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

Strong commercial performance and sustained export momentum underpin growth, while operational improvements and strategic progress pave the way for long-term expansion.

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. In parallel, EBITDA expanded by 53.2% YoY to SAR 24.9 million in Q3 2026, yielding a strong EBITDA margin of 20.0%, reflecting disciplined pricing, operational efficiency, and effective cost management despite ongoing geopolitical and supply chain headwinds. 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, 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 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.

During the quarter, Management successfully navigated regional geopolitical developments through proactive supply chain management, strategic export rescheduling, and disciplined operational execution, maintaining uninterrupted manufacturing operations while preserving customer relationships and international growth momentum. On that front, 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, bringing the total number of strategic agreements signed during 9M 2026 to nine (9). 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. Additionally, 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®). 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

[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.*

Company delivers on the "Catalyze" pillar of its ACE strategy by producing pharmaceutical products in solid oral dosage form. In terms of Avalon Pharma's international expansion strategy, the Company 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.

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."

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