TAM Reports SAR 20.6 Million Net Profit for FY 2025; Operating Cash Flow Turns Positive and Board Approves 10% Dividend Payout

Digital revenues surged 43.5% year-on-year, alongside TAM's first government award for an AI- and GIS-based decision support platform

FY-2025 Highlights

TOTAL REVENUES
SAR **171.9** MN
▼ 37.1% y-o-y

DIGITAL REVENUES
SAR **59.1** MN
▲ 43.5% y-o-y

OPERATING CASH FLOW
SAR **14.8** MN
vs. (2.0) mn in FY 2024

NET PROFT MARGIN
12.0%
▲ 1.0pp vs 11.0% in FY 2024

BACKLOG
SAR **174** MN
+77% Confirmed vs. 47% in FY 2024

SALES BOOKINGS
+70%
Strongest in TAM's History

Riyadh, KSA – 15 March 2026: 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 full year ended 31 December 2025 ("FY 2025"). The Company reported revenues of SAR 171.9 million and net profit of SAR 20.6 million, with net profit margin reaching 12.0%, within its previously communicated guidance range of 10% to 15%. The Board has also approved a dividend in line with the Company's established 10% of net profit distribution policy. During the year, TAM delivered strong momentum in its digital business, with digital revenues growing by 43.5% year-on-year and constituting 34% of total revenues for the year, in line with TAM's stated strategy of achieving a 50:50 revenue mix between consulting and digital. FY 2025 also marked an important milestone in the Company's technology strategy, with TAM securing its first government contract for an AI- and GIS-based decision support platform, further reinforcing its evolution toward more scalable, technology-enabled offerings. Finally, actual sales bookings increased by c.70%, reflecting a healthier commercial engine and stronger client retention.

Key Financial Figures

SAR mn	FY-2025	FY-2024	*Change*
Revenues	**171.9**	**273.4**	***-37.1%***
Consulting	*112.8*	*232.1*	*-51.4%*
Digital	*59.1*	*41.2*	*43.5%*
Cost of Sales	**(104.3)**	**(179.6)**	***-41.9%***
Gross Profit	**67.6**	**93.7**	***-27.8%***
Gross Profit Margin	*39.3%*	*34.3%*	*+5.0pp*
Operating Profit	**25.2**	**33.7**	***-25.3%***
Operating Profit Margin	*14.6%*	*12.3%*	*+2.3pp*
Net Profit	**20.6**	**30.1**	***-31.7%***
Net Profit Margin	*12.0%*	*11.0%*	*+1.0pp*
Operating Cash Flow	**14.8**	**(2.0)**	**-**

Commenting on the results, Abdullah A. Yousef, Managing Director and CEO of TAM Development Company said: “FY 2025 was a demanding year for the Saudi consulting market, and our performance reflects TAM’s ability to respond with discipline, agility, and a clear sense of direction. Revenues came under pressure during the year due to extended award cycles, and the deferral of certain grant-related milestones beyond year-end. Despite these headwinds, we delivered net profit margin of 12.0%, within our previously communicated guidance range of 10% to 15%, supported by tighter cost control, stronger resource utilization, and significant optimization across the business.

What is particularly important to us is that the resilience shown in our bottom-line performance was not accidental. During the year, we materially reduced idle hours, streamlined our execution and delivery structure, and optimized general and administrative expenses in a way that reflects both the current market environment and TAM’s strategic direction. These efforts also supported a meaningful improvement in cash generation, with TAM recording positive operating cash flow of SAR 14.8 million in FY 2025 — the first positive operating cash flow in the Company’s history. As the market becomes increasingly focused on execution, operational support, and scalable solution delivery, we have continued to adapt our organization, cost base, and operating model accordingly. This responsiveness remains one of TAM’s core strengths and helped us stay agile through a difficult year while reinforcing the foundations for future growth.

At the same time, FY 2025 highlighted the growing importance of our digital and technology-enabled offerings, both strategically and financially. A major milestone during the year was TAM’s award of its first government contract for an AI- and GIS-based decision support platform. Currently under active development, the platform integrates geospatial intelligence with AI-driven analytics to support more effective, data-led operational decision-making. Now around eight months into development, this contract marks TAM’s entry into a high-value, scalable product category that is closely aligned with national priorities around smart government and data-enabled service delivery. Further details will be communicated in due course.

More broadly, digital revenues grew by 43.5% year-on-year to SAR 59.1 million, increasing their contribution to approximately 34% of total revenues, compared to around 15% in the prior year. While part of this shift reflects the decline in consulting revenues during the year, it also points to a broader change in TAM’s business mix, supported by stronger demand for digital solutions, managed technology-enabled services, and license-based offerings, as well as ongoing efforts to bring greater clarity to the classification and management of different revenue streams internally. Taken together, these developments indicate that TAM is gradually evolving toward a more technology-enabled and solutions-oriented platform, with increasingly attractive characteristics in terms of business mix, scalability, and resilience.

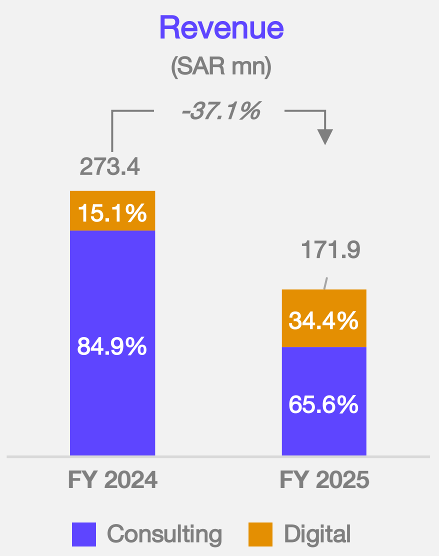
While consulting revenues were affected by market timing and softer award flow, the broader direction of demand continues to shift toward implementation-led programs, operational enablement, citizen-facing services, and digitally supported delivery — all areas where TAM is becoming increasingly well positioned. During the year, we also sharpened our commercial focus by deepening our presence in sectors where public spending remains active and strategically important, including tourism, culture, sport, and quality of life, while expanding our attention toward new priority verticals such as education, health, and social development. This forms an important part of how we are positioning the business for the next stage of demand.

Equally important, the progress made during the year extends beyond the reported revenue line. Actual sales bookings increased significantly year-on-year, by around 70%, reflecting a healthier commercial engine and stronger client retention. Confirmed backlog heading into 2026 is currently around 28% above the comparable level a year earlier. In other words, although FY 2025 revenues were affected by project timing and market disruption, the quality of our order book improved, visibility strengthened, and the Company enters the new year with a healthier mix of secured work. This is an important signal that our repositioning efforts are beginning to translate into tangible commercial outcomes.

Strategically, we are continuing to reshape TAM into a more scalable, resilient, and solution-led platform. During the year, we refined our service model around five core domains — Public Engagement, Mass Capability Development, Innovation and Entrepreneurship, Delivery Acceleration, and Digital CX — to better align with national priorities and support multi-year, end-to-end partnerships. We also continued to advance our shift toward more recurring, productized, and IP-supported offerings, particularly in digital solutions. At the same time, we are taking concrete steps to ensure that our leadership structure, capabilities, and operating model remain fully aligned with this direction. This includes initiatives aimed at enhancing execution capacity, strengthening our ability to scale technology-enabled solutions, and sharpening our focus on strategic opportunities ahead, with further announcements expected in due course.

In short, 2025 was a year of market disruption, internal adaptation, and operational discipline. While the revenue outcome was affected by conditions largely outside our control, the actions we took during the year have left TAM leaner, more focused, commercially stronger, and better aligned with the evolving needs of the market. Owing to our continued confidence in the strength and resilience of the business, the Board has approved a dividend consistent with the Company’s established policy of distributing 10% of net profit. Looking ahead, the Board will continue to evaluate the appropriate balance between shareholder returns and reinvestment in TAM’s strategic growth initiatives, particularly as the Company accelerates its transition toward more technology-enabled and AI-powered service delivery. We believe the Company is entering its next chapter from a stronger base operationally, strategically, and commercially, and we remain focused on translating that progress into sustainable, long-term value.

FINANCIAL & OPERATIONAL REVIEW



Revenues

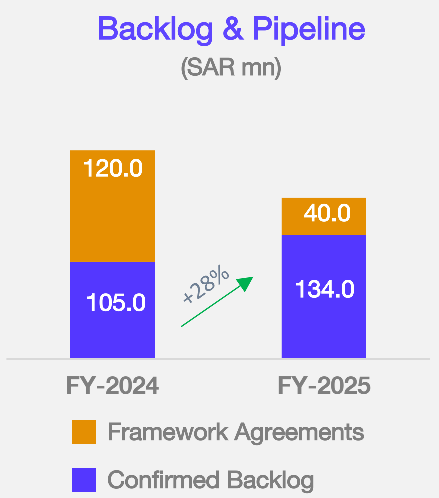
TAM recorded revenues of SAR 171.9 million in FY 2025 compared to SAR 273.4 million in the prior year, with the consulting segment contributing 66% of revenues in FY 2025 (FY 2024: 85%), while digital services delivered 34% of total revenues during the year, up from 15% in FY 2024.

SAR mn	FY 2025	FY 2024	Change%
Consulting	112.8	232.1	*-51.4%*
Digital	59.1	41.2	*43.5%*
Total	**171.9**	**273.4**	***-37.1%***

Consulting services recorded revenues of SAR 112.8 million in FY 2025, down 51.4% compared to SAR 232.1 million in FY 2024. The year-on-year decline primarily reflects extended award cycles and the deferral of certain grant-related milestones[1] that had initially been expected to contribute during the year.

The decline in consulting revenues was partly offset by continued strength in TAM's digital solutions segment, where revenues reached SAR 59.1 million in FY 2025, up 43.5% year-on-year. This strong performance reflects sustained demand for TAM's technology-enabled offerings, growing traction in license-based and managed digital services, and a broader shift in client needs toward digitally enabled delivery models.

During the year, TAM also secured its first government contract for an AI- and GIS-based decision support platform, marking an important milestone in the expansion of its scalable digital product offering. Digital's stronger performance resulted in a significant expansion in its contribution to the overall revenue mix, in line with the Company's medium-term strategy of building a more balanced and resilient business model.

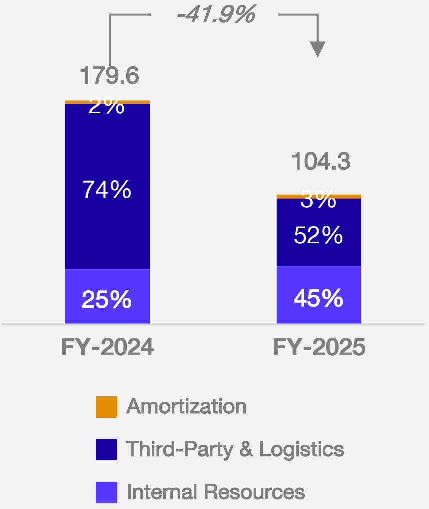


Backlog

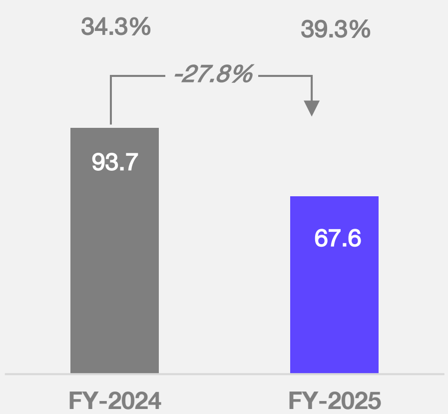
TAM's total backlog at the close of FY 2025 stood at SAR 174 million, comprising SAR 134 million of confirmed backlog and

[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 FY 2025 led to downward pressure on revenues and temporarily higher gross margins, with the latter expected to normalize in FY 2026 once these milestones are reached.*

Cost of Sales
(SAR mn)



Gross Profit
(SARmn / Margin)



SAR 40 million under framework agreements. It is worth highlighting that confirmed backlog increased up 28% y-o-y compared to the equivalent FY 2024 level, while framework agreement backlog declined to SAR 40 million. This shift reflects a higher proportion of secured, contracted business and an improving quality of backlog, supporting stronger revenue visibility. In parallel, the Company's bid pipeline remains robust at approximately SAR 340 million.

The combination of stronger confirmed bookings, improved backlog composition, and a healthy pipeline underscores TAM's strengthened commercial position despite the softer revenue environment during FY 2025.

Cost of Sales

Cost of sales declined to SAR 104.3 million in FY 2025, down 41.9% from SAR 179.6 million in FY 2024. This reduction was driven primarily by a sharp decline in third-party and logistics costs, which fell to SAR 54.1 million from SAR 132.8 million in the prior year, reflecting a lower volume of externally delivered and grant-related project activity, alongside a more selective project mix. By contrast, internal resource costs increased modestly to SAR 46.8 million from SAR 44.1 million in FY 2024, while amortization rose to SAR 3.4 million from SAR 2.8 million, reflecting the growing role of internally delivered work and the continued expansion of TAM's digital and technology-enabled offerings.

Overall, the movement in cost of sales reflects TAM's efforts to better align its delivery model with current market conditions, reduce reliance on external delivery capacity, and optimize direct cost allocation across its revenue base.

Gross Profit

Gross profit stood at SAR 67.6 million in FY 2025, compared to SAR 93.7 million in FY 2024, representing a decline of 27.8%, materially lower than the 37.1% decline in revenues over the same period. As a result, gross profit margin improved to 39.3% from 34.3% in the prior year.

The improvement in gross margin reflects a combination of factors, including a more favorable revenue mix, lower third-party and logistics costs, and tighter delivery discipline across the business. It also reflects the continued deferral of certain lower-margin grant-related milestones beyond year-end, which limited their contribution to reported revenues in FY 2025. As such milestones are recognized, margin levels would be expected to normalize relative to the elevated levels reported during the year.

G&A

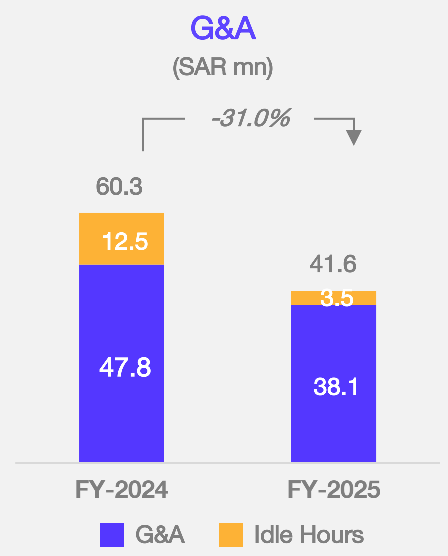
General and administrative expenses totaled SAR 41.6 million in FY 2025, down 31.0% year-on-year from SAR 60.3 million in FY 2024. The decline reflects TAM's continued efforts to optimize its overhead base and better align the organization with prevailing market conditions and project demand. The reduction was driven primarily by lower salaries and other allowances, which declined to SAR 16.5 million from SAR 29.7 million, reflecting TAM's efforts to optimize idle hours which declined by 71.2% y-o-y to SAR 3.5 million. The year also saw lower consulting and legal expenses, reduced governmental charges, and tighter control over administrative spending more broadly.

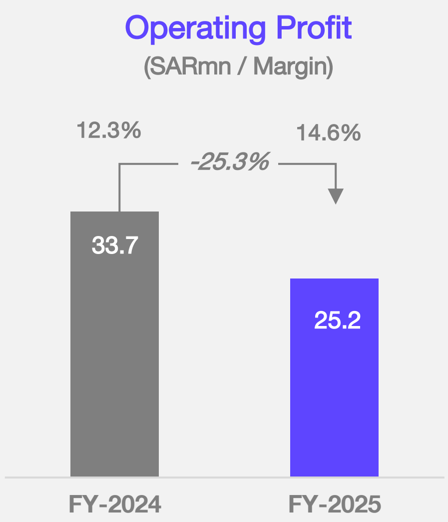
More broadly, the decline in G&A reflects the organizational and cost optimization measures undertaken during the year, including leadership streamlining, improved workforce utilization, and tighter management of non-essential overheads.

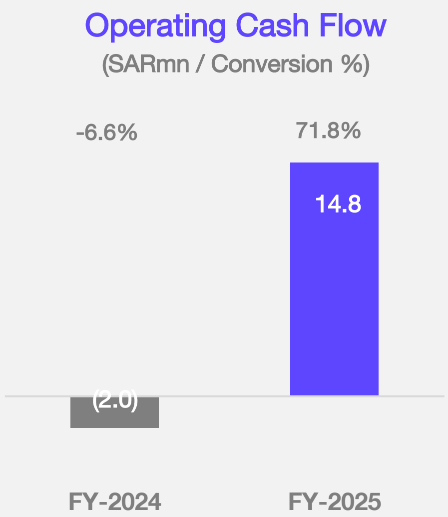
Operating Profit

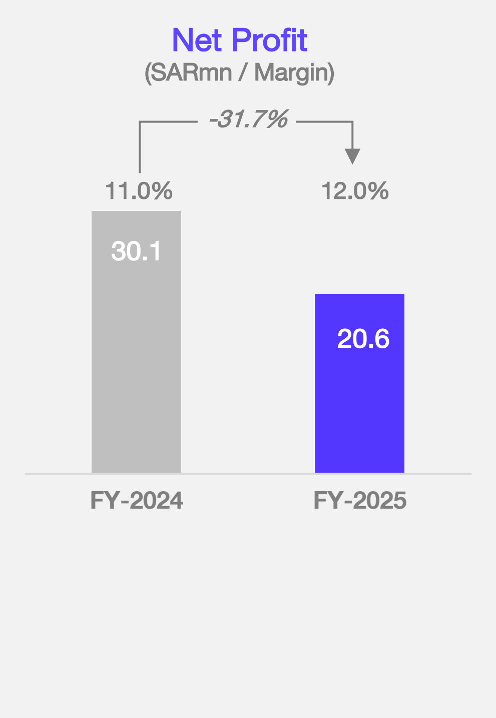
Operating profit stood at SAR 25.2 million in FY 2025, compared to SAR 33.7 million in FY 2024, representing a decline of 25.3% year-on-year. Despite the lower absolute profit, operating margin improved to 14.6% from 12.3% in the prior year, reflecting the Company's stronger gross margin profile and disciplined management of overheads. The margin expansion highlights TAM's ability to protect operating profitability despite significant top-line pressure, supported by lower third-party delivery costs, tighter control over general and administrative expenses, and continued efforts to align the organization with actual project activity.

These improvements were also reflected in cash generation, with operating cash flow improving from negative SAR 2.0 million in FY 2024 to positive SAR 14.8 million in FY 2025.









Net Profit

Net profit for FY 2025 stood at SAR 20.6 million, compared to SAR 30.1 million in FY 2024, representing a decline of 31.7% year-on-year.

Despite the lower absolute net income, net profit margin improved to 12.0% from 11.0% in the prior year, remaining within the Company's previously communicated guidance range of 10% to 15%. The margin resilience reflects the Company's stronger gross and operating margin performance, supported by tighter cost control, improved utilization, and a more disciplined overhead structure. This was partially offset by higher finance costs, which increased to SAR 4.0 million from SAR 1.7 million in FY 2024, largely reflecting the precautionary financing facilities secured during the year to preserve liquidity and operational flexibility amid a more uncertain collections environment.

OUTLOOK

TAM enters 2026 from its strongest commercial position since listing. Sales bookings grew by approximately 70% year-on-year in FY 2025, confirmed backlog of SAR 134 million is 28% above the prior-year comparable, and the Company generated positive operating cash flow of SAR 14.8 million for the first time as a listed entity. Against a backdrop of continued market selectivity, these indicators reflect a business that is commercially more resilient, operationally leaner, and strategically better positioned than the reported revenue line alone suggests.

The broader market environment remains selective, but underlying demand continues to evolve toward implementation-led programs, operational enablement, citizen-facing services, and technology-supported delivery. These trends are increasingly aligned with TAM's integrated business model, which combines advisory, digital solutions, and specialized delivery capabilities. The Company is also seeing growing momentum in sectors where public investment remains strategically important, including tourism, culture, sport, education, health, and social development.

TAM also enters the new year with materially lower reliance on framework agreements and a healthier mix of secured backlog, supporting stronger revenue visibility. In parallel, the Company's bid pipeline remains solid at approximately SAR 340 million, reflecting continued commercial traction despite a challenging market backdrop.

Management remains focused on sustaining profitability through disciplined cost control, agile resource deployment, and continued optimization of the operating model. The positive operating cash flow delivered in FY 2025 also marks an important step in the evolution of the business model, demonstrating improving internal efficiency and a platform that is becoming increasingly self-funding. At the same time, TAM will continue advancing its strategic shift toward more recurring, productized, and technology-enabled revenue streams, while taking further steps to align its capabilities and leadership structure with this direction. Against this backdrop, the Company believes it is better positioned operationally, commercially, and strategically to capture the next phase of growth as market conditions normalize.

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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.

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