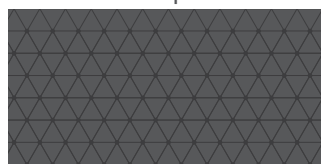


**P E D C**  
Annual Report  
**2024**

# In the Name of God



Annual Report 2024





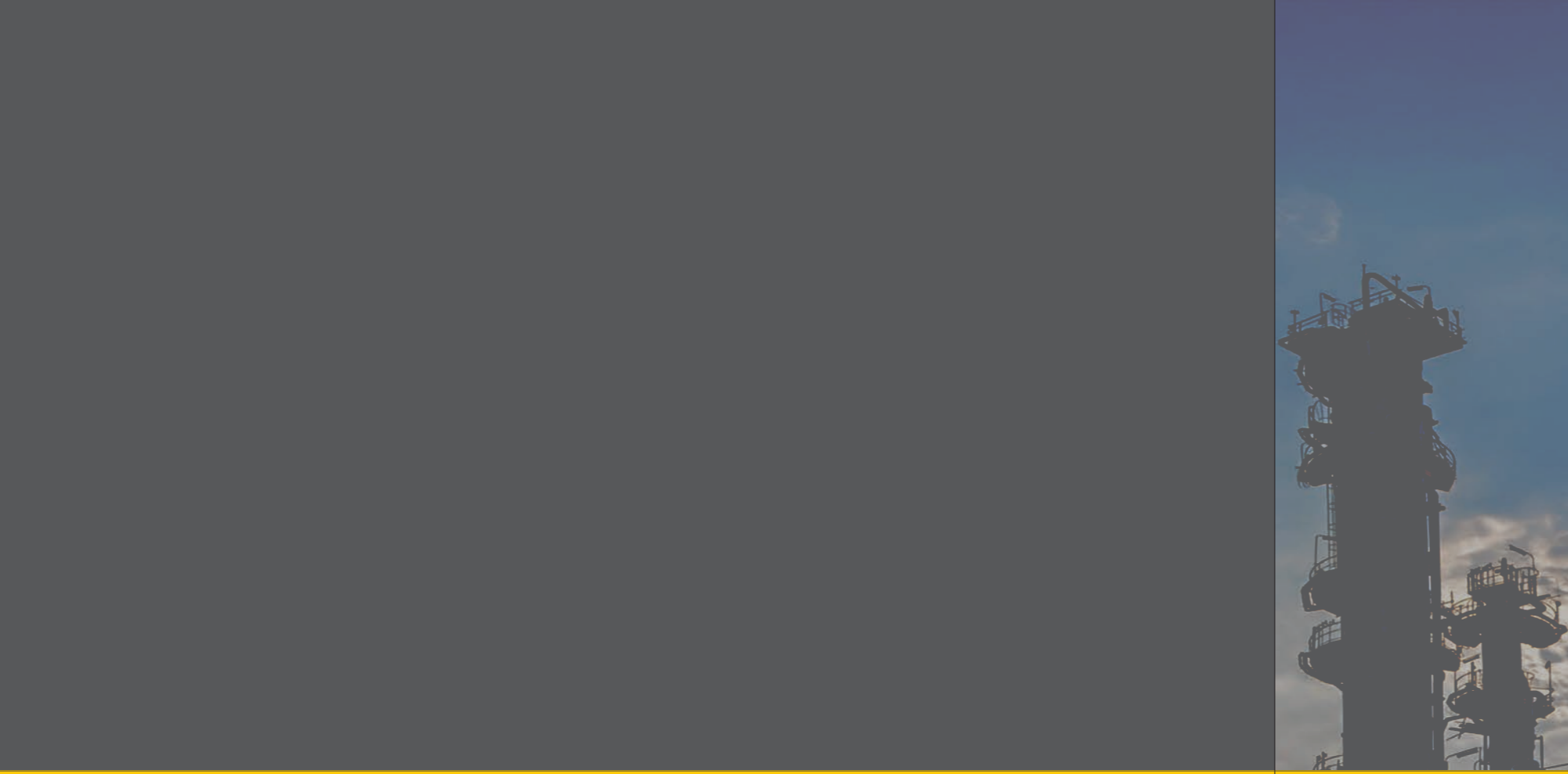
▲ Annual Report **2024**



**PASARGAD ENERGY**  
Annual Report 20**24**

## Table of Contents

<b>Section 1:</b>	
<b>PEDC Group Highlights</b>	<b>7</b>
<b>Section 2:</b>	
<b>Company Profile and Strategy</b>	<b>14</b>
CEO's message	16
Vision, Mission, Values, Strategy	18
Our Strength	21
Our History	22
PEDC Timeline	24
Business Sectors	26
Business Line	28
Corporate Governance Framework	30
<b>Risk Management</b>	<b>33</b>
<b>Technology and Innovation</b>	<b>36</b>
<b>Human Resource</b>	<b>38</b>
<b>Code of Conduct</b>	<b>39</b>
<b>Sustainable Development Approach of PEDC</b>	<b>40</b>
<b>Section 3:</b>	
<b>Operating Overview of PEDC Business Sectors</b>	<b>44</b>
Upstream Oil and Gas	47
Downstream Oil and Gas	53
Infrastructure	59
Renewable Energy	61
Power & Utility	64
Trading & Commercial	67
<b>Section 4:</b>	
<b>Financial Highlights</b>	<b>70</b>
<b>Financial Statement</b>	<b>71</b>



# ▲ Section 1:

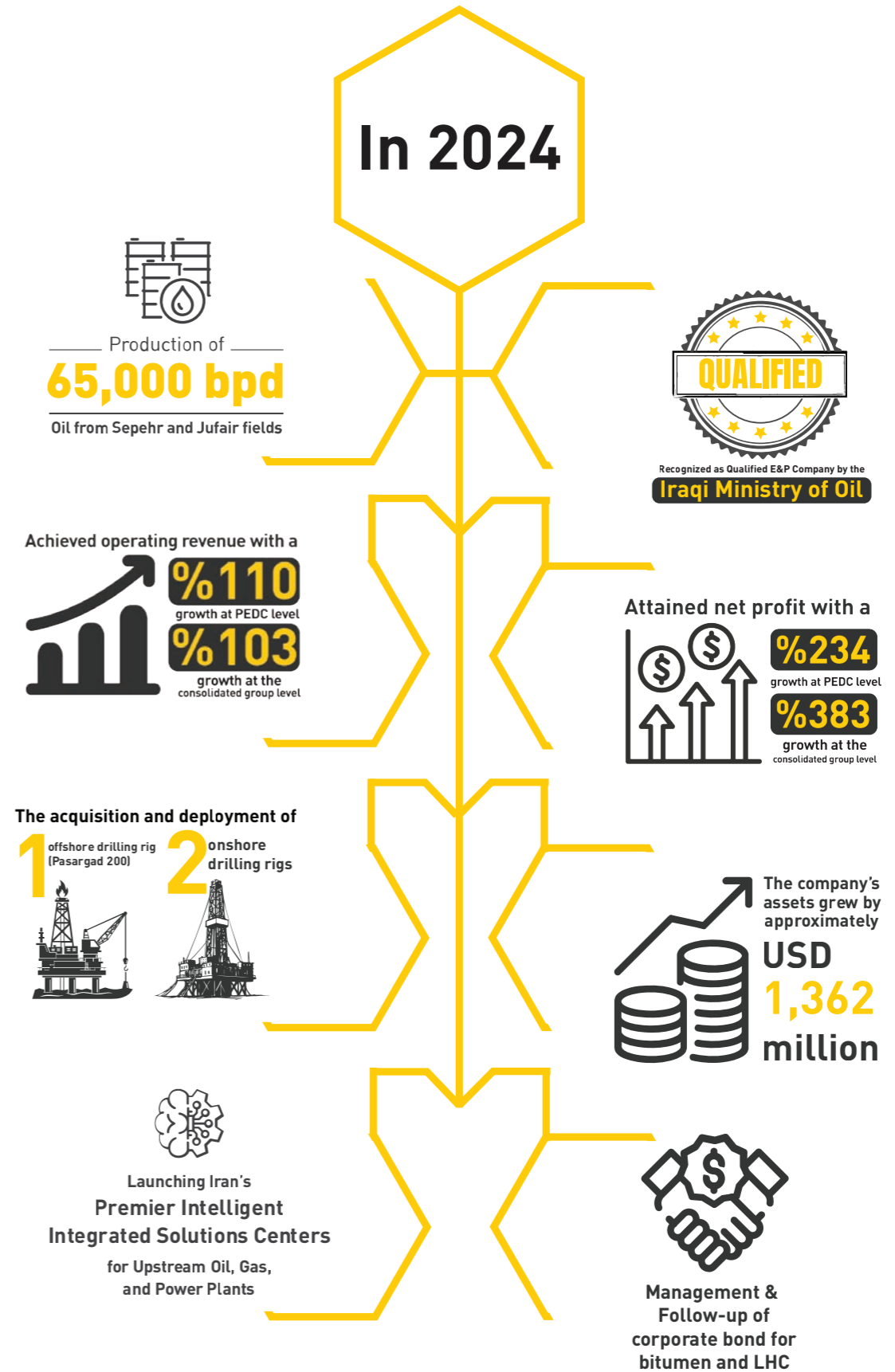
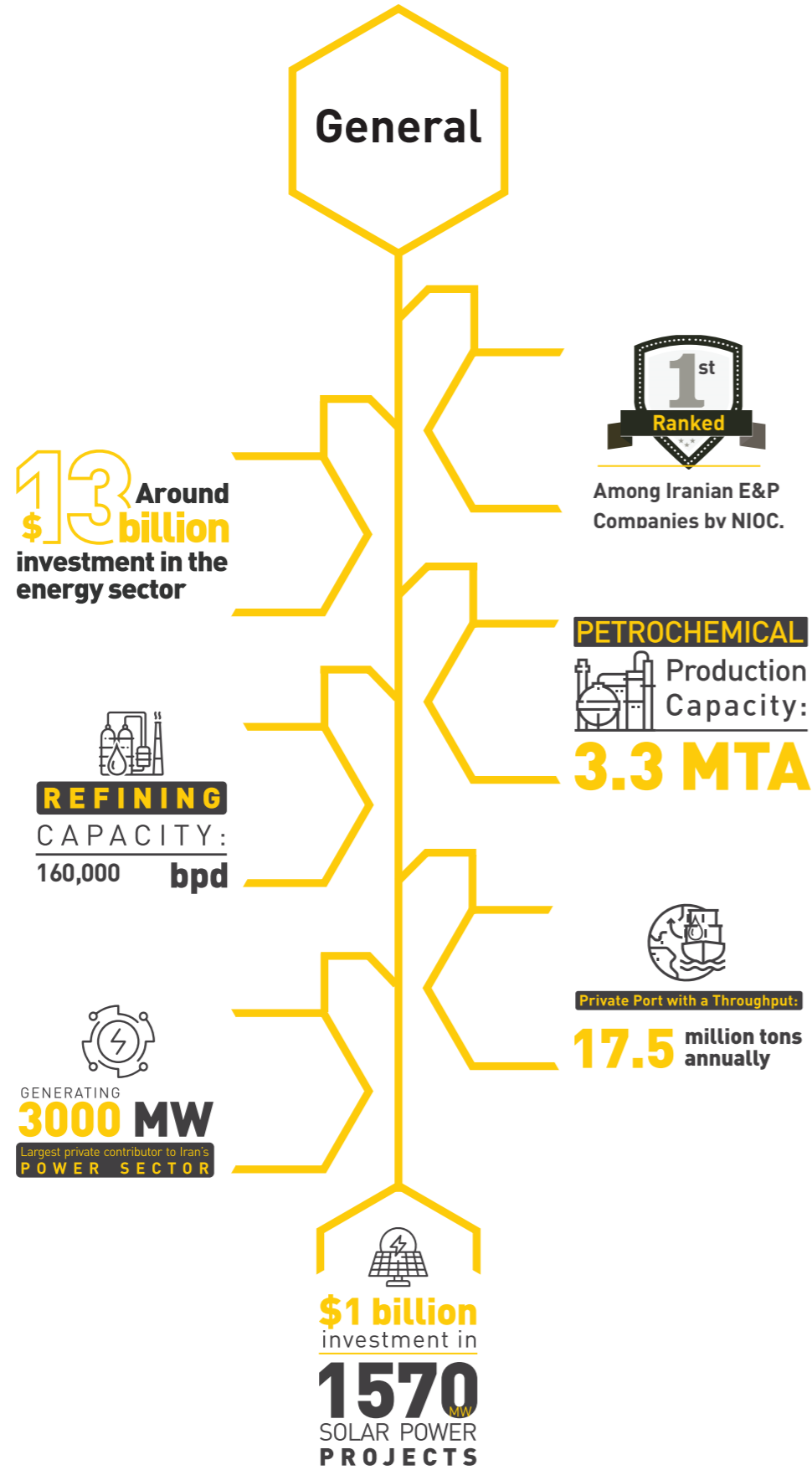
## PEDC Group Highlights



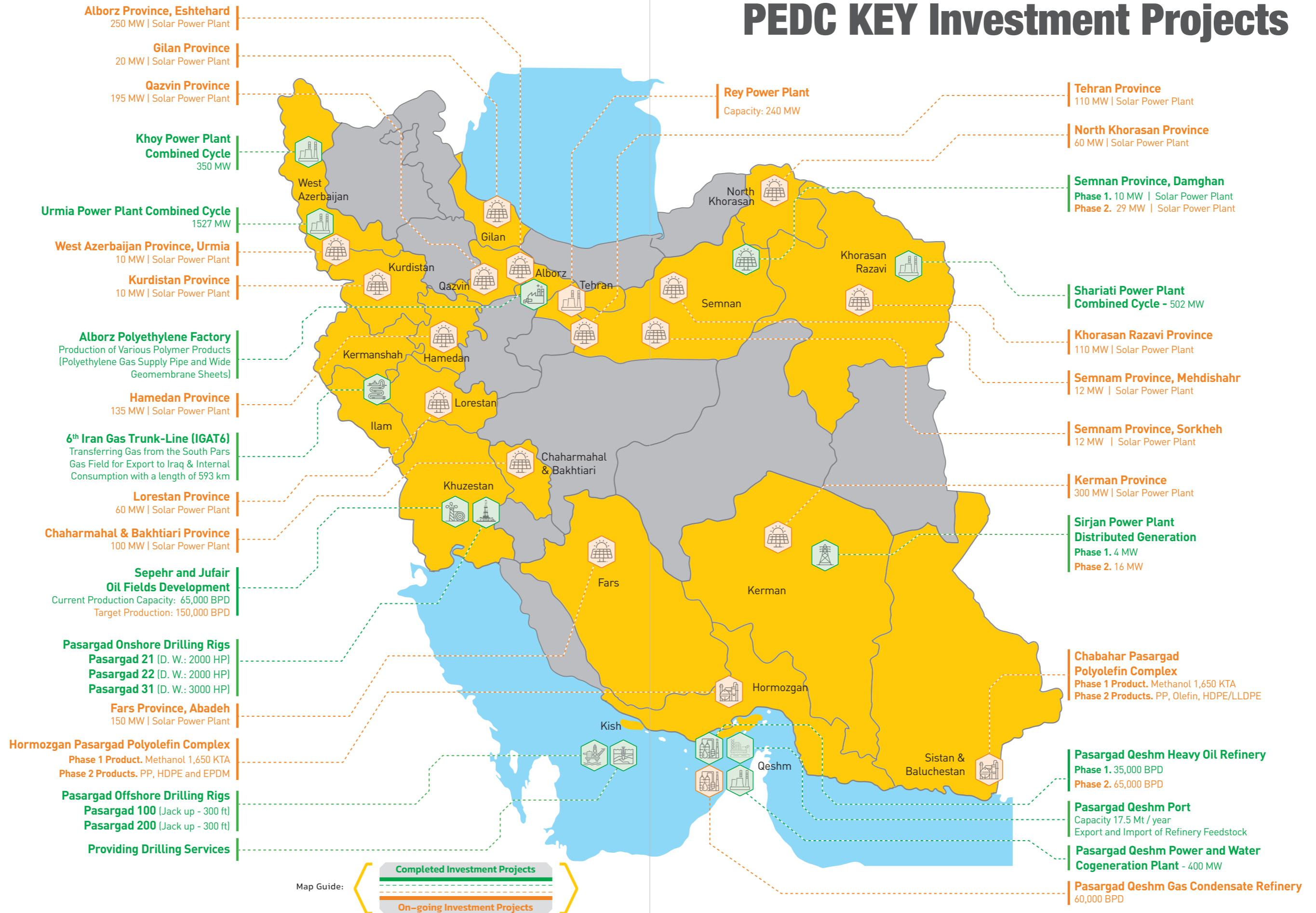
PASARGAD ENERGY

Annual Report 2024

# PEDC Group Highlights

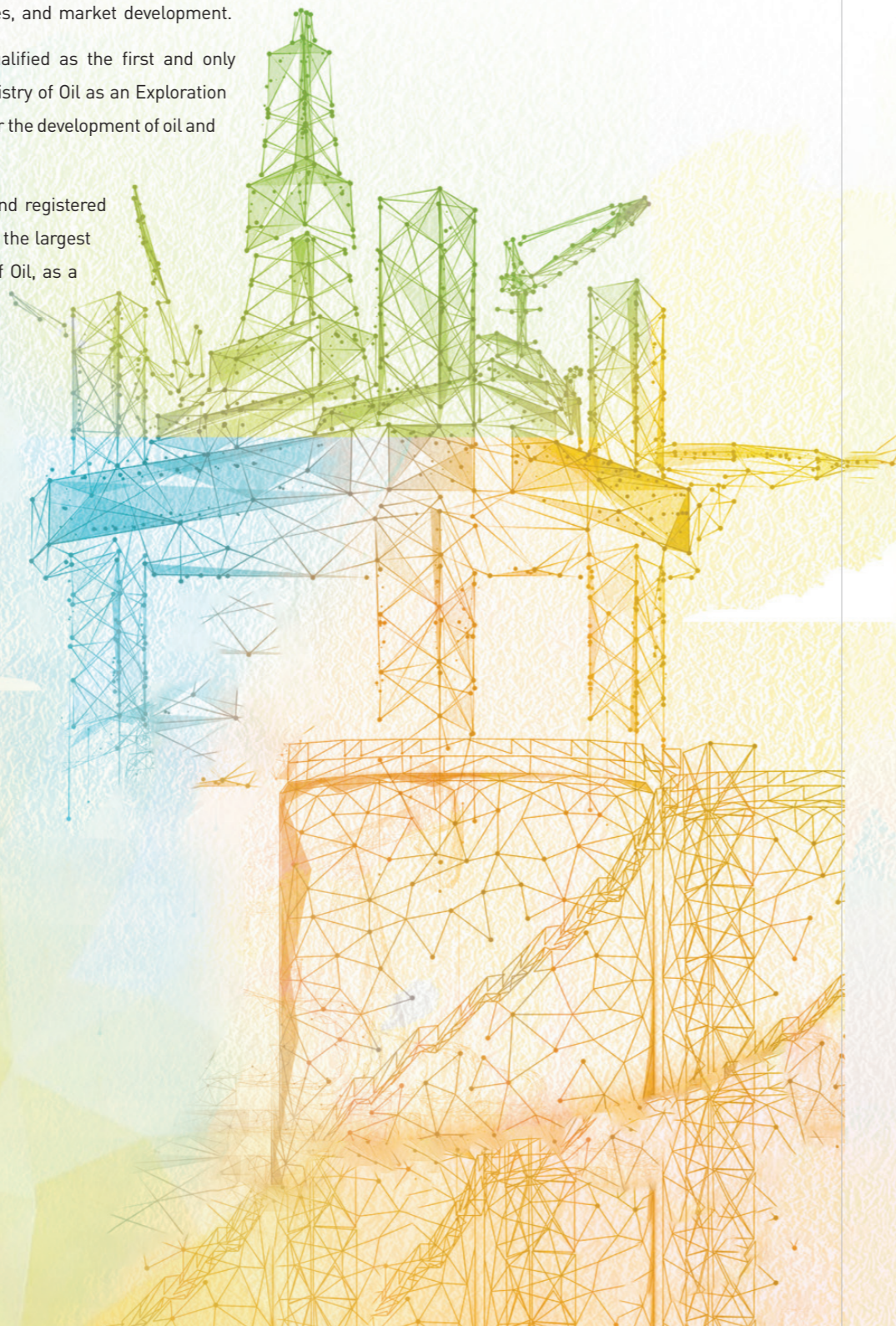


# PEDC KEY Investment Projects



# International Qualifications and Licenses

- PEDC has been ranked first place, by National Iranian Oil Company (NIOC), among Iranian E&P companies with the capacity to refer work up to 12 billion USD.
- PEDC, by gaining valuable national experience and relying on the support and trust of its shareholders, intends to go beyond domestic borders and towards international markets through its operational and organizational excellence, diversify its products and services, and market development.
- PEDC has successfully been qualified as the first and only Iranian company by the Iraqi Ministry of Oil as an Exploration and Production (E&P) company for the development of oil and gas fields in Iraq.
- PEDC has also been endorsed and registered by the Basra Oil Company (BOC), the largest subsidiary of the Iraqi Ministry of Oil, as a Developer and Contractor for the below fields:
  - Oil and gas projects
  - Infrastructures
  - Renewables
  - General trading





## ▲ Section 2:

### Company Profile and Strategy



# CEO's message

I am pleased, on the occasion of preparing and presenting the 2024 Annual Report, to provide a concise yet comprehensive overview of the key achievements of Pasargad Energy Development Company (PEDC) over the past fiscal year. During this period, through strategic planning, the sincere efforts of our skilled human capital, and the valuable support of our shareholders, we successfully opened new horizons in our operational and financial domains, further solidifying our role in Iran's oil and energy industry.

In this year, by expanding our upstream oil and gas activities, we achieved an average daily crude oil production of 65,000 BPD barrels from the Sepehr and Jufair oil fields in the West Karun region of South West of Iran. This strategic accomplishment not only marks a significant step in enhancing national production capacity but also generated an annual revenue of approximately USD 1.5 billion for the country. We are pleased to announce that by the first half of 2026, production from these fields is expected to reach 110,000 barrels per day.

Furthermore, the Darquin oil field's production capacity was increased by 10,000 barrels per day, while an additional 5,000 barrels per day was realized in the Siahmakan field under an EPC/EPD contracts with the National Iranian Oil Company (NIOC) — major operational milestones achieved through the precise execution of development projects and the technical capabilities of our Group.

In the field of renewable and sustainable energy, the largest solar energy project in Iran, with a capacity of 1,500 MW, was awarded to PEDC. Together with the currently operating 10 MW solar power plant, this marks a pivotal step toward reducing carbon emissions and advancing sustainable development.

To enhance productivity and market share, the acquisition and deployment of one offshore drilling rig (Pasargad 200) and three onshore drilling rigs have significantly increased the company's operational capacity across national oil and gas fields.

The inauguration of the Well, Reservoir, and Facility Management (WRFM) Center for Sepehr & Jufair Oil Field and the Intelligent Power Condition Monitoring (IPCM) Center at Shams Pasargad Power Company further demonstrate the Group's progress in adopting advanced technologies and optimizing operations.

Another remarkable achievement of the year was PEDC's invited to participate in the five plus and six licensing rounds

for oil and gas fields in Iraq, alongside major international companies, receiving formal approval from the Basra Oil Company (BOC) and the State Company for Oil Projects (SCOP) as an approved contractor in oil, gas, renewable energy, infrastructure, and general supply — establishing a strong regional presence.

In the past fiscal year, PEDC maintained a sustainable growth trajectory, achieving exceptional financial performance. The parent company's operating revenue grew by 110%, and the consolidated operating revenue increased by 103%.

Profitability also surged — the parent company's net profit grew by 234%, while the group's consolidated net profit rose by 383%.

**with continued collaboration and innovation, we will once again witness the realization of our long-term targets and the creation of lasting value**

The successful listing of Shams Pasargad Power Generation Company's shares on the Iran Fara Bourse (IFB) Second Market, attracting 1.4 million investors, marked a milestone in enhancing financial transparency and capital market development.

In product and sales operations, we supplied 310,000 tons of bitumen valued at approximately USD 89 million through the Iran Exchange Market, and 420,000 tons of petroleum products valued at about USD 176 million through the Energy Exchange, thereby strengthening our domestic market share and position.

Project financing has always been one of the company's strategic priorities. In the past year, securing blocked credits from the National Development Fund for the Javid Energy Pasargad and Ctesiphon Power Generation projects, amounting to USD 840 million, obtaining financing amounting to €130 million for the Pasargad Methanol & Polyolefin Petrochemical Complexes in Hormozgan, as well as vendor financing of USD 45 million from vendor

resources for the acquisition of an offshore drilling rig, were successfully completed.

The issuance of Sukuk bonds (Salaf) for bitumen and LHC, with a total value of approximately USD 26.4 million, strengthened the company's financial foundation and supported investment in future projects.

The company's assets grew by approximately USD 1,362 million, and during this year, contracting agreements concluded by the group's companies, amounting to approximately USD 1,078 million, reinforced capacity building and diversification of the group's revenue portfolio.

Undoubtedly, all these achievements are the result of our unwavering commitment to sustainable development, alignment between management and employees, the trust and support of our esteemed shareholders, the creativity and expertise of our talented workforce, and the effective strategies adopted by our experienced leadership team.

I am confident that with continued collaboration and innovation, we will once again witness the realization of our long-term targets and the creation of lasting value for all our stakeholders in the years ahead.

**Alireza Sadeghabadi**  
Chief Executive Officer



# PEDC Strategy Outlook 2028



- #### Growth and Development Strategies

with a Focus on Completing Current Investments and Pursuing Short-Term, High-Yield Investments
- #### Efficiency and Optimization Strategies

to Maximize the Utilization of Existing Assets
- #### Innovation and Competitive Strategies

Creating competitive advantage



# PEDC Core Values

## Four Key Organizational Values:

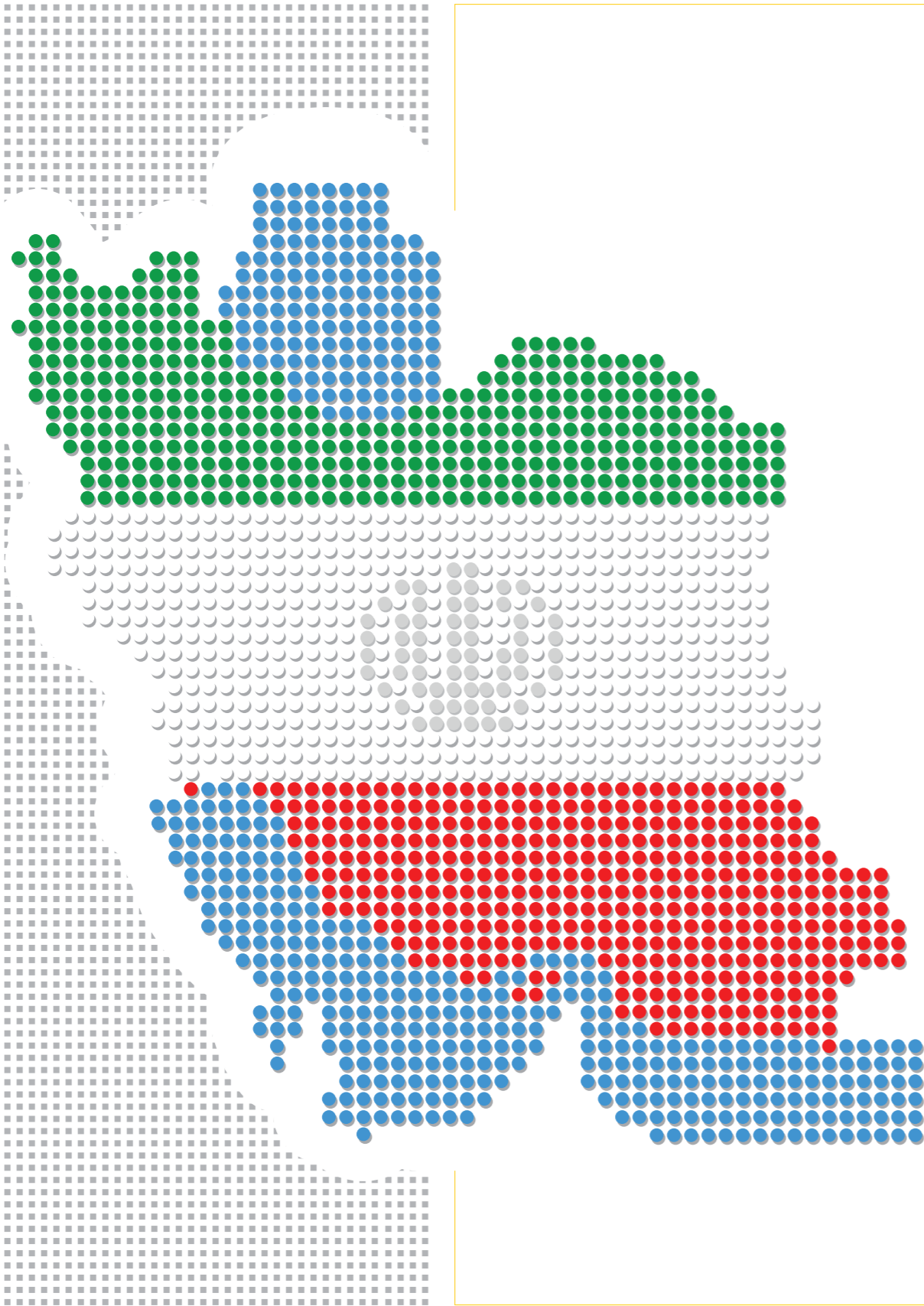


# Our Strength



- Recognized and trusted brand among government, industry, financial institutions, and society.
- Full coverage of the oil and gas value chain, from exploration, production, transportation, storage, refining to petrochemicals (upstream, midstream, downstream).
- PEDC is the sole Iranian E&P company which achieved the planned production level in new released scheme of contract as Iranian Petroleum Contract (IPC).
- Possession of key operational licenses in Iraq's energy sector with potential for regional expansion.
- Comprehensive portfolio of upstream services (subsurface services, onshore and offshore rigs, etc.).
- Capability in developing renewable energy projects and green energy projects.
- Diversified financing sources through banks, development funds, capital markets, research & technology funds, etc.
- Advantages of being a private-sector entity in international engagements.
- Possessing up-to-date managerial expertise of senior leaders and specialized workforce.
- Agility in strategic decision-making compared to domestic competitors.
- Investment in advanced technologies and digital transformation in the energy sector.
- Participation in the International KM4D Award and receiving the Golden Trophy (Highest Distinction) for three consecutive years (2023–2025).

# Our History



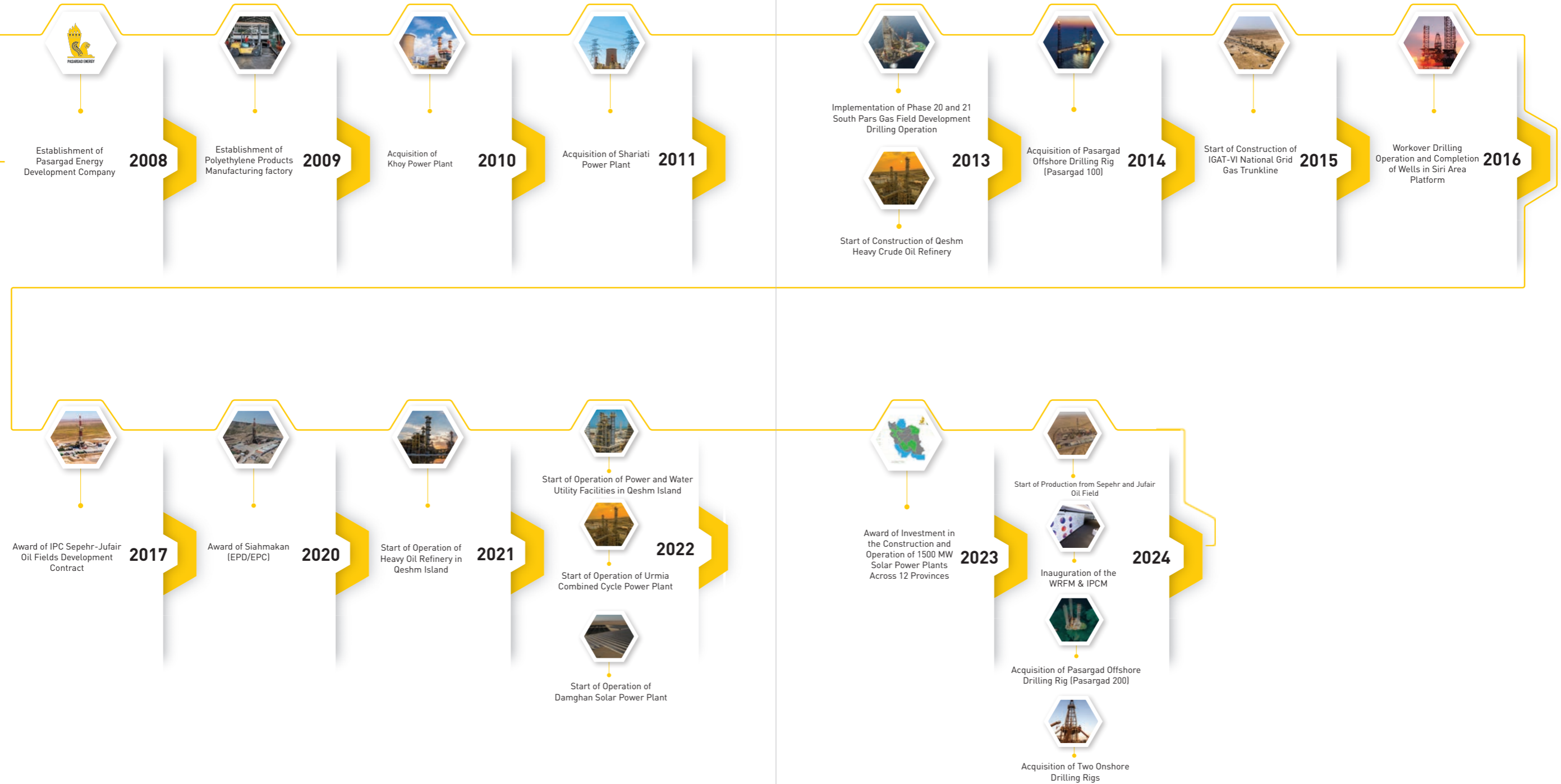
The name «Pasargad» in the Persian language means «good times» and it is derived from the name of the tribe of Persian kings, the «Pasargad» tribe. But Pasargad in Iran is more than a name. Pasargad is the name of a collection of ancient structures from the Achaemenid period 600 years before Christ, which was registered in the UNESCO World Heritage List in 2004. The most prominent part of the Pasargad complex is the tomb of Cyrus the Great; The king who was the first herald of freedom and human rights in the world and compiled the first universal declaration of human rights in 538 BC in the form of a clay cylinder and issued the decree of freedom and equality. This cylinder is currently kept in the British Museum and is a reminder of the Iranian's respect for the freedom and equality of religions and religions, and the Iranian's historical belief in peace. The tomb of Cyrus in the historical complex of Pasargad is still standing after 25 centuries, and we also chose the name of Pasargad, which is a symbol of stability. «Lion», the symbol of Pasargad's energy expansion, like Pasargad, is one of the symbols of ancient Iranians and a sign of the rising of the sun and light, whose role can still be seen in three halls of Persepolis palaces.

Economy and commerce were of great importance not only for Iranian's today but also in ancient Iran, so that according to the American orientalist Albert Umstead, «among the ancient kings, we find few rulers who, like Darius, the third Achaemenid king, understood so well that the prosperity of a nation must be based on a healthy economy.» For this reason, in that period, to develop trade, large roads such as Shahi Road were built, and to facilitate financial exchanges, gold, and silver coins were minted, and banks such as «Egibi and Sons» and «Morshu and Sons» were operating in Iran. In the development of Pasargad Energy Development Company [PEDC], we have an ancient but dynamic historical and economic heritage, and on this basis, relying on modern knowledge and expertise and capable and expert colleagues, we have prepared ourselves to play a role in the development and growth of our beloved country, Iran.



# PEDC Timeline

A part of our main projects since the beginning of the establishment of the company is presented:



# Business Sectors

## Upstream Oil & Gas

- Exploration, development, and production of oil and gas fields
- Implementation of Integrated drilling services for oil and gas wells
- Management and operation of drilling rigs
- Integrated management of engineering, procurement, construction, and drilling projects
- Development of trademark software for modeling and simulation of oil and gas reservoirs

## Renewable Energy

- Solar Power Plants

## Downstream Oil & Gas

- Petrochemical Plants
- Refinery Plants



## Trading and Commercial

- Refining and Petrochemical Products Marketing
- Marketing and Trading of Energy Carriers

## Power & Utility

- Conventional Thermal Power Plants
- Operation & Maintenance (O&M) (Pipelines and Boosting Stations)

## Infrastructure

- Oil Terminals and Ports
- Construction & Installation
- Oil and Gas Pipelines

Never-ending As **Energy**  
Everlasting As **Pasargad**



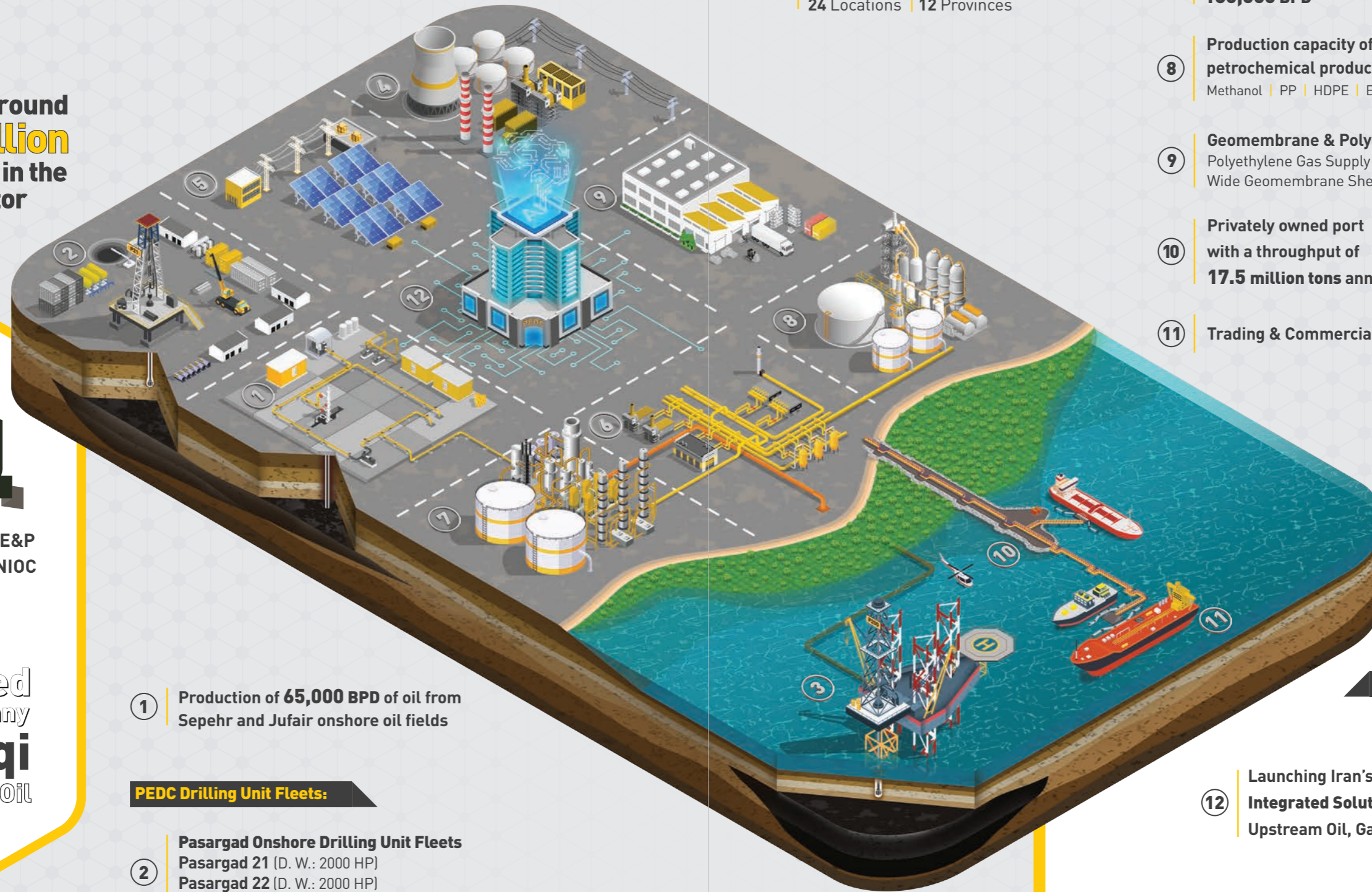
# Business Line

**13** Around \$ billion investment in the energy sector



Among Iranian E&P Companies by NIOC

Recognized as **Qualified E&P Company** by the **Iraqi Ministry of Oil**



1 Production of **65,000 BPD** of oil from Sepehr and Jufair onshore oil fields

### PEDC Drilling Unit Fleets:

2 **Pasargad Onshore Drilling Unit Fleets**  
Pasargad 21 (D. W.: 2000 HP)  
Pasargad 22 (D. W.: 2000 HP)  
Pasargad 31 (D. W.: 3000 HP)

3 **Pasargad Offshore Drilling Unit Fleets**  
Pasargad 100 (Jack up - 300 ft)  
Pasargad 200 (Jack up - 300 ft)

4 Largest private contributor to Iran's power sector, generating **3000MW**

5 **\$1 billion** investment in **1570MW** solar power projects  
24 Locations | 12 Provinces

6 **6th Iran Gas Trunk-Line (IGAT6) - BOT**  
Transferring Gas from the South Pars Gas Field for Export to Iraq & Internal Consumption with a length of 593 km, with investment value of 2,28 Million USD

7 Refining capacity of **160,000 BPD**

8 Production capacity of **3.3 MTA** of petrochemical products  
Methanol | PP | HDPE | EPDM | Olefin | LLDPE

9 **Geomembrane & Polyethylene Pipes Factory**  
Polyethylene Gas Supply Pipe and Wide Geomembrane Sheets

10 Privately owned port with a throughput of **17.5 million tons** annually

11 Trading & Commercial

### AI Based Solutions:

12 Launching Iran's Premier Intelligent Integrated Solutions Centers for Upstream Oil, Gas and Power Plants



PEDC at a Glance 2025



PEDC Sustainability Report 2024

**IPCM**  
Intelligent Power Plant Condition Monitoring

**WRFM**  
Well, Reservoir & Facility Management

**LAB Tech**  
Advanced Laboratory Solutions for Reservoir & Production Engineering

# Corporate Governance Framework

PEDC governance framework is designed to ensure transparency, accountability, and alignment with our long-term strategic goals, including sustainability and social responsibility with in the parent company and its subsidiaries. This framework is built on a foundation of strong leadership, clear policies, and collaborative

mechanisms that enable us to navigate challenges, seize opportunities, and create value for all stakeholders. At the core of this structure is our Board of Directors, supported by specialized committees, and departments. Below, we outline the key components within our governance model.



## Relationship with Subsidiaries and Governance Integration

To ensure cohesive operations and strategic alignment across its subsidiaries, PEDC has established a robust corporate governance model. This framework standardizes planning, monitoring, and reporting processes, enabling the company to implement its strategic objectives effectively across the group. Key elements of this model include:

- **Corporate Governance Policies:** Clear guidelines on strategy, investment,

budgeting, risk management, procurement, human capital, and sustainability.

- **Monitoring Tools:** Annual evaluations using PEDC Total Assessment Model based on the EFQM 2020 and compliance checklists to ensure subsidiaries adhere to PEDC's governance requirements.
- **Regular Reports and Meetings:** Periodic reporting and meetings between the holding company and subsidiaries to ensure alignment and address challenges.

The strength of PEDC's governance framework lies in the seamless collaboration between its various components. The Board of Directors, management committees, and operational departments work in harmony to ensure informed decision-making, effective risk management, and alignment with the company's strategic and sustainability goals. Regular communication and coordination among these entities foster accountability, operational

excellence, and continuous improvement across the organization. This integrated approach ensures that the parent company's goals and policies are consistently applied across all subsidiaries, fostering operational efficiency and accountability while enabling PEDC to navigate complex challenges, seize opportunities, and achieve its long-term objectives.

## Management Committees

To oversee critical aspects of its operations and ensure effective governance, PEDC has established several specialized committees. These committees operate under the supervision of the CEO and Board of Directors, providing focused oversight in key areas.



### 1. Risk Committee

The Risk Committee oversees the enterprise risk management framework, ensuring that risks are identified, assessed, and mitigated effectively.



### 2. Audit Committee

The Audit Committee monitors the effectiveness of internal controls, regulatory compliance, and financial transparency, reporting findings directly to the Board.



### 3. Investment Committee

The Investment Committee oversees the company's investment strategies and portfolio management. It reviews and approves investment policies, evaluates major projects, and makes decisions on mergers, acquisitions, partnerships, and divestments.



### 4. Budget Allocation Committee

The Planning, Budget, and Allocation Committee is responsible for financial planning and resource allocation.



### 5. Cyber Security Committee

The Information Security Committee oversees the protection of the company’s digital assets. It develops and implements information security policies, coordinates incident response teams during cybersecurity breaches, and ensures the integrity and confidentiality of company data.



### 6. Governance Committee

The Governance Committee defines and approves the corporate governance framework for Pasargad Energy Development Group, ensuring alignment with best practices and regulatory requirements. The committee also reviews and approves comprehensive evaluation reports on the performance of the group’s subsidiaries, strengthening oversight and accountability.



### 7. Nominations and Remuneration Committee

The Nominations and Remuneration Committee oversees the selection, appointment, and removal of senior executives within the holding company and its subsidiaries. Additionally, the committee evaluates and approves performance assessment reports for senior executives, ensuring leadership effectiveness and alignment with corporate goals.



### 8. Sustainability Committee

The Sustainability Committee holds a unique and cross-cutting role within PEDC’s governance framework. It is responsible for setting sustainability objectives, monitoring compliance, and ensuring alignment with the company’s long-term sustainability goals.

# Risk Management



## 1. Executive Framework and Organizational Structure of Risk Management

The risk management process, both at the level of holding company (PEDC) and its subsidiaries, has been embedded as one of the organization’s core and strategic processes, under the ownership of the CEO and with the participation of all employees, particularly managers across various levels of the organization. Moreover, the Holding’s Risk Committee meetings are held periodically under the leadership of the CEO and in accordance with the Risk Committee Charter, and are responsible for developing procedures, establishing mechanisms, and evaluating the effectiveness of risk management implementation.

- The first line includes risk representatives in companies for identification and response.
  - The second line includes middle managers for policy-making and standardization.
  - The third line includes the internal audit unit for ensuring the effectiveness of actions.
- In addition to qualitative methods—such as Risk Priority Number (RPN) —the quantitative Expected Monetary Value (EMV) technique is also used to analyze the financial consequences of risks.

## 2. Risk Model Foundations

The risk management model of Pasargad Energy Development Holding is based on the ISO 31000:2018 standard and is designed to integrate risk management into activities and evaluate its effectiveness throughout the organization. Furthermore, the COSO model requirements are considered to strengthen internal control and ensure regulatory compliance. This model is illustrated as a cube that includes strategic, operational, and organizational process domains, financial reporting, and compliance with governing laws and regulations, and is implemented through a three-line defense structure:



### 3. Risk Appetite

Determining risk appetite is based on stakeholder opinions and shareholder expectations, financial strength and investor expectations, business plan reviews, compliance with laws and requirements, the extent of potential costs and damages resulting from risks, and the company's tolerance level compared to standards and best practices.



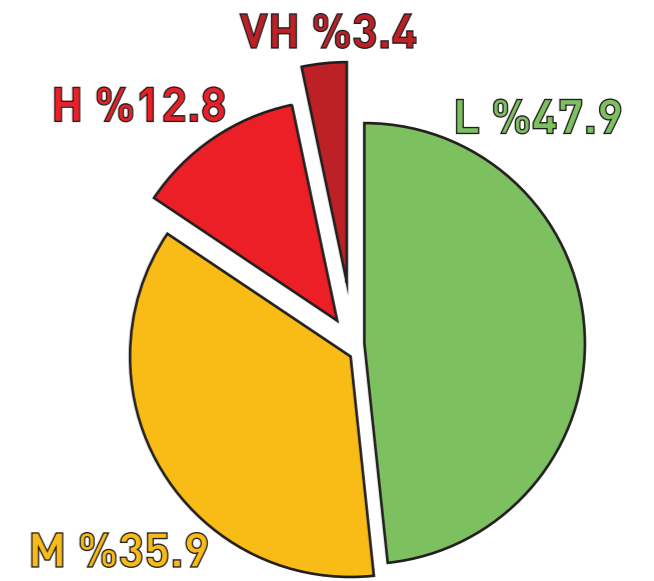
The risk and opportunity scoring table, calculated using the RPN method, is presented as follows:

	Objective	Very Low Severity (1)	Low Severity (2)	Medium Severity (3)	High Severity (4)	Very High Severity (5)
Consequence of Occurrence	Safety	Minor injury / first aid cases (FAC)	Minor and short-term injuries – cases leading to medical treatment ((MTC)	Occupational illnesses with short-term and treatable effects / injuries leading to lost time (incident (LTI	Chronic occupational illnesses with relatively long treatment duration / permanent disability or loss of organ	Incurable and fatal occupational diseases / accidents leading to death
	Cost	Insignificant increase/decrease	Less than 5% increase/decrease	to 10% in- %5 crease/decrease	to 20% in- 10% crease/decrease	More than 20% increase/decrease
	Quality	No significant impact on output objectives	Minor positive/negative effect on quality and outputs	Moderate positive/negative effect on quality objectives	Major positive/negative effect on quality objectives	Very major positive/negative effect on quality objectives
	Time	Negligible increase/decrease	Less than 10% increase/decrease	to 20% in- 10% crease/decrease	20%to 30% increase/decrease	More than 30% increase/decrease
	Environment	Negligible positive/negative impact	Minor positive/negative impact	Local positive/negative impact with observable consequences	Major local positive/negative impact	Broad and national positive/negative impact
	Reputation & Credibility	Minor impact without significant improvement / damage without need for specific response	Local impact with brand equity increase/decrease of 1% to 3%	Industry-level impact with brand equity increase/decrease of 4% to 7%	National-level impact with brand equity increase/decrease of 7% to 10%	International-level impact with brand equity increase/decrease of more than 10%
Probability of Risk Occurrence	Probability more than 80% (Score 5)	(5) (Medium)	(10) (Medium)	(15) (High)	(20) (Major)	(25) (Major)
	Probability between 60% – 80% (Score 4)	(4) (Low)	(8) (Medium)	(12) (High)	(16) (High)	(25) (Major)
	Probability between 40% – 60% (Score 3)	(3) (Low)	(6) (Medium)	(9) (Medium)	(12) (High)	(15) (High)
	Probability between 20% – 40% (Score 2)	(2) (Low)	(4) (Low)	(6) (Medium)	(8) (Medium)	(10) (High)
	Probability less than 20% (Score 1)	(1) (Low)	(2) (Low)	(3) (Low)	(4) (Low)	(5) (High)

### 4. Statistics and Outcomes of Risk Management Implementation

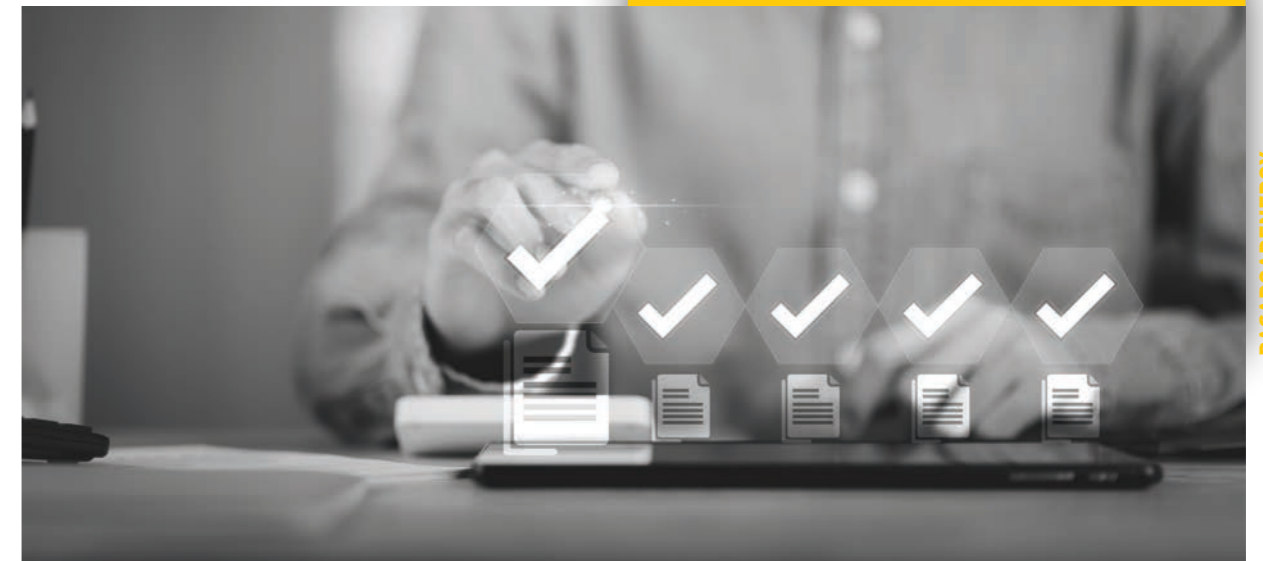
Following the implementation of risk management planning and the convening of specialized risk committees, by the end of 2024, a total of 117 risks has been identified and approved at the project, operational and process levels. These risks after prioritizing through the RPN method, have been quantified by the EMV model, as far as possible. Action plans tailored to their root causes have been defined, planned, and are currently being executed.

### Total Risk Distribution



### 5. Effectiveness Evaluation and Continuous Improvement

At the end of each period, the effectiveness of responses to risks and opportunities is evaluated using performance indicators, and the results are presented in management meetings. According to the COSO model, the internal audit department, through visits and audits of group companies, departments, and senior management of the holding, acts in accordance with the "Internal Audit Committee Charter" to assess the efficiency and effectiveness of the risk management system.



# Technology and Innovation

The Pasargad Energy Development Group has successfully designed an integrated and purpose-driven roadmap for the Group's technological and innovative initiatives, establishing today a cohesive and effective infrastructure for technology development across the organization. With a systemic and forward-looking approach, the company has focused its mission on enhancing operational productivity, developing digital infrastructure, expanding green technologies, facilitating scientific collaboration with leading academic institutions and key stakeholders — including the Vice Presidency for Science, Technology and Knowledge-Based Economy, research and technology funds, and acceleration centers — all aimed at creating sustainable value.

The strategic objectives for the year 2024 included the design and launch of smart operational centers, the development of indigenous software capable of competing in international markets, the establishment of reference laboratories at top national universities, support for applied research and joint projects with scientific institutions, facilitating industry-academia collaboration through innovation centers by creating an innovation ecosystem, obtaining targeted financing facilities, and integrating and synergizing knowledge-based activities to meet the technological needs of the Group. Furthermore, with a focus on digitalizing key processes, intelligent monitoring of equipment, and leveraging emerging technologies such as Artificial Intelligence (AI), the Internet of Things (IoT), and Blockchain, the Group's technological transformation path has been aligned with global standards and the forward-looking requirements of the energy industry.

In order to provide a clear picture of the path taken and the explanations achieved, it has been organized into the following five strategic axes.

- 1- Digitalization
- 2- Tech Labs
- 3- Green Technologies
- 4- Research & Technology
- 5- Innovations

## 1: Digitalization

### 1-1 Digitalization- Establishment of Digital Centers

- Launch of WRFM Center (Well, Reservoir & Facility Management Center): The first phase of the WRFM Center was inaugurated in collaboration with Sepehr Pasargad Oil & Gas Operating Company. Utilizing AI, IoT, and real-time data analytics, this center has enabled production optimization, enhanced safety, and reduced decision-making time.
- Launch of IPCM Center (Intelligent Power Condition Monitoring Center): This facility, inaugurated at the Shariati Combined Cycle Power Plant in Mashhad, performs online monitoring of gas and steam turbines, vibration analysis, and failure prediction, contributing significantly to improving power generation reliability.

### 1-2 Digitalization- Digital technologies

- Development of RETINA Specialized Software by Tafahom Company: Including the Capital Market Dashboard, Black Oil Simulator, Preventive Maintenance Software, Grid System, and Integrated Enterprise System — all of which demonstrate performance competitive with international counterparts.

## 2: Technology Laboratories — Establishment of Specialized Reference Laboratories Across the Group's Value Chain

To strengthen industry-academia collaboration and enhance the Group's research capabilities, the Technology and Innovation Management Unit, in cooperation with Pasargad Exploration, Production and Development Company, launched two reference laboratories at top Iranian universities in 2024:

1. Phase I of the Pasargad Energy Hydraulic Fracturing Process Design Laboratory (HYDRO FRAC LAB) at Amirkabir University of Technology.
2. Flow Assurance Laboratory at the University of Tehran, established in collaboration with Pasargad Exploration, Production and development company.

## 3: Green Technologies

**Solar Power Technologies:** The Group's first solar power plant was commissioned in Damghan by Taban Energy Pasargad Company. This project, aimed at utilizing clean energy and improving power generation efficiency, stands as one of the Group's flagship initiatives in the field of green technologies. This solar power plant equipped with a solar tracking system and bifacial panels, featuring the solar tracking system with backtracking capability based on a minimum shading factor, exclusive construction methods, and a panel cleaning robot.

## 4: Research & Technology — Continuous Identification of Emerging Technologies and Smart Innovations

- To harness academic expertise, incorporate updated scientific knowledge, develop technologies aligned with the Group's projects, and promote innovative ideas that create value, the company's Technology and Innovation Management Unit has established extensive and sustainable collaborations with academia.

In this regard, the Pasargad Energy Group has entered into 9 cooperation agreements with leading universities, 12 agreements with research institutes, scientific foundations, think tanks, innovation and acceleration centers, and research and technology funds, as well as 110 contracts with knowledge-based and technology companies, and 17 agreements supporting academic, scientific, research, and educational events across the Group.

## 5: Innovations — Open Innovation Approach

**Establishment and Operation of the Pasargad Energy Artificial Intelligence Innovation Center at Sharif University of Technology:** The purpose of this center is to develop indigenous, knowledge-based technologies and promote smart transformation in the national energy sector. By identifying innovative ideas in the energy domain, AI-related projects defined within the Pasargad Energy Group's innovation and technology framework are to be hosted and developed at this center.

## Collaboration with Key Stakeholders:

- Vice Presidency for Science, Technology, and Knowledge-Based Economy
- Oil Industry Research and Technology Fund

## Knowledge-Based and Technology Subsidiary Companies:

The following companies within the Group have officially obtained Knowledge-Based Company certification:

- Petro Danial Kish Company (for "Perfo Exact" – Innovative Category)
- Arman Pasargad Energy Technologies Development Company (for "Commercialization and Licensing Services" – Nascent Category)
- Petro Kala Pasargad Kish Company (for "Drilling Jar Hammer" – Nascent Category)
- Hamyar Engineering Technology Development (Tafahom) Company (for "RETINA Simulator" – Innovative Category)

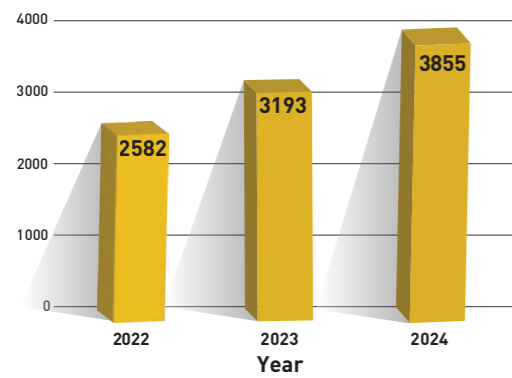
# Human Resource

We at PEDC believe that human capital is the most valuable asset of our organization. This value is for our colleagues' knowledge, skills, experience, commitment, loyalty, and innovation. We have always tried to prioritize the development of the personal and social skills of our personnel, which is in line with the sustainable development of our business while taking advantage of the young and expert workforce and combining it with experience.

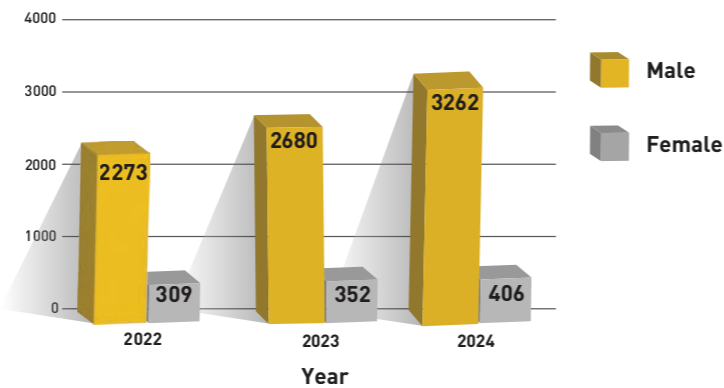
One of the key strengths of PEDC is the capital's view of labour as the most valuable intangible asset of the organization. We have focused our human capital development on the following four pillars:

- Staff skills
- Talents of employees
- Staff information
- Knowledge of employees

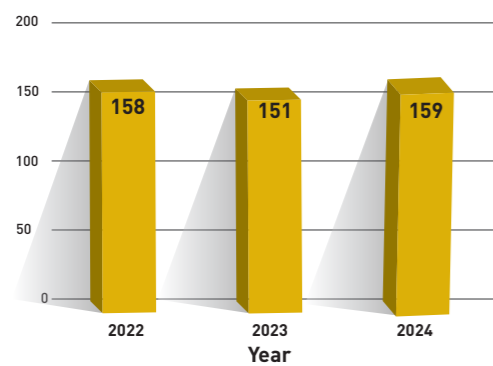
**Number of Human Resource (PEDC Group)**



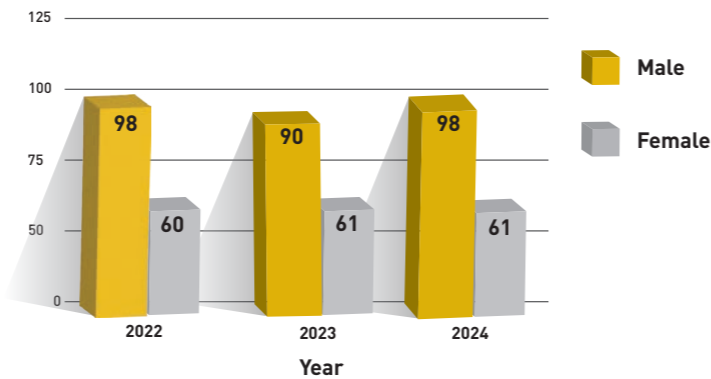
**Gender Distribution (PEDC Group)**



**Number of Human Resource (PEDC)**



**Gender Distribution (PEDC)**



In pursuit of the Sustainable Development Goals, the Human Capital and Support Management Department achieved an average of 34.6 training hours per employee in 2024, with training

effectiveness reaching 89%, strengthening the organization's culture of learning and empowerment.

# Code of Conduct

At PEDC, ethical conduct and sustainability are central to our corporate philosophy. We align profitability with responsible development by upholding integrity, transparency, and fair competition across all operations. Our code of conduct promotes a safe, inclusive, and respectful workplace, free from conflicts of interest and discrimination, while emphasizing employee empowerment, teamwork, and continuous improvement. Managers are accountable for nurturing ethical culture and maintaining trust through open and honest communication. We place customers at the heart of our business by ensuring transparency, quality, and

adherence to commitments, while maintaining full compliance with safety and operational standards. Our relationships with shareholders, partners, and suppliers are built on accountability, accurate reporting, and mutual benefit, ensuring sustainable growth and long-term value creation. PEDC is committed to environmental stewardship, community well-being, and the development of eco-friendly technologies, recognizing that the preservation of natural resources and human dignity is vital to our future. Together, these principles define PEDC's identity as a transparent, ethical, and sustainable organization.



# Sustainable Development Approach of Pasargad Energy Development Company

At Pasargad Energy Development Company, sustainable development is a central value guiding all our activities. We are committed to creating a future that balances economic growth, environmental protection, and social welfare. As a key player in Iran's energy industry, we recognize our responsibility to address societal needs and global challenges such as climate change and energy security.

We lead the transition to clean energy by investing in renewable energy such as solar and low-carbon sources like natural gas, reducing our carbon footprint. Our goal is to ensure sustainable, low-carbon energy through portfolio diversification and efficiency improvements. The Sustainability Committee, made up of senior managers, ensures sustainability is embedded in major decisions and aligned with international standards.

Collaboration with employees, local communities, partners, and even competitors is essential. We create lasting value by fostering a culture of shared responsibility. Our sustainability strategies align with the United Nations Sustainable Development Goals, with 13 goals addressed directly and all 17 goals at least indirectly, particularly in clean energy, climate action, and responsible consumption.

National energy security is a priority. By using modern technologies and optimizing processes, we contribute to sustainable energy while reducing costs and environmental impacts. Environmental protection is also central. Through waste management, emission reduction, and biodiversity preservation, we minimize our ecological footprint. Employees and local communities are our greatest assets. By prioritizing health, safety, and welfare, and supporting communities through education, healthcare, and job creation, we empower them. For Pasargad Energy Development Company, sustainable development is not just a strategy it is our way of doing business and shaping a responsible, inspiring future.

Our sustainability strategy is organized into four axes, each with specific aims:

## Axis 1 – Energy Transition

Focused on transitioning to cleaner, environmentally friendly energy systems while ensuring present and future energy security.

- **Aim 1 – Energy Security:** We diversify the energy portfolio and invest in projects including onshore oil fields like Sepehr and Jufair, offshore operations in South Pars, and combined cycle power plants such as Shariati, securing sustainable energy access now and for the future.
- **Aim 2 – Energy Efficiency:** Modern technologies and digitalization, including our Well, Reservoir, and Facility Management (WRFM) center, help optimize energy use, reduce costs, and free resources for other purposes.
- **Aim 3 – Low Carbon and Renewable Energy:** Renewable projects such as the 1,500 MW national solar power plant, low-carbon fuels like natural gas and hydrogen, and infrastructure such as IGAT6 help reduce greenhouse gas emissions.

## Axis 2 – Protecting Earth

Dedicated to minimizing environmental impacts and preserving natural resources.

- **Aim 4 – Circular Economy:** We extend equipment lifespans, optimize usage, recycle, and reduce waste, supported by monitoring through the Intelligent Power plant Condition Monitoring (IPCM) center.
- **Aim 5 – Water Efficiency:** We reduce pressure on local and national water resources by optimizing consumption, recycling, and reuse, and through initiatives such as collaborating on implementing Zero Liquid Discharge (ZLD) at our Chabahar facility.
- **Aim 6 – GHG Emissions Management:** Clean technology and process optimization, including reducing chemical process emission intensity, help us control, reduce, and offset greenhouse gas emissions.
- **Aim 7 – Protecting and Revitalizing Ecosystems:** We require Environmental Impact Assessments (EIA) for all projects, adhere to zero deforestation, avoid development in sensitive areas, and undertake initiatives such as planting mangroves and trees.



**PEDC**  
Sustainability Report 2024

### Axis 3 – Safety

Focused on ensuring a safe environment for employees and processes. Annual subsidiary HSE assessments are integrated into our safety management approach to monitor performance and drive continuous improvement.

- **Aim 8 – Occupational Health and Safety:** Employee health and safety are ensured through training, advanced equipment, and health monitoring.
- **Aim 9 – Process Safety:** Advanced systems help eliminate operational risks and sustain operations.

### Axis 4 – Economic and Social Development

Committed to improving the lives of employees and local communities through value creation.

- **Aim 10 – Health and Welfare:** Welfare and healthcare services for employees and families enhance productivity and company sustainability.
- **Aim 11 – Local Community Stewardship:** Educational and public service projects, including providing drinking water and constructing schools, empower local communities.
- **Aim 12 – Creating Value Locally:** We support regional economic growth by employing local workforce and producing equipment domestically.
- **Aim 13 – Quality Training and Education:** Training programs for employees and internships for students enhance workforce and youth skills.

Training programs for employees and internships for students enhance workforce and youth skills. These axes and aims guide Pasargad Energy Development Company in maintaining a lasting commitment to the environment, society, and business, helping build a brighter future. For more information on our sustainability approach, please refer to our annual sustainability report.

At Pasargad Energy Group, sustainability and social responsibility are not separate approaches; rather, they represent two facets of a single commitment to creating long-term value for society, the environment, and stakeholders. We believe that social responsibility is the practical foundation for achieving sustainability. Accordingly, CSR programs at PEDC are designed and implemented not merely as supportive actions, but as an integral part of the company's overarching strategy.

This synergy has embedded the concept of sustainability into our decision-making, projects, and interactions, transforming PEDC into a model of integrating economic development with social and environmental responsibility.

### Corporate Social Responsibility (CSR):

PEDC has invested more than 12.8 billion USD in the energy field, and besides creating value for shareholders through the implementation of Corporate Social Responsibility (CSR) projects has played its role as a committed member of society:

- Delivering 14,000 M2 of new educational facilities nationwide
- Investing in cutting-edge research and university infrastructure
- Empowering children with autism across the country
- Inspiring students through specialized courses and academic field trips
- Bringing clean water to 35,000 islanders in Qeshm
- Bridging the educational gap for students in underprivileged regions
- Revitalizing coastal ecosystems by planting over 6,000 mangroves
- Building and equipping state-of-the-art healthcare facilities





# ▲ Section 3:

Operating Overview of PEDC Business Sectors



Annual Report 2024

# At a Glance

We are an integrated energy company whose activities span the entire value chain including exploration, production, refining, petrochemicals marketing, trading, power generation & renewable as well as new high-tech venture capitalizing. Our headquarter is located in Tehran-Iran. We, through our subsidiaries are present across the Iranian continental shelf and international market. We create value for our shareholders through active investment, high-level monitoring of our projects, building world-class partnership and managing our risks effectively in order to make a balanced portfolio. Our aim is to conduct the energy industry towards

a sustainable development in field of energy for the sake of our society. PEDC's competitiveness relies upon our values-based performance culture, with a strong commitment to transparency, cooperation and continuous operational improvement. PEDC manages all of its investment projects and operations, irrespective of the contract type, through its subsidiary companies operating under its six distinct lines of business based on organizational structure. To achieve the project's goals and meet its work commitments, PEDC, as the parent company, oversees and controls the budget, costs, and the quality of each project or work through its specialized departments.



## Operating Overview of PEDC Business Sectors: UPSTREAM OIL AND GAS:

PEDC has established itself as a fully integrated leader in the upstream oil and gas sector. Our business model is strategically organized to capture value across the entire exploration-to-production lifecycle. This is achieved through four synergistic business sectors, supported by a network of seven specialized subsidiaries, enabling us to offer unparalleled end-to-end solutions. Our Integrated Business Sectors:

### 1. Exploration & Production (E&P):

We act as a principal investor and operator, taking direct operatorship of oil and gas assets. Our involvement spans the full project cycle, from high-risk exploration and appraisal phases through to field development and long-term production, ensuring value creation at every stage.

### 2. Turnkey Projects:

We serve as a prime contractor for large-scale, complex upstream projects. Our turnkey solution integrates both subsurface expertise (well engineering and drilling management) and surface facility engineering, procurement, and construction (EPC), providing clients with a single point of accountability and streamlined project execution.

### 3. Technical Drilling & Production Services:

We provide a comprehensive portfolio of high-value technical services essential for modern drilling and production operations. This includes advanced well completion and productivity services, directional drilling, real-time data acquisition, and equipment rental, ensuring operational efficiency and maximized recovery for our clients.

### 4. Innovative Technologies & Digital Transformation:

We are driving the industry forward by developing and deploying proprietary technologies and digital solutions. This sector focuses on in-house software development, domestic manufacturing of critical equipment, and advanced research, positioning PEDC at the forefront of the Digital Oil Field (DOF) revolution.



## Our Subsidiary Network in Oil and Gas Upstream Section:

PEDC delivers these capabilities through seven specialized subsidiaries:

Company	Business Domain
❖ Pasargad Exploration, Development & Production	Exploration, development, and production of Sepehr and Jufair oil fields
❖ Ostovan Kish Drilling	Execution and management of drilling rig operations (Onshore & Offshore )
❖ Pezhvak Energy Engineering Services	Integrated engineering, drilling, and procurement/Construction services for turnkey projects.
❖ Petro Danial Kish	Technical drilling and well operation services
❖ Petro Kariz Omid Kish	Directional drilling services for oil and gas wells
❖ Petro Kala Pasargad Kish	Provision of drilling rental services
❖ Sepehr Pasargad Oil & Gas Operations	Operation and production services for Sepehr and Jufair oil fields

## Performance Review

### 1. Exploration, Development & Production: A Year of Strategic Milestones

2024 was a landmark year for our E&P sector, marked by significant operational achievements and strategic expansion.

We reinforced our domestic leadership by successfully renewing our E&P certification with NIOC following a rigorous evaluation. Internationally, we achieved a strategic breakthrough by becoming the first Iranian E&P company being acknowledged and certified in Iraq.

### Flagship Project: Sepehr & Jufair Oil Fields Development

Development of the Sepehr & Jufair Oil Field under an upstream Iran Petroleum Contract (IPC) between NIOC and PEDC, with a 20-year contract period, is a cornerstone of our growth strategy. This world-class project in one of the most challenging fields—characterized by deep, high-pressure reservoirs and complex reservoir characteristics—has a total development cost of \$4 billion, targets the recovery of over one billion barrels of oil equivalent, and aims for a production plateau of 150,000 barrels of oil per day (BOPD). Key project details include:

- **Location:** Southwestern Iran, Khuzestan province.
- **Development Plan:** Exploration activities, drilling of over 130 development wells, development of extensive surface facilities.
- **Total Expenditures:** \$2.7 billion as Capital Expenditure (CAPEX) and \$1.3 billion as Operational Expenditure (OPEX).
- **STOIP:** 17 billion bbl.
- **Enhance Recovery Factor:** The project incorporates advanced techniques including IOR/EOR, well stimulation, hydraulic fracturing operations, artificial lift, and gas/water injection programs to maximize reservoir recovery.

## 2024 Sepehr & Jufair Oil Fields Development Highlights & Operational Excellence:

### • Production Success:

- Successfully achieved the First Target Production (FTP) of 36,000 BOPD.
- Maintained an impressive average daily production of approximately 41,000 barrels from 14 active wells.
- Recorded a peak daily production of 65,000 barrels, demonstrating the field's potential.
- Total cumulative production from the fields reached 19.7 million barrels, with 15.8 million barrels produced solely in 2024.

### • Drilling & Completions Excellence:

- Achieved a total drilling footage of 61,000 meters across the field in 13 wells.
- Successfully drilled and completed a complex multi-branch well in the field.
- Executed production enhancement operations in seven wells, including the successful installation of Sucker Rod Pump (SRP) systems in two wells.

### • Operational Efficiency & Cost Leadership:

- Achieved an exceptional 97.3% reliability against planned production days for the fiscal year.
- Demonstrated strong flow assurance operation, reducing the oil production cost per barrel by a remarkable 48% compared to the annual budget forecast.

### • Digital Field Implementation:

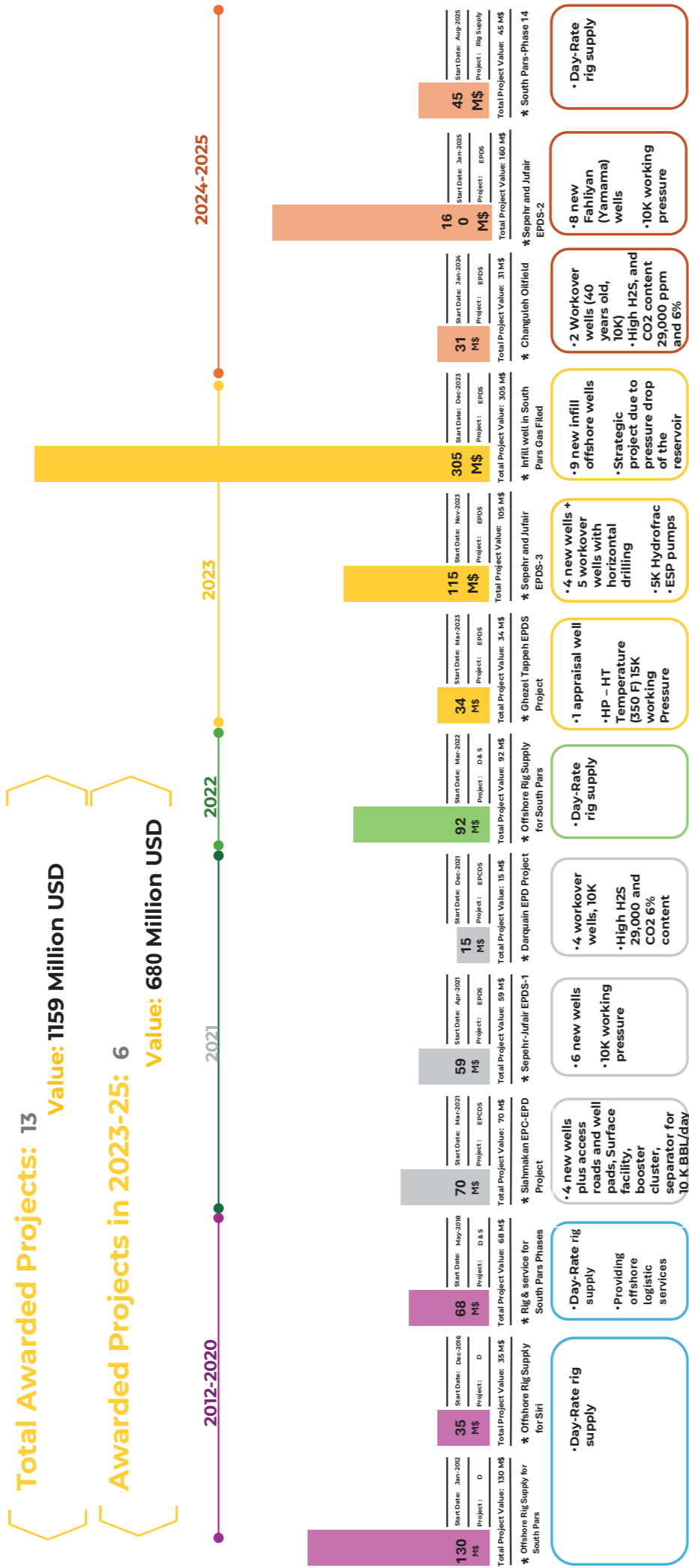
- Officially inaugurated the state-of-the-art Well, Reservoir, and Facility Management (WRFM) Center, a critical step towards Digital Oil Field (DOF).
- Advanced our proprietary R&D, achieving 67.5% progress on the development of an integrated Monitoring, Data Analysis, and WRFM System.

### 2. Turnkey Projects: Expanding Our Execution Footprint

PEDC has successfully executed over \$500 million in turnkey projects. With an additional \$646 million currently underway, our Turnkey Projects division is a key driver of our sustained growth.

### 2024 Project Execution Highlights:

- **Drilling Fleet Expansion & Readiness:** We enhanced our operational capacity by repairing, commissioning, and successfully deploying a 2000-hp and a 3000-hp onshore drilling rig in the Sepehr and Jufair fields. Furthermore, a new 2000-hp rig is in the final stages of manufacturing, adding to our owned fleet capabilities.
- **Offshore Drilling Operations:** The Pasargad 200 offshore jack-up rig was deployed to one of South Pars gas field's platform, where it commenced drilling operations of a 9 infill wells drilling project in the field.
- **Technical Prowess in HPHT Reservoirs:** We successfully drilled and completed the Qezel Tappeh 03 exploration well under challenging High-Pressure, High-Temperature (HPHT) conditions, showcasing our technical expertise.
- **Logistic Provision for Multi-Field Activity:** Successfully delivered large-scale, multi-field drilling campaigns spanning four distinct locations across Iran (Siahmakan, Darquain, Sepehr & Jufair, Qezel Tapeh). Managed all logistics for simultaneous operations including developmental drilling, well workovers, completions, and appraisal drilling. Demonstrated peak efficiency by establishing a company record of 8 concurrently operating onshore rigs on turnkey projects in 2023.
- **Engineering-Driven Optimization:** Conducted advanced engineering studies, including hydraulic fracture modeling and completion fluid design, to optimize operational efficiency and reduce costs for the Sepehr-Jufair project. The company is implementing several projects with its skilled and experienced workforce, as this timeline:



Total Awarded Projects: 13  
Value: 1159 Million USD

Awarded Projects in 2023-25: 6  
Value: 680 Million USD

### 2-1- Offshore Projects

Our offshore rigs are currently engaged under rig provision contracts to drill gas wells in Persian Gulf, while PEDC's onshore fleets are actively supporting development projects in the Sepehr and Jufair oil fields.

Project Record for Offshore Rig Provision  
PEDC's drilling rigs have established a significant track record in offshore operations, as detailed below:

#### Completed Projects (end of 2024):

##### Development/appraisal Wells Drilling:

- Drilled Development/Appraisal: 14 wells
- Total Meterage Drilled: 48,000 meters

##### Workover/Completion Operations:

- 24 wells in Phases 2 to 5 of the South Pars Gas Field.
- 18 wells in Phases 17, 9 and 14 of the South Pars Gas Field.

#### Ongoing Projects:

##### Development Wells Drilling:

- Drilling 9 infill gas wells in South Pars offshore gas field development.

##### Workover/Completion Operations:

- Workover operations of 16 wells in South Pars Gas Field, Phase 14.

### 2-2- Onshore Projects

Project Record for Drilling Turnkey Projects  
PEDC has a remarkable drilling track record in drilling turnkey projects, as detailed below:

#### Completed Projects (end of 2024):

##### Development/Appraisal Drilling:

- 4 development wells (Siahmakan oil field)
- 6 development/appraisal wells (Sepehr-Jufair oil field)
- 1 horizontal well (Sepehr-Jufair oil field)
- 1 explorational/appraisal well (Qezel Tappeh gas field)

- Total number of drilled wells: 12 wells
  - Total Meterage Drilled: 58,000 meters
  - Workover/Completion Operations: 4 wells (Darquain field) + 1 well (Sepehr-Jufair)
- Ongoing Projects:

##### Development Wells Drilling:

- 3 horizontal and 8 vertical wells (Sepehr-Jufair oil field)
- 9 infill gas wells (South Pars offshore gas field)

##### Workover/Completion Operations:

- Workover operations for 4 wells (Sepehr-Jufair oil field)

### 3. Technical Drilling & Production Services: Delivering Expertise Across the Value Chain

PEDC provides a comprehensive suite of technical services across the entire upstream drilling and production value chain.

The company has a strong track record, having delivered services under contracts valued at over \$390 million. Currently, it maintains an active service contract portfolio with a total ceiling more than \$140 million. We take pride in our state-of-the-art drilling equipment and highly skilled personnel who ensure that we consistently deliver exceptional quality services. Our capabilities include:

**Well Completion and productivity Services:**

- Wireline Logging
  - Surface well Testing
  - Drill Stem Test
  - Surface & Downhole Sampling
  - Perforation
  - Coiled Tubing
  - Nitrogen-N2 Lifting
  - Stimulation
  - Hydraulic Fracturing
  - Mobile Oil Separator (MOS)
  - Acidizing/Stimulation
  - Dry Test-RTTS,
  - Slickline,
  - Data Interpretation
- Service Barge (which has a 250-ton crane and facilities for accommodating up to 110 personnel)
- Directional Drilling & Advanced Steering Services:**
- Providing exclusive full-set LWD (Logging While Drilling) services during drilling,
  - Measurement While Drilling (MWD) services,
  - Directional drilling,
  - Gyro and Geo-steering,
  - RSS (Rotary Steerable Systems).

**Drilling Rental Services:**

- Manufacturing and renting drilling jars
- Renting fishing tools

**2024 Technical Services Expansion & Achievements:**

**Workshop and operational base expansion:**

Established a new operational base in Ahvaz to better serve onshore operations and expanded our workshop facilities in Kish Island to support offshore and specialized tool services.

**New Contracts:**

Secured 13 new contracts for well intervention services valued at \$30 million and new directional drilling contracts totaling \$16.5 million, reflecting strong market confidence in our capabilities.

**Technical Milestones:**

- Engineered and executed complex Well Testing and intervention operations in the HPHT reservoir in Qezel Tappeh field.
- Successfully reintroduced long-reach horizontal drilling using Rotary Steerable System (RSS) technology in Iranian market for Reshadat field.
- Enhanced our service quality through the procurement and commissioning of advanced equipment, including new gyro survey tools and high-performance drilling motors.

**Our 2024 Performance & Cumulative Track Record:**

Well Completion and Productivity Services	Cumulative Job Records	2024 Performance
Surface Well Test Operations	371	38
Full Bore Drill Stem Test Operations	93	15
Perforation Operation	161 (TCP) + 203 (WCP)	24
Electrical Logging Operations (Cased Hole and Open Hole)	524	50
Coiled Tubing Operation	188	31
Nitrogen Lifting Operation	80	20
Stimulation Operation	129	21

Directional Drilling & Advanced Steering Services	Cumulative Job Recodes	2024 Performance
Number of Drilled Wells	135 Wells	11
Drilled Meter	172,118 Meters	1807 Meters
Drilled Hours	41,842 Hours	1637 Hours

Drilling Rental Services	Cumulative Job Records	2024 Performance
Provision of Jar Equipment	108	16
Provision of Fishing Equipment	40	11

**4. Innovative Technologies & Digital Transformation for Digital Oil Field (DOF)**

PEDC is strategically shifting its portfolio towards high-value, technology-driven services. In 2024, we accelerated this transition through major investments in:

- Innovation and Digital Transformation: Launching an Intelligent Well, Reservoir, and Facility Management (WRFM) center to optimize field performance.
- Innovative Technologies: Developing in-house software in Retina trademark for reservoir analysis and other applications like Asset Management (CMMS).
- R&D: Establishing a specialized Hydraulic

Fracturing Process Design Laboratory to pioneer new completion techniques. All these advanced capabilities were successfully deployed and brought into service in 2024.

At PEDC, we are committed to driving progress in the energy and oil & gas sectors through continuous innovation and digital transformation. Our dedication to leveraging advanced technologies and fostering strategic partnerships ensures that we remain at the forefront of the industry, delivering sustainable growth and operational excellence.

\*For more information, please refer to Technology and Innovation in section 2.

## Downstream Oil And Gas:

Pasargad Energy Development Company (PEDC) is a leading participant in Iran's downstream oil and gas sector, actively investing in high-quality refinery and petrochemical projects. Our ongoing and planned developments represent a total investment of approximately USD 7.5 billion, underscoring PEDC's pivotal role in advancing the nation's energy value chain.

Leveraging Iran's vast oil and gas resources, PEDC has established a comprehensive strategy to invest in, develop, operate, and maintain refinery and petrochemical plants. These initiatives aim to diversify our product portfolio, strengthen value-chain integration, and drive sustainable growth across the downstream industries. The combined effect of our production capabilities, trading expertise, and strategic infrastructure enhances value creation for shareholders and expands PEDC's market presence.

PEDC oversees the full lifecycle of its downstream assets, encompassing development, production, operations, sales, marketing, and logistics, through a network of specialized subsidiary companies.

Since March 2023, following the completion of its 35,000 barrels per day (BPD) Heavy Oil Refinery, PEDC has established itself as one of the active suppliers of high-quality bitumen in Iran, holding an estimated 8% share of the national market. Building on this success, the company is implementing an expansion plan to increase refinery capacity from 35,000 BPD to 100,000 BPD, enabling the processing of light crude oil. In parallel, PEDC is developing an additional 60,000 BPD refinery dedicated to gas condensate and naphtha processing, further strengthening its role across the downstream value chain.

PEDC is also strengthening its presence in the petrochemical sector through the construction of advanced facilities in southern Iran. These projects will position PEDC as a major methanol producer with an initial capacity of 3.3 million tons per year (Phase 1). The second phase will expand into polyolefins and other high-value-added products, utilizing cutting-edge Methanol-to-Olefins (MTO) technology.

### Our Subsidiary Network in Oil and Gas Downstream Section:

The subsidiaries of the Downstream Oil & Gas business sector and these business domains are summarized in the table below:

❖ Pars Behin Palayesh Naft Qeshm Company	Implementation of oil refineries
❖ Javid Energy Parto Company	Implementation of gas condensate refineries
❖ Sina Chemical Industries Development Company	Implementation of petrochemical complexes
❖ Soroush Energy Paydar Company	Implementation of petrochemical complexes
❖ Polyethylene Gostaran Alborz Company	Production of polyethylene gas pipes and wide geomembrane sheets
❖ Naftanir Industrial Projects Management Co.	Implementation of gas pipeline projects

The summary of the physical progress of our projects and plants is as follows:

Project	Physical Progress
❖ 35 KBPD Heavy Crude Oil Refinery Plant in the Qeshm Island	Completed (In Operation)
❖ 100 KBPD Light Crude Oil Refinery Plant in the Qeshm Island*	In Progress
❖ 60 KBPD Gas Condensate Refinery Plant in the Qeshm Island	37.71 %
❖ 1650 KTA Methanol Petrochemical Plant in Chabahar Free Zone	60.27 %
❖ 1650 KTA Methanol Petrochemical Plant in Hormozgan	48.26 %
❖ MTO and Polyolefin Petrochemical Plants in Chabahar & Hormozgan	Under Study
❖ IGAT-6 Gas Pipeline BOT Project	Completed (In Operation)

\* We plan to expand the existing refinery capacity from 35 to 100KBPD, enhancing throughput and enabling greater product diversification.

#### 1. Qeshm Island Crude Oil Refining Projects:

**Location:** Qeshm Island, Hormozgan Province  
**Project Type:** Downstream Oil Refining & Bitumen Production

**Development Approach:** Two-Phase Expansion Strategy

#### Phase 1 – Heavy Crude Oil Refining & Bitumen Production (Operational):

#### Overview:

Phase 1 of the Qeshm Island Refining Project was completed, processing 35 KBPD of heavy crude oil into bitumen, naphtha, and light hydrocarbon cut (LHC) products. The primary output is penetration-grade bitumen (grades 50/40, 60/70, and 100/85), which serves both domestic consumption and export markets.

#### Production Capacities:

Product	Capacity (Thousand Tons/Year)
Bitumen	910
Light Hydrocarbon Cuts (LHC)	790
Naphtha	69

#### Feedstock:

- **Heavy Crude Oil:** 35 KBPD
- Supplied by Crude Oil Tanker Ships

#### Capital Expenditure:

- **Phase 1 CAPEX:** 220 million USD

#### 2024 Operational Highlights:

- A 12% increase in net profit due to improved product mix and pricing strategy.

#### 2024 Production & Sales Performance:

Product	Production Amount (2024)-Ton	Sales Amount (2024)-Ton
Bitumen 60/70	313,964	325,916
Naphtha	78,367	82,728
LHC	271,812	264,435
<b>Total</b>	<b>664,143</b>	<b>673,079</b>

#### Phase 2 – Light Crude Oil Refining & Low Sulfur Fuel Production (Under Development):

#### Overview:

Phase 2 is planned to expand the existing refinery's capacity from 35,000 to 100,000 BPD, enhancing throughput, enabling greater product diversification, and producing clean fuels for domestic and export markets, while ensuring a reliable feedstock supply for the integration of the nearby gas condensate refinery.

#### Planned Product Capacities:

Product	Capacity (Thousand Tons/Year)
Diesel (10 ppm)	1,820
VLSFO	1,364
MGO	455
Naphtha	1,030
Solid Sulfur	55

#### Feedstock:

- **Light Crude Oil:** 100 KBPD

#### Capital Expenditure:

- **Phase 2 CAPEX:** 975 million USD

#### Strategic Objectives:

- Position the facility as a key regional hub for clean fuels in the Qeshm Island.
- Support petrochemical value chain integration by supplying naphtha to nearby gas condensate projects.
- Expand access to high-margin export markets, including India, China, and West Africa.

#### 2024 Key Achievements:

- Contract with RIPI for the SRU unit license and basic design
- Contract with RIPI for the HDS unit license and basic design
- Contract with REZEL for the low sulfur fuel oil unit license and basic design

## 2. Gas Condensate & Naphtha Refining Project – Qeshm Island:

Project Location: Qeshm Island  
 Development Strategy: Two-Phase Execution  
 Project Type: Gas Condensate Refinery

### Project Overview

This project involves construction of a 60 KBPD gas condensate and naphtha refinery, designed in accordance with international environmental and technical standards. The project is strategically aligned with national energy policies aimed at enhancing domestic refining capacity, reducing reliance on imports, and boosting employment in the region.

### Design Capacities – Phases 1 & 2 Combined:

Feedstock	Capacity	Unit
Gas Condensate	1,152	Thousand Tons/Year
Naphtha (Intermediate)	1,018	Thousand Tons/Year

Products	Capacity	Unit
LPG	90	Thousand Tons/Year
Gasoline (Euro-5, RON 91)	1,440	Thousand Tons/Year
Middle Distillates	558	Thousand Tons/Year
Hydrogen	15	Thousand Tons/Year
Atmospheric Residue	5	Thousand Tons/Year
Sulfur	7	Thousand Tons/Year

### Total CAPEX (Phases 1 & 2):

- 658 million USD
- Cumulative Overall Physical Progress (Phase1): 37.71%

### 2024 Key Achievements:

During 2024, significant achievements were made across engineering, procurement, and construction streams. Highlights include:

- Cumulative Progress of 75.95% has been achieved in the detailed engineering phase.
- Cumulative Progress of 30.06% has been achieved in the procurement phase.
- Cumulative Progress of 18.10% has been achieved in the construction phase. Secured finance from National Development Fund for essential long-lead equipment. Awarded and signed major procurement contracts, covering:
  - Furnaces, compressors, pressure vessels, drums.

## 3. Pasargad Methanol & Polyolefin Petrochemical Complexes in Chabahar:

**Location:** Chabahar Free Zone, Sistan and Baluchestan Province

**Project Type:** Gas-to-Methanol and Methanol to Polyolefins via MTO Technology

The Polyolefin Pasargad Complex is a major petrochemical development project utilizing natural gas as its primary feedstock. The project is designed in two phases and represents a strategic initiative to convert domestic natural gas into high-value petrochemical products including methanol, polyethylene, polypropylene, and polyacetal.

### Project Overview

This integrated complex applies Methanol-to-Olefins (MTO) technology to produce light olefins—specifically ethylene and propylene—which serve as the base materials for plastic manufacturing. These olefins are further processed to produce a range of polyethylene and polypropylene grades. A polyacetal production line is also included, diversifying the output portfolio.

### Phase 1: Methanol Production Unit:

- Feedstock: Natural Gas
- Feedstock Volume: 1,306 million m<sup>3</sup>/year
- Main Product: Methanol
- Production Capacity: 1.65 million tons/year
- Cumulative Overall Physical Progress: 60.27%
- Capital Expenditure (CAPEX): USD 512 million

This phase focuses on producing methanol from natural gas, forming the foundation for downstream processing in the second phase. During 2024, project execution continued at a steady pace, supported by major capital injections and logistical progress.

### Phase 2: Olefins & Polymer Production Unit:

- Feedstock: Methanol (from Phase 1)
  - Products & Capacities:
    - Polypropylene: 446 thousand tons/year
    - Polyethylene: 229 thousand tons/year
    - Polyacetal: 40 thousand tons/year
  - Capital Expenditure (CAPEX): USD 1.198 billion
- Phase 2 will begin after completion of the methanol plant and is designed to add significant value by converting methanol into high-demand polymers for domestic and international markets. Also, engineering, licensing, and financing preparation are ongoing.

## 4. Pasargad Methanol & Polyolefin Petrochemical Complexes in Hormozgan:

**Location:** Parsian Energy Intensive Industries Special Economic Zone (PSEZ), Hormozgan Province

**Project Type:** Gas-to-Methanol and Methanol to Polyolefins via MTO Technology

The Pasargad Polyolefin Complex in Hormozgan is strategically positioned to maximize value from natural gas resources. In the first phase, natural gas will be converted into methanol, with future phases planned to produce high-value products by transforming methanol into polyolefins and EPDM. With approximately 50% progress in Phase 1 and licensing secured for downstream units, the project is expected to significantly boost the country's petrochemical exports and strengthen industrial integration in the coming years.

### Project Overview

The project is designed in two phases and represents a strategic initiative to convert domestic natural gas into high-value petrochemical products including methanol, polyethylene, polypropylene, and EPDM.

### Phase 1: Methanol Production Unit:

- Feedstock: Natural Gas
- Feedstock Volume: 1,306 million m<sup>3</sup>/year
- Main Product: Methanol
- Production Capacity: 1.65 million tons/year
- Cumulative Overall Physical Progress: 48.26%
- Capital Expenditure (CAPEX): USD 552 million

This initial phase focuses on the transformation of natural gas into methanol, serving as a critical upstream input for subsequent processing in the MTO and polymer units.

### Phase 2: Downstream Polymer Production Units:

- Feedstock: Methanol (from Phase 1)
  - Products & Capacities:
    - Polypropylene: 426 thousand tons/year
    - Polyethylene: 201 thousand tons/year
    - EPDM: 50 thousand tons/year
  - Capital Expenditure (CAPEX): USD 1.221 billion
  - Planning for Phase 2 of the project is underway
- This phase involves further processing of methanol into light olefins (ethylene and propylene), which are then polymerized into high-value polyolefins and synthetic rubber products. EPDM production adds a strategic dimension by serving the automotive and industrial rubber sectors.



**2024 Key Achievements (Pasargad Methanol & Polyolefin Petrochemical Complexes in Hormozgan)**

- Achieved 14.57% physical progress across the first phase of project.
- Secured a total of EUR 153 million finance.
- Signed some of the major equipment and services contracts.
- Completed domestic fabrication and delivery of a wide range of equipment such as towers, reactors, tanks, drums, exchangers, flare stacks, filters, and steel structures.
- Shipped the Syngas Compressor to Iranian customs for site delivery.
- Executed extensive site preparation activities.
- Finalized the technology licensing agreement for the MTO unit.

**5. Polymer and Geomembrane Sheet Manufacturing Production Plant (Operational):**

**Location:** Eshtehard Industrial Town, Alborz Province  
**Production Scope:** Polymer Product Manufacturing (HDPE Pipes & Geomembrane Sheets)  
 This industrial initiative, launched in 2009 as part of broader downstream petrochemical development efforts, began with the production of polyethylene gas pipes and later expanded into geomembrane sheet manufacturing. The project is situated on a 11,363-square-meter site in Eshtehard Industrial Town and is equipped with fully world-class machinery. All products meet relevant national and international standards.

**Production and Sales Performance (Polymer and Geomembrane Sheet Manufacturing Production Plant)**

Product	Production Amount (2024)-Ton	Sales Amount (2024)-Ton
Geomembrane Sheets	3,412	3,418
Polyethylene Pipes	269	214
<b>Total</b>	<b>3,681</b>	<b>3,632</b>

**2024 Key Achievements (Polymer and Geomembrane Sheet Manufacturing Production Plant)**

- Strong financial growth, including:
  - 134% increase in total sales revenue
  - 220% increase in operating profit
  - 254% improvement in net profit
- Significant sales volume growth in geomembrane sheets—from 433 tons to 3,418 tons
- Listing and acceptance of geomembrane sheets on the Iran Mercantile Exchange, expanding access to new institutional buyers
- Export expansion to regional markets, including Iraq and Turkmenistan.

- Strengthened market share, driven by improved production efficiencies and broadened product applications across infrastructure and environmental sectors.

**6. IGAT-6 Gas Pipeline BOT Project (Completed):**

**Location:** From Asaluyeh (South Pars Gas Field) to Iraq Border Points  
**Project Type:** Build-Operate-Transfer (BOT) Gas Export Pipeline.

**Project Overview**

The IGAT-6 Gas Pipeline Project is a major infrastructure initiative in Iran’s energy export sector. With a total investment of approximately USD 2.2 billion, the project spans approximately 595 kilometers, featuring a 56-inch main pipeline with 48-inch and 30-inch branches. It includes intermediate valve stations, gas pressure boosting stations, and pressure control stations, connecting the South Pars Gas Field in Asaluyeh to Iran’s western border points with Iraq. Construction was completed in February 2016, and the pipeline has been operational since September 2017.

The pipeline system traverses multiple provinces—Bushehr, Khuzestan, Lorestan, Ilam, and Kermanshah—covering diverse terrain and incorporating advanced engineering solutions to ensure reliability and efficiency. Key components include:

- Total of 593 km of Pipelines (56”, 48” and 30”)
- 5 Gas Compression Stations
- 5 Pressure Control Stations (PCS)
- 1 Gas Metering Station (in Shalamchek)
- maximum transmission capacity of 70 million cubic meters per day

**Key Achievements:**

- Successfully executed as Iran’s first large-scale private BOT gas export project.
- Established a strategic export route for Iranian natural gas to Iraq.

- Enhanced regional energy security and infrastructure integration.
- Demonstrated private-sector capability in delivering complex energy infrastructure projects.

**Infrastructure:**

Pasargad Energy Development Company (PEDC) plays a leading role in the development of strategic infrastructure in Iran. Building on its expertise in large-scale project execution, PEDC invests in, develops, operates, and maintains critical infrastructure assets. The company’s infrastructure investment portfolio is valued at approximately USD 254 million.

ranging from marine logistics operations—supporting the loading and unloading of crude oil and refined petroleum products—to civil and building developments, including residential, administrative, educational, and recreational projects.

Through these strategic investments, PEDC ensures operational efficiency, value creation, and long-term sustainability across its projects. The company manages the entire lifecycle of its infrastructure assets through specialized subsidiaries engaged in activities

Key strategic projects such as the Qeshm Island Oil Jetty—serve as vital hubs for the supply, storage, and export of refined products, including LPG, naphtha, diesel, gasoline, VLSFO, MGO, and bitumen. These developments significantly enhance PEDC’s operational flexibility and export competitiveness.

**The core infrastructure business sector activities are executed by:**

Company	Business Domain
❖ Hengam Qeshm Industrial Mobilization and Development Company	Execution of Pasargad Qeshm oil jetty construction project
❖ Construction and Operation of Hara Qeshm Jetty Company	Supervision and operation of Hara Qeshm Jetty
❖ Seavan Tadbir Tejarat Company	Civil and construction operations, technical supervision, and contracting services

**1. Qeshm Island Oil Jetty Project**

Located in the northern region of Qeshm Island, the jetty development project is a strategic infrastructure initiative aimed at supporting the loading and unloading operations for crude oil and refined petroleum products. The project plays a critical role in enabling feedstock supply to nearby refinery complexes and facilitating the export of products such as LPG, naphtha, mid-distillates, diesel, gasoline, VLSFO, MGO, and bitumen.

**• Design Vessel Capacity:**

- Northern platform: Vessels up to 70,000 DWT
- Mid platform: Vessels up to 35,000 DWT
- Southern platform: Bitumen carriers up to 7,000 DWT

**Project Progress:**

- Cumulative Overall Physical Progress: 89.89%

**2024 Key Activities:**

- Physical progress of 11% achieved for the project.

The jetty is being developed under a Build-Operate-Transfer (BOT) contract. The total capital expenditure is estimated at USD 154 million.

**Project Objectives and Capabilities:**

- **Jetty Length:** Approx. 2,038 meters
- **Annual Throughput Capacity:** ~17.5 million tons

## 2. Construction & Civil Infrastructure Projects:

Seavan Tadbir Tejarat which is a subsidiary of PEDC has advanced a range of civil engineering and building projects across multiple provinces, including Qeshm Island, Ardabil, Tehran, and Mazandaran.

The company's project portfolio encompasses:

- Residential Developments
- Educational Institutions (Schools and Universities)
- Administrative and Commercial Buildings
- Recreational and Welfare Complexes
- Infrastructure and Utility Services

## Key Project Highlight:

A major ongoing initiative is the "Millennium Third Residential-Commercial Complex" on Qeshm Island, with an estimated investment of USD 100 million. This development represents a significant addition to the island's commercial infrastructure and underscores PEDC's commitment to sustainable construction and community development.

## Renewable Energy:

**Business Goal:** Leading Iran's Transition to Clean and Sustainable Energy

PEDC has strategically positioned itself as a leader in Iran's renewable energy sector, driving the transition toward sustainable power generation. With substantial investments in solar energy and a growing portfolio of clean power projects, PEDC's renewable energy strategy has established the company as a pioneer in the field in Iran. We are aggressively expanding a diversified portfolio—including both operational assets and a robust pipeline of projects under development—to build a sustainable and diversified energy future for the country. This reflects our firm commitment to scaling Iran's clean energy capacity.

Leveraging its strong technical expertise and execution capabilities, the company is continuously developing new solar energy projects across Iran. This active development reflects our firm commitment to scaling the nation's clean energy capacity.

PEDC, a key player in Iran's power sector, plans to invest in approximately 1,570 MW of solar power plants with an investment of over USD 1020 million. Driven by innovation and guided by a commitment to a cleaner, more efficient future,

we remain dedicated to energizing Iran's growth, today and for generations to come.

### Our Integrated Business Sectors:

Our integrated approach in renewables spans the entire project lifecycle:

#### 1. Solar Power Generation & Supply

- Investment in large-scale solar power plants
- Portfolio management of grid-connected renewable assets
- Flagship: 1,500 MW solar program across the country
- Power supply to national grid

#### 2. EPC Services for Renewables

- Turnkey engineering, procurement, and construction tailored to solar PV plants
- Provides project management services

#### 3. O&M for Renewable Assets

- Comprehensive operation and maintenance services
- Performance optimization and asset management
- Intelligent monitoring and predictive maintenance

### Our Subsidiary Network in Renewable Energy Section:

Company	Business Domain
❖ Ctesiphon Green Energy Production Company	Operates and develops renewable power plants
❖ Taban Energy Pasargad Industries Development Company	Provides EPC and O&M and management services

### Operational Portfolio

#### Major Power Plants:

- Damghan Solar Power Plant: 10 MW

#### Ongoing Projects:

- Countrywide Solar Power Plants: 1,500 MW
- Sorkkeh Solar Plant: 10 MW
- Mehdishahr Solar Plant: 14 MW
- Damghan Solar Power Plant (phase 2): 25 MW
- Tabesh Solar Power Plant: 4 MW
- Urmia Solar Power Plant: 10 MW

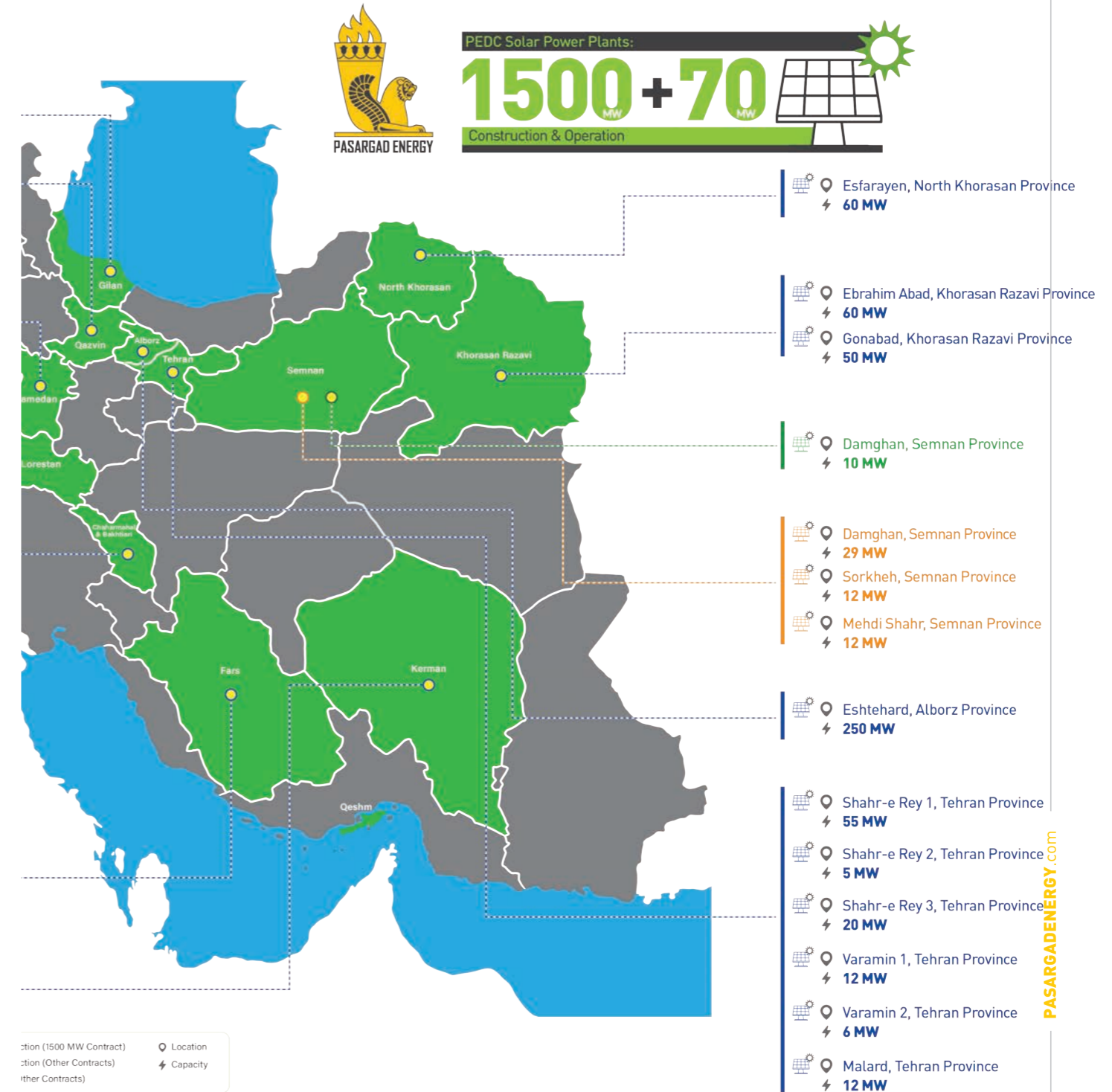
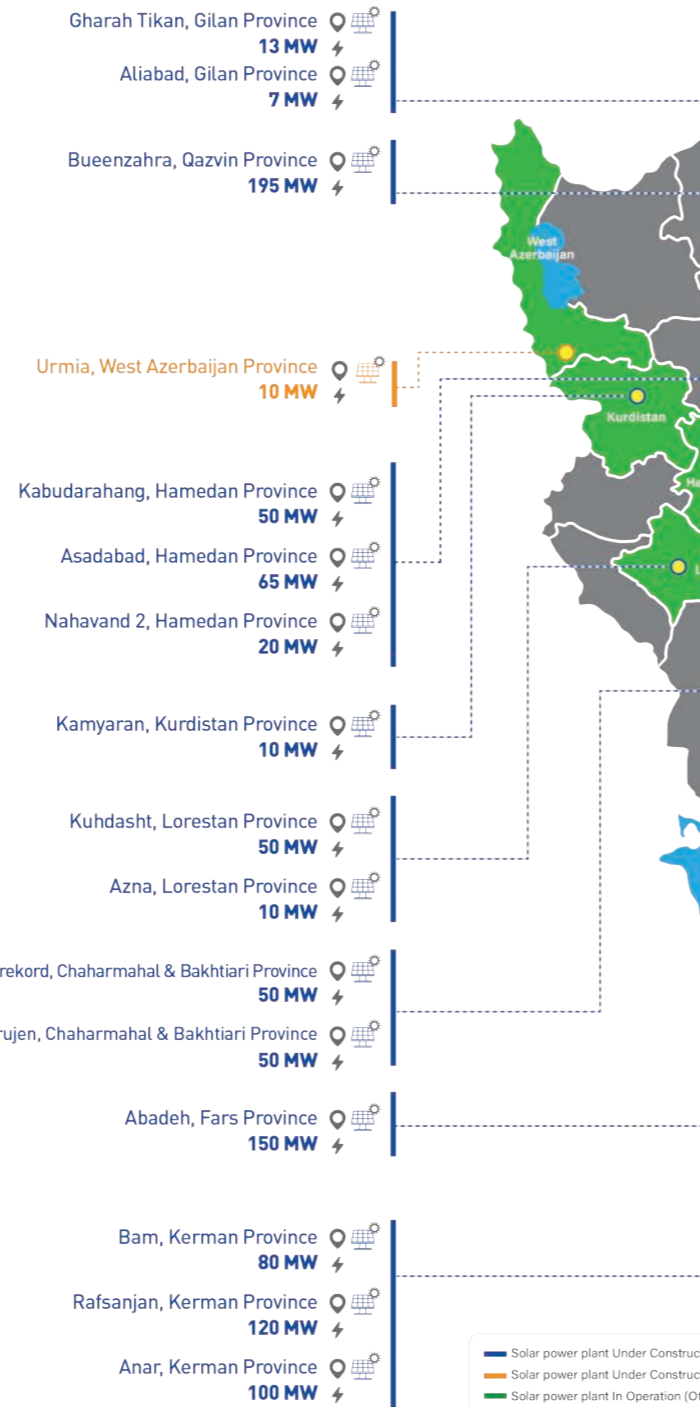


### Energy Production:

Item	Unit of Measurement	Installed Capacity	Actual Production FY2024	Planned Production FY2024	Actual vs. Budgeted Production
Damghan Solar Power	MWh	10 MW	22,004	22,164	99%

#### 2024 Performance Highlights

- Secured USD 570 million financing from National Development Fund
  - Awarded the largest solar project in Iran (1,500 MW total capacity)
  - Implemented AI-powered monitoring systems
  - Single-Axis Solar Tracking: Deployed in the 10 MW Damghan power plant to increase energy yield by up to 25%
  - Reduction of 14,000 tons of greenhouse gas emission
  - Conservation of 8,000,000 cubic meters of fossil fuels
- Moreover, leveraging its strong technical expertise and execution capabilities, PEDC is currently developing an additional 1,500 MW of solar power projects, as shown in the image below.



# Power & Utility:

**Business Goal:** Comprehensive Energy Solutions Across the Value Chain

PEDC's journey in the power and utilities sector began with the establishment in 2008. In alignment with national policies to empower the private sector and reduce government ownership, we expanded through a series of strategic acquisitions.

PEDC's business line strategy establishes the company as a comprehensive energy solutions provider in the Iranian market. While we continue to demonstrate excellence in conventional power generation and utility services—such as enhancing efficiency, reducing our carbon footprint, and mitigating greenhouse gas emissions—we are also consistently expanding our operational scope into the renewable energy sector.

Through our specialized subsidiaries, we provide comprehensive services across the entire energy value chain—from engineering, procurement, and construction (EPC) to operation and maintenance (O&M), equipment supply, and consulting—offering end-to-end solutions that maximize power plant performance, extend asset lifetime, and ensure compliance with industry standards for various plant types, including steam, gas, and combined cycle.

PEDC's Power & Utility portfolio includes both operational assets and projects under development, reflecting its strong commitment to providing sustainable and reliable energy services nationwide. We maintain a diverse and robust portfolio in conventional power generation and utility services, representing nearly 4% of Iran's total power generation capacity. With approximately 3,000 MW of operational capacity and over USD 1,081 million in investments, we are a key player in Iran's power sector.

With extensive experience in the energy sector, PEDC combines technical expertise, operational excellence, and strategic insight to deliver

sustainable, efficient, and value-driven outcomes for its assets.

### Our Integrated Business Sectors:

PEDC covers the entire energy solutions, structured across four key areas:

#### 1. Power Generation & Supply

- Investment and ownership of high-efficiency thermal and combined-cycle power plants
- Managing project development, financing, and long-term asset management
- Power supply to national grid
- Ancillary services and grid support

#### 2. Utility Services

- Steam generation for industrial applications
- Water desalination and treatment services
- Potable and industrial water supply

#### 3. Distributed Generation (DG)

- Developing small to medium-scale power generation units
- Industrial cogeneration systems
- Backup power and reliability solutions
- Combined heat and power generation

#### 4. EPC & O&M Services:

- Engineering, procurement, and construction services
- Operation and maintenance of power facilities
- Technical consulting and management services
- Comprehensive O&M services for power facilities
- Implementing advanced monitoring technologies

Maintaining more than 90% availability across all power plants

### Our Subsidiary Network in Power and Utility Section:

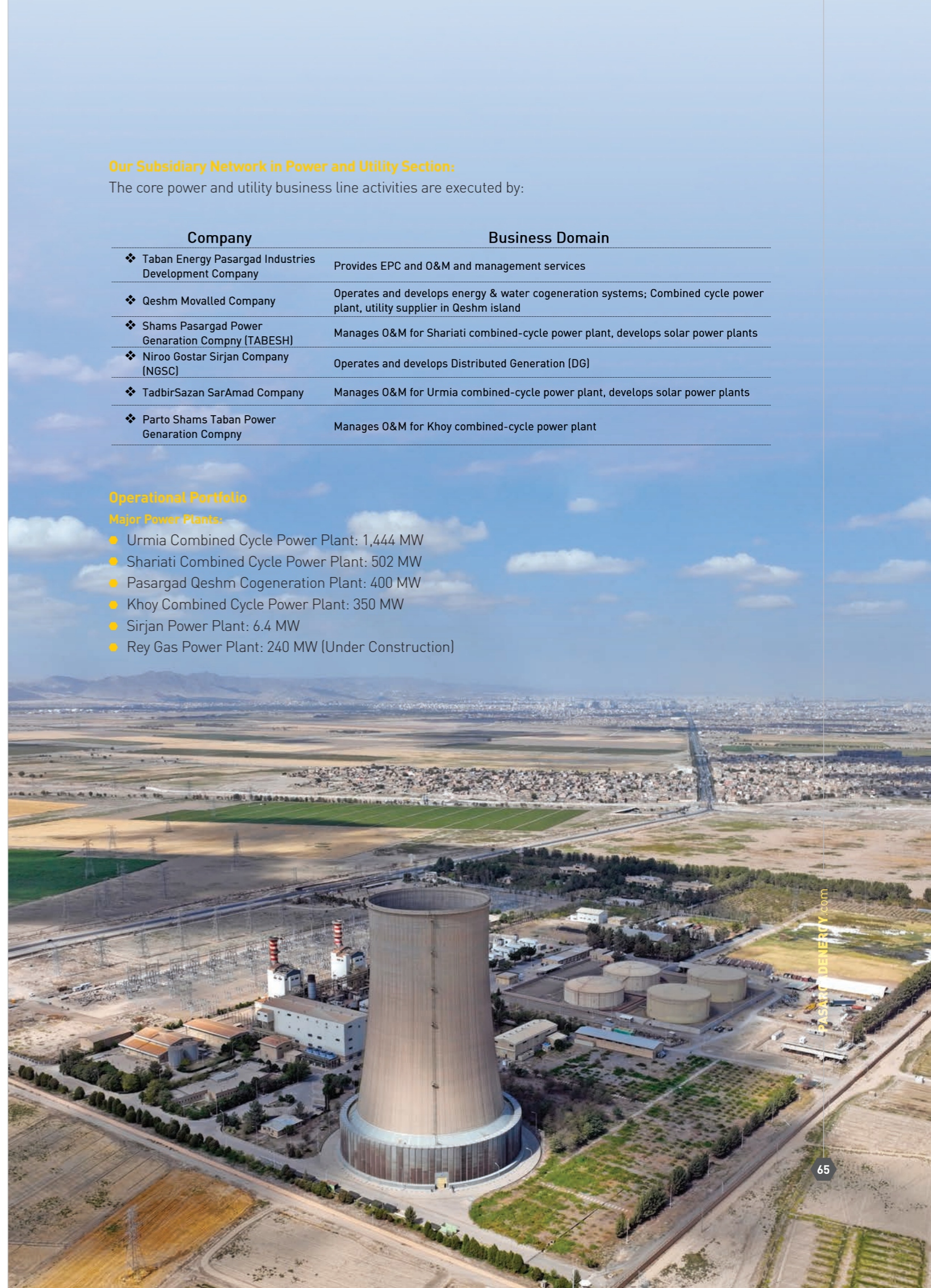
The core power and utility business line activities are executed by:

Company	Business Domain
❖ Taban Energy Pasargad Industries Development Company	Provides EPC and O&M and management services
❖ Qeshm Movalled Company	Operates and develops energy & water cogeneration systems; Combined cycle power plant, utility supplier in Qeshm island
❖ Shams Pasargad Power Generation Company (TABESH)	Manages O&M for Shariati combined-cycle power plant, develops solar power plants
❖ Niroo Gostar Sirjan Company (NGSC)	Operates and develops Distributed Generation (DG)
❖ TadbirSazan SarAmad Company	Manages O&M for Urmia combined-cycle power plant, develops solar power plants
❖ Parto Shams Taban Power Generation Company	Manages O&M for Khoy combined-cycle power plant

### Operational Portfolio

#### Major Power Plants:

- Urmia Combined Cycle Power Plant: 1,444 MW
- Shariati Combined Cycle Power Plant: 502 MW
- Pasargad Qeshm Cogeneration Plant: 400 MW
- Khoy Combined Cycle Power Plant: 350 MW
- Sirjan Power Plant: 6.4 MW
- Rey Gas Power Plant: 240 MW (Under Construction)



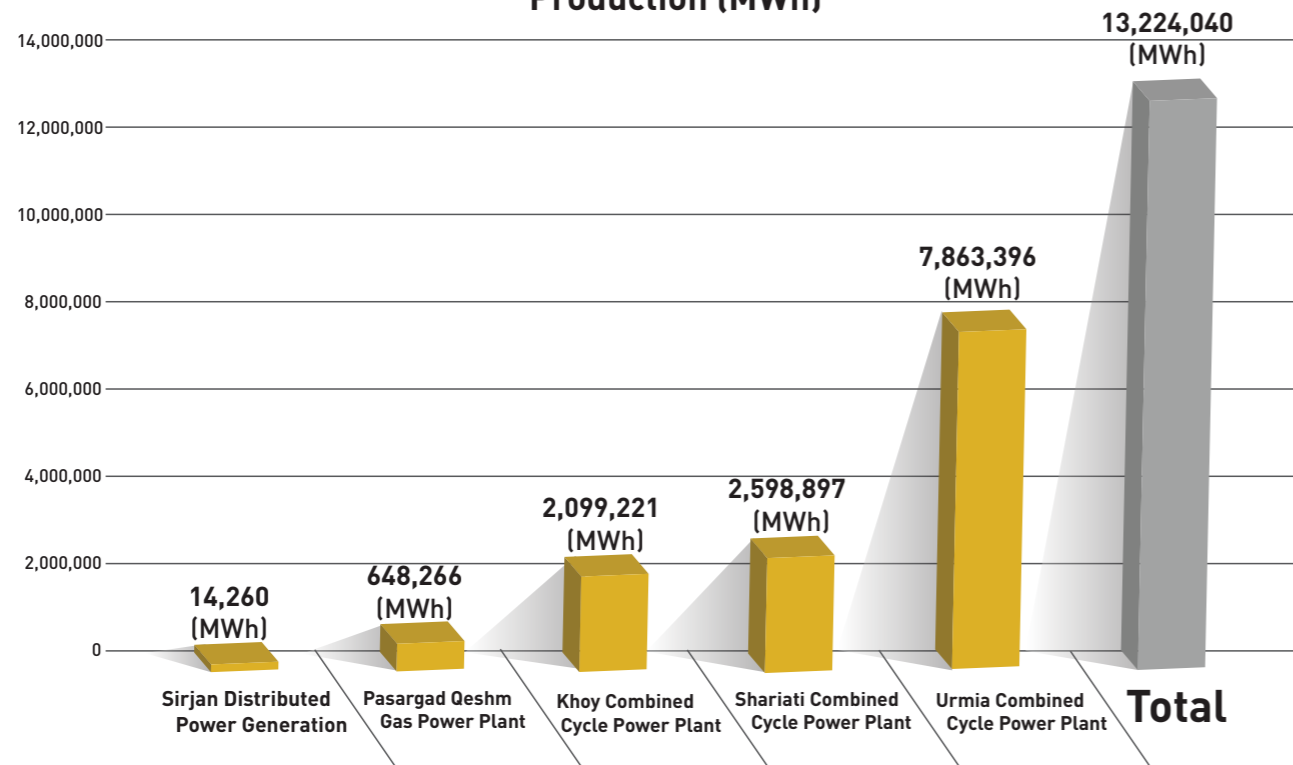
**Utility Facilities:**

PEDC focuses on utility services in Pasargad Qeshm Cogeneration including:

- HRSG units: 230 tons/hour steam production
- MED units: 680 m<sup>3</sup>/hour desalinated water
- Demineralized water unit: 155 m<sup>3</sup>/hour
- Potable water unit: 660 m<sup>3</sup>/hour

**Energy Production:**

**Summary of Power Plant Portfolio Performance in 2024  
Production (MWh)**



**2024 Performance Highlights**

**Power Generation:**

- Total production: 13,224,040 MWh
- Total sales: USD 32.3 million
- 97.3% reliability against planned production days

**Financial Achievements:**

- Initial Public Offering (IPO): 12% of Shariati Power Plant's shares were successfully offered on the Iran Exchange Market, attracting 1.4 million investors.
- Power Presale of the 70 MW Qeshm power plant through the Energy Exchange market (Salam contracts)
- Achieved a sixfold increase in company revenue from new units 3 and 4 of the Sirjan power plant through sales on the Free Electricity Board of the Energy Exchange.

**Operational Excellence:**

- Established Intelligent Power Plant Condition Monitoring Center (IPCM Center) in Shariati power plant
- Maintained 90%+ availability across all power plants

**Ongoing Projects & Expansion**

- Procurement of GE F9 Gas Turbines (240 MW) for Rey Power Plant
- Development of additional 160 MW Steam turbine in Qeshm power plant in expansion of utility services for new refineries in Qeshm island
- Installation and commissioning of 20 MW of distributed generation (DG) units in Sirjan

# Trading & Commercial:

PEDC has created value chain of trading and commerciality in the oil and gas industry sector through:

- Production of refinery products from the Qeshm Heavy Oil Refinery and the under-construction Qeshm Gas Condensate Refinery allow PEDC to produce a wide range of refinery products. Moreover, the under-construction petrochemical units further expand PEDC's product offerings. This enhances the company's product portfolio and increases its competitiveness in the market.
- Access to storage facilities and Hara Jetty Oil terminal in the northern area of Qeshm Island provides PEDC with a strategic advantage to facilitate the storage, import and export products. This ensures that the company can meet customer demands efficiently and enabling the company to engage in international trade and expand its market reach

In addition to above assets and facilities, Tejarat Pasargad Company, as subsidiary company of PEDC, is commercial arm of this holding, which provides outstanding services to companies, customers, and business partners. The company started its operations in 2008 and, relying on several years of experience, strong financial capability, skilled and experienced experts, and the trust of its business partners, plays a prominent role in trade, commerce, and logistics in key industries of the country.

In addition to offering commercial services within the group, Pasargad Tejarat Company has a long-term and active presence in external commercial projects and activities. The company's main operations are in the Middle East, Central and Eastern Asia, North Africa, and Europe.

The main areas of activity of this company are:

- Trade of petrochemical products and petroleum derivatives
- Project logistics management and production units
- Supply of chemicals and additives for production units
- Supply of minerals and metal products



# Section 4:

## Financial Statement



## Financial Highlights:

- Initial Public Offering (IPO) of Shams Pasargad Power Generation Company (Shams) in the Secondary Market of Iran Fara Bourse – covering approximately 200 sub-processes, including resolution of land ownership for the power plant, adjustment of nominal capacity, and more.
- Management and follow-up of the issuance of Sukuk bonds (Salaf) by bitumen assets on the Iran Mercantile Exchange – Pars Behin Qeshm Oil Refining Company (in the stage of obtaining guarantees), valued at USD 11.7 million.
- Design and implementation of a comprehensive system for performance and budget evaluation, including variance analysis and identification of root causes, based on the master budget framework of the Pasargad Energy Development Company (PEDC) and its subsidiaries.
- Management and follow-up of the issuance of Sukuk bonds (Salaf) by LHC on the Iran Energy Exchange – Pars Behin Qeshm Oil Refining Company (in the stage of capital increase registration and obtaining guarantees), valued at USD 14.7 million.
- Advancement of the company's financial ranking to 82nd position among the Top 100 Iranian Companies.
- Management and supervision of the development of a capital market management dashboard, business intelligence (BI) solutions, and smart integration with the CODAL disclosure system of the holding.
- Implementation of a program- and budget-based request and payment system, along with performance-to-budget reconciliation reports.
- Implementation of a consolidated financial statement preparation system based on ledger balances through an integrated software platform, covering group companies, intermediate entities, and the parent company, with both consolidated and standalone reporting.
- Management and oversight of the development of a comprehensive budgeting software system across the group, including the design and implementation of a modern reporting and quarterly monitoring framework, variance analysis, and performance-to-budget evaluation, based on the lifecycle approach and the master budget framework of the Pasargad Energy Development Company (PEDC) and its subsidiaries.
- Automation of accounting document issuance through the launch of a web-service-based electronic payment system.
  - Centralization of tax advisory services at the Pasargad Energy Development Company (PEDC) level, leading to significant outcomes:
    - 1- Reduction of fiscal year 2017 income tax from USD 74.6 thousand to USD 29.2 thousand.
    - 2- Successful appeal to the High Council of Taxation regarding fiscal year 2020, with referral to a peer review committee.
    - 3- Ongoing objection to the issued assessment for fiscal year 2023.
- Digitization of supporting accounting documents with online access to the archived records.

## Financial Statement:

- Financial Statement of PEDC-ending March 2025 (equal to 1403 Hijri Shamsi Calendar)
- [Basis of preparation](#)
- [Material accounting policy information and significant judgments and estimates](#)
- [The main activities of the company during the financial year](#)
- [Independent auditor and statutory inspector](#)
- [Summary of Independent auditor's report](#)
- [Summary of Consolidated Financial Information](#)
- [Summary of Standalone Financial Information](#)
- [Financial Ratios](#)
- [Consolidated statement of income](#)
- [Standalone statement of income](#)
- [Consolidated balance sheet](#)
- [Standalone balance sheet](#)
- [Consolidated statement of cash flows](#)
- [Standalone statement of cash flows](#)
- [Schedule of Property, Plant and Equipment](#)
- [Capital Work in Progress \(CWIP\)](#)
- [Receivable and Payable Accounts](#)

**Basis of preparation**

The consolidated financial statements have been prepared in accordance with Iranian Accounting Standard (IAS). The consolidated financial statements of the Group and the Standalone financial statements of the parent company have been prepared substantially on the historical cost basis. The consolidated financial statements of the Group have been prepared by consolidating the financial statements of Pasargad Energy Development Company (the parent) and its subsidiary companies, after eliminating intra-group account balances, intra-group transactions, and any unrealized gains or losses arising from intra-group transactions.

The IRR amounts have been converted based on the monthly average exchange rate of the ETS system. This rate was equivalent to 381,128 Rials per USD in 2024 and 510,869 Rials per USD in 2025.

**Material accounting policy information and significant judgments and estimates**

Category	Material accounting policy information
Operating revenue	Fair value of the consideration received or receivable, net of estimated sales returns and discounts, at the time of delivery of goods or rendering of services to the customer.
Finance costs	Recognized as an expense in the period incurred, except for costs directly attributable to the acquisition of a "qualifying asset".
Fixed assets and intangible assets	Stated at historical cost.
Investment property	Stated at historical cost less accumulated impairment losses for each investment.
Inventories	Valued at the lower of cost and net realizable value for each item.
Non-current assets held for sale	Measured at the lower of carrying amount and net realizable value.
Provisions	Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated.
Employee termination benefits	Employee termination benefits of the parent company were paid on an advance basis until the end of 1396, and from the end of 1397, a provision has been calculated based on one month's last fixed salary for each year of service and recognized in the accounts.
Long-term investments	Stated at cost less accumulated impairment losses for each investment.
Quoted investments	Valued at the lower of cost and net realizable value for the investment portfolio as a whole.
Other current investments	The lower of cost and net realizable value of each investment
Investment income	At the time of profit approval by the general assembly of shareholders of the investee company (up to the date of approval of the financial statements).
Investment in securities	At the time of realization of guaranteed profit (based on the effective interest rate).

**The main activities of the company during the financial year**

Investment in listed and non-listed companies  
 Sale of electricity  
 Well drilling services

**Independent auditor and statutory inspector**

Pursuant to the resolutions of the Ordinary General Meeting dated Ordibehesht 6, 1397 (April 26, 2024) (42024), the Company's independent auditor and principal statutory inspector for one year.

An inaugural member of the Iranian Association of Certified Public Accountants (IACPA) and ranked among its top ten firms, it is a trusted entity of the Securities and Exchange Organization (SEO) and holds the "A" rating—the highest quality control classification awarded by the IACPA.

**Summary of independent auditor's report**

The auditor's opinion on the financial statements is qualified.

**Basis for Qualified Opinion on the Consolidated Financial Statements:**

1- The Fixed assets and trade and other receivables balances include stagnant items carried forward from prior years (primarily related to Naftanir Company), the amounts, settlement prospects, and recoverability of which remain unverified by this Firm despite the measures undertaken. Furthermore, a portion of the finance costs relating to the borrowing facilities obtained from Qeshm Molaad and Tadbir Sazan has been capitalized to the cost of property, plant and equipment in contravention of the requirements of Iranian Accounting Standards. Although an adjustment to the financial statements is deemed necessary in this regard, due to the absence of access to the requisite supporting documentation, this Firm has been unable to quantify the financial effects of the required adjustments on the financial statements.

2- Reconciliation of the confirmation received from Iran Gas Engineering and Development Company with Naftanir Company's records discloses a discrepancy of USD 63 million.

**Summary of Consolidated Financial Information**

\* The IRR amounts have been converted based on the monthly average exchange rate of the ETS system. This rate was equivalent to 381,128 Rials per USD in 2024 and 510,869 Rials per USD in 2025.

	IRR		USD*		Growth rate in 2025 compared to 2024
	Fiscal year ended	Fiscal year ended	Fiscal year ended	Fiscal year ended	
Financial performance information during the period	19 March 2024	19 March 2025	19 March 2024	19 March 2025	
Total Revenue	169,657,187	344,697,048	445,145,308	674,726,832	103/2%
Operating profit	47,019,614	181,437,237	123,369,725	355,154,107	285/9%
Net profit	17,107,916	82,671,306	44,887,627	161,824,851	383/2%
Correction of error, change in accounting policies, and reclassification	0	0	0	0	
Net cash provided by operating activities	93,777,252	132,672,268	246,052,080	259,699,175	41/5%
<b>Financial position at the end of the period</b>					
Total assets	1,323,900,552	2,255,647,325	3,473,640,757	4,415,314,210	70/4%
Total liabilities	1,225,387,981	2,065,930,185	3,215,164,181	4,043,952,617	68/6%
Share capital	47,230,000	64,230,000	123,921,735	125,726,938	36/0%
Total equity	98,512,571	189,717,140	258,476,576	371,361,593	92/6%
<b>Rate of return (Percent)</b>					
Return on Assets (ROA)	0/01	0/04			
Return on Equity (ROE)	0/17	0/44			
<b>Information about stocks</b>					
Number of shares at the time of Annual general meeting	47,230,000,000	64,230,000,000			
Dividend Per Share (DPS)	212	778			
<b>Other information</b>					
employees	2,945	3,893			

### Summary of Standalone Financial Information

\* The IRR amounts have been converted based on the monthly average exchange rate of the ETS system. This rate was equivalent to 381,128 Rials per USD in 2024 and 510,869 Rials per USD in 2025.

Financial performance information during the period	IRR		USD*		Growth rate in 2025 compared to 2024
	19 March 2024	19 March 2025	19 March 2024	19 March 2025	
Total Revenue	(Million IRR)	(Million IRR)	(USD)	(USD)	(Percentage-Based on IRR)
Operating profit	24,548,550	51,563,090	64,410,309	100,932,110	110/0%
Net profit	23,678,495	39,715,573	62,127,465	77,741,202	67/7%
Correction of error, change in accounting policies, and reclassification	21,796,108	72,779,735	57,188,472	142,462,607	233/9%
Net cash provided by operating activities	0	0	0	0	
	6,783,822	31,308,813	17,799,343	61,285,399	361/5%

### Financial position at the end of the period

Total assets	203,728,990	380,513,773	534,542,660	744,836,239	86/8%
Total liabilities	99,778,159	196,503,642	261,797,217	384,645,824	96/9%
Share capital	47,230,000	64,230,000	123,921,735	125,726,938	36/0%
Total equity	103,950,831	184,010,131	272,745,444	360,190,415	77/0%

### Rate of return (Percent)

Return on Assets (ROA)	0/11	0/19
Return on Equity (ROE)	0/21	0/40

### Information about stocks

Number of shares at the time of Annual general meeting	47,230,000,000	64,230,000,000
Dividend Per Share (DPS)	212	778

### Other information

employees	210	222
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### Financial Ratios

	Consolidated Financial Ratios		Fiscal year ended	
	19 March 2024	19 March 2025	19 March 2024	19 March 2025
Liquidity Ratios	Current Ratio	0/59	0/59	0/55
	Quick Ratio (or Acid-Test Ratio)	0/50	0/50	0/48
Leverage Ratios	Debt Ratio	0/93	0/93	0/92
	Total Debt to Equity Ratio	12/44	12/44	10/89
	Current Liabilities to Equity Ratio	8/98	8/98	7/87
	Long-Term Debt to Equity Ratio	3/46	3/46	3/02
Activity Ratios	Ownership Ratios (or Equity Ratios)	0/07	0/07	0/08
	Total Asset Turnover Ratio	0/16	0/16	0/19
Profitability Ratios	Inventory Turnover Ratio	3/21	3/21	6/66
	Operating Profit Margin (or Operating Profit Ratio)	0/28	0/28	0/53
	Return on Assets (ROA)	0/01	0/01	0/04

	Standalone Financial Ratios		Fiscal year ended	
	19 March 2024	19 March 2025	19 March 2024	19 March 2025
Liquidity Ratios	Current Ratio	1/55	1/55	1/34
	Quick Ratio (or Acid-Test Ratio)	1/54	1/54	1/29
Leverage Ratios	Debt Ratio	0/49	0/49	0/52
	Total Debt to Equity Ratio	0/96	0/96	1/07
	Current Liabilities to Equity Ratio	0/72	0/72	1/04
	Long-Term Debt to Equity Ratio	0/24	0/24	0/02
Activity Ratios	Ownership Ratios (or Equity Ratios)	0/51	0/51	0/48
	Total Asset Turnover Ratio	0/12	0/12	0/18
Profitability Ratios	Inventory Turnover Ratio	1,976	1,976	5,288
	Operating Profit Margin (or Operating Profit Ratio)	0/96	0/96	0/77
	Return on Assets (ROA)	0/11	0/11	0/19



Consolidated balance sheet

\* The IRR amounts have been converted based on the monthly average exchange rate of the ETS system. This rate was equivalent to 381,128 Rials per USD in 2024 and 510,869 Rials per USD in 2025.

	USD*		Growth rate (Percentage-Based on IRR)
	19 March 2024 (Million IRR)	19 March 2025 (USD)	
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	697,041,645	1,828,892,860	81/4%
Investment in real estate	2,024,643	5,312,244	276/1%
Ongoing completion project (Sepehr-Jufair Oil Wells)	94,897,938	248,992,528	64/9%
Goodwill	89,739	235,457	-15/7%
Intangible assets	1,776,631	4,666,759	62/1%
Investments	1,582,729	3,167,712	2/2%
Trade and other receivables	30,061	1,962,366	3234/9%
Other assets	4,490,775	11,782,863	41/8%
	<b>801,936,161</b>	<b>2,819,566,221</b>	<b>79/6%</b>
<b>Current assets</b>			
Prepayments	17,768,249	46,620,204	70/4%
Inventories	49,264,778	129,260,571	-45/7%
Trade and other receivables	412,164,548	1,081,434,380	62/4%
Short-term investments	2,227,904	5,644,680	29/4%
current share of ongoing completion (Sepehr-Jufair Oil Wells)	12,335,455	32,365,678	185/1%
Cash and cash equivalents	27,755,136	97,615,407	79/7%
	<b>521,516,070</b>	<b>1,593,525,974</b>	<b>56/1%</b>
Assets classified as held for sale	448,321	1,176,301	153/2%
	<b>521,964,391</b>	<b>1,595,747,989</b>	<b>56/2%</b>
	<b>1,323,900,552</b>	<b>4,415,314,210</b>	<b>70/4%</b>
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	64,230,000	123,921,735	36/0%
Ongoing capital increase	16,794,526	44,065,357	1/7%
Legal reserve	3,687,935	9,676,377	106/1%
The Effects of Transactions with Non-Controlling Interests	7,345,966	19,274,030	-0/2%
Retained earnings	14,931,818	39,177,997	417/6%
<b>Equity attributable to Shell plc shareholders</b>	<b>89,990,145</b>	<b>236,115,496</b>	<b>92/8%</b>
Non-controlling interests	8,522,426	22,361,080	90/0%
	<b>98,512,571</b>	<b>258,476,576</b>	<b>92/6%</b>
<b>Non-current liabilities</b>			
Trade payables and other liabilities	2,111,106	5,539,105	883/7%
Income taxes payable	337,346,751	885,127,982	63/0%
Dividends Payable	1,418,543	3,721,963	118/9%
Short-term bank facilities	340,876,400	894,389,049	68/3%
Reserves	369,818,027	970,325,882	26/0%
Advance payment	16,094,352	42,228,245	-9/5%
	655,101	1,718,849	-87/4%
	460,702,444	1,208,787,763	106/3%
	11,560,324	30,331,895	-33/0%
	25,681,333	67,382,497	107/5%
	<b>884,511,581</b>	<b>2,320,775,132</b>	<b>68/7%</b>
	<b>1,225,387,981</b>	<b>3,215,164,181</b>	<b>68/6%</b>
	<b>1,323,900,552</b>	<b>4,415,314,210</b>	<b>70/4%</b>

Standalone balance sheet

\* The IRR amounts have been converted based on the monthly average exchange rate of the ETS system. This rate was equivalent to 381,128 Rials per USD in 2024 and 510,869 Rials per USD in 2025.

	IRR		USD*		Growth rate (Percentage-Based on IRR)
	19 March 2024 (Million IRR)	19 March 2025 (Million IRR)	19 March 2024 (USD)	19 March 2025 (USD)	
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	46,777,768	49,844,612	122,735,172	97,568,277	6/6%
Intangible assets	112,745	229,381	295,820	449,002	103/5%
Investments	37,024,523	69,330,947	97,144,677	135,711,781	87/3%
Other assets	3,407,073	3,977,642	8,939,454	7,786,031	16/7%
	<b>87,322,109</b>	<b>123,382,582</b>	<b>229,115,122</b>	<b>241,515,090</b>	<b>41/3%</b>
<b>Current assets</b>					
Prepayments	847,142	9,424,929	2,222,725	18,448,816	1012/6%
Inventories	5,408	76	14,189	149	-98/6%
Trade and other receivables	113,211,390	242,001,898	297,043,232	473,706,331	113/8%
Short-term investments	996,936	2,561,128	2,615,754	5,013,277	156/9%
Cash and cash equivalents	1,346,005	3,143,160	3,531,638	6,152,575	133/5%
	<b>116,406,881</b>	<b>257,131,191</b>	<b>305,427,538</b>	<b>503,321,148</b>	<b>120/9%</b>
	<b>203,728,990</b>	<b>380,513,773</b>	<b>534,542,660</b>	<b>744,836,239</b>	<b>86/8%</b>
<b>Total assets</b>					
<b>Equity and liabilities</b>					
<b>Shareholders' equity</b>					
Share capital	47,230,000	64,230,000	123,921,735	125,726,938	36/0%
Ongoing capital increase	16,794,526	17,074,091	44,065,357	33,421,659	1/7%
Legal reserve	2,713,038	6,352,025	7,118,450	12,433,764	134/1%
Retained earnings	37,213,267	96,354,015	97,639,903	188,608,054	158/9%
	<b>103,950,831</b>	<b>184,010,131</b>	<b>272,745,444</b>	<b>360,190,415</b>	<b>77/0%</b>
<b>Non-current liabilities</b>					
Long-term bank facilities	24,502,042	3,710,807	64,288,282	7,263,715	-84/9%
Post-employment benefits	256,570	639,022	673,187	1,250,853	149/1%
	<b>24,758,612</b>	<b>4,349,829</b>	<b>64,961,468</b>	<b>8,514,568</b>	<b>-82/4%</b>
<b>Current liabilities</b>					
Trade payables and other liabilities	39,814,617	79,547,887	104,465,306	155,710,918	99/8%
Income taxes payable	188,506	151	494,601	296	-99/9%
Short-term bank facilities	28,464,379	79,437,505	74,684,633	155,494,851	179/1%
Advance payment	6,552,045	33,168,270	17,191,209	64,925,191	406/2%
	<b>75,019,547</b>	<b>192,153,813</b>	<b>196,835,748</b>	<b>376,131,256</b>	<b>156/1%</b>
	<b>99,778,159</b>	<b>196,503,642</b>	<b>261,797,217</b>	<b>384,645,824</b>	<b>96/9%</b>
<b>Total liabilities</b>					
<b>Total equity and liabilities</b>	<b>203,728,990</b>	<b>380,513,773</b>	<b>534,542,660</b>	<b>744,836,239</b>	<b>86/8%</b>





## PEDC Annual Report – Glossary of Terms and Abbreviations with Report Sections

Term / Abbreviation	Full Form / Definition	Section / Related Part of Report
PEDC	Pasargad Energy Development Company	Contents
E&P	Exploration & Production	Section 1— PEDC Group Highlights
NIOC	National Iranian Oil Company	Section 1— PEDC Group Highlights
BPD	Barrels Per Day	Section 1— PEDC Group Highlights
MTA	Million Tons per Annum	Section 1— PEDC Group Highlights
MW	Mega Watt	Section 1— PEDC Group Highlights
WRFM	Well, Reservoir, and Facility Management	Section 1— PEDC Group Highlights
IPCM	Intelligent Powerplant Condition Monitoring	Section 1— PEDC Group Highlights
LHC	Light Hydrocarbon Cut	Section 1— PEDC Group Highlights
BOC	Basra Oil Company	Section 1— International Qualifications and Licenses
SCOP	State Company for Oil Projects	Section 1— International Qualifications and Licenses
EPC/EPD	Engineering, Procurement, and Construction / Engineering, Procurement and Drilling	Section 2— Company Profile and Strategy
IFB	Iran Fara Bourse	Section 2— Company Profile and Strategy
BOT	Build–Operate–Transfer	Section 2— Timeline
EFQM	European Foundation for Quality Management	Section 2— Corporate Governance Framework
IPC	Iranian Petroleum Contract	Section 2— Our Strength
RPN	Risk Priority Number	Section 2— Risk Management
EMV	Expected Monetary Value	Section 2— Risk Management

IoT	Internet of Things	Section 2— Technology and Innovation
ZLD	Zero Liquid Discharge	Section 2— Sustainable Development Approach of PEDC
GHG	Greenhouse Gas Emissions	Section 2— Sustainable Development Approach of PEDC
EIA	Environmental Impact Assessments	Section 2— Sustainable Development Approach of PEDC
HSE	Health, Safety, and Environment	Section 2— Sustainable Development Approach of PEDC
UN SDGs	United Nations Sustainable Development Goals	Section 2— Sustainable Development Approach of PEDC
CSR	Corporate Social Responsibility	Section 2— Corporate Social Responsibility
DOF	Digital Oil Field	Section 3— Upstream Oil and Gas
CAPEX	Capital Expenditure	Section 3— Upstream Oil and Gas
OPEX	Operational Expenditure	Section 3— Upstream Oil and Gas
STOIPP	Stock Tank Oil Initially in Place	Section 3— Upstream Oil and Gas
IOR / EOR	Improved / Enhanced Oil Recovery	Section 3— Upstream Oil and Gas
FTP	First Target Production	Section 3— Upstream Oil and Gas
SRP	Sucker Rod Pump	Section 3— Upstream Oil and Gas
HPHT	High-Pressure, High-Temperature	Section 3— Upstream Oil and Gas
MOS	Mobile Oil Separator	Section 3— Upstream Oil and Gas
LWD	Logging While Drilling	Section 3— Upstream Oil and Gas
MWD	Measurement While Drilling	Section 3— Upstream Oil and Gas
RSS	Rotary Steerable System	Section 3— Upstream Oil and Gas
VLSFO	Very Low Sulphur Fuel Oil	Section 3— Downstream Oil and Gas
MGO	Marine gas oil	Section 3— Downstream Oil and Gas
LPG	liquid petroleum gas	Section 3— Downstream Oil and Gas
MTO	Methanol-to-Olefins	Section 3— Downstream Oil and Gas
EPDM	Ethylene Propylene Diene Monomer	Section 3— Downstream Oil and Gas
HDPE Pipes	High-Density Polyethylene Pipe	Section 3— Downstream Oil and Gas
IGAT	Iran Gas Trunk-line	Section 3— Downstream Oil and Gas
PCS	Pressure Control Stations	Section 3— Downstream Oil and Gas
DWT	Deadweight Tonnage	Section 3— Downstream Oil and Gas
PV	Photovoltaics	Section 3— Renewable Energy

O&M	Operation & Maintenance	Section 3— Renewable Energy
DG	Distributed Generation	Section 3— Power & Utility
HRSG	Heat Recovery Steam Generator	Section 3— Power & Utility
MED	Multi-Effect Desalination	Section 3— Power & Utility
IPO	Initial Public Offering	Section 4— Financial Statement
Sukuk (Salaf)	Islamic bonds based on future receivables	Section 4— Financial Statement
BI	Business Intelligence	Section 4— Financial Statement
CODAL	Corporate Disclosure System (Iran)	Section 4— Financial Statement



Communications, Brand  
& CSR Management

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