

Alvotech

Annual report and Report of the
Réviseur d'entreprises agréé as of
31 December 2025 and 2024 and for the
years ended 31 December 2025 and 2024

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RCS Luxembourg B 258.884

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Alvotech
Société Anonyme
(the “Company”)

Registered Office: 9, rue de Bitbourg, L-1273 Luxembourg
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Management report to the General Meeting of Shareholders

Dear shareholders,

We hereby wish to submit to you the financial statements of the Company and the Alvotech Group (“**Alvotech**” or the “**Group**”) for the financial year ending on 31 December 2025. The present report relates to the consolidated accounts in accordance with article 1720-1 (3) of the law of 10 August 1915 on commercial companies, as amended.

I. Business developments for the financial year ended 31 December 2025

Alvotech started the year 2025 with two approved biosimilars for major markets —AVT02 (adalimumab) and AVT04 (ustekinumab)— 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.

During 2025, Alvotech advanced both its launched portfolio and late-stage pipeline with multiple regulatory milestones and market entries. In the United States, SELARSDI (AVT04, ustekinumab), a biosimilar to Stelara, was launched by Alvotech’s commercialization partner Teva in February 2025, following the U.S. Food and Drug Administration (FDA) approvals in 2024 for subcutaneous presentations and an additional intravenous presentation that expanded the label to include Crohn’s disease and ulcerative colitis.

For AVT06, Alvotech’s proposed biosimilar to Eylea (aflibercept), the FDA accepted the Biologics License Application (BLA) for review in February 2025; in Europe, the Committee for Medicinal Products for Humans Use (CHMP) adopted a positive opinion in June 2025, and the European Commission granted marketing authorization in August 2025 (to be marketed as MYNZEPLI by Advanz), with indications aligned to the reference product across major retinal diseases.

In bone disease, Alvotech and its partner Dr. Reddy announced FDA acceptance of the BLA for AVT03 (denosumab, a proposed biosimilar to Prolia/Xgeva) in March 2025; review covers both osteoporosis (Prolia) and oncology (Xgeva) presentations.

For AVT05, Alvotech’s proposed biosimilar to Simponi/Simponi Aria (golimumab), the BLA filed with the FDA earlier in 2025 progressed to review. In parallel, AVT05 achieved important non-U.S. milestones: Japan granted marketing authorization in September 2025, and in Europe the European Medicines Agency (EMA) issued a positive CHMP opinion in September 2025, followed by the

European Commission granting full marketing authorization across the European Economic Area in November 2025.

During the fourth quarter of 2025, the FDA issued three Complete Response Letters (CRLs): AVT05 (golimumab) in October 2025, AVT06 (afibercept) in November 2025, and AVT03 (denosumab) in December 2025, each citing deficiencies identified during the July 2025 pre-license inspection of the Reykjavik facility. The Company has already initiated a comprehensive remediation plan to address all identified observations and is actively engaging with the FDA, and therefore believes it is well-positioned to resubmit the BLAs and progress toward U.S. approval as soon as the facility issues are resolved.

Within the immunology pipeline, AVT16 (vedolizumab, a proposed biosimilar to Entyvio) advanced clinical workstreams; a Phase 1 pilot in healthy adults was completed, and in late 2025 Alvotech discontinued the global confirmatory patient study after determining it would not be required for dossier submission (the termination notice specified the decision was not related to safety).

In respiratory disease, AVT23 (omalizumab, a proposed biosimilar to Xolair) advanced regulatory filings in Europe: the UK Medicines and Healthcare products Regulatory Agency (MHRA) accepted a marketing application earlier in 2025, and in October 2025, the EMA accepted the Marketing Authorization Application; Advanz holds commercial rights in the EEA, UK, Switzerland, Canada, Australia and New Zealand.

Alvotech continued to broaden its commercial footprint and development base through partnerships and targeted acquisitions. During the second quarter of 2025, the Company executed two agreements expanding its partnership with Advanz Pharma to cover four biosimilar candidates—AVT48 (canakinumab), AVT65 (ofatumumab), AVT10 (certolizumab pegol) and one undisclosed program—and announced a collaboration and license agreement with Dr. Reddy's to co-develop, manufacture and commercialize AVT32, a biosimilar candidate to Keytruda (pembrolizumab). During the fourth quarter of 2025, the Group entered into an exclusive strategic agreement with Alvogen for the commercialization of three biosimilar in United States, namely AVT10 (certolizumab pegol), AVT32 (pembrolizumab), and AVT48 (canakinumab).

In parallel, Alvotech completed the acquisition of Xbrane Biopharma's R&D operations in Stockholm, Sweden, together with rights to a biosimilar candidate to Cimzia (now AVT10), and acquired Ivers-Lee Group in Switzerland in July 2025 to strengthen downstream packaging and supply-chain capabilities supporting global launches.

The Consolidated Statement of Financial Position total assets amount to **1,487.1** million United States dollars (USD).

The financial year ending on 31 December 2025 has produced a profit of **27.9** million USD.

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

measures used by other companies. The most directly comparable IFRS measure to this non-IFRS measure is loss for the year.

The following table reconciles loss for the year to Adjusted EBITDA for the years ended 31 December 2025 and 2024, respectively:

<i>USD in thousands</i>	2025	2024
Profit / (loss) for the year.....	27.9	(231.9)
Income tax expense	108.4	14.3
Total net finance (income) / costs.....	(49.3)	223.0
Net (gain) / loss on extinguishment of financial liabilities	(17.7)	69.4
Effects if business combination	(8.0)	-
Depreciation and amortization	37.9	31.3
Impairment and loss of sale of property, plant and equipment..	-	-
Impairment of intangible assets	-	-
Charge related to contract termination	-	-
Incentive plan expense	7.4	7.6
Restructuring charge	3.5	-
Share of net loss of joint venture	-	-
Impairment loss on investment in joint venture	-	-
Loss on sale of interest in joint venture	-	3.0
Exchange rate differences	16.8	(8.1)
Recovery related to contract termination	-	(1.1)
Contractual resolution adjustment	5.7	-
Transaction costs	4.6	0.8
Adjusted EBITDA	137.2	108.3

We suggest the following allocation of the result:

USD (million)

Result brought forward from the previous year	(2,437.7)
Result for the year	27.9
Distribution of dividends	0
Result to be carried forward to the following financial year	(2,409.8)

As of 31 December 2025, the Company had \$172.4 million in cash and cash equivalents and the Company had borrowings of \$1,299.1 million, including \$36.9 million of current portion of borrowings, as of 31 December 2025.

Product revenue: Product revenue was \$276.3 million for the year ended 31 December 2025, compared to \$273.5 million for the year ended 31 December 2024. Revenue for the year ended 31 December 2025, primarily reflected sales of AVT02 in the United States, Europe, Canada and Australia, as well as revenue from the commercial launch of AVT04 in the United States, and continued sales in multiple European markets following launches in 2024. In addition, 2025 product revenue included pre-launch supply shipments of AVT03, AVT05, and AVT06 to partners in markets where these products received

regulatory approvals during the year, with shipments made in anticipation of commercial launches following completion of ongoing regulatory and manufacturing readiness activities.

License and other revenue: License and other revenue was \$310.1 million for the year ended 31 December 2025, compared to \$216.2 million for the year ended 31 December 2024. The license and other revenue for the year ended 31 December 2025 was primarily composed of the recognition of \$120.5 million research and development milestones associated with regulatory progress across several programs, including EMA marketing authorization submissions and approvals, CTA submissions, and clinical phase completions, most notably for AVT03, AVT05, AVT06, AVT10, AVT16, and AVT23. The year ended 31 December 2025 also benefited from \$126.0 million relative to clinical and process-lock development milestones for pipeline programs such as AVT28, AVT32, AVT41, AVT48, and AVT65, as well as new licensing agreements executed during the year. In addition, commercial-related milestones contributed meaningfully to revenue totalling \$50 million, including product launches and sales-based milestones for AVT02, AVT03, AVT04, AVT05, and AVT06 across the U.S., Europe, Japan and Canada.

Cost of product revenue: Cost of product revenue was \$235.6 million for the year ended 31 December 2025, compared to \$185.3 million for the year ended 31 December 2024. This increase is primarily driven by the Company's sales mix included a higher proportion of early-stage and pre-launch supply for AVT03, AVT05, and AVT06, which naturally carry lower margins and higher initial production costs. In addition, the year included non-recurring manufacturing costs which increased overall cost levels without a corresponding increase in revenue.

Research and development expenses: Research and development expenses were \$184.2 million for the year ended 31 December 2025, compared to \$171.3 million for the year ended 31 December 2024. The increase was primarily driven by a increase of \$46.6 million in direct program expenses mainly due to AVT16 and AVT29 programs that are advancing through clinical phase and overall higher other R&D expenses for \$28.9 million due to the advancement of other programs and FDA readiness costs during the third quarter of 2025. This was partially offset by a decrease of \$62.6 million related to programs which reached commercialization (i.e., AVT04, AVT03, AVT05, and AVT06).

General and administrative expenses: General and administrative expenses were \$90.9 million for the year ended 31 December 2025, compared to \$65.7 million for the year ended 31 December 2024. The increase was mainly driven by \$21.6 million in higher legal, facility and external service costs, as well as \$3.8 million increase in transaction costs mainly related to the Swedish offering. These increases were partly offset by a \$3.2 million reduction in share-based compensation expense.

Net Profit / (Loss): Net profit was \$27.9 million, or \$0.10 per share on a basic and diluted basis, for the year ended 31 December 2025 as compared to net loss of \$231.9 million, or \$(0.87) on a basic and diluted basis, for the year ended 31 December 2024.

II. Future developments

On 29 January 2026, the Group announced that it had entered into a settlement and licensing agreement with Regeneron and Bayer regarding AVT06, its proposed biosimilar to Eylea (aflibercept), which is approved for marketing in the European Economic Area, United Kingdom and Japan. The agreement provides the Group with commercial certainty in global markets and forms part of the ongoing preparations for future regulatory submissions and market entry. The settlement agreement allows Alvotech and its commercial partners to market and sell the biosimilar as of 1 January 2026 in the United

Kingdom and Canada, as well as in Japan (excluding the diabetic macular edema indication) starting 1 May 2026 in the European Economic Area and all other countries in the world (other than the U.S.), and from 1 November 2026 in Japan with all approved indications.

On 2 February 2026, the Group entered into new supply and commercialization agreements with Sandoz for Canada, Australia, and New Zealand. In Canada, the agreement covers one biosimilar candidate in ophthalmology supplied as a prefilled syringe for intravitreal injection. In Australia and New Zealand, the agreement encompasses three biosimilar candidates across immunology and gastroenterology, in multiple formulations. The agreement covers multiple biosimilar candidates and further expands the Group's geographic commercial footprint.

On 5 February 2026, the Group announced positive top-line results from its pivotal pharmacokinetic study for AVT80, a proposed biosimilar to Entyvio (vedolizumab). The study met all primary endpoints, demonstrating pharmacokinetic similarity as well as comparable safety, tolerability, and immunogenicity profiles. These results enable the Group to progress toward regulatory submissions for both AVT16 and AVT80, the intravenous and subcutaneous biosimilar candidates, respectively.

On February 11, 2026, the Company issued 12,500,000 new shares, all of which were subscribed by its wholly-owned subsidiary Alvotech Manco ehf. and classified as treasury shares without voting or dividend rights. The increase in treasury shares was undertaken to restore the number of treasury shares available following settlement of shares lent under the stock-lending facility that supported investors' hedging of the Convertible Bonds issued in December 2025 (refer to Note 21) and to ensure the Company maintains a sufficient pool of shares for outstanding financial commitments, including warrants, convertible instruments, and share-based compensation programs.

At this point, the Board of Directors is confident that the appropriate level of funding will be available from these sources to meet the business needs in 2025 and beyond. See further information in note 1.6.

III. Business risks and their mitigation

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

Please note however, that

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

The Group's business model is built around the development, manufacturing and commercialization of biosimilar medicine. Development of biosimilar medicine is subjected to numerous risks, as the product travels through different stages of development, scale-up, clinical, regulatory to name a few. On the

commercial side the Group is faced with an ever-changing competitive landscape, as well as pricing pressure for its products.

IV. Additional disclosures

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

In 2026, the Company will publish its Sustainability Report adhering to the requirements of the EU Non-Financial Reporting Directive (NFRD). Further information on the NFRD can be found on the Groups website at <https://www.alvotech.com/corporate-sustainability>.

In our opinion, the Consolidated Financial Statements of Alvotech as of 31 December 2025 and for the year then ended is prepared, in all material respects, in compliance with the ESEF Regulation.

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

1. To the best of our knowledge, we are not aware of any events which would have a material bearing on the accounts since the end of the previous financial year. Information on subsequent events can be found in note 29.
2. The Group's likely foreseeable future development is stable.
3. Research and development expenses consist primarily of costs incurred in connection with Alvotech's research, development and pre-commercial manufacturing activities prior to the commercialization of its biosimilar products. Expenditures related to research and development activities are generally recognized as an expense in the period in which they are incurred. Due to significant regulatory uncertainties and other uncertainties inherent in the development of pharmaceutical products, Alvotech did not capitalize any research and development expenses as internally developed intangible assets during the year. Research and development activities will continue to be central to Alvotech's business model and will vary significantly based upon the success of its programs. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of development, primarily due to the increased size and duration of later-stage clinical trials. The Group conducts research and development activities at its subsidiaries in Iceland, Germany and Switzerland.
4. In June 2025 Alvotech issued 9,237,107 new shares which were transferred to a group company, Alvotech Manco ehf. On 31 December 2025 Alvotech Manco ehf. owned 22,016,772 treasury shares in Alvotech.
5. The Group does not have established branches.

We kindly ask you to grant discharge to the directors for the exercise of their mandates during the financial year ended on 31 December 2025.

Done in Luxembourg on 30 March 2026,

For the Board of Directors:

Robert Wessman

Title: CEO & Chairman

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

REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Alvotech S.A and its subsidiaries (the “Company” or the “Group”), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How the Key Audit Matter Was Addressed in the Audit
<p>Income Taxes — Deferred Tax Assets — Refer to Notes 2.14 and 10 to the Consolidated Financial Statements</p> <p>The Group recognizes deferred tax assets for deductible temporary differences arising from unused tax losses, amortization, depreciation, reserves and employee benefits in accordance with IAS 12, Income Taxes.</p> <p>The Group’s deferred tax assets balance as of December 31, 2025 was \$192.2 million. The deferred tax assets balance is reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. The majority of the deferred tax assets recognized relates to tax losses that have arisen in Iceland, whereby it is probable that future forecasted taxable profits, driven by management’s assumptions for unit price and market share, will be available to offset the cumulative tax losses as of December 31, 2025.</p> <p>We identified management’s determination that it is probable that there will be sufficient taxable profits generated in the future against which the deferred tax assets can be utilized as a critical audit matter because of the significant estimates management makes related to future taxable profits. This required a high degree of auditor judgment and an increased extent of effort, particularly related to unit price and market share assumptions for certain products in management’s estimates of future taxable profits.</p>	<p>Our audit procedures related to the determination of whether sufficient taxable profits will be generated in the future against which the deferred tax assets can be utilized, particularly as it pertains to estimates for unit price and market share, included the following, among others:</p> <ul style="list-style-type: none"> • We evaluated the appropriateness of the Company’s methodology to determine whether sufficient future taxable profits will be available, including assessment of the number of years of forecasted future taxable profits used. • We evaluated the unit price and market share assumptions to determine if such assumptions are consistent with internal and external data as well as relevant existing market information, industry and other external factors such as: <ul style="list-style-type: none"> ○ The Company’s historical and current prices for certain products, including current year prices for established products and prevailing prices for products under development, complemented by analysis of historical price erosion trends related to biosimilar entry and year on year price developments; ○ Historical market trends in the Company’s two principal geographic markets, based on market reports; and ○ Analyst and industry reports for the Company and its peer companies. • We evaluated management’s ability to accurately estimate taxable profits by comparing actual results to management’s historical estimates. • We assessed unit price and market share assumptions utilized within the future forecasts for potential manipulation or bias by considering contradictory evidence.

- We involved tax specialists to assess whether the recognition and calculation of deferred tax assets is in accordance with Icelandic tax legislation, including the conditions for the utilisation of tax losses carried forward before expiry against future taxable income.
- We tested the mathematical accuracy of the model used to determine forecasted taxable profits.
- Evaluating the appropriateness of the Company's disclosures in the consolidated financial statements.

Other information

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

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

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

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on Other Legal and Regulatory Requirements

We have been appointed as *réviseur d'entreprises agréé* by the Board of Directors on May 5, 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

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

The accompanying Corporate Governance Statement is presented on pages 77 to 83. The information required by Article 68ter paragraph (1) letters c) and d) of the law of December 19, 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at December 31, 2025 with the relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements

For the Group it relates to:

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

In our opinion, the consolidated financial statements of the Group as at December 31, 2025, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

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

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

For Deloitte Audit, *Cabinet de révision agréé*

Ludovic Mosca, *Réviseur d'entreprises agréé*
Partner

March 30, 2025

Consolidated Statements of Profit or Loss and Other Comprehensive Income or Loss for the years ended 31 December 2025 and 2024

<i>USD in thousands, except for per share amounts</i>	Notes	2025	2024
Product and service revenue	5	276,271	273,472
License and other revenue	5	310,050	216,210
Other income		2,583	2,296
Cost of product and service revenue		(235,558)	(185,309)
Research and development expenses		(184,193)	(171,312)
General and administrative expenses		(90,946)	(65,713)
Operating profit		78,207	69,644
Loss on sale of interest in joint venture	26	—	(2,970)
Effects resulting from business combination	1	7,977	—
Finance income	7	198,492	80,145
Finance costs	7	(149,190)	(303,165)
Exchange rate differences		(16,841)	8,161
Net gain / (loss) on modification and extinguishment of financial liabilities	21	17,703	(69,378)
Non-operating profit / (loss)		58,141	(287,207)
Profit / (loss) before taxes		136,348	(217,563)
Income tax (expense) benefit	10	(108,429)	(14,301)
Profit / (loss) for the year		27,919	(231,864)
Other comprehensive profit / (loss)			
<i>Item that will be reclassified to profit or loss in subsequent periods:</i>			
Exchange rate differences on translation of foreign operations		3,570	(690)
Total comprehensive profit / (loss)		31,489	(232,554)
Profit / (loss) per share			
Basic profit / (loss) for the year per share	11	0.10	(0.87)

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

Consolidated Statements of Financial Position as of 31 December 2025 and 2024

USD in thousands

	Notes	31 December 2025	31 December 2024
Non-current assets			
Property, plant and equipment	12	356,398	284,546
Right-of-use assets	13	138,294	125,198
Goodwill	14	12,835	11,330
Other intangible assets	15	81,834	20,621
Contract assets	5	122,934	22,710
Other long-term assets	24	8,578	3,615
Deferred tax assets	10	192,211	298,360
Total non-current assets		913,084	766,380
Current assets			
Inventories	17	220,054	127,889
Trade receivables		69,740	160,217
Contract assets	5	64,440	67,304
Other current assets	18	46,984	48,064
Receivables from related parties	24	438	118
Cash and cash equivalents	16	172,359	51,428
Total current assets		574,015	455,020
Total assets		1,487,099	1,221,400

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

USD in thousands

Equity	Notes	31 December 2025	31 December 2024
Share capital	19	2,929	2,826
Share premium	19	2,105,691	2,007,058
Other reserves	20	15,331	17,272
Translation reserve		1,352	(2,218)
Accumulated deficit		(2,409,790)	(2,437,709)
Total equity		(284,487)	(412,771)
Non-current liabilities			
Borrowings	21	1,262,147	1,035,882
Derivative financial liabilities	27	53,994	210,224
Lease liabilities	13	137,999	112,137
Contract liabilities	5	5,500	80,721
Deferred tax liability	10	7,868	1,811
Total non-current liabilities		1,467,508	1,440,775
Current liabilities			
Trade and other payables		126,124	67,126
Lease liabilities	13	12,078	9,515
Current maturities of borrowings	21	36,921	32,702
Liabilities to related parties	24	3,325	8,465
Contract liabilities	5	30,364	15,980
Taxes payable		1,041	204
Other current liabilities	25	94,225	59,404
Total current liabilities		304,078	193,396
Total liabilities		1,771,586	1,634,171
Total equity and liabilities		1,487,099	1,221,400

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

Consolidated Statements of Cash Flows for the years 31 December 2025 and 2024

USD in thousands

Cash flows from operating activities	Notes	2025	2024
Profit / (loss) for the year		27,919	(231,864)
Adjustments for non-cash items:			
Depreciation, amortization and impairment	8	37,851	31,301
Change in allowance for receivables		703	(946)
Change in inventory reserves	17	646	(3,483)
Share-based payments	21	7,378	7,626
Effects resulting from business combination	1.3	(7,977)	—
Loss on sale of interest in joint venture	26	—	2,970
Finance income	7	(198,492)	(80,145)
Finance costs	7	149,190	303,165
Exchange rate difference		16,841	(8,161)
Net (gain) / loss on modification and extinguishment of financial liabilities	21	(17,703)	69,378
Income tax expense / (benefit)	10	108,429	14,301
Operating cash flow before movement in working capital		124,785	104,142
Increase in inventories	17	(90,129)	(49,973)
Decrease / (increase) in trade receivables		93,182	(119,063)
(Decrease) increase in receivables with related parties	24	(320)	20
Increase in contract assets	5	(94,947)	(45,192)
Increase in other assets		(4,244)	(7,125)
Increase / (decrease) in trade and other payables		45,312	(13,695)
(Decrease) / increase in contract liabilities	5	(69,334)	(31,446)
(Decrease) / increase in liabilities with related parties	24	(2,233)	(7,871)
Increase / (decrease) in other liabilities		5,074	(14,299)
Cash from (used in) operations		7,146	(184,502)
Interest received		2,387	4,617
Interest paid		(58,950)	(54,921)
Income tax paid		(780)	(2,037)
Net cash used in operating activities		(50,197)	(236,843)

Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(64,470)	(53,661)
Acquisition of intangible assets	15	(31,659)	(3,339)
Restricted cash in connection with debt extinguishment		—	26,132
Net cash outflow on acquisition of subsidiary	1.3	(14,036)	—
Proceeds from the sale in joint venture	26	5,950	12,000
Net used in investing activities		(104,215)	(18,868)
Cash flows from financing activities			
Repayments of borrowings	21	(25,419)	(749,082)
Repayments of principal portion of lease liabilities	13	(10,368)	(10,197)
Proceeds from new borrowings	21	233,482	896,263
Transaction cost from new borrowings		(5,585)	(4,236)
Gross proceeds from equity offering	19	82,481	150,451
Fees from equity offering		(3,759)	(5,812)
Proceeds from warrants		—	4,843
Stock options exercised		—	76
Proceeds from loans from related parties		—	24,500
Repayment of loans from related parties		—	(9,500)
Net cash generated from financing activities		270,832	297,306
(Decrease) increase in cash and cash equivalents		116,420	41,595
Cash and cash equivalents at the beginning of the year	16	51,428	11,157
Effect of movements in exchange rates on cash held		4,511	(1,324)
Cash and cash equivalents at the end of the year	16	172,359	51,428

Supplemental cash flow disclosures ([Note 28](#))

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

Consolidated Statements of Changes in Equity for the years ended 31 December 2025 and 2024

USD in thousands

	Share capital	Share premium	Other reserves	Translation reserve	Accumulated deficit	Total equity
At 1 January 2024	<u>2,279</u>	<u>1,229,690</u>	<u>42,911</u>	<u>(1,528)</u>	<u>(2,205,845)</u>	<u>(932,493)</u>
Loss for the year	—	—	—	—	(231,864)	(231,864)
Foreign currency translation differences	—	—	—	(690)	—	(690)
Total comprehensive loss	—	—	—	(690)	(231,864)	(232,554)
Capital contribution	92	144,547	—	—	—	144,639
Vested earn-out shares	198	310,703	—	—	—	310,901
Penny warrants exercised	17	24,293	—	—	—	24,310
Public warrants exercised	4	6,691	—	—	—	6,695
Recognition of share-based payments	—	—	6,486	—	—	6,486
Stock options recognised	—	—	276	—	—	276
Settlement of RSUs with shares	15	5,890	(10,981)	—	—	(5,076)
Settlement of options with shares	0	105	(29)	—	—	76
Conversion of convertible bond	221	285,139	(21,391)	—	—	263,969
At 31 December 2024	<u>2,826</u>	<u>2,007,058</u>	<u>17,272</u>	<u>(2,218)</u>	<u>(2,437,709)</u>	<u>(412,771)</u>
Profit for the year	—	—	—	—	27,919	27,919
Foreign currency translation differences	—	—	—	3,570	—	3,570
Total comprehensive profit	—	—	—	3,570	27,919	31,489
Capital contribution	79	78,210	—	—	—	78,289
Convertible debt settled with shares	13	14,820	—	—	—	14,833
Recognition of share-based payments	—	—	7,017	—	—	7,017
Stock options recognised	—	—	347	—	—	347
Settlement of RSUs with shares	11	5,603	(9,305)	—	—	(3,691)
At 31 December 2025	<u>2,929</u>	<u>2,105,691</u>	<u>15,331</u>	<u>1,352</u>	<u>(2,409,790)</u>	<u>(284,487)</u>

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

1. General information

Alvotech (the “Parent” or the “Company” or “Alvotech”) is a Luxembourg public limited company (société anonyme) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies’ Register under number B 258884. The Company was incorporated on 23 August 2021. These consolidated financial statements were approved by the Group’s Board of Directors, and authorized for issue, on 30 March 2026.

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

1.1 Capital Reorganization

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

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

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

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

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

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

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

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

1.2 Asset Acquisition

On 4 June 2025, the Company completed the acquisition of Xbrane Biopharma AB's ("Xbrane") research and development operations and the biosimilar candidate XB003 (referencing Cimzia), further expanding the Company's development capabilities, and establishing a footprint in the Swedish life science sector. The purchase price for the acquisition amounts to SEK 275 million (or \$28.9 million) consisting of a cash payment for SEK 116.5 million (or \$12.2 million), SEK 5.7 million (or \$0.6 million) in short-term liabilities, and the assumption of SEK 152.8 million (or \$16.1 million) in convertible debt. The Group incurred SEK 14.3 million (or \$1.5 million) of transaction costs as part of the asset acquisition. The creditors agreed to accept payment for SEK 152.8 million of the debt in exchange of 1,295,507 shares of the Company upon close of the transaction.

The Company determined that this acquisition did not qualify as a business combination in accordance with IFRS 3 *Business Combinations* and therefore was accounted for as an asset acquisition. Most of the fair value of the acquired assets is attributable to a single identifiable asset which is the in-process research and development biosimilar candidate. The purchase consideration for this acquisition was allocated based on their relative fair values as follows:

In-process research and development	28,204
Property, plant and equipment	2,364
Right-of-use assets	5,870
Other assets	1,144
Lease liabilities	(5,870)
Other liabilities	(3,266)
Net assets acquired	28,445

1.3 Business combination

On 8 July 2025, the Group acquired 100% of the shares of ILS Holding AG, together with its subsidiaries Ivers-Lee AG in Switzerland and IL-CSM Clinical Supplies Management GmbH in Germany (together, “Ivers-Lee”). The acquisition provides the Group with expanded capabilities in pharmaceutical packaging, assembly and clinical supply services and supports the Group’s strategy to strengthen its integrated European supply chain.

The transaction was accounted for as a business combination in accordance with IFRS 3 *Business Combinations*, the identifiable assets acquired and liabilities assumed were recognized at their acquisition-date fair values.

The total consideration transferred amounted to CHF 14.9 million, paid in cash at closing. Transaction costs incurred in connection with the acquisition were expensed in the period in which they were incurred.

The resulting net fair value of identifiable net assets exceeded the consideration transferred and a bargain purchase gain of CHF 6.4 million (approximately \$8 million) was recognized in profit or loss, reflecting primarily the uplift in the value of the real estate acquired compared with the negotiated purchase price.

Since the acquisition date, Ivers-Lee revenue and loss included in the consolidated statement of profit or loss amounted to \$14.1 million and \$0.6 million respectively.

The fair values of identifiable assets acquired and liabilities assumed at the acquisition date are presented below:

<i>Value at acquisition date</i>	CHF 000s	USD 000s
Real estate	25,278	31,654
Equipment	3,951	4,948
Right-of-use assets	845	1,058
Inventory	2,197	2,751
Trade receivables	4,835	6,055
Other current receivables	639	800
Cash and Cash equivalents	3,651	4,572
Trade payables	(1,934)	(2,422)
Other current liabilities	(2,588)	(3,241)
Debt	(10,799)	(13,523)
Lease liabilities	(473)	(592)
Deferred tax liability	(4,390)	(5,497)
Net assets acquired	21,212	26,563
Purchase price	(14,860)	(18,608)
Effects resulting from business combination	6,352	7,977

These amounts are provisional and may be adjusted within the 12-month measurement period if better information becomes available.

1.4 Information about subsidiaries and joint ventures

Entity name	Principal activity	Issued and paid capital (presented in whole shares)	Place of establishment	Proportion of ownership and voting power held by Alvotech	
				2025	2024
Alvotech hf.	Biopharm.	4,356,613	Iceland	100.00%	100.00%
Fasteignafélagið Sæmundur hf.	Real estate	6,068,029	Iceland	100.00%	100.00%
Alvotech Manco ehf.	Group Serv.	215,390	Iceland	100.00%	100.00%
Alvotech Swiss AG	Biopharm.	153,930	Switzerland	100.00%	100.00%
GlycoThera Holding S.à.r.l.	Holding Co	15,000	Luxembourg	100.00%	100.00%
Glycothera Analytics GmbH (formerly Alvotech Hannover GmbH)	Biopharm.	29,983	Germany	100.00%	100.00%
Glycothera Development GmbH (formerly Alvotech Germany GmbH)	Biopharm.	31,182	Germany	100.00%	100.00%
Alvotech Biosciences India Pvt Limited	Biopharm.	96,113	India	100.00%	100.00%
Alvotech USA Inc	Group Serv.	10	USA	100.00%	100.00%
Alvotech UK Limited	Group Serv.	135	UK	100.00%	100.00%
Alvotech Malta Limited	Group Serv.	13,533	Malta	100.00%	100.00%
Alvotech Spain, S.L.	Inactive	3,114	Spain	100.00%	100.00%
Alvotech Jülich GmbH	Biopharm.	29,400	Germany	100.00%	100.00%
Alvotech Sweden AB	Group Serv.	2,719	Sweden	100.00%	—%
ILS Holding AG	Holding Co	1,239,092	Switzerland	100.00%	—%
Ivers-Lee AG	Assembling / Packaging	632,190	Switzerland	100.00%	—%
IL-CSM Swiss GmbH	Inactive	25,288	Switzerland	100.00%	—%
IL-CSM Clinical Supplies Management GmbH	Biopharm.	192,861	Germany	100.00%	—%

1.5 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 32.4% and 28.9% ownership interest as of 31 December 2025, respectively. The remaining 38.7% ownership interest is held by various entities, with no single shareholder holding more than 2.4% ownership interest as of 31 December 2025.

1.6 Going concern

The Group has primarily funded its operations with proceeds from the issuance of ordinary shares, proceeds from out-license agreements with commercial partners, and the issuance of loans and borrowings to both related parties and third parties. Prior to 2025, the Group has incurred recurring losses since its inception, including net loss of \$231.9 million, and \$551.7 million for the years ended 31 December 2024, and 2023, respectively. For the year ended 31 December 2025, the Group reported a net profit of \$27.9 million, and had an accumulated deficit of \$2,409.8 million as of 31 December 2025 and \$2,437.7 million as of 31 December 2024. The improvement in

profitability in 2025 reflects continued growth in product revenues, higher milestone income received from commercial partners, and improved operating leverage.

As of 31 December 2025, the Group had cash and cash equivalents of \$172.4 million and current assets less current liabilities of \$269.9 million. The Group has not generated positive operational cash flow, largely due to the continued focus on biosimilar product development and expansion efforts.

Throughout 2025, the Group strengthened its liquidity position through a combination of equity and debt financing transactions. In May and June 2025, the Group completed oversubscribed equity offerings on Nasdaq Stockholm, raising gross proceeds of approximately SEK 789 million from Swedish and international investors. These equity financings expanded the Group's investor base and increased liquidity in its listed instruments.

In June 2025, the Group's lenders agreed to amend its existing senior secured term loan facility (the "Secured Loan Facility") executed in July 2024, by consolidating the two tranches into a single tranche and reducing the interest rate to SOFR plus 6.0%, with all interest payable in cash (see Note 21 — Borrowings). In December 2025, the Group further enhanced its liquidity through the completion of two financing transactions consisting of: (i) the issuance of \$108 million in senior unsecured convertible bonds due 2030 (the "2025 Convertible Bonds"), and (ii) the arrangement of a \$100 million senior term loan facility maturing in December 2027 (the "Senior Term Loan Facility").

These financings provided additional liquidity to support product launches, regulatory submissions and operational activities occurring in 2026.

Operationally, the Group continued to expand commercialization of its biosimilar portfolio, including AVT02 (adalimumab) across more than 55 markets and AVT04 (ustekinumab) in the United States, Europe, Canada and Japan through its established partner network. Several key regulatory milestones were achieved during 2025, including Japanese market approvals for AVT03 (denosumab), AVT05 (golimumab) and AVT06 (aflibercept) in September 2025 and a positive CHMP opinion for AVT06 in June 2025. The Group also expanded its operational capabilities through the acquisition of Xbrane's research and development organization in Sweden and Ivers-Lee Group in Switzerland, strengthening upstream development and downstream fill-finish/packaging capacity.

The Group expects to fund its activities through a combination of existing cash, projected cash generated from milestone collections and product revenues under commercial agreements, and financing arrangements available to the Group.

As several of the Group's biosimilar programs were launched recently, and others are proceeding through regulatory approval in key markets, uncertainty remains regarding the timing and amount of future cash inflows from commercial operations. Additionally, access to external financing—whether in the form of equity or debt—may be required to support the Group's long-term development plans and is subject to market conditions and the willingness of financing partners.

Due to the relatively recent launch of AVT02 (adalimumab) and AVT04 (ustekinumab) products on which the Group is currently reliant for cash flow generation, the recent debt refinancing as set out above, and the anticipated launches of AVT03 (denosumab), AVT05 (golimumab), and AVT06 (aflibercept), which advanced materially during 2025 through significant regulatory milestones—including Japanese marketing approvals for all three products, positive CHMP opinions for AVT03 (denosumab), AVT05 (golimumab) and AVT06 (aflibercept), and the subsequent European Commission approval of AVT03 (denosumab) in November 2025—there is still some level of uncertainty associated with the timing of future cash flow generation. This may mean that the Group ultimately might need to rely on other financing arrangements in the future, such as successive capital increases or debt financings that are not wholly within the control of the Group. If such funding is unavailable, then management may be required to delay, limit, reduce or terminate one or more of its research or product development programs or future commercialization efforts to free up sufficient cash. However, in light of the strengthened liquidity position resulting from the 2025 equity raises and year-end financing transactions, together with continued commercialization activities under existing partnership agreements, such uncertainty does not represent a material uncertainty which gives rise to significant doubt over going concern.

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

All amendments to IFRSs issued by the IASB that are effective for annual periods that begin on or after 1 January 2025 have been adopted as further described within the footnotes to the consolidated financial statements. The Group has not adopted any standards or amendments to standards in issue that are available for early adoption.

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

2.2 Basis of consolidation

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

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

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

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

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

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

2.3 Investments in joint ventures

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

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

2.4 Critical accounting judgments and key sources of estimation uncertainty

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.

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

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

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

During the year ended 31 December 2025, the Group reassessed its method for measuring progress toward satisfaction of performance obligations related to out-license contracts. Specifically, the Group transitioned from an input method to an output method for recognizing revenue associated with upfront payments and development milestones. This transition reflects updated expectations regarding the timing and value of goods and services transferred to customers, in light of evolving regulatory and operational developments. This has been accounted for prospectively as a change in estimate in accordance with IAS 8. The net effect in the year ended 31 December 2025 resulted in an increase of \$17.5 million in revenue related to development services (refer to Note 5).

Revenue recognition

Product revenue

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

Out-licensing revenue

The consideration to which Alvotech is entitled pursuant to these contracts generally includes upfront payments and payments based upon the achievement of development and regulatory milestones. All contracts include a potential refund obligation whereby Alvotech must refund the consideration paid by the partner in the event of a technical

failure or the occurrence of certain other matters that result in partial or full cancellation of the contract. As such, the entire transaction price is comprised of variable consideration. For development-service performance obligations, the Group measures progress using an output method based on achievement of defined development milestones and time elapsed, as this methodology best reflects the value transferred to the customer over time. The transaction price includes variable consideration only when the Group concludes that it is highly probable that a significant reversal will not occur; for development-service performance obligations this assessment is generally resolved when key early-development outputs are achieved.

The standalone selling prices of the development services and the license to intellectual property are not directly observable and, therefore, are estimated. The standalone selling price of the development services is estimated using the expected cost plus a margin approach, using various data points such as the underlying development budget, contractual milestones, and performance completed at the time of entering into the contract with a partner. The standalone selling price of the license is estimated using the residual approach on the basis that the Alvotech licenses intellectual property for a broad range of amounts and has not previously licensed intellectual property on a standalone basis. Therefore, Alvotech first allocates the transaction price to the development services and subsequently allocates the remainder of the transaction price to the license. Inputs used to determine the standalone selling price of the development services are reviewed by management each reporting period. Changes to these inputs, including changes to the underlying development budget, could impact the timing in which revenue is recognized. The Company has not made any changes to the inputs used in determining the standalone selling price.

Valuation of derivative financial instruments

Alvotech recognized derivative financial liabilities related to warrants, earn out shares and conversion features. The fair values of the derivative liabilities were determined using an option pricing-based approach that incorporated a range of inputs that are both observable and unobservable in nature. The observable and unobservable inputs used in the initial and subsequent fair value measurements relate to (i) the fair value of Ordinary Shares, (ii) the volatility of the Ordinary Shares, (iii) a risk-adjusted discount rate corresponding to the credit risk associated with the repayment of the host debt instruments, and (iv) the probabilities of each derivative being exercised by the holder and the timing of such exercises. The probabilities are determined based on all relevant internal and external information available and are reviewed and reassessed at each reporting date.

The assumptions underlying the valuations represent Alvotech's best estimates, which involve inherent uncertainties and the application of management's judgment. As a result, if Alvotech used significantly different assumptions or estimates, its finance costs and income for prior periods could have been materially different.

Valuation of deferred tax assets

Alvotech recognizes deferred tax assets for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against the deductible temporary differences that can be utilized after consideration of all available positive and negative evidence. Estimation of the level of future taxable profits and the application of relevant jurisdictional tax legislation regarding loss expiry rules, non-deductible expenses, and other guidance are required in order to determine the appropriate carrying value of deferred tax assets.

Alvotech's estimation of the level of future taxable profits is primarily driven by an evaluation of out-license contracts and the expected timing of revenue recognition from such contracts. Alvotech considers the amount of revenues that relate to the various phases of development for its biosimilar product candidates, with greater certainty attributed to revenues earned upon contract execution and before later-stage clinical studies. These forecasts are also evaluated to incorporate potential uncertainty associated with the amount and timing of expected future revenues, driven by factors such as potential competition and the inherent risk associated with biosimilar product development. Changes to these forecasts, and the inputs used in determining the underlying cash flows involve inherent uncertainties and the application of management's judgment. As a result, if Alvotech used significantly different assumptions or estimates, its valuation of deferred tax assets for current and prior periods could have been materially different.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.5 Segment reporting

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

2.6 Revenue recognition

Product revenue

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

Out-licensing revenue

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

The consideration to which the Group is entitled pursuant to these contracts generally includes upfront payments and payments based upon the achievement of development and regulatory milestones. All contracts include a potential refund obligation whereby the Group must refund the consideration paid by the customer in the event of a technical failure or the occurrence of certain other matters that result in partial or full cancellation of the contract. As such, the entire transaction price is comprised of variable consideration. For development-service performance obligations, the Group measures progress using an output method based on achievement of defined development milestones and time elapsed, as this methodology best reflects the value transferred to the customer over time. The transaction price includes variable consideration only when the Group concludes that it is highly probable that a significant reversal will not occur; for development-service performance obligations this assessment is generally resolved when key early-development outputs are achieved.

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

Upfront payments, when applicable, are received in advance of transferring control of all goods and services. Therefore, a portion of upfront payments is recorded as a contract liability upon receipt. Due to the existence of refund provisions, upfront payments and certain development milestone payments are included in the transaction price only once the related variable consideration constraint has been resolved. Beginning in January 2025, consistent with the Group's change in accounting estimate, such uncertainty is generally resolved earlier in the development cycle at which point it becomes highly probable that a significant reversal of cumulative revenue will not occur. Other development and regulatory milestones may not be included in the transaction price until such milestones are achieved due to the degree of uncertainty associated with achieving these milestones. Contract liabilities are presented on the consolidated statements of financial position as either current or non-current based upon forecasted performance. In certain contracts, the Group may transfer control of goods and services, and thus recognize revenue, prior to having the right to invoice the customer. In these circumstances, the Group recognizes contract assets for revenue recognized, and subsequently reclasses the contract asset to trade receivables upon issuing an invoice and the right to consideration is only conditional on the passage of time. Contract assets are presented on the consolidated statements of financial position as either current or non-current based upon the expected timing of settlement.

The standalone selling prices of the development services and the license to intellectual property are not directly observable and, therefore, are estimated. Beginning in January 2025, consistent with the Group's change in accounting estimate, the standalone selling price of the development services is estimated using an output-based approach that reflects the value delivered through the achievement of defined development milestones and the corresponding pattern of transfer of services to the customer. The standalone selling price of the license is estimated using the residual approach on the basis that the Group licenses intellectual property for a broad range of amounts and has not previously licensed intellectual property on a standalone basis. Therefore, the Group first allocates the transaction price to the development services and subsequently allocates the remainder of the transaction price to the license. If the product is still in early phase of development and the constraint on variable consideration has not been resolved, all the transaction price is allocated to the development service.

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

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

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

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

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

Other revenue

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

2.7 Cost of product revenue

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

2.8 Research and development expenses

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

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

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

Expenditures related to research and development activities are recognized as an expense in the period in which they are incurred. The Company did not capitalize any development expenses as intangible assets during the years ended 31 December 2025 and 2024 as not all the criteria in paragraph 57 of IAS 38 have been met.

2.9 General and administrative expenses

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

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

2.10 Finance income and finance cost

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

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

2.11 Foreign currency translation

The consolidated financial statements are presented in U.S. Dollars, which is the Group's presentation currency. The Group maintains the financial statements of each entity within the Group in its respective functional currency. The majority of the Group's expenses are incurred in U.S. Dollars and Icelandic Krona, and the majority of the Company's cash and cash equivalents are held in a combination of Icelandic Krona, Euros and U.S. Dollars. Transactions in currencies other than the Group's presentation currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items

denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

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

2.12 Fair value measurements

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

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

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

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

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

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

2.13 Goodwill and other intangible assets

Goodwill and business combinations

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or as additional assets or

liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The Group completed one business combination during the year ended 31 December 2025, relating to the acquisition of Ivers Lee on 8 July 2025 (refer to Note 1.3); no business combinations were completed during the year ended 31 December 2024.

Other intangible assets

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

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

Software	3 - 10 years
Intellectual property rights*	10 years

* *From launch date*

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

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

2.14 Income tax

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

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statements of profit or loss and other comprehensive income or loss because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax expense is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

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

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

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

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

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

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

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

2.15 Property, plant and equipment

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

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

Depreciation is calculated and recognized as an expense on a straight-line basis over an asset's estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimate accounted for on a prospective basis. The following useful lives are used in the calculation of depreciation:

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

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

is recognized in the consolidated statements of profit or loss and other comprehensive income or loss at the time of disposal or retirement.

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

2.16 Inventories

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

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

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

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

2.17 Financial assets

Recognition of financial assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, other than financial assets measured at FVTPL, are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss. There were no transaction costs related to the acquisition of financial assets in 2025 or 2024. All of the Group's financial assets are measured at amortized cost as of 31 December 2025 and 2024.

Financial assets measured at amortized cost

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

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

Impairment of financial assets

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

The Group always recognizes lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the

current as well as the forecasted direction of conditions at the reporting date, including time value of money where appropriate.

The Group writes off a financial asset when there is no reasonable expectation of recovery, such as information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. A trade receivable or contract asset that is considered uncollectible is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. The Group did not write off any trade receivables or contract assets during the years ended 31 December 2025 and 2024, except for the Biosana related asset which was fully reserved (see Note 27).

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

Derecognition of financial assets

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

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

2.18 Financial liabilities

Financial liabilities

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

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

Financial liabilities subsequently measured at amortized cost

After initial recognition, financial liabilities other than derivative financial instruments and awards issued pursuant to long-term incentive plans are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts all estimated future cash payments through the expected life of the financial liability, or a shorter period if appropriate, to the amortized cost of a financial liability. The effective interest rate includes the effects of any discount or premium on acquisition of the financial liability, as well as any fees or costs incurred upon acquisition.

Financial liabilities subsequently measured at FVTPL

Derivative financial instruments

Certain rights and features pursuant to borrowing arrangements and other contracts may provide the counterparty with one or more financial instruments that need to be evaluated and potentially accounted for separately by the Group. These financial instruments are either embedded in a host instrument or are treated as a separate financial

instrument if they are contractually transferable independent from the host instrument. Such rights and features pursuant to the Group's contracts with both third parties and related parties include earn out rights, conversion rights and warrant rights.

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

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

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

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

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

Long-term incentive plans

Management Incentive Plan

The Group can issue share options, restricted share units ("RSUs"), and other share-based awards under the Company's new incentive plan (the "Management Incentive Plan") which was approved by the Board in June 2022. Awards issued under the Management Incentive Plan are accounted for in accordance with IFRS 2. Share-based payments are classified as equity-settled share-based payments as the Company intends to settle the awards with equity and has the commercial substance to do so. Share-based payments are measured at the grant date fair value of the instruments issued and recognized over the expected vesting periods. The number of shares expected to vest are reviewed and adjusted at the end of each reporting period such that the amount of expense recognized shall be based on the number of equity instruments that will eventually vest.

2.19 Provisions and contingencies

Restructuring provisions

A provision for restructuring is recognized only when the Group has a present obligation arising from a formal restructuring plan and when the plan has been communicated to those affected or implementation has begun. A restructuring provision includes only the direct, incremental costs associated with the restructuring that are not related to ongoing activities (e.g., contract termination penalties, facility closure costs).

Costs related to the termination of employees, including statutory or contractual severance and related payroll charges, are accounted for in accordance with IAS 19. Termination benefits are recognized as a liability and expense when the Group is demonstrably committed to the termination, which occurs once a detailed plan has been communicated to affected employees.

Where a restructuring consists solely of employee terminations, the Group recognizes no IAS 37 restructuring provision. Only the IAS 19 termination benefit liability is recorded.

Litigation and other contingencies

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

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

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

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

2.20 Leases

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

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

the lease includes a purchase option that the Group is reasonably certain to exercise, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

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

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

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

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

2.21 Profit (loss) per share

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

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

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

3. New accounting standards

Management has assessed that new or amended IFRS Accounting Standards and interpretations issued by the IASB effective on or after 1 January 2025 has not had a significant effect on the Consolidated financial statements, specifically:

- Amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rate – Lack of Exchangeability*

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

4. Segment reporting

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

A significant portion of the Group's revenue is generated from long-term out-license contracts which provide the customer with exclusive or semi-exclusive rights to a particular territory, which generally span multiple countries or a particular continent, as well as the Group's promises to continue development of the underlying compound and to provide supply of the product to the customer upon commercialization. Therefore, based on the nature of the customer agreements, revenue information is not currently available on a country-by-country basis.

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

	2025	2024
Europe	307,220	157,587
USA	241,370	273,036
Rest of World	37,731	59,059
	<u>586,321</u>	<u>489,682</u>

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

	2025	2024
Europe	615,498	451,066
USA	96,523	6,407
Rest of World	8,852	10,547
	<u>720,873</u>	<u>468,020</u>

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

	2025		2024	
	Revenue	% Total	Revenue	% Total
Customer A	159,747	27.2%	72,339	14.8%
Customer B	131,838	22.5%	144,384	29.5%
Customer C	131,699	22.5%	72,105	14.7%
Customer D	71,000	12.1%	—	—%
Customer E	36,821	6.3%	101,862	20.8%

5. Revenue

Disaggregated revenue

The following table summarizes the Group's revenue from contracts with customers, disaggregated by the type of good or service and timing of transfer of control of such goods and services to customers during the years ended 31 December 2025 and 2024:

	2025	2024
Product and service revenue (point in time revenue recognition)	276,271	273,472
License revenue (point in time revenue recognition)	110,982	75,813
Performance revenue (point in time revenue recognition)	48,959	42,391
Development and other service revenue (over time revenue recognition)	150,109	98,006
	<u>586,321</u>	<u>489,682</u>

Performance revenue is disaggregated from license revenue as the Company reached significant performance milestones during the year.

Reassessment of measure of progress

During the year ended 31 December 2025, the Group reassessed its method for measuring progress toward satisfaction of performance obligations related to out-license contracts. Specifically, the Group transitioned from an input method to an output method for recognizing revenue associated with upfront payments and development milestones. This transition reflects updated expectations regarding the timing and value of goods and services transferred to customers, in light of evolving regulatory and operational developments. This has been accounted for prospectively as a change in estimate in accordance with IAS 8. The net effect in the year ended 31 December 2025 resulted in an increase of \$17.5 million in revenue related to development services.

Subsequent changes to the estimate of the transaction price are recorded as adjustments to revenue in the period of change. The Group updates the measure of progress estimates on a quarterly basis. The quarterly changes in estimates did not result in material adjustments to the Group's previously reported revenue or trade receivables during the years ended 31 December 2025 and 2024.

Contract assets and liabilities

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

	Contract Assets	Contract Liabilities
31 December 2023	46,049	132,444
Contract asset additions	133,756	—
Amounts transferred to trade receivables	(88,564)	—
Derecognition of contract liability	—	(331)
Customer prepayments	—	51,255
Revenue recognized	—	(82,454)
Foreign currency adjustment	(1,227)	(4,213)
31 December 2024	90,014	96,701
Contract asset additions	153,918	—
Amounts transferred to trade receivables	(58,878)	—
Derecognition of contract liability	—	(4,157)
Customer prepayments	—	42,067
Revenue recognized	—	(107,173)
Foreign currency adjustment	2,320	8,426
31 December 2025	187,374	35,864

The net increase in contract assets as of 31 December 2025 is due to the revenue recognized when the performance obligation has been met which is offset by transfer of amounts to trade receivables on the basis that the Group's right to that consideration is no longer contingent on its performance. The net decrease in contract liabilities as of 31 December 2025 is due to revenue recognized when the performance obligation has been met which is offset by customer prepayments in advance of the Group's performance. As of 31 December 2025, \$122.9 million and \$64.4 million are recorded as non-current contract assets and current contract assets, respectively. Non-current contract assets will materialize over the next 2 to 4 years. As of 31 December 2025, \$5.5 million and \$30.4 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 3 years as either services are rendered or contractual milestones are achieved, depending on the performance obligation to which the payment relates.

Remaining performance obligations

Due to the long-term nature of the Group's out-license contracts, the Group's obligations pursuant to such contracts represent partially unsatisfied performance obligations at year-end. The revenues under existing out-license contracts with original expected durations of more than one year are estimated to be \$351.7 million. The Group expects to recognize the majority of these revenues over the next 5 years.

Out-license agreements

Teva Pharmaceutical Industries Ltd. (Teva)

In August 2020, the Group entered into an exclusive strategic agreement with Teva for the commercialization in the United States for five of the Group's biosimilar product candidates. The initial pipeline contains biosimilar candidates addressing multiple therapeutic areas. Under this agreement, the Group will be responsible for the development, registration and supply of the biosimilars, while Teva will be exclusively commercializing the products in the United States pursuant to an intellectual property license granted by the Group to Teva. This agreement was subsequently amended in June 2021, February 2023, and July 2023, for the exclusive commercialization of additional biosimilar products in the United States.

In connection with the agreement, Teva made upfront payments of \$40 million up to 31 December 2025. The Group also received \$70.0 million in development milestones, \$40.0 million in milestones related to the first commercial sale and other sales target through 31 December 2025, and is entitled to receive up to an additional \$465 million in development and sales target milestones. Subject to some limitations, as consideration for supply of product the Group will receive 40% of the value of Teva's net sales of the products.

STADA Arzneimittel AG (Stada)

In November 2019, the Group entered into an exclusive strategic agreement with Stada for the commercialization of six biosimilar products in all key European markets and selected markets outside Europe. The initial pipeline contains biosimilar candidates aimed at treating autoimmunity, oncology, ophthalmology and inflammatory conditions. Under this agreement, the Group will be responsible for the development, registration and supply of the biosimilars, while Stada will be exclusively commercializing the products in the relevant territories pursuant to an intellectual property license granted by the Group to Stada.

Three product agreements were terminated in May 2023, resulting in repayment of €17.4 million and reversion of rights to the Group. Subsequent amendments expanded Stada's commercial rights for the remaining three biosimilars to additional territories.

In connection with the agreement, Stada made an upfront payment of \$6.7 million up to 31 December 2025. The Group also received \$73.4 million in development milestones, \$24.5 million in milestones related to the first commercial sale and other sales target through 31 December 2025, and is entitled to receive up to an aggregate of \$8.0 million in development and sales target milestones. The Group is also expected to receive a royalty of approximately 40% of the estimated net selling price from Stada's and its affiliates' commercialization of the contracted biosimilar products.

Advanz Pharma Holdings (Advanz Pharma)

In February 2023, the Group entered into an exclusive strategic agreement with Advanz Pharma for the commercialization of one biosimilar in the European Economic Area, UK, Switzerland, Canada, Australia, and New Zealand. Under the agreement, the Group is responsible for development and supply, while Advanz Pharma handles registration and commercialization. The partnership was expanded in May 2023 to include five additional biosimilar products in Europe.

Further amendments in June 2024 and May 2025 extended the partnership to include five additional biosimilar products. Advanz Pharma holds exclusive commercialization rights in Europe, with semi-exclusive rights in Germany and France for two of the products.

In connection with the agreements, Advanz Pharma made upfront payments of \$127.0 million up to 31 December 2025. The Group also received \$60.6 million development milestones, \$4.2 million in milestones related to the first commercial sale and other sales target through 31 December 2025. Additionally, the Group is eligible to receive up to an additional \$578.7 million in development and sales target milestones. The Group is also expected to receive a

royalty of 40% of the estimated net selling price from Advanz Pharma's and its affiliates' commercialization of the contracted biosimilar products.

Alvogen Inc. (Alvogen)

In December 2025, the Group entered into an exclusive strategic agreement with Alvogen for the commercialization of three biosimilar in United States. Under the agreement, the Group is responsible for development and supply, while Alvogen handles registration and commercialization.

In connection with the agreement, Alvogen made upfront payments of \$15.0 million up to 31 December 2025. Additionally, the Group is eligible to receive up to an additional \$195.0 million in development, regulatory and sales target milestones. The Group is also expected to receive a royalty of 40% of the estimated net selling price from Alvogen's and its affiliates' commercialization of the contracted biosimilar products. Alvogen is a related party to the Company (refer to Note 24 for further details).

6. Salaries and other employee expenses

The average number of individuals employed by the Group during the years ended 31 December 2025 and 2024, was 1,279 and 1,011, respectively. The aggregate salary and other employee expenses incurred by the Group for these employees were as follows:

	2025	2024
Salary expense	146,877	109,042
Defined contribution plan expense ⁽¹⁾	14,698	11,168
Long-term incentive plan expense	—	198
Share-based payments (see Note 22)	7,378	7,626
Other employee expense	20,804	19,998
Temporary labor	4,252	5,994
	194,009	154,026

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

In 2025, the Group undertook several workforce reductions and leadership changes across certain functions. These actions included the departure of several senior executives earlier in the year and a reduction of eleven roles within the Quality organization in November 2025. Affected employees were formally notified during 2025.

In accordance with IAS 19, the Group recognized a liability for termination benefits when it became demonstrably committed to these reductions. All unpaid termination benefits were accrued as of 31 December 2025 and are presented within Other Current Liabilities. Termination benefits comprise statutory and contractual severance obligations and related employer charges. The total termination benefit expense recognized in 2025 amounted to \$3.5 million.

The movements in the termination benefit liability for the year ended 31 December 2025 were as follows:

	2025
Balance at 1 January 2025	—
Expenses recognized	3,468
Utilization	(891)
Balance at 31 December 2025	2,577

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

	2025	2024
Cost of product revenue	116,032	77,241
Research and development expenses	38,416	37,652
General and administrative expenses	39,561	39,133
Total salary and other employee expenses	194,009	154,026

7. Finance income and finance costs

Finance income earned for the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
Changes in the fair value of derivatives (see Note 27)	194,962	75,528
Interest income from cash and cash equivalents	2,162	4,577
Interest on financial assets	204	—
Gain on lease termination	765	—
Other interest income	399	40
	198,492	80,145

Finance costs incurred for the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
Changes in the fair value of derivatives (see Note 27)	(3,112)	(145,564)
Interest on debt and borrowings	(127,632)	(147,373)
Interest on lease liabilities (see Note 13)	(9,238)	(6,614)
Amortization of deferred debt issue costs	(9,208)	(3,614)
	(149,190)	(303,165)

8. Depreciation, amortization and impairment

Depreciation, amortization and impairment expenses incurred during the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
Depreciation and impairment of property, plant and equipment (see Note 12)	21,174	17,105
Depreciation of right of use assets (see Note 13)	14,485	13,377
Amortization and impairment of intangible assets (see Note 15)	2,192	819
	<u>37,851</u>	<u>31,301</u>

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

	2025	2024
Cost of product revenue	21,972	18,683
Research and development expenses	9,851	8,359
General and administrative expenses	6,028	4,259
	<u>37,851</u>	<u>31,301</u>

9. Audit fees

	2025	2024
Financial Statement audit fees	3,509	3,335
Other fees, including tax services	882	279
	<u>4,391</u>	<u>3,614</u>

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

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

10. Income tax

Taxation recognized in the consolidated statements of profit or loss and other comprehensive income or loss during the years ended 31 December 2025 and 2024 is as follows:

	2025	2024
Current tax		
Direct taxes - current	1,906	1,149
Direct taxes – prior year	(80)	(48)
Total current tax	1,826	1,101
Deferred tax		
Current	137,476	7,284
Prior year	(30,872)	5,916
Total deferred tax	106,604	13,200
Total income tax charge / (benefit)	108,429	14,301

The prior year deferred tax impact of \$30.9 million mainly relates to foreign currency impact on losses denominated in Icelandic krona.

The tax charge for the year ended 31 December 2025 is impacted by the derecognition of previously recognized deferred tax asset on accumulated tax losses in Iceland as, based on updated expectations of future taxable profits, management considered no longer probable that the related deferred tax asset will be fully utilized. Other factors affecting the tax charge for the year relate to favorable foreign currency impact on accumulated tax losses denominated in Icelandic Krona and are predominantly represented as prior year deferred taxes. The factors affecting the tax charge during the year ended 31 December 2024 relate primarily to the utilization of the deferred tax asset on accumulated tax losses previously recognized, as management had assessed at that time that it was probable that the accumulated tax losses would be fully utilized.

There were no accruals for tax contingencies during the years ended 31 December 2025 and 2024.

The effective tax rate for the year of 79.5% (2024: (6.6%)) is higher than the applicable Luxembourgish statutory rate of corporation income tax. The reconciling items between the statutory rate and the effective tax rate are as follows:

	2025	2024
Tax rate	23.9%	24.9%
Effect of tax rate in foreign jurisdictions	(1.4%)	0.8%
Permanent Differences	(37.1%)	(17.4%)
Derecognition of tax losses previously recognized	95.3%	—%
Non-recognition of tax losses	21.6%	(12.2%)
Other items	(22.8%)	(2.8%)
Effective tax rate	79.5%	(6.6%)

The movement in net deferred taxes during the years ended 31 December 2025 and 2024 is as follows:

	2025	2024
Balance at 1 January	296,549	309,754
Acquisition of subsidiaries	(5,551)	—
Deferred tax credited to profit or loss	(106,655)	(13,205)
Balance at 31 December	184,343	296,549
Deferred tax assets	192,211	298,360
(Deferred tax liabilities)	(7,868)	(1,811)

Deferred Tax Assets and Liabilities	2025		2024	
	DTA	(DTL)	DTA	(DTL)
Intangible Assets	713	522	751	—
Tangible Assets	4,213	(6,458)	530	(849)
Inventory Reserves	1,518	(203)	1,384	—
Bad Debt Reserves	172	—	3,483	—
Employee Benefits	3,973	—	4,611	—
Provisions and accruals	—	(871)	—	(679)
Other	202	(857)	(275)	(283)
Taxable Losses	181,421	—	287,874	—
Total Deferred Taxes	192,211	(7,868)	298,360	(1,811)

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

The amount of deferred tax recognized in the consolidated statements of financial position as of 31 December 2025 and 2024 is composed of:

	2025	2024
Deferred tax assets attributable to tax loss carryforwards	181,421	287,874
Deferred tax asset attributable to other temporary differences	11,312	10,760
(Deferred tax liabilities) attributable to other temporary differences	(8,390)	(2,086)
Net deferred tax assets / (liabilities)	184,343	296,549

A deferred tax liability has been recognized in relation to ordinary timing differences arising from depreciation, reserves and other provisions. A deferred tax liability of \$8.4 million and \$2.1 million has been recognized as of 31 December 2025 and 2024, respectively.

A net deferred tax asset of \$184.3 million and \$296.5 million is recognized as of 31 December 2025 and 31 December 2024, respectively.

A deferred tax asset has been recognized in relation to ordinary timing differences arising from amortization, depreciation, reserves, employee benefits, other provisions and tax losses carried forward in the Group. The deferred tax asset related to tax losses reflect the portion of accumulated tax losses in Iceland that management considers probable of being utilized. In reaching this conclusion, management evaluated all available positive and negative

evidence, including long-term profitability expectations associated with product, license and other revenues, and assessed the extent to which future profits could be used to offset cumulative tax losses as at 31 December 2025.

The recoverability assessment is performed annually in accordance with IAS 12 and considers the robustness of the long-term financial plan (which is the six year plan for 2026–2031) supporting forecast taxable results. As part of this year’s assessment, the key assumptions were updated and incorporated risks associated to potential variability in product volumes (market share), unit prices, timing of product launches and the probability of success for pipeline products, and included the effects of 2025 regulatory changes, pricing and demand, acknowledging that development, regulatory-timing and commercial assumptions may evolve over time. Projected revenue streams were included only where a sufficient level of substantiation exists (for example, launched products, partner purchase orders and signed licensing agreements).

Based on this assessment, certain tax losses arising in 2016 and 2017 are set to expire unused and tax losses arising in 2022 onwards are not expected to be fully utilized by 2031, resulting in the derecognition of \$130.0 million of previously recognized deferred tax assets on accumulated tax losses, which was mainly a result of a combination of delays in regulatory approval, more pronounced pricing pressure than anticipated and regulatory changes in the US. An amount of \$181.4 million of deferred tax asset on accumulated tax losses remains recognized and reflects the portion of tax losses for which management has determined that are probable of being utilized. The Group continues not to recognize a deferred tax asset for tax losses arising in Luxembourg, as their recoverability is considered unlikely.

There is an inherent uncertainty and estimation in the valuation of deferred tax assets and, therefore, this is an area subject to risk of material change as a result of underlying assumptions and judgements used, in particular the forecast of future profitability used to determine the recoverability of deferred tax. It is possible that to the extent that actual outcomes differ from management’s estimates, material income tax charges or credits, and material changes in deferred tax assets may arise within the next financial year or in future years. In this context, Management notes that adverse movements, in key assumptions—such as slower-than-expected revenue growth, shifts in market conditions, pricing pressures, or delays in the timing of projected taxable profits—could impact materially the recognition of deferred tax assets over taxable losses.

These tax losses expire as follows:

2026-2028	208,484
2029-2031	549,965
Later	889,170
Indefinite	—
Total	1,647,618

As of 31 December 2025 the Group has total unused tax losses of \$1,647.6 million. Of this, \$740.5 million represent unused losses for which no deferred tax asset has been recognized in the statement of financial position but are available to offset future taxable income: \$650.0 million reside in Iceland and \$90.5 million reside in Luxembourg. The remaining total of unused tax losses of \$907.1 million represent unused losses in Iceland for which a deferred tax asset has been recognized in the statement of financial position and which are available to offset future taxable income.

11. Profit (loss) per share

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

Diluted profit (loss) per share is computed by adjusting the calculation of basic profit (loss) per share for the effects of dilutive potential ordinary shares from financial instruments that may be converted or exercised into ordinary shares of the Group. For the years ended 31 December 2025 and 2024, 30,864,506 and 31,432,382, respectively, potential ordinary shares pursuant to the RSUs, 2025 Convertible Bonds, Senior Bond Warrants, Aztiq Convertible Bond, 2022 Convertible Bonds, OACB Warrants, Predecessor Earn Out Shares, and OACB Earn Out Shares (as defined and discussed in Notes 21 and 27) were excluded in the calculation of diluted profit (loss) per share, since the effect of doing so would result in an increase (reduction) of profit (loss) per share and thus be antidilutive.

The calculation of basic and diluted profit (loss) per share for the years ended 31 December 2025 and 2024 is as follows (in thousands, except for share and per share amounts):

	2025	2024
Earnings		
Profit / (loss) for the year	27,919	(231,864)
Number of shares		
Weighted average number of ordinary shares outstanding	289,727,741	267,924,570
Basic profit / (loss) per share	0.10	(0.87)

Diluted earnings per share is calculated to give effect to the potential dilutive effect that could occur if additional ordinary shares were assumed to be issued under securities or instruments that may entitle their holders to obtain ordinary shares in the future, which include share-based compensation awards (see Note 22—Share-based payments for additional details). The number of additional shares for inclusion in the diluted earnings per share calculation was determined using the treasury stock method.

The calculation of diluted profit (loss) per share for the years ended 31 December 2025 and 2024 is as follows (in thousands, except for share and per share amounts):

	2025	2024
Earnings		
Profit (loss) for the year	27,919	(231,864)
Fully diluted profit (loss) for the year	27,919	(231,864)
Number of shares		
Weighted average number of ordinary shares outstanding	289,727,741	267,924,570
Dilutive effect of share-based compensation	1,614,734	—
Weighted average number of diluted ordinary shares outstanding	291,342,475	267,924,570
Diluted profit / (loss) per share	0.10	(0.87)

12. Property, plant and equipment

Property, plant and equipment consists of facility, facility equipment, furniture, fixtures and leasehold improvements, and computer equipment. Movements within property, plant and equipment during the years ended 31 December 2025 and 2024 are as follows:

	Facility	Facility Equipment	Furniture, fixtures and leasehold improvements	Computer equipment	Total
Cost					
Balance at 1 January 2025	115,000	237,471	14,301	2,388	369,160
Acquisition of Ivers Lee assets	31,654	4,596	131	37	36,418
Additions	—	56,173	2,546	264	58,983
Disposals	—	(1,192)	(4,628)	(138)	(5,958)
Translation difference	304	1,814	188	4	2,310
Balance at 31 December 2025	146,958	298,862	12,538	2,555	460,913
Depreciation					
Balance at 1 January 2025	6,109	72,107	4,569	1,829	84,614
Depreciation	3,424	16,428	1,041	281	21,174
Disposals	—	(1,193)	(1,344)	(126)	(2,663)
Translation difference	—	1,272	115	3	1,390
Balance at 31 December 2025	9,533	88,614	4,381	1,987	104,515
Net carrying amount					
Balance at 31 December 2025	137,425	210,248	8,157	568	356,398

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

As part of the Ivers Lee business combination (refer to Note 1.3), the Group recognized the acquiree's identifiable Property, Plant and Equipment amounting to \$36.8 million. These assets were measured at their acquisition-date fair values in accordance with IFRS 3. The fair value assessment was performed by an independent qualified valuer and reflect current market conditions at the acquisition date.

On 12 December 2024, the Group entered into a settlement with Fasteignafélagið Eyjólfur hf. with respect to Alvotech hf.'s equipment located in the leased premises and operated by Alvotech hf., which had been acquired by

Faseignafélagið Eyjólfur hf. This resulted in an amendment of the lease agreement (refer to Note 13). The settlement amount was \$14.8 million.

The Group pledged \$356.4 million and \$284.5 million of property, plant and equipment as collateral to secure bank loans with third parties as of 31 December 2025 and 2024, respectively.

13. Leases

The Group's leased assets consist of facilities, fleet and equipment pursuant to both arrangements with third parties and related parties. The carrying amounts of the Group's right-of-use assets and the movements during the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
Right-of-use assets		
Balance at 1 January	125,198	119,802
Adjustments for indexed leases	4,882	6,283
New leases	24,594	41,506
Cancelled leases	(2,132)	(476)
Remeasurement due to acquisition of equipment	—	(27,902)
Depreciation	(14,485)	(13,377)
Translation difference	237	(638)
Balance at 31 December	138,294	125,198

The Group entered into a lease agreement with Fasteignafélagið Eyjólfur hf. in April 2023 for a new facility in Iceland with remaining lease terms of approximately 13 years as of 31 December 2025. The building is 140,000 square feet. The construction was completed in 2024 and the final details were finalized in 2025. The lease amount was in substance fixed and is based on construction cost. On 12 December 2024 the Group entered into a settlement with Fasteignafélagið Eyjólfur hf. with respect to Alvotech hf.'s equipment located in the leased premises and operated by Alvotech hf., which had been acquired by Faseignafélagið Eyjólfur hf. This resulted in an amendment of the lease agreement which resulted in a partial termination of the right-of-use asset amounting to \$27.9 million and remeasurement of the lease liability reducing the liability by \$28.3 million. The Group recognized \$0.4 million income due to this remeasurement in the consolidated statements of profit or loss and other comprehensive income or loss. The related right-of-use asset as of 31 December 2025 amounts to \$81.4 million.

The Group's right-of-use assets as of 31 December 2025 and 2024 are comprised of the following:

	2025	2024
Right-of-use assets		
Facilities	131,573	117,931
Fleet	171	268
Equipment	6,550	6,999
Balance at 31 December	138,294	125,198

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The Group's lease liabilities and the movements during the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
Lease liabilities		
Balance at 1 January	121,652	115,315
Adjustments for indexed leases	4,880	6,325
New leases	24,470	41,584
Cancelled leases	(3,889)	(484)
Installment payments	(11,189)	(10,725)
Remeasurement due to acquisition of equipment	—	(28,252)
Foreign currency adjustment	13,803	(1,695)
Translation difference	350	(416)
Balance at 31 December	150,077	121,652
Current liabilities	(12,078)	(9,515)
Non-current liabilities	137,999	112,137

The amounts recognized in the consolidated statements of profit or loss and other comprehensive income or loss during the years ended 31 December 2025 and 2024 in relation to the Group's lease arrangements are as follows:

	2025	2024
Depreciation expense from right-of-use assets		
Facilities	(13,706)	(11,922)
Fleet	(159)	(161)
Equipment	(620)	(1,294)
Total depreciation expense from right-of-use assets	(14,485)	(13,377)
Interest expense on lease liabilities	(9,238)	(6,614)
Foreign currency difference on lease liability	(13,803)	(1,695)
Gain/(loss) from extinguishment of lease agreement	1,757	375
Total amount recognized in profit and loss	(35,769)	(21,311)

The maturity analysis of undiscounted lease payments as of 31 December 2025 and 2024 is as follows:

	2025	2024
Less than one year	21,577	16,731
One to five years	75,002	58,722
Thereafter	116,424	101,703
	213,003	177,156

The Group's lease liabilities as of 31 December 2025 and 2024 do not include short-term leases and low value leases. During these years the Group expensed \$0.4 million and \$0.2 million, respectively, in relation to such leases.

14. Goodwill

The Group's goodwill balances as of 31 December 2025 and 2024 are as follows:

	2025	2024
Balance as of 1 January	11,330	12,058
Translation difference	1,505	(728)
Balance as of 31 December	12,835	11,330

Goodwill is recognized at the Group level and allocated to group of cash-generating units, which represents the lowest level at which goodwill is monitored. The recoverable amount of the cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on the financial forecast for the period 2026-2031 which reflect the recent business developments of the Group and has been approved by management and the Board of Directors. The Group determined that the terminal growth rate and the discount rate are the key assumptions used in determining the current estimate of value in use.

Cash flows beyond 2031 have been extrapolated using a negative 5% terminal rate in both the 2025 and 2024 value in use calculations, respectively. A discount rate of 23.9% (2024: 24.3%) per annum was used in determining the current estimate of value in use. Since the recoverable amount of the cash-generating unit was substantially in excess of its carrying amount as of 31 December 2025 and 2024, management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the cash-generating unit is based would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

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

15. Other Intangible assets

Other intangible assets consist of software, customer relationships, and licensed intellectual property rights. Movements in intangible assets during the years ended 31 December 2025 and 2024 are as follows:

	Software	Customer relationships	Intellectual property rights	Total
Cost				
Balance at 1 January 2025	19,234	2,134	6,000	27,368
Acquisition of Ivers Lee assets	185	—	—	185
Additions	1,823	—	61,182	63,005
Derecognition	—	(2,134)	—	(2,134)
Translation difference	313	—	—	313
Balance at 31 December 2025	21,555	—	67,182	88,737
Amortization				
Balance at 1 January 2025	4,613	2,134	—	6,747
Amortization	2,192	—	—	2,192
Derecognition	—	(2,134)	—	(2,134)
Translation difference	98	—	—	98
Balance at 31 December 2025	6,903	—	—	6,903
Net carrying amount				
Balance at 31 December 2025	14,652	—	67,182	81,834

During the twelve months ended 31 December 2025, the Group acquired \$35.0 million of intangible assets, mainly in-process research and development, including \$28.2 million through the Xbrane asset acquisition as described in

Note 1.2. The Group recognized \$2.2 million and \$0.8 million of amortization expense for the twelve months ended 31 December 2025 and 2024, respectively.

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

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

At 31 December 2025 the Group performed a review of its intangible assets and determined that there was no impairment in 2025 and 2024.

Alvotech entered into an exclusive product licensing and supply agreement with Kashiv for the development and commercialization of AVT23 in September 2023. Under the terms of the agreement, Kashiv granted Alvotech an exclusive right for AVT23 which will be produced using Kashiv's proprietary process technology and commercialized by Alvotech in specific territories. In exchange, Alvotech made an upfront payment of \$3.0 million upon the signing of the agreement, with an additional \$3.0 million due upon the beginning of Phase 3 which coincides with the clinical trial application ("CTA") submission. During 2025 Alvotech made milestone payments to Kashiv for \$6.7 million.

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

Additions during the year 2025 mainly relate to capitalized costs arising from co-development and in-licensing arrangements, representing acquired intellectual property rights.

16. Cash and cash equivalents

Cash and cash equivalents include both cash in banks and on hand. Cash and cash equivalents as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Cash and cash equivalents denominated in US dollars	11,060	36,930
Cash and cash equivalents denominated in other currencies	161,299	14,498
	172,359	51,428

Restricted cash

Restricted cash relates to cash that may only be used pursuant to certain of the Group's borrowing arrangements (see note 21). Therefore, these deposits are not available for general use by the Group. Movements in restricted cash balances during the years ended 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Balance at 1 January	—	26,132
Interest income	—	740
Released during the year	—	(26,872)
Balance at 31 December	—	—

17. Inventories

The Group's inventory balances as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Raw materials and supplies	102,158	53,566
Work in progress	124,330	81,243
Finished goods	1,383	—
Inventory reserves	(7,817)	(6,920)
Total Balance	220,054	127,889

The increase in inventory from 31 December 2024 to 31 December 2025 is due to the expansion of the commercial launch of certain of the Group's biosimilar products.

The Group recognized \$174.2 million and \$118.0 million within cost of goods sold during the years ended 31 December 2025 and 2024 respectively.

During the years ended 31 December 2025 and 2024, write-down of inventories amounted to \$7.8 million and \$6.9 million, respectively, due to product expiration and results from quality control inspections.

There were no reversal of inventory write-downs during the year ended 31 December 2025. There was a reversal of inventory write-downs of \$7.4 million during the year ended 31 December 2024.

18. Other current assets

The composition of other current assets as of 31 December 2025 and 31 December 2024 is as follows:

	31 December 2025	31 December 2024
Value-added tax	17,924	17,719
Prepaid expenses	27,816	23,984
Proceeds receivable from sale of joint venture	—	5,950
Other short-term receivables	1,244	411
	46,984	48,064

19. Share capital

Share capital and share premium of the Group's Ordinary Shares issued as of 31 December 2025, and 2024 are as follows (in thousands, except for share amounts):

	2025		2024	
	Shares	Share capital and share premium	Shares	Share capital and share premium
Ordinary Shares	312,021,375	2,108,620	301,805,677	2,009,884
	312,021,375	2,108,620	301,805,677	2,009,884

The authorised capital, excluding the share capital, is set at \$4.4 million, consisting of 4,407,629 shares, each having a nominal value of \$0.01.

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

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

On 16 May 2025, the Company announced the outcome of an offering of SDRs, in connection with its listing on Nasdaq Stockholm (the "Offering"). The Offering, which was directed solely into Sweden and had an application period from 9 May 2025 to 16 May 2025, attracted strong interest from the general public in Sweden and was multiple times oversubscribed, resulting in more than 3,000 new shareholders for the Company. The gross proceeds of the Offering amounted to SEK 39 million, before the deduction of transaction costs.

On 4 June 2025, the Company carried out a private placement of ordinary shares and SDRs (the "Placement") directed to Swedish and international institutional investors which was completed on 11 June 2025. About 40 institutional investors participated in the Placement, which was oversubscribed. About 60% of the demand came from institutional investors based in Sweden, Norway or the UK, and about 30% from US-based funds. Over 80% of the shares and SDRs allocated in the placement were sold to investors that were not previously shareholders in Alvotech. Gross proceeds from the sale of shares and SDRs were SEK 750 million, before the deduction of transaction costs.

On 22 December 2025, the Company issued Convertible Bonds. Alvotech Manco ehf ("Manco"), a wholly owned subsidiary of the Company, provided a stock lending facility for the duration of the Convertible Bonds for the purpose of facilitating Convertible Bond investors' hedging activities. The facility covers the full number of shares underlying the Convertible Bonds, which total 18,235,850 shares. As of the year-end 2025, 13,559,915 shares have been lent under this facility.

Movements in the Group's Ordinary shares, share capital and share premium during the years ended 31 December 2025 and 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	9,213,333	92	144,547	144,639
Vested earn-out shares	—	198	310,703	310,901
Penny warrants (Note 27)	1,718,845	17	24,293	24,310
Public warrants (Note 27)	419,660	4	6,691	6,695
Settlement of RSUs with shares (Note 22)	1,549,290	15	5,890	5,905
Settlement of options with shares	9,127	0	105	105
Conversion of convertible bonds (Note 21)	22,073,578	221	285,139	285,360
Balance 31 December 2024	301,805,677	2,826	2,007,058	2,009,884
Capital contribution	7,941,600	79	78,210	78,289
Convertible debt settled with shares	1,295,507	13	14,820	14,833
Settlement of RSUs with shares	978,591	11	5,603	5,614
Balance at 31 December 2025	312,021,375	2,929	2,105,691	2,108,620

No dividends were paid or declared during the years ended 31 December 2025 and 2024.

At 31 December 2025 and 2024 Alvotech Manco ehf., a subsidiary of Alvotech hf., owned 22,016,772 and 22,995,363 Ordinary Shares in Alvotech. Such shares are intended for the future issuance of Ordinary Shares under the Management Incentive Plan and other equity offerings.

20. Other reserves

The composition of other reserves as of 31 December 2025 and 2024 is as follows:

	2025	2024
Share based payments	15,331	17,272
	15,331	17,272

21. Borrowings

The Group's debt consists of interest-bearing borrowings from financial institutions and third parties. Outstanding borrowings, net of transaction costs and debt discounts, presented on the consolidated statements of financial position as current and non-current as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Senior Secured First Lien Term Loan Facility	1,031,565	990,744
2025 Convertible Bonds	68,367	—
Senior Term Loan Facility	96,719	—
Other borrowings	102,417	77,840
Total outstanding borrowings, net of debt issue costs	1,299,068	1,068,584
Less: current portion of borrowings	(36,921)	(32,702)
Total non-current borrowings	1,262,147	1,035,882

Senior Secured First Lien Term Loan Facility

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

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

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

On 26 June 2025, the Company entered into an amendment (the "Amendment") of its Secured Loan Facility, by and among, among others, Alvotech, as borrower, GLAS USA LLC, as administrative agent, GLAS Americas LLC, as collateral agent, and the Lenders thereto, which provides for, among other things, the reduction of the interest rate under the Company's existing Secured Loan Facility. In conjunction with this Amendment, part of the Lenders agreed to increase the first tranche by \$169.0 million in order to absorb the second tranche, thereby creating one single tranche going forward, further simplifying the Company's capital structure. The interest rate for this Secured Loan Facility is SOFR plus 6.0% per annum, and all interest will be payable in cash. The Company used the proceeds of the new incremental senior secured term loans to prepay its existing second tranche, to prepay a portion of its existing first tranche, and to pay related premiums, closing payments, fees, costs and expenses.

A net gain on modification and extinguishment of financial liabilities of \$17.7 million was recognized during the year ended 31 December 2025 in connection with the Amendment and partial repayment of the Secured Loan Facility. This amount reflects the financial impact of the extinguishment of the second tranche and certain lenders of the first tranche, as well as the modification of terms under the consolidated Facility, which now bears interest at SOFR plus 6.0% per annum.

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

As of 31 December 2025, the carrying amount of the Secured Loan Facility is \$1,031.6 million compared to \$990.7 million as of 31 December 2024.

Convertibles Bonds issued in December 2025

On 22 December 2025, the Company issued \$108 million of senior unsecured convertible bonds due 2030 (the "2025 Convertible Bonds"). The 2025 Convertible Bonds were issued at par, carry a 6.875% fixed coupon payable semi-annually in arrears, and mature on 22 December 2030.

The 2025 Convertible Bonds are convertible into SDRs at an initial Conversion Price of \$5.9224, subject to standard anti-dilution adjustments and a single reset feature linked to certain equity issuances. The Convertible Bonds also include standard issuer call options and holder put rights upon defined events, all redeemable at par plus accrued interest.

The conversion option does not meet the fixed-for-fixed criterion and is therefore accounted for as a derivative financial liability measured at fair value through profit or loss (refer to Note 27). The issuer and holder redemption features were determined to be closely related to the host debt and were not separated. The host debt is measured at amortized cost using the effective interest method. Transaction costs directly attributable to the issuance were deducted from the initial carrying amount and are amortized over the term of the Convertible Bonds.

As of 31 December 2025, the carrying amount of the 2025 Convertible Bonds is \$68.4 million and the fair value of the The conversion option had a fair value of \$38.7 million (see Note 27).

Term Loan Facility executed in December 2025

On 31 December 2025, the Company entered into a \$100 million senior secured term loan facility (the "Senior Term Loan Facility") maturing in December 2027. The loan bears 12.50% cash interest, payable monthly, and is repayable in full at maturity. The facility includes customary optional and mandatory prepayment provisions, including make-whole and prepayment premiums, as well as standard excess-cash-flow and asset-sale sweep requirements.

The facility is therefore measured at amortized cost, with interest expense recognized under the effective interest method. Transaction costs directly attributable to the issuance were deducted from the initial carrying amount and are amortized over the term of the Senior Term Loan Facility.

As of 31 December 2025, the carrying amount of the Secured Loan Facility is \$96.7 million.

Conversion of the 2022 Convertible Bonds and the Aztiq Convertible Bonds

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

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

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

Refinancing of existing debt obligations

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

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

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

Facility loans

The Group assumed the Facility loans as part of the asset acquisition for the manufacturing facility in Reykjavik. On 9 December 2022, the Group extinguished the assumed loans from Arion banki hf., with an outstanding balance of \$30.9 million, with two new loans from Landsbankinn hf. for \$48.8 million, with variable interest rate. The

refinancing resulted in net cash proceeds of \$17.2 million after transaction costs paid. The Group has pledged the facility as collateral to secure these loans (1st lien pledge), as further described in Note 12.

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

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

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

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

As of 31 December 2025, the carrying amount of the Facility loans is \$42.5 million, compared to \$45.8 million as of 31 December 2024.

Other borrowings

On 22 February 2022, the Group entered into a credit facility agreement with Landsbankinn hf., which was amended in November 2025, with the ability to draw down an amount up to \$15.4 million. The credit facility is in place to help finance equipment purchases in the future. Per the terms of the credit facility, the agreement expires in December 2026 and the borrowings have a variable interest rate of USD SOFR plus a margin of 4.95%. As of 31 December 2025, the outstanding balance on the credit facility was \$10.5 million, compared to \$18.3 million as of 31 December 2024.

On 22 February 2022, the Group entered into a loan agreement with Landsbankinn hf. for a principal amount of \$3.2 million. The loan is in place to help finance equipment purchases. Per the terms of the loan agreement, annuity payments are due monthly with a final maturity in February 2030. The loan has a variable interest rate of USD SOFR plus a margin of 4.25%. As of 31 December 2025, the outstanding balance on the loan was \$1.8 million, compared to \$2.2 million as of 31 December 2024.

On 5 August 2022, the Group entered into a loan agreement with Landsbankinn hf. for a principal amount of \$1.8 million. The loan is in place to help finance equipment purchases. Per the terms of the loan agreement, annuity payments are due monthly with a final maturity in February 2030. The loan has a variable interest rate of USD SOFR plus a margin of 4.25%. As of 31 December 2025, the outstanding balance on the loan was \$1.1 million, compared to \$1.3 million as of 31 December 2024.

On 4 August 2023, the Group entered into a loan agreement with Landsbankinn hf. for a principal amount of \$11.5 million. The loan is in place to help finance equipment purchases. Per the terms of the loan agreement, annuity payments are due monthly with a final maturity in July 2030. The loan has a variable interest rate of USD SOFR plus a margin of 4.25%. As of 31 December 2025, the outstanding balance on the loan was \$8.3 million, compared to \$9.7 million as of 31 December 2024.

On 1 October 2025, the Group entered into a loan agreement with Landsbankinn hf. for a principal amount of \$18.4 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 October 2032. The loan has a variable interest rate of USD SOFR plus a margin of 4.25%. As of 31 December 2025, the outstanding balance on the loan was \$18.1 million.

On 11 December 2025, the Group entered into a loan agreement with Credit Suisse and UBS Switzerland AG for a principal amount of CHF 4.6 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 December 2030. The loan has a fixed interest rate of 1.75%. As of 31 December 2025, the outstanding balance on the loan was \$1.6 million.

As part of the acquisition of Ivers-Lee in July 2025, the Group assumed various financing arrangements, including a shareholder loan and mortgage loans, which were recognized at fair value on the acquisition date. These borrowings

bear interest at rates ranging from 1.9% to 3.15% and mature between 2028 and 2030. The obligations are secured by real estate property. These borrowings are measured at amortized cost using the effective interest method. As of 31 December 2025, the outstanding balance on the shareholder loan and mortgage loans was \$4.2 million and \$8.5 million, respectively.

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

Factoring agreement

In February 2025, the Company entered into a factoring agreement with Raiffeisen Bank International AG to sell eligible trade receivables at a discount. The factoring program has an available capacity of up to EUR 7 million with weekly settlements and has a variable interest rate of EURIBOR plus a margin of 2.2%. The agreement is collateralized by assigned eligible trade receivables. The factoring program has scheduled term of 365 days and is subject to automatic one-year renewal unless terminated with three months' prior notice.

The arrangement is subject to discounts, program fees, insurance premiums, and service charges, which are expensed as incurred. This transaction was accounted for as a secured borrowing based on the terms of the agreement.

As of 31 December 2025, \$5.3 million was outstanding under the factoring arrangement.

Movements in the Group's outstanding borrowings during the year ended 31 December 2025 are as follows:

	2025
Borrowings, net at 1 January	1,068,584
Recognition of deferred debt issue costs	(8,633)
Accretion/derecognition of borrowings discount	158
Recognition of new borrowings discount	(35,620)
Net gain on modification and extinguishment	(17,703)
Proceeds from new borrowings	233,482
New borrowings through refinancing	179,547
Borrowings acquired in business combination ¹	13,523
Repayments of borrowings	(25,419)
Settlement of borrowings through refinancing	(173,380)
Premiums and fees from repayments of borrowings	(2,697)
Accrued interest	57,348
Amortization of deferred debt issue costs	9,208
Foreign currency exchange difference	670
Borrowings, net at 31 December	1,299,068

¹ Borrowings assumed through the acquisition of Ivers Lee (refer to Note 1.3).

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

cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	1 January 2025	Financing Cash flows (a)	Capitalized loan cost changes	Fair value changes, including accretion	Other changes (b)	Foreign exchange impact	Conversion to equity	31 December 2025
2025 Convertible Bonds	—	108,000	(4,171)	(35,462)	—	—	—	68,367
Senior Term Loan Facility	—	100,000	(3,281)	—	—	—	—	96,719
Senior Secured First Lien Term Loan Facility	990,744	(6,807)	4,878	(14,555)	57,305	—	—	1,031,565
Other borrowings	77,840	19,057	—	—	54	207	—	97,158
Factoring	—	4,807	—	—	(11)	463	—	5,259
Borrowings, net	1,068,584	225,057	(2,574)	(50,017)	57,348	670	—	1,299,068

- (a) This represents the proceeds from the 2025 Convertibles Bonds and the Senior Term Loan Facility, the debt assumed through the Ivers Lee acquisition (see Note 1.3), and the repayment from the amendment of the Secured Loan Facility in the cash flow statement as described above.
- (b) Other changes include PIK interest, interest accruals and effects of interest payments from the Secured Loan Facility.

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

- (a) This represents the proceeds from the Secured Loan Facility and the repayments of the existing borrowings in the cash flow statement as described above.
- (b) Other changes include interest accruals and effects of interest payments including \$60 million PIK interest from the Secured Loan Facility and \$15.1 million of PIK interest converted to equity following the settlement of existing debt obligations.

The weighted-average interest rates of outstanding borrowings for the years ended 31 December 2025 and 31 December 2024 are 9.58% and 12.4%, respectively.

Contractual maturities of principal amounts on the Group's outstanding borrowings as of 31 December 2025 are as follows:

	31 December 2025
Within one year	36,921
Within two years	120,840
Within three years	21,016
Within four years	1,051,257
Thereafter	154,071
	<u>1,384,105</u>

22. Share-based payments

On 1 December 2022, the Remuneration Committee authorized and the Group granted RSUs to employees, executives, and directors, granting rights to Ordinary Shares once vesting conditions are met. Compensation expense for RSUs is determined based upon the market price of the Ordinary Shares underlying the awards on the date of grant and expensed over the vesting period, which is generally a 1 to 4-year period, with a 1-year cliff vesting period and either subsequent monthly vesting or annual vesting, resulting from participants completing a service condition. Movements in RSUs during the years ended 31 December 2025 and 2024 are as follows:

	2025		2024	
	RSUs	Weighted Average Fair Value	RSUs	Weighted Average Fair Value
Outstanding at 1 January	2,341,818	\$8.17	3,745,781	\$7.04
New grants during the year	1,744,789	\$8.84	673,425	\$11.66
Forfeited during the year	(897,259)	\$9.26	(589,482)	\$7.98
Vested during the year	(1,433,276)	\$7.70	(1,487,906)	\$6.99
Outstanding at 31 December	1,756,072	\$8.65	2,341,818	\$8.17

The Group recognized \$7.4 million and \$7.6 million of share-based payment expense during the years ended 31 December 2025 and 2024, respectively, as follows:

	2025	2024
Cost of product revenue	1,282	941
Research and development expenses	1,538	1,879
General and administrative expenses	4,558	4,806
	7,378	7,626

23. Litigation

The Group was involved with the following IP (Intellectual property) litigations during 2025:

- Litigation between Alvotech and its commercial partner Dr. Reddy's Laboratories in the United States that was brought by Amgen relating to AVT03, denosumab products that are biosimilars of Amgen's Prolia and XGEVA products.
- Litigation between Alvotech and its commercial partners STADA and Advanz in Germany that were brought by Regeneron relating to AVT06, aflibercept products that are biosimilars of Regeneron's and Bayer's Eylea 2mg product.
- Post Grant Review proceeding filed by Alvotech against Regeneron regarding U.S. Patent No. 12,168,036.

The Group was previously involved in four IP litigations in the United States adverse to AbbVie related to the development of AVT02 and the filing of its biologics license application. All such matters were fully resolved prior to 2025 pursuant to the AbbVie U.S. Agreement, under which the parties agreed to dismiss all claims and counterclaims, with each party bearing its own fees and costs, and mutually released each other from certain claims.

The Group incurred \$3.1 million in legal expenses during the year ended 31 December 2025 and there were no legal expenses in 2024, in connection with these now-resolved matters.

24. Related parties

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

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

Transactions with related parties

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

In December 2025, the Group entered into an exclusive commercialization agreement with Alvogen, as further described in Note 5, under which Alvogen is considered a related party to the Company.

The Group entered into a lease agreement with Fasteignafelagid Eyjolfur hf. in April 2023 for a new facility in Iceland with remaining lease terms of approximately 13 years as of 31 December 2025. The building is 140,000 square feet. The construction was completed in 2024 and the final details were finalized in 2025. Lease liabilities as of 31 December 2025 amount to \$96.3 million.

The Group entered into nineteen separate lease agreements with Flóki Fasteignir ehf. in 2025 for apartment buildings in Iceland. These facilities are used to provide temporary housing for international employees and specialized third-party contractors engaged to support the Group's global development, manufacturing, and regulatory activities. The remaining lease terms approximate 10 years, on average, as of 31 December 2025. Lease liabilities as of 31 December 2025 for the new leases amount to \$7.6 million.

In 2025, the Group entered into a lease agreement with Klettagarðar 6 ehf. for a portion of a facility in Iceland that is utilized for research and development activities. The leased premises comprise approximately 18,500 square feet. The lease liability amounted to \$8.7 million as of 31 December 2025.

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

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

Related party transactions as of 31 December 2025 are as follows:

	Purchases / interest	Sold service	Receivables	Payables/ borrowings
Alvogen Lux Holdings S.à r.l. – Sister company (a)	7,874	—	—	—
ATP Holdings ehf. - Sister company	125	—	—	125
Aztiq Consulting ehf. – Sister company	234	32	5	—
Flóki-Art ehf. - Sister company	—	—	—	430
Alvogen Iceland ehf. - Sister company	5	—	—	—
Alvogen ehf. - Sister company	—	18	—	—
Alvogen UK - Sister company	120	—	—	28
Alvogen Finance B.V. - Sister Company	415	—	—	—
Lotus Pharmaceuticals Co. Ltd. - Sister company	1	—	—	—
Alvogen Inc. - Sister company (b)	37	71,003	—	656
Adalvo Limited - Sister company (c)	738	235	—	—
Klettagarðar 6 ehf. - Sister company (d)	1,303	4,856	4,037	2,923
L41 ehf. - Sister company	39	—	—	6
Flóki Invest ehf - Sister company	838	—	—	276
Alvogen Malta Sh. Services - Sister company (c)	13	—	—	—
Alvogen Spain SL - Sister company	—	—	—	16
Norwich Clinical Services Ltd - Sister company	1,552	—	—	605
Hlíðarvegur 20 ehf.	38	—	—	—
Fasteignafélagið Eyjólfur ehf - Sister company	10,520	—	—	96,304
Flóki fasteignir ehf. - Sister company	2,640	—	—	15,838
	<u>26,492</u>	<u>76,144</u>	<u>4,042</u>	<u>117,207</u>

- (a) *The full amount of purchased service relates to royalty expenses.*
- (b) *The amount includes \$71.0 million of milestone revenue, whereof \$15.0 million has been collected, see further Note 5.*
- (c) *No longer a related party at 31.12.2025*
- (d) *The receivable is classified within Other long-term assets in the Consolidated Statement of Financial Position*

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

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

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

Commitments and guarantees

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

Key management personnel

At 31 December 2025 and 2024 there were no loans to the members of the Board of Directors and the CEO. In addition, there were no transactions carried out between the Group and members of the Board of Directors nor the CEO in the years ended 31 December 2025 and 2024. The Board of Directors' remuneration is shown in the table below.

Notes to the Consolidated Financial Statements

Board of Directors' fee for the year and shares at year end
(board fees in thousands and shares in whole amounts).

	2025			
	Board fees	Pension contribution	Other long-term benefits	Shares at year-end**
Robert Wessman, Chairman of the board*	—	—	—	—
Richard Davies, Vice-Chairman	185	—	122	1,174,004
Ann Merchant, Board Member	119	—	122	31,746
Árni Harðarson, Board Member*	—	—	—	—
Faysal Kalmoua, Board Member* (until 25 June 2025)	—	—	—	N/A
Hjörleifur Pálsson, Board Member	94	—	55	7,116
Linda McGoldrick, Board Member (until 25 June 2025)	49	—	122	N/A
Lisa Graver, Board Member	64	—	122	31,746
Tomas Ekman, Board Member*	—	—	—	—
	511	—	543	1,244,612

* Waived their board compensation (both cash and equity)

** Direct share ownership

Key employees	2025			
	Salaries and benefits	Pension contribution	Termination benefits	Other long-term benefits
Robert Wessman CEO	2,830	62	—	—
Other Executive Team Members (11)	5,602	414	1,806	5,727
	8,432	476	1,806	5,727

Board of Directors' fee for the year and shares at year end
(board fees in thousands and shares in whole amounts).

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

* Waived their board compensation (both cash and equity)

** Direct share ownership

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

25. Other current liabilities

The composition of other current liabilities as of 31 December 2025 and 2024 is as follows:

	31 December 2025	31 December 2024
Unpaid salary and salary related expenses ⁽¹⁾	9,866	14,465
Accrued interest	19,860	428
Accrued vacation leave	9,337	6,631
Accrued commercial fees	24,718	—
Accrued royalties	10,933	15,858
Accrued profit sharing	—	12,604
Accrued other expenses	19,511	9,418
	94,225	59,404

⁽¹⁾ Includes \$2.6 million of termination benefit liability (refer to Note 6 - Salaries and Other Employee Expenses).

Accrued other expenses as of 31 December 2025 include \$6.7 million associated with the collaboration and license agreement with Dr. Reddy's, \$2.5 million accrual for termination cost and increased VAT liabilities by \$2.0 million. The remainder of the balance is composed of recurring liabilities.

26. Interests in joint ventures

In June 2024, Alvotech hf. sold its share in the joint venture for a gross proceeds of \$18.0 million (less \$1.3 million in transaction costs). The sale resulted in a net loss of \$3.0 million, including accumulated translation difference, recognized during the year ended 31 December 2024. \$6.0 million of the proceeds received was paid in 2025.

The following table provides the change in the Group's interest in a joint venture during the years ended 31 December 2025 and 2024:

	2025	2024
Balance at 1 January	—	18,494
Share in losses	—	—
Sale of shares in joint venture	—	(18,494)
Translation difference	—	—
Balance at 31 December	—	—

27. Financial instruments

Accounting classification and carrying amounts

Financial assets as of 31 December 2025 and 2024, all of which are measured at amortized cost, are as follows:

	31 December 2025	31 December 2024
Cash and cash equivalents	172,359	51,428
Trade receivables	69,740	160,217
Other current assets	1,244	6,361
Receivables from related parties	438	118
Other long-term assets	3,604	213
	<u>247,385</u>	<u>218,337</u>

Financial liabilities as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Borrowings (measured at amortized cost)	1,299,068	1,068,584
Derivative financial liabilities (measured at FVTPL)	53,994	210,224
Trade and other payables (measured at amortized cost)	126,124	67,126
Lease liabilities (measured at amortized cost)	150,077	121,652
Liabilities to related parties (measured at amortized cost)	3,325	8,465
Other current liabilities	94,225	58,557
	<u>1,726,813</u>	<u>1,534,608</u>

It is management's estimate that the carrying amounts of financial assets and financial liabilities carried at amortized cost approximate their fair value, with the exception of, in 2025, the 2025 Convertible Bonds and the Secured Loan Facility, and, in 2024, the Secured Loan Facility, since any applicable interest receivable or payable is either close to current market rates or the instruments are short-term in nature. Material differences between the fair values and carrying amounts of these borrowings are identified as follows:

	31 December 2025	
	Carrying Amount	Fair Value
Senior Secured First Lien Term Loan Facility	1,031,565	1,108,552
2025 Convertible Bonds	68,367	72,765
	<u>1,099,932</u>	<u>1,181,317</u>

	31 December 2024	
	Carrying Amount	Fair Value
Senior Secured First Lien Term Loan Facility	990,744	969,077
	<u>990,744</u>	<u>969,077</u>

Fair value measurements

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments measured at fair value on a recurring basis as of 31 December 2025 and 31 December 2024:

	31 December 2025			Total
	Level 1	Level 2	Level 3	
Conversion Feature	—	—	38,732	38,732
Predecessor Earn Out Shares	—	8,800	—	8,800
OACB Warrants	6,462	—	—	6,462
	6,462	8,800	38,732	53,994

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

The Group did not recognize any transfer of assets or liabilities between levels of the fair value hierarchy during the year ended 31 December 2025.

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

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

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

Conversion Feature

The Convertible Bonds issued on 22 December 2025 include a conversion option that entitles holders to convert the outstanding principal into SDRs at the initial Conversion Price of \$5.9224, subject to customary anti-dilution adjustments and a single reset mechanism linked to certain future equity issuances (the "Conversion Feature"). As the Conversion Feature does not meet the fixed-for-fixed criterion, it is accounted for separately as a derivative financial liability measured at fair value through profit or loss.

The derivative financial liability is remeasured at each reporting date, with changes in fair value recognized in profit or loss.

The Conversion Feature had a fair value of \$38.7 million as of 31 December 2025, resulting in \$3.1 million of finance costs for the year ended 31 December 2025.

The fair value of the Conversion Feature is determined using a binomial option-pricing model that incorporates both observable market inputs and significant unobservable inputs.

The following table presents the assumptions and inputs that were used for the model in valuing the Conversion Feature:

	31 December 2025
Share price	\$5.13
Volatility rate	30.7 %
Risky Yield	16.2 %

Predecessor Earn Out Shares

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

The Predecessor Earn Out Shares had a fair value of \$8.8 million as of 31 December 2025, resulting in \$170.5 million of finance income for the year ended 31 December 2025.

The fair value of the Predecessor Earn Out Shares was determined using Monte Carlo analysis that incorporated inputs and assumptions as further described below. The inputs and assumptions associated with the valuation of the instruments are determined based on all relevant internal and external information available and are reviewed and reassessed at each reporting date.

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

	31 December 2025	31 December 2024
Number of shares	19,165,000	19,165,000
Share price	\$5.13	\$13.23
Volatility rate	60.0 %	52.0 %
Risk-free rate	3.50 %	4.26 %

OACB Warrants

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

The remaining OACB warrants had a fair value of \$6.5 million as of 31 December 2025. 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 \$24.5 million of finance income for the year ended 31 December 2025.

Capital management

The capital structure of the Group consists of equity, debt and cash. For the foreseeable future, the Board of Directors will maintain a capital structure that supports the Group's strategic objectives through managing the budgeting process, maintaining strong investor relations and managing the financial risks of the Group, as further described below. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

Financial risk management

The Group's corporate treasury function provides services across the organization, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the Group's operations

through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk.

Interest rate risk

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

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

	2025	2024
Variable-rate financial instruments +100	(9,894)	(9,873)
Variable-rate financial instruments -100	9,894	9,873

Foreign currency risk

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

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

	Closing rate		Average rate		Change
	2025	2024	2025	2024	
EUR	1.176	1.038	1.130	1.082	13.3%
GBP	1.347	1.251	1.318	1.278	7.7%
ISK	0.008	0.007	0.008	0.007	11.0%
CHF	1.264	1.103	1.207	1.136	14.6%
INR	0.011	0.012	0.011	0.012	(5.1%)
SEK	0.109	0.091	0.102	0.091	20.1%

The Group's assets and liabilities that are denominated in foreign currencies as of 31 December 2025 are as follows:

	Assets	Liabilities	Net assets
EUR	56,573	45,247	11,326
GBP	334	4,610	(4,276)
ISK	5,417	178,058	(172,641)
CHF	6,043	10,126	(4,083)
INR	—	26	(26)
SEK	253	4,801	(4,548)

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

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

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

	EUR	GBP	ISK	CHF	INR	SEK
Year ended 31 December 2025						
-10% weakening	(1,133)	428	17,264	408	3	455
+ 10% strengthening	1,133	(428)	(17,264)	(408)	(3)	(455)
Year ended 31 December 2024						
-10% weakening	(2,612)	335	15,089	32	(35)	—
+ 10% strengthening	2,612	(335)	(15,089)	(32)	35	—

Credit risk

Credit risk is the risk that a counterparty will not fulfill its contractual obligations under a financial instrument contract, leading to a financial loss for the Group. The maximum credit risk exposure for the Group's financial assets as of 31 December 2025 and 2024 is as follows:

	2025	2024
Cash and cash equivalents	172,359	51,428
Trade receivables	69,740	160,217
Other assets	10,263	6,692
	<u>252,362</u>	<u>218,337</u>

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

Other assets primarily consist of other current assets, as described in Note 18, other long-term assets that primarily consist of deposits and other long-term financial assets which relate to a bond to Klettagarðar 6 ehf. In 2024, the Group recognized a receivable of \$18.5 million in other current assets following the termination of the co-development agreement with Biosana which was fully reserved as of 31 December 2024 due to the uncertainty of its collection. In 2024, the Group collected \$1.1 million of the receivable, which was recognized through profit and loss during the year. There are no other significant amounts past due as of 31 December 2025 and 2024 and the Group concludes that any expected credit losses with respect to these assets, except as described above, is immaterial.

Liquidity risk

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

Contractual maturities of financial assets and liabilities as of 31 December 2025 are as follows:

	Within one year	One to two years	Thereafter	Total
Financial assets				
Non-interest bearing	71,422	—	—	71,422
Fixed-interest bearing	—	—	3,604	3,604
Variable-interest bearing	172,359	—	—	172,359
Total financial assets	243,781	—	3,604	247,385
Financial liabilities				
Non-interest bearing	222,246	1,264	1,059	224,569
Fixed-interest bearing - Borrowings	21,057	121,038	140,463	282,558
Derivative liabilities	—	15,262	38,732	53,994
Variable-interest bearing - Borrowings	152,150	134,833	1,332,967	1,619,950
Total financial liabilities	395,453	272,397	1,513,221	2,181,071

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

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

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

28. Supplemental cash flow information

Supplement cash flow information as of 31 December 2025 and 2024 is included below. (see Note 21 for non-cash movements in borrowings).

Non-cash investing and financing activities	2025	2024
Acquisition of property, plant and equipment in trade payables and other current liabilities	4,084	13,917
Acquisition of intangibles in trade payables and other current liabilities	15,701	—
Right-of-use assets obtained through new leases	24,594	41,506
Sale of joint venture	—	5,950
Acquisition of intangible assets with shares	13,686	—
Acquisition of property, plant and equipment with shares	1,147	—
Settlement of borrowings through refinancing	173,380	118,330
New borrowings through refinancing	179,547	—
Settlement of transaction cost through refinancing	794	28,365
Equity issued through conversion of borrowings	—	263,969
Capitalized borrowing costs in trade payables and other current liabilities	2,254	—
Settlement of RSUs with shares	3,691	5,076

29. Subsequent events

The Group evaluated subsequent events through 30 March 2026, the date that the consolidated financial statements were available to be issued.

On 29 January 2026, the Group announced that it had entered into a settlement and licensing agreement with Regeneron and Bayer regarding AVT06, its proposed biosimilar to Eylea (aflibercept), which is approved for marketing in the European Economic Area, United Kingdom and Japan. The agreement provides the Group with commercial certainty in global markets and forms part of the ongoing preparations for future regulatory submissions and market entry. The settlement agreement allows Alvotech and its commercial partners to market and sell the biosimilar as of 1 January 2026 in the United Kingdom and Canada, as well as in Japan (excluding the diabetic macular edema indication) starting 1 May 2026 in the European Economic Area and all other countries in the world (other than the U.S.), and from 1 November 2026 in Japan with all approved indications.

On 2 February 2026, the Group entered into new supply and commercialization agreements with Sandoz for Canada, Australia, and New Zealand. In Canada, the agreement covers one biosimilar candidate in ophthalmology supplied as a prefilled syringe for intravitreal injection. In Australia and New Zealand, the agreement encompasses three biosimilar candidates across immunology and gastroenterology, in multiple formulations. The agreement covers multiple biosimilar candidates and further expands the Group's geographic commercial footprint.

On 5 February 2026, the Group announced positive top-line results from its pivotal pharmacokinetic study for AVT80, a proposed biosimilar to Entyvio (vedolizumab). The study met all primary endpoints, demonstrating pharmacokinetic similarity as well as comparable safety, tolerability, and immunogenicity profiles. These results enable the Group to progress toward regulatory submissions for both AVT16 and AVT80, the intravenous and subcutaneous biosimilar candidates, respectively.

On February 11, 2026, the Company issued 12,500,000 new shares, all of which were subscribed by its wholly-owned subsidiary Alvotech Manco ehf. and classified as treasury shares without voting or dividend rights. The increase in treasury shares was undertaken to restore the number of treasury shares available following settlement of shares lent under the stock-lending facility that supported investors' hedging of the Convertible Bonds issued in December 2025 (refer to Note 21) and to ensure the Company maintains a sufficient pool of shares for outstanding financial commitments, including warrants, convertible instruments, and share-based compensation programs.

In February 2026, the Board approved an additional restructuring plan affecting several functions across the Group, with related employee notifications issued in early 2026. The Group expects to incur termination benefits and related restructuring costs in 2026 in connection with this plan.

Corporate Governance Report for 2025

This corporate governance report (the “**Report**”) covers the period from 1 January 2025 through 31 December 2025 of Alvotech, a société anonyme, incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B258884, having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg (“**Alvotech**” or the “**Company**”).

The ordinary shares and warrants of Alvotech are listed on The Nasdaq Stock Market LLC (“**Nasdaq US**”) under the symbol “ALVO” and “ALVOW”, respectively, since 16 June 2022. Alvotech’s ordinary shares are also listed on the Nasdaq Iceland Main Market under the ticker symbol “ALVO” since 8 December 2022 and, prior to that, on the Nasdaq First North Growth Market since 23 June 2022 until their admission to trading to the Nasdaq Iceland Main Market. On May 19 2025 Alvotech began trading on the Nasdaq Stockholm under the symbol “ALVO SDR”. This Report is a part of the financial statements for the year ended 31 December 2025 and has been approved by the board of directors of the Company (the “**Board of Directors**” or “**Board**”) and reviewed by its Audit Committee.

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

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

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

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

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

Alvotech’s corporate governance consists of a framework of principles and rules, including its Articles of Association, the 6th edition from February 2021 of the Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, Nasdaq Iceland Main Market and the Confederation of Icelandic Employers. The Board of Directors also adopted a Code of Business Conduct and Ethics (the “**Code**”) applicable to the directors, officers, employees and other team members that complies with the rules and regulations of Nasdaq US, Nasdaq Iceland Main Market, Nasdaq Stockholm and the SEC. The Code is available on Alvotech’s website.

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

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

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

Internal Control

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

Risk Management

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

Audit, accounting and risk

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

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

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

Compliance

Alvotech has a Compliance function. The General Counsel of the company is the Compliance Officer and is responsible for the Code, the training of employees and business ethics. Under the Icelandic law no. 60/2021 on actions against market abuse a Securities Compliance Officer has been appointed to oversee the compliance in

accordance with the abovementioned law and in compliance with the Company's Insider Trading policy. The Securities Compliance Officer is responsible for assessing and monitoring if Alvotech, its directors, officers and employees are in compliance with the laws and regulations that apply to a company listed on the Nasdaq Iceland Main Market. The Compliance Officer monitors if the company is in compliance with other applicable law and the Company's Business Code of Conduct.

Code of Business Conduct and Ethics

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

Sustainability

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

Board Committees

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

Audit and Risk Committee

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

- appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm;
- discussing with our independent registered public accounting firm their independence from management;
- reviewing, with our independent registered public accounting firm, the scope and results of their audit;
- approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the annual financial statements that we file with the SEC;
- overseeing our financial and accounting controls and compliance with legal and regulatory requirements;

- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions; and
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters.

Compensation Committee

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

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

Corporate Sustainability Committee

The members of Alvotech’s ESG committee are Ann Merchant (Chair), Richard Davies and Hjörleifur Pálsson. The ESG committee is responsible for, among other things:

- reviewing, monitoring and setting strategy in the area of corporate responsibility;
- overseeing Alvotech’s activities in the area of corporate responsibility that may have an impact on the Company’s reputation and operations;
- periodically assess the Alvotech’s compliance obligations;
- monitor and review matters of health and safety and report findings to the broader board; and
- review and evaluate environmental, social and political issues and trends and their relevance to Alvotech’s business and make recommendations to the board regarding those trends and issues.

Nomination and Corporate Governance Committee

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

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

Strategy Committee

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

The structure and composition of the Board of Directors

Alvotech's Board of Directors is currently composed of seven members. In accordance with Alvotech's Articles of Association, the Board is not divided into classes of directors. Six of the directors were appointed at the Annual General Meeting on 25 June, 2025 to serve as director until the end of the general meeting of shareholders called to approve Alvotech's annual accounts for the 2025 financial year. Hjörleifur Pálsson was appointed at the AGM on 6 June, 2024, to serve until the end of the AGM called to approve Alvotech's annual accounts for the 2025 financial year. There are no limitations on the duration of the board membership. The composition of the board shall at any time be diverse, regarding educational and professional background, gender and age.

The board undertakes Alvotech's affairs in between shareholders' meetings unless otherwise provided by law or Alvotech's Articles of Association. The board is responsible for setting Alvotech's general strategy. The board has a supervisory role in overseeing that Alvotech's organization and activities are at all times in accordance with the relevant law, regulation and good business practices. The board met 15 times last year.

Members of the Board of Directors

Robert Wessman is the founder and has served as Executive Chairman and member of the board of directors of Alvotech since January 2019, and Chief Executive Officer since January 2023. He served as a Director on the board of Fuji Pharma from 2018 to 2023. He serves as chairman of the board of directors of Lotus Pharmaceuticals since 2018 and since May 2009, he has served as a member of the board of directors of Aztiq and as a member of the board of directors of Aztiq GP, the general partner of Aztiq Fund I SCSp, a Luxembourg alternative investment fund, and the parent company of Aztiq. Mr. Wessman is also the founder and main partner of the Aztiq group. Mr. Wessman founded Alvogen in July 2009, and served as its Executive Chairman and Chief Executive Officer until June 2022. He continues to serve as Alvogen's chairman since July 2022. Between 1999 and 2008, Mr. Wessman served as the Chief Executive Officer of Actavis. He has a Cand Oecon degree in Business Administration from the University of Iceland. We believe Mr. Wessman is qualified to serve on Alvotech's board of directors due to the perspective he brings as Alvotech's founder and his experience in top executive positions in the pharmaceutical industry. Mr. Wessman will transition out of the Chief Executive Officer role at the end of the first quarter 2026. He will continue to serve as Executive Chairman in a full-time capacity.

Richard Davies has served as Deputy Chairman of Alvotech's board, previously Chairman of Alvotech's board, and as one of Alvotech's directors since January 2019. From November 2018 to December 2020 he served as Chief Executive Officer of Auregen Bio Therapeutics SA. Following this he established Gybeset BioConsult GmbH where he is founder and managing partner. Prior to joining Auregen Bio Therapeutics, Mr. Davies served as Chief Executive Officer of Bonesupport AB between 2016 and 2018, as Senior Vice President and Chief Commercial Officer of Hospira Inc. between 2012 and 2015, and in various leadership roles at Amgen Inc between 2003 and 2012. Prior to Amgen he was with Eli Lilly for 12 years. Mr. Davies holds an MBA from the University of Warwick and Bachelor of Science in applied chemistry from the University of Portsmouth. Richard Davies has served as Deputy Chairman of Alvotech's board, previously Chairman of Alvotech's board, and as one of Alvotech's directors since January 2019. From November 2018 to December 2020 he served as Chief Executive Officer of Auregen Bio Therapeutics SA. Following this he established Gybeset BioConsult GmbH where he is founder and managing partner. Prior to joining Auregen Bio Therapeutics, Mr. Davies served as Chief Executive Officer of Bonesupport AB between 2016 and 2018, as Senior Vice President and Chief Commercial Officer of Hospira Inc. between 2012 and 2015, and in various leadership roles at Amgen Inc between 2003 and 2012. Prior to Amgen he was with Eli Lilly for 12 years.

Tomas Ekman has served as one of Alvotech's directors since January 2019. Tomas is a senior advisor at CVC Capital Partners which he joined as a partner in 2014 and he is a part of the CVC Nordics team and is based in Stockholm. Prior to joining CVC in 2014, Mr. Ekman was a partner and Managing Director at 3i, responsible for its Nordic business. Mr. Ekman holds MSc degrees from the University of Strathclyde and Chalmers University of Technology, and an MBA from IMD, Switzerland. Tomas Ekman has served as one of Alvotech's directors since January 2019.

Ann Merchant has served as one of Alvotech's directors since June 2022. Since 2018, she has served as Vice President for MorphoSys, and as Head of Global Supply Chain and External Operations from January 2019 until March 2025. Prior to joining MorphoSys, from September 2011 to August 2018, Ms. Merchant served as the President for Schreiner Medipharm. Between 1994 and 2011, Ms. Merchant held various roles at Amgen, including Vice President, Head of International Supply Chain and Site Head between 2007 and 2011 in The Netherlands. Ms. Merchant holds an MBA from the Henley Business School and a Bachelor of Science in Languages from Georgetown University, Washington, D.C.

Arni Hardarson has served as one of Alvotech's directors since June 2022. Mr. Hardarson is a co-founder and partner of the Aztiq group. Between 2009 and June 2022, he served as Deputy to the Chief Executive Officer and General Counsel of Alvogen. Prior to joining Alvogen, Mr. Hardarson was Vice President of Tax and Structure at Actavis, and as partner, member of the executive management committee, and served as a head of tax and legal at Deloitte. Mr. Hardarson holds a Cand. Juris degree in law from the University of Iceland.

Lisa Graver served as a Director on Alvotech's Board since June 2022. In addition, Ms. Graver served in various leadership positions throughout her extensive career spanning over two decades in the pharmaceutical industry. Most recently, she served as President/CEO for Alvogen Group, Inc., a privately held pharmaceutical company headquartered in Morristown, NJ, a position she held since 2015. Prior to joining Alvogen in 2010, she held leadership positions in Actavis and Alpharma in the US. Ms. Graver draws from her experience and expertise across all facets of the industry, including commercial, regulatory/R&D, portfolio selection, and legal. Ms. Graver served as an IP litigator with Kirkland & Ellis before leaving private practice. She holds honor degrees in both Biology and law from Lakehead University and Case Western Reserve University, respectively. Ms. Graver is assuming the role of the Chief Executive Officer end of Q1 2026.

Hjörleifur Pálsson has served as one of Alvotech's directors since June 2024. Since 2013 he has served as non-executive board member in sectors like pharmaceuticals, retail, medical devices, media & telecommunications, education and venture capital. Mr. Pálsson was the Executive Vice President and Chief Financial Officer of Ossur (now Embla), a leading medical device company, listed on NASDAQ OMX Copenhagen, from 2001-2013, where he gained comprehensive experience in leading accounting, planning, investor relations, funding, corporate M&A,

human resources, and business information services. Prior, Mr. Palsson was a partner and a board member at Deloitte in Iceland where he practiced as a State Authorized Public Accountant from 1989 to 2001. Mr. Palsson graduated with a Cand. Oecon degree in finance and accounting from the University of Iceland in 1988 and qualified as a State Authorized Public Accountant in 1989.

Business ethics and Code of Conduct

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

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

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

Approved by the board on: 30 March 2026