    c. **Accuracy and limitations**:

        i. **Level of accuracy**: The estimates are considered moderately accurate, as data relied heavily on sector averages (from the above-mentioned data sources) and proxy assumptions for some suppliers and downstream partners.

        ii. **Limitations**: Challenges included limited access to primary data from smaller suppliers and commercialization partners outside mandatory reporting obligations. These gaps are targeted for improvement in future cycles.

    d. **Planned actions for improvement**: Alvotech is planning to design a roadmap to improve value chain data quality through:

        i. Expanding supplier engagement to encourage ESG reporting alignment with CSRD standards.

        ii. Leveraging digital tools to streamline data collection and enhance traceability.

        iii. Transitioning from reliance on proxies to collecting granular, supplier-specific data by 2028. 1.2. Governance

### The role of the governance bodies (ESRS GOV-1)

Alvotech's governance structure includes two key bodies: the Board of Directors, which serves as the supervisory body, and the Corporate Leadership Team (CLT), which acts as the management body. The Board of Directors provides strategic oversight and ensures accountability, while the CLT is responsible for executing day-to-day operations and implementing Alvotech's strategy.


**Image 1: Alvotech's governance structure**.

### Board of Directors Composition and diversity

| Indicator | 2024 |
|---|---|
| Percentage of women on the Board of Directors | 33% |
| Percentage of independent board members | 78% |

### Corporate Leadership Team (CLT) Composition and diversity

| Indicator | 2024 |
|---|---|
| Percentage of women in the Corporate Leadership Team | 33% |

### Governance of impacts, risks and opportunities

Alvotech's governance framework for managing IROs integrates the roles of its two primary governance bodies, the Board of Directors and the CLT. The Board of Directors oversees the identification, management, and monitoring of material sustainability IROs. It provides strategic guidance and ensures accountability for progress toward sustainability objectives. The CLT is responsible for managing IROs daily, implementing the Board-approved sustainability strategy, and reporting on progress.

### Delegation of sustainability management responsibilities

Alvotech's Board of Directors has appointed a Corporate Sustainability Committee, which serves as a dedicated subcommittee of the Board. It oversees the integration of sustainability into business operations, sets sustainability priorities and targets, and monitors progress against material topics.

In 2024 Alvotech also intends to form a Corporate Sustainability Steering Group at the CLT and management level. The working group will monitor future compliance with sustainability regulations and standards. The committee will comprise members from seven key functions: HR, Finance, Commercial, Operations, R&D, Strategy, and Legal.

Starting in 2025, the working group will meet monthly to coordinate sustainability reporting efforts, monitor regulatory developments, and address cross-functional challenges.

### Setting targets and monitoring progress

Establishing a structured process for target-setting is a priority for Alvotech and is being actively developed as part of its sustainability governance enhancements. The process for defining and monitoring sustainability targets will follow these principles:

- The Board of Directors shall approve long-term sustainability targets, such as emissions reductions, resource efficiency goals, and diversity metrics.
- The Corporate Sustainability Committee and the Board of Directors shall receive quarterly reports on sustainability performance, including progress on targets.
- The CLT shall track operational performance against these targets and identify corrective actions when needed.

### Expertise and skills in sustainability

Alvotech has established mechanisms to build and access expertise to ensure effective oversight of sustainability matters.

The Board of Directors and the CLT include members with direct experience in the pharmaceutical industry, global markets, and sustainability, ensuring relevant experience for overseeing IROs.

### Sustainability governance (ESRS GOV-2)

During the reporting period, the following processes were implemented to ensure that Alvotech's Board of Directors and CLT were informed about sustainability matters.

- With the CLT's endorsement, an external consultant carried out a double materiality assessment in Q3 of 2024, and the results were presented to the Corporate Leadership Team at the quarterly meeting.
- The Corporate Sustainability Committee receives formal sustainability updates periodically, as necessary for critical issues or decisions.
- Interim sustainability oversight has been managed directly by the Investor Relations function but is in the process of being transitioned into the Finance Department, with a dedicated resource.

### Integration of sustainability-related performance in incentive schemes (ESRS GOV-3)

Alvotech does not have an established mechanism for integrating sustainability-related performance into incentive schemes. This is primarily due to the absence of formalized sustainability targets, which are currently under development as part of Alvotech's ongoing enhancements to its governance and sustainability framework.

### Statement on due diligence (ESRS GOV-4)

Alvotech is committed to implementing a robust due diligence process to identify, assess, prevent, mitigate, and address sustainability-related impacts, risks, and opportunities. While fully formalizing this process is underway, Alvotech has taken initial steps to align its practices with the principles outlined in ESRS 1 Chapter 4. These efforts

include the development of internal policies and frameworks to integrate due diligence into core business operations and decision-making.

The due diligence process at Alvotech is reflected across various sections of this sustainability statement. The following mapping highlights where the main aspects and steps of the process are disclosed:

| Due Diligence Aspect | Description | Reference |
|---|---|---|
| Embedding due diligence in governance, strategy and business model | Explanation of how governance bodies integrate sustainability-related due diligence into strategic oversight, decision-making, and risk management processes. | 1.2. Governance<br>1.3. Strategy and Business Model |
| Engaging with affected stakeholders | Summary of stakeholder engagement efforts, including surveys, focus groups, and ongoing dialogues with employees, suppliers, and key stakeholders. | 1.4. Stakeholder engagement |
| Identifying and assessing negative impacts on people and the environment | Overview of the DMA process and methodology for identifying material impacts, risks, and opportunities. | 1.5. Materiality assessment<br>1.6. Material impacts, risks and opportunities |
| Taking action to address negative impacts on people and the environment | Description of initiatives to mitigate material impacts, including emissions reduction, resource efficiency programs, and diversity and inclusion strategies. | 2. Environmental Information<br>3. Social Information<br>4. Governance Information |
| Tracking the effectiveness of the efforts | Explanation of monitoring mechanisms and plans for improvement in tracking effectiveness. | 2. Environmental Information<br>3. Social Information<br>4. Governance Information |

### Risk management and internal controls over sustainability reporting (ESRS GOV-5)

Alvotech has established foundational processes to ensure the accuracy, reliability, and transparency of its sustainability reporting. While these systems are still evolving to meet the requirements of the ESRS, the following key elements describe the current approach to managing risks and ensuring effective internal controls over sustainability reporting.

- **Risk management.** Key risks related to sustainability reporting are identified, including data quality issues, incomplete value chain data, and compliance with ESRS requirements. Identified risks are assessed based on their potential impact on reporting accuracy, reliability, and regulatory compliance. Measures to address identified risks include strengthening data collection processes, engaging external consultants for reporting guidance, and conducting regular audits of sustainability data.

- **Internal controls.** The Corporate Sustainability Working Group includes representatives from seven key functions and is assigned sustainability reporting responsibilities. The Corporate Sustainability Committee oversees the reporting process and ensures alignment with ESRS requirements.

## 1.3. Strategy and business model (ESRS SBM-1)

The following key elements outline Alvotech's general strategy related to sustainability matters:

1. **Products and services.** Alvotech focuses on developing and manufacturing biosimilar medicines, which provide affordable alternatives to branded biologics.
    - Developing and manufacturing biosimilars requires expertise and specialized technology. Development times for biosimilars and costs are elevated compared to generic medicines, but biosimilars are typically offered at a discount to existing biologic medicine.
    - Alvotech expands global access to biosimilars, reducing costs and minimizing costs, strives to minimize environmental footprint and promote health equity.
    - Alvotech currently markets two biosimilars in over 25 markets globally, aiming for three biosimilar candidates to be approved in 2025.
2. **Markets and customers.** Alvotech expands access to biosimilars, reducing healthcare costs and improving patient outcomes, especially in underserved markets. With 19 global partners, the Company covers major markets and has secured approvals in over 50 countries.
3. **Employees**. Alvotech is committed to fostering a diverse and inclusive workplace as part of its broader sustainability objectives.

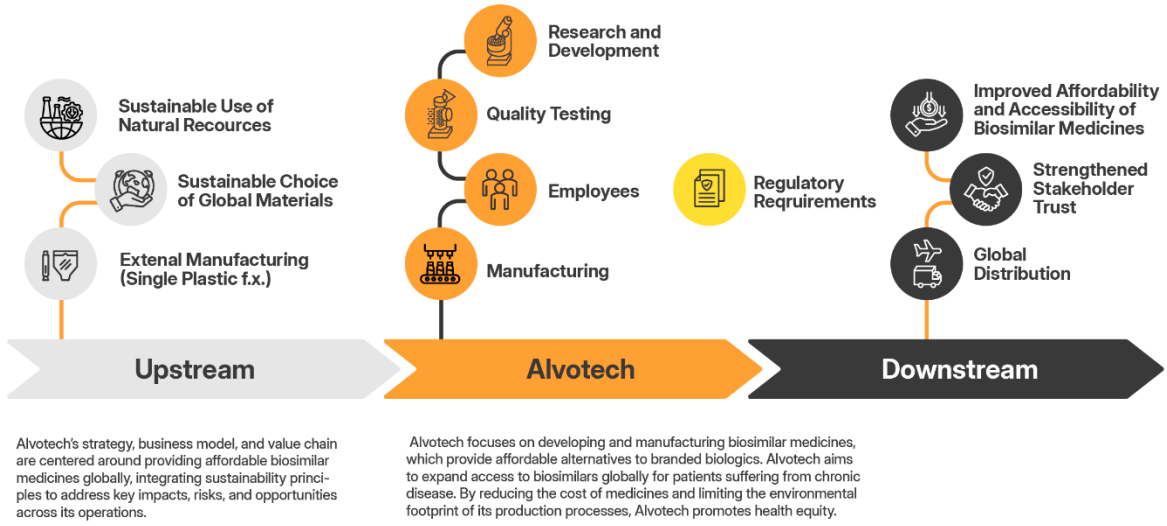



**Image 2: Business model, upstream and downstream.**

### Business model and value chain

- **Business model inputs.** To ensure quality and flexibility, the manufacturing process relies on single-use plastics, as cleaning reusable equipment requires more chemicals and water, increasing the carbon footprint. Alvotech continually evaluates these processes with a sustainability focus, prioritizing partnerships with responsible suppliers.
- **Business model outputs.** Alvotech delivers biosimilar medicines designed to increase patient access while reducing healthcare costs. Benefits include improved affordability and accessibility of treatments and strengthened stakeholder trust through sustainable growth.

- **Value chain.** Alvotech's value chain spans upstream suppliers to downstream distributors and end-users.
    - Upstream: Global suppliers provide raw materials and components, with sustainability considerations embedded in the selection process.
    - Downstream: Alvotech collaborates with pharmaceutical distributors and healthcare providers to ensure biosimilars reach patients effectively.

### 1.4. Stakeholder engagement (ESRS SBM-2)

Stakeholder engagement is a cornerstone of Alvotech's strategy, enabling it to align with stakeholder expectations, drive informed decision-making, and build trust across diverse groups. Feedback from stakeholder engagement is consistently presented to the CLT to ensure it informs strategic and operational decisions.

The following table provides an overview of the engagement process for each key stakeholder group identified by Alvotech.

| Stakeholder Group | Engagement | Organization | Purpose | Incorporation of outcome |
|---|---|---|---|---|
| Management | Engaged regularly | - Quarterly management meetings<br>- Direct consultation for strategic matters | To align strategic objectives and operational goals | - Feedback loops to document and analyze input<br>- Action plans for strategic alignment<br>- Transparent reporting |
| Employees | Engaged regularly | - Employee surveys<br>- open forum<br>- Direct communication | To ensure job satisfaction, performance improvement, and wellbeing | - Iterative improvements in policies<br>- Monitoring engagement metrics<br>- Implementing wellbeing programs |
| Investors | Engaged regularly | - Investor relations meetings and events<br>- Advisory panels<br>- Financial reporting | To provide transparency on financial and non-financial performance | - Tracking and addressing investor feedback<br>- Incorporating insights into strategy |
| Board of Directors | Engaged regularly | - Regular board meetings<br>- Strategic workshops | To ensure governance practices align with strategic and regulatory requirements | - Implementation of board directives and resolutions<br>- Regular review of governance effectiveness |

| | | | | |
|---|---|---|---|---|
| Suppliers | Engaged regularly | - Supplier portals and surveys<br>- Direct communication | To foster partnerships, ensure compliance, and improve supply chain resilience | - Developing supplier action plans<br>- Monitoring compliance and performance indicators |
| Customers | Engaged regularly | - Customer feedback systems<br>- Focused surveys<br>- Direct consultations | To enhance product offerings, customer satisfaction, and loyalty | - Utilizing feedback for product improvement<br>- Tracking customer satisfaction metrics |

Alvotech conducted a comprehensive DMA in 2024, engaging key stakeholder groups. The process included the distribution of uniform surveys to stakeholders, which were designed to:

1. Gather quantitative data: Stakeholders were asked to priorities and rank pre-defined material impacts, risks, and opportunities.

2. Encourage open feedback: Stakeholders were allowed to provide suggestions in addition to ranking provided topics.

3. Ensure anonymity: Responses were collected anonymously to encourage honesty and transparency.

The surveys were quantitative data input, with results weighed by stakeholder groups to reflect their relevance and impact on Alvotech's strategy and business model. This approach ensured stakeholders' views and interests were systematically analyzed and incorporated into Alvotech's decision-making processes.

Based on the stakeholder engagement, no amendments to Alvotech's strategy or business model were identified as necessary.

### 1.5. Double Materiality Assessment process (DMA) (ESRS IRO-1)

#### Identifying and assessing material impacts, risks, and opportunities

In 2024, Alvotech conducted its first DMA under ESRS 1 to determine the company's most material ESG topics. This assessment aligns with the CSRD requirements and reflects best practices in sustainability reporting.

The assessment evaluated two dimensions of materiality:

- **Impact materiality** considers how Alvotech's operations affect society and the environment—both positively and negatively.
- **Financial materiality** assesses how sustainability-related topics create risks and opportunities that could influence a company's business, financial performance, and long-term resilience.

The process was guided by the implementation insights of the European Financial Reporting Advisory Group (EFRAG). It included quantitative and qualitative thresholds to ensure a structured and objective evaluation of material topics. It is also built on previous assessments, internal expertise, and engagement with key stakeholders.

### Interaction with Alvotech's strategy and business model

The DMA findings link Alvotech's sustainability priorities to its long-term business strategy. As a biopharmaceutical company specializing in biosimilars, Alvotech is vital in increasing access to affordable, high-quality medicines. This strategy contributes to positive social impacts, particularly in healthcare affordability, patient safety, and equitable treatment access.

However, the assessment identified key environmental and social challenges in Alvotech's operations, including the carbon footprint of manufacturing, reliance on single-use plastics, and the energy demands of the production process. Acknowledging these impacts, Alvotech remains committed to reducing its environmental footprint while upholding its high safety and quality standards.

From a financial materiality perspective, the assessment underscored regulatory risks, including evolving compliance obligations under the CSRD and opportunities in supply chain sustainability, energy efficiency, and product innovation. Additionally, workforce-related topics such as employee engagement, diversity, and professional development were identified as material to Alvotech's ability to attract and retain top talent in a competitive industry.

The insights gained from the DMA now serve as a foundation for Alvotech's sustainability strategy and roadmap. These insights help policy development, target-setting, and investment decisions as the Company continues to integrate sustainability considerations into its broader business operations. The assessment also helps Alvotech align with global sustainability frameworks and investor expectations, ensuring the Company remains agile and well-prepared for future regulatory and market changes.

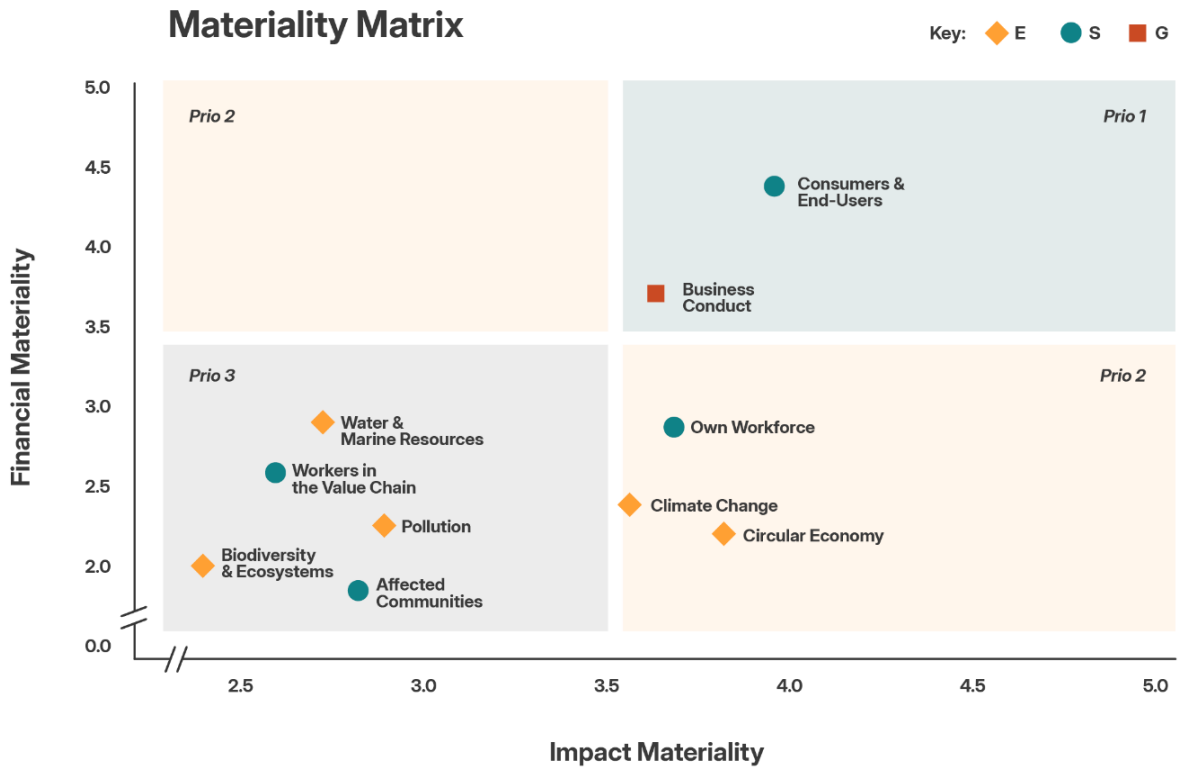



**Image 3: Outcomes of the double materiality assessment.**

**Methodologies and assumptions**

The DMA was structured as a stepwise process:

a. **Stakeholder engagement**: Key stakeholders, including employees, management, suppliers, and commercialization partners, were engaged via surveys and meetings to gather insights into Alvotech's impacts and dependencies.
b. **Internal data assessment**: Company-specific data, policies, and strategic documents were analyzed to assess internal perspectives on risks, opportunities, and impacts.
c. **Industry benchmarks**: External datasets, including ENCORE, S&P Global, and Sustainability Accounting Standards Board (SASB) frameworks and peer analysis, validated findings and provided context.
d. **Aggregation and validation**: The results were aggregated using a weighted scoring system (60% internal data, 20% stakeholder feedback, 20% industry benchmarks) and validated in workshops with senior leadership.

**Process to identify, assess, prioritize, and monitor impacts**

The DMA process considered both impact materiality and financial materiality.

- **Scope and focus areas:** Impacts were assessed across Alvotech's operations, tier-1 suppliers and commercialization partners. Topics were prioritized based on heightened risks related to activities, business relationships, and geographies.

- **Impact assessment criteria:** Impacts were ranked based on severity (scale, scope, irremediability) and likelihood. Negative impacts, such as single-use plastic consumption, were prioritized for mitigation and positive impacts, such as equitable access to medicines, were assessed for their relative scale and importance.
- **Stakeholder consultation:** Surveys tailored to stakeholder groups gathered input on 37 sub-topics and 14 statements aligned with ESRS. Stakeholder inputs informed the prioritization of material sustainability matters.
- **Materiality thresholds:** Thresholds for materiality were 3.5/5 for impact and financial materiality. Topics scoring above this threshold were deemed material for reporting purposes.

**Process to identify and manage risks and opportunities**

The DMA process also identified key sustainability-related risks and opportunities:

- **Connections between impacts and dependencies:** The analysis mapped how Alvotech's operations influence sustainability topics, affecting financial and reputational risks. Examples include risks related to supply chain dependencies and opportunities to expand access to affordable healthcare.

- **Risk and opportunity evaluation:** Risks were assessed for their likelihood and magnitude of financial or reputational impact. Opportunities were evaluated based on their alignment with strategic priorities and maturity of execution plans.

**Decision-making, internal control procedures and input parameters**

The DMA process included structured decision-making and internal controls:

- **Workshops:** Conducted with the leadership representatives at key stages to align hypotheses, review findings, and validate results.

- **Control procedures:** Internal governance ensured the accuracy and reliability of the assessment process, with input from multidisciplinary teams.

The assessment relied on:

i) data from internal reports, policies, and ESG analyses
ii) inputs from stakeholder engagement and external benchmarks and
iii) assumptions tailored to Alvotech's business model and sustainability context.

**Process changes and future revisions**

The DMA will serve as a baseline for subsequent reporting periods.

The DMA results will be reviewed annually to reflect evolving sustainability challenges, regulatory developments, and stakeholder expectations.

### 1.6. Material impacts, risks, and opportunities (ESRS SBM-3)

The 2024 DMA identified Alvotech's key material topics, highlighting critical environmental, social, and governance issues that align with Alvotech's sustainability and business priorities. These topics reflect areas where Alvotech has the most significant impacts and dependencies, guiding its strategy to address risks and leverage opportunities effectively. Below is an overview of the identified material topic.

| Material topic | IRO | Up stream | Own ops | Down stream | Short -term | Medium- term | Long -term |
|---|---|---|---|---|---|---|---|
| E1 Climate change | | | | | | | |
| Climate change mitigation | Negative impact | Yes | Yes | No | Yes | Yes | Yes |
| Energy | Positive impact | No | Yes | No | Yes | Yes | Yes |
| E5 - Circular economy | | | | | | | |
| Resource inflows | Negative impact | No | Yes | No | Yes | Yes | Yes |
| S1 - Own workforce | | | | | | | |
| Working conditions | Positive and negative impact | No | Yes | No | Yes | Yes | Yes |
| Equal treatment and opportunities for all | Positive impact | No | Yes | No | Yes | Yes | Yes |
| S4 - Consumers and end-users | | | | | | | |
| Personal safety | Opportunity | No | Yes | Yes | Yes | Yes | Yes |
| Social inclusion | Opportunity | No | No | Yes | Yes | Yes | Yes |
| G1 - Business conduct | | | | | | | |
| Corporate culture | Positive and negative impact | No | Yes | No | Yes | Yes | Yes |
| Supplier relationships | Risk | No | Yes | No | Yes | Yes | Yes |

## 2. Environment

### E1 Climate Change

#### 2.1.1. Material impacts, risks and opportunities (ESRS 2 IRO-2, SBM-3, E1.IRO-1)

Alvotech evaluated climate-related factors most significant to its operations and stakeholders as part of its materiality assessment. Climate change mitigation and energy emerged as critical material topics, reflecting the Company's commitment to addressing the challenges and opportunities posed by a rapidly changing climate.

The identification of these topics is closely linked to Alvotech's operational context. Based in Iceland, Alvotech benefits from a unique advantage- access to a renewable energy infrastructure powered predominantly by geothermal and hydroelectric sources. This minimizes its direct emissions (Scope 1 and 2), allowing the Company to focus its climate efforts on reducing indirect emissions (Scope 3) across its value chain.

Alvotech aims to strengthen its environmental performance by prioritizing these material topics, preparing for evolving regulatory and stakeholder expectations, and contributing to global sustainability goals. The Company is committed to advancing initiatives in these areas and developing formal policies to support its long-term climate strategy.

| Material topics related to climate change mitigation and energy | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Material topic** | **IRO** | **Up stream** | **Own ops** | **Down stream** | **Short -term** | **Medium -term** | **Long -term** |
| E1 Climate change | | | | | | | |
| Climate change mitigation | Negative impact | Yes | Yes | No | Yes | Yes | Yes |
| Energy | Positive impact | No | Yes | No | Yes | Yes | Yes |

#### Climate risk analysis (ESRS 2 IRO-1)

A key strategic advantage of Alvotech's operations in Iceland is the country´s fully closed electrical grid, which relies heavily on renewable geothermal energy. This significantly reduces the Company's dependence on non-renewable energy for the operation and makes it possible for Alvotech to aim for and have a relatively low carbon footprint. However, as part of the global pharmaceutical value chain, Alvotech also faces indirect climate-related risks and opportunities, primarily linked to its Scope 3 emissions.

**Key climate risks**

**Value chain dependencies (Scope 3 emissions):**

- Upstream risks: The pharmaceutical industry relies on raw materials and manufacturing processes that may be affected by climate regulations, disruptions in supply chains due to extreme weather events, or increased costs of transportation and logistics associated with carbon pricing.
- Downstream risks: Alvotech's products may face climate-related pressures from customers and regulators demanding greater transparency and lower emissions across the value chain.

**Regulatory and market risks**: Global and regional climate policies, such as carbon pricing, emissions reduction targets, and supply chain sustainability requirements, could impact Alvotech's operations and cost structure,

particularly if suppliers or partners operate in high-emission regions. Investors and stakeholders increasingly prioritize sustainability, which could influence market access and investment opportunities if climate-related disclosures are inadequate.

**Physical risks:** While Iceland's climate is relatively stable, global supply chain disruptions caused by extreme weather events such as flooding, hurricanes, or droughts could affect the availability and cost of raw materials, manufacturing inputs, or logistics services. The worst impacts from climate-related weather hazards will likely materialize in the medium- and long-term and are currently not considered financially material to Alvotech.

**Key climate opportunities**

**Renewable energy advantage:** Alvotech benefits from a renewable energy infrastructure in Iceland, primarily geothermal and hydroelectric power. This positions the Company favorably compared to peers in regions with higher reliance on fossil fuels. A low-carbon energy source can provide a competitive advantage in meeting emissions reduction expectations, particularly for Scope 1 and 2 emissions.

**Sustainable product innovation:** Climate-conscious stakeholders and customers drive demand for sustainable pharmaceuticals. By integrating sustainability into product design, packaging, and distribution, Alvotech may enhance its market positioning.

**Efficiency gains*:*** Climate adaptation measures, such as optimizing energy use, transitioning to low-emission transport, and leveraging circular economy principles (e.g., recycling materials or reducing waste), may drive cost savings and environmental benefits for the Company.

Strengthening supplier engagement, adopting sustainable practices throughout the value chain, and aligning with emerging climate regulations will be critical for mitigating risks and leveraging opportunities. Proactive climate-related disclosures and sustainability initiatives will further enhance Alvotech's reputation and resilience in a climate-conscious global market.

### Strategy and business model resilience (ESRS 2 SBM-3)

Alvotech's resilience analysis evaluates its ability to address identified climate-related risks, such as supply chain disruptions, regulatory compliance, and market demands for sustainable practices. The scope includes direct operations and key upstream and downstream value chain elements.

- **Methodology and analysis.** Alvotech is in the early stages of integrating climate scenario analysis into its strategic planning. The Company recognizes the importance of this approach and is committed to integrating scenario analysis into future strategic planning processes. Climate-related risks are assessed qualitatively, ensuring alignment with the Company's strategic priorities and operational capabilities.

- **Preliminary results.** Transition risks, particularly regulatory compliance and stakeholder expectations for Scope 3 emissions management were identified as highly important and increasing in significance. Physical risks, such as extreme weather events, were considered moderate but manageable. This assessment considers Alvotech's reliance on Iceland's renewable energy infrastructure, which is highly stable and less vulnerable to weather-related disruptions than conventional energy sources. Alvotech has also implemented robust operational planning measures, including contingency strategies for supply chain resilience, to mitigate the potential impacts of such events on its operations.

- **Strategic adjustments**. Alvotech prioritizes enhanced engagement with suppliers and stakeholders to manage Scope 3 emissions better. The Company is committed to improving its climate risk resilience by

investing in long-term sustainability initiatives and exploring the integration of formal climate scenario analysis in the near future.

### 2.1.2. Climate Mitigation (ESRS 2 IRO, E1-1, E1-3, E1-4, E1-6)

#### 2.1.2.1. Management approach (ESRS 2 MDR-P, E1-2)

Alvotech acknowledges the importance of addressing climate change mitigation as part of its commitment to sustainability. Alvotech remains committed to aligning its future climate-related initiatives with international standards and best practices. The Company will continue to leverage Iceland's renewable energy infrastructure to minimize its direct climate impacts and engage suppliers and partners to minimize its indirect climate impacts.

Alvotech recognizes climate change as a critical global challenge requiring immediate and collective action. Guided by the principles of the Paris Agreement, Alvotech envisions a low-carbon future and is committed to minimizing the environmental impact of the operations while advancing sustainable healthcare solutions, considering the growth trajectory. Alvotech commitments:

- **Continuous monitoring and improvement:** The aim is to reduce emissions intensity per production unit while supporting the growth trajectory. This will be achieved through baseline assessments, enhanced models, and integrating best practices into the operations.
- **Reducing greenhouse gas emissions:** Baseline assessment is underway but key actions include engaging suppliers, optimizing transportation, and adopting renewable energy solutions.
- **Science-based targets:** The aim is to establish credible and impactful reduction targets supported by validated frameworks and robust data.
- **Collaboration and innovation:** The Company will work with suppliers and partners to integrate sustainability into procurement practices and adopt low-carbon solutions.
- **Governance and transparency:** These principles are central to Alvotech's sustainability commitments. The Board of Directors oversees the climate change policy, supported by the Corporate Sustainability Committee.

#### 2.1.2.2. Performance and targets (ESRS 2 MDR-A, MDR-M, MDR-T, E1-3, E1-5)

Alvotech does not operate in, nor is it associated with, activities or sectors identified as having a high climate impact. As a pharmaceutical company, Alvotech's operations primarily involve research, development, and production activities with a relatively low direct environmental footprint.

| GHG emission | 2024 (tCO2e) |
|---|---|
| **Scope 1 emission** | 39.8 |
| **Scope 1 emissions from fuel use** | 14.3 |
| **Scope 1 emissions from refrigerants** | 25.5 |
| **Scope 2 emissions** | 231 |
| **Scope 2 emissions from electricity use** | 205 |
| **Scope 2 emissions from thermal energy use** | 26 |
| **Scope 3 emissions** | 574 |

| | |
|---|---|
| **Scope 3 emissions from business travel** | 386 |
| **Scope 3 emissions from waste** | 170 |
| **Scope 3 emissions from fuel and energy use** | 4 |

**Future plans and targets (ESRS 2 MDR-T, E1-1, E1-4)**

Alvotech recognizes the critical importance of addressing climate change and is committed to advancing sustainability by managing and reducing its climate impact. As part of the alignment with CSRD, the Company has comprehensively assessed its greenhouse gas emissions profile and identified material sustainability topics through a DMA. This foundational work has been instrumental in shaping the sustainability strategy and prioritizing areas for action.

At this stage, Alvotech has opted not to commit to specific climate targets for the following reasons:

1. **Operational context and scale-up phase.** Alvotech is in a significant growth phase, marked by increased manufacturing activities, product development, and global expansion. This context introduces complexities and uncertainties that require careful consideration to ensure future commitments are aligned with operational realities and support the Company's long-term business goals.

2. **Need for validation and credibility.** Alvotech has completed foundational steps, including comprehensive GHG emissions analysis and stakeholder engagement. The Company is now enhancing data quality and planning third-party validation to align with internationally recognized frameworks. Prematurely announcing targets without completing this process could undermine the robustness and credibility of Alvotech's commitments.

3. **Strategic flexibility.** Alvotech prioritizes directional goals that provide strategic adaptability as it refines its approach. This allows the Company to develop actionable, measurable and impactful commitments while fostering innovation and operational resilience to support the evolving sustainability strategy.

While specific targets are not being disclosed now, Alvotech is taking deliberate steps to establish the necessary foundations for setting meaningful and credible climate goals. These include:

- **Developing a comprehensive emissions baseline.** Alvotech has completed a comprehensive GHG emissions baseline and is enhancing its understanding of emissions across the value chain. This involves refining data accuracy, identifying key emission hotspots, and ensuring robust methodologies to support meaningful reduction strategies.

- **Evaluating decarbonization levers**. Identifying actionable strategies, such as supplier engagement, production insourcing, and transportation optimization, to reduce emissions per output unit.

- **Strengthening governance and oversight**. Sustainability is embedded within Alvotech's governance framework, led by the Corporate Sustainability Committee, which includes senior management and cross-functional teams. The committee ensures alignment with regulatory requirements, tracks progress and effectively supports decision-making processes to advance Alvotech's goals.

Alvotech is committed to transparency and continuous improvement. The Company will update progress in future reporting cycles, including developing specific emissions reduction targets. These targets will reflect the insights

gained through ongoing work and align with Alvotech's broader sustainability strategy and evolving CSRD requirements.

This approach allows the Company to remain flexible and thoughtful in its sustainability journey, ensuring that the commitments are credible and aligned with the dynamic nature of Alvotech's business and regulatory landscape.

### 2.1.3. Energy (ESRS 2 IRO, E1-5)

#### 2.1.3.1. Management approach (ESRS 2 MDR-P)

Alvotech recognizes the importance of sustainable energy practices as part of its mission to deliver environmentally responsible healthcare solutions. Leveraging Iceland's 100% renewable energy infrastructure[1] alongside energy sources in other regions, the Company aims to expand renewable energy adoption across all operations.

Alvotech commitments:

- **Energy efficiency and innovation:** The aim is to continue to optimize energy use and improve performance across operations. This will be achieved by adopting advanced technologies, preventive maintenance, upgrading systems, and incorporating innovative designs.
- **Renewable energy adoption:** The Company prioritizes using renewable energy, leveraging Iceland's infrastructure and exploring opportunities in its global value chain.
- **Employee engagement:** Alvotech will foster a culture of energy awareness by educating and empowering employees to adopt energy-saving practices.
- **Collaboration with partners:** The Company will collaborate with suppliers and stakeholders to embed energy-efficient practices across the value chain and drive sustainability initiatives.
- **Governance and transparency:** These principles are central to Alvotech's sustainability commitments. The Board of Directors oversees the Energy policy, supported by the Corporate Sustainability Committee.

#### 2.1.3.2. Performance and targets (ESRS 2 MDR-A, MDR-M, MDR-T, E1-5)

Iceland's energy grid is primarily powered by geothermal and hydroelectric energy, allowing Alvotech to maintain a minimal carbon footprint from its energy usage. The company leverages this renewable energy source to support its manufacturing and operational activities, aligning with its broader sustainability strategy.

| Energy consumption metrics | 2024 |
|---|---|
| Total energy usage (MWh) | 17,170 |
| Total energy consumption from nuclear sources | 0% |
| Total energy consumption from renewable sources, disaggregated by: | 97% |
| Total energy consumption from fossil fuel sources | 3% |
| Consumption of purchased electricity, heat, steam and cooling from renewable sources | 38% |

[1] According to official data, the Icelandic energy grid is combined of energy that is 99.9% from renewable energy sources, as a tiny amount of fossil fuel is used to run backup generation in remote areas.

**Future plans and targets (ESRS 2 MDR-T)**

As Alvotech continues its growth journey, energy efficiency and sustainable energy use remain key focus areas. While specific energy-related targets are not yet established, the Company is actively working to optimize energy consumption across its operations and explore opportunities to set measurable targets in the future.

**Accounting policies—emissions**

Alvotech follows the ESRS E1 and the GHG Protocol, ensuring compliance with the CSRD. Alvotech's accounting policy statement outlines how emissions are measured, reported, and assured.

Scope 1 is reported. Emissions come from fuel combustion (cars) and fugitive refrigerants

Scope 2 emissions are reported using location- and market-based methods, incorporating national grid averages (IEA, national authorities) and supplier-specific data where available. Residual mix factors are applied when supplier-specific data is missing. Alvotech is exploring renewable energy procurement, with Icelandic grid mix factors used as necessary.

Scope 3 emissions data documentation is being developed. For 2024, out of the nine categories applicable to Alvotech, data is available for category 3, fuel and energy related activities. In 2024, a mapping effort was conducted to estimate the largest Scope 3 categories for Alvotech, which are: purchased goods and services (81% of total Scope 3 emissions), capital goods, transport (upstream and downstream), energy-related activities, waste, business travel, employee commuting, and end-of-life product treatment.

Energy consumption is reported in megawatt-hours (MWh), distinguishing between fossil and renewable sources.

Alvotech is enhancing its reporting processes in preparation for third-party limited assurance by strengthening methodologies, ensuring consistency, and benchmarking against external consultant reports, the International Energy Agency (IEA), and EXIOBASE. The assurance process will focus on improving emission factors, refining methodologies, and maintaining consistency across reporting periods.

**E5 Resource Use and Circular Economy**

**2.2.1. Material impacts, risks and opportunities (ESRS 2 IRO-1)**

Alvotech employs a preliminary approach to identifying and assessing material impacts, risks, and opportunities related to resource use and circular economy. This process focuses on resource inflows, resource outflows, and waste management within its operations and value chain.

**Screening methodology**: Alvotech has conducted an internal assessment to screen its operations and activities for potential impacts, risks, and opportunities associated with resource use. Key aspects of the screening process include:

- **Focus on resource efficiency**: Evaluating material inputs, particularly in manufacturing processes, to identify areas for improved efficiency and reduced waste.
- **Value chain assessment**: Review upstream and downstream activities to pinpoint areas with significant resource dependency or potential waste reduction opportunities.

- **Informal benchmarking**: Leveraging available industry benchmarks and best practices to guide the assessment while planning to formalize this process.

**Engagement with affected communities**: As part of its focus on resource use and circular economy, Alvotech has not identified any affected communities within the scope of its activities. The Company remains open to expanding its stakeholder engagement efforts as it develops resource-use strategies and policies.

As a result of this assessment, resource inflows were identified as the area with the most material impact for Alvotech. This includes the sourcing and utilization of raw materials required to produce biosimilar pharmaceuticals.

| Material impacts related to resource inflows and circular economy | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Material topic** | **IRO** | **Up stream** | **Own ops** | **Down stream** | **Short -term** | **Medium -term** | **Long -term** |
| E5 - Resource use and circular economy | | | | | | | |
| Resource inflows | Negative impact | No | Yes | No | Yes | Yes | Yes |

### 2.2.2. Resource inflow (ESRS 2 IRO, E5-1, E5-2, E5-3)

#### 2.2.2.1. Management approach (ESRS 2 MDRP)

Alvotech recognizes the need to integrate circular economy principles and responsible resource management throughout its operations and value chain. Alvotech strives to reduce material use, optimize resource efficiency, and minimize waste generation while delivering high-quality healthcare solutions.

**Alvotech commitments:**

- **Circular economy integration:** The aim is to embed circular economy principles into the operations, focusing on minimizing waste, maximizing material reuse, and regenerating natural systems.
- **Resource optimization:** The Company prioritizes renewable, recycled, and reused materials to reduce reliance on non-renewable resources and enhance resource efficiency.
- **Eco-design and innovation:** Alvotech integrates sustainability into product and process design to improve lifecycle performance and minimize environmental impacts.
- **Collaboration and partnerships:** Ongoing work with suppliers and stakeholders to drive innovation and adopt sustainable resource management practices.
- **Governance and transparency:** These principles are central to Alvotech's sustainability commitments. The Board of Directors oversees the resource use and circular economy policy, which is supported by the Corporate Sustainability Committee.

#### 2.2.2.2. Performance and targets (ESRS 2 MDR-A, MDR-M, MDR-T)

Resource inflows are a material topic for Alvotech, representing a critical operational dependency and an opportunity for sustainability leadership. Alvotech aims to minimize its environmental footprint while maintaining the high standards of quality required in biosimilar production.

Biosimilar production relies on biologic and non-biologic materials to ensure the final products' safety, efficacy, and quality. These materials, from raw inputs to packaging components, play a pivotal role in manufacturing and represent key areas for optimizing sustainability.

1. **Biologic materials**: Alvotech uses advanced biotechnological processes involving host cells such as Chinese Hamster Ovary (CHO) cells to produce biosimilar proteins. Further, nutrient-rich media support the growth and productivity of these cells, requiring careful management to optimize yields.

2. **Non-biologic materials**: Stabilizers, surfactants, and buffering agents are integral to the formulation and stability of biosimilars. In addition, packaging materials such as specialized glass vials, pre-filled syringes, and medical-grade plastics ensure drug safety and delivery efficiency.

3. **Purification materials**: Chromatography resins and filters are critical for removing impurities during manufacturing but are predominantly single-use and resource-intensive.

Addressing resource inflows presents Alvotech with challenges and opportunities to enhance its sustainability performance. Alvotech aims to balance operational needs with environmental responsibility by focusing on resource efficiency and sustainable sourcing, ensuring long-term resilience and reduced ecological impact.

1. **Resource efficiency**:

    - Challenges: Biosimilar production's resource-intensive nature, particularly in upstream processes, presents challenges for minimizing waste and optimizing input utilization.
    - Opportunities: Alvotech is exploring strategies to enhance the efficiency of fermentation media use and reduce reliance on single-use purification materials.

2. **Sustainable sourcing:**

    - Raw materials: Partnering with suppliers that adhere to sustainable practices can reduce the environmental footprint of inputs like excipients and packaging. Packaging: Investigating alternatives such as lightweight materials, biodegradable plastics, and modular designs can lower the impact of secondary and tertiary packaging.

3. **Energy and water**:

    - Leveraging Iceland’s renewable energy resources already minimizes production's energy impact. However, further water recycling and energy efficiency innovations can strengthen Alvotech’s environmental performance.

**Future plans and targets (ESRS 2 MDR-T)**

As Alvotech continues to expand and strengthen operations during its active growth phase, it focuses on optimizing resource inflows to align with its sustainability objectives. The Company is committed to continuous improvement in resource management practices. Establishing specific targets will be further evaluated to enhance transparency and performance, with more details provided in future reporting cycles.

### 2.2.3. Waste management (ESRS 2 IRO-1)

#### 2.2.3.1. Management approach (ESRS 2 MDR-P)

Alvotech recognizes the importance of reducing its environmental footprint through sustainable waste management practices. Possible performance opportunities are in waste generation and recycling optimization, especially to ensure the responsible disposal of all waste. Embedding sustainable waste practices into its operations is a step to contribute to a circular economy and advance its mission of delivering high-quality healthcare solutions.

While many components of Alvotech devices can be recycled individually, there is no established recycling infrastructure for pharmaceutical waste in many of their markets. Hence, the Company conservatively assumes zero recyclable content in many products.

Alvotech commitments:

- **Waste minimization and prevention:** The aim is to reduce waste at its source by optimizing processes and adopting eco-efficient designs.
- **Reuse and recycling:** To priorities the reuse of materials and maximize recycling efforts to reduce reliance on non-renewable resources.
- **Sustainable disposal:** The Company shall ensure responsible waste management and safely handle hazardous materials while limiting landfill use to non-recyclable, inert materials.
- **Circular economy principles:** Integrating circular economy strategies into waste management practices and supporting sustainable solutions.
- **Governance and transparency:** These principles are central to Alvotech's sustainability commitments. The Board of Directors oversees the waste management policy, supported by the Corporate Sustainability Committee.

#### 2.2.3.2. Performance and targets (ESRS 2 MDR-A, MDR-M, MDR-T)

Alvotech takes a proactive approach to waste management by categorizing, monitoring, and managing all waste generated from its operations in compliance with applicable laws and regulations. The Company has identified 17 categories of hazardous, general, and plastic waste as the largest contributors. Hazardous waste is collected and safely disposed of by a certified third-party provider.

To ensure the proper handling and disposal of all waste, Alvotech has implemented several targeted initiatives across its operations. Additionally, employees receive comprehensive training upon onboarding to promote consistent and correct waste management practices throughout the facilities.

| Waste metrics (tonnes) | 2024 |
|---|---|
| Total amount of non-hazardous waste, | 330.2 |
| Total amount of hazardous waste, | 111.2 |
| Waste to landfill | 6 |
| Recycled waste | 131,364 |
| Composted waste | 22,377 |
| Waste to Incineration | 259,222 |

**Future plans and targets (ESRS 2 MDR-T)**

Targets are in place to minimize waste and ensure that wastewater complies with regulatory limits of biomass residue. Recently, Alvotech re-evaluated its definition of "hazardous waste" and analyzed its production flow to identify opportunities to recycle more single-use plastic that had not been contaminated. This resulted in a considerable amount of single-use plastic being recycled instead of incinerated.

**Accounting policies—waste management and circular economy**

Alvotech follows ESRS E5 (Resource Use and Circular Economy) under the CSRD to ensure responsible waste management, resource efficiency, and circular economy principles.

Total waste generated is measured based on weight receipts from certified waste management providers. Under the EU Waste Framework Directive, it includes both hazardous and non-hazardous waste. Waste from non-Icelandic sites is estimated using operational data and waste intensity benchmarks.

Waste treatment and diversion methods include recycling, reuse, and energy recovery, with incineration used for materials that cannot be repurposed. Non-hazardous waste is processed locally, though some materials are exported for disposal due to regulatory constraints.

The percentage of non-recycled waste represents the proportion of total waste directed to landfills or incineration with energy recovery. Alvotech seeks to reduce landfill dependency through enhanced waste segregation, material redesign, and supplier engagement.

Recyclable content in products and packaging is assessed using life cycle analysis (LCA) tools, ensuring compliance with circular economy guidelines. Packaging material recyclability is evaluated against industry benchmarks and EU packaging regulations.

Resource efficiency initiatives focus on minimizing single-use plastics, increasing secondary material use, and exploring material innovation to improve circularity. Due to regulatory constraints in pharmaceuticals, reducing virgin plastic use in production remains challenging, though efforts are ongoing to optimize material efficiency.

Radioactive waste is safely handled, stored, and transferred to licensed waste management facilities in compliance with regulatory requirements.

Alvotech's waste reduction strategy to enhance circular economy performance includes increased recycling capacity, improved supplier collaboration, and sustainable product design. It actively integrates waste minimization principles into procurement and manufacturing operations.

Compliance and assurance processes ensure accurate waste tracking, external verification, and regulatory alignment. Waste accounting methodologies follow third-party standards and are benchmarked against industry best practices.

**EU Taxonomy**

The EU Taxonomy Regulation (2020/852/EU) entered into force at the EU level on July 12, 2020, and applies to Alvotech starting with the fiscal year 2023. The regulation establishes an EU framework for classifying environmentally sustainable economic activities, requiring firms to disclose information on how and to what extent their business is associated with these activities. Based on that framework, companies can assess and communicate whether their activities have the potential to be considered sustainable (taxonomy eligible) and which of these activities can be classified as sustainable (taxonomy eligible & aligned). Companies must disclose the percentage of economic activity that can be considered eligible and aligned regarding the share of turnover, capital expenditures (CapEx) and operating expenses (OpEx).

Alvotech has identified economic activities which may be considered under the framework based on the six official environmental objectives, which are climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems. To be classified as sustainable, an activity must contribute to at least one of these objectives and not cause significant harm to any other five. Furthermore, the activity must meet minimum human rights safeguards and have no negative social impact. Additionally, the EU has instituted specific technical screening criteria for each of the six environmental objectives.

For 2024, Alvotech assessed which economic activities were eligible and aligned. The assessment results showed that one economic activity was eligible to report for the fiscal year 2024: '1.2 manufacture of medicinal products' by contribution to the environmental objective of 'pollution prevention and control'. Furthermore, the Company evaluated whether they could classify turnover, CapEx and OpEx for this economic activity as 'taxonomy aligned'. The Company has not made sufficient progress in assessing alignment with the technical screening criteria and, therefore, does not report these activities as eligible or aligned. Still, Alvotech aspires to report at least some of these activities aligned for fiscal year 2025.

**Accounting policies for this disclosure**

Turnover consists of total revenues from product sales and milestone payments from long-term out-license commercial contracts under IFRS 15. The turnover KPI is calculated as the share of taxonomy-eligible turnover divided by total turnover.

Total CapEx includes additions to fixed and intangible assets, excluding goodwill, finance leases, and business combination-related expenditures, under IAS 38 and the EU Taxonomy Delegated Regulation 2023/2486/EU. The CapEx KPI is calculated as taxonomy-eligible CapEx divided by total CapEx.

Total OpEx consists of direct R&D costs related to process improvements and manufacturing innovation, following the EU Taxonomy's narrower OpEx definition, which excludes general administrative expenses, amortisation, and impairments. The OpEx KPI is calculated as Taxonomy-eligible OpEx divided by total OpEx.

**About the KPIs**

All turnover is considered part of '1.2 manufacture of medicinal products' under the pollution prevention and control environmental objective. However, only certain CapEx activities qualify, primarily expenditures related to expanding production capacity (e.g., facility equipment and cleanroom infrastructure). CapEx for furniture, fixtures, leasehold improvements, and IT infrastructure is excluded, as they do not contribute to sustainability objectives under the EU Taxonomy.

For OpEx, the EU Taxonomy defines eligibility more narrowly than standard financial reporting, requiring direct links to manufacturing processes. Due to this restriction, no OpEx is considered eligible or aligned in 2024.

Alvotech follows the Taxonomy KPI calculation guidelines outlined in Annex V to the Commission Delegated Regulation 2023/2486/EU to ensure accuracy and regulatory alignment. No double counting occurs, and no further disaggregation is required.

**Alignment with EU Technical Screening Criteria**

For the year 2024, Alvotech assessed eligibility but did not fully align with the technical screening criteria. While one eligible activity was identified, further evaluation is required to confirm alignment with specific performance thresholds, Do No Significant Harm (DNSH) requirements, and minimum social safeguards.

The economic activity was eligible to report on for the fiscal year 2024: '1.2 Manufacture of Medicinal Products' by contribution to the environmental objective of 'Pollution prevention and control'.

Alvotech does not classify any activities as enabling or transitional under the EU Taxonomy framework. However, alignment assessments will continue in 2025 to report aligned activities that meet technical criteria. None of the

activities disclosed here is classified as enabling or transitional, as the economic activities do not substantially contribute to 'Climate Change Adaptation', 'Water', 'Circular Economy', or 'Biodiversity'.

**2024**

| EU TAXONOMY ELIGIBILITY AND ALIGNMENT | | Turnover | | CapEx | | OpEx | |
|---|---|---|---|---|---|---|---|
| **Environmental objective** | **Economic activity** | USD million | (%) | USD million | (%) | USD million | (%) |
| **Total** | | **491,978** | 100% | **65,248** | 100% | **171,312** | 100% |
| **Non-eligible activites (B.)** | | 0 | 0% | 3615 | 6% | 171312 | 100% |
| Pollution prevention and control | 1.2. Manufacture of medicinal products | 491978 | 100% | 61,633 | 94% | 0 | 0% |
| **Eligible activities not aligned (A.1.+A.2.)** | | **491978** | 100% | **61633** | 94% | **0** | 0% |
| **Eligible activites and aligned (A.1.)** | | **0** | 0% | **0** | 0% | **0** | 0% |

**2023**

| EU TAXONOMY ELIGIBILITY AND ALIGNMENT | | Turnover | | CapEx | | OpEx | |
|---|---|---|---|---|---|---|---|
| **Environmental objective** | **Economic activity** | USD million | (%) | USD million | (%) | USD million | (%) |
| **Total** | | **93,382** | 100% | **31,369** | 100% | **210,827** | 100% |
| **Non-eligible activites (B.)** | | 0 | 0% | 2,018 | 6% | 210,827 | 100% |
| Pollution prevention and control | 1.2. Manufacture of medicinal products | 93,382 | 100% | 29,351 | 94% | 0 | 0% |
| **Eligible activities not aligned (A.1.+A.2.)** | | **93,382** | 100% | **29,351** | 94% | **0** | 0% |
| **Eligible activites and aligned (A.1.)** | | **0** | 0% | **0** | 0% | **0** | 0% |

For detailed EU Taxonomy disclosure, please see Appendix.

## 3. Social

S1 Own Workforce

### 3.1.1. Material impacts, risks, and opportunities (ESRS 2 IRO-1, IRO-2, SBM-2)

Alvotech recognizes its workforce as a key group of affected stakeholders and strongly emphasizes respecting their interests, views, and rights. While the Company's operations primarily focus on developing and manufacturing biosimilars, its business strategy is directly informed by workforce considerations to foster a safe, equitable, and supportive working environment.

Alvotech is committed to managing its workforce's material impacts, risks, and opportunities by implementing targeted action plans, allocating appropriate resources, and continuously improving its practices to foster a safe, inclusive, and supportive workplace. Alvotech dedicates significant resources to manage workforce-related material impacts, risks, and opportunities:

- **Human resources function:** Led by the Vice president (VP) of People and Culture, the HR team oversees policy implementation, engagement processes, and monitoring of workforce-related risks and opportunities.
- **Training and development:** To enhance workforce resilience and satisfaction, investments in professional development, safety training, and well-being programs are prioritized.
- **Monitoring and reporting systems:** Resources are allocated to grievance handling, tracking workforce metrics (e.g. turnover rates, safety incident reports), and reporting progress to senior leadership for continuous improvement.

#### Connection between workplace impacts and Alvotech's strategy and business model (ESRS 2 SBM-3)

The material impacts, risks, and opportunities identified with Alvotech's workforce are closely connected to its strategy and business model. Alvotech employs a highly skilled research, manufacturing, and corporate operations workforce. The Company's operational standards, which emphasize health and safety, professional development, and fair working conditions, impact employees and non-employees. Employees are individuals who either have permanent or temporary employment agreements with Alvotech. In contrast, non-employees are individuals hired to perform certain work within a predefined timeframe. They are not considered to have a form of employment with Alvotech, e.g. consultants and third-party contractors.

1. **Positive impacts**:
    - **Reskilling and upskilling:** The Company invests in professional training programs, equipping employees with skills to adapt to evolving industry demands.
    - **Wellbeing programs:** Wellbeing initiatives promote a supportive work environment, improving job satisfaction and productivity.
    - **Positive regional impact:** Alvotech's operations create opportunities for skilled employment in its locations.
2. **Risks and opportunities**:

- **Workforce restructuring:** While no significant restructuring has occurred, Alvotech is committed to minimizing disruption through proactive workforce planning, reskilling, and upskilling programs.

- **Retention of skilled talent:** The Company's reliance on specialized workforce skills presents a risk in competitive labor markets. To mitigate this, Alvotech prioritizes career development opportunities and competitive compensation packages.

Alvotech recognizes that certain groups within its workforce, such as third-party contractors or temporary workers, may face greater risks of harm due to less direct oversight from Alvotech. In such cases, Alvotech relies on the employers of these contractors to uphold appropriate standards of care, compliance, and workplace safety.

**Engagement with own workforce (ESRS S1-2)**

Alvotech values workforce engagement as a key factor in decision-making and impact management. By actively involving employees, the Company ensures that their perspectives, concerns, and expectations are integrated into its policies and practices.

1. Alvotech engages directly with its workforce through multiple channels, including:

    - **Employee surveys:** Conducted twice a year to gather feedback on workplace satisfaction, well-being, and professional growth opportunities.

    - **Open forum meetings:** Participants can directly ask leadership questions about the discussion topic.

    - **Performance and development discussions:** One-on-one dialogues between employees and their managers ensure continuous communication regarding individual goals, development needs, and challenges.

Alvotech actively engages with the Labour Unions in Iceland, representing most of its workforce, to negotiate wages and other employment terms in collective wage agreements, ensuring alignment on key workplace matters. This interaction reflects Alvotech's commitment to fostering open communication and collaboration with workers' representatives as part of its broader focus on employee well-being and inclusion. Alvotech respects its employees' right to associate freely and to join or refrain from joining labor unions and workers' councils without fear of discrimination or retaliation.

2. Engagement occurs across key stages of workforce management and decision-making, including:

    - **Policy development and updates**: Employee feedback gathered through surveys informs updates to workforce-related policies, such as equality, compensation, and professional development.

    - **Annual performance reviews**: Structured, recurring conversations ensure continuous two-way dialogue on workforce needs and growth opportunities.

    - **Workplace initiatives**: Engagement occurs while implementing well-being, safety, and diversity initiatives to address employee needs effectively.

The type and frequency of engagement include structured annual processes (e.g., surveys, performance reviews), open forum discussions, and ongoing feedback mechanisms.

3. The human resource's function, led by the VP of People and Culture, ensures effective workforce engagement. The VP oversees workforce feedback collection, analysis, and integration into decision-making processes to enhance policies, workplace initiatives, and organizational strategy.
4. Alvotech assesses the effectiveness of workforce engagement through the following mechanisms:

    - **Engagement survey results**: Survey data is analyzed to identify trends, gaps, and areas for improvement. Follow-up actions are implemented to address concerns raised by employees.

    - **Participation and feedback metrics**: Employee participation rates in surveys and open forum discussions are monitored as indicators of engagement levels.

    - **Outcome monitoring**: Alvotech evaluates the outcomes of its workforce initiatives, such as improved satisfaction scores, reductions in turnover rates, and enhanced employee well-being, to ensure engagement feedback translates into tangible results.

In 2024, Alvotech's engagement score from the employee survey was 3.87 on a scale of 1-5, and the participation rate was 86%.

### 3.1.2. Working conditions (ESRS 2 IRO-2, S1-1, S1-2, S1-3, S1-4, S1-6, S1-7, S1-8)

#### 3.1.2.1. Management approach (ESRS 2 MDR-P)

Alvotech is committed to maintaining a supportive and transparent work environment where all employees feel empowered to raise concerns and have them addressed effectively. The Company has established processes and channels to ensure that material negative impacts on its workforce are identified, remedied, and monitored to foster trust and accountability.

1. Alvotech has a structured approach to remedy situations where it has caused or contributed to material negative impacts on its workforce. The Company’s processes ensure:

    - **Prompt investigation and resolution**: All reported concerns are investigated independently and promptly to determine the root cause and identify appropriate corrective measures.

    - **Effectiveness of remedies**: The effectiveness of remedies is assessed through follow-up with affected individuals to ensure their concerns have been resolved. Outcomes are also reviewed to prevent the recurrence of similar issues.

2. Alvotech provides multiple channels through which employees can raise their concerns, ensuring accessibility, confidentiality, and trust:

    - **Direct communication**: Employees are encouraged to speak up and raise concerns through their direct supervisors, union representatives or the HR team.

    - **Anonymous hotline**: Alvotech has implemented a dedicated anonymous hotline, enabling employees to report concerns confidentially. To ensure objectivity, this hotline is available 24/7 and managed by SpeakUp®, a reporting tool provided by an external service provider on Alvotech's behalf.

    - **Reporting portal for harassment and bullying:** Alvotech has set up a reporting portal for harassment and bullying complaints via a platform managed confidentially by the HR team. While employees are encouraged to report under their name, anonymous reports are also possible.

- **Grievance and complaints mechanism**: A formal grievance-handling process is in place to address workforce-related concerns promptly and fairly. Employees can submit complaints directly to the HR team through the anonymous hotline or other established reporting mechanisms.

3. To ensure employees are aware of and can utilize these channels effectively:

    - **Workplace communication**: Employees are regularly informed about reporting channels through onboarding programs, periodic communications, and dedicated training sessions.

    - **Leadership advocacy**: Supervisors and managers are trained to encourage open communication and support employees using the appropriate channels without fear of retaliation.

4. Alvotech tracks and monitors workforce concerns to ensure issues are addressed effectively, and processes remain trusted:

    - **Issue tracking and resolution**: The HR team or relevant compliance personnel log, track, and monitor all reported concerns. They also review each case's status to ensure timely resolution.

    - **Assessing trust and awareness**: Regular feedback is gathered through employee surveys and engagement initiatives to assess awareness of the reporting channels and levels of trust in their effectiveness. Participation rates and employee sentiment serve as indicators of trust and reliability.

    - **Retaliation prevention**: Alvotech has clear policies to protect individuals, employees, and workers' representatives who raise concerns. The Bullying & Harassment Policy, Whistleblowing Policy, and Code of Conduct explicitly prohibit retaliation, ensuring employees can use these mechanisms without fear of adverse consequences.

#### 3.1.2.2. Performance and targets (ESRS 2 MDRA, MDRM, MDRT, S1-5)

Alvotech reports its workforce data under the ESRS S1-6 disclosure requirements, providing insights into employee composition and turnover. Unless otherwise noted, the data is compiled based on headcount at the end of the reporting period. Full-time equivalent (FTE) is defined as the equivalent of one full-time employee working a standard workweek, adjusted for part-time schedules where applicable.

| Workforce composition for 2024[2] | | | | |
|---|---|---|---|---|
| **Category** | **Total** | **Male** | **Female** | **Other** |
| Total headcount | 1,068 | 51% | 49% | 0 |
| Permanent employees | 969 | 515 | 496 | 0 |
| Temporary employees | 39 | 18 | 21 | 0 |
| Working Students | 18 | 11 | 7 | 0 |

[2] FTEs of permanent, temporary and working students as of 31 December 2024.

| Turnover metrics for 2024 | |
|---|---|
| Employees who left during the reporting period | 126 employees resigned |
| Employee turnover rate (%) during the reporting period | 12.40% |

Alvotech engaged 35 non-employees as part of its workforce during the reporting period. Most non-employees are contractors with specialized expertise.

**Learning and development (ESRS S1-13)**

Alvotech provides employees with access to training and career development opportunities to enhance their skills, align with industry demands, and support personal and professional advancement.

During the reporting period, 79% of Alvotech employees participated in regular performance and career development reviews.

| Employee participation in performance and career development reviews in 2024 | |
|---|---|
| **Gender** | **Percentage** |
| Male | 74% |
| Female | 83% |
| Other | NA |

During the reporting period, employees received an average of 3 hours of training. A breakdown by gender was not available at the time of reporting. However, when on-the-job training is included, which covers job-specific skills, regulations, and standards, the average training hours per employee increase to 67 hours. This figure does not account for additional training to enhance broader competencies, such as leadership skills.

**Work-life balance (ESRS S1-15)**

Alvotech supports work-life balance by ensuring equitable access to family-related leave for all employees. Through national social policies or collective bargaining agreements, 100% of Alvotech's employees are entitled to family-related leave. Alvotech promotes gender equity in family-related leave by fostering a culture where all employees feel supported in balancing family and work responsibilities.

During the reporting period, 100% of employees entitled to family-related leave used it, and this is further broken down by gender.

| Utilization of family-related leave by gender for 2024 | |
|---|---|
| **Gender** | **Percentage** |
| Female | 81.9% |
| Male | 18.1% |
| Other | NA |

**Plans and targets (ESRS 2 MDR-T, S1-5)**

Alvotech aims to continue strengthening its commitment to the Alvotech 'Five Rules of Engagement', which embodies the Company's core principles while fostering and building upon our one-team culture. A key focus will be on implementing actionable steps informed by insights from employee engagement surveys, ensuring initiatives align with workforce needs and expectations.

### 3.1.3. Equal treatment and opportunities for all (ESRS 2 IRO-2, S1-1, S1-9, S1-10, S1-12, S1-13)

#### 3.1.3.1. Management approach (ESRS 2 MDR-P)

Alvotech actively promotes equality, diversity, and inclusion through several key policies:

- **Equality policy & Equal pay policy**: These policies ensure equal opportunities for all employees, regardless of gender, race, age, or other characteristics. Alvotech prohibits any form of discrimination in recruitment, compensation, career progression, and professional development.
- **Bullying & harassment policy and response procedure**: This policy provides a framework for preventing, mitigating, and addressing incidents of harassment or discrimination in the workplace. It includes procedures for reporting, investigating, and remediating concerns to ensure swift action and accountability.

While Alvotech has not identified specific groups within its workforce at particular risk of vulnerability, the Company remains committed to fostering an inclusive work environment where all individuals are treated with respect and provided equal opportunities.

#### 3.1.3.2. Performance and targets (ESRS 2 MDR-A, MDR-M, MDR-T, S1-5)

**Diversity (ESRS S1-9)**

Alvotech values diversity and inclusion as fundamental principles guiding its workforce management. The Company is committed to fostering an equitable workplace where individuals from diverse backgrounds can thrive.

| Gender distribution at top management for 2024 | | |
|---|---|---|
| **Gender** | **Number** | **Percentage** |
| Male | 8 | 33% |
| Female | 4 | 67% |
| Other | NA | NA |

| Age distribution of employees for 2024 | |
|---|---|
| **Age group** | **Percentage** |
| Under 30 years old | 18% |
| 30-50 years old | 72% |
| Over 50 years old | 10% |

Alvotech aims to foster an inclusive workplace where individuals of all abilities can thrive. The Company actively supports the inclusion of people with disabilities across its workforce. As of the reporting period, 0% of Alvotech's employees identified as people with disabilities. This percentage is disclosed in compliance with applicable legal requirements and respects privacy and data protection standards.

**Adequate wages (ESRS S1-10)**

Alvotech is committed to providing fair and equitable compensation to all employees. The ompany strives to align wages with applicable benchmarks in each country of operation, supporting the financial well-being of its workforce.

**Remuneration and pay gap (ESRS S1-16)**

Alvotech actively monitors and reports on its gender pay gap and remuneration ratios to ensure alignment with its Equality and Equal Pay policies and promote equitable treatment of all employees.

- **Gender pay gap:**[3] During the reporting period, the average pay levels of female and male employees resulted in a gender pay gap of 0.6% (audited externally), calculated as the difference between the average pay of female employees and the average pay of male employees, expressed as a percentage of the average pay of male employees.
- **Annual total remuneration ratio:**[4] The total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) was 20.4. This ratio reflects Alvotech's efforts to balance executive remuneration with fair compensation for the wider workforce.

**Future plans and targets (ESRS 2 MDRT, S1-5)**

Alvotech is committed to fostering an inclusive and equitable workplace where equal treatment and opportunities are prioritized. The Company focuses on continuous improvement through regular assessment and enhancement of

[3] The gender pay gap is calculated using gross annual pay, excluding bonuses and other non-salary benefits, to provide a consistent comparison.
[4] The remuneration ratio is based on total annual remuneration, including salary, bonuses, and other financial benefits.

policies, processes, and practices to promote diversity, equity, and inclusion. Alvotech remains dedicated to creating an environment where all individuals feel valued, respected, and supported in achieving their full potential.

### 3.1.4. Health and safety (ESRS 2 IRO, S1-1, S1-9, S1-10, S1-12, S1-13)

#### 3.1.4.1. Management approach (ESRS 2 MDR-P)

Alvotech is committed to ensuring a safe work environment for its employees. It has a comprehensive environmental, health and safety (EHS) policy and management system in place that safeguards its employees' health and well-being:

- **Environmental health and safety policy** promotes safety, well-being and sustainability across Alvotech's operations. It ensures compliance with applicable laws, aims for zero harm, manages risks, reduces environmental impact, and fosters a culture of accountability. The policy emphasizes continuous performance monitoring to protect people and the environment through leadership-driven improvements.

#### 3.1.4.2. Performance and targets (ESRS 2 MDRA, MDRM, MDRT, S1-5)

Alvotech has several key initiatives and training to ensure the health and safety of its employees:

- **Safety training programs** are mandatory for all employees at the start of employment and are monitored by a supervisory body. The training programs vary according to each employee's role within the organization. Additional training material developed independently and in cooperation with an external occupational health service on specific topics is available and accessible to employees via Alvotech's intranet. A designated safety week is held once a year where working conditions are re-assessed, awareness is enhanced, open lectures are provided, and refresher training programs on, e.g. fire safety and first response, are conducted.

- **An incident reporting system**: A system is in place for incident reporting, and an EHS portal is available and accessible to employees. The portal is widely available and advertised via QR codes throughout Alvotech's facilities. Employees can use the portal to report accidents and near misses, submit ideas, and raise related topics. The reports are overseen by the EHS manager, who ensures that all matters are investigated and addressed appropriately.

- **A safety committee.** A special committee is in place, with representatives across the organization meeting regularly to discuss EHS matters and ensure continuous improvement.

Further, managers regularly inspect all organizational areas, departments, and facilities. A supervisory body ensures that these inspections are conducted monthly.

| Health and safety metrics for 2024 | |
|---|---|
| **Metric** | **2024** |
| Percentage of employees covered by Alvotech's health and safety management system | 100% |
| Number of fatalities as a result of work-related injuries or work-related ill health | 0 |
| Number of recordable work-related accidents | 5 |
| Total rate of recordable work-related accidents (%) | 6.8 |
| Number of cases of recordable work-related ill health | 0 (From EHS perspective) |
| Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health | 6 days |

Risk assessments are conducted for all job roles within the Company, assessing potential risks of sound, manual handling of heavy loads, and chemical use. A risk assessment is carried out for all pregnant employees, and roles are adjusted to mitigate potential risks.

**Future plans and targets (ESRS 2 MDRT, S1-5)**

Alvotech is in the early stages of its sustainability journey and is actively developing measurable targets across material topics. The Company aims to finalize key targets in the next reporting cycle and will provide updates in future CSRD reports to ensure transparency and accountability.

### 3.1.5. Work-related rights (ESRS 2 IRO-2, S1-1, S1-11)

#### 3.1.5.1. Management approach (ESRS 2 MDR-P)

Alvotech has implemented policies and procedures to protect the human rights and labor rights of its workforce, including explicit measures to prevent forced labor, compulsory labor, and child labor:

1. **Human Rights Policy**: Alvotech has established a human rights policy that reflects its commitment to upholding the rights of its workforce through principles of non-discrimination, fair treatment, and equal opportunities. While the Company's policy incorporates key elements aligned with internationally recognized human rights frameworks, such as the UN Guiding Principles on Business and Human Rights, Alvotech is currently evaluating the extent of this alignment to identify areas for enhancement.
2. **Child and Forced Labor Policy**: Alvotech maintains a dedicated policy prohibiting all forced, compulsory, and child labor across its operations and value chain. Regular internal reviews and supply chain due diligence ensure adherence to this policy.
3. **Code of Conduct**: The code of conduct outlines expectations for ethical conduct, including respect for human rights, fair treatment, and non-discrimination. Compliance with the code of conduct is monitored through audits and reporting mechanisms.

#### 3.1.5.2. Performance and targets (ESRS 2 MDR-A, MDR-M, MDR-T, S1-5)

**Policy implementation and risk management (ESRS 2 SBM-3)**

Alvotech has identified no operations at significant risk of incidents of forced labor or child labor across its facilities or geographic areas of operation.

- **Forced Labor Risk Assessment:** Internal reviews and supply chain due diligence confirm that Alvotech's manufacturing operations do not present forced or compulsory labor risks.
- **Child Labor Risk Assessment:** Alvotech's policies prohibit child labor across its operations and value chain, and no such risks have been identified.

Alvotech has established mechanisms to promptly and effectively address human rights impacts. Employees can report concerns related to human rights, labor rights, and discrimination through confidential reporting channels, ensuring independent investigations and the implementation of corrective actions. Additionally, the annual employee survey serves as a valuable tool for identifying instances of harassment, discrimination, and human rights issues.

A key finding from the 2024 employee satisfaction survey led to efforts to update the Company's bullying, harassment, and violence policy, as well as its response procedures. Furthermore, Alvotech's policies explicitly prohibit retaliation against individuals who raise concerns, fostering a culture of trust and transparency within the workforce.

**Collective bargaining agreements and social dialogue (ESRS S1-8)**

Most of Alvotech's employees are based in Iceland and are covered by a collective bargaining agreement through membership with their respective Labor Unions. This represents approximately 79% of the ompany's total workforce. The unions negotiate collective agreements for their members, which apply to employees in specific sectors or professions.

In the EEA, Alvotech has collective bargaining agreements in Iceland. As Iceland represents a significant portion of Alvotech's workforce, these agreements play a key role in defining working conditions and terms of employment.

Alvotech does not have operations outside the EEA that include collective bargaining agreements. Alvotech determines their working conditions and terms of employment in alignment with the Company's Equality Policy for employees not covered by collective bargaining agreements, Compensation Policy, and other labor-related policies. These employees benefit indirectly from the standards and principles established by collective agreements applicable to their counterparts in Iceland, ensuring consistency and fairness across the workforce.

Collective bargaining agreements do not influence the working conditions and terms of employment for non-employees, such as contractors. These are determined through individual contracts that comply with Alvotech's ethical and labor standards.

Alvotech does not currently have an agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

**Social protection (ESRS S1-11)**

Alvotech is committed to ensuring that social protection programs adequately cover all employees. The Company provides benefits through public programs and employer-sponsored initiatives to protect employees against income loss during major life events, including sickness, unemployment, employment injury, acquired disability, parental leave, and retirement.

**Future plans and targets (ESRS 2 MDR-T, S1-5)**

Alvotech remains committed to upholding worker-related rights, including preventing child labor, forced labor, and other unethical practices. Alvotech will maintain and enforce its existing policies and practices to ensure compliance with these standards.

**Accounting policies—own workforce**

Alvotech follows ESRS S1 (Own Workforce) under the CSRD to ensure transparent reporting on workforce composition, turnover, diversity, health and safety, and employee well-being.

The workforce composition is based on headcount at the end of the reporting period, segmented by employment type (permanent, temporary, non-guaranteed hours) and gender. FFTE is calculated based on contracted work hours and adjusted for part-time schedules.

Turnover is reported as the number of employees who left during the period, with the turnover rate calculated as leavers divided by the average headcount. Only voluntary resignations are counted in employee-initiated turnover.

Performance reviews track the percentage of employees receiving structured performance evaluations, disaggregated by gender.

Family-related leave is the percentage of eligible employees who accessed leave benefits, categorized by gender.

Diversity metrics include gender representation across leadership levels and age distribution across workforce categories.

Health and safety reporting covers employees under Alvotech's health and safety system, work-related injuries, lost workdays, and total incident rates. Data is based on workplace incident records, ensuring compliance with EU Occupational Health and Safety (OHS) standards.

Discrimination, harassment, and human rights incidents are tracked by total reported cases, with separate data for grievances and penalties where applicable.

Remuneration metrics include the gender pay gap, calculated as the percentage difference between male and female average salaries, and the total remuneration ratio, comparing the highest-paid salary to the median employee salary. OBJ

**S4 Consumers and end-users**

### 3.2.1. Material impacts, risks and opportunities (ESRS 2 IRO-1, S4-4)

Alvotech's business model as a developer and manufacturer of biosimilar drugs inherently positions it to generate positive impacts for end-users while addressing key risks. These impacts, risks, and opportunities are shaped by biosimilars' critical role in increasing accessibility to affordable healthcare solutions globally.

Alvotech's contribution to healthcare is primarily through its development of biosimilars, which by definition create competition in markets previously dominated by one supplier, and thus greatly increase the availability of affordable, high-quality alternatives to originator biologics. This supports greater healthcare access for patients and caretakers globally. Biosimilars also reduce financial burdens on healthcare systems and payers, fostering equity in healthcare delivery.

However, risks such as non-compliance with regulatory standards or quality assurance failures could potentially negatively impact end-users. Alvotech mitigates these risks through extremely stringent internal quality controls and strong external regulatory oversight.

Opportunities for Alvotech lie in continuously building upon the existing trust and stellar reputation it already has with healthcare providers, regulators, and end-users by consistently delivering high-quality, competitively priced products. Alvotech also aims to address the needs of underserved populations. For example, the upcoming launch of a biosimilar for women with osteoporosis, a historically underserved demographic, reflects Alvotech's commitment to fostering inclusivity and broadening access.

Alvotech has identified two material topics for consumers and end-users, outlined below.

| Material topic | IRO | Up stream | Own ops | Down stream | Short -term | Medium -term | Long -term |
|---|---|---|---|---|---|---|---|
| S4 - Consumers and end-users | | | | | | | |
| Personal safety | Opportunity | No | Yes | Yes | Yes | Yes | Yes |
| Social inclusion | Opportunity | No | No | Yes | Yes | Yes | Yes |

**Interaction of material topics with strategy and business model (ESRS 2 SBM-2, SBM-3)**

Consumers and end-users are central to Alvotech's mission of improving global healthcare accessibility through biosimilars. Alvotech integrates the interests, views, and rights of these key stakeholders into its strategy and business model in the following ways:

- Alvotech is committed to respecting the rights of its consumers and end-users, as outlined in internationally recognized frameworks such as the UN Guiding Principles on Business and Human Rights. This commitment underpins Alvotech's policies, operations, and product development strategies, ensuring that the safety, well-being, and privacy of end-users are protected at all stages of the product lifecycle.

- Alvotech actively seeks input from regulators, commercial partners and healthcare providers to inform its product design, quality standards, and post-market monitoring practices. This engagement ensures that Alvotech addresses its end-users' needs and concerns, including access to affordable medications and safety expectations.

- Alvotech's business model is designed to address the growing demand for affordable biologic treatments. By focusing on developing biosimilars, Alvotech aligns its operations with the interests of end-users who require cost-effective, high-quality alternatives to expensive conventional drugs.

Alvotech's operations and value chain impact diverse groups of consumers and end-users, including those with specific vulnerabilities and dependencies. These impacts are assessed through a materiality process to ensure Alvotech's strategy and business practices align with stakeholder needs and minimize risks.

Alvotech's biosimilars are developed as highly regulated, safe alternatives to conventional drugs. Alvotech ensures that its products meet stringent regulatory standards and do not inherently harm consumers or increase risks of chronic diseases. Instead, biosimilars often improve healthcare accessibility, reducing costs for patients managing chronic conditions.

Alvotech's consumers rely heavily on accurate product labelling, usage instructions, and educational materials to ensure the safe and effective use of biosimilars. Alvotech adheres to international guidelines for product transparency, ensuring all information, including potential risks and benefits, is communicated to healthcare professionals and end-users.

Alvotech's focus on affordability and accessibility benefits vulnerable groups, such as financially disadvantaged individuals who face barriers to accessing expensive treatments.

**Engagement with consumers and end-users (ESRS S4-2)**

Alvotech does not engage directly with consumers or end-users of its biosimilar products. Instead, it relies on its commercial partners, who manage the distribution and marketing of its products, to gather insights and feedback

from end-users. These partners act as intermediaries, providing valuable input that informs Alvotech's approach to managing actual and potential impacts on consumers and end-users.

### 3.2.2. Safety of end-users (ESRS 2 IRO-2, S4-4, S4-1)

#### 3.2.2.1. Management approach (ESRS 2 MDR-P, S4-2, S4-3)

Alvotech ensures end-users' safety by embedding quality assurance at every stage of the product lifecycle.

Alvotech employs stringent quality control procedures before biosimilars reach the market.

- **Analytical characterization:** A comprehensive analysis of the reference biologic to identify its molecular and functional attributes. This guides the development of biosimilars that meet strict similarity standards.
- **Custom manufacturing process development:** A proprietary process replicates the reference biologic's attributes while ensuring product integrity.
- **Iterative testing:** Continuous testing ensures the biosimilar matches the reference biologic's quality, safety, and efficacy.
- **Regulatory compliance:** Biosimilars undergo rigorous evaluation by regulatory authorities, including the FDA and EMA, ensuring adherence to global safety and efficacy standards.

After market entry, comprehensive pharmacovigilance systems monitor drug safety in the U.S., where Alvotech is the market authorization holder, directly overseeing these systems. Partners manage the systems in other regions, with Alvotech overseeing and reviewing data. End-users can report adverse effects through hotline numbers and other contact details provided in product packaging.

- **Data protection and privacy:** Alvotech adheres to robust data protection standards, safeguarding patient privacy. Employees receive mandatory training on data privacy and pharmacovigilance relevance, reinforcing compliance and trust.

#### 3.2.2.2. Performance and targets (ESRS 2 MDR-A, MDR-M, MDR-T, S4-2, S4-5)

Alvotech manages end-user safety by combining pre-market quality assurance with post-market pharmacovigilance. The Company tracks the number of adverse events reported and resolved, as well as the outcomes of regulatory inspections and audits related to product safety.

Alvotech currently has two approved products on the market:

1. AVT02 (adalimumab): A high-concentration, low-volume biosimilar to Humira® for autoimmune diseases and
2. AVT04 (ustekinumab): A biosimilar to Stelara® for inflammatory conditions.

Both are used to treat various autoimmune conditions in adults and children.

Nine more molecules are in the pipeline, and Alvotech aims to get approval for three biosimilar candidates in 2025:

1. AVT03 (denosumab): Biosimilar candidate to Prolia®/Xgeva®, treatments for bone diseases,
2. AVT05 (golimumab): Biosimilar candidate to Simponi®/Simponi Aria® in immunology, and

3. AVT06 (aflibercept): Biosimilar candidate to Eylea® in ophthalmology.

Following that, Alvotech aims to gain further approval for at least one product every 12-18 months, including AVT23 (omalizumab), a biosimilar candidate to Xolair® for respiratory conditions; AVT29 (aflibercept) a high dose biosimilar candidate for Eylea HD; AVT16 (vedolizumab), a Biosimilar candidate to Entyvio® for immunology; and AVT33 (pembrolizumab), a biosimilar candidate to Keytruda® for oncology.

Alvotech also has three undisclosed biosimilar candidates (AVT19, AVT28, and AVT41) in earlier development stages.

**Human rights commitments**

Alvotech is committed to upholding the human rights of its consumers and end-users by embedding ethical practices and consumer protection principles throughout its operations. Alvotech incorporates elements of human rights policy frameworks, such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises, into its practices to ensure safety, equity, and respect for consumer rights.

Alvotech provides mechanisms to address potential human rights impacts, including:

- **Grievance channels**: Established mechanisms such as pharmacovigilance systems enable consumers and end-users to report concerns.
- **Remediation processes**: Alvotech ensures that reported issues are investigated and resolved promptly in compliance with regulatory and ethical standards.
- **Whistleblower protection**: Policies safeguard individuals reporting concerns from retaliation, fostering trust and transparency.

**Future plans and targets**

Alvotech is in the early stages of its sustainability journey and is actively developing measurable targets across material topics. The Company aims to finalize key targets in the next reporting cycle and will provide updates in future CSRD reports to ensure transparency and accountability.

### 3.2.3. Social inclusion of end-users (ESRS 2 IRO-2, S4-4)

#### 3.2.3.1. Management approach (ESRS 2 MDR-P, S4-2, S4-3)

Alvotech is committed to promoting social inclusion by addressing healthcare disparities and expanding access to biosimilars for underserved populations. The Company's upcoming launch of a biosimilar for women with osteoporosis exemplifies this commitment, providing treatment options for a historically underserved demographic. Through these efforts, Alvotech aligns its operations with the UN Sustainable Development Goals and supports equitable healthcare access.

Collaboration with partners and healthcare systems is central to Alvotech's strategy. These partnerships help foster inclusivity and support the equitable distribution of healthcare solutions globally, ensuring that its biosimilars reach underserved regions and populations.

#### 3.2.3.2. Performance and targets (ESRS 2 MDR-A, MDR-M, MDR-T, S4-5)

Alvotech continues to expand its biosimilar portfolio to address unmet medical needs, focusing on vulnerable populations and underserved markets. Through strategic partnerships, the Company ensures its products are accessible to marginalized groups, promoting social inclusion.

Alvotech monitors the timely introduction of new biosimilars to track progress and evaluates their geographic reach in underserved markets. Looking ahead, the Company plans to formalize policies that address the needs of vulnerable groups and strengthen collaborations to extend the availability of biosimilars worldwide.

**Future plans and targets**

Alvotech is in the early stages of its sustainability journey and is actively developing measurable targets across material topics. The Company aims to finalize key targets in the next reporting cycle and will provide updates in future CSRD reports to ensure transparency and accountability.

**Accounting policies—consumers and end-users**

Alvotech follows ESRS S4 (Consumers and End-Users) under CSRD, reporting on material consumer-related topics. Personal safety ensures safe and effective medicinal products relevant to operations and downstream activities across all timeframes. Social inclusion focuses on accessible healthcare solutions, primarily in downstream activities, with long-term impact.

## 4. Governance

### G1 Business Conduct

#### 4.1. Material impacts, risks, and opportunities (ESRS 2 IRO-1)

Alvotech employs a structured and comprehensive approach to identify and assess material impacts, risks, and opportunities related to business conduct. This process is integrated into Alvotech's broader governance framework to ensure that all potential business conduct issues are proactively addressed.

##### Key criteria and methodology

The identification and assessment process are underpinned by the following criteria, which are systematically applied across Alvotech:

1. **Location:** Business conduct assessments are tailored to reflect the regulatory and cultural nuances of the regions where Alvotech operates. This ensures that location-specific risks, such as differing legal frameworks and societal expectations, are thoroughly evaluated.

2. **Activity:** The analysis includes a detailed review of all operational activities, focusing on areas with heightened dependencies, such as procurement, supplier relationships, and interactions with commercialization partners. Activities involving significant financial transactions or third-party engagements receive additional scrutiny.

3. **Sector:** Operating within the biopharmaceutical sector, Alvotech considers specific risks, such as compliance with healthcare regulations, ethical marketing practices, and data protection in its business conduct assessments. The sector's stringent standards inform the design of robust internal policies and controls.

4. **Transaction structure:** Alvotech evaluates transaction structures to identify potential ethical and compliance risks. This includes due diligence in counterparties, monitoring of financial transactions for transparency, and ensuring that agreements align with the Company's ethical principles.

As a result of this process, Alvotech has identified two material topics related to business conduct, outlined below.

| Material topics in business conduct: impacts, risks, and opportunities | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Material topic** | **IRO** | **Up stream** | **Own ops** | **Down stream** | **Short -term** | **Medium-term** | **Long -term** |
| G1 - Business Conduct | | | | | | | |
| Corporate culture | Positive and negative impact | No | Yes | No | Yes | Yes | Yes |
| Supplier relationships | Risk | No | Yes | No | Yes | Yes | Yes |

### 4.2. Business conduct governance (ESRS G1.GOV-1)

#### Role of the management and supervisory Bodies

At Alvotech, the CLT, the management body, and the Board of Directors, the supervisory body, share complementary roles in governing business conduct.

The CLT implements business conduct policies operationally, ensuring alignment with the Company's strategic goals and regulatory requirements. They set ethical standards, oversee compliance initiatives, and foster a culture of integrity across all operations. By monitoring adherence to these principles, the CLT ensures that business conduct policies are effectively integrated into day-to-day activities and decision-making processes.

The Board of Directors**,** in its supervisory capacity, provides strategic oversight and guidance on business conduct. It ensures that the policies established by the CLT are robust and aligned with global best practices. It also evaluates the effectiveness of these policies, ensuring they adequately address the evolving regulatory and ethical landscape.

#### Expertise in business conduct

Alvotech's leadership expertise is instrumental in maintaining high standards of business conduct. Members of the CLT bring extensive operational experience in compliance, risk management, and corporate governance, equipping them to handle complex ethical challenges. The Board of Directors complements this with its strategic perspective, leveraging expertise in oversight, stakeholder engagement, and governance frameworks.

Alvotech is committed to implementing professionalism and excellence by enforcing high recruiting standards. In 2024, the Company also created targeted training programs for employees to enhance expertise and strengthen in-house leadership capabilities continuously.

### 4.3. Corporate culture (ESRS G1-1)

#### 4.3.1. Management approach (ESRS 2 MDR-P)

Alvotech is committed to fostering a culture of integrity and ethical business practices through a framework of policies and governance.

- **Code of Conduct**: Alvotech establishes ethical principles and behavioral expectations for all employees and external stakeholders. It outlines the Company's commitment to legal compliance, anti-corruption and bribery, whistleblowing, and fostering a culture of ethical decision-making. The code also mandates transparency and promotes accountability in all operations.
- **Whistleblower Protection Policy:** The dedicated policy ensures whistleblowers can report concerns safely and anonymously, with robust protection against retaliation.

Alvotech has established rules and measures to address anti-corruption and anti-bribery practices. The Company is working to further align these with the United Nations Convention against Corruption principles, demonstrating its ongoing commitment to ethical business practices.

### 4.3.2. Performance and targets (ESRS 2 MDR-A, MDR-M, MDR-T)

#### Mechanisms for identifying, reporting, and investigating concerns

Alvotech is committed to upholding its Code of Conduct, which sets ethical standards for all employees and partners. The Company has established clear mechanisms for identifying, reporting, and investigating concerns about unlawful behavior or breaches of the Code of Conduct. These mechanisms include:

- **Reporting Channels**: Concerns about suspected or actual impropriety can be reported through designated confidential channels, ensuring the protection of the reporting party. These channels are accessible to both internal and external stakeholders.
- **Investigation Procedures**: Each reported concern is investigated promptly and independently, ensuring fairness and objectivity in addressing the matter.

#### Protection of whistleblowers

Alvotech provides a safe environment for whistleblowers to report concerns without fear of retaliation. Key measures include:

- **Internal whistleblower reporting channels**: Employees and stakeholders can access confidential and secure reporting mechanisms.
- **Protection against retaliation**: Policies in compliance with Directive (EU) 2019/1937 protect whistleblowers from retaliation.

#### Procedures for investigating business conduct incidents

Alvotech has established procedures for investigating incidents of misconduct, including corruption and bribery. A dedicated compliance team conducts investigations promptly, independently, and objectively, ensuring unbiased outcomes.

No specific functions within Alvotech have been identified as having a high risk for corruption or bribery. Regular reviews ensure that any emerging risks are promptly addressed.

In 2024, Alvotech received no business conduct incidents or complaints and didn’t start any investigation.

#### Animal welfare

As a biosimilars-focused Company, Alvotech does not conduct animal testing during standard development unless specifically requested by law or Competent Authorities. During 2024, no animal testing was conducted. Generally, if such animal testing were to be conducted, Alvotech fully embraces the 3Rs principles of animal research while developing its products, adhering to strict ethical standards and industry best practices. The 3Rs principle is a recognized standard for the ethical use of animals in product development and research (Russell and Burch, 1959).

#### Training on business conduct

Alvotech’s business conduct training programs are mandatory for all employees at the start of employment and are monitored by the HR team. They provide education on the Company’s ethical standards and policies. In 2024, Alvotech introduced new training sessions to its employees.

During the reporting period, employees received an average of 3 hours of training. However, when on-the-job training covers job-specific skills, regulations, and standard is included, the average training hours per employee increases to 67 hours. This figure does not account for additional training to enhance broader competencies, such as leadership skills.

**Future plans and targets**

Alvotech is in the early stages of its sustainability journey and is actively developing measurable targets across material topics. The Company aims to finalize key targets in the next reporting cycle and will provide updates in future CSRD reports to ensure transparency and accountability.

### 4.4. Supplier relationships and payment practices (ESRS G1-2)

#### 4.4.1. Management approach (ESRS 2 MDR-P)

Alvotech recognizes the critical role of its supply chain in achieving sustainable operations and is actively developing policies and practices to manage supplier relationships responsibly. While work is ongoing, several foundational elements are in place to address supplier-related risks and promote sustainability:

- **General due diligence**: Alvotech updates its supplier due diligence procedures, including social and environmental considerations.
- **Quarterly business reviews**: In 2024, Alvotech started incorporating sustainability considerations into its agenda in its regular supplier meetings. It aims to have quarterly business reviews with its top 10 suppliers, during which they will ask for information about ESG factors.
- **Supplier code of conduct**: Alvotech aims to implement a code of conduct for its suppliers in 2025.
- **Country and company screening**: Alvotech currently focuses on sourcing suppliers operating in countries with robust regulatory frameworks and established industry standards while avoiding suppliers from jurisdictions with heightened risks related to governance, corruption, or environmental practices.
- **Payment practices**: Emphasis is placed on ensuring timely payments, particularly for smaller vendors who may be more vulnerable to late payments. A complaints channel is available for suppliers to raise concerns about payment delays.

#### 4.4.2. Performance and targets (ESRS 2 MDR-A, MDR-M, MDR-T)

**Approach to supplier relationships**

Alvotech adopts a strategic approach to managing supplier relationships, balancing operational needs with sustainability considerations. Key elements of this approach include:

- Alvotech recognizes that its supply chain may pose risks related to operational disruptions, compliance challenges, and sustainability impacts. To mitigate these risks:
- A preliminary supplier screening process is conducted to identify potential risks tied to geographic regions, governance practices, or supplier capacity.
- Proactive measures are taken to exclude partnerships with suppliers operating in jurisdictions with heightened risks, such as weak governance frameworks or low environmental compliance standards.

- Alvotech seeks to build collaborative relationships with its suppliers by fostering open communication, aligning on shared goals, and emphasizing long-term partnerships that promote mutual success.

- Social and environmental criteria in supplier selection

Alvotech integrates social and environmental criteria into its supplier selection process to ensure alignment with its commitment to sustainable practices.

- **Sustainability disclosure requirements**: Suppliers are increasingly engaged in disclosing their social and environmental indicators. This ensures greater transparency and alignment with Alvotech's sustainability objectives.

- **Focus on ethical practices**: Alvotech prioritizes suppliers who strongly adhere to labor rights, ethical sourcing, and environmental stewardship.

- **Continuous improvement**: Alvotech actively encourages suppliers to adopt improved sustainability practices through engagement, feedback, and capacity-building efforts.

**Future plans and targets**

Alvotech is in the early stages of its sustainability journey and is actively developing measurable targets across material topics. The Company aims to finalize key targets in the next reporting cycle and will provide updates in future CSRD reports to ensure transparency and accountability.

**Accounting policies—business conduct**

Alvotech follows ESRS G1 (Business Conduct) under CSRD, ensuring transparent reporting on governance, ethics, compliance, and supplier relationships. This policy defines how business conduct-related metrics are measured and reported.

Corporate culture is monitored through policy adherence, employee training, and business conduct incident tracking.

Supplier relationships are assessed through due diligence, compliance screening, and engagement initiatives, with data on the percentage of suppliers screened and engaged.

Whistleblowing and compliance monitoring ensure confidential reporting mechanisms with substantiated cases leading to corrective actions.

Anti-corruption and bribery compliance is tracked through mandatory employee training and incident reporting, with internal audits ensuring regulatory adherence.

Payment practices are measured by average days to pay invoices and alignment with standard payment terms to ensure fair supplier treatment.

| Financial year | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria (Does not significantly harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Codes (2) | Turnover (3) | Proportion of turnover (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adoptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy Aligned (A.1) or eligible (A.2) turnover,year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | USD million | % | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned)** | | 0 | 0% | 0% | | | | | | | | | | | | | 0% | | |
| **Of which enabling** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | E | |
| **Of which transitional** | | 0 | 0% | 0% | | | | | | | | | | | | | 0% | | T |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/ EL | EL; N/ EL | EL; N/EL | EL; N/ EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| 1.2. Manufacture of medicinal products | PPC 1.2 | 491.978 | 100% | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 100% | | |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)** | | 491.978 | 100% | 0% | 0% | 0% | 100% | 0% | 0% | | | | | | | | 100% | | |
| **Turnover of Taxonomy-eligible activities (A.1. + A.2.)** | | 491.978 | 100% | 0% | 0% | 0% | 100% | 0% | 0% | | | | | | | | 100% | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **Turnover of Taxonomynon-eligible activitiy** | | 0 | 0% | | | | | | | | | | | | | | | | |
| **TOTAL** | | **491,978** | **100%** | | | | | | | | | | | | | | | | |

| Financial year | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria (Does not significantly harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Codes (2) | CapEx (3) | Proportion of turnover (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adoptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy Aligned (A.1) or eligible (A.2) turnover,year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | USD million | % | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned)** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | | | |
| **Of which enabling** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | |
| **Of which transitional** | | 0 | 0% | 0% | | | | | | | | | | | | | 0% | | |
| **A.2 Taxonomy eligible but not aligned environmentally sustainable activities (not Taxonomy-aligned activities) (g)** | | | | | | | | | | | | | | | | | | | |
| Manufacture of medicinal products | | | | EL; N/ EL | EL; N/ EL | EL; N/ EL | EL; N/ EL | EL; N/ EL | EL; N/ EL | | | | | | | | % | | |
| **CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | 0% | | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomy-eligible activities (A.1. + A.2.)** | | | | | | | | | | | | | | | | | | | |
| **A. CapEX of Taxonomy-eligible activities (A.1+A.2)** | | 61,633 | 94% | 0% | 0% | 0% | 94% | 0% | 0% | | | | | | | | | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomynon-eligible activitiy** | | 3615 | 6% | | | | | | | | | | | | | | | | |
| **TOTAL** | | 65.248 | 100% | | | | | | | | | | | | | | | | |

| Financial year | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria (Does not significantly harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities (1) | Codes (2) | OpEx (3) | Proportion of turnover (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adoptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy Aligned (A.1) or eligible (A.2) turnover,year N-1 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | USD million | % | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y; N; N/ EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. Taxonomy-Eligible Activities** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **OpEx of environmentally sustainable activities (Taxonomy-aligned)** | | 0 | 0% | 0% | | | | | | | | | | | | | 0% | | |
| **Of which enabling** | | 0 | 0% | 0% | % | % | % | % | % | | | | | | | | 0% | E | |
| **Of which transitional** | | 0 | 0% | 0% | | | | | | | | | | | | | 0% | | T |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities** | | | | EL N/ EL | EL N/ EL | EL N/ EL | EL N/ EL | EL N/ EL | EL N/ EL | | | | | | | | | | |
| Manufacture of medicinal products | **P 1.2** | 0 | 0% | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0% | | |
| **OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | |
| **OpEx of Taxonomy-eligible activities (A.1. + A.2.)** | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 0% | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomy non-eligible activitiy** | | 171,312 | 100% | | | | | | | | | | | | | | | | |
| **TOTAL** | | 171,312 | 100% | | | | | | | | | | | | | | | | |