أڤالون فارما
Avalon Pharma

Earnings Release

Q3/9M 2026



AVALON PHARMA EXTENDS MOMENTUM INTO THE SECOND HALF OF THE YEAR, WITH 9M 2026 REVENUE UP 21% TO SAR 391 MN AND NET PROFIT GROWING 36% TO SAR 71 MN

Riyadh, Saudi Arabia, 04 November 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 third quarter ("Q3 2026") and nine months ("9M 2026") ended 30 September 2026. Avalon Pharma continued to deliver strong year-on-year (YoY) growth and operational momentum, with revenues rising 15.2% YoY to SAR 124.4 million in Q3 2026. Meanwhile, net profit increased 86.4% YoY at SAR 15.4 million, and net profit margin expanded by 4.7 percentage points to 12.4%. Growth was primarily driven by sustained progress in the Private segment, supported by expansion of the Company's customer base, improved customer sales performance, disciplined pricing, and ongoing portfolio optimization, alongside the consistent growth of Export operations during the period. In parallel, Public segment performance moderated, with the segment's performance reflecting the timing of deliveries of new tenders during the quarter.

On a year-to-date basis, revenue grew by 21.1% YoY to SAR 391.0 million. In terms of profitability, net profit increased 35.5% to SAR 71.1 million, yielding a net profit margin of 18.2%, compared to 16.3% during the first nine months of 2025. The strong performance reflected solid expansion in the Private Segment, underpinned by effective commercial execution, operational efficiency, and continued focus on delivering sustainable growth.

Avalon Pharma continued advancing its long-term growth strategy across product development, commercial execution, manufacturing expansion, and international partnerships during the quarter. The Company maintained a solid development pipeline comprising 89 molecules, strengthened its regulatory execution, and entered into two (2) strategic agreements with international pharmaceutical partners. Avalon Pharma also continued progressing key product expansion initiatives, including the successful SFDA registration of four (4) products, as well as the submission of four (4) new products for SFDA review. During the quarter, capacity utilization fell to 73% compared to 91% in the prior-year period, a result of the current operating hours of the solid oral line in Avalon 2. In parallel, an additional 143.5 million units of production capacity[1] can be added to the existing capacity by extending the operating hours of both the 2000-liter Antiseptic line and Avalon 2's Solid Oral production line, each of which currently operates on a single long shift, to two (2) long shifts. Furthermore, the Avalon 2 Pharma Liquid line is scheduled to commence operations before the end of 2026. The Company expects utilization to gradually return to pre-expansion levels in future periods as the Company delivers on the "Catalyze" pillar of its ACE strategy by producing pharmaceutical products in solid oral dosage form.

9M 2026 HIGHLIGHTS

Revenue	EBITDA	Net Profit	Utilization
SAR 391 MN	SAR 100 MN	SAR 71 MN	81%
+21% YoY	+31% YoY	+36% YoY	+2.0 pp YoY

[1] *Effective from 01 June 2026, the newly commissioned 2000-liter Antiseptics line is operating on a single long shift. Operating capacity from this new line may be increased to 15M units by utilizing two long shifts depending on demand. Effective from 01 August 2026, the newly commissioned Solid Oral line is working on single long shift. Operating capacity may be increased to 272M units with two long shifts depending on demand.*

SUMMARY FINANCIAL HIGHLIGHTS

SAR Mn	Q3-2026	Q3-2025	YoY Change	9M-2026	9M-2025	YoY Change
Revenue	**124.4**	108.0	+15.2%	**391.0**	323.0	+21.1%
Gross Profit	**72.2**	62.3	+15.9%	**238.3**	195.9	+21.7%
Gross Profit Margin (%)	***58.1%***	*57.7%*	*+0.4 pp*	***61.0%***	*60.7%*	*+0.3 pp*
Operating Profit	**19.2**	11.0	+74.4%	**84.1**	61.6	+36.6%
Operating Profit Margin (%)	***15.4%***	*10.2%*	*+5.2 pp*	***21.5%***	*19.1%*	*+2.4 pp*
Net Profit	**15.4**	8.3	+86.4%	**71.1**	52.5	+35.5%
Net Profit Margin (%)	***12.4%***	*7.7%*	*+4.7 pp*	***18.2%***	*16.3%*	*+1.9 pp*
EBITDA	**24.9**	16.2	+53.2%	**100.4**	76.4	+31.4%
EBITDA Margin (%)	***20.0%***	*15.0%*	*+5.0 pp*	***25.7%***	*23.7%*	*+2.0 pp*

9M KEY FINANCIAL & OPERATIONAL HIGHLIGHTS

- **Strong revenue performance:** Avalon Pharma recorded 21.1% YoY revenue growth, reaching SAR 391.0 million in 9M 2026, driven by continued strength in the Private segment, portfolio optimization, customer base expansion, and improved customer sales performance. Meanwhile, Export revenue grew by 17.6% YoY in 9M 2026, supported by strong performance across the UAE, Iraq, Kuwait, Oman, and Qatar, alongside new product launches and an expanded SKU portfolio.
- **Strong earnings growth supported by healthy margins:** EBITDA grew by 31.4% YoY to SAR 100.4 million in 9M 2026, while delivering a solid EBITDA margin of 25.7%. Similarly, net profit expanded by 35.5% YoY to SAR 71.1 million, with the net profit margin improving to 18.2%, reflecting disciplined pricing, operational efficiency, and effective cost management despite ongoing geopolitical and supply chain headwinds.
- **Expanded capacity in anticipation of future demand:** During the quarter, capacity utilization fell to 73% compared to 91% in the prior-year period, mainly driven by the current operating hours of the solid oral line in Avalon 2. Despite the decline during the quarter, utilization during 9M 2026 expanded to 81% compared to 79% in 9M 2025. In parallel, an additional 143.5 million units of production capacity can be added to the existing capacity by extending the operating hours of both the 2000-liter Antiseptic line and Avalon 2's Solid Oral production line, each of which currently operates on a single long shift, to two (2) long shifts. Furthermore, the Avalon 2 Pharma Liquid line is currently awaiting SFDA approval, which is expected to be received before the end of the year. Upon receiving approval and commencing commercial production, the line is expected to add approximately 18 million units to the Company's annual production capacity.
- **Innovation pipeline supporting future growth:** Avalon Pharma's development pipeline comprised (89) molecules as of 30 September 2026, with four (4) molecules approved by the SFDA during the quarter, and one (1) new molecule formulation added to the pipeline. Avalon Pharma's pipeline continues to be supported by continuous product development, successful regulatory approvals, and ongoing progress across its innovation portfolio, reinforcing visibility on future product launches and commercialization opportunities.
- **Strategic partnerships strengthening long-term growth:** The Company entered into nine (9) strategic agreements with international pharmaceutical partners during 9M 2026, including two (2) new licensing and supply agreements signed during Q3 2026 across the Immunology & Central Nervous System (CNS) specialty therapeutic areas. These partnerships further strengthen Avalon Pharma's presence in high-value therapeutic segments while supporting manufacturing localization and future portfolio expansion.
- **Continued enhancement of product portfolio through blockbuster molecules:** Avalon Pharma has entered into strategic licensing and commercialization agreements covering biosimilar and generic versions of leading global pharmaceutical molecules, including pembrolizumab (Keytruda®), dupilumab

(Dupixent®), and semaglutide (Wegovy®). These agreements strengthen Avalon's specialty pharmaceutical pipeline and support its long-term growth ambitions. It is worth noting that these agreements were not part of the original ACE plan and are incremental to the 2030 strategy, representing strong potential upside beyond 2030.

- **Sustained progress on product expansion:** Avalon Pharma successfully obtained SFDA registration for four (4) products, comprising three (3) dermatology products and one (1) vitamin supplement during the quarter. Additionally, the Company has submitted four (4) new products to the SFDA for approval; one (1) oncology, one (1) dermatology, one (1) metabolic, and one (1) neurological product, supporting long-term molecule pipeline visibility and growth potential.
- **Expanding international footprint:** Avalon Pharma advanced its Egypt expansion, with supply chain agreements progressing towards signing in November 2026 and revenue generation expected in 2027, positioning Egypt as a future African export hub.
- **Operational resilience supporting business continuity:** Management continued to manage regional geopolitical developments through proactive supply chain management, strategic export rescheduling, and disciplined operational execution, maintaining manufacturing operations while preserving customer relationships and international growth momentum.

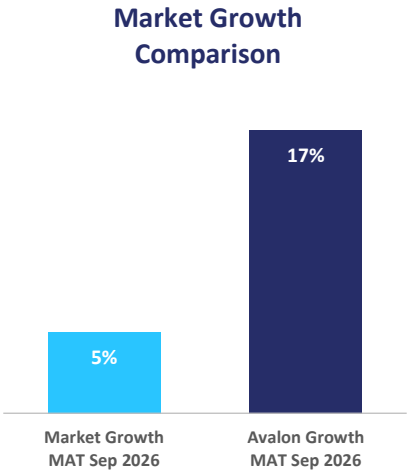
Commenting on the results, Mohamed Maher Al Ghannam, Managing Director and Chief Executive Officer, said: "Our strong performance in Q3 2026 marks another quarter of sustained growth and disciplined execution, reinforcing Avalon's positive trajectory and the strength of our performance throughout the first nine months of the year. Avalon Pharma's strong revenue growth translated into solid profitability, reflecting the resilience of our business model and the effectiveness of our commercial and operational strategies. Despite the ongoing challenges in the regional environment, we continued to deliver against our objectives, supported by disciplined pricing, customer base expansion, portfolio optimization, and proactive supply chain management. These efforts have enabled us to maintain a strong growth trajectory while navigating external uncertainties."

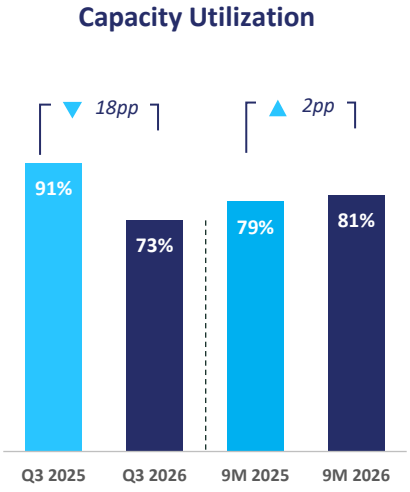
"Beyond our financial performance, we made meaningful headway towards our long-term strategic priorities. We continued to strengthen our product development and regulatory pipeline, established new strategic partnerships with international pharmaceutical companies, and progressed our manufacturing capacity expansion initiatives to support future demand. Our planned entry into the Egyptian market is also advancing and we continue to optimize our export operations to enhance our regional presence and unlock new growth opportunities. Together, these developments reflect our commitment to building a more diversified, scalable, and competitive pharmaceutical platform."

He concluded, "Our performance during the first nine months of 2026 demonstrates the strength of our strategic direction and the continued progress of our ACE Strategy. As we approach the end of the year, our focus remains on sustaining operational excellence, accelerating strategic initiatives, and capitalizing on emerging growth opportunities. While we remain attentive to geopolitical developments across the region, our strengthened operational capabilities, diversified supply chain, and disciplined approach to execution provide a solid foundation for future growth. We remain confident in our ability to further strengthen our market position, deliver sustainable value to our shareholders, and support Saudi Arabia's ambitions for healthcare transformation and pharmaceutical localization."

OPERATIONAL REVIEW & STRATEGIC UPDATES

Avalon Pharma's operational progress during the first nine months of 2026 reflects the effective execution of its ACE (Accelerate, Catalyze, Expand) strategy, focused on strengthening its core business, advancing higher-value therapeutic opportunities, and expanding its regional footprint. During the period, the Company continued to enhance its commercial execution, strengthen its product portfolio, and advance its regional expansion strategy, reinforcing the foundations for sustainable long-term growth.





Accelerate: Commercial Execution & Market Leadership

Avalon Pharma continued to solidify its core business through disciplined commercial execution, resulting in market share gains, deeper penetration across its core therapeutic categories, and the successful acquisition of new major accounts, while strengthening relationships with existing customers across its distribution network. Additionally, based on the latest IQVIA data, Avalon Pharma grew more than three (3) times the pace of market growth on a year-on-year basis.

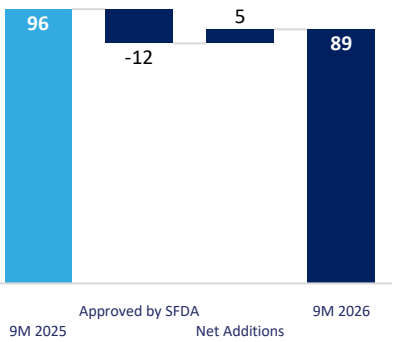
The Company continued to successfully respond to evolving market demand by optimizing its portfolio mix towards faster-growing therapeutic categories. On that front, Neurology/Psychiatry revenue increased by 810% YoY, while Infectious Diseases grew by 101% YoY supported by expansion across retail and pharmacy channels and the successful commercialization of new product launches aligned with market demand. Meanwhile, Dermatology, Respiratory, and Pain Management remained the primary growth engines, collectively contributing 66% of the SAR 68.0 million year-on-year revenue increase.

During the quarter, capacity utilization fell to 73% compared to 91% in the prior-year period, mainly driven by the current operating hours of the solid oral line in Avalon 2. Despite the decline during the quarter, utilization during 9M 2026 expanded to 81% compared to 79% in 9M 2025. In parallel, an additional 143.5 million units of production capacity can be added to the existing capacity by extending the operating hours of both the 2000-liter Antiseptic line and Avalon 2's Solid Oral production line, each of which currently operates on a single long shift, to two (2) long shifts. The Avalon 2 Pharma Liquid production line is currently awaiting SFDA approval, which is expected to be received before the end of the year. Upon receiving approval and commencing commercial production, the line is expected to add approximately 18 million units to the Company's annual production capacity.

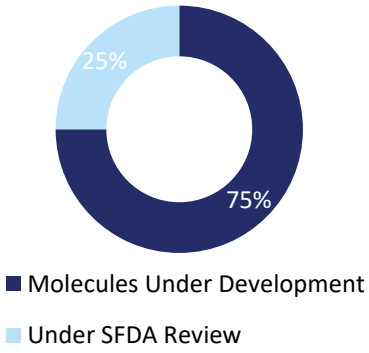
Meanwhile, the development of Avalon 4 remains on track, with the project expected to be completed by year-end 2027, and production scheduled to commence once SFDA inspection and approval have been completed and obtained.

Alongside its strong commercial performance, Avalon Pharma further strengthened its commercial capabilities through effective pricing

Pipeline Overview
(Number of Molecules)



Pipeline Split



management, portfolio optimization, and enhanced commercial execution. Together, these initiatives resulted in improved customer sales performance, strengthened its market position across key therapeutic categories such as Dermatology, Musculo-Skeletal System, Respiratory System, and Consumer Health, contributing to profitability and sustainable long-term growth.

Catalyze: Pipeline & Product Development

Avalon Pharma continued to advance its innovation strategy through ongoing investment in product development and portfolio expansion. During the quarter, four (4) molecules have been approved by the SFDA and one (1) new molecule has been added to the pipeline. As of 9M 2026, the Company's innovation pipeline consisted of 89 molecules, compared to 96 in the prior-year period, reflecting successful SFDA approval of twelve (12) molecules. Currently, 75% of pipeline molecules are under development and 25% are under SFDA review. The Company's robust product pipeline provides visibility on future product introductions across key therapeutic areas, including Oncology, Cardiovascular, and Injectables. During the period, regulatory execution remained strong, with multiple new product approvals and regulatory submissions supporting the continued execution of the Company's portfolio and future pipeline, reinforcing its commitment to portfolio renewal and sustainable long-term growth.

During Q3 2026, the Company obtained SFDA approval for the commercial launch of four (4) products. In parallel, Avalon Pharma entered two (2) new strategic licensing and supply agreements with international pharmaceutical companies, supporting the advancement of its portfolio across the Immunology & Central Nervous System (CNS) specialty therapeutic areas. These agreements brought the total number of strategic partnerships signed during 9M 2026 to nine (9), further strengthening Avalon Pharma's portfolio and manufacturing capabilities while contributing to the continued expansion of its specialty pipeline.

Meanwhile, Avalon Pharma has entered into strategic licensing and commercialization agreements covering biosimilar and generic versions of leading global pharmaceutical molecules, including pembrolizumab (Keytruda®), dupilumab (Dupixent®), and semaglutide (Wegovy®). These agreements strengthen Avalon's specialty pharmaceutical pipeline and support its long-term growth ambitions. It is worth noting that these agreements were not part of the original ACE plan and are incremental to the 2030 strategy, representing strong potential upside beyond 2030.

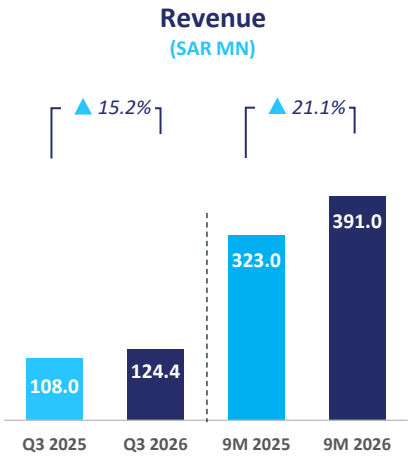
Expand: International Footprint

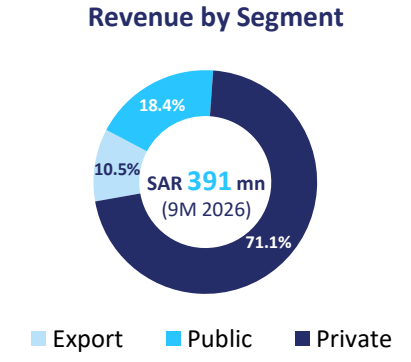
Avalon Pharma continued to advance its regional expansion strategy during Q3 2026, building on the successful optimization of its Export operations during the second quarter of the year. On that front, Export segment revenue rose by 32.9% YoY during the quarter, primarily driven by the strong growth reported across the United Arab Emirates, Iraq, Kuwait, and Oman, which were bolstered by new launches and a wider SKU portfolio.

In parallel, Avalon Pharma continued to make progress on its newly-established Egypt entity, with the contract manufacturing agreement receiving the Legal Department's approval. Additionally, the supply chain agreement is in the final legal review process, with operations expected to generate revenue in 2027. The Company also continued progressing operational preparations, including engagement with contract manufacturers and the establishment of the required operating infrastructure, with the first signing targeted for November 2026.

FINANCIAL REVIEW

Avalon Pharma's financial results during the period reflect the Company's continued commercial momentum, delivering strong revenue growth while maintaining healthy profitability through effective pricing management, portfolio optimization, and continued operational efficiency.





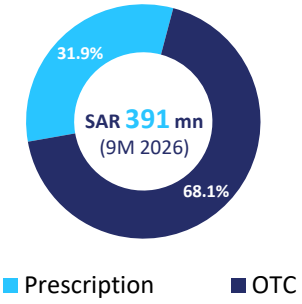
Revenues

Avalon Pharma recorded consolidated revenue of SAR 124.4 million in Q3 2026, representing a 15.2% YoY increase compared to the SAR 108.0 million reported in Q3 2025. On a year-to-date basis, consolidated revenue reached SAR 391.0 million, up 21.1% from the SAR 323.0 million booked during 9M 2025. Revenue growth was primarily driven by the continued strength of the Private segment, alongside strong performance in the Export segment.

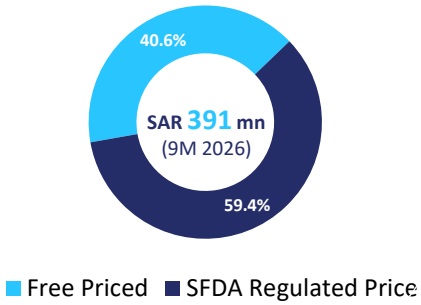
From a segmental perspective, the Private segment reported revenue growth of 28.1% YoY to SAR 86.4 million in Q3 2026, compared to SAR 67.4 million one year prior and accounting for 69.5% of consolidated revenue. On a nine-month basis, Private segment revenue reached SAR 278.1 million, increasing 31.2% YoY versus the SAR 211.9 million recorded in 9M 2025 and representing 71.1% of consolidated revenue. The segment remained the Company's primary revenue driver during both the quarter and nine-month period, a reflection of the success of the Company's continued commercial execution, sustained customer demand, and disciplined pricing across its diversified portfolio.

The Public segment recorded revenue of SAR 19.6 million, a decrease of 26.5% YoY from SAR 26.7 million in Q3 2025, and representing 15.8% of consolidated revenue. The year-on-year decline is primarily attributable to the timing of deliveries of new tenders during the quarter. On a year-to-date basis, Public sector revenue inched downwards by 5.6% YoY to SAR 72.0 million, compared to SAR 76.2 million in 9M 2025 and accounting for 18.4% of consolidated revenue.

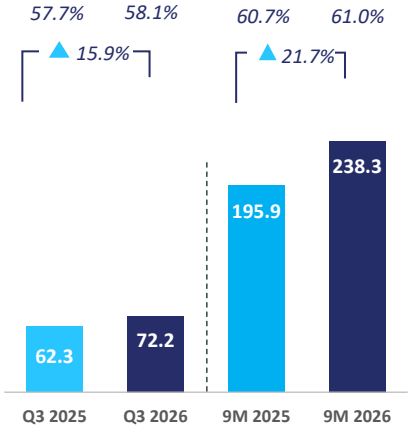
Revenue by Category



Revenue by Pricing Regulation



Gross Profit
(SAR MN / Margin %)



The Export segment booked a revenue increase of 32.9% YoY to SAR 18.3 million in Q3 2026, compared to SAR 13.8 million in the prior-year period, contributing 14.7% of consolidated revenue. For the first nine months of 2026, Export revenue reached SAR 40.9 million, increasing 17.6% YoY compared to SAR 34.8 million in 9M 2025 and contributing 10.5% of the consolidated revenue. The strong performance reflects the continued successful completion of the strategic rescheduling of exports undertaken in Q1 2026.

From a product perspective, Over-the-Counter (OTC) products accounted for 68.1% of 9M 2026 revenue, while prescription medicine represented 31.9%, compared to 70.9% and 29.1%, respectively, during 9M 2025. The gradual increase in the contribution of prescription products reflects the Company's focus on optimizing its portfolio mix. Meanwhile, free-priced products accounted for 40.6% of 9M 2026 revenue, while SFDA price-regulated products made up 59.4% of revenue, compared to 35.3% and 64.7%, respectively, during 9M 2025.

Gross Profit

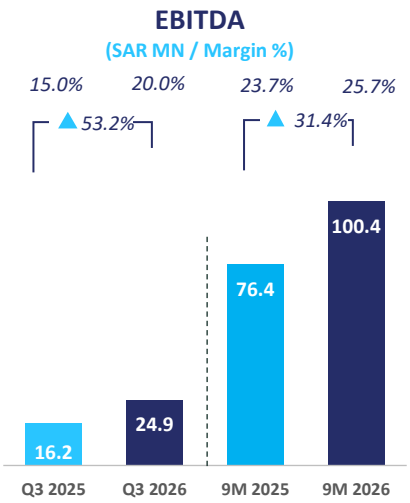
Gross profit expanded by 15.9% YoY to SAR 72.2 million in Q3 2026, compared to SAR 62.3 million in Q3 2025. For the first nine months of 2026, gross profit reached SAR 238.3 million, representing a 21.7% YoY expansion compared to SAR 195.9 million in 9M 2025, supported by continued revenue growth across the Company's Private and Export business segments. The strong performance of the Private segment in particular, which typically generates the Company's highest gross margins, was the primary driver of overall profitability during the period.

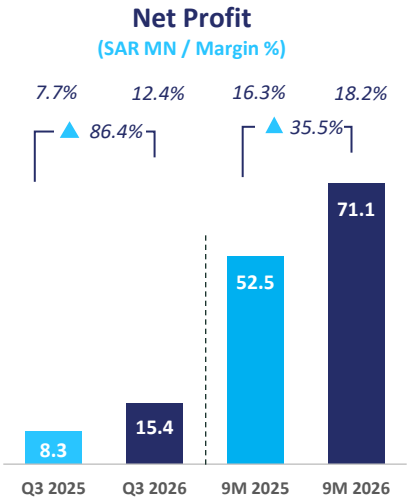
Gross profit margin increased to 58.1% in Q3 2026, compared to 57.7% in Q3 2025. Similarly, 9M 2026 gross profit margin rose to 61.0%, up from 60.7% in 9M 2025. The steady margin growth reflects a more favorable product mix, coupled with the Company's ability to effectively manage input cost pressures and regional supply chain disruptions while maintaining healthy profitability.

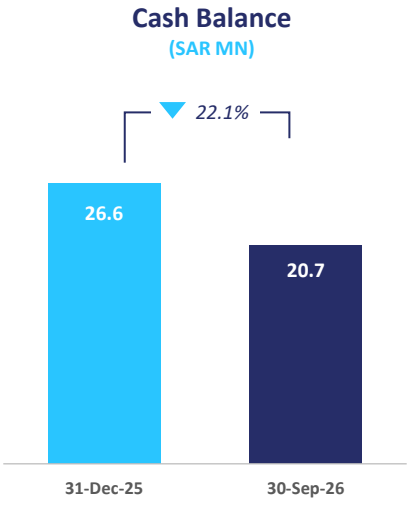
EBITDA

EBITDA surged by 53.2% YoY to SAR 24.9 million in Q3 2026, compared to SAR 16.2 million in Q3 2025. On a nine-month basis, EBITDA reached 100.4 million, representing a 31.4% YoY increase compared to SAR 76.4 million during the same prior-year period. The improvement was primarily driven by higher gross profitability and further supported by continued operational leverage and targeted cost optimization initiatives.

EBITDA margin improved to 20.0% in Q3 2026 from 15.0% one year prior, while 9M 2026 EBITDA margin expanded to 25.7%, compared to 23.7% in 9M 2025. Selling and distribution expenses, the Company's largest







operating expense, increased at a slower pace than revenue growth, supporting continued profitability while maintaining investments in commercial activities and growth initiatives.

Net Profit

Net profit expanded by 86.4% YoY in Q3 2026, rising to SAR 15.4 million from SAR 8.3 million in Q3 2025. Meanwhile, net profit margin expanded by 4.7 percentage points YoY to 12.4%, compared to 7.7% in Q3 2025, reflecting higher EBITDA profitability during the quarter.

On a year-to-date basis, net profit increased by 35.5% to SAR 71.1 million, compared to SAR 52.5 million in 9M 2025. Net profit margin improved by 1.9 percentage points YoY to 18.2%, compared to 16.3% in the prior-year period, driven by higher EBITDA profitability and continued cost optimization measures.

Earnings per share grew to SAR 0.44 in Q3 2026, up from SAR 0.24 in Q3 2025. On a year-to-date basis, earnings per share reached SAR 2.03 in 9M 2026, compared to SAR 1.50 in 9M 2025.

CAPEX and Cash Balances

Avalon Pharma's cash and cash equivalents[2] as of 30 September 2026 stood at SAR 20.7 million, compared to the 26.6 million reported on 31 December 2025. The decline in cash and cash equivalents was largely a result of the Company's allocation of a portion of its excess liquidity to an investment in Murabaha Fund, valued at SAR 10.8 million, as of 30 September 2026 as part of its capital management strategy.

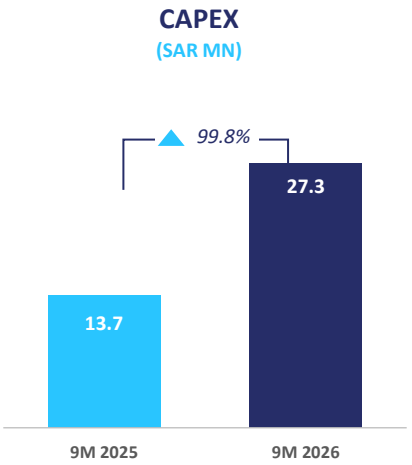
Capital expenditure (CAPEX), amounted to SAR 27.3 million during the first nine months of the year, compared to SAR 13.7 million in 9M 2025, representing a two-fold YoY increase as the Company continued to invest in expanding its manufacturing capabilities and supporting future growth.

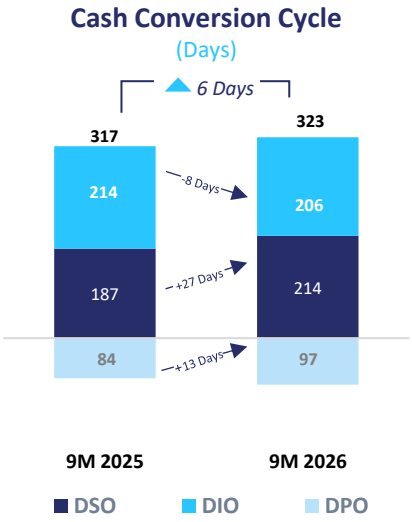
During the period, capital deployment remained primarily focused on the ongoing development of the Avalon 4 manufacturing facility, with the project progressing steadily toward completion by the end of 2027. Upon completion, the facility is expected to significantly expand Avalon Pharma's manufacturing capacity while supporting its planned entry into higher-value therapeutic segments, including oncology, ophthalmology, and injectables.

Cash Flow and Efficiency Metrics

Cash generated from operating activities amounted to SAR 1.6 million during 9M 2026. Lower operating cash flow during the period was

[2] *Cash in transit, previously classified under cash and cash equivalents in the audited financial statements for the year ended 31 December 2025, has been reclassified as trade receivables in the comparative figures presented in the Company's financial statements for the period ended 30 September 2026.*





primarily attributable to a slowdown in Private sector collections during Q3 2026, which is expected to gain momentum in Q4 2026, coupled with NUPCO collections that have taken longer than anticipated[3]. To address temporary collection delays and support working capital requirements, the Company utilized short-term financing facilities, resulting in an increase in the debt-to-equity ratio from 15.2% at the end of 2025 to 41.0% as of 9M 2026. Despite this increase, the leverage ratio remains below management's projected level, reflecting a prudent and well-managed approach to financing while maintaining financial flexibility.

From a working capital perspective, days sales outstanding (DSO) during 9M 2026 stood at 214 days, compared to 187 days in the prior-year period, reflecting a temporary slowdown in the collection of Private sector receivables. Days inventory outstanding (DIO) improved to 206 days from 214 days one year prior, while days payables outstanding (DPO) recorded 97 days, compared to 84 days in the comparable period, resulting in a cash conversion cycle of 323 days, compared to 317 days in 9M 2025. The Company continued to focus on managing working capital while maintaining appropriate inventory levels to support business growth.

In terms of returns, return on assets (TTM) and return on equity (TTM) stood at 15.1% and 26.6% as of 30 September 2026, respectively, reflecting the Company's continued earnings growth, healthy profitability, and efficient utilization of both its asset base and shareholders' capital.

[3] *A collection of c. SAR 32 million from NUPCO expected to be received during Q3 2026 has been successfully collected in October 2026.*

RISK MITIGATION & OPERATIONAL RESILIENCE

Avalon Pharma continued to demonstrate strong operational resilience throughout the first nine months of 2026, successfully navigating ongoing geopolitical uncertainty, regional supply chain disruptions, and elevated input costs. To mitigate external pressures, the Company implemented a range of measures to safeguard supply chain and manufacturing continuity, including rerouting inbound shipments through alternative Saudi ports, increasing safety stocks of critical raw materials and active pharmaceutical ingredients (APIs), and utilizing air freight for essential materials where necessary. These efforts were complemented by ongoing supplier diversification and procurement planning initiatives. Looking ahead, Avalon Pharma aims to further strengthen supply chain resilience through additional supplier qualification, expanded strategic inventory buffers, and the development of alternative logistics corridors.

The Company also maintained a disciplined approach to cost management and operational efficiency through shipment consolidation, competitive freight arrangements, and alternative sourcing initiatives. These measures, alongside disciplined pricing and portfolio optimization, supported profitability despite elevated logistics and raw material costs. Further initiatives under consideration include enhanced landed-cost monitoring, additional sourcing alternatives, and targeted portfolio profitability reviews to mitigate potential future cost pressures.

In parallel, Avalon Pharma continued to prioritize employee safety and workforce continuity amidst the evolving regional environment. Building on its existing emergency response procedures and business continuity measures, the Company continued reviewing opportunities to strengthen contingency planning, internal communication protocols, and workforce flexibility. These initiatives aim to safeguard employee wellbeing, maintain operational stability, and enhance readiness to respond to potential disruptions.

On the export front, Avalon Pharma continued optimizing its international operations through flexible shipment arrangements, risk-mitigating payment terms in select export markets, and the prioritization of domestic supply commitments. Moving forward, the Company intends to further strengthen its export risk management framework through market-specific risk assessments, enhanced credit protection, and greater flexibility in export market allocation, supporting its long-term international growth objectives.

---ENDS---

EARNINGS CALL INVITATION

The Company will host a conference call for analysts and investors to discuss its financial results for the relevant period. The call will be attended by members of senior management, who will present the key highlights of the Company's performance and provide an overview of recent financial and operational developments, followed by a Q&A session. The call is intended exclusively for the investment community and will not be open to media participants.

Below are the call details and information for registration.

Thursday, 12 November 2026 03:00 PM (Riyadh, KSA) l 04:00 PM (Dubai, UAE) l 12:00 PM (London, UK) l 07:00 AM (New York, USA)	
Speakers Mohamed Maher Al Ghannam | MD & CEO Moazam A. Shah | Chief Financial Officer Mohammed Metwally | Chief Commercial Officer Fayez Awadeh | Chief Marketing Officer	**Host** EFG Hermes
Click here to register	**Meeting ID: 2361 295 4689** **Passcode: FSrT2ewpE43**

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 17 international markets, with Saudi Arabia as the core market, complemented by a strong presence across the wider GCC and MENA region, as well as select 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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The Information contains forward-looking statements. These statements and any other statements that are not historical fact that are included in the Information are forward-looking statements. Forward-looking statements give the Company's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance, and business. These statements may include, without limitation, any statements preceded by, followed by, or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties, and other important factors beyond the Company's control that could cause the Company's actual results, performance, or achievements to be materially different from the expected results, performance, or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future and should not be construed as guarantees of future performance.

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