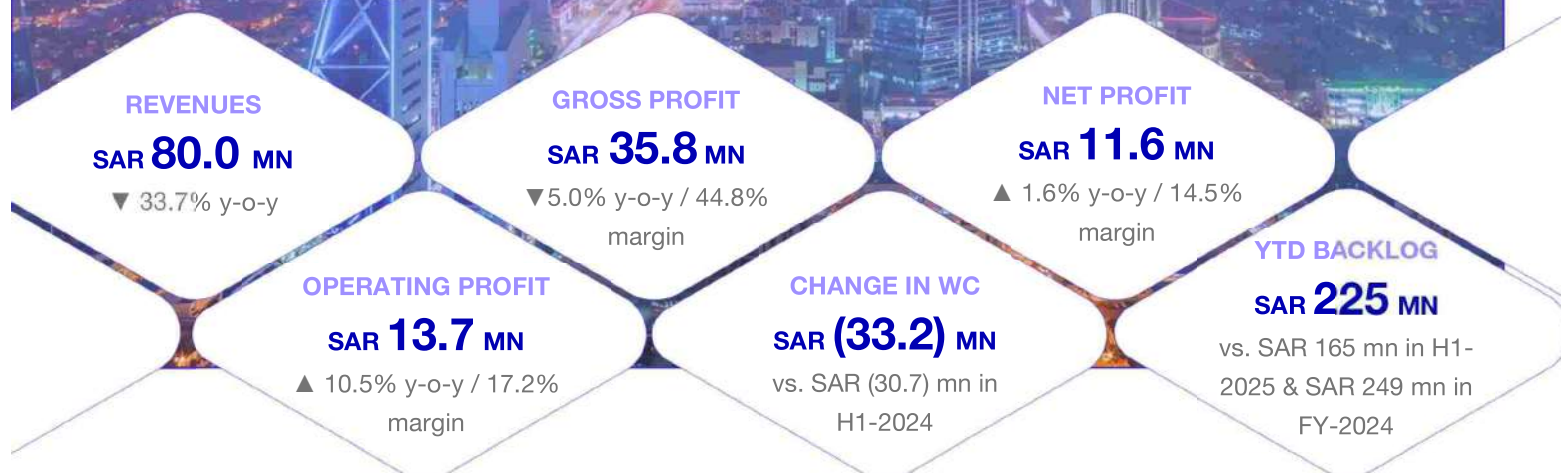


TAM Development Company Reports SAR 11.6 Million in Net Profit for H1 2025 as Markets Shifts Toward Delivery-Focused Projects

Cost discipline and improved utilization support bottom-line stability amid revenue pressure

H1-2025 Highlights



Riyadh, KSA – 27 August 2025: TAM Development Company (“TAM” or the “Company” | Tadawul: 9570), a leading Saudi Arabian firm specializing in consulting services and digital solutions, today announced its financial results for the six-month period ended 30 June 2025 (“H1 2025”). The Company reported revenues of SAR 80.0 million and net profit of SAR 11.6 million, up 1.6% year-on-year. As the public-sector consulting landscape shifts from strategy and design of transformation programs toward implementation-focused engagements, the consequent recalibration of award cycles is putting some transitory pressures on the sector. However, TAM’s digital segment revenues grew by 31% y-o-y, underscoring strong momentum in its technology-enabled offerings. Despite temporary sector headwinds, TAM delivered stable bottom-line performance through tight cost control, improved resource alignment, and disciplined execution.

Key Financial Figures

SAR mn	H1-2025	H1-2024	Change
Revenues	80.0	120.7	-33.7%
Consulting	58.6	104.4	-43.9%
Digital	21.4	16.3	31.3%
Cost of Sales	(44.1)	(83.0)	-46.8%
Gross Profit	35.8	37.7	-5.0%
Gross Profit Margin	44.8%	31.3%	+13.6pp
Operating Profit	13.7	12.4	10.5%
Operating Profit Margin	17.2%	10.3%	+6.9pp
Net Profit	11.6	11.4	+1.6%
Net Profit Margin	14.5%	9.5%	+5.0pp



Commenting on the results, Abdullah A. Yousef, CEO of TAM Development Company said:

“Our first-half results reflect TAM’s ability to adapt and perform in an evolving consulting environment, where resilience, adaptability, and financial discipline are more important than ever. As expected, revenues came under pressure due to the normal phasing of certain project milestones into the second half, along with a temporary delay in consulting sales and extended awarding cycle of new projects in the public sector, a headwind we had anticipated following last year’s award cycle disruptions. However, this softness is transitory in nature and limited to our consulting business, while our digital solutions segment continued to deliver strong growth, with revenues up 31% year-on-year. Additionally, we are seeing early signs of recovery in award activity, with our backlog including framework agreements rising to SAR 225 million as of the date of this release, up from SAR 165 million at 30 June 2025 and approaching the SAR 249 million recorded at year-end 2024. Overall and despite the current softness in the consulting sector, we maintained stable net profitability, driven by tighter cost management, improved utilization, and a deliberate effort to focus on improving operational agility.

We continue to view 2025 as a transitional year, shaped by shifting priorities across the public sector and the growing emphasis on outcome-driven delivery. While near-term award velocity in the sector remains tempered, the underlying demand drivers in the Saudi consulting market remain intact. However, public sector priorities are evolving as the Kingdom progresses on its Vision 2030 goals, with demand for high-impact advisory shifting from strategy and design of transformation programs toward citizen-facing services, operations enablement, and digitally enabled delivery, areas where TAM is increasingly well positioned to contribute. Overall, the Saudi consulting and digital solutions market remains significant in scale, even under current pressure, and local players such as TAM are structurally more agile and better able to navigate this shift than many of the international incumbents.

TAM’s performance in the first half of the year reflects this ability to adapt and remain resilient in the current environment. While revenues contracted in line with expectations, the Company maintained profitability by rightsizing our overheads and cutting non-essential expenses while realigning headcount to live projects. This positions TAM to navigate the remainder of the year with confidence and agility, as the market increasingly favors integrated, delivery-capable providers. For FY 2025, the Company expects net profit to remain broadly stable year-on-year, with a net

margin of 10% to 15%, supported by continued optimization of resource deployment and cost discipline. TAM also remains focused on preserving liquidity and managing client concentration and collections closely, ensuring operational flexibility through the second half of the year. Our balance sheet remains strong, with a healthy net cash position and available credit lines that provide full operational flexibility and strategic optionality, including for selective M&A.

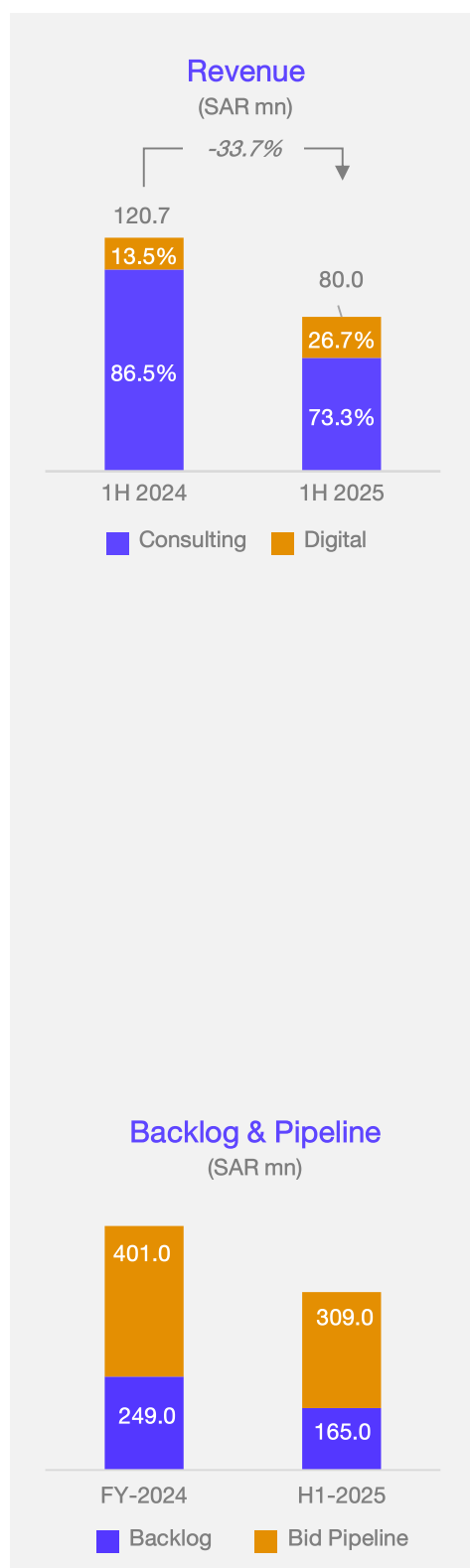
Strategically, we are reshaping TAM into a more scalable, resilient, and digitally enabled business. We have restructured our service offerings into five core domains—Public Engagement, Mass Capability Development, Innovation and Entrepreneurship, Delivery Acceleration, and Digital CX—aligning more closely with national priorities and increasingly tailored to support multi-year, end-to-end partnerships across core functions. This model reinforces our role as a long-term delivery partner, rather than a transactional service provider.

Looking forward, we see a clear imperative to accelerate our shift toward recurring, productized digital services. With over 400 platform deployments and more than 50 million users served, we are scaling proprietary digital solutions that offer recurring, high-margin revenue and are adaptable across sectors. This transition is central to our medium-term goal of achieving a balanced 50:50 revenue mix between consulting and digital. In parallel, we are actively screening for selective M&A opportunities, with a focus on solution-level assets or product portfolios that can enhance our digital capabilities, accelerate time-to-market, and strengthen our strategic positioning. We are also broadening our client base across new public sector verticals, select private sector engagements, and, eventually, into new markets to reduce concentration risk and create a more diversified, resilient portfolio.

In short, while the consulting landscape is undergoing a reset, this transition is contributing to a more selective and competitive environment, where resilient, integrated players like TAM are well-positioned to grow as market dynamics evolve. Our fundamentals are sound, and we remain focused on navigating the current environment with discipline while laying the groundwork for the next phase of sustainable, solution-led growth.



FINANCIAL & OPERATIONAL REVIEW



Revenues

TAM recorded revenues of SAR 80.0 million in H1 2025 compared to SAR 120.7 million in the same period last year, with the consulting segment contributing 73% of revenues in H1 2025 (H1 2024: 87%), while digital services delivered 27% of total revenues during the same period, up from 13% in H1 2024.

SAR mn	H1 2025	H1 2024	Change%
Consulting	58.6	104.4	-43.9%
Digital	21.4	16.3	31.3%
Total	80.0	120.7	-33.7%

Consulting services recorded revenues of SAR 58.6 million in H1 2025, down 44% compared to the SAR 104.4 million recorded in the same period last year. The year-on-year change primarily reflects the normal phasing of certain lower-margin project milestones during the period¹ – which are expected to pick up in the second half of the year – along with a temporary delay in consulting sales on account of slower RFP issuance across the public sector.

The decline in consulting revenues was partly offset by a strong performance at the TAM's digital solutions segment, where revenues reached 21.4 million in H1 2025, up by a strong 31% y-o-y. The strong performance highlights the sustained demand for TAM's technology-enabled services and its growing footprint in high-value digital transformation engagements, and is in line with the Company's medium-term goal of achieving a balanced 50:50 revenue mix between consulting and digital.

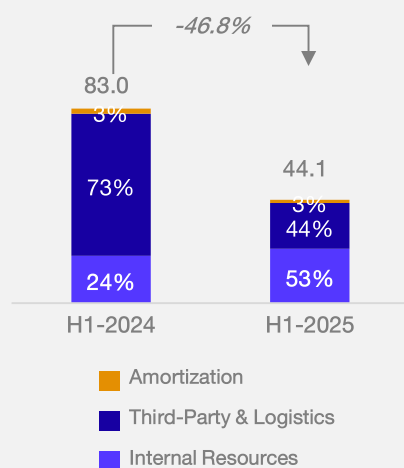
Backlog

TAM's order backlog as of 30 June 2025 stood at SAR 165 million, including SAR 96 million under framework agreements, compared to SAR 249.0 million at the close of FY 2024. As of the date of this release, the backlog including framework agreements had increased to SAR 225 million, signaling an early rebound in award activity and improved visibility for the

¹ Some of TAM's contracts include grant-related components where the Company disburses funds on behalf of the government at a fixed markup. These carry lower margins than the consultancy portion. The typical phasing of these grant milestone executions in H1 2025 led to downward pressure on revenues and temporarily higher gross margins, with the latter expected to normalize in second half of the year once these milestones are reached.

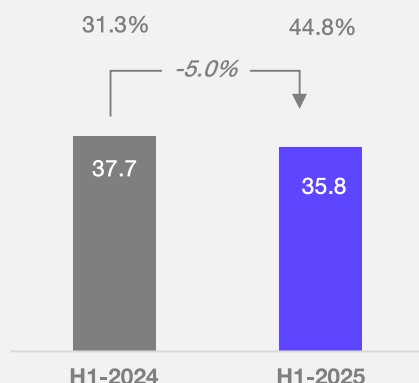
Cost of Sales

(SAR mn)



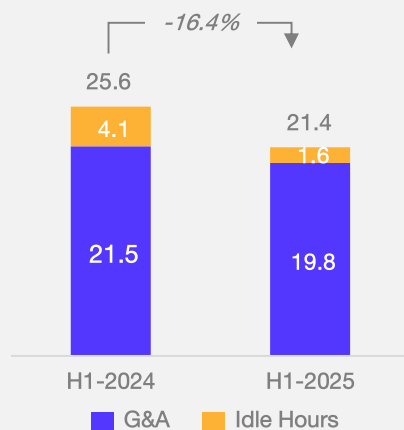
Gross Profit

(SARmn / Margin)



G&A

(SAR mn)



second half. The Company's bid pipeline remains robust at SAR 309 million.

Cost of Sales

Cost of sales for the period declined to SAR 44.1 million in H1-2025, down 47% from SAR 83.0 million in H1 2024. This decrease was primarily driven primarily by lower third-party and logistics costs from SAR 60.4 million in H1 2024 to SAR 19.5 million in the current period. It is worth noting that the comparable period last year included a larger share of third-party resources and grant-based projects, whereas the current period saw a shift toward strategic projects executed through internal resources. The reduction in cost of sales also reflects TAM's efforts to align delivery capacity with active projects and manage direct costs more tightly in light of the current market environment.

Gross Profit

Gross profit stood at SAR 35.8 million, down only 5.0% despite the 33.7% drop in revenues, with gross profit margin improving from 31.1% in H1 2024 to 44.8% in the current period. The results reflect the phasing of lower-margin project milestones during the period, with margin levels expected to normalize as such projects resume in the second half of the year. Gross profitability was also supported by TAM's continued focus on delivery efficiency and cost management, with reduced reliance on third-party consultants, and stronger internal execution which helped offset the impact of slower project activity.

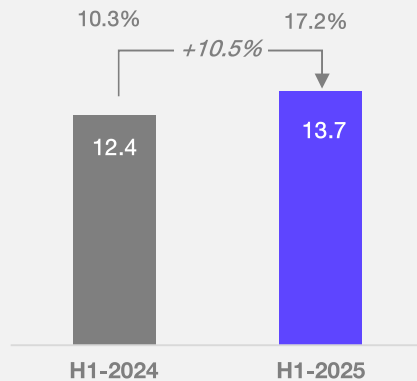
G&A

General and administrative expenses totaled SAR 21.4 million in H1 2025, down 16.7% y-o-y from the SAR 25.6 million recorded in H1-2024. The decline was driven primarily by the significant reduction in idle hour costs by 61.7% y-o-y to SAR 1.6 million, highlighting the Company's ability to align workforce deployment with project timelines and mitigate underutilization, along with disciplined overhead management and improved staff utilization.

To address shifting client demand for cost-effective solutions, TAM has proactively taken measures to optimize costs and protect margins, while continuing to leverage its competitive pricing and value-driven solutions to secure new projects

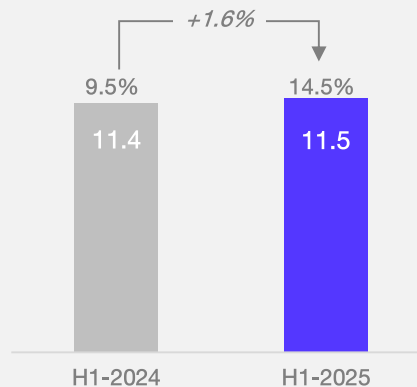
Operating Profit

(SARmn / Margin)



Net Profit

(SARmn / Margin)



while prioritizing higher-margin engagements. TAM is implementing targeted cost optimization measures to reduce general and administrative expenses while maintaining growth capacity. Additionally, the workforce has been aligned with newly adjusted project demand timelines, improving efficiency and utilization rates across the backlog.

Operating Profit

Operating income for H1 2025 increased by 10.5% year-on-year to SAR 13.7 million, supported by stable gross profit and tighter control over overheads. Operating margin improved significantly to 17.2%, compared to 10.3% in the same period last year. This margin expansion reflects the Company's disciplined approach to managing general and administrative expenses and its continued efforts to reduce idle capacity. The improvement highlights TAM's ability to protect profitability despite lower revenue volumes, reinforcing its focus on operational efficiency and cost alignment during a period of tempered market activity.

Net Profit

Net profit increased 1.6% y-o-y to SAR 11.6 million in H1 2025, despite higher finance costs of SAR 1.3 million compared to SAR 0.4 million in the same period last year. The increase in net profit margin to 14.5%, up from 9.5% in H1 2024, reflects improved operating efficiency and cost control, which offset revenue pressures and higher funding costs during the period. However, it must be noted that as the lower-margin project milestones resume, management expects profitability to normalize in H2 2025, with full-year net profit margins in the range of 10% to 15%.

OUTLOOK

TAM enters the second half of 2025 with a cautious but measured outlook, reflecting both the ongoing shift toward implementation-led projects and the evolving nature of award cycles along with the underlying strength of its operating fundamentals. The decline in first-half revenues reflects both this broader market shift and the typical phasing of certain lower-margin project milestones during the period, which are expected to pick up in the second half of the year. While this should partly support top-line and drive normalization in gross margins, overall revenue visibility remains dependent on the pace and consistency of new awards in a still-recalibrating market.

During this period of market softness, the Company continues to prioritize cost discipline and delivery efficiency to safeguard profitability. For the full year, TAM is targeting a net profit margin

in the range of 10% to 15%, supported by ongoing optimization of resource deployment, tighter overhead control, and focus on live project execution.

Despite current headwinds, the Saudi consulting market is structurally strong, underpinned by ongoing Vision 2030 programs and the government's sustained investment in transformation across sectors. While market momentum is expected to gradually shift toward operational enablement, citizen-centric service delivery, and outcome-focused contracting as Vision 2023 progresses, high-impact advisory and digital solutions are expected to remain a core pillar of public-sector transformation agendas.

Against this backdrop, TAM is well placed to adapt and grow. The Company's strategic alignment with emerging public-sector priorities, combined with its integrated consulting and digital delivery model, offers a flexible platform to address both near-term needs and long-term mandates. TAM remains focused on pursuing high-margin opportunities, executing with discipline, while maintaining the operational agility required in today's environment to continue delivering long-term value for shareholders and stakeholders alike.

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About TAM Development Company

TAM Development Company is a leading Saudi Arabian firm specializing in consulting services and digital solutions, empowering public and private sector clients to drive sustainable transformation from strategy to execution. Committed to leading public impact, TAM solves critical challenges to drive sustainable progress. With a vision to be the regional leader in public transformation, TAM continues to shape the future through innovation and strategic execution. With over 13 years of cumulative expertise, TAM has successfully delivered 250+ projects across 30+ industries, partnering with 70+ clients and securing lifetime project awards exceeding SAR 1.3 billion.

For media enquiries, please contact:

Investor Relations

Email: ir@tam.sa