Avalon Pharma

Earnings Presentation

2025

16 March 2026

FY 2025 HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Revenue: **460Mn⃁**	**+17% YoY**
EBITDA: **128Mn⃁**	**+20% YoY**
Net Profit: **97Mn⃁**	**+21% YoY**
OCF: **88.5Mn⃁**	**+168% YoY**

OPERATIONAL CAPABILITY

- **90** Molecules in the pipeline
- **12** launched
- **6** Registered and for launching
- Operational capacity increased **+21% YoY reaching 205 Mn units**

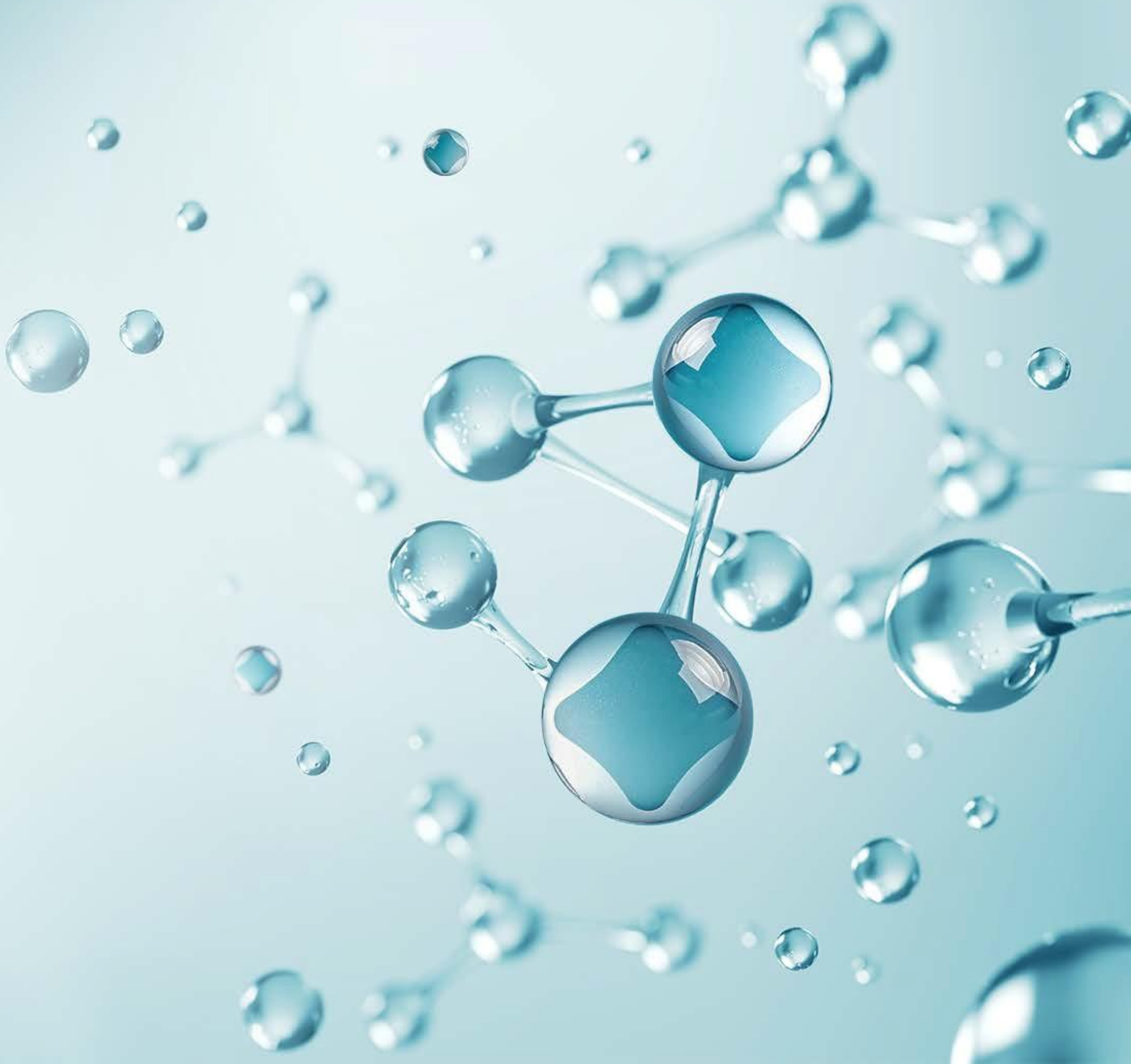
STRATEGIC PARTNERSHIPS

- Signed a License and Supply Agreement for (2) Oncology products covering KSA, GCC & Iraq.
- Signed a License and Supply Agreement for (2) Cardiometabolic products i.e. Biosimilar & Health care covering KSA, GCC, Iraq & Libya
- Signed a distribution & promotion agreement for aesthetic medial device from Germany

MARKET RANKING

- 7th National Rank - Among 458 Corporates. +2 ranks YoY
- Market Share of 3.21% - Highest in company's history.
- Fastest-growing company among the top 10 corporates.
- Avogain Ranked among the top 10 hair-loss treatment Brands worldwide

Market Positioning



NATIONAL RANKING

Among **458 corporates**, Avalon **climbed to the 7th** rank at the national level, it's the highest in history.

We became the **fastest-growing company among the top 10 corporates**

MAT Growth:
+29%

MAT 4-YR CAGR Growth:
+23%

Two-Rank Advancements within a Single Year

Highest Market Share Ever

3.21%

IQVIA MAT DEC 2025

7 Products Ranking # 1

Gynecological Antibacterial Market (5.4 M)	Topical Nasal Saline Market (363 M)	Stemmatological Market (64 M)	Hair Loss Market (215 M)	Local Topical Anesthetics Market (117 M)	Other Dermatological Market (56 M)	Topical Herbal Analgesics Market (101 M)
93% MS%	79% MS%	78% MS%	74% MS%	67% MS%	51% MS%	28% MS%
AVOCIN 2% VAGINAL CREAM	salinose	AVOHEX MOUTH WASH, AVOHEX PLUS	AVOGAIN	PRILA 5% CREAM	ALPHA PLUS	AvalonActiv

*** Based on IQVIA MAT DEC 2025**

6 Products Ranking # 2

Ectiparas Incl. Scabicide Market (25 M)	Topical Antivirals Market (10 M))	Topical steroids with Antifungals Market (103 M))	Nasal Cortic w/o Anti-inflammatory Market (208 M)	Antileuk Anti-asthma Sys Market (103 M)	Expectorants Market (240 M)
46% MS%	34% MS%	32% MS%	16% MS%	13% MS%	10% MS%
VARA SOLUTION	CLOVIRAX	AVOCOM-M CREAM	AVOCOM AQUEOUS NASAL SPRAY	BRONCAST montelukast 10 mg	Co-pan Kids Cough Syrup

*** Based on IQVIA MAT DEC 2025**

2 Products Ranking # 3

Topical
Anti-bacterial
Market
(91 M)

17%

MS%

AVOBAN OINTMENT

Other wound
healing
Agents Market
(164 M)

15%

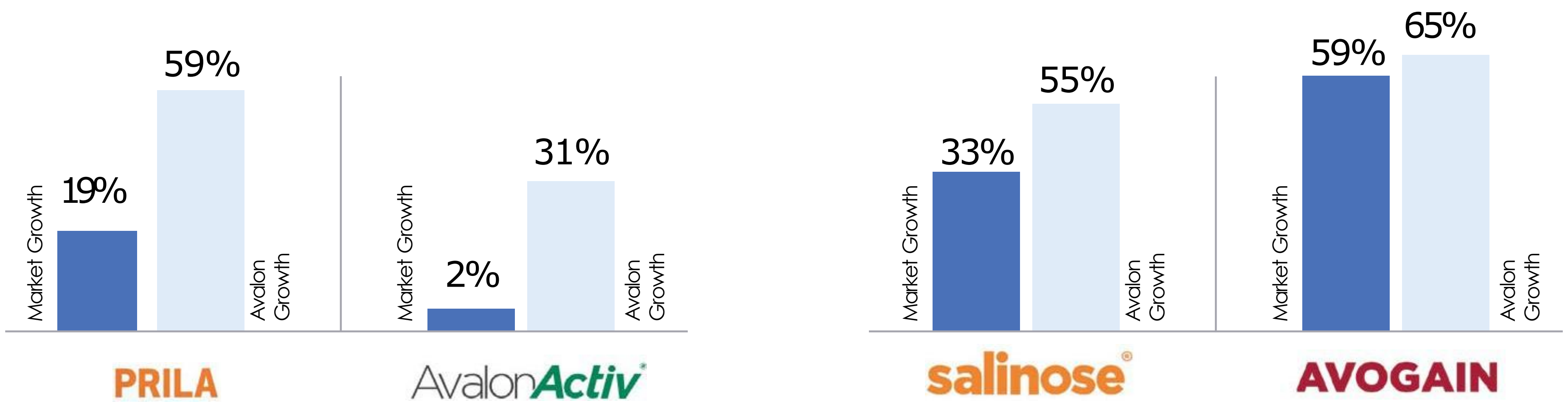
MS%

AVOMEB EXTRA

*** Based on IQVIA MAT DEC 2025**

أفالون فارما Avalon Pharma

Delivering Above Market Growth In All Core Segments



Avalon now holds the 1st Rank across 46 defined markets, driven by focus, agility, and a deep connection with healthcare professionals and consumers.

*** Based on IQVIA MAT DEC 2025**

Power Brands Gained Grounds in Competitive Markets

Gained **3 Points** Now #1 in Hair Loss Market	Gained **11 Points** Now #1 in Local Anesthetics Market	Gained **21 Points** Now #1 Topical Herbal Analgesics Market	Gained **11 Points** Now #1 Nasal Saline Market

**** Based on IQVIA MAT DEC 2025***

GLOBAL FOOTPRINT

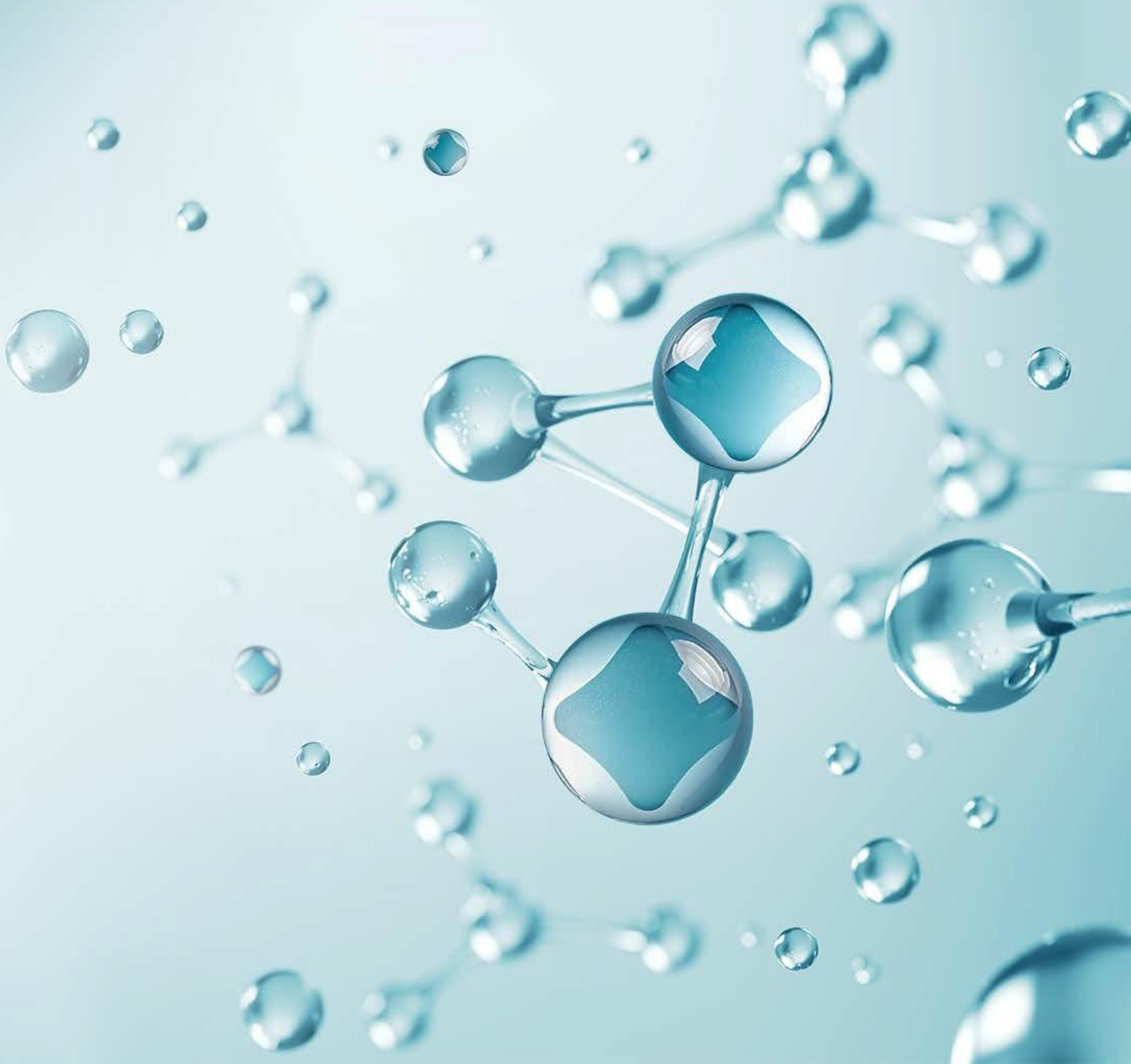
Avogain's Global Footprint as a Market Leader in Hair Loss Treatment

Among the
Top 10
Hair Loss Treatment Brands Worldwide

#1
Hair Loss Treatment Brand in the Middle East & Africa

Source: Euromonitor International

Delivering on ACE Strategy



STRATEGIC PARTNERSHIPS

8 New Agreements signed across high-value TAs

<table>
<tr><th>Partner</th><th>Product Type</th><th>TA</th><th>Coverage</th><th>Model</th></tr>
<tr><td>India based</td><td>Generic</td><td>Oncology</td><td>KSA, GCC & Iraq</td><td rowspan="3">License and supply where Avalon will do secondary packaging with rights for localization</td></tr>
<tr><td>India based</td><td>Generic</td><td>Oncology</td><td>KSA, GCC & Iraq</td></tr>
<tr><td>Malta based</td><td>Biosimilar</td><td>Cardiometabolic</td><td>KSA, GCC, Iraq & Libya</td></tr>
<tr><td>USA based</td><td>Health Care</td><td>Cardiometabolic</td><td>KSA</td><td>License and supply</td></tr>
<tr><td>Germany based</td><td>Medical Device</td><td>Dermatology</td><td>KSA</td><td>Distribution and promotion</td></tr>
<tr><td>China based</td><td>Biosimilar</td><td>Oncology</td><td>MENA</td><td rowspan="3">License and supply where Avalon will do secondary packaging with rights for localization</td></tr>
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Signed in Jan/Feb 2026

- Supports the company's growth ambitions under the Catalyze and Expand pillars
- Licensing and supply with rights for localization ahead of Avalon 4 facility completion

UNLOCKING SPECIALTY GROWTH

Opportunity

Specialty therapies in KSA especially oncology, ophthalmic and injectables are among the fastest growing, high-margin areas

General Line
(Current Facility)

33 Molecules

Injectables
(New Facility)

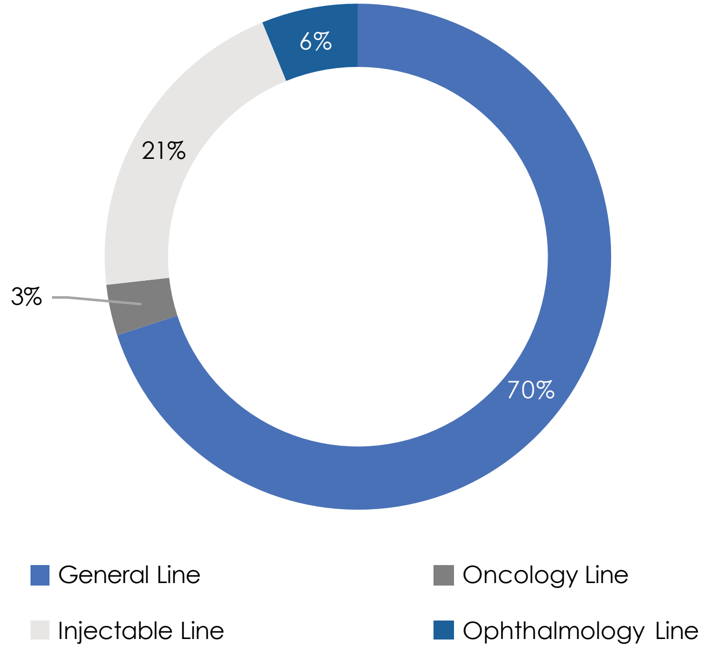
11 Molecules

Ophthalmic
(New Facility)

8 Molecules

Oncology
(New Facility)

7 Molecules



Strategic Enablers
Primary Activities

- **Inbound Logistics:** Implementing supply chain resilience & partnering with global API manufacturers.
- **Outbound Logistics:** Optimized domestic distribution network, visibility systems & regional regulatory corridors.
- **Marketing & Sales:** Specialized field force, partnerships, development of PSPs.
- **Operations:** licensing and supply partnerships, packaging lines upgrade and validation of sterility & protocols
- **Services:** Upgrading pharmacovigilance & safety monitoring, RWE generation.

PIPELINE OVERVIEW

Therapeutical Area	Under Development	Ready for SFDA Submission	Under SFDA Review	Total
Oncology	20			20
Cardiovascular System	8		2	10
Dermatologicals	9		3	12
Injectables	12			12
Nervous System	8		1	9
Ophthalmology	7	2		9
Metabolic Diseases	5		3	8
Respiratory System	1		3	4
G.U. System & Sex Hormones	1		1	2
Consumer Health	1			1
Systemic Anti-Infectives	1		1	2
Musculo-Skeletal System			1	1
Total	**73**	**2**	**15**	**90**
%	81%	2%	17%	100%

12 Launched
6 Registered but not yet launched

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Avalon Pharma

IMPROVED OPERATIONAL CAPABILITY

Operational capacity increased **+21% YoY reaching 205 Mn units**

Specialised Manufacturing Facilities

- Avalon Pharma 1: Focused on producing pharmaceutical tablets, capsules, nasal sprays, creams, lotions, topical solutions, and cosmetic products.
- Avalon Pharma 2: Equipped with an advanced R&D centre and analytical development laboratory and advanced solid and liquid lines.
- Avalon Pharma 3: The largest producer of sanitizers in Saudi Arabia. Oral and hair care products are also manufactured in this facility.
- Avalon Pharma 4 (2026): A future facility designed to manufacture injectables, oncology, and opthalmological products expanding Avalon's capabilities into specialised healthcare solutions.

+300 SKUS
AVALON PHARMA EXCELS IN PRODUCING

73
MOLECULES UNDER DEVELOPMENT

+200MN
ANNUAL OPERATIONAL CAPACITY

Production Line	Full Year 2025 Capacity (in million units)	Full Year 2025 Production (in million units)	Full Year 2025 Utilization %
Antiseptics	15	12.74	84.9%
Creams	45	33.03	73.4%
Pharma Liquids	18	13.74	76.3%
Solid Orals	127	102.00	80.3%
Total	**205**	**161.50**	**78.8%**

(a) The commissioning of new facility (Solid Line) in Avalon 2 is still pending approval of the site variation process for one of the company's leading product which is expected to be completed in 2026. Once approved, an additional capacity of 272m pieces will be available.

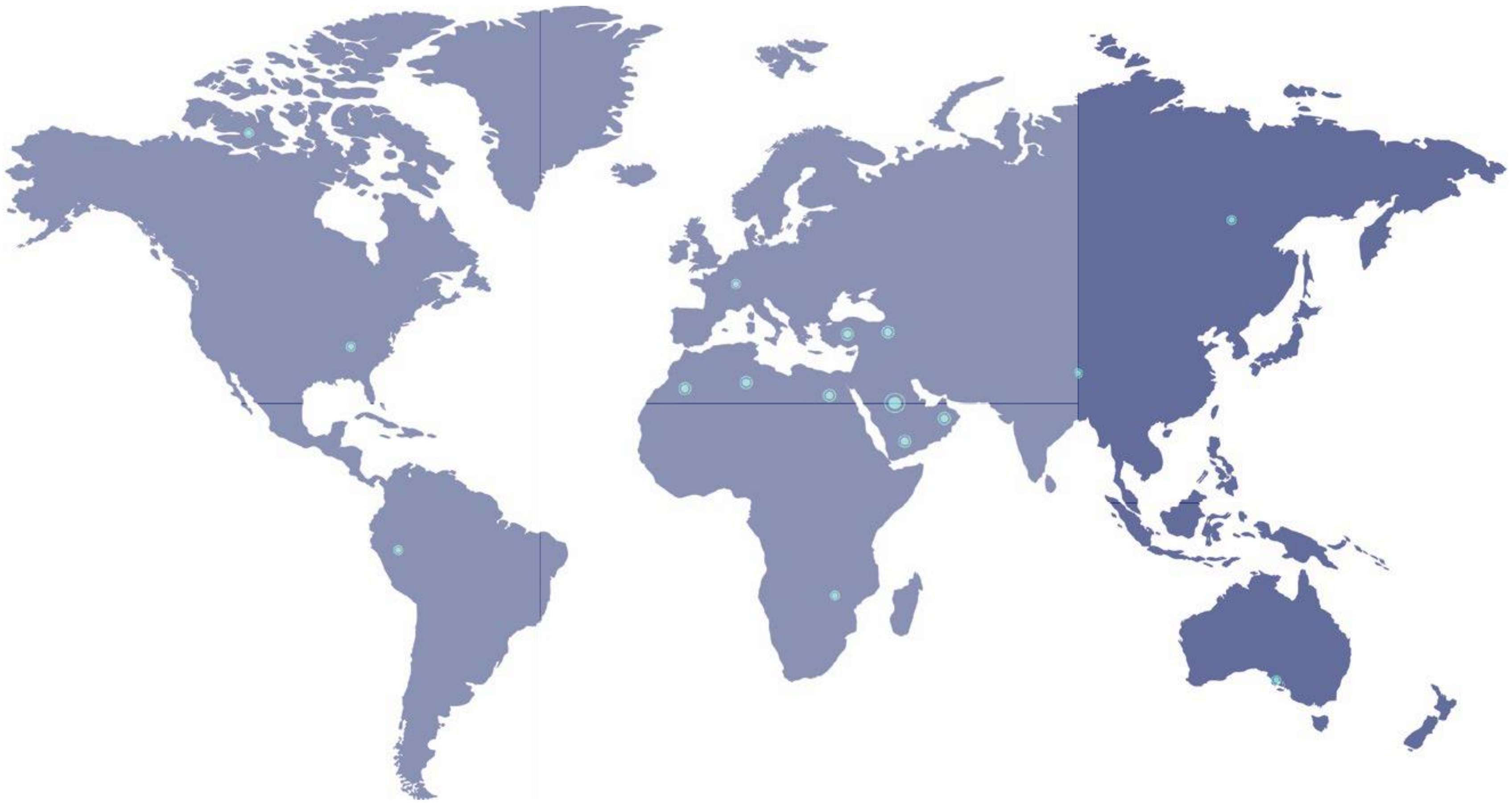
(b) The commissioning of new facility (Pharma Line) in Avalon 2 is also ongoing, thereafter SFDA approval and site variation process shall be initiated, which is expected to be finalized in 2026. Once approved, an additional capacity of 16.32m pieces will be available.

HUMAN CAPITAL AND INTERNATIONAL PRESENCE

+300 Registered SKUS in KSA

+700
Staff (KSA & International)

+15
Presence in Export Countries



KEY COMPETENCIES

SUSTAINABLE OPERATION

We achieve sustainable operation by crafting a resilient strategy that prioritizes longer-term, transformative solutions.

COMMERCIAL EXCELLENCE

Our emphasis on commercial excellence centers around demand generation and ensuring customer satisfaction.

INNOVATIVE TALENTS

We strive to cultivate the right business model by harnessing the potential of internal and external talents, fostering continuous development of capabilities and skills.

STRATEGIC PARTNERSHIP

Our commitment to being the preferred strategic partner is affirmed by our agile approach, offering diverse collaboration models that align with the needs of our partners and the broader community.

GEOGRAPHICAL EXPANSION

We aim to expand strategically in the right markets, utilizing the appropriate business model and portfolio.

Financial Highlights

KEY FINANCIAL HIGHLIGHTS

Significant growth across all key financial metrics in comparison with previous year

Revenue:	460 M	+17% YoY
Gross Profit:	287 M	+18% YoY
EBITDA:	128 M	+20% YoY
Net Profit:	97 M	+21% YoY
EPS:	4.85	+86 bps YoY

Gross Profit Margin:	62%	+0.5ppt YoY
EBITDA Margin:	28%	+0.8ppt YoY
Net Profit Margin:	21%	+0.8ppt YoY
ROE:	23%	+1.6ppt YoY
ROA:	16%	+1.0ppt YoY

Current Ratio:	3.13x	+0.48x YoY
OCF:	88.5 M	+168% YoY
CCC (days):	320	-42 YoY
Gearing Ratio*:	6.6%	-3.3ppt YoY

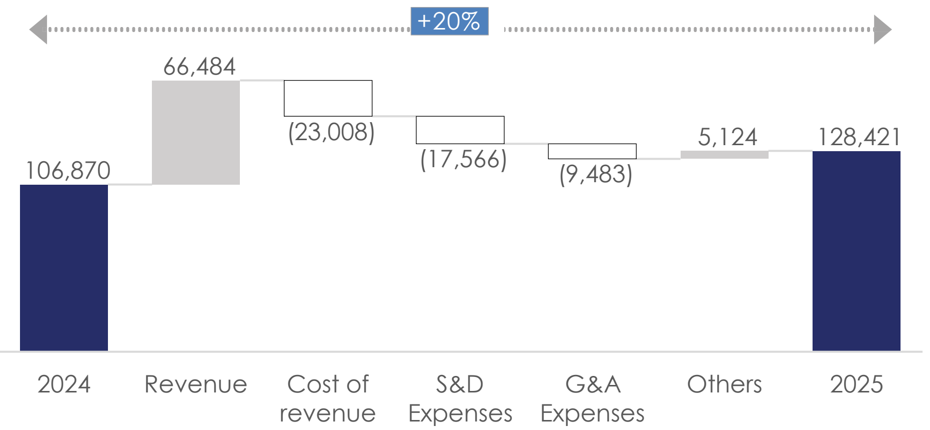
** Net Debt/(Net Debt + Equity)*

PROFITABILITY TREND

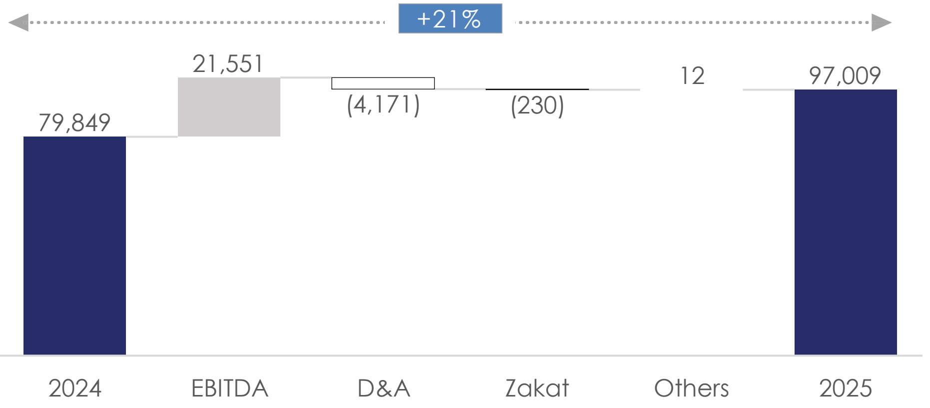
Sustained Profitability Momentum: EBITDA +20% and Net Profit +21% vs. Prior Year

Income Statement Summary (in thousands ⃁)	2025	2024	%	Q4 2025	Q4 2024	%
Revenue	460,485	394,001	17%	137,518	135,988	1%
Cost of revenue	-173,647	-150,638	15%	-47,052	-46,906	0%
Gross profit	**286,838**	**243,362**	**18%**	**90,465**	**89,082**	**2%**
Gross profit margin	**62.3%**	**61.8%**	**-**	**65.8%**	**65.5%**	**-**
Selling and distribution expenses	-113,757	-96,190	18%	-27,970	-29,506	-5%
General and administrative expenses	-63,239	-53,757	18%	-15,208	-13,236	15%
Impairment loss on trade receivables	-1,466	-3,537	-59%	-620	-	-
Other income (expenses), net	36	1,155	-97%	169	901	-81%
Operating profit	**108,413**	**91,034**	**19%**	**46,837**	**47,240**	**-1%**
EBITDA	**128,421**	**106,870**	**20%**	**52,053**	**52,072**	**0%**
EBITDA Margin	**27.9%**	**27.1%**	**-**	**37.9%**	**38.3%**	**-**
Finance costs	-4,673	-4,685	0%	-906	-808	12%
Profit before zakat	**103,740**	**86,349**	**20%**	**45,931**	**46,432**	**-1%**
Zakat expense	-6,730	-6,500	4%	-1,409	-1,625	-13%
Net Profit	**97,009**	**79,849**	**21%**	**44,522**	**44,807**	**-1%**
Net Profit Margin	**21.1%**	**20.3%**	**-**	**32.4%**	**32.9%**	**-**

Movement in EBITDA (in thousands ⃁)



Movement in Net Profit (in thousands ⃁)



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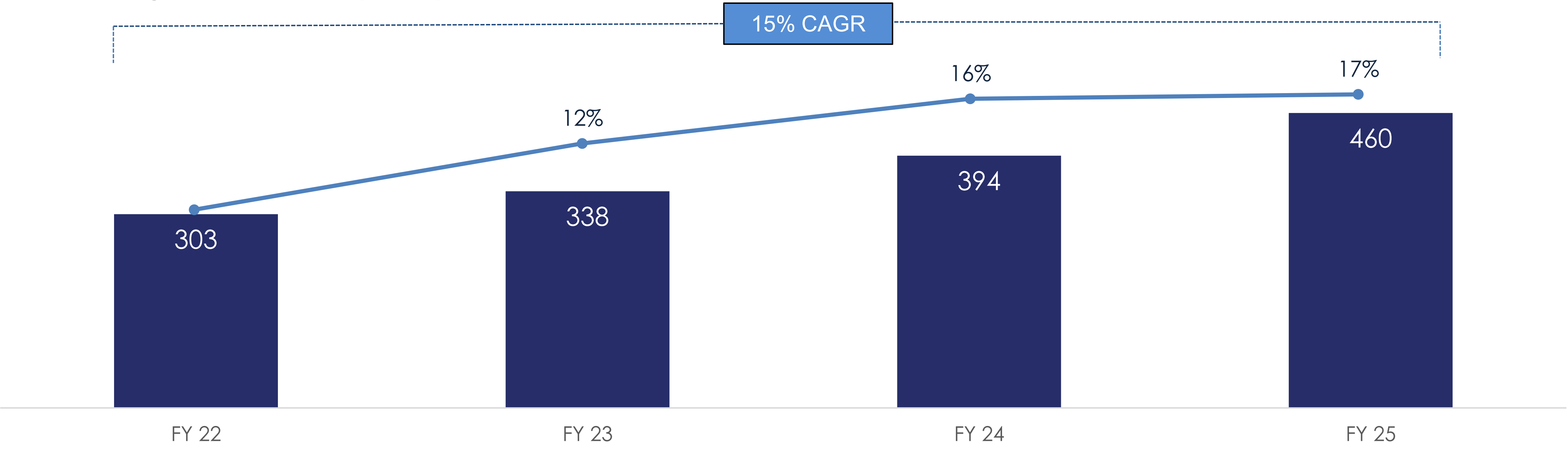
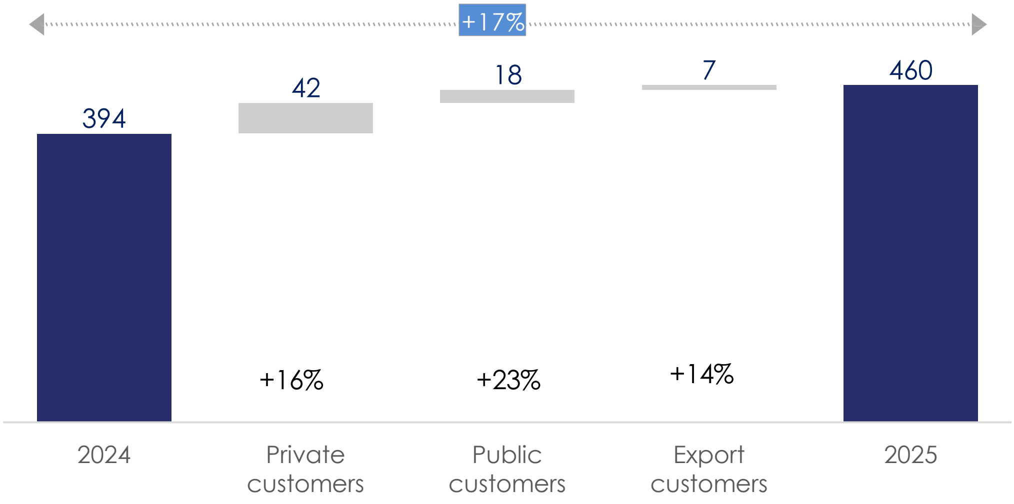
REVENUE

Delivering consistent annual top-line growth at 15% 4-year CAGR

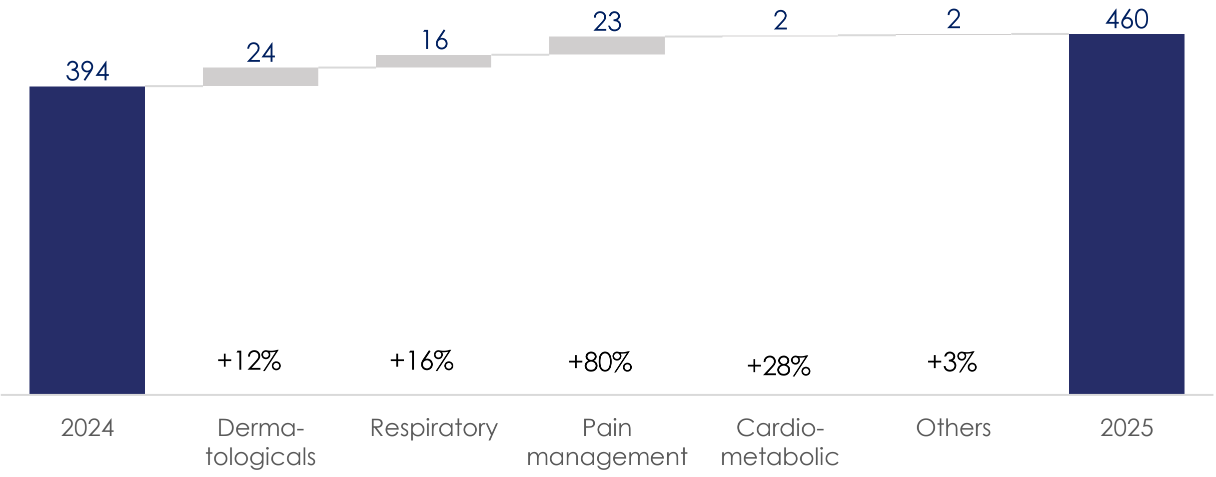
Revenue growth trend (⃁Mn)



Revenue growth by Segment (⃁Mn)



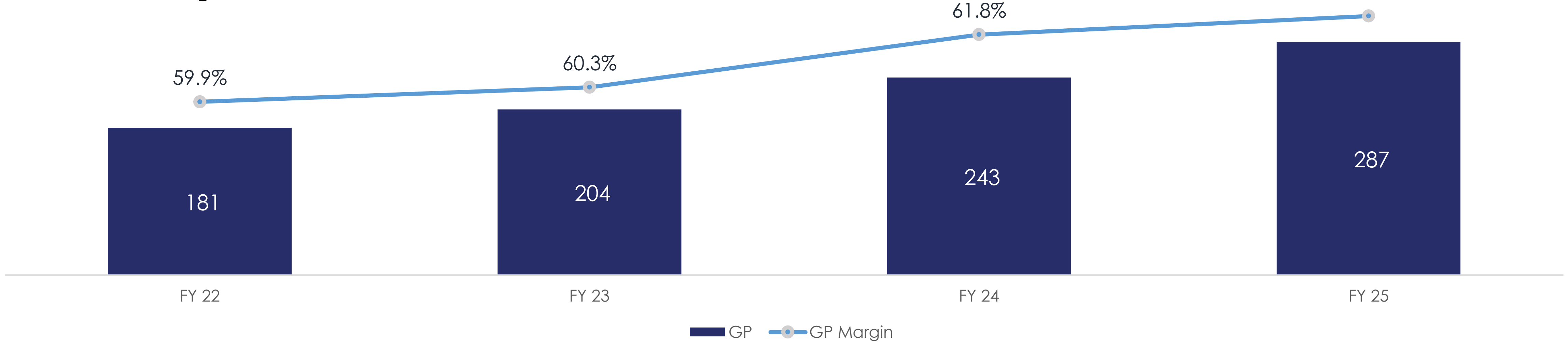
Revenue growth by key Therapeutic Areas (⃁Mn)



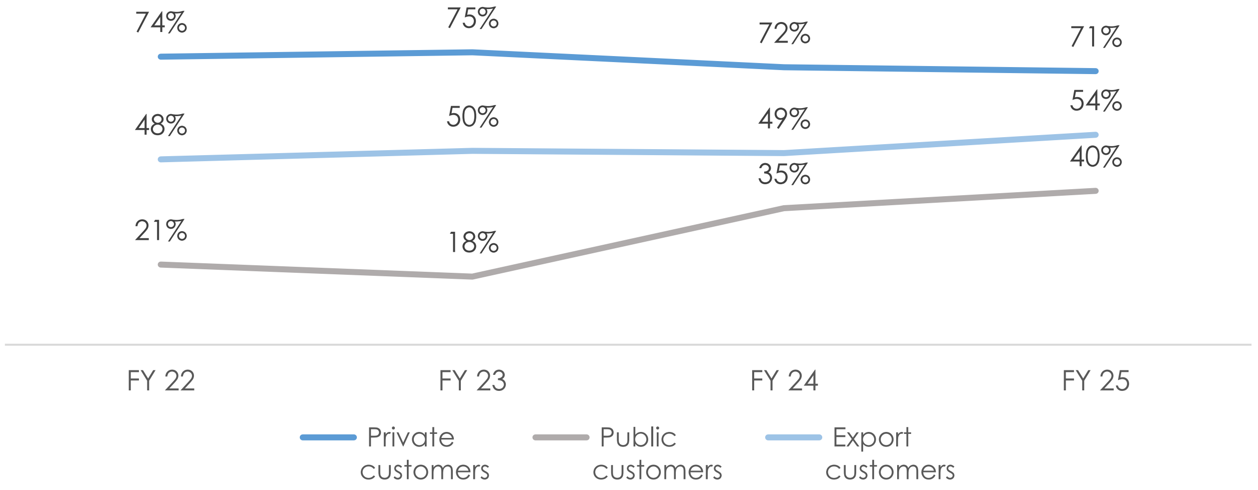
GROSS PROFIT

Uptick in the gross margin benefiting from economies of scale mainly due to increased production capacity utilization

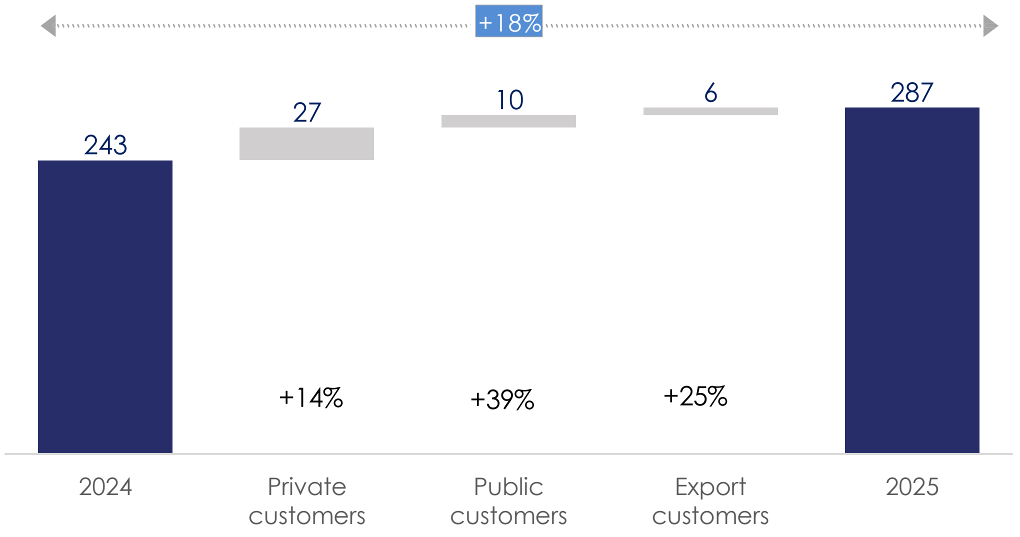
Gross Profit & Margins Trends



Gross Margins Trends by Segment



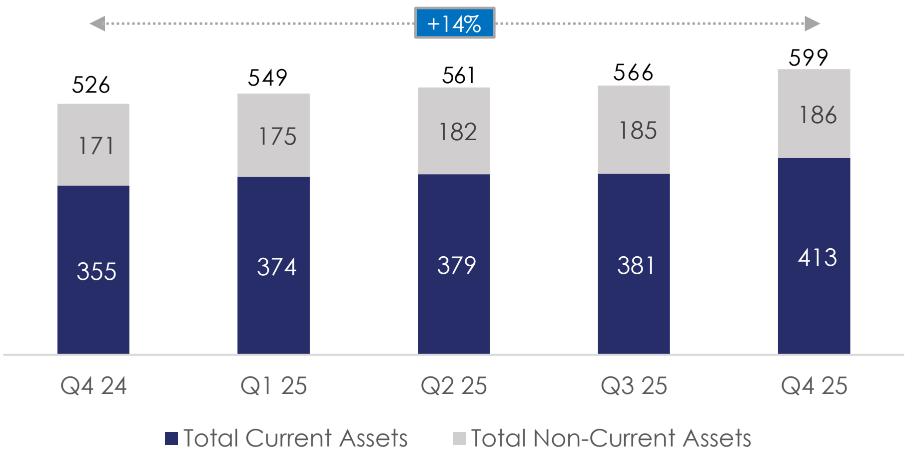
Gross profit growth by Segment (⃁Mn)



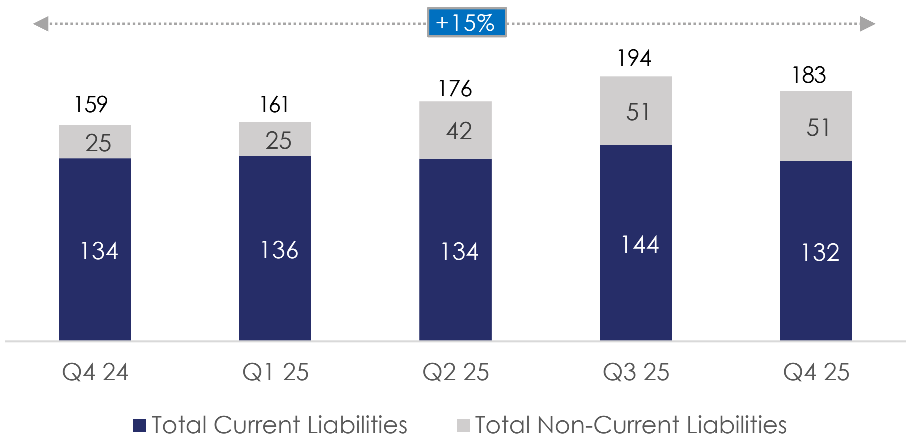
BALANCE SHEET & WORKING CAPITAL

Improved Cash Conversion Cycle strengthening liquidity profile of the business

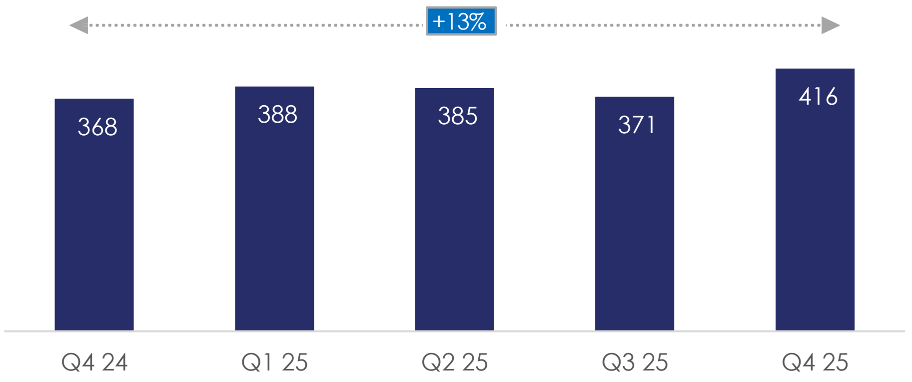
Total Assets Trends (⃁ Mn)



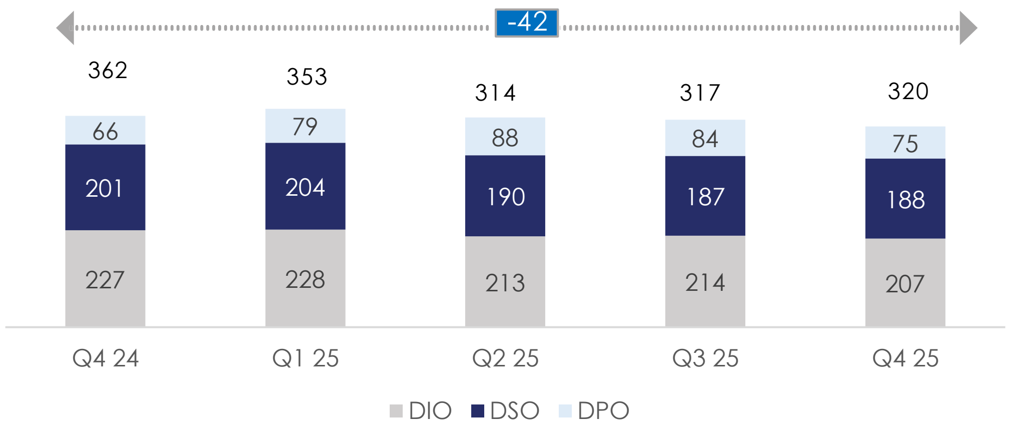
Total Liabilities Trends (⃁ Mn)



Equity Trends (⃁ Mn)



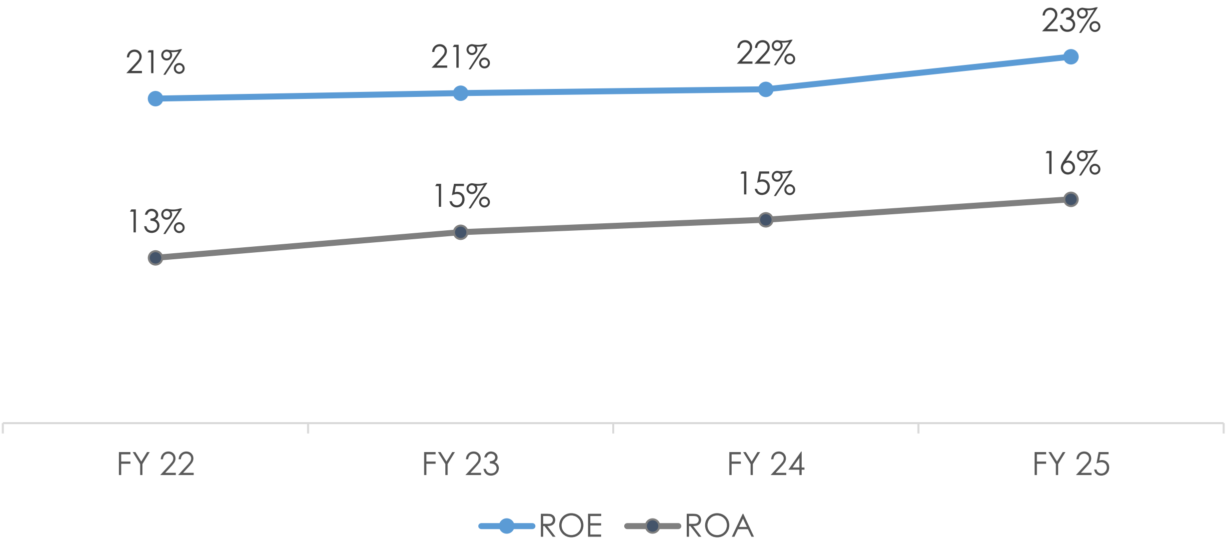
Cash Conversion Cycle Trends (Days)



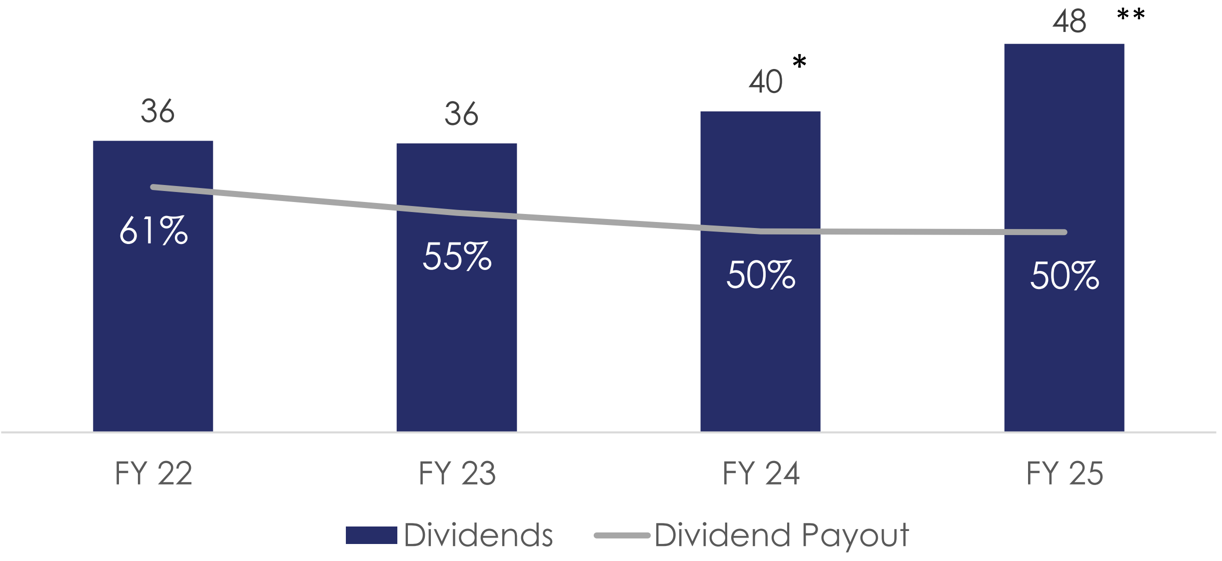
RETURNS & DIVIDENDS

Delivering sustainable shareholders value with higher returns and steady dividends

ROE & ROA (%)



Dividends (⃁ Mn) & Dividend Payout (%)



*Inclusive of the ⃁ 25M cash dividends, ⃁1.25 per share paid in May 2025 for the second half of 2024 to the company's shareholders.

**Inclusive of the ⃁ 26.4M cash dividends, ⃁1.32 per share declared in March 2026 for the second half of 2025.

Avalon Pharma

FINANCIAL GUIDANCE

Financial Indicators	FY 2024 Actual Results	FY 2025 Actual Results	FY 2026 Guidance
Revenue Growth	**16%**	**17%**	**16-17%**
EBITDA Margin	27%	28%	28-30%
Net Profit Margin	**20%**	**21%**	**21-25%**
Dividend (Semi Annual)	**50% Payout Ratio**		

Avalon Pharma