Filing of Information Related to Press Release on Agreement Between Alvotech and Advanz Pharma

May 24, 2023

Information related the press release issued on May 24, 2023 by Alvotech and Advanz Pharma with the heading "Alvotech and Advanz Pharma extend strategic partnership to commercialize five proposed biosimilars in Europe".

Entry into Agreements with Advanz

On May 22, 2023, Alvotech entered into a master license and supply agreement (the “License and Supply Agreement”) with Mercury Pharma Group Limited (trading as Advanz Pharma Holdings) (“Advanz”) and agreed on product schedules with respect to the supply and commercialization in Europe of AVT05, a biosimilar candidate to Simponi® and Simponi Aria® (golimumab), AVT16, a proposed biosimilar to Entyvio® (vedolizumab), and three additional early-stage, undisclosed biosimilar candidates (each, a “Product Schedule” and, all together with the License and Supply Agreement, the “Advanz Agreements”).

Under the terms of the Advanz Agreements, Alvotech will develop the product candidates and provide the dossier of data, information and know-how relating to the relevant product candidate to Advanz. Alvotech retains full ownership of all intellectual property rights in the product candidates and the dossiers. Advanz has an exclusive right to use the dossiers to apply for, and, subject to grant, maintain regulatory approvals for the products and to commercialize them in the European Economic Area, the United Kingdom and Switzerland. Advanz will make upfront payments in the aggregate amount of €56.0 million at signing of the Product Schedules and agreed to make additional payments for an aggregate amount of up to €264 million upon the achievement of certain development and commercial milestones. Alvotech will manufacture, supply and deliver the product to Advanz and Advanz will exclusively buy the relevant biosimilar candidate from Alvotech at a royalty of approximately 40% of the estimated net selling price or an agreed-upon applicable floor price, whichever is higher, for the duration of the relevant Product Schedule. All invoices for these payments are payable within thirty business days. Each Product Schedule terminates 20 years after the first launch date in any country and unless then terminated by either party giving to the other at least six months’ notice, shall continue in force on a country-by-country basis automatically for two-year renewal periods until terminated by either party giving to the other at least six (6) months’ prior written notice to take effect at the end of any such Renewal Term. The License and Supply Agreement can be terminated by either party if the other party (i) withholds from the other for a period of three months or more any monies due; (ii) commits or permits any substantial breach of any material term and (for a breach which is capable of remedy) fails to remedy that breach within ninety days of receiving written notice from the other party; (iii) has a receiver or administrator appointed in respect of any of its assets, or enters into any arrangement or composition with its creditors; (iv) goes into liquidation; (v) suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due; (vi) is the subject of financial reorganization, applies to court for, or obtains, a moratorium; or (vii) a resolution is passed, or an order is made, for the winding up of a party. The License and Supply Agreement can be terminated by Alvotech in respect of a product, if, following 30 days’ written notice, Advanz fails to launch the relevant product in accordance with the License and Supply Agreement. The License and Supply Agreement can be terminated by Advanz in respect of a product if (i) Alvotech, as it specifically relates to such product’s launch orders for a country, rejects any purchase order for the relevant product (provided such order complied with the terms of the License and Supply Agreement); fails to deliver such product within one hundred and eighty days after the delivery date of a confirmed order; or fails to deliver at least 70% of the quantity ordered within one hundred and twenty days after the delivery date of a confirmed order; or (ii) in case a force majeure event prevents Alvotech from continuing to supply such product to Advanz.

Disclosure of reference products of AVT16 and AVT33

On May 19, 2023, Alvotech disclosed the reference products for two product candidates in its pipeline. The reference product for AVT16 is Entyvio® (vedolizumab) and the reference product for AVT33 is Keytruda® (pembrolizumab).

Termination of Agreements with STADA

On May 19, 2023, Alvotech entered into three termination agreements (the “Termination Agreements”) with STADA Arzneimittel AG (“STADA”) to terminate the license and supply agreements between Alvotech and STADA pertaining to Alvotech’s product candidates AVT03, a biosimilar candidate to Prolia®/Xgeva® (denosumab), AVT05, a biosimilar candidate to Simponi® and Simponi Aria® (golimumab) and AVT16, a proposed biosimilar to Entyvio® (vedolizumab) (the “Terminated Agreements”). Pursuant to the terms of the Termination Agreements, Alvotech will repay the aggregate amount of €17.4 million that Alvotech had previously received from STADA under the Terminated Agreements within 20 business days.

Any and all rights, title and/or interest in respect of the products which became jointly owned as a result of the Terminated Agreements, excluding any trademarks of STADA and/or any of its Affiliates, shall fully revert back to the entire and sole ownership alone by Alvotech. STADA shall have no further rights or licenses under the Terminated Agreements.

The other agreements between Alvotech and STADA that pertain to AVT02, a biosimilar to Humira® (adalimumab), AVT04, a proposed biosimilar to Stelara® (ustekinumab), and AVT06, a biosimilar candidate to Eylea® (aflibercept), were not terminated or amended.

The description of the Termination Agreements is qualified in its entirety by the Termination Agreements, a copy of which will be filed by the Company with the Securities and Exchange Commission.