Alvotech Bondholders Convert more than $100m at Pre-money Valuation of $2.7bn

June 25, 2021

Funds provide additional resources and runway for advancing the company's biosimilar pipeline.

Reykjavik, Iceland June 24, 2021 – Alvotech Holdings SA today announced that it has entered into an amendment and restatement agreement with bondholders of its $300m convertible bond issued on December 14, 2018. Bondholders have exercised their conversion rights on approximately one quarter of the value of the bond, converting $106m of principal and accrued interest into equity at an exercise price that gives the company a pre-money valuation of $2.7bn.

The company and bondholders also agreed to improve terms on the remaining bond and extend its maturity to 2025, thereby decreasing the company's cost of capital and freeing resources to apply to the execution of its business strategy. Further terms were amended to add additional capital to the company.

> With this transaction our stakeholders have reiterated their longstanding confidence in and commitment to our mission: to increase access to the highest quality biologics medicines for patients around the world.

RÓBERT WESSMAN

Chairman of Alvotech

In November of 2020, the U.S. Food and Drug Administration and European Medicines Agency accepted Alvotech's regulatory submissions for AVT02, a candidate interchangeable biosimilar to AbbVie's Humira®,. A decision from the FDA regarding the company's Biologics License Application (BLA) for AVT02 is expected in September of 2021 and an EMA decision for the AVT02 European Marketing Authorization Application (MAA) is anticipated in the fourth quarter of 2021.

In May 2021, Alvotech USA Inc. filed a lawsuit in the Eastern District of Virginia seeking to invalidate four of AbbVie's key patents. The lawsuit also argues that AbbVie's patent strategy, which has been under recent Congressional scrutiny, renders its Humira® patents unenforceable. Further, the lawsuit points out that AbbVie has failed to sue Alvotech's US affiliate (the actual BLA applicant) at all. At stake are billions of dollars of cost to the US healthcare system, negatively impacting consumers and taxpayers.

In June of 2021, Alvotech's switching study for AVT02 reached primary completion. Alvotech is the only known company that has both developed a biosimilar candidate for the high-concentration Humira® and is executing a switching study to support approval as an interchangeable product. Top-line results from the switching study are expected later this year.