AVALON PHARMA DELIVERS STRONG H1 2026 PERFORMANCE, WITH REVENUE UP 24% TO SAR 267 MN AND NET PROFIT INCREASING 26% TO SAR 56 MN

Commercial execution and export optimization drive growth, while operational excellence and strategic execution position the Company for continued long-term expansion

Riyadh, Saudi Arabia, 06 August 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 second quarter ("Q2 2026") and first half ("H1 2026") ended 30 June 2026. Avalon Pharma delivered another quarter of profitable growth and operational progress in Q2 2026, with revenues increasing by 16.0% year-on-year (YoY) to SAR 136.5 million during Q2 2026. EBITDA increased by 19.0% YoY to SAR 39.6 million, with the EBITDA margin improving to 29.0% from 28.3% in the prior-year period, while net profit reached SAR 28.8 million, representing 16.1% YoY growth, and net profit margin remaining stable at 21.1%. Growth was driven by continued momentum in the Private segment, supported by expansion of its customer base, improved customer sales performance, disciplined pricing, and continued portfolio optimization, alongside the enhancement of Export operations following the strategic rescheduling undertaken in Q1 2026. In parallel, the Public segment moderated slightly during the quarter, reflecting the normal phasing of deliveries of awarded government tenders, while continuing to deliver solid performance on a first-half basis.

On a six-month basis, revenue reached SAR 266.6 million, recording 24.0% YoY growth. EBITDA grew by 25.6% YoY to SAR 75.5 million, with the EBITDA margin improving to 28.3%, from 28.0% one year prior. Meanwhile, net profit increased by 26.0% to SAR 55.7 million, and net profit margin improving to 20.9%, compared to 20.6% during the first half of 2025. The strong first-half performance reflects the Company's disciplined commercial execution, operational efficiency, and continued focus on delivering sustainable growth.

During the quarter, Avalon Pharma continued advancing its long-term growth strategy across product development, commercial execution, manufacturing expansion, and international partnerships. The Company maintained a robust development pipeline comprising 92 molecules, strengthened its regulatory execution, and entered into two (2) strategic agreements with international pharmaceutical partners. Avalon Pharma also continued progressing key manufacturing expansion initiatives, including the successful completion of the initial SFDA inspection for the Avalon 2 Liquid Line and ongoing construction of the Avalon 4 facility. Capacity utilization also increased to 91% during Q2 2026, compared to 78% in the prior-year period, reinforcing the Company's ability to meet growing demand while supporting future portfolio expansion and growth.

Commenting on the results, Mohamed Maher Al Ghannam, Managing Director and Chief Executive Officer, said: "This quarter marked another strong set of results for Avalon, building on the momentum established at the start of the year and achieving robust growth across both revenue and profitability during the first half of 2026. These results are particularly encouraging amidst the evolving regional environment, and they reflect the strength of our commercial execution, disciplined planning, and diversified business model. Through proactive planning, disciplined pricing, customer base expansion, portfolio optimization, and supply chain diversification, we successfully navigated external developments while maintaining strong momentum across our operations during the second quarter of the year."

"We have continued to make meaningful progress on our long-term growth strategy. We enhanced our product development and regulatory pipeline, expanded our strategic partnerships with leading international pharmaceutical companies, and advanced on key manufacturing expansion initiatives. During the period, we also progressed our entry into the Egyptian market, continued the optimization of our export operations, and strengthened our regional platform. At the same time, we continued increasing capacity utilization and production volumes, reflecting the ongoing improvements in our operational efficiency and reinforcing our ability to support future demand and long-term growth.

He concluded, "Avalon's resilience during the first half of the year reinforces our confidence in the strength of our operating model and the effectiveness of our long-term ACE Strategy. While we continue to closely monitor the evolving regional landscape, our disciplined planning, diversified supply chain, and proactive risk management approach position us well to navigate uncertainty while continuing to execute on our strategic objectives. We remain confident in our ability to sustain our growth momentum, strengthen our market position, and create long-term value for our shareholders while contributing to Saudi Arabia's healthcare transformation and pharmaceutical localization objectives."

Avalon Pharma's consolidated financial statements and full earnings release for the period ended 30 June 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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