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 August 2024

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

INFORMATION CONTAINED IN THIS REPORT ON FORM 6-K

Incorporation by Reference

Certain exhibits to this Report on Form 6-K (this "Report") of Alvotech (the "Company"), including Exhibits 99.1 and 99.2, attached hereto, shall be deemed to be incorporated by reference into the Company's registration statements on Forms F-3 (File Nos. 333-266136 and 333-273262) and the Company's registration statement on Form S-8 (File No. 333-266881) and to be a part thereof from the date on which this Report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

Exhibit 99.3 to this Report 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.

Business Update Conference Call

The Company will conduct a business update conference call and live webcast on Friday, August 16, 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, where you will also be able to find a replay of the webcast, following the call for 90 days.]

Cautionary note on forward-looking statements

This Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "expect," "plan," "anticipate," "estimate," "intend" and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) are intended to identify forward-looking statements. These forward-looking statements are based on the Company's expectations and assumptions as of the date of this Report. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those expressed or implied by these forward-looking statements. For a discussion of risk factors that may cause the Company's actual results to differ from those expressed or implied in the forward-looking statements in this Report, you should refer to the Company's filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" sections contained therein. Except as required by law, the Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should, therefore, not rely on these forward-looking statements as representing the Company's views as of any date subsequent to the date of this Report.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Unaudited Condensed Consolidated Interim Financial Statements as of 30 June 2024 and for the six months ended June 30, 2024, and June 30, 2023.
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations.
99.3	Earnings Release for the six months ended June 30, 2024.

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.

ALVOTECH

Date: August 15, 2024

By: /s/ Tanya Zharov

Name: Tanya Zharov

Title: General Counsel

Alvotech

Unaudited Condensed Consolidated Interim Financial Statements as
of 30 June 2024 and 31 December 2023 and
for the six months ended 30 June 2024 and 2023

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Endorsement of the Board of Directors and the CEO

Unless otherwise indicated or the context otherwise requires, all references to “Alvotech,” the “Company,” the “Group,” “we,” “our,” “us” or similar terms refer to Alvotech and its consolidated subsidiaries.

Alvotech is a highly integrated biotech company focused solely on the development and manufacture of biosimilar medicines for patients worldwide. Our purpose is to improve the health and quality of life of patients around the world by improving access to proven treatments for various diseases. Since our inception, we have built our company with key characteristics we believe will help us capture the substantial global market opportunity in biosimilars: a leadership team that has brought numerous successful biologics and biosimilars to market around the world; a purpose-built biosimilars R&D and manufacturing platform; top commercial partnerships in global markets; and a diverse, expanding pipeline addressing many of the biggest disease areas and health challenges globally. Alvotech is a company committed to constant innovation: we focus our platform, people and partnerships on finding new ways to drive access to more affordable biologic medicines. Alvotech, which was founded in 2013, is led by specialists in biopharmaceutical product creation from around the world that bring extensive combined knowledge and expertise to its mission.

Alvotech currently has two marketed biosimilars and nine biosimilar candidates in its product pipeline, targeting chronic disease with unmet need. Our biosimilars and product candidates reference originator biologics used to treat autoimmune disorders, eye disorders, osteoporosis, respiratory disease, and cancer.

The Unaudited Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2024 comprise the financial statements of Alvotech and its subsidiaries. The Unaudited Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34 'Interim financial reporting' and should be read in conjunction with the Group’s Consolidated Financial Statements as at and for the year ended 31 December 2023.

These Unaudited Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2024 have not been audited by an external auditor.

Financial results for the six months ended 30 June 2024.

As of 30 June 2024, the Company had $10.9 million in cash and cash equivalents, excluding restricted cash. In addition, the Company had borrowings of $1,055.9 million, including $999.0 million of current portion of borrowings, as of 30 June 2024.

Product revenue: Product revenue was $65.9 million for the six months ended 30 June 2024, compared to $22.7 million for the same six months of 2023. Revenue for the six months ended 30 June 2024, consisted of product revenue from sales of AVT02 in select European countries and Canada, launch of AVT02 in the U.S., launch of AVT04 in Canada and Japan and pre-launch sales for select European markets.

License and other revenue: License and other revenue was $169.7 million for the six months ended 30 June 2024, compared to ($2.5) million for the same six months of 2023. The license and other revenue increase of $172.1 million was primarily attributable to the recognition of a $6.6 million research and development milestone due to the approval of AVT04 in Europe, $16.8 million relative to research and development milestone due to the commencement of a clinical phase for the AVT16 program, $39.2 million due to the Confirmatory Efficacy and Safety (CES) completion of AVT03, and $56.8 million to the CES completion of AVT05. This also included $5.4 million relative to product launch of AVT04 in Japan and $5.9 million relative to achievement of sales target of AVT02, $18.8 million relative to product launch of AVT02 in the U.S., and a net milestone revenue of $19.6 million for the execution of commercial contracts during the six months ended 30 June 2024.

Cost of product revenue: Cost of product revenue was $65.2 million for the six months ended 30 June 2024, compared to $67.9 million for the same six months of 2023, as a result of sales in the period, including the launch of AVT04 in Canada, Japan and pre-launch in select European countries tempered by lower production-related charges and lower costs associated with FDA inspection readiness. Cost of product revenue for the

period is disproportionate relative to product revenue due to the timing of new launches and elevated production-related charges, resulting in higher costs than revenues recognized for the period. The Company expects this relationship to continue normalizing with increased production from the scaling and expansion of new or recent launches. The Company estimates that the anticipated increase in sales volumes will result in a greater absorption of fixed manufacturing costs.

Research and development expenses: Research and development expenses were $97.5 million for the six months ended 30 June 2024, compared to $99.6 million for the same six months of 2023. The slight 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 six months of 2023 and the decrease of $2.4 million primarily related to programs which have completed clinical phase (i.e., AVT02 and AVT04 programs), partially offset by a $17.3 million increase in direct program expenses mainly from four biosimilar candidates, AVT03, AVT05, AVT06 and AVT16 that are in clinical phase.

General and administrative expenses: General and administrative expenses were $29.6 million for the six months ended 30 June 2024, compared to $41.9 million for the same six months of 2023. The decrease in G&A expenses was primarily attributable to $5.8 million in lower third-party services, lower insurance premiums and less headcount, coupled with a $4.2 million decrease in expenses for share-based payments.

Net Loss: Net loss was $153.5 million, or $(0.61) per share on a basic and diluted basis, for the six months ended 30 June 2024 as compared to net loss of $86.6 million, or $(0.39) on a basic and diluted basis, for the same six months of 2023.

Pipeline highlights

On 15 February 2024, the Company announced it has reached settlement agreements with Johnson & Johnson in Japan, Canada and in the EEA for AVT04, a biosimilar to Stelara (ustekinumab). Regulatory approval for AVT04 in these markets has already been granted. The FDA approved AVT04 for the U.S. in April 2024 enabling a commercialization starting on or after 21 February 2025. Alvotech's commercialization partner in Canada, Jamp Pharma, launched AVT04 in Canada on March 1, 2024. Launch of AVT04 in Japan started in May 2024, after the upcoming round of National Health Insurance reimbursement price listings. Entry to the first European markets is expected as soon as possible after the expiration date of the European Supplementary Protection Certificate (SPC) for Stelara, which is in late July 2024.

On 23 February 2024, the Company announced that the FDA has approved SIMLANDI (adalimumab) injection, the AVT02 interchangeable biosimilar to Humira, for the treatment of adult rheumatoid arthritis, juvenile idiopathic arthritis, adult psoriatic arthritis, adult ankylosing spondylitis, Crohn’s disease, adult ulcerative colitis, adult plaque psoriasis, adult hidradenitis suppurativa and adult uveitis. In 2023, Humira was one of the highest-grossing pharmaceutical products in the world, with sales in the U.S. of nearly $12.2 billion. 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 whereby Alvotech will manufacture AVT02, its high-concentration interchangeable biosimilar to Humira for Quallent Pharmaceuticals, in alignment with its U.S. commercialization agreement with Teva. The interchangeable biosimilar will be distributed under Quallent's private label.

On 16 April 2024, the Company announced the FDA approval of SELARSDI, its AVT04 biosimilar to Stelara, which is expected to be marketed in the U.S. on or after 21 February 2025, following a settlement agreement with Johnson & Johnson, the manufacturer of Stelara.

On 24 April 2024, the Company announced positive topline results from a confirmatory clinical study for AVT05, a proposed biosimilar for Simponi and Simponi Aria.

On 21 May 2024, the Company announced its collaboration with Dr. Reddy's Laboratories SA, for the commercialization of AVT03, a biosimilar candidate to Prolia and Xgeva 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.

On 11 June 2024, the Company extended its partnership with Stada to cover AVT03, its clinical-stage biosimilar candidate for Prolio and Xgeva. Stada 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 parallel with the commercial agreement for AVT03, the two partners have agreed to extend Stada’s commercial rights to AVT02 and AVT04, the biosimilars to Humira and Stelara, respectively,

to Commonwealth of Independent States (CIS) countries in Central Asia. Alvotech will also regain commercial rights from Stada to AVT06, a proposed biosimilar to Eylea.

On 18 June 2024, the Company entered into an exclusive partnership agreement with Advanz Pharma regarding the supply and commercialization of AVT06, its proposed biosimilar to Eylea in Europe, except for Germany and France where the rights are semi-exclusive.

Corporate highlights

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 30 June 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.

On 12 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.

On 12 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.

During the first quarter 2024, Senior Bond Warrant holders elected to exercise their warrants. As a result, 1,501,599 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.

During the first quarter 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.

On 7 June 2024, the Company entered into a $965 million Facility, enabling the Company to improve cost capital, address upcoming debt maturities in 2025 and add incremental cash to the balance sheet. The Facility matures in June 2029 and was funded in July 2024. Upon the closing of the Facility, the Company was required to settle its existing debt obligations.

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. Based on the current exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $221.1 million of aggregate value of these bonds with accrued interests. The holders of the 2022 Convertible Bonds that did not exercise their right to conversion obtained repayment from the Group in July 2024 upon settlement of the Facility.

Future developments and uncertainties

As mentioned above, 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. Based on the current exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $221.1 million of aggregate value of these bonds with accrued interest. The holders of the 2022 Convertible Bonds that did not exercise their right to conversion obtained repayment from the Group in July 2024 upon settlement of the Facility.

On 11 July 2024, the Company announced the closing of the $965 million Facility in two tranches. The closing has allowed Alvotech to refinance outstanding debt obligations, reduce the cost of capital and improve its overall debt maturity profile. The Facility financing, for $965 million in aggregate principal amount, matures in June 2029. The first tranche is a first lien $900 million term loan which bears an interest rate of SOFR plus 6.5% per annum. The second tranche is a $65 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.

- For the foreseeable future, Alvotech's Board of Directors will maintain a capital structure that supports Alvotech's strategic objectives through managing the budgeting process, maintaining strong investor relations and managing financial risks. Consequently, management and the Board of Directors believe that Alvotech will have sufficient funds, and access to sufficient funds, to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. However, although management continues to pursue these plans, there is no assurance that Alvotech will be successful in obtaining sufficient funding on terms acceptable to Alvotech management to fund continuing operations, if at all. Alvotech's future capital requirements will depend on many factors, including the following:
- the progress, results, and costs of preclinical studies for any programs that Alvotech may develop;
- the costs, timing, and outcome of regulatory review of program candidates;
- Alvotech's ability to establish and maintain collaborations, licensing, and other agreements with commercial partners on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under the agreements that Alvotech has entered into or may enter into with third parties or related parties;
- the extent to which Alvotech is obligated to reimburse clinical trial costs under collaboration agreements, if any;
- the costs of preparing, filing and prosecuting patent applications and maintaining, defending and enforcing Alvotech's intellectual property rights;
- the extent to which Alvotech acquires or invests in businesses, products, technologies, or other joint ventures;
- the costs of performing commercial-scale manufacturing in-house and, if needed, securing manufacturing arrangements for commercial production of its program candidates; and
- the costs of establishing or contracting for sales and marketing capabilities if Alvotech obtains regulatory approvals to market program candidates.

Statement by the Board of directors and the CEO

According to the Board of Directors' and CEO's best knowledge, the Unaudited Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34 'Interim financial reporting' and give a true and fair view of the consolidated financial performance of the Group for the six-month period ended 30 June 2024, its assets, liabilities and consolidated financial position as at 30 June 2024 and its consolidated cash flows for the six-month period ended 30 June 2024. Furthermore, in our opinion the Unaudited Condensed Consolidated Interim Financial Statements and the endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Group's operations and its position and describe the principal risks and uncertainties faced by the Group.

The Board of Directors and CEO of Alvotech. hereby endorse the Unaudited Condensed Consolidated Interim Financial Statements of Alvotech for the six-month period ended 30 June 2024 with their signatures.

Done in Luxembourg on 15 August 2024,
For the Board of Directors and CEO:

Robert Wessman
Title: Director and authorized signatory

Unaudited Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income or Loss for the six months ended 30 June 2024 and 2023

USD in thousands, except for per share amounts	Notes	Six months ended 30 June 2024	Six months ended 30 June 2023
Product revenue	5	65,912	22,715
License and other revenue	5	169,678	(2,460)
Other income		57	45
Cost of product revenue		(65,167)	(67,909)
Research and development expenses		(97,479)	(99,582)
General and administrative expenses		(29,554)	(41,910)
Operating profit / (loss)		43,447	(189,101)
Share of net loss of joint venture	20	—	(2,706)
Loss on sale of investment in joint venture	20	(2,970)	—
Finance income	6	80,823	122,480
Finance costs	6	(277,414)	(64,300)
Exchange rate differences		7,742	(3,081)
Non-operating (loss) / profit		(191,819)	52,393
Loss before taxes		(148,372)	(136,708)
Income tax (expense) / benefit	7	(5,132)	49,854
Loss for the period		(153,504)	(86,854)
Other comprehensive income / (loss)			
Item that will be reclassified to profit or loss in subsequent periods:			
Exchange rate differences on translation of foreign operations		121	(1,523)
Total comprehensive loss		(153,383)	(88,377)
Loss per share			
Basic and diluted loss for the period per share	8	(0.61)	(0.39)

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements.

USD in thousands

Non-current assets	**Notes**	**30 June 2024**	**31 December 2023**
Property, plant and equipment	9	239,535	236,779
Right-of-use assets	10	138,110	119,802
Goodwill		11,692	12,058
Other intangible assets	11	19,901	19,076
Contract assets	5	33,457	10,856
Investment in joint venture	20	—	18,494
Other long-term assets		8,952	2,244
Restricted cash	12	25,000	26,132
Deferred tax assets	7	306,638	309,807
Total non-current assets		783,285	755,248
Current assets			
Inventories	13	96,574	74,433
Trade receivables		93,521	41,292
Contract assets	5	39,771	35,193
Other current assets	14	44,337	31,871
Receivables from related parties	18	46	896
Cash and cash equivalents	12	10,944	11,157
Total current assets		285,193	194,842
Total assets		1,068,478	950,090

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements.

USD in thousands

Equity	Notes	30 June 2024	31 December 2023
Share capital	15	2,602	2,279
Share premium	15	1,716,605	1,229,690
Other reserves		35,627	42,911
Translation reserve		(1,407)	(1,528)
Accumulated deficit		(2,359,349)	(2,205,845)
Total equity		(605,922)	(932,493)
Non-current liabilities			
Borrowings	16	56,877	922,134
Derivative financial liabilities	21	201,670	520,553
Lease liabilities	10	121,873	105,632
Contract liabilities	5	90,120	73,261
Deferred tax liability	7	1,394	53
Total non-current liabilities		471,934	1,621,633
Current liabilities			
Trade and other payables		58,566	80,563
Lease liabilities	10	10,644	9,683
Current maturities of borrowings	16	999,036	38,025
Derivative financial liabilities	21	39,714	—
Liabilities to related parties	18	26,528	9,851
Contract liabilities	5	4,484	59,183
Taxes payable		1,031	925
Other current liabilities	19	62,463	62,720
Total current liabilities		1,202,466	260,950
Total liabilities		1,674,400	1,882,583
Total equity and liabilities		1,068,478	950,090

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements.

USD in thousands

Cash flows from operating activities	**Notes**	**Six months ended 30 June 2024**	**Six months ended 30 June 2023**
Loss for the period		(153,504)	(86,854)
Adjustments for non-cash items:			
Depreciation and amortization	9	14,748	10,934
Change in allowance for receivables		—	18,500
Change in inventory reserves	13	(6,936)	—
Loss on disposal of property, plant and equipment		—	323
Loss on sale of investment in joint venture		2,970	—
Share of net loss of joint venture		—	2,706
Finance income	6	(80,823)	(122,480)
Finance costs	6	277,414	64,300
Share-based payments	17	5,294	11,911
Exchange rate difference		(7,742)	3,081
Income tax expense / (benefit)		5,132	(49,854)
Operating cash flow before movement in working capital		56,553	(147,433)
Increase in inventories	13	(15,205)	(7,896)
(Increase) / decrease in trade receivables		(52,229)	16,665
Increase / (decrease) in liabilities with related parties	18	16,769	(102)
(Increase) / decrease in contract assets	5	(27,179)	1,215
Decrease in other assets		369	3,711
Decrease in trade and other payables		(21,758)	(6,182)
(Decrease) / increase in contract liabilities	5	(35,881)	37,679
(Decrease) / increase in other liabilities		(6,056)	4,395
Cash used in operations		(84,617)	(97,948)
Interest received		26	25
Interest paid		(41,037)	(29,427)
Income tax paid		(372)	(652)
Net cash used in operating activities		(126,000)	(128,002)
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(10,271)	(22,594)
Disposal of property, plant and equipment		—	133
Acquisition of intangible assets	11	(1,430)	(2,764)
Restricted cash in connection with amended bond agreement	12	1,132	—
Net cash used in investing activities		(10,569)	(25,225)
Cash flows from financing activities			
Repayments of borrowings	16	(75,059)	(84,507)
Repayments of principal portion of lease liabilities	10	(4,815)	(3,700)
Proceeds from new borrowings	16	67,500	93,561
Gross proceeds from equity offering	15	150,451	136,877
Fees from equity offering	3	(5,812)	(4,141)
Proceeds from warrants	21	4,841	6,365
Options exercised		76	—
Net cash generated from financing activities		137,182	144,455
Increase / (decrease) in cash and cash equivalents		613	(8,772)
Cash and cash equivalents at the beginning of the year	12	11,157	66,427
Effect of movements in exchange rates on cash held		(826)	2,811
Cash and cash equivalents at the end of the period	12	10,944	60,466

Supplemental cash flow disclosures (Note 22)

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim 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	—	—	—	—	(86,854)	(86,854)
Foreign currency translation differences	—	—	—	(1,523)	—	(1,523)
Total comprehensive loss	—	—	—	(1,523)	(86,854)	(88,377)
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	7,582	—	—	—	7,588
Recognition of share-based payments	—	—	10,909	—	—	10,909
Settlement of RSUs with shares	0	249	(333)	—	—	(84)
Settlement of SARs with shares	(10)	(9,526)	(4,231)	—	—	(13,767)
Recognition of equity component of convertible bonds	—	—	1,381	—	—	1,381
At 30 June 2023	2,271	1,224,814	38,308	(2,965)	(1,740,968)	(478,540)
At 1 January 2024	2,279	1,229,690	42,911	(1,528)	(2,205,845)	(932,493)
Loss for the period	—	—	—	—	(153,504)	(153,504)
Foreign currency translation differences	—	—	—	121	—	121
Total comprehensive loss	—	—	—	121	(153,504)	(153,383)
Capital contribution	92	144,547	—	—	—	144,639
Vested earn-out shares	198	310,703	—	—	—	310,901
Penny warrants exercised	15	17,695	—	—	—	17,710
Public warrants exercised	4	6,691	—	—	—	6,695
Recognition of share-based payments	—	—	4,450	—	—	4,450
Options recognised	—	—	96	—	—	96
Settlement of RSUs with shares	14	7,174	(11,801)	—	—	(4,613)
Settlement of options with shares	—	105	(29)	—	—	76
At 30 June 2024	2,602	1,716,605	35,627	(1,407)	(2,359,349)	(605,922)

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim 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 15 August 2024.

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.

1.2 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 36.2% and 32.2% ownership interest as of 30 June 2024, respectively. The remaining 31.6% ownership interest is held by various entities, with no single shareholder holding more than 2.4% ownership interest as of 30 June 2024.

1.3 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 also incurred recurring losses since its inception, including net losses of $153.5 million and $86.9 million for the six months ended 30 June 2024 and 2023, respectively, and had an accumulated deficit of $2,359.3 million as of 30 June 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 30 June 2024, the Group had cash and cash equivalents, excluding restricted cash, of $10.9 million and current assets less current liabilities of ($917.3) 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 30 June 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.

During the first quarter 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.

On 17 April 2024, the Company signed an agreement with Quallent Pharmaceuticals whereby Alvotech will manufacture AVT02, its high-concentration interchangeable biosimilar to Humira, for Quallent Pharmaceuticals, in alignment with its U.S. commercialization agreement with Teva. The interchangeable biosimilar will be distributed under Quallent's private label.

On 21 May 2024, the Company announced its collaboration with Dr. Reddy's Laboratories SA, for the commercialization of AVT03, a biosimilar candidate to Prolia and Xgeva 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.

On 7 June 2024, the Company entered into a senior secured first lien term loan facility of $965 million in two tranches, led by GoldenTree Asset Management (the "Facility"), with participation from other institutional investors, enabling the Company to improve cost capital, address upcoming debt maturities in 2025 and add incremental cash to the balance sheet. The Facility matures in June 2029 and was funded in July 2024.

On 11 June 2024, the Company extended its partnership with Stada to cover AVT03, its clinical-stage biosimilar candidate for Prolio and Xgeva. Stada 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 parallel with the commercial agreement for AVT03, the two partners have agreed to extend Stada's commercial rights to AVT02 and AVT04, the biosimilars to Humira and Stelara, to Commonwealth of Independent States (CIS) countries in Central Asia. Alvotech will also regain commercial rights from Stada to AVT06, a proposed biosimilar to Eylea.

On 18 June 2024, the Company entered into an exclusive partnership agreement with Advanz Pharma regarding the supply and commercialization of AVT06, its proposed biosimilar to Eylea in Europe, except for Germany and France where the rights are semi-exclusive.

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. Based on the current exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $221.1 million of aggregate value of these bonds with accrued interest. The holders of the 2022 Convertible Bonds that did not exercised their right to conversion obtained repayment from the Group in July 2024 upon settlement of the Facility.

Based on the cash on hand, funding received, 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 unaudited consolidated interim financial statements are issued. As such, the consolidated financial statements have been prepared on a going concern basis. Management continues to pursue the funding plans as described above, however there is no assurance that the Group will be successful in obtaining sufficient funding on terms acceptable to the Group to fund continuing operations, if at all. If financing is obtained, the terms of such financing may adversely affect the holdings or the rights of the Group's shareholders. The ability to obtain funding, therefore, is outside of management's control and is a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

2. Basis of preparation

The unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 30 June 2024 have been prepared in accordance and in accordance and in compliance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board (IASB). Certain information and disclosures normally included in the annual consolidated financial statements prepared in accordance with IFRS Accounting Standards ("IFRS") have been condensed or omitted. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Group's audited annual consolidated financial statements for the year ended 31 December 2023, and accompanying notes, which have been prepared in accordance with IFRS as issued by the IASB and as adopted by the European Union (the "EU").

The accounting policies and basis of preparation adopted in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements issued for the year ended 31 December 2023, except for the adoption of new and amended accounting standards effective as of 1 January 2024 set out below. The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective. The unaudited condensed consolidated interim financial statements are presented in U.S. dollars and all values are rounded to the nearest thousand unless otherwise indicated.

In the opinion of the Group's management, these unaudited condensed consolidated interim financial statements contain all normal recurring adjustments necessary to present fairly the financial position and results of operations of the Group for each of the periods presented. The condensed consolidated statement of financial position as of 31 December 2023 was derived from the consolidated financial statements at that date.

In preparing these unaudited condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group´s consolidated financial statements issued for the year ended 31 December 2023.

3. Significant changes in the current reporting period

The financial position and performance of the Group was impacted by the following events and transactions during the six months ended 30 June 2024:

On 15 February 2024, the Company announced it has reached settlement agreements with Johnson & Johnson in Japan, Canada and in the EEA for AVT04, a biosimilar to Stelara (ustekinumab). Regulatory approval for AVT04 in these markets has already been granted. The FDA approved AVT04 for the U.S. in April 2024 enabling a commercialization starting on or after 21 February 2025. Alvotech's commercialization partner in Canada, Jamp Pharma, launched AVT04 in Canada on March 1, 2024. Launch of AVT04 in Japan started in May 2024, after the upcoming round of National Health Insurance reimbursement price listings. Entry to the first European markets is expected as soon as possible after the expiration date of the European Supplementary Protection Certificate (SPC) for Stelara, which is in late July 2024.

On 23 February 2024, the Company announced that the FDA has approved SIMLANDI (adalimumab) injection, the AVT02 interchangeable biosimilar to Humira, for the treatment of adult rheumatoid arthritis, juvenile idiopathic arthritis, adult psoriatic arthritis, adult ankylosing spondylitis, Crohn’s disease, adult ulcerative colitis, adult plaque psoriasis, adult hidradenitis suppurativa and adult uveitis. In 2023, Humira was one of the highest-grossing pharmaceutical products in the world, with sales in the U.S. of nearly $12.2 billion. Teva is Alvotech’s strategic partner for the exclusive commercialization of SIMLANDI in the United States.

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 30 June 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.

On 12 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.

On 12 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.

During the first quarter 2024, Senior Bond Warrant holders elected to exercise their warrants. As a result, 1,501,599 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.

During the first quarter 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.

In April 2024, the Company signed an agreement with Quallent Pharmaceuticals whereby Alvotech will manufacture AVT02, its high-concentration interchangeable biosimilar to Humira for Quallent Pharmaceuticals, in alignment with its U.S. commercialization agreement with Teva. The interchangeable biosimilar will be distributed under Quallent's private label.

On 16 April 2024, the Company announced the FDA approval of SELARSDI, its AVT04 biosimilar to Stelara, which is expected to be marketed in the U.S. on or after 21 February 2025, following a settlement agreement with Johnson & Johnson, the manufacturer of Stelara.

On 24 April 2024, the Company announced positive topline results from a confirmatory clinical study for AVT05, a proposed biosimilar for Simponi and Simponi Aria.

On 21 May 2024, the Company announced its collaboration with Dr. Reddy's Laboratories SA, for the commercialization of AVT03, a biosimilar candidate to Prolia and Xgeva 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.

On 7 June 2024, the Company entered into a $965 million Facility, enabling the Company to improve cost capital, address upcoming debt maturities in 2025 and add incremental cash to the balance sheet. The Facility matures in June 2029 and was funded in July 2024. Upon the closing of the Facility, the Company was required to settle its existing debt obligations.

On 11 June 2024, the Company extended its partnership with Stada to cover AVT03, its clinical-stage biosimilar candidate for Prolio and Xgeva. Stada 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 parallel with the commercial agreement for AVT03, the two partners have agreed to extend Stada's commercial rights to AVT02 and AVT04, the biosimilars to Humira and Stelara, respectively, to Commonwealth of Independent States (CIS) countries in Central Asia. Alvotech will also regain commercial rights from Stada to AVT06, a proposed biosimilar to Eylea.

On 18 June 2024, the Company entered into an exclusive partnership agreement with Advanz Pharma regarding the supply and commercialization of AVT06, its proposed biosimilar to Eylea in Europe, except for Germany and France where the rights are semi-exclusive.

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. Based on the current exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $221.1 million of aggregate value of these bonds with accrued interests. The holders of the 2022 Convertible Bonds that did not exercise their right to conversion obtained repayment from the Group in July 2024 upon settlement of the Facility.

4. New accounting standards

New Standards and Interpretations, which became effective as of 1 January 2024, did not have a material impact on our unaudited condensed consolidated interim financial statements.

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 six months ended 30 June 2024 and 2023:

	30 June	
	2024	2023
Product revenue (point in time revenue recognition)	65,912	22,715
License revenue (point in time revenue recognition)	68,058	7,635
Performance revenue (point in time revenue recognition)	30,735	—
Development and other service revenue (over time revenue recognition)	70,885	(10,095)
	235,590	20,255

Reassessment of variable consideration

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of change. The Group updates variable consideration 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 six months ended 30 June 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
1 January 2024	46,049	132,444
Contract asset additions	90,926	—
Amounts transferred to trade receivables	(63,588)	—
Customer prepayments	—	43,031
Revenue recognized	—	(78,752)
Foreign currency adjustment	(159)	(2,119)
30 June 2024	73,228	94,604

The net increase in contract assets as of 30 June 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 30 June 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 30 June 2024, $33.5 million and $39.8 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 30 June 2024, $90.1 million and $4.5 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 6 years as either services are rendered or contractual milestones are achieved, depending on the performance obligation to which the payment relates.

Contract assets and contract liabilities as of 30 June 2023 were $27.4 million and $116.4 million, respectively. The Group recognised $(2.5) million of revenue during the six months ended 30 June 2023.

6. Finance income and finance costs

Finance income earned for the six months ended 30 June 2024 and 2023 are as follows:

	30 June	
	2024	2023
Changes in the fair value of derivatives (see Note 21)	79,116	119,528
Interest income from cash and cash equivalents	1,683	2,927
Other interest income	24	25
	80,823	122,480

Finance costs incurred for the six months ended 30 June 2024 and 2023 are as follows:

	30 June	
	2024	2023
Changes in the fair value of derivatives (see Note 21)	(130,412)	(5,906)
Interest on debt and borrowings	(79,834)	(56,631)
Loss on remeasurement of bonds (see Note 21)	(63,127)	—
Interest on lease liabilities (see Note 10)	(3,279)	(1,362)
Amortization of deferred debt issue costs	(762)	(401)
	(277,414)	(64,300)

7. Income tax

The Group's effective tax rate for the six months ended 30 June 2024 and 30 June 2023 was (3.5)% and 36.5%, representing a tax charge and a tax benefit, respectively. The effective tax rate for both periods is influenced by IFRS fair value adjustments which are not tax effected, losses and non-deductible interest incurred in Luxembourg for which no deferred tax asset is recognized and other permanent differences. A tax benefit for both periods arises from operational losses in Iceland which, as of 30 June 2024, is offset by a tax charge arising from the decrease of the U.S. dollar value of tax loss carry-forwards denominated in Icelandic krona. As of 30 June 2023, a further tax benefit arose from the strengthening of the Icelandic krona against the U.S. dollar which increased the U.S. dollar value of tax loss carry-forwards denominated in Icelandic krona.

8. Loss per share

The calculation of basic and diluted loss per share for the six months ended 30 June 2024 and 2023 is as follows (in thousands, except for share and per share amounts):

	30 June	
	2024	2023
Earnings		
Loss for the period	(153,504)	(86,854)
Number of shares		
Weighted average number of ordinary shares outstanding	252,218,456	225,523,805
Basic and diluted loss per share	(0.61)	(0.39)

9. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with a cost of $11.3 million, primarily consisting of facility equipment. The Group recognized $8.3 million and $6.8 million of depreciation expense for the six months ended 30 June 2024 and 2023, respectively.

During the six months ended 30 June 2024 and 2023, the Group recognized no impairments of property, plant and equipment.

The Group pledged $124.5 million and $119.4 million of property, plant and equipment as collateral to secure bank loans with third parties as of 30 June 2024 and 31 December 2023, respectively.

10. 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 six months ended 30 June 2024 are as follows:

	2024
Right-of-use assets	
Balance at 1 January	119,802
Adjustments for indexed leases	4,590
New leases	20,647
Cancelled leases	(32)
Depreciation	(6,245)
Translation difference	(652)
Balance at 30 June	138,110

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 six months ended 30 June 2024 are as follows:

	2024
Lease liabilities	
Balance at 1 January	115,315
Adjustments for indexed leases	4,606
New leases	20,647
Cancelled leases	(31)
Installment payments	(4,908)
Foreign currency adjustment	(2,577)
Translation difference	(535)
Balance at 30 June	132,517
Current liabilities	(10,644)
Non-current liabilities	121,873

The amounts recognized in the unaudited condensed consolidated interim statements of profit or loss and other comprehensive income or loss during the six months ended 30 June 2024 and 2023 in relation to the Group's lease arrangements are as follows:

	30 June	
	2024	2023
Total depreciation expense from right-of-use assets	6,245	3,742
Interest expense on lease liabilities	3,279	1,362
Foreign currency difference on lease liability	(2,577)	(1,338)
Loss from extinguishment of lease agreement	1	8
Total amount recognized in profit and loss	6,948	3,774

The maturity analysis of undiscounted lease payments as of 30 June 2024 is as follows:

	2024
Less than one year	15,615
One to five years	55,429
Thereafter	97,304
	168,348

11. Other Intangible assets

During the six months ended 30 June 2024, the Group acquired $1.1 million of intangible assets. The Group recognized $0.2 million and $0.4 million of amortization expense for the six months ended 30 June 2024 and 2023, respectively.

12. Cash and cash equivalents

Cash and cash equivalents

Cash and cash equivalents include both cash in banks and on hand. Cash and cash equivalents as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Cash and cash equivalents denominated in US dollars	818	1,466
Cash and cash equivalents denominated in other currencies	10,126	9,691
	10,944	11,157

Restricted cash

Restricted cash relates to cash that may only be used pursuant to certain of the Group's borrowing arrangements. Therefore, these deposits are not available for general use by the Group. Movements in restricted cash balances during the periods ended 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Balance at 1 January	26,132	25,187
Withdrawals during the period	(1,132)	—
Interest income	—	945
	25,000	26,132

The Group's restricted cash is available for use after one year or later.

13. Inventories

The Group's inventory balances as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Raw materials and supplies	42,366	51,524
Work in progress	57,616	33,068
Finished goods	59	244
Inventory reserves	(3,467)	(10,403)
Total Balance	96,574	74,433

The Group recognised $32.0 million and $16.5 million of cost of inventory within cost of goods sold during the six months ended 30 June 2024 and 2023, respectively.

14. Other current assets

The composition of other current assets as of 30 June 2024 and 31 December 2023 is as follows:

	30 June 2024	31 December 2023
Value-added tax	8,050	8,801
Prepaid expenses	22,162	22,035
Proceeds receivable from sale of joint venture (Note 20)	12,000	—
Other short-term receivables	2,125	1,035
	44,337	31,871

15. Share capital

Movements in the Group's Ordinary shares, share capital and share premium during the six months ended 30 June 2024 are as follows (in thousands, except for share amounts):

	Ordinary Shares	Share capital	Share premium	Total
Balance at 1 January 2024	266,821,844	2,279	1,229,690	1,231,969
Capital contribution (Note 3)	9,213,333	92	144,547	144,639
Vested earn-out shares	—	198	310,703	310,901
Penny warrants (Note 21)	1,501,599	15	17,695	17,710
Public warrants (Note 21)	419,660	4	6,691	6,695
Settlement of RSUs with shares (Note 17)	1,442,455	14	7,174	7,188
Settlement of options with shares	9,127	—	105	105
Balance at 30 June 2024	279,408,018	2,602	1,716,605	1,719,207

No dividends were paid or declared during the six months ended 30 June 2024 and 2023.

16. Borrowings

The Group's debt consists of interest-bearing borrowings from financial institutions, related parties 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 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Senior Bonds	550,429	549,411
2022 Convertible Bonds	236,677	155,914
Aztiq Convertible Bond	95,437	80,663
Alvogen Facility	83,329	76,556
Other borrowings	90,041	97,615
Total outstanding borrowings, net of debt issue costs	1,055,913	960,159
Less: current portion of borrowings	(999,036)	(38,025)
Total non-current borrowings	56,877	922,134

The weighted-average interest rates of outstanding borrowings for the six months ended 30 June 2024 and the twelve months ended 31 December 2023 are 12.80% and 12.73%, respectively.

Movements in the Group's outstanding borrowings during the six months ended 30 June 2024 are as follows:

	2024
Borrowings, net at 1 January	960,159
Accretion/derecognition of borrowings discount	13,127
Loss on remeasurement of bonds	63,127
Proceeds from new borrowings	67,500
Repayments of borrowings	(75,059)
Accrued interest	28,646
Amortization of deferred debt issue costs	762
Foreign currency exchange difference	(2,349)
Borrowings, net at 30 June	1,055,913

Contractual maturities of principal amounts on the Group's outstanding borrowings as of 30 June 2024 are as follows:

	30 June 2024
Within one year	999,036
Within two years	5,523
Within three years	5,736
Within four years	5,970
Thereafter	39,648
	1,055,913

The movements in the Group's outstanding borrowings during the six months ended 30 June 2024 and the maturity of principal amounts as of 30 June 2024 included above are based on the following considerations:

- the communication on 7 June 2024, that the Company entered into a $965 million Facility in two tranches, enabling the Company to improve cost capital, address upcoming debt maturities in 2025 and add

incremental cash to the balance sheet. The Facility matures in June 2029 and was funded in July 2024. Upon the closing of the facility, the Company was required to settle its existing debt obligations;

- The settlement of the existing debt obligations resulted in a change in cash flow of these obligations and the acceleration of previously deferred debt issue costs and debt discounts resulting in $63.1 million loss on remeasurement for the six months ended 30 June 2024; and

- the announcement on 26 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. The holders of the 2022 Convertible Bonds that did not exercised their right to conversion obtained repayment from the Group in July 2024 upon settlement of the Facility.

17. Share-based payments

On 1 December 2022, the Renumeration 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 subsequent monthly vesting, resulting from participants completing a service condition. Movements in RSUs during the six months ended 30 June 2024 are as follows:

	2024	
	RSUs	Weighted Average Fair Value
Outstanding at 1 January	3,745,781	$7.04
New grants during the period	299,910	$11.02
Forfeited during the period	(519,953)	$7.85
Vested during the period	(815,940)	$7.00
Outstanding at 30 June	2,709,798	$7.33

The Group recognized $5.3 million and $11.9 million of share-based payment expense during the six months ended 30 June 2024 and 2023, respectively, as follows:

	30 June	
	2024	2023
Cost of product revenue	508	1,769
Research and development expenses	1,443	2,625
General and administrative expenses	3,343	7,517
	5,294	11,911

18. Related parties

Related party transactions as of and for the six months ended 30 June 2024 are as follows:

	Purchased service / interest	Sold service	Receivables	Payables/ borrowings
Alvogen Lux Holdings S.à r.l. – Sister company (a)	6,773	—	—	98,330
ATP Holdings ehf. - Sister company (a)	4,637	—	—	25,921
Aztiq Fjárfestingar ehf. – Sister company	—	32	—	—
Aztiq Consulting ehf. – Sister company	113	—	—	56
Flóki-Art ehf. - Sister company	52	—	—	465
Alvogen Iceland ehf. - Sister company	25	—	—	509
Alvogen ehf. - Sister company	—	55	17	—
Alvogen UK - Sister company	110	—	—	111
Alvogen Finance B.V. - Sister Company	195	—	—	97
Lotus Pharmaceuticals Co. Ltd. - Sister company (b)	—	—	26	7,440
Alvogen Inc. - Sister company	213	—	—	497
Adalvo Limited - Sister company	138	155	3	28
L41 ehf. - Sister company	52	—	—	14
Flóki Invest ehf - Sister company	419	—	—	327
Alvogen Spain SL - Sister company	—	—	—	15
Norwich Clinical Services Ltd - Sister company	369	—	—	243
Fasteignafélagið Eyjólfur ehf - Sister company	4,127	—	—	90,791
Flóki fasteignir ehf. - Sister company	1,157	—	—	10,776
	18,380	242	46	235,620

(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 (see Note 16).

(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.

Related party transactions for the six months ended 30 June 2023 and as of 31 December 2023 are as follows:

	30 June 2023		31 December 2023	
	Purchased service / interest	Sold service	Receivables	Payables/ borrowings
Alvogen Lux Holdings S.à r.l. – Sister company (a)	5,683	—	—	76,556
ATP Holdings ehf. - Sister company (a)	3,138	—	—	49,560
Aztiq Fjárfestingar ehf. - Sister company	—	5	—	—
Aztiq Consulting ehf. - Sister company	100	55	—	54
Flóki-Art ehf. - Sister company	50	—	—	422
Alvogen Iceland ehf. - Sister company	24	—	—	484
Alvogen ehf. - Sister company	—	73	16	—
Alvogen UK - Sister company	31	—	—	581
Alvogen Finance B.V. - Sister company	194	—	—	65
Lotus Pharmaceuticals Co. Ltd. - Sister company (b)	—	—	29	7,440
Lotus International Pte. Ltd. - Sister company	—	2	—	—
Alvogen Emerging Markets - Sister company	102	—	—	—
Alvogen Inc. - Sister company	159	—	—	284
Alvotech and CCHT Biopharmaceutical Co., Ltd. (c)	—	—	758	539
Adalvo Limited - Sister company	30	103	86	337
Adalvo UK - Sister company	—	49	—	—
Flóki Invest ehf. - Sister company	319	—	—	251
Alvogen Malta Sh. Services - Sister company	—	—	7	—
Alvogen Spain SL - Sister Company	—	—	—	15
Norwich Clinical Services Ltd - Sister company	257	—	—	170
Fasteignafélagið Eyjólfur ehf - Sister company	1,636	—		69,732
Flóki fasteignir ehf. - Sister company	947	—	—	11,466
	12,670	287	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 16).

(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.

19. Other current liabilities

The composition of other current liabilities as of 30 June 2024 and 31 December 2023 is as follows:

	30 June 2024	31 December 2023
Unpaid salary and salary related expenses	24,199	31,340
Accrued interest	3,040	3,333
Accrued vacation leave	5,717	6,075
Employee incentive plan	—	659
Accrued expenses	29,507	21,313
	62,463	62,720

20. 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.

In June 2024, Alvotech hf. sold its share in the joint venture for a gross proceeds of $18.0 million (less of $1.3 million in transaction costs). The sale resulted in a net loss of $3.0 million recognized during the six months ended 30 June 2024. The total gross proceeds of $18.0 million is included among other assets, thereof $6.0 million are classified as long-term.

The following table provides the change in the Group’s investment in a joint venture during the six months ended 30 June 2024 and 2023:

	2024	2023
Balance at 1 January	18,494	48,568
Share in losses	—	(2,706)
Sale of shares in joint venture	(18,494)	—
Translation difference	—	(2,249)
Balance at 30 June	—	43,613

21. Financial instruments

Accounting classification and carrying amounts

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 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. The fair values as of 30 June 2024 are based on the following considerations:

- the communication on 7 June 2024, that the Company entered into a $965 million Facility in two tranches, enabling the Company to improve cost capital, address upcoming debt maturities in 2025 and add incremental cash to the balance sheet. The Facility matures in June 2029 and was funded in July 2024. Upon the closing of the Facility, the Company was required to settle its existing debt obligations;

- The settlement of the existing debt obligations resulted in a change in cash flow of these obligations and the acceleration of previously deferred debt issue costs and debt discounts resulting in $63.1 million loss on remeasurement for the six months ended 30 June 2024 (see Note 6); and

- the announcement on 26 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. The holders of the 2022 Convertible Bonds that did not exercised their right to conversion obtained repayment from the Group in July 2024 upon settlement of the Facility.

Material differences between the fair values and carrying amounts of these borrowings are identified as follows:

	30 June 2024	
	Carrying Amount	Fair Value
Senior Bonds	550,429	553,674
Aztiq Convertible Bond	95,437	97,719
2022 Convertible Bonds	236,677	240,449
Alvogen Facility	83,329	83,411
	965,872	975,253

	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 30 June 2024 and 31 December 2023:

	30 June 2024			
	Level 1	Level 2	Level 3	Total
Senior Bond Warrants	2,640	—	—	2,640
Tranche A Conversion Feature	—	—	39,714	39,714
Predecessor Earn Out Shares	—	169,300	—	169,300
OACB Warrants	29,731	—	—	29,731
	32,370	169,300	39,714	241,384

	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 following table provides a reconciliation of Level 3 financial instruments:

	Tranche A Conversion Feature
1 January 2024	118,830
Issuance	—
Revaluation	(79,116)
Transfer to Level 1	—
Extinguishment	—
30 June 2024	39,714

The Group did not recognize any transfer of assets or liabilities between levels of the fair value hierarchy during the six months ended 30 June 2024.

Senior Bond Warrants

As noted in Note 3, during the first quarter 2024, Senior Bond Warrant holders elected to exercise their warrants. As a result, 1,501,599 Ordinary Shares were issued in exchange for the exercising of the penny warrants. The Company received an immaterial amount of cash and will recognize 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 fair value of the Senior Bond Warrants was derived from the publicly quoted trading price of the Ordinary Shares at the valuation date. As of 30 June 2024, the Company had 217,246 warrants with an exercise price of $0.01, representing the 1.5% tranche of Senior Bond Warrants. The Senior Bond Warrants had a fair value of $

$2.6 million as of 30 June 2024. The change in fair value resulted in $0.6 million of finance cost for the six months ended 30 June 2024.

Tranche A Conversion Feature

The conversion feature had a fair value of $39.7 million as of 30 June 2024, classified as current a financial liability due to the conversion of the Tranche A of the 2022 Convertible Bonds on 1 July. The change in fair resulted in $79.1 million of finance income for the six months ended 30 June 2024.

The fair value of the Tranche A Conversion Feature was determined using a lattice model 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 Tranche A Conversion Feature:

	30 June 2024	31 December 2023
Stock price	$12.16	$11.48
Conversion price	$10.00	$10.00
Volatility rate*	-	57.5 %
Risk-free interest rate*	-	4.2 %
Dividend yield	0.0 %	0.0 %
Risky yield	17.8 %	16.3 %

**Not used for the 30 June 2024 valuation based on the fact that all the Tranche A 2022 Convertible Bonds were converted on 1 July 2024.*

Predecessor Earn Out Shares

As noted in Note 3, on 12 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 $169.3 million as of 30 June 2024, resulting in $120.5 million of finance costs for the six months ended 30 June 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:

	30 June 2024	31 December 2023
Number of shares	19,165,000	38,330,000
Share price	$12.16	$11.48
Volatility rate	55.0 %	55.0 %
Risk-free rate	4.53 %	3.97 %

OACB Earn Out Shares

On 12 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.

OACB Warrants

During the six months ended 30 June 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 $29.7 million as of 30 June 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 $5.7 million of finance costs for the six months ended 30 June 2024.

22. Supplemental cash flow information

Supplement cash flow information for the six months ended 30 June 2024 and 2023 is included below.

	30 June	
Non-cash investing and financing activities	2024	2023
Acquisition of property, plant and equipment in trade payables and other current liabilities	3,292	1,082
Acquisition of intangibles in trade payables and other current liabilities	615	4,201
Right-of-use assets obtained through new operating leases	20,647	53,920
Sale of joint venture	17,950	—
Settlement of RSUs with shares	4,613	84
Settlement of SARs with shares	—	13,768

23. Subsequent events

The Group evaluated subsequent events through 15 August 2024, the date that the unaudited condensed consolidated interim financial statements were available to be issued.

As detailed in Note 3, 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. Based on the current exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $221.1 million of aggregate value of these bonds with accrued interest. The holders of the 2022 Convertible Bonds that did not exercised their right to conversion obtained repayment from the Group in July 2024 upon settlement of the Facility.

On 2 July 2024, the Company announced positive topline results from a confirmatory patient study for AVT03, a proposed biosimilar to Prolia (denosumab) and Xgeva (denosumab). The Company expects to file marketing applications for AVT03 later this year for major global markets.

On 11 July 2024, the Company announced the closing of its previously executed Facility. The closing has allowed Alvotech to refinance outstanding debt obligations, reduce the cost of capital and improve its overall debt maturity profile. The Facility, for $965 million in aggregate principal amount, matures in June 2029. The first tranche is a first lien $900 million term loan which bears an interest rate of SOFR plus 6.5% per annum.

The second tranche is a $65 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.

On 22 July 2024, the Company announced the launch with STADA of Uzpruvo, the first approved AVT04 biosimilar to Stelara in Europe, across select European countries. This includes the largest markets in the region, where pricing and reimbursement approvals have been secured for market entry. The pioneering launch comes immediately upon expiry of exclusivity rights linked to the European reference molecule patent, offering patients, physicians and payers expanded access at the earliest possible opportunity to a life-altering medicine used in certain indications within gastroenterology, dermatology and rheumatology. Launches in further European countries are scheduled over the coming months, following national price approvals, via a fully European supply chain.

Management's Discussion and Analysis

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated interim financial statements and related notes and other financial information that are included elsewhere in this filing, as well as our consolidated financial statements for the year ended 31 December 2023 and other financial information included in the Company's annual report on the Form 20-F filed on 20 March 2024.

The following discussion is based on Alvotech's financial information prepared in accordance with the International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. Some of the information contained in this discussion and analysis, including information with respect to Alvotech's plans and strategy for its business and related financing, includes forward-looking statements that involve risks and uncertainties. Alvotech's actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Unless otherwise indicated or the context otherwise requires, all references to "Alvotech," the "Company," the "Group," "we," "our," "us" or similar terms refer to Alvotech and its consolidated subsidiaries.

All amounts discussed are in U.S. dollars, unless otherwise indicated.

Company Overview

Alvotech is a highly integrated biopharmaceutical company committed to developing and manufacturing high quality biosimilar medicines for patients globally. Our purpose is to improve the health and quality of life of patients around the world by improving access to proven treatments for various diseases. Since our inception, we have built our company with key characteristics we believe will help us capture the substantial global market opportunity in biosimilars: a leadership team that has brought numerous successful biologics and biosimilars to market around the world; a purpose-built biosimilars R&D and manufacturing platform; top commercial partnerships in global markets; and a diverse, expanding pipeline addressing many of the biggest disease areas and health challenges globally. Alvotech is a company committed to constant innovation: we focus our platform, people and partnerships on finding new ways to drive access to more affordable biologic medicines. Alvotech, which was founded in 2013, is led by specialists in biopharmaceutical product creation from around the world that bring extensive combined knowledge and expertise to its mission.

Alvotech currently has two approved biosimilars for major markets and an additional nine product candidates in its pipeline for serious diseases with unmet patient and market need. Product candidates in our pipeline address reference products treating autoimmune, eye, and bone disorders, as well as cancer, with combined estimated peak global sales of originator products of more than $130 billion.

- In 2022, Alvotech's commercial partners launched AVT02 in Canada and Europe and, in 2023, in Australia. On 23 February 2024, Alvotech announced the receipt of FDA approval for marketing AVT02 in the U.S. Alvotech's commercial partners, Teva Pharmaceuticals and Quallent Pharmaceuticals, launched AVT02 in the U.S. during the first half of 2024.
- In the fourth quarter of 2023, Alvotech's commercialization partners Fuji Pharma and JAMP Pharma received approval for AVT04, a biosimilar to Stelara (ustekinumab) in Japan and Canada. In January 2024, Alvotech's commercialization partner STADA received approval for AVT04 in the EEA. Alvotech received approval from the FDA for SELARSDI, AVT04 biosimilar to Stelara, in April 2024. The Company has launched AVT04 in Canada through its partner Jamp, in Japan through its partner Fuji Pharma, in select European markets starting in July and in the U.S. starting in February of 2025.
- Alvotech is in late stage clinical studies for four biosimilar candidates. These are AVT03, a biosimilar candidate to Prolia / Xgeva (denosumab), AVT05, a biosimilar candidate to Simponi and Simponi Aria (golimumab), AVT06, a biosimilar candidate to Eylea (aflibercept), and AVT23, a biosimilar candidate to Xolair (omalizumab). Alvotech anticipated to file marketing approval for AVT03, AVT05, and AVT06 by the end of 2024.

- In May 2024, Alvotech entered into an agreement with Dr. Reddy's Laboratories SA, for the commercialization of AVT03, a biosimilar candidate to Prolia and Xgeva 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.
- On 11 June 2024, Alvotech extended its partnership with Stada to cover AVT03, its clinical-stage biosimilar candidate for Prolio / Xgeva (denosumab). Stada 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 parallel with the commercial agreement for AVT03, the two partners have agreed to extend Stada's commercial rights to AVT02 and AVT04, biosimilars to Humira and Stelara, to Commonwealth of Independent States (CIS) countries in Central Asia. Alvotech will also regain commercial rights from Stada to AVT06, a proposed biosimilar to Eylea.
- On 18 June 2024, the Company entered into an exclusive partnership agreement with Advanz Pharma regarding the supply and commercialization of AVT06, its proposed biosimilar to Eylea, in Europe, except for Germany and France where the rights are semi-exclusive.
- Alvotech also has a number of other programs in earlier phases of development that it plans to advance over the coming years. The combined anticipated peak sales for the reference products for these biosimilar candidates in pre-clinical development is over $105 billion. The two most advanced of these are AVT16, a proposed biosimilar to Entyvio (vedolizumab), and AVT33, a proposed biosimilar to Keytruda (pembrolizumab).
- On 7 June 2024, the Company entered into a senior secured first lien term loan facility of $965 million in two tranches (the "Facility"), led by GoldenTree Asset Management, with participation from other institutional investors, enabling the Company to improve cost capital, address upcoming debt maturities in 2025 and add incremental cash to the balance sheet. The facility matures in June 2029 and was funded in July 2024. Upon the closing of the facility in July 2024, the Company was required to settle its existing debt obligations.
- 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. Based on the current exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $221.1 million of aggregate value of these bonds with accrued interest. The holders of the 2022 Convertible Bonds that did not exercised their right to conversion obtained repayment from the Group in July 2024 upon settlement of the Facility.

Alvotech's net loss for the six months ended 30 June 2024 and 2023 was $153.5 million and $86.9 million, respectively. Alvotech's Adjusted EBITDA was $63.5 million and $(146.5) million, for the six months ended 30 June 2024 and 2023, respectively. Alvotech expects to continue to incur a certain level of expenses for the immediate future, as it advances its products through preclinical and clinical development and seeks regulatory approvals, manufactures drug product and drug supply, maintains and expands its intellectual property portfolio, hires additional personnel, and pays for accounting, audit, legal, regulatory and consulting services and costs associated with maintaining compliance with exchange listing rules and the requirements of the SEC, director and officer liability insurance premiums, investor and public relations activities and other expenses associated with operating as a public company.

Factors Affecting Alvotech's Performance

The pharmaceutical industry is highly competitive and highly regulated. As a result, Alvotech faces a number of industry-specific factors and challenges, which can significantly impact its results. For a more detailed

explanation of Alvotech's business and risks, see the "Risk Factors" section of Alvotech's Annual Report on Form 20-F filed on 20 March 2024. These factors include:

Competition

The regions in which Alvotech conducts business and the pharmaceutical industry in general is highly competitive. Alvotech faces significant competition from a wide range of companies in a highly regulated industry, including competition from both biosimilar developers and manufacturers as well as competition from branded pharmaceutical developers and manufacturers.

Research and development uncertainty

Research and development within the pharmaceutical industry has a high degree of uncertainty, and likewise there is uncertainty with respect to the probability of success of Alvotech's biosimilar programs and the timing of the requisite preclinical and clinical steps to achieve regulatory approval of its biosimilar product candidates.

Reliance on commercial partners

Alvotech has partnered with several third parties to commercialize its biosimilar product candidates, once approved by the appropriate regulatory agencies. Alvotech does not currently have the capabilities or the necessary infrastructure to commercialize its products independently.

Impact of Geopolitics and Global Economic Conditions

The Group is subject to additional risks and uncertainties arising from changes to the macroeconomic environment and geopolitical events, including inflation, political instability in particular foreign economies and markets, such as the instability caused by geopolitical conflicts including the war in Ukraine and hostilities in the Middle East, or public health issues or pandemics, such as the COVID-19 pandemic. Global financial markets have experienced volatility and disruption due to macroeconomic and geopolitical events such as rising inflation, the risk of a recession and ongoing conflicts in other countries. In addition, if equity and credit markets deteriorate, including as a result of past and potential future bank failures, it may make any future debt or equity financing more difficult to obtain on favorable terms, and potentially more dilutive to its existing stockholders. The Group cannot predict at this time to what extent it and its collaborators, employees, suppliers, contract manufacturers and/or vendors could potentially be negatively impacted by these events.

The Company believes that inflation will have a general impact on the business in line with overall price increases, increases in the cost of borrowing, and operating in an inflationary economy. We cannot predict the timing, strength, or duration of any inflationary period or economic slowdown or its ultimate impact on the Company. If the conditions in the general economy significantly deviate from present levels and continue to deteriorate it could have a material adverse effect on the Group's business, financial condition, results of operations and growth prospects.

Components of Operations

Product Revenue

During the six months ended 30 June 2024, the Company recognized revenue from product sales resulting from the launch of Alvotech's AVT02 product in the U.S. and sales in select European markets, Canada and Australia, and the launch of AVT04 product in Canada, Japan, and pre-launch sales in a majority of European countries. The Company expects to continue to recognize product revenue as products are successfully launched into the marketplace.

License and Other Revenue

Alvotech generates a significant portion of its revenue from upfront and milestone payments pursuant to long-term out-license contracts which provide its partners with an exclusive right to market and sell Alvotech's biosimilar product candidates in a particular territory once such products are approved for commercialization. These contracts typically include commitments to continue development of the underlying compound and to provide supply of the product to the partner upon commercialization.

In the future, revenue may include new out-license contracts and additional milestone payments. Alvotech expects that any revenue it generates will fluctuate from period to period as a result of the timing and amount of license, research and development services, and milestone and other payments.

Operating Expenses

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.

Research and development expenses

Research and development expenses consist primarily of costs incurred in connection with Alvotech's research, development and pre-commercial manufacturing activities prior to commercialization of our products. These costs include:

- personnel expenses, including salaries, benefits and other compensation expenses;
- costs of funding the execution of studies performed both internally and externally;
- costs of purchasing laboratory supplies and non-capital equipment used in designing, developing and manufacturing preclinical study and clinical trial materials;
- expenses related to quality control and other advancement development;
- consultant fees;
- expenses related to regulatory activities, including filing fees paid to regulatory agencies;
- facility costs including rent, depreciation and maintenance expenses;
- fees for maintaining licenses under third party licensing agreements;
- expenses incurred in preparation for commercial launch, such as designing and developing commercial-scale manufacturing capabilities and processes, quality control processes, production asset valuation and other related activities; and
- costs related to amortization, depreciation and impairment losses related to software and property, plant and equipment used in research and development activities.

Expenditures related to research and development activities are generally recognized as an expense in the period in which they are incurred. Alvotech did not capitalize any research and development expenses as internally developed intangible assets during the six months ended 30 June 2024 and 2023 as not all the criteria in paragraph 57 of IAS 38 have been met.

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. Alvotech plans to substantially increase research and development expenses in the near term, as it continues to advance the development of its biosimilar product candidates.

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 duration, costs and timing of clinical trials of Alvotech's products in development and any other product candidates will depend on a variety of factors that include, but are not limited to, the following:

- the number of trials required for approval;
- the per patient trial costs;
- the number of patients who participate in the trials;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the dose that patients receive;
- the drop-out or discontinuation rates of patients;
- the potential additional safety monitoring or other studies requested by regulatory agencies;
- the duration of patient follow-up;
- the timing and receipt of regulatory approvals; and
- the efficacy and safety profile of the product candidates.

In addition, the probability of success of Alvotech's products in development and any other product candidate will depend on numerous factors, including competition, manufacturing capability and commercial viability. As a result of the uncertainties discussed above, the estimated duration and completion costs of any clinical trial that Alvotech conducts is subject to change. Alvotech is also unable to determine with certainty when and to what extent it will generate revenue from the commercialization and sale of products in development or other product candidates, if at all.

General and administrative expenses

General and administrative expenses primarily consist of personnel-related expenses, including salaries, bonuses and other related compensation expenses, and external consulting service costs for corporate and other administrative and operational functions including finance, human resources, information technology and legal, as well as facility-related costs not otherwise included in research and development expenses. These costs relate to the operation of the business and are not related to research and development initiatives. General and administrative costs are expensed as incurred.

Alvotech expects general and administrative expenses to continue to increase as Alvotech increases its headcount and incurs external costs associated with operating as a public company, including expenses related to legal, accounting, tax, consulting services and regulatory matters, maintaining compliance with requirements of exchange listings and of the SEC, director and officer liability insurance premiums and investor relations activities and other expenses associated with operating as a public company. Though expected to increase, Alvotech expects these expenses to decrease as a percentage of revenue in the long-term, as revenue increases.

Share of net loss / profit of joint venture

Alvotech holds a 50% ownership interest in the Joint Venture. Alvotech accounts for its ownership interest in the Joint Venture using the equity method of accounting. Under the equity method of accounting, investments in joint ventures are initially recognized at cost and the carrying amount is subsequently adjusted for Alvotech's share of the profit or loss of the Joint Venture, as well as any distributions received from the Joint Venture. Alvotech'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 Alvotech will include its share of other comprehensive income or loss of the Joint Venture. The carrying amount of equity-accounted investments is assessed for impairment and impairment losses will be recognized as impairment loss on investment in joint venture in the statements of profit or loss and other comprehensive income or loss 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. In June 2024, Alvotech sold its share in the joint venture for a gross proceeds of $18.0 million as further detailed below.

Finance income and finance costs

Finance income consists of changes in the fair value of derivative financial liabilities and interest income. Alvotech recognizes interest income from a financial asset when it is probable that the economic benefits will flow to Alvotech, and the amount of income can be measured reliably.

Finance costs consist of interest expenses related to lease liabilities and borrowings, changes in the fair value of derivative financial liabilities, accretion of Alvotech's borrowings and amortization of deferred financing fees.

Exchange rate differences

The Group uses the US 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.

Income tax (expense) / benefit

Income tax (expense) benefit consists of current tax and deferred tax (expense) benefit recorded in the consolidated statement of profit or loss and other comprehensive income or loss.

A. Operating Results

Comparison of the six months ended 30 June 2024 and 2023

The following table sets forth Alvotech's results of operations for the six months ended June 30,:

USD in thousands	2024	2023
Product revenue	65,912	22,715
License and other revenue	169,678	(2,460)
Other income	57	45
Cost of product revenue	(65,167)	(67,909)
Research and development expenses	(97,479)	(99,582)
General and administrative expenses	(29,554)	(41,910)
Operating profit / (loss)	43,447	(189,101)
Share of net loss of joint venture	—	(2,706)
Loss on sale of investment in joint venture	(2,970)	—
Finance income	80,823	122,480
Finance costs	(277,414)	(64,300)
Exchange rate differences	7,742	(3,081)
Non-operating (loss) / profit	(191,819)	52,393
Loss before taxes	(148,372)	(136,708)
Income tax (expense) / benefit	(5,132)	49,854
Loss for the period	(153,504)	(86,854)

Product revenue

USD in thousands	Six Months Ended 30 June		*Change* 2023 to 2024	
	2024	2023	$	%
Product revenue	65,912	22,715	43,197	190

Product revenue was $65.9 million for the six months ended 30 June 2024, compared to $22.7 million for the same six months of 2023. Revenue for the six months ended 30 June 2024, consisted of product revenue from sales of AVT02 in select European countries and Canada, launch of AVT02 in the U.S., launch of AVT04 in Canada and Japan and pre-launch sales for select European markets.

License and other revenue

USD in thousands	Six Months Ended 30 June		*Change* 2023 to 2024	
	2024	2023	$	%
License and other revenue	169,678	(2,460)	172,138	100.0

License and other revenue was $169.7 million for the six months ended 30 June 2024, compared to $(2.5) million for the same six months of 2023. The license and other revenue increase of $172.1 million was primarily attributable to the recognition of a $6.6 million research and development milestone due to the approval of AVT04 in Europe, $16.8 million relative to research and development milestone due to the commencement of a clinical phase for the AVT16 program, $39.2 million due to the Confirmatory Efficacy and Safety (CES) completion of AVT03, and $56.8 million to the CES completion of AVT05. This also included $5.4 million relative to product launch of AVT04 in Japan and $5.9 million relative to achievement of sales target of AVT02, $18.8 million relative to product launch of AVT02 in the U.S., and a net milestone revenue of $19.6 million for the execution of commercial contracts during the six months ended 30 June 2024.

Other income

USD in thousands	Six Months Ended 30 June		*Change* 2023 to 2024	
	2024	2023	$	%
Other income	57	45	12	26.7

Other income was $57 thousand for the six months ended 30 June 2024, compared to $45 thousand for the six months ended 30 June 2023. The increase in other income was driven by an increase in services performed pursuant to Alvotech's support service arrangements during the six months ended 30 June 2024, as compared to the six months ended 30 June 2023.

Cost of product revenue

USD in thousands	Six Months Ended 30 June		*Change* 2023 to 2024	
	2024	2023	$	%
Cost of product revenue	65,167	67,909	(2,742)	(4)

Cost of product revenue was $65.2 million for the six months ended 30 June 2024, compared to $67.9 million for the same six months of 2023, as a result of sales in the period, including the launch of AVT04 in Canada, Japan and pre-launch in select European countries tempered by lower production-related charges and lower costs associated with FDA inspection readiness. Cost of product revenue for the period is disproportionate relative to product revenue due to the timing of new launches and elevated production-related charges, resulting in higher costs than revenues recognized for the period. The Company expects this relationship to continue normalizing with increased production from the scaling and expansion of new or recent launches. The Company estimates that the anticipated increase in sales volumes will result in a greater absorption of fixed manufacturing costs.

Research and development expenses

USD in thousands	Six Months Ended 30 June		2023 to 2024	
	2024	2023	$	%
AVT03 development program expenses	13,632	12,821	811	6.3
AVT04 development program expenses	1,461	3,395	(1,934)	(57.0)
AVT05 development program expenses	16,918	13,851	3,067	22.1
AVT06 development program expenses	16,773	15,872	901	5.7
Salary and other employee expenses	18,232	19,871	(1,639)	(8.2)
Depreciation, amortization and impairment	3,990	3,130	860	27.5
Other research and development expenses [(1)]	26,473	30,642	(4,169)	(13.6)
Total research and development expenses	97,479	99,582	(2,103)	(2.1)

(1) Other research and development expenses include other project costs, facility costs and other operating expenses recognized as research and development expenses during the period.

R&D expenses were $97.5 million for the six months ended 30 June 2024, compared to $99.6 million for the same six months of 2023. The slight 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 six months of 2023 and the decrease of $2.4 million primarily related to programs which have completed clinical phase (i.e., AVT02 and AVT04 programs), partially offset by a $17.3 million increase in direct program expenses mainly from four biosimilar candidates, AVT03, AVT05, AVT06 and AVT16 that are in clinical phase.

General and administrative expenses

USD in thousands	Six Months Ended 30 June		*Change* 2023 to 2024	
	2024	2023	$	%
General and administrative expense	29,554	41,910	(12,356)	(29.5)

G&A expenses were $29.6 million for the six months ended 30 June 2024, compared to $41.9 million for the same six months of 2023. The decrease in G&A expenses was primarily attributable to $5.8 million in lower third-party services, lower insurance premiums and less headcount, coupled with a $4.2 million decrease in expenses for share-based payments.

Share of net loss of joint venture and impairment loss on investment in joint venture

USD in thousands	Six Months Ended 30 June		*Change* 2023 to 2024	
	2024	2023	$	%
Share of net loss of joint venture	—	2,706	(2,706)	(100.0)
Loss on sale of investment in joint venture	(2,970)	—	(2,970)	100.0

In June 2024, Alvotech sold its share in the joint venture for a gross proceeds of $18.0 million (less of $1.3 million in transaction costs). The sale resulted in a net loss of $3.0 million recognized during the six months ended 30 June 2024.

Finance income

USD in thousands	Six Months Ended 30 June		*Change* 2023 to 2024	
	2024	2023	$	%
Finance income	80,823	122,480	(41,657)	(34.0)

Finance income was $80.8 million for the six months ended 30 June 2024, compared to $122.5 million for the same six months of 2023. The Finance income for the six months ended 30 June 2024 was primarily attributable to the change in fair value of the Tranche A Conversion Feature of the 2022 Convertible bonds impacted by the bond holders exercising their right to conversion into ordinary shares on the last scheduled conversion date prior to maturity, which is 1 July 2024. The Finance income for the six months ended 30 June 2023 was mainly attributable to a favorable change in fair value of the Predecessors Earn Out shares.

Finance costs

USD in thousands	Six Months Ended 30 June		*Change* 2023 to 2024	
	2024	2023	$	%
Finance costs	277,414	64,300	213,114	331.4

Finance costs were $277.4 million for the six months ended 30 June 2024, compared to $64.3 million for the same six months of 2023. The Finance costs for the six months ended 30 June 2024 were primarily attributable to a $120.5 million change in fair value of the Predecessors Earn Out shares, which was negatively impacted by the increase in the Company's share price during that period and by the settlement of the existing debt obligations upon execution of the $965 million Facility agreement. The early redemption of the existing debts, which were settled concurrently with the Facility in July 2024, resulted in the acceleration of previously deferred debt issue costs and debt discounts resulting in $63.1 million loss on remeasurement for the six months ended 30 June 2024. The Finance costs for the six months ended 30 June 2023 were primarily attributable to the interest charges on existing debt obligations.

Exchange rate differences

USD in thousands	Six Months Ended 30 June		*Change* 2023 to 2024	
	2024	2023	$	%
Exchange rate differences	7,742	(3,081)	10,823	(351.3)

Exchange rate differences resulted in a gain of $7.7 million for the six months ended 30 June 2024, compared to a loss of $3.1 million for the same six months of 2023. The change was primarily driven by the movements in the exchange rate of foreign currencies, predominantly Icelandic krona and euros.

Income tax benefit

USD in thousands	Six Months Ended 30 June		*Change* 2023 to 2024	
	2024	2023	$	%
Income tax (expense) / benefit	(5,132)	49,854	(54,986)	(110.3)

Income tax expense was $5.1 million for the six months ended 30 June 2024, compared to a benefit of $49.9 million for the same six months of 2023. The decrease in benefit was mainly driven by a substantial decrease in operating losses and was offset into an overall tax charge as of 30 June 2024 due to the weakening of the Icelandic krona against the U.S. dollar, which decreased the U.S. dollar value of Icelandic tax loss carry-forwards that the Company expects to fully utilize against future taxable profits.

Reconciliation of non-IFRS financial measure

In addition to its operating results, as calculated in accordance with IFRS, Alvotech 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. The adjusting items consist of the following:

1. Income tax benefit;
2. Total net finance costs;
3. Depreciation and amortization of property, plant, and equipment, right-of-use assets and intangible assets;
4. Impairment and loss on sale of property, plant, and equipment and other intangible assets;
5. Charge related to contract termination;
6. Long-term incentive plan expense;
7. Share of net loss of joint venture, including loss on sale of investment in joint venture;
8. Exchange rate differences; and
9. Transaction costs.

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 six months ended 30 June 2024, and 2023, respectively:

USD in thousands	2024	2023
Loss for the year	(153,504)	(86,854)
Income tax (expense) / benefit	5,132	(49,854)
Total net finance costs (income)	196,591	(58,180)
Depreciation and amortization	14,748	10,934
Charge related to contract termination[3]	—	18,500
Incentive plan expense[1]	5,294	11,911
Share of net loss of joint venture	—	2,706
Loss on sale of investment in joint venture	2,970	—
Exchange rate differences	(7,742)	3,081
Transaction costs[2]	—	918
Adjusted EBITDA	63,489	(146,515)

(1) Represents expense related to employee incentive plans, reported within cost of product revenue, research and development expenses and general and administrative expenses.

(2) Represents transaction costs in connection with the Business Combination and the Icelandic Main Board listing, with any remaining services reported within general and administrative expenses in 2023.

(3) Represents a charge in relation to the termination of the co-development agreement with Biosana for AVT23.

B. Going Concern, Liquidity and Capital Resources

As of 30 June 2024 and 31 December 2023, Alvotech had cash and cash equivalents, excluding restricted cash, of $10.9 million and $11.2 million, respectively. Since its inception, Alvotech has incurred operating losses, including net losses of $153.5 million and $86.9 million for the six months ended 30 June 2024 and 2023, respectively, and had an accumulated deficit of $2,359.3 million and $2,205.8 million as of 30 June 2024 and 31 December 2023, respectively. The Company has financed its activities through successive capital increases, borrowings, and upfront milestone payments under agreements with its commercial partners. During the six months ended 30 June 2024, the Company used $126.0 million cash in operating activities and $10.6 million cash in investing activities, and its financing activities provided $137.2 million in cash.

Sources of Liquidity

Alvotech began to generate revenue from product sales in the second quarter of 2022 in conjunction with the commercialization of AVT02 in Canada and select European countries. AVT02 has received regulatory approval in over 50 markets and has been launched in over 20 markets globally to date. Following the FDA approval in Feburary 2024, Alvotech launched AVT02 in the United States during the first half of 2024 with Teva Pharmaceuticals and Quallent Pharmaceuticals under its private label. The Company also has a second biosimilar, AVT04, which has been approved in Japan, Canada and the EEA. Alvotech received approval from the FDA for SELARSDI, AVT04 biosimilar to Stelara, in April 2024. The Company has launched AVT04 in Canada through its partner Jamp, in Japan through its partner Fuji Pharma, in Europe starting in July, and in the U.S. starting in February of 2025.

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 30 June 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.

During the first quarter 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.

On 21 May 2024, the Company announced its collaboration with Dr. Reddy's Laboratories SA, for the commercialization of AVT03, a biosimilar candidate to Prolia and Xgeva 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.

On 7 June 2024, the Company entered into a $965 million Facility in two tranches, led by GoldenTree Asset Management, with participation from other institutional investors, enabling the Company to improve cost capital, address upcoming debt maturities in 2025 and add incremental cash to the balance sheet. Upon the closing of the facility in July 2024, the Company was required to settle its existing debt obligations.

On 11 June 2024, the Company extended its partnership with Stada to cover AVT03, its clinical-stage biosimilar candidate for Prolio and Xgeva. Stada 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 parallel with the commercial agreement for AVT03, the two partners have agreed to extend Stada’s commercial rights to AVT02 and AVT04, the biosimilars to Humira and Stelara, respectively, to

Commonwealth of Independent States (CIS) countries in Central Asia. Alvotech will also regain commercial rights from Stada to AVT06, a proposed biosimilar to Eylea.

On 18 June 2024, the Company entered into an exclusive partnership agreement with Advanz Pharma regarding the supply and commercialization of AVT06, its proposed biosimilar to Eylea, in Europe, except for Germany and France where the rights are semi-exclusive.

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. Based on the current exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $221.1 million of aggregate value of these bonds with accrued interest. The holders of the 2022 Convertible Bonds that did not exercise their right to conversion obtained repayment from the Group in July 2024 upon settlement of the Facility.

On 11 July 2024, the Company announced the closing of the $965 million Facility in two tranches. The closing has allowed Alvotech to refinance outstanding debt obligations, reduce the cost of capital and improve its overall debt maturity profile. The Facility financing, for $965 million in aggregate principal amount, matures in June 2029. The first tranche is a first lien $900 million term loan which bears an interest rate of SOFR plus 6.5% per annum. The second tranche is a $65 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.

On 22 July 2024, the Company announced the launch with STADA of Uzpruvo, the first approved biosimilar to Stelara in Europe, across select European countries. This includes the largest markets in the region, where pricing and reimbursement approvals have been secured for market entry. The pioneering launch comes immediately upon expiry of exclusivity rights linked to the European reference molecule patent, offering patients, physicians and payers expanded access at the earliest possible opportunity to a life-altering medicine used in certain indications within gastroenterology, dermatology and rheumatology. Launches of AVT04 in further European countries are scheduled over the coming months, following national price approvals, via a fully European supply chain.

For the foreseeable future, Alvotech's Board of Directors will maintain a capital structure that supports Alvotech's strategic objectives through managing the budgeting process, maintaining strong investor relations and managing financial risks. Consequently, management and the Board of Directors believe that Alvotech will have sufficient funds, and access to sufficient funds, to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. However, although management continues to pursue these plans, there is no assurance that Alvotech will be successful in obtaining sufficient funding on terms acceptable to Alvotech management to fund continuing operations, if at all. Alvotech's future capital requirements will depend on many factors, including the following:

- the progress, results, and costs of preclinical studies for any programs that Alvotech may develop;
- the costs, timing, and outcome of regulatory review of program candidates;
- Alvotech's ability to establish and maintain collaborations, licensing, and other agreements with commercial partners on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under the agreements that Alvotech has entered into or may enter into with third parties or related parties;
- the extent to which Alvotech is obligated to reimburse clinical trial costs under collaboration agreements, if any;
- the costs of preparing, filing and prosecuting patent applications and maintaining, defending and enforcing Alvotech's intellectual property rights;
- the extent to which Alvotech acquires or invests in businesses, products, technologies, or other joint ventures;
- the costs of performing commercial-scale manufacturing in-house and, if needed, securing manufacturing arrangements for commercial production of its program candidates; and

- the costs of establishing or contracting for sales and marketing capabilities if Alvotech obtains regulatory approvals to market program candidates.

Cash Flows

Comparison of the six months ended 30 June 2024 and 2023:

	Six Months Ended 30 June		Change 30 June 2023 to 2024	
USD in thousands	2024	2023	$	%
Cash used in operating activities	$ (126,000)	$ (128,002)	2,002	(1.6)
Cash used in investing activities	(10,569)	(25,225)	14,656	(58.1)
Cash generated from financing activities	137,182	144,455	(7,273)	(5.0)

Operating activities

Net cash used in operating activities decreased by $2.0 million, or 1.6%, from $128.0 million for the six months ended 30 June 2023, to $126.0 million for the six months ended 30 June 2024. This was primarily driven by a $204.0 million decrease in operating cash outflows before considering movements in working capital and $190.7 million increase in cash outflows from movements in working capital.

The $204.0 million increase in operating cash flow before movements in working capital is mostly due to a $213.1 million increase in finance costs, mainly caused by $124.5 million higher increase in fair value of derivatives mainly due to the earn out shares compared to prior period, $23.0 million higher interest on debt and borrowings as well as recognised loss of remeasurements of bonds amounting to $63.0 million due to refinancing in July 2024. A $41.7 million decrease in finance income, and a $55.0 million change in income tax benefit, in non-cash expenses. This was partially offset by an increased loss of $66.7 million, a $18.5 million decrease in allowance for receivables, a $6.6 million decrease in long-term incentive plan expense, and an increase of $10.8 million exchange rate difference.

The $190.7 million decrease in cash flows from movements in working capital is due to a $7.3 million increase in cash outflow to inventories, a $68.9 million increase in trade receivables due to higher product and milestone revenue during the period, a $3.3 million increase in cash outflow from other assets, a $26.0 million increase in cash outflow from trade and other payables and other liabilities, a $28.4 million change in contract assets and a $73.6 million change in contract liabilities. The net increase in contract assets during the period is due to the revenue recognized when the performance obligation has been met which is offset by transfer of amounts to trade receivables, during the period $90.9 million were added to contract asset and $63.6 million were transferred from contract assets to receivables. The net decrease in contract liabilities during the period is due to revenue recognized when the performance obligation has been met, during the period $43.0 million were added as prepayments and $78.8 million were deducted and recognized as revenue. This is partially offset by a $16.9 million increase in cash inflow from related parties. Other change in net cash used in the operating cash flow is due to an increase in paid interests of $11.6 million.

Investing activities

Net cash used in investing activities decreased by $14.7 million, or 58.1%, from $25.2 million for the six months ended 30 June 2023, to $10.6 million for the six months ended 30 June 2024. The decrease in investing activities was driven by a $12.3 million decrease in cash outflow for the acquisition of property, plant and equipment and a $1.3 million decrease in cash outflows related to the acquisition of intangible assets.

Financing activities

Net cash generated from financing activities decreased by $7.3 million, or 5.0%, from $144.5 million for the six months ended 30 June 2023, to $137.2 million for the six months ended 30 June 2024. The $7.3 million decrease

is mostly due to a $9.4 million decrease in repayments of borrowings and a $26.1 million decrease in new borrowings partially offset by an increase of $11.9 million in gross proceeds from equity offering.

Material Cash Requirements for Known Contractual Obligations and Commitments

The following is a description of commitments for known and reasonably likely cash requirements as of 30 June 2024.

Borrowings

Alvotech's debt consists of interest-bearing borrowings from both financial institutions and related parties. The amount of the outstanding borrowings as of 30 June 2024, was $1,055.9 million, including payment-in-kind interests. The timing of future payments on the outstanding borrowing amounts, by year, as well as additional information regarding Alvotech's borrowings and rights conveyed to the lenders, can be found in Note 21 of the audited consolidated financial statements as of and for the years ended 31 December 2023, and 2022.

Senior Bonds

As of 30 June 2024, the carrying amount of the Senior Bonds was $550.4 million. The Senior Bonds mature in June 2025 and the Group exercised its prepayment option following the execution of the $965 million Facility in June 2024. The Senior Bonds were prepaid on 12 July 2024 following the settlement of the $965 million Facility.

2022 Convertible Bonds

As of 30 June 2024, the carrying amount of the Tranche A and Tranche B Convertible Bonds was $180.8 million and $55.9 million, respectively. 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. The holders of the 2022 Convertible Bonds that did not exercised their right to conversion obtained repayment from the Group in July 2024 upon settlement of the $965 million Facility.

Aztiq Convertible Bond

As of 30 June 2024, the carrying amount of the Aztiq Convertible Bond was $95.4 million. Some holders of the Aztiq Convertible Bond 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. The holders of the Aztiq Convertible Bond that did not exercised their right to conversion obtained repayment from the Group in July 2024 upon settlement of the $965 million Facility.

Based on the current exchange rate, a total of approximately 22.1 million new shares were issued on 1 July 2024, corresponding to approximately $221.1 million of aggregate value of the 2022 Convertible Bonds and the Aztiq Convertible Bond with accrued interests.

Alvogen Facility

As of 30 June 2024, the carrying amount of the Alvogen Facility is $83.3 million. The facility includes maturity in September 2025 and interest rate of 17.5%. The Group exercised its prepayment option following the execution of the $965 million Facility, in June 2024. The Alvogen Facility was prepaid in July 2024 upon settlement of the $965 million Facility.

Facility loans

As of 30 June 2024, the carrying amount of the facility loans is $47.5 million. The facility loans include annuity payments that are due monthly with a final maturity in February 2030 and a variable interest rate of USD Secured Overnight Funding Rate ("SOFR") plus a margin of 4.05%.

Other borrowings

On 22 February 2022, the Group entered into a credit facility agreement with Landsbankinn hf. with the ability to draw down an amount up to $8 million. The credit facility is in place to help finance equipment purchases in the future. Per the terms of the credit facility, any borrowings are required to be paid by 1 February 2025 and have a variable interest rate of USD SOFR plus a margin of 4.95%. As of 30 June 2024, the outstanding balance on the credit facility was $7.8 million.

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 March 2029. The loan has a variable interest rate of USD SOFR plus a margin of 4.25%. As of 30 June 2024, the outstanding balance on the loan was $2.3 million.

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 August 2029. The loan has a variable interest rate of USD SOFR plus a margin of 4.25%. As of 30 June 2024, the outstanding balance on the loan was $1.4 million.

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 August 2030. The loan has a variable interest rate of USD SOFR plus a margin of 4.25%. As of 30 June 2024, the outstanding balance on the loan was $10.4 million.

On 5 June 2024, the Group entered into a qualified receivable financing agreement with Landsbankinn hf. for a principal amount of $20.0 million. The qualified receivable financing arrangement has a variable interest rate of USD SOFR plus a margin of 3.50% and a maturity of August 2024. As of 30 June 2024, the outstanding balance on the loan was $20.0 million.

Leases

Alvotech's future undiscounted payments pursuant to lease agreements totaled $168.3 million as of 30 June 2024. The timing of these future payments can be found in Note 10 of the unaudited condensed consolidated interim financial statements as of and for the six months ended 30 June 2024.

Purchase obligations

For the six months ended 30 June 2024 and 2023, Alvotech did not have any purchase obligations.

While Alvotech does not have legally enforceable commitments with respect to capital expenditures, Alvotech expects to continue to make substantial investments in preparation for commercial launch of its biosimilar product candidates.

C. **Quantitative and Qualitative Disclosures About Market Risk.**

We are exposed to market risks that may result in changes of foreign currency exchange rates and interest rates, as well as the overall change in economic conditions in the countries where we conduct business. As of 30 June 2024, we had cash and cash equivalents of $10.9 million, excluding restricted cash. Our cash and cash equivalent include both cash in banks and cash on hand.

Foreign currency exchange risk

We are subject to foreign exchange risk in our operations, as some of our financial assets and financial liabilities are denominated in currencies other than the functional currency of our subsidiaries. Any strengthening or weakening of our significant foreign currencies against the USD could impact the measurement of financial instruments in a foreign currency and affect equity. Our significant asset and liabilities denominated in foreign currencies as 30 June 2024 are denominated in EUR, GBP, ISK and CHF. We analyze at the end of each quarter the sensitivity to foreign currency exchange changes. Specifically, we have performed an analysis to understand the impact of an increase or decrease of a 10% strengthening or weakening of each significant foreign currency, keeping all other variables consistent, as of 30 June 2024. Through this analysis, we note that the only foreign currency that had a material impact was ISK, while all other currencies did not significantly fluctuate.

Interest rate risk

Our interest-bearing investments and borrowings are subject to interest rate risk. The majority of our borrowings are subject to fixed interest rate. Our exposure to the risk of fluctuations in market interest rates primarily relates to the cash in banks that is denominated with floating interest rates. We analyze at the end of each year the sensitivity to interest rate changes. Specifically, we have performed an analysis to understand the impact of an increase or decrease of a one hundred basis point on the interest rates, keeping all other variables consistent, as of 30 June 2024. Through this analysis, we note that the impacts of the interest rate sensitivity did not have a significant effect on loss before tax.

D. ***Critical Accounting Estimates***

Alvotech has prepared its financial statements in accordance with IFRS. The preparation of these financial statements requires Alvotech to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities and related disclosures at the date of the financial statements, as well as revenue and expense recorded during the reporting periods. Alvotech evaluates its estimates and judgments on an ongoing basis. Alvotech bases its estimates on historical experience and other relevant assumptions that it believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably possible could materially impact the financial statements. For a summary of our significant accounting policies see Note 2 of the audited consolidated financial statements as of and for the years ended 31 December 2023, and 2022.

Recent Accounting Pronouncements

For information on the standards applied for the first time as of 1 January 2024, please refer to Note 4 of the unaudited condensed consolidated interim financial statements as of and for the six months ended 30 June 2024.

Emerging Growth Company Status

Section 102(b)(1) of the Jumpstart our Business Startups Act of 2012 (“JOBS Act”) exempts emerging growth companies from certain SEC disclosure requirements and standards. Alvotech intends to take advantage of some of the reduced regulatory and reporting requirements of emerging growth companies pursuant to the JOBS Act so long as Alvotech qualifies as an emerging growth company, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act.

Based on the aggregate worldwide market value of our voting and non-voting common equity held by our non-affiliates as of 28 June 2024, we will be deemed a “large accelerated filer” after the end of our fiscal year 2024. We will therefore cease being an emerging growth company as of 1 January 2025.

E. Material Weaknesses in Internal Control Over Financial Reporting

Alvotech has identified material weaknesses in the design and operating effectiveness of its internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis.

In connection with the preparation of the consolidated financial statements as of 31 December 2023, we identified the following material weaknesses:

(i) the Company did not have a sufficient number of trained professionals with an appropriate level of internal control knowledge, training and experience;
(ii) the Company did not consistently operate all controls, specifically related to consistent execution, adequate review procedures, and maintaining documentation to evidence control performance, including assessing the accuracy and completeness of information used in the execution of controls; and
(iii) the Company did not implement effective controls over the segregation of duties and certain information technology general controls for information systems that are relevant to the preparation of our financial statements.

These material weaknesses could result in a misstatement of Alvotech’s accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

During 2023, we began implementing a remediation plan that is reasonably likely to materially affect, our internal control over financial reporting. This plan includes further developing and implementing formal policies, processes, internal controls and documentation relating to our financial reporting working towards the goal of effective control over financial reporting.

As part of this plan, we began taking steps intended to address the underlying causes of the control deficiencies in order to remediate the material weaknesses, which included the following activities during 2023:

(i) Hired qualified individuals with strong technical accounting, internal control and SEC reporting experience and continued training control owners to reaffirm expectations as it relates to the control design and execution of such controls, including enhancements to the documentation to evidence the execution of the controls;
(ii) Enhanced the Company's governance and oversight processes by establishing a formal control governance structure, ensuring clear roles and responsibilities for control oversight, conducting regular meetings to review control performance, and implementing a system for reporting control-related matters to the Audit Committee;
(iii) Implemented formal documentation of certain policies and procedures, and/or redesigned entity level controls, business process-level controls across all significant accounts and information technology general controls across all relevant domains;
(iv) Developed and executed a risk-based testing plan to cover all identified controls through a mix of design assessment, independent testing of operating effectiveness and management self-certification. The Company has engaged outside consultants to assist in evaluating our internal controls, develop remediation plans to address control deficiencies identified, and actively measure compliance and remediation progress through a quarterly scorecard; and

(v) Continued implementation of a new enterprise resource planning ("ERP") system including the engagement of outside consultants to help design and implement automated controls and enhance our information technology general controls environment as part of the ERP system implementation.

In addition to the above actions, we continue engaging in the following additional remediation measures during 2024:

(i) Complete the implementation of a new ERP system, which includes increased automated functionality and controls for the preparation of the financial statements to prevent, among other things, unauthorized overrides, and enhance user access controls, segregation of duties with the system, and audit trails to track and monitor activities;
(ii) Implement stronger IT controls to ensure the integrity and security of financial information, including enhancing access and change management controls and implementing regular system monitoring and testing;
(iii) Continue focusing on consistent control execution, adequate review procedures, and improving control documentation, including the accuracy and completeness of information used in the performance of controls; and
(iv) Continue engaging outside consultants to assist in evaluating the internal controls, and actively measure compliance and remediation through quarterly scorecard.

Alvotech Reports Record Revenues and Adjusted EBITDA for the Second Quarter and First Six Months of 2024

- *Record Total Revenues of $236 million for the first six months of 2024, an over ten-fold increase compared to same period in 2023*
- *Product revenues for the first six months were $66 million, a 190% increase from the same period last year, with Q2 product revenues contributing $53 million*
- *License and other revenues for the first six months increased to $170 million, with Q2 license and other revenues contributing $145 million*
- *Adjusted EBITDA in the first six months was $64 million, compared to negative ($147) million for the same period last year, with Q2 adjusted EBITDA contributing $102 million*
- *Achieved numerous development and performance milestones including the recent filing acceptance of EU marketing application for AVT06, biosimilar candidate to Eylea® (aflibercept)*
- *Management reaffirms 2024 full year guidance*
- *Alvotech will conduct a business update conference call and live webcast on Friday August 16, 2024, at 8:00 am ET (12:00 pm GMT)*

REYKJAVIK, Iceland, August 15, 2024 - Alvotech (NASDAQ: ALVO, or the "Company"), a global biotech company specializing in the development and manufacture of biosimilar medicines for patients worldwide, today reported unaudited financial results for the first six months of 2024 and provided a summary of recent corporate highlights.

"These are truly exciting times for Alvotech. In the first half of the year, Alvotech generated record results, with an over ten-fold increase in total revenues compared to the same period in 2023 and positive Adjusted EBITDA for the first time, both for the second quarter and the first half of the year. Product revenues are growing rapidly, as we launch multiple products globally, backed by exceptionally strong milestone revenues in the second quarter," said Robert Wessman, Chairman and CEO of Alvotech. "Our order book for biosimilar Humira in the U.S. for 2024 has already grown from the initial 1 million units previously announced, to approximately 1.3 million units today. Revenues generated from these U.S. orders will be predominantly

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recognized in the second half of the year. Our recent launch of Stelara in Canada, Japan, and Europe highlights our global, multiproduct strategy. As we enter the second half of the year, we are already receiving replenishment orders in certain markets."

Recent Highlights

Commercial and Development Milestones
Alvotech announced positive topline results from a confirmatory patient study for AVT03, a proposed biosimilar to Prolia® (denosumab) and Xgeva® (denosumab). Alvotech also announced positive top-line results from a pharmacokinetic (PK) study assessing the PK, safety, and tolerability of AVT03 compared to Xgeva in healthy adult participants. Previously, Alvotech announced positive top-line results from a separate PK study comparing AVT03 to Prolia.

Alvotech and STADA strengthened their existing strategic alliance, to include AVT03. Upon approval, STADA will assume semi-exclusive commercial rights in Europe, including Switzerland and the UK, as well as exclusive commercial rights in selected countries in Central Asia and the Middle East. Alvotech and STADA also agreed to extend STADA's commercial rights for biosimilars to Humira® (adalimumab) and Stelara® (ustekinumab) to Commonwealth of Independent States (CIS) countries in Central Asia.

Alvotech and Advanz Pharma expanded their partnership with an agreement regarding the supply and commercialization of Alvotech's proposed biosimilar to Eylea® (aflibercept). Alvotech is currently developing AVT06, a proposed biosimilar to Eylea® low dose (2 mg) and AVT29, a biosimilar candidate for Eylea® high dose (8 mg). Advanz Pharma has exclusive commercialization rights for AVT06 and AVT29 in Europe, except for Germany and France where the rights are semi-exclusive. Alvotech and Advanz Pharma also announced that the European Medicines Authority had accepted the EU/EEA marketing application for AVT06. The process to obtain marketing authorization could be completed in the third quarter of 2025.

STADA and Alvotech announced the launch of Uzpruvo® (ustekinumab), known as AVT04, the first approved biosimilar to Stelara® in Europe, across a majority of European countries. The pioneering launch came immediately upon expiry of exclusivity rights for Stelara. Previously, AVT04 had been launched in Canada and Japan.

Corporate Milestones
Alvotech announced that holders of the majority of subordinated convertible bonds, originally issued by Alvotech in 2022, with maturity on December 20, 2025, (the "Convertible Bonds") elected to convert the principal and accrued interest into ordinary shares of Alvotech at the fixed conversion price of US$10.00 per share. On July 1, 2024, Alvotech issued 22,073,578 new ordinary shares in exchange for the convertible bonds.

Subsequently the pro-forma total number of issued shares in Alvotech as of July 1, is 324,801,040 and the pro-forma total number of outstanding shares as of the same date, is 301,481,596.

On July 11, 2024, Alvotech announced the closing of a senior first lien term loan facility of $965 million, in two tranches (the "Facility") with a group of institutional investors, led by GoldenTree Asset Management. Upon closing, Alvotech also announced that it had refinanced its outstanding debt obligations, reducing the cost of capital and improving its overall debt profile. The Facility, for $965 million in aggregate principal amount, matures in June 2029.

As per the terms of the Facility, upon closing Alvotech settled its existing debt obligations. Holders of the Convertible Bonds that did not exercise their right to conversion obtained repayment in July 2022. As a result, Alvotech does not have any convertible bonds outstanding. Outstanding debt is limited to the Facility, mortgage debt and equipment financing. All outstanding debt has maturity in June 2029 or at a later date.

Summary of the Financial Results for First Six Months of 2024

Cash position and sources of liquidity: As of June 30, 2024, the Company had cash and cash equivalents of $10.9 million, excluding $25.0 million of restricted cash. In addition, the Company had borrowings of $1,055.9 million, including $999.0 million of current portion of borrowings, as of June 30, 2024. Taking into effect the refinancing in July, the Company had a proforma cash balance of $153 million excluding $25.0 million of restricted cash and proforma gross borrowings of $1,035 million.

Product Revenue: Product revenue was $65.9 million for the six months ended June 30, 2024, compared to $22.7 million for the same six months of 2023. Revenue for the six months ended June 30, 2024, consisted of product revenue from sales of AVT02 in select European countries and Canada, launch of AVT02 in the U.S., launch of AVT04 in Canada and Japan and pre-launch sales for select European markets.

License and Other Revenue: License and other revenue was $169.7 million for the six months ended June 30, 2024, compared to ($2.5) million for the same six months of 2023. The license and other revenue increase of $172.1 million was primarily attributable to the recognition of $119.0 million research and development milestone including the approval of AVT04 in Europe, the commencement of a clinical phase for the AVT16 program, the Confirmatory Efficacy and Safety (CES) completion of AVT03 and the CES completion of AVT05. This also included $30.1 million of performance milestone relative to the product launch of AVT04 in Japan, the achievement of sales target of AVT02, and the launch of AVT02 in the U.S., and a net milestone revenue of $14.3 million for the execution of commercial contracts during the six months ended June 30, 2024.

Cost of product revenue: Cost of product revenue was $65.2 million for the six months ended June 30, 2024, compared to $67.9 million for the same six months of 2023, as a result of sales in the period, including the launch of AVT04 in Canada, Japan and pre-launch in a select European countries tempered by lower production-related charges and lower costs associated with FDA inspection readiness. Cost of product revenue for the period is disproportionate relative to product revenue due to the timing of new launches and elevated

production-related charges, resulting in higher costs than revenues recognized for the period. The Company expects this relationship to continue normalizing with increased production from the scaling and expansion of new or recent launches. The Company estimates that the anticipated increase in sales volumes will result in a greater absorption of fixed manufacturing costs.

Research and development (R&D) expenses: R&D expenses were $97.5 million for the six months ended June 30, 2024, compared to $99.6 million for the same six months of 2023. The slight 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 six months of 2023 and the decrease of $2.4 million primarily related to programs which have completed clinical phase (i.e., AVT02 and AVT04 programs), partially offset by a $17.3 million increase in direct program expenses mainly from four biosimilar candidates, AVT03, AVT05, AVT06 and AVT16 that are in clinical phase.

General and administrative (G&A) expenses: G&A expenses were $29.6 million for the six months ended June 30, 2024, compared to $41.9 million for the same six months of 2023. The decrease in G&A expenses was primarily attributable to ongoing streamlining of the operation of Alvotech, including $5.8 million in lower third-party services, lower insurance premiums and less headcount, coupled with a $4.2 million decrease in expenses for share-based payments.

Operating profit: Operating profit was $43.5 million for the six months ended June 30, 2024, compared to ($189.1) million for the same six months of 2023. The increase of $232.5 million was primarily attributable to the sharp increase in total revenues due to a combination of expansion of our product launches and milestones recognition for advancing our product through our pipeline and achieving contractual sales targets. This is coupled with a decrease in operating expenses driven by continuing efforts by the Company to scale and rationalize operations.

Finance income: Finance income was $80.8 million for the six months ended June 30, 2024, compared to $122.5 million for the same six months of 2023. The Finance income for the six months ended June 30, 2024, was primarily attributable to the change in fair value of the Tranche A Conversion Feature of the 2022 Convertible bonds impacted by the bond holders exercising their right to conversion into ordinary shares on the last scheduled conversion date prior to maturity, which is 1 July 2024. The Finance income for the six months ended June 30, 2023, was mainly attributable to a favorable change in fair value of the Predecessors Earn Out shares.

Finance costs: Finance costs were $277.4 million for the six months ended June 30, 2024, compared to $64.3 million for the same six months of 2023. The Finance costs for the six months ended June 30, 2024 were primarily attributable to a $120.5 million change in fair value of the Predecessors Earn Out shares, which was negatively impacted by the increase in the Company's share price during the six months ended June 30, 2024 and by the settlement of the existing debt obligations upon execution of the agreement led by GoldenTree Asset Management for a senior secured first lien term loan facility of $965 million. The early redemption of the existing debts, which were settled concurrently with the new facility in July 2024, resulted in the acceleration of previously deferred debt issue costs and debt discounts resulting in $63.1 million loss on remeasurement

for the six months ended June 30, 2024. The Finance costs for the six months ended June 30, 2023, were primarily attributable to the interest charges on existing debt obligations.

Exchange rate differences: Exchange rate differences resulted in a gain of $7.7 million for the six months ended June 30, 2024, compared to a loss of $3.1 million for the same six months of 2023. The change was primarily driven by the movements in the exchange rate of foreign currencies, predominantly Icelandic krona and euros.

Income tax benefit: Income tax expense was $5.1 million for the six months ended June 30, 2024, compared to a benefit of $49.9 million for the same six months of 2023. The decrease in benefit was mainly driven by a substantial decrease in operating losses and was netted into an overall tax charge as of June 30, 2024, due to the weakening of the Icelandic krona against the U.S. dollar, which decreased the U.S. dollar value of Icelandic tax loss carry-forwards that the Company expects to fully utilize against future taxable profits.

Loss for the Period: Reported net loss was $153.5 million, or ($0.61) per share on a basic and diluted basis, for the six months ended June 30, 2024, compared to a reported net loss of $86.9 million, or ($0.39) per share on a basic and diluted basis, for the same six months of 2023. As mentioned above, the net loss for the period is heavily impacted by the fair value costs associated with our derivative liabilities and the impact of the early redemption of the existing debt obligations. Profit for the period in Q2 2024 was $65.2 million.

Business Update Conference Call
Alvotech will conduct a business update conference call and live webcast on Friday, August 16, at 8:00 am EDT (12:00 pm GMT). Registration for the conference call and access to the live webcast is found on https://investors.alvotech.com/events/event-details/q2-2024-earnings, where you will also be able to find a replay of the webcast, following the call for 90 days.

About AVT02 (adalimumab)
AVT02 is a monoclonal antibody and has been approved as a biosimilar to Humira® (adalimumab) in over 50 countries globally, including the U.S., Europe, Canada, Australia, Egypt, Saudi Arabia and South Africa. It is currently marketed in the U.S. as SIMLANDI and under private label, in Europe as HUKYNDRA, in Canada as SIMLANDI and in Australia as ADALACIP. Dossiers are also under review in multiple countries globally.

About AVT03 (denosumab)
AVT03 is a human monoclonal antibody and a biosimilar candidate to Prolia® and Xgeva® (denosumab). Denosumab targets and binds with high affinity and specificity to the RANK ligand membrane protein, preventing the RANK ligand/RANK interaction from occurring, resulting in reduced osteoclast numbers and function, thereby decreasing bone resorption and cancer-induced bone destruction [2]. AVT03 is an investigational product and has not received regulatory approval in any country. Biosimiliarity has not been established by regulatory authorities and is not claimed.

About AVT04 (ustekinumab)
AVT04 is a monoclonal antibody and a biosimilar to Stelara® (ustekinumab). Ustekinumab binds to two cytokines, IL-12 and IL-23, that are involved in inflammatory and immune responses [1]. AVT04 has been

launched in Canada as JAMTEKI, in the EEA as UZPRUVO, and in Japan as USTEKINUMAB BS (F). It has been approved in the U.S. as SELARSDI. Dossiers are also under review in multiple countries globally.

About AVT06/AVT29 (aflibercept)
AVT06/AVT29 is a recombinant fusion protein and a biosimilar candidate to Eylea® (aflibercept) 2 mg and 8 mg dose, which binds vascular endothelial growth factors (VEGF), inhibiting the binding and activation of VEGF receptors, neovascularization, and vascular permeability [2]. AVT06/AVT29 are investigational products and have not received regulatory approval in any country. Biosimilarity has not been established by regulatory authorities and is not claimed.

Sources
[1] EMA Uzpruvo product information
[2] Prolia product information
[3] Eylea product information

Use of trademarks
Humira is a registered trademark of AbbVie Inc. Stelara is a registered trademark of Johnson & Johnson Inc. Prolia and Xgeva are registered trademarks of Amgen Inc. Stelara is a registered trademark of Johnson & Johnson Inc. Elyea is a registered trademark of Regeneron Pharmaceuticals Inc. and Bayer AG.

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 has launched two biosimilars. The current development pipeline includes nine disclosed 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), Fuji Pharma Co., Ltd (Japan), Advanz Pharma (EEA, UK, Switzerland, Canada, Australia and New Zealand), Dr. Reddy's (EEA, UK and US), Biogaran (FR), 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.

Please visit our investor portal, and our website or follow us on social media on LinkedIn, Facebook, Instagram, X and YouTube.

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Alvotech 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 operating performance of Alvotech and may include, for example, Alvotech’s expectations regarding competitive advantages, business prospects and opportunities including pipeline product development, future plans and intentions, results, level of activities, performance, goals or achievements or other future events, regulatory submissions, review and interactions, the potential approval and commercial launch of its product candidates, the timing of regulatory approval, 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”, “aim” 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 ability to raise substantial additional funding, which may not be available on acceptable terms or at all; (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 respond to inspection findings and resolve deficiencies to the satisfaction of the regulators; (9) the ability of Alvotech or its partners to enroll and retain patients in clinical studies; (10) the ability of Alvotech or its partners to gain approval from regulators for planned clinical studies, study plans or sites; (11) the ability of Alvotech’s partners to conduct, supervise and monitor existing and potential future clinical studies, which may impact development timelines and plans; (12) 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; (13) the success of Alvotech’s current and future collaborations, joint ventures, partnerships or licensing arrangements; (14) Alvotech’s ability, and that of its commercial partners, to execute their commercialization strategy for approved products; (15) Alvotech’s ability to manufacture sufficient commercial supply of its approved products; (16) the outcome of ongoing and future litigation regarding Alvotech’s products and product candidates; (17) the impact of worsening macroeconomic conditions, including rising inflation and interest rates and general market conditions, conflicts in Ukraine, the Middle East and other global geopolitical tension, 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

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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.

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