

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the financial performance report of Galfar Engineering & Contracting SAOG (“the Parent Company”) and its subsidiaries and associated companies (collectively “the Consolidated Group”) for the nine-month period ended 30 September 2025.

Financial Performance:

(RO 000)	Parent Company		Consolidated	
	Sep 2025	Sep 2024	Sep 2025	Sep 2024
Revenue	187,250	196,545	196,751	206,652
Gross profit	10,177	4,314	11,338	5,198
EBITDA	12,784	8,822	14,542	9,492
Profit / (Loss) before tax	575	(1,067)	826	(1,900)
Net profit / (Loss) after tax	575	(1,067)	790	(1,869)

During the first nine months of 2025, Galfar continued to demonstrate resilience in execution and cost discipline, sustaining stable operational delivery despite competitive market conditions and emerging project challenges.

The Parent Company recorded revenues of OMR 187.2 million compared to OMR 196.5 million in the same period of 2024, reflecting the natural progression of the project cycle and the completion of several key contracts. Group revenue stood at OMR 196.7 million (vs. OMR 206.6 million in 2024). While marginally lower year-on-year, revenue performance underscores the continuity of business activity across core operating segments.

Operational profitability strengthened meaningfully. EBITDA improved to OMR 12.78 million at the Parent level (up from OMR 8.82 million) and to OMR 14.54 million at Group level (up from OMR 9.49 million), driven by improved project margin realization, tighter site-level controls, and ongoing efficiency measures. Gross profit similarly improved to OMR 10.17 million for the Parent and OMR 11.33 million for the Group.

Net profit after tax at the Parent level amounted to OMR 0.57 million, compared to a loss of OMR (1.06) million in the prior period, while the Group achieved OMR 0.79 million, reversing a loss of OMR (1.86) million in the previous year. This improvement reflects better execution discipline and sustained cost optimization, notwithstanding prudent IFRS 9 ECL provisioning and exceptional legal expenditures relating to ongoing international arbitration matters.

The order backlog remains strong at OMR 801 million, reinforcing visibility for future earnings. Delays in tender adjudication continued during the year; however, the pipeline for Q4 2025 signals an expected pick-up in award momentum. The backlog remains concentrated in oil & gas, infrastructure, and utilities, underscoring Galfar’s market

leading position in key national development sectors.

Subsidiaries and associates continued on a recovery trajectory. Aspire Readymix and Al Khalij Heavy Equipment delivered combined profits of OMR 0.126 million, while Aspire Projects and the Kuwait associate recorded modest losses under active turnaround and performance improvement programs.

Future Outlook:

Galfar enters the final quarter of 2025 with a solid platform supported by strong order coverage, improving project execution, and focus on driving margin enhancement, disciplined cash conversion, and operational excellence.

Macroeconomic fundamentals in Oman continue to support the Construction and EPC market. The 2025 national budget sustains significant commitments to infrastructure, transportation, water and power networks, and energy sector development. Future potential investment in oil & gas, petrochemicals, renewable energy, and PPP initiatives is expected to provide a healthy pipeline of opportunities for leading national contractors such as Galfar.

Regional markets, particularly within the GCC, continue to advance major infrastructure and industrial diversification programs. While competitive intensity remains high, Galfar’s technical capability, track record, and operating scale position it favorably for selective participation in future regional opportunities.

Strategically, the Company will continue to pursue high-value, technically complex projects, strengthen digital and operational systems, and explore growth opportunities in renewables, industrial maintenance, and modular construction — all aligned with Oman Vision 2040 and the national sustainability agenda. The commitment to Omanization remains a core pillar of our identity, with more than 4,600 Omanis contributing to the Company’s success and benefiting from structured development programs to support future leadership needs.

With a healthy backlog, ongoing cost discipline, and continued recovery in profitability, Galfar is well-positioned to deliver further improvements in the remainder of 2025 and sustain its leadership role in Oman’s engineering and contracting sector.

Gratitude & Appreciation

We extend our deep appreciation to the Government of the Sultanate of Oman under the wise leadership of His Majesty Sultan Haitham bin Tarik — may Allah protect him — and acknowledge the continued support and investment that drive the nation’s growth and development.

For more than five decades, Galfar has been honored to contribute to Oman’s infrastructure and economic progress, and we reaffirm our commitment to support the nation’s priorities in the years ahead.

We also express sincere gratitude to our shareholders, clients, partners, and the executive management and all employees, for their continued trust, dedication, and contribution to Galfar’s performance and transformation journey.