



AVALON PHARMA REPORTS STRONG REVENUE GROWTH OF 34% TO SAR 130 MILLION AND NET PROFIT GROWTH OF 39% TO SAR 27 MILLION

Commercial momentum and strategic expansion drive growth, supported by progress in strategic high-value segments and pipeline progression

Riyadh, Saudi Arabia, 06 May 2026 – Middle East Pharmaceutical Industries Company (“**Avalon Pharma**” or “**the Company**”), one of the leading pharmaceutical companies in the Kingdom of Saudi Arabia, today announced its financial results for the first quarter (“Q1 2026”) ended 31 March 2026. Avalon Pharma reported a strong start to 2026, with revenue increasing by 33.7% year-on-year (y-o-y) to SAR 130.1 million in Q1 2026.

Growth was driven by strong performance across the Company’s core segments, with the Private segment increasing by 38.7% y-o-y and the Public segment growing by 28.6% y-o-y, while the Export segment contributed 3.6% of total revenue, reflecting a temporary rephasing of export activity as part of a disciplined approach to market expansion. The Company recorded net profit of SAR 26.9 million during the three-month period, a 38.7% y-o-y increase, with net profit margin improving to 20.7%, compared to 19.9% in the prior-year period.

Avalon Pharma continued to scale its manufacturing operations during the period, with capacity utilization reaching 82%, compared to 67% in the prior-year period. This increased utilization positions the Company well to support continued growth, while maintaining operational flexibility as it expands its production capabilities through ongoing capital investments.

During the period, the Company continued to advance its strategic priorities, maintaining a robust product pipeline of 93 molecules, alongside the launch of two (2) new products. Avalon Pharma also entered into five (5) new agreements with international pharmaceutical partners across strategic therapeutic areas, while continuing to progress its manufacturing expansion initiatives. These agreements focus primarily on oncology products, including biosimilars and generics, and cover key markets across Saudi Arabia, the GCC, and the broader MENA region, strengthening the Company’s regional footprint and deepening its presence in specialized treatment segments. These developments position the Company to support future growth and cement its presence in specialized and higher-value segments.

Commenting on the results, Mohamed Maher Al Ghannam, Managing Director and Chief Executive Officer, said: “We kicked off 2026 with a strong set of results, delivering solid growth across both revenue and profitability while continuing to advance our strategic priorities. This performance reflects the strength of our commercial platform, supported by solid momentum in the Private segment and continued expansion in Public tenders, as well as the resilience of our operations, and our ability to execute consistently across different channels.”

“During the quarter, we made meaningful progress in strengthening the foundations of our long-term growth. We continued to advance our product pipeline, introduce new products to the market, and enter into key partnerships across strategic therapeutic areas, particularly in specialized segments. At the same time, we progressed key investments in our manufacturing platform, which will play an important role in enabling our expansion into more complex product categories.”

He concluded, “Looking ahead, we remain focused on the disciplined execution of our ACE strategy, centered on portfolio expansion, product development, and international market expansion, further strengthening our overall





market position. While we continue to monitor evolving geopolitical developments, we are well positioned to navigate potential headwinds through well-defined mitigation plans and proactive supply chain management. We remain confident in our ability to build on this momentum, supported by a growing pipeline, enhanced capabilities, and a clear strategic direction aligned with the Kingdom of Saudi Arabia's healthcare and localization agendas."

Avalon Pharma is actively managing the impact of current market and geopolitical conditions through a disciplined mitigation framework, with management prioritizing safeguarding operations, protecting margins, and preserving growth momentum. This is supported by ensuring supply continuity via secured API availability, with coverage in place until the first half of 2026, alongside optimized production levels and strict cost discipline to manage ongoing cost pressures. At the same time, management is driving efforts to protect pipeline execution to sustain long-term growth visibility, while reinforcing talent retention to strengthen organizational resilience and ensure consistent execution across the business.

Overall, the Company maintains a proactive stance, supported by continuous monitoring of market dynamics, customer trends, and geopolitical developments, enabling timely and coordinated responses to emerging risks and the effective delivery of its strategic objectives.

Avalon Pharma's consolidated financial statements and full earnings release for the quarter ended 31 March 2026 are available for download at www.avalonpharmaceutical.com/investors.

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ABOUT AVALON PHARMA

Founded in 1998 and one of the leading pharmaceutical companies in the Kingdom of Saudi Arabia, Avalon Pharma is engaged in the development, manufacturing, and commercialization of health, beauty, and generic prescription products across domestic and international markets.

The Company operates across a geographically diversified footprint spanning 16 international markets, with Saudi Arabia as the core market, complemented by a strong presence across the wider GCC and MENA region, as well as selected international markets in Africa and Asia. This expanding presence reflects Avalon's strategy to strengthen regional and international market penetration and enhance long-term revenue diversification.

Operationally, Avalon runs an integrated business model supported by advanced manufacturing capabilities and a broad portfolio of more than 80 brands. Its business is structured across three core segments: Public, Private, and Export, complemented by Retail and Hospitals as key sub-channels that further support market reach and customer diversification.

The Company's growth strategy is guided by its ACE framework, focused on accelerating growth, catalyzing portfolio expansion through new product development and launches, and expanding geographically. This strategy continues to support Avalon's long-term ambition in line with Saudi Arabia's Vision 2030, reinforcing its position as a regionally scaled pharmaceutical platform with increasing international exposure.





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