
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the Month of March 2023

Commission File Number: 001-41421

Alvotech

(Translation of registrant's name into English)

**9, Rue de Bitbourg,
L-1273 Luxembourg,
Grand Duchy of Luxembourg
(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Earnings Release

On March 1, 2023, Alvotech issued a press release announcing its financial results for the fourth quarter and year ended December 31, 2022. A copy of this press release is furnished as Exhibit 99.1 to this Report on Form 6-K.

Reports

On March 1, 2023, Alvotech published a corporate governance report for 2022 (the “Corporate Governance Report”) and a non-financial disclosure report (the “ESG Report”). Copies of the Corporate Governance Report and ESG Report are furnished as Exhibits 99.2 and 99.3 to this Report on Form 6-K.

Business Update Conference Call

Alvotech will conduct a business update conference call and live webcast on Thursday, March 2, 2023, at 8:00 am ET (12:00 pm GMT). A live webcast of the call and the presentation will be available on the company’s website under News and Events – Events and Presentations, where you will also be able to find a replay of the webcast, following the call for 90 days.

Incorporation by reference

The information in this Report on Form 6-K, including Exhibits 99.1, 99.2, and 99.3 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

EXHIBIT INDEX

Exhibit No.	Description
99.1	<u>Press Release dated March 1, 2023.</u>
99.2	<u>Corporate Governance Report dated March 1, 2023.</u>
99.3	<u>ESG Report dated March 1, 2023.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 1, 2023

ALVOTECH

By: /s/ Tanya Zharov
Name: Tanya Zharov
Title: General Counsel



Alvotech Reports Financial Results for Full Year 2022 and Provides Business Update

- Full Year 2022 total revenue, including other income, increased by 114% to \$85.0 million, compared to \$39.7 million in 2021, driven by both milestone revenue and product revenue from commercialization of AVT02, a biosimilar to Humira®, in 17 countries
- Three biosimilar candidates, AVT03 (Prolia®/Xgeva®), AVT06 (Eylea®) and AVT05 (Simponi®/Simponi Aria®) advanced into clinical development in 2022
- Marketing applications for AVT04, a proposed biosimilar to Stelara®, were submitted in major markets including the U.S. and Europe
- U.S. Food and Drug Administration (FDA) confirmed a new goal date for AVT02 Biologics License Application (BLA) of April 13, 2023, and is expected to commence a reinspection of the Reykjavik manufacturing site on March 6, 2023
- Management will conduct a business update conference call and live webcast on Thursday, March 2, 2023, at 8:00 am ET (13:00 pm GMT)

REYKJAVIK, ICELAND (March 1, 2023) — Alvotech (NASDAQ: ALVO, or the “Company”), a global biotech company specializing in the development and manufacture of biosimilar medicines for patients worldwide, today reported financial results for full year 2022 and provided a summary of recent corporate highlights.

“Alvotech made significant progress in 2022. We were publicly listed, achieved a remarkable 114% increase in revenue, and were able to continue investing in and shaping our future through the ongoing advancement of our product pipeline,” said Robert Wessman, Chairman and CEO of Alvotech. “Looking ahead, 2023 is expected to be equally important. We’re currently preparing for a reinspection of our Reykjavik facility by the FDA, which if satisfactory could pave the way for the approval and subsequent launch of our interchangeable, high concentration biosimilar to Humira® in the U.S. market on July 1, 2023.”

Recent Highlights

In December 2022, Alvotech announced that the FDA has confirmed that the goal date for Alvotech’s original BLA for AVT02 as biosimilar to high-concentration Humira® is April 13, 2023, and that the FDA has completed its review of Alvotech’s BLA of AVT02 as an interchangeable to high-concentration Humira. Approval requires satisfactory outcome of an upcoming FDA reinspection of Alvotech’s facility in Reykjavik, Iceland, that is scheduled to start on March 6, 2023. In January 2023, Alvotech hosted a general Good Manufacturing Practice (GMP) inspection by EMA (European Medicines Agency) that resulted in a GMP recertification of the company’s manufacturing facility for European markets. This is the fourth successful inspection by EMA since 2018.

In January 2023 Alvotech announced that the FDA has accepted for review a BLA and the European Medicines Authority (EMA) has accepted for review a marketing authorization application, for AVT04 a proposed biosimilar to Stelara® (ustekinumab). Three other biosimilar candidates, AVT03 (a proposed biosimilar for Prolia®/Xgeva®), AVT06 (a proposed biosimilar for Eylea®) and AVT05 (a proposed biosimilar for Simponi®/Simponi Aria®) advanced into clinical studies in 2022.

In February 2023, Alvotech announced the completion of a private share placement for aggregate gross proceeds of approximately \$137.0 million. In December 2022 Alvotech announced completion of a private placement of subordinated convertible bonds for gross proceeds of approximately \$70.0 million. In December 2022, Nasdaq Iceland approved Alvotech's application for admission to trading on the Nasdaq Iceland Main Market and ALVO shares commenced trading on the Main Market on December 8, 2022, after being traded on the Nasdaq Iceland First North market since June 23, 2022. The shares have been trading on the Nasdaq US market since June 16, 2022.

Financial Results for Full Year 2022

Cash position and sources of liquidity

As of December 31, 2022, the Company had cash and cash equivalents of \$66.4 million. In addition, the Company had borrowings with a carrying amount of \$764.6 million, including \$19.9 million of the current portion of borrowings, as of December 31, 2022.

Revenue

Revenue, including other income, was \$85.0 million for the twelve months ending December 31, 2022, compared to \$39.7 million for the full year 2021. Revenue for the twelve months ended December 31, 2022, consisted of \$24.8 million in product revenue from sales of AVT02 in selected European countries and Canada, and \$58.2 million of license and other revenue and other income of \$2.0 million. The company recognized revenue of \$44.5 million and \$11.6 million resulting from license and milestone payments for AVT04 and AVT05, respectively, for the year ended December 31, 2022.

Cost of product revenue

Cost of product revenues was \$64.1 million for the twelve months ended December 31, 2022. The Company successfully launched AVT02 in 16 European countries and Canada in 2022 and, as a result, commenced recognizing cost of product revenue for the same period. Cost of product revenue is disproportionate relative to product revenue due to the timing of new launches, resulting in higher costs than revenues recognized for the period. The Company expects this to normalize with increased production from scaling and expansion of new launches. Ultimately, the Company estimates that the anticipated increase in sales volumes will result in the absorption of fixed manufacturing costs. Prior to the recognition of cost of product revenues, costs from pre-commercial manufacturing activities were reported as R&D expenses.

Research and development (R&D) expenses

R&D expenses were \$180.6 million for the twelve months ended December 31, 2022, compared to \$191.0 million for the same twelve months of 2021. In 2021, pre-commercial manufacturing activity was reported as R&D expense. The decrease was primarily driven by manufacturing costs that were previously recognized as R&D expense but are now being recognized as cost of product revenue following the Company's first commercial launch, offset by an increase in direct program expenses. These increases in direct program expenses were driven by three biosimilar candidates, AVT03, AVT05 and AVT06 entering clinical development in 2022, while spending related to development of AVT02 and AVT04 decreased as clinical activities for these programs wound down.

General and administrative (G&A) expenses

G&A expenses were \$186.7 million for the twelve months ended December 31, 2022, compared to \$84.1 million for the same twelve months of 2021. The increase in G&A expenses was primarily attributable to the \$83.4 million in non-cash share listing expense and \$10.4 million of additional transaction costs. The Company also recognized \$5.8 million of G&A expenses for share-based payments resulting from the grants of restricted share units to employees and \$3.3 million in salary expenses related to severance agreements.

Finance income

Finance income was \$2.5 million for the twelve months ended December 31, 2022, compared to \$51.6 million for the same period in 2021. The decrease was primarily attributable to income recognized in 2021 from the fair value remeasurement of derivative financial liabilities associated with the convertible shareholder loans, as conversion, warrant and funding rights associated with these loans were exercised by shareholders in 2022.

Finance costs

Finance costs were \$188.4 million for the twelve months ended December 31, 2022, compared to \$117.4 million for the same twelve months of 2021. The difference was primarily attributable to a \$94.2 million increase resulting from changes in the fair value of derivatives, offset by \$35.0 million lower finance costs related to the interest on debt and borrowings.

Exchange rate differences

Exchange rate differences resulted in a gain of \$10.6 million for the twelve months ended December 31, 2022, compared to \$2.7 million for the same twelve months of 2021. The increase was primarily driven by a change in financial assets and liabilities denominated in Icelandic Krona and Euros, along with the weakening of the Icelandic Krona compared to the US Dollar.

Loss / Gain on extinguishment of financial liabilities

Alvotech recognized a loss on extinguishment of financial liabilities of \$27.3 million during the year ended December 31, 2022, compared to a gain of \$151.8 million during 2021. These resulted mainly from the amendment and upsizing of Alvotech's senior bonds, settlement of related party loans with Aztiq and Alvogen, extinguishment of the lease on Alvotech's manufacturing building in Reykjavik, Iceland and the amendment and upsizing of a loan facility with Alvogen.

Income tax benefit

Income tax benefit was \$37.8 million for the twelve months ended December 31, 2022, compared to \$47.7 million for the same twelve months of 2021. This change was primarily driven by the recognition of deferred tax assets in 2022 with respect to current year tax losses that Alvotech expects to be fully utilized against future taxable profits.

Net Loss

Net loss was \$513.6 million, or \$2.60 per share on a basic and diluted basis, for the twelve months ended December 31, 2022, as compared to net loss of \$101.5 million, or \$0.92 per share on a basic and diluted basis, for the same twelve months of 2021.

Business Update Conference Call

Alvotech will conduct a business update conference call and live webcast on Thursday, March 2, 2023, at 8:00 am ET (1:00 pm GMT). A live webcast of the call will be available on Alvotech's website in the Investors Section of the Company's website under [News and Events – Events and Presentations](#), where you will also be able to find a replay of the webcast, following the call for 90 days. In order to participate in the conference call, please register in advance using the link on Alvotech's Investor Relations website under [News and Events – Events and Presentations](#), to obtain a local or toll-free phone number and your personal pin.

About Alvotech

Alvotech is a biotech company, founded by Robert Wessman, focused solely on the development and manufacture of biosimilar medicines for patients worldwide. Alvotech seeks to be a global leader in the biosimilar space by delivering high quality, cost-effective products, and services, enabled by a fully integrated approach and broad in-house capabilities. Alvotech's current pipeline contains eight biosimilar candidates aimed at treating autoimmune disorders, eye disorders, osteoporosis, respiratory disease, and cancer. Alvotech has formed a network of strategic commercial partnerships to provide global reach and leverage local expertise in markets that include the United States, Europe, Japan, China, and other Asian countries and large parts of South America, Africa and the Middle East. Alvotech's commercial partners include Teva Pharmaceuticals, a US affiliate of Teva Pharmaceutical Industries Ltd. (US), STADA Arzneimittel AG (EU/EEA, UK, Switzerland), Fuji Pharma Co., Ltd (Japan), Cipla/Cipla Gulf/Cipla Med Pro (Australia, New Zealand, South Africa/Africa), JAMP Pharma Corporation (Canada), Yangtze River Pharmaceutical (Group) Co., Ltd. (China), DKSH (Taiwan, Hong Kong, Cambodia, Malaysia, Singapore, Indonesia, India, Bangladesh and Pakistan), YAS Holding LLC (Middle East and North Africa), Abdi Ibrahim (Turkey), Kamada Ltd. (Israel), Mega Labs, Stein, Libbs, Tuteur and Saval (Latin America) and Lotus Pharmaceuticals Co., Ltd. (Thailand, Vietnam, Philippines, and South Korea). Each commercial partnership covers a unique set of product(s) and territories. Except as specifically set forth therein, Alvotech disclaims responsibility for the content of periodic filings, disclosures and other reports made available by its partners. For more information, please visit www.alvotech.com. None of the information on the Alvotech website shall be deemed part of this press release.

Forward Looking Statements

Certain statements in this communication may be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements generally relate to future events or the future financial or operating performance of Alvotech and may include, for example, Alvotech's expectations regarding capitalization through equity or debt financing, future growth, results of operations, performance, including cost of product revenue, future capital and other

expenditures, competitive advantages, partnerships, business prospects and opportunities including pipeline product development, future plans and intentions, results, level of activities, performance, goals or achievements or other future events, the re-inspection of Alvotech's manufacturing site, the potential approval, including for AVT02 and AVT04 by the FDA, the EMA and other regulatory agencies and commercial launch of its product candidates, the timing of the announcement of clinical study results, the commencement of patient studies, regulatory applications, and completion of regulatory review, regulatory approvals and market launches. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expect", "intend", "will", "estimate", "anticipate", "believe", "predict", "potential" or "continue", or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Alvotech and its management, are inherently uncertain and are inherently subject to risks, variability, and contingencies, many of which are beyond Alvotech's control. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: (1) the outcome of any legal proceedings that may be instituted against Alvotech or others following the business combination between Alvotech Holdings S.A., Oaktree Acquisition Corp. II and Alvotech; (2) the ability to maintain stock exchange listing standards; (3) changes in applicable laws or regulations; (4) the possibility that Alvotech may be adversely affected by other economic, business, and/or competitive factors; (5) Alvotech's estimates of expenses and profitability; (6) Alvotech's ability to develop, manufacture and commercialize the products and product candidates in its pipeline; (7) actions of regulatory authorities, which may affect the initiation, timing and progress of clinical studies or future regulatory approvals or marketing authorizations; (8) the ability of Alvotech or its partners to enroll and retain patients in clinical studies; (9) the ability of Alvotech or its partners to gain approval from regulators for planned clinical studies, study plans or sites; (10) the ability of Alvotech's partners to conduct, supervise and monitor existing and potential future clinical studies, which may impact development timelines and plans; (11) Alvotech's ability to obtain and maintain regulatory approval or authorizations of its products, including the timing or likelihood of expansion into additional markets or geographies; (12) the success of Alvotech's current and future collaborations, joint ventures, partnerships or licensing arrangements; (13) Alvotech's ability, and that of its commercial partners, to execute their commercialization strategy for approved products; (14) Alvotech's ability to manufacture sufficient commercial supply of its approved products; (15) the outcome of ongoing and future litigation regarding Alvotech's products and product candidates; (16) the potential impact of the ongoing COVID-19 pandemic on the FDA's review timelines, including its ability to complete timely inspection of manufacturing sites; (17) the impact of worsening macroeconomic conditions, including rising inflation and interest rates and general market conditions, war in Ukraine and global geopolitical tension, and the ongoing and evolving COVID-19 pandemic on the Company's business, financial position, strategy and anticipated milestones; and (18) other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in documents that Alvotech may from time to time file or furnish with the SEC. There may be additional risks that Alvotech does not presently know or that Alvotech currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. Nothing in this communication should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Alvotech does not undertake any duty to update these forward-looking statements or to inform the recipient of any matters of which any of them becomes aware of which may affect any matter referred to in this communication. Alvotech disclaims any and all liability for any loss or damage (whether foreseeable or not) suffered or incurred by any person or entity as a result of anything contained or omitted from this communication and such liability is expressly disclaimed. The recipient agrees that it shall not seek to sue or otherwise hold Alvotech or any of its directors, officers, employees, affiliates, agents, advisors, or representatives liable in any respect for the provision of this communication, the information contained in this communication, or the omission of any information from this communication.

CONTACTS

Alvotech Investor Relations and Global Communication

Benedikt Stefansson, Director

[alvotech.ir\[at\]alvotech.com](mailto:alvotech.ir[at]alvotech.com)

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Sæmundargata 15-19
102 Reykjavík, Iceland

Phone +354 422 4500

alvotech.media@alvotech.com
www.alvotech.com

Consolidated Statements of Profit or Loss and Other Comprehensive
Income or Loss for the years ended 31 December 2022, 2021 and 2020

<i>USD in thousands</i>	2022	2021	2020
Product revenue	24,836	—	—
License and other revenue	58,193	36,772	66,616
Other income	1,988	2,912	2,833
Cost of product revenue	(64,095)	—	—
Research and development expenses	(180,622)	(191,006)	(148,072)
General and administrative expenses	(186,742)	(84,134)	(58,914)
Operating loss	(346,442)	(235,456)	(137,537)
Share of net loss of joint venture	(2,590)	(2,418)	(1,505)
Finance income	2,549	51,568	5,608
Finance costs	(188,419)	(117,361)	(161,551)
Exchange rate difference	10,566	2,681	3,215
(Loss) / gain on extinguishment of financial liabilities	(27,311)	151,788	—
Non-operating (loss) / profit	(205,205)	86,258	(154,233)
Loss before taxes	(551,647)	(149,198)	(291,770)
Income tax benefit	38,067	47,694	121,726
Loss for the year	(513,580)	(101,504)	(170,044)
Other comprehensive income / (loss)			
<i>Item that will be reclassified to profit or loss in subsequent periods:</i>			
Exchange rate differences on translation of foreign operations	(6,111)	(305)	5,954
Total comprehensive loss	(519,691)	(101,809)	(164,090)
Loss per share			
Basic and diluted loss for the period per share	(2.60)	(0.92)	(1.82)

Consolidated Statements of Financial Position
as of 31 December 2022 and 2021

<i>USD in thousands</i>	31 December 2022	31 December 2021
Non-current assets		
Property, plant and equipment	220,594	78,530
Right-of-use assets	47,501	126,801
Goodwill	11,643	12,367
Other intangible assets	25,652	21,509
Contract assets	3,286	1,479
Investments in joint venture	48,568	55,307
Other long-term assets	5,780	1,663
Restricted cash	25,187	10,087
Deferred tax assets	209,496	170,418
Total non-current assets	<u>597,707</u>	<u>478,161</u>
Current assets		
Inventories	71,470	39,058
Trade receivables	32,972	29,396
Contract assets	25,370	17,959
Other current assets	32,949	14,736
Receivables from related parties	1,548	1,111
Cash and cash equivalents	66,427	17,556
Total current assets	<u>230,736</u>	<u>119,816</u>
Total assets	<u>828,443</u>	<u>597,977</u>

Consolidated Statements of Financial Position as of
31 December 2022 and 2021

<i>USD in thousands</i>	31 December 2022	31 December 2021
Equity		
Share capital	2,126	135
Share premium	1,058,432	1,000,118
Other reserves	30,582	—
Translation reserve	(1,442)	4,669
Accumulated deficit	<u>(1,654,114)</u>	<u>(1,140,534)</u>
Total equity	<u>(564,416)</u>	<u>(135,612)</u>
Non-current liabilities		
Borrowings	744,654	398,140
Derivative financial liabilities	380,232	—
Other long-term liability to related party	7,440	7,440
Lease liabilities	35,369	114,845
Long-term incentive plan	544	56,334
Contract liabilities	57,017	44,844
Deferred tax liability	309	150
Total non-current liabilities	<u>1,225,565</u>	<u>621,753</u>
Current liabilities		
Trade and other payables	49,188	28,587
Lease liabilities	5,163	7,295
Current maturities of borrowings	19,916	2,771
Liabilities to related parties	1,131	638
Contract liabilities	36,915	29,692
Taxes payable	934	841
Other current liabilities	54,047	42,012
Total current liabilities	<u>167,294</u>	<u>111,836</u>
Total liabilities	<u>1,392,859</u>	<u>733,589</u>
Total equity and liabilities	<u>828,443</u>	<u>597,977</u>

Consolidated Statements of Cash Flows for the years ended
31 December 2022, 2021 and 2020

USD in thousands

	2022	2021	2020
Cash flows from operating activities			
Loss for the year	(513,580)	(101,504)	(170,044)
Adjustments for non-cash items:			
Gain on extinguishment of SARs liability	(4,803)	—	—
Share listing expense	83,411	—	—
Long-term incentive plan expense	5,492	17,955	18,053
Depreciation and amortization	20,409	18,196	16,419
Impairment of property, plant and equipment	—	2,092	2,142
Impairment of other intangible assets	2,755	3,993	—
Share of net loss of joint venture	2,590	2,418	1,505
Finance income	(2,549)	(51,568)	(5,608)
Finance costs	188,419	117,361	161,551
Loss/(Gain) on extinguishment of financial liabilities	27,311	(151,788)	—
Share based payments	10,317	—	—
Exchange rate difference	(10,566)	(2,681)	(3,215)
Income tax benefit / (expense)	(38,067)	(47,694)	(121,726)
Operating cash flow before movement in working capital	(228,861)	(193,220)	(100,923)
Increase in inventories	(32,412)	(29,412)	(3,255)
(Increase) / decrease in trade receivables	(3,576)	(28,813)	21,771
Increase / (decrease) in liabilities with related parties	56	(453)	1,674
(Increase) / (increase) in contract assets	(9,218)	15,286	(11,667)
Increase in other assets	(17,194)	(4,363)	(7,383)
Increase in trade and other payables	16,442	14,318	227
Increase in contract liabilities	19,396	21,470	24,019
(Decrease) / increase in other liabilities	(21,384)	5,160	7,134
Cash used in operations	(276,751)	(200,027)	(68,403)
Interest received	568	16	212
Interest paid	(35,372)	(28,004)	(5,664)
Income tax paid	(834)	(155)	(440)
Net cash used in operating activities	(312,389)	(228,170)	(74,295)

Cash flows from investing activities

Acquisition of property, plant and equipment	(37,880)	(20,462)	(7,485)
Disposal of property, plant and equipment	379	—	79
Acquisition of intangible assets	(11,122)	(20,171)	(4,497)
Restricted cash in connection with the amended bond agreement	(14,914)	—	(5,000)
Net cash used in investing activities	(63,537)	(40,633)	(16,903)

Cash flows from financing activities

Repayments of borrowings	(34,714)	(37,496)	(2,896)
Repayments of principal portion of lease liabilities	(11,147)	(7,350)	(6,087)
Proceeds from new borrowings	193,678	113,821	30,000
Proceeds on issue of equity shares	—	185,856	34,385
Extinguishment financing fees	(12,102)	—	—
Gross proceeds from the PIPE Financing	174,930	—	—
Gross PIPE Financing fees paid	(5,562)	—	—
Proceeds from the Capital Reorganization	9,827	—	—
Proceeds from loans from related parties	160,000	—	—
Repayment of loans from related parties	(50,000)	—	—
Net cash generated from financing activities	424,910	254,831	55,402
Increase / (decrease) in cash and cash equivalents	48,984	(13,972)	(35,796)
Cash and cash equivalents at the beginning of the year	17,556	31,689	67,403
Effect of movements in exchange rates on cash held	(113)	(161)	82
Cash and cash equivalents at the end of the year	66,427	17,556	31,689

Alvotech's
Corporate Governance Report for 2022

This corporate governance report (the "**Report**") covers the period from 16 June 2022 (date immediately following the date on which Alvotech consummated the business combination with Oaktree Acquisition Corp. II and Alvotech Holdings S.A.) through 31 December 2022 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 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 2022, 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 of validly cast votes. 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 association, for any resolutions 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 meetings 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 6th edition from February 2021 of the Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, Nasdaq Iceland Main Market and the Confederation of Icelandic Employers. 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. The Code is available on Alvotech's website.

Alvotech's regulatory framework for corporate governance practices consists of the law applicable listed companies 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 Alvotech or the group, or dealings with other parties that may relate to or affect the group of Alvotech, its interest and assets.

Internal Control

The Audit and Risk Committee is responsible, among other things, for establishing procedures for the confidential anonymous submission of complaints (a whistle blowing mechanism).

Risk Management

Alvotech has a strong track record of growth. 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 administration of 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 a number of initiatives. Each initiative is contributing to achieving the company's objectives with regard to 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 concerning 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 consolidated 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. Deloitte hf. has carried out the external audit of Alvotech in recent years. In addition, 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 law 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 Icelandic Act 60/2021, a Securities Compliance Officer has been appointed to oversee the 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, 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. In this respect, the company has created a separate Non-Financial Disclosures 2023 report for 2022 that will be attached to the 2022 financials.

Board Committees

Alvotech has five standing 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 of Directors.

Audit and Risk Committee

The members of Alvotech’s audit and risk committee are LindaMcGoldrick (Chair), Ann Merchant 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 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

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 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 compensation consultants.]

Corporate Sustainability Committee:

The members of Alvotech's ESG committee are Ann Merchant (Chair), Árni Harðarson and Róbert Wessman. 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), Lisa Graver and Tomas Ekman. 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 eight members. In accordance with Alvotech's articles of association, the Board is not divided into classes of directors. Each director was appointed at the closing of the business combination on June 15, 2022, to serve as director until the end of the general meeting of shareholders called to approve the Alvotech's annual accounts for the 2024 financial year. There are no limitations on the duration of the board membership. The composition of the board shall at any time be diverse, with regard to 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 9 times last year since the Company went public.

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. Since November 2018, he has also served as Director at Fuji Pharma and chairman of the board of directors of Lotus Pharmaceuticals 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. We believe Mr. Wessman is qualified to serve on Alvotech's board of directors due to the perspective he brings as Alvotech's founder and his experience in top executive positions in the pharmaceutical industry.

Richard Davies, Director and Deputy Chairman, has served as Deputy Chairman of Alvotech's board from June 2022. He was previously on one of Alvotech's boards since January 2019 and served as Chairman. 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.

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.

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 Synthron for nearly 16 years. Mr. Kalmoua holds a Master's degree in Chemistry from the Radboud University Nijmegen and an executive MBA from Insead.

Ann Merchant, Director, has served as one of Alvotech's directors since June 2022. Since 2018, she has served as Vice President for MorphoSys, and as Head of Global Supply Chain since January 2019. 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. We believe Ms. Merchant is qualified to serve on Alvotech's board of directors because of her experience in executive positions with several pharmaceutical companies and expertise in financial planning, new product launches and creating and executing international strategies to increase market share.

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. We believe Mr. Hardarson is qualified to serve on Alvotech's board of directors because of his extensive expertise in financial and legal matters and his past experience in top executive positions.

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. We believe Ms. Graver is qualified to serve on Alvotech's board of directors because of her extensive expertise in intellectual property and the pharmaceutical industry.

Linda McGoldrick, Director, has served as one of Alvotech's directors since June 2022 and as the Chairman of the Audit Committee. In 1985, Ms. 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, Ms. McGoldrick served as interim CEO at Zillion between June 2019 and December 2019. Over her professional career, Ms. 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, Ms. McGoldrick was appointed by the Governor of Massachusetts to serve on the state's Health Information Technology Commission. Ms. 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, Ms. McGoldrick was named as one of the Top 100 Corporate Directors of Fortune 100 Companies by the Financial Times. Ms. McGoldrick holds a Master's Degree in Healthcare from the University of Pennsylvania and an MBA from Wharton. We believe Ms. McGoldrick is qualified to serve on Alvotech's board of directors because of her extensive expertise in financial matters and the healthcare and life sciences industry.

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 general 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 charters for the Board of Directors are accessible on Alvotech's website at <https://investors.alvotech.com/corporate-governance/documents-charters>

Approved by the board on: 1 March 2023

Alvotech Non-Financial Disclosures 2023

Non-financial disclosure**Business model**

Alvotech was founded in 2013 to develop and manufacture biosimilars which have the potential to improve the life and health of millions of patients globally. The goal is to become the leading global biosimilar company in the production and sales of cost-effective medicines while increasing availability for all patients.

Alvotech's headquarters are located at the University of Iceland's Science Park in Reykjavik, Iceland and the company also operates out of several buildings in the Reykjavik metro area. Alvotech has affiliates in the U.S., Germany, India and Switzerland.

Due diligence process regarding non-financial disclosures**Rules governing Alvotech's quality assurance and certification processes**

Alvotech operates according to the standard of Good Manufacturing Practice (GMP) as other companies which manufacture medicines for patients. To be able to demonstrate that these practices are being followed, Alvotech has implemented a quality assurance system for all manufacturing, monitoring, and distribution processes. The quality assurance system is based on thousands of documents of varying types. Many are standard operating procedures for the product manufacturing process or for quality control processes, equipment and instrument validation, environmental systems and buildings, proper document control and so on. All documents which are part of the quality control system form the basis of the quality of the medicines being produced. Furthermore, all pharma companies which adopt GMP must be able to accept regular audits by the local Health Authority which regulate the pharmaceutical industry and international Health Authority regulators from the countries where these medicines will be commercially distributed.

Alvotech's quality control system has been certified, first in 2018 when a permission was granted to produce medicines for clinical trials (clinical manufacturing) and in September 2020 when Alvotech received permission to produce marketed products (commercial manufacturing). Alvotech has also been audited by other pharmaceutical companies and partners in relations to Alvotech's global marketing biosimilars agreements and is inspected on a regular basis by medical authorities of the regions and countries where Alvotech's biosimilars are either already marketed or where applications for marketing authorization have been submitted.

Alvotech's largest divisions operate according to an ISO 9001 certified quality control system which also applies to several non-financial issues, such as environmental controls. The British Standards Institution (BSI) validates annually that these protocols are being followed.

The company's compliance officer ensures that the business Code of Conduct is being followed and implements annual training for employees in these matters. The Environmental, Health and Safety committee ensures Alvotech is following Icelandic statute nr. 46/1980. The executive management team and board of directors are responsible for ensuring that the company's operations follow all respective rules and regulations. Additionally, this team ensures that internal procedures and Code of Conduct are followed.

Alvotech has conducted a survey of its performance in implementing these policies, including environmental, social and governance factors, with reference to the provisions of paragraph 66.d. of the Icelandic Financial Statement Act No. 3/2006. This survey highlighted information on how the company performs according to various applicable international standards and guidelines. The report provides a wholistic overview of Alvotech's operations from this viewpoint, which management can then use to guide further work on implementing improvements to reduce risk exposure or prevent adverse impact on the environment.

Operations

Biosimilars are manufactured using living cells. Alvotech develops its medicines in mammalian cells which have been specialized to produce a specific protein. The protein becomes the active ingredient in a biosimilar that is designed to match the effectiveness and safety of a particular reference biologic. Biologic medicines have proven especially effective in many therapeutic areas, such as oncology or immunology. Alvotech's portfolio consists of seven biosimilar candidates and one approved biosimilar.

Biosimilars must pass rigorous clinical trials to demonstrate that they are equally effective as the reference biologic. Alvotech works with experienced collaborators to implement these clinical studies.

On average in 2022, Alvotech hf. employed 858 people, the majority with a master's degree or doctorate.

Environment

We are committed to understanding and mitigating our impact on the natural environment. From our home-base and manufacturing hub in Reykjavik, Iceland, we can leverage the country's abundant renewable natural resources, including clean water and renewable hydro- and geothermal energy that power a dedicated grid and supplies local industry and homes. This allows us to balance the growth of our operations and prosperity of our stakeholders, with the overarching objective of sustainability.

As a global company, we believe that our impact on the environment correlates strongly with our long-term success and value as an enterprise. We are committed to minimizing the impact we have on natural resources and climate change and recognize that this commitment starts with understanding our contribution through our energy use and CO2 emissions and continues with our dedication to mitigate the energy intensity and emissions intensity of our operations.

We focus on protecting the environment from any adverse impact from our operations. We reach these goals by reducing waste, using energy more efficiently, increasing reuse, recycling as much waste as possible and reducing the use of all raw materials and consumables. We also handle genetically modified cells, biological and chemical waste safely, to reduce the risk of contamination or environmental damage.

It has been demonstrated that monoclonal antibody production in single-use technology reduces overall environmental impact when compared to more traditional durable process technology. However, single-use technology does create a material waste stream from single-use plastics, which is not present in traditional stainless-steel processes. We recognize that the industry must play an active role in moving from a linear plastic system into a circular economy for plastics. To accomplish this, Alvotech must not only improve internal processes, but cooperate with and demand more from our vendors in the future. A key part of maturing our sustainability program will be focused on understanding and mitigating the impact of single-use plastics on the natural environment.

Alvotech has appointed an environment committee with volunteers from its staff. The committee works closely with the company’s safety committee. Each committee focuses on improving processes that have an impact on the environment or employee safety. From an environmental perspective, particular emphasis is on sorting waste and reducing the use of raw materials while increasing awareness of how our operation and processes impact these metrics.

Staff is also encouraged to commute to work by bike, walking or on public transport. To further incentivize this behavior, Alvotech offers transportation grants and facilities for those that walk or bike to work.

Scope 1, 2 and 3 emissions

We can measure Scope 1 and Scope 2 emissions for our facilities in Iceland, including the main manufacturing facility, based on invoices or direct metering. For facilities outside of Iceland we rely on indirect measures, based on headcount, facility size and regional emission factors, to estimate this. We have also begun to track some Scope 3 emissions related to activity under our own control, such as business travel, but are not able at this point to quantify all the emissions that fall under Scope 3, and this remains a work in progress.

Key environmental performance indicators

<u>GHG Emissions and Emissions Intensity</u>	<u>Unit</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Scope 1 & 2 emissions	tCO2eq.	218	219	235
Scope 1, 2 & 3 emissions	tCO2eq.	479	513	957
Scope 1 emissions	tCO2eq.	16	12	19
Scope 1 emissions from fuel use	tCO2eq.	2	12	12
Scope 1 emissions from refrigerants	tCO2eq.	14	0	6
Scope 2 emissions	tCO2eq.	202	206	217
Scope 2 emissions from electricity use	tCO2eq.	177	181	192
Scope 2 emissions from thermal energy use	tCO2eq.	25	25	25
Scope 3 emissions	tCO2eq.	261	294	721
Scope 3 emissions from flights	tCO2eq.	192	207	573
Scope 3 emissions from waste	tCO2eq.	69	85	145
Scope 3 emissions from fuel and energy use	tCO2eq.	0.5	3.2	3.2
Scope 1 & 2 emissions intensity per employee	tCO2eq./emp.	0.4	0.3	0.3
Scope 1, 2 & 3 emissions intensity per employee	tCO2eq./emp.	0.9	0.8	1.1

Nasdaq: E1,E2| GRI: 305-1,305-2,305-3,305-4

<u>Energy Usage, Energy Intensity and Energy Mix</u>	<u>Unit</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total use of energy	MWh	8,438	8,190	11,326
Total use of electricity	MWh	4,663	4,776	5,758
Total use of thermal energy (heat)	MWh	3,768	3,369	5,386
Total use of fuel	MWh	7	45	46
Total use of energy per employee	MWh	16	13	13
Percentage of total energy from renewables	%	94%	93%	94%

Nasdaq: E3,E4,E5| GRI: 302-1,302-2,302-3

<u>Water Usage</u>	<u>Unit</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total water usage	m3	48,294	40,119	60,630

Nasdaq: E6| GRI: 303-5

<u>Environmental Operations</u>	<u>Unit</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Environmental policy in place	Yes/No	Yes	Yes	Yes
Total amount of non-hazardous waste	tons	97	116	190
Total amount of hazardous waste	tons	42	52	92

Nasdaq: E7| GRI: 103-2

Social environment

One of the most valuable assets for any company is undoubtedly the experience and knowledge obtained by its employees. Alvotech therefore focuses on employee satisfaction and a strong sense of company culture. Alvotech is committed to ensuring the health, safety and well-being of its staff and guests of the company.

Health and wellbeing

A strong emphasis on training is part of Alvotech's focus on the staff's health and well-being. We collect and disseminate monthly key indicators about our performance in this area. These include statistics on incidents, accidents, near-accidents, potentially dangerous situations, and risk assessments. We also monitor our impact on the environment and potentially our behaviors by collecting statistics about waste, effluents, water, and energy consumption.

By implementing a reporting system for accidents, near accidents and potentially dangerous events, Alvotech implements risk prevention measures and creates a safety culture among employees. Employees also receive information about the origin of these reports, by department. This creates a sense of duty by employees to show that their department is contributing to the safety culture.

We have performed a detailed risk assessment for each role at Alvotech, which includes a definition of the main sources of risks in regular tasks and preventive measures.

Because of the large number of foreign employees that have migrated to Iceland to work at Alvotech, the company also offers special assistance to ex-pats. This includes offering housing in apartments leased by the company, to help employees better adapt to the new environment and integrate into society.

Other initiatives to improve the workplace environment include support for training and continuing education, a system for shift workers which enhances work-life balance, paid visits to psychiatrist and an online service, which offers counseling for work- and family related matters free of charge. Alvotech regularly offers instructional seminars about health and well-being, which have been very popular with employees. Staff is also offered semi-annual subsidies for sports activities, including health-club memberships or grants to cover the cost of sports-equipment.

Equality

Alvotech's gender equality policy was approved and presented to employees in January 2021, with an associated action plan. The goal of this policy is to guarantee that all employees face the same opportunities regardless of gender, age, religion, nationality, race, disability, sexual orientation, or political views and to avoid any discrimination or harassment based on these or other issues unrelated to the quality of work. The policy is implemented to ensure that all employees are evaluated based on their own merit and that they can reach their potential based on skill and ability. The policy should also eliminate ingrained gender bias from the workplace. Furthermore, the policy should lead to more equal ratios of the genders for employees holding each type of position or within departments. Alvotech's equality policy also states that an equality report should be issued each year and made available no later than April based on data for the previous year.

Equal pay certification

In 2020 Alvotech started preparing for an equal pay certification audit which was conducted in January 2021, by ICert (a domestic accredited certification body which carries out audits and certification of management systems). In February 2021 Alvotech was awarded an equal pay certification and subsequently given permission to use the equal pay insignia by the Icelandic Equal Rights Administration and the Ministry of Welfare. In addition to employees in Iceland, we also implement the same policy globally in all our affiliates.

Job satisfaction and well-being

In November 2021 Alvotech started performing periodic comprehensive surveys of employees with respect to job satisfaction and how employees view the company, measuring for example indicators of stress, undue work pressures or employee harassment. The results of employee surveys have been used to identify areas for improvement and implement policies to address issues highlighted by the survey results.

Anti-harassment policy

Alvotech enforces a strict policy with respect to bullying and harassment in the workplace. The policy states that any type of bullying, harassment or improper behavior is not condoned and defines a clear policy for dealing with such incidents. Employees responsible for responding to such incidents have been assigned and trained to accept complaints or conduct interviews with the parties involved. All managers are also trained in responding to such incidents.

Alvotech offers free consulting services from the occupational health service Vinnuvernd, where employees can meet with a specialist, discuss their experience, and get confidential advice on next steps. The purpose of this policy is to ensure that all reports about bullying, or harassment incidents are dealt with properly and promptly.

Human rights and child labor policies

We are working on implementing human rights and child labor policies which will apply to Alvotech and our vendors.

Key social performance indicators

<u>Social</u>	<u>Unit</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Ratio of pay of men to women	%		120%	117%
Women in management (ratio to total headcount)	%	27%	31%	31%
Women in the company excluding management (ratio to total headcount)	%	53%	49%	58%
Ratio of temporary workers to total headcount	%	7%	5%	4%
Existence of a sexual harassment and/or non-discrimination policy?	Y/N	Yes	Yes	Yes
Frequency of injury events relative to total workforce (TIR)	TIR	0.63	0.24	0.87
Existence of an occupational health and/or global health & safety policy?	Y/N	Yes	Yes	Yes
Does your company follow a child and/or forced labor policy?	Y/N	No	No	No
If yes, does the policy cover suppliers and vendors?	Y/N			
Does your company follow a human rights policy?	Y/N	No	No	No
If yes, does the policy cover suppliers and vendors?	Y/N			
Survey of employees regarding job satisfaction	0-10	7.0	7.2	7.0
Survey of employees regarding job commitment	0-10	8.7	8.6	8.6
Participation rate in job satisfaction and commitment survey	%	50%	78%	89%
Number of new hires		171	306	345
New hires as percentage of total workforce of the company	%	29%	42%	35%
Number of data privacy breaches		0	0	0

Nasdaq: S2,S3,S4,S5,S6,S7,S8,S9, S10|GRI: 405-1, 406,102-8,103-2,401-1,401-1b,403-9,405-1,405-2,418-1

Governance

Human rights and business ethics

Alvotech conducts its business in a responsible and ethical fashion. Any type of corruption, bribery or violation of human rights is not condoned. To prevent such conduct from taking place the company has implemented a *Code of Conduct* which applies to the company’s entire business, including relationships with suppliers, partners, and contractors. The core principle is that Alvotech and its employees always act ethically and honestly in any given circumstance. The Code of Conduct addresses the companies Ethics and Anti-Corruption Policy as well as Whistleblower Policy. The Code of Conduct and a formal certification by the employee of compliance to the code is a part of on-boarding and training.

Data protection policy

Alvotech has implemented a data protection policy based on the EU General Data Protection Regulation which has also been transposed into Icelandic law, which applies to all employees, associates, contractors, participants in clinical studies and users of the company’s products. Alvotech follows all standards and laws regarding personal privacy and data protection, including specific rules and regulations applying to clinical studies as well as any other applicable rules which apply to our business.

Key governance performance indicators

<u>Corporate Governance</u>	<u>Unit</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Percentage of total headcount covered by collective bargaining agreement	%	77%	76%	75%
Does your company follow an Ethics and/or Anti-Corruption policy?	Y/N	Yes	Yes	Yes
If yes, what percentage of your workforce has certified its compliance?	%		84%	86%
Does your company follow a Data Privacy policy?	Y/N	Yes	Yes	Yes
Has your company taken steps to comply with GDPR rules?	Y/N	Yes	Yes	Yes
Are your sustainability disclosures assured or validated by a third party?	Y/N	No	No	No
Does your company have a Whistleblower Policy in place?	Y/N	Yes	Yes	Yes
If yes, what percentage of your workforce has certified its compliance?	%		84%	86%

Nasdaq: G4,G6,G7,G8|GRI: 102-16,102-41,102-56,103-2,418