

گزارش حسابرس مستقل و بازرس

شرکت پترو پارس (با مسئولیت محدود)

به انضمام صورتهای مالی تلفیقی و جداگانه

سال مالی منتهی به ۳۱ دسامبر ۲۰۲۴

سازمان حسابرسی

شرکت پترو پارس (با مسئولیت محدود)

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	(۱) الی (۵۰)

سازمان حسابرسی



وزارت امور اقتصادی و دارائی سازمان حسابرسی

گزارش حسابرس مستقل و بازرس به مجمع عمومی عادی صاحبان سرمایه شرکت پترو پارس (با مسئولیت محدود)

گزارش حسابرسی صورت‌های مالی اظهار نظر مشروط

۱- صورتهای مالی تلفیقی و جداگانه شرکت پترو پارس (با مسئولیت محدود) شامل صورتهای وضعیت مالی به تاریخ ۳۱ دسامبر ۲۰۲۴ و صورتهای سود و زیان، سود و زیان جامع، تغییرات در حقوق مالکانه و جریان‌های نقدی برای سال مالی منتهی به تاریخ مزبور، و یادداشت‌های توضیحی ۱ تا ۳۷، توسط این سازمان، حسابرسی شده است.

به نظر این سازمان، به استثنای آثار مورد مندرج در بند ۲ بخش مبانی اظهارنظر مشروط، صورتهای مالی یاد شده، وضعیت مالی گروه و شرکت در تاریخ ۳۱ دسامبر ۲۰۲۴ و عملکرد مالی و جریان‌های نقدی گروه و شرکت را برای سال مالی منتهی به تاریخ مزبور، از تمام جنبه‌های بااهمیت، طبق استانداردهای بین‌المللی گزارشگری مالی (IFRS)، به نحو منصفانه نشان می‌دهد.

مبانی اظهار نظر مشروط

۲- به شرح یادداشت توضیحی ۷، مستندات مربوط به مبانی محاسبه درآمد پیمان‌های مرتبط با پروژه‌های فراورش آزادگان جنوبی، پتروشیمی دهدشت و طرح فاز ۱۹ پارس جنوبی که توسط شرکت پترو پارس ایران (شرکت فرعی) اجرا می‌شود جمعاً به مبلغ ۱۵۸ میلیون دلار به این سازمان ارایه نشده است. آثار احتمالی ناشی از ارائه مستندات فوق که بر صورت‌های مالی گروه ضرورت می‌یافت در شرایط حاضر برای این سازمان مشخص نمی‌باشد.

۳- حسابرسی این سازمان طبق استانداردهای بین‌المللی حسابرسی (ISA) انجام شده است. مسئولیت‌های سازمان طبق این استانداردها در بخش مسئولیت‌های حسابرس و بازرس برای حسابرسی صورتهای مالی توصیف شده است. این سازمان طبق الزامات آیین رفتار حرفه‌ای حسابداران و الزامات اخلاقی مربوط به حسابرسی صورتهای مالی، مستقل از شرکت است و سایر مسئولیت‌های اخلاقی را طبق این الزامات و آیین رفتار حرفه‌ای انجام داده است.

گزارش حسابرسی مستقل و بازرسی (ادامه)

شرکت پترو پارس (با مسئولیت محدود)

این سازمان اعتقاد دارد که شواهد حسابرسی گردآوری شده به عنوان مبنای اظهارنظر مشروط، کافی و مناسب است.

تاکید بر مطلب خاص

۴- مطالبات از شرکت ملی نفت ایران بابت فاز ۱۲ پارس جنوبی

به شرح یادداشت توضیحی ۲۰، مطالبات از شرکت ملی نفت ایران به مبلغ ۱۱۲۱۱ میلیون دلار بابت اجرای پروژه فاز ۱۲ پارس جنوبی بوده که علیرغم بهره برداری از پروژه مذکور در سال ۲۰۱۴ تاکنون به حیطه وصول در نیامده و از این بابت مبلغ ۳۰۱۷ میلیون دلار کاهش ارزش در حسابها منظور شده است و تسویه حساب نهایی مطالبات مذکور منوط به توافق نهایی فیما بین شرکت ملی نفت ایران، شرکت نفت و گاز پارس و شرکت مورد گزارش میباشد. مفاد این بند، تاثیری بر اظهار نظر این سازمان نداشته است.

۵- پوشش بیمه ای موجودی مواد و کالا

به شرح یادداشت توضیحی ۱-۱۹، موجودی های مواد و کالا در پایان سال مورد گزارش به بهای تمام شده ۳۸ میلیون دلار تحت پوشش بیمه ای قرار نگرفته است. مفاد این بند، تاثیری بر اظهار نظر این سازمان نداشته است.

۶- پیش پرداخت مالیات

به شرح یادداشت توضیحی ۲۵، پیش پرداخت ها شامل مبلغ ۱/۷ میلیون دلار وجوه پرداختی بابت مالیات عملکرد (یک دوازدهم قانون بودجه سنوات گذشته) می باشد که با توجه به زیان ده بودن نتیجه عملیات شرکت در سنوات قبل، تا تاریخ این گزارش تعیین تکلیف نگردیده است. مفاد این بند، تاثیری بر اظهار نظر این سازمان نداشته است.

۷- زیان انباشته پروژه های در دست اجرا

توجه مجمع عمومی صاحبان سهام را به یادداشت توضیحی ۲۰ بابت زیان ذهی عملیات پروژه های توسعه آزادگان جنوبی MC، آزادگان CTEP، فاز ۱ پارس جنوبی و سایر پروژه ها جمعاً به مبلغ ۱۶ میلیون دلار تا پایان سال مالی ۲۰۲۴ که عمدتاً ناشی از جرایم مورد مطالبه سازمان تامین اجتماعی، هزینه های مالی مربوط و همچنین پرداخت های مازاد بر عملکرد به پیمانکاران است. مفاد این بند، تاثیری بر اظهار نظر این سازمان نداشته است.

مسئولیت هیئت مدیره در قبال صورت های مالی

۸- مسئولیت تهیه و ارایه صحیح و منصفانه صورت های مالی تلفیقی و جداگانه طبق استاندارد های بین المللی گزارشگری مالی (IFRS) با مدیریت شرکت است. این مسئولیت همچنین شامل اعمال کنترل های داخلی مربوط به تهیه صورت های مالی است به گونه ای که این صورت ها عاری از تحریف با اهمیت ناشی از تقلب یا اشتباه باشد. در تهیه صورت های مالی تلفیقی و جداگانه، مدیریت مسئول ارزیابی توانایی شرکت به تداوم فعالیت، افشاء موضوعات مرتبط با تداوم فعالیت (حسب مورد) و استفاده از مبنای حسابداری تداوم فعالیت است مگر اینکه مدیریت قصد انحلال شرکت یا توقف عملیات را داشته باشد، یا راهکار واقع بینانه دیگری وجود نداشته باشد.

مسئولیت حسابرس و بازرس برای حسابرسی صورت های مالی

۹- اهداف این سازمان عبارت است از کسب اطمینان معقول درباره اینکه آیا صورت های مالی عاری از تحریف با اهمیت ناشی از تقلب یا اشتباه است یا خیر و انتشار گزارش حسابرسی شامل اظهار نظر این سازمان می باشد. اطمینان معقول، سطح بالایی از اطمینان است، اما تضمین نمی کند که حسابرسی انجام شده طبق استانداردهای بین المللی حسابرسی (ISA) همیشه تحریف با اهمیت را در صورت وجود کشف کند. تحریف میتواند از تقلب یا اشتباه ناشی شود و زمانی با اهمیت تلقی می شود که به طور منطقی انتظار رود به تنهایی یا در مجموع بتواند بر تصمیمات اقتصادی استفاده کنندگان که بر مبنای صورت های مالی اتخاذ می شود، اثر بگذارد.

حسابرسی شامل اجرای روشهایی برای کسب شواهد حسابرسی درباره مبالغ و دیگر اطلاعات افشا شده در صورت های مالی است. انتخاب روشهای حسابرسی، به قضاوت حسابرس، از جمله ارزیابی خطرهای تحریف با اهمیت ناشی از تقلب یا اشتباه در صورت های مالی، بستگی دارد. برای ارزیابی این خطرهای، کنترل های داخلی مربوط به تهیه و ارائه صورت های مالی به منظور طراحی روشهای حسابرسی مناسب شرایط موجود، و نه به قصد اظهار نظر نسبت به اثربخشی کنترل های داخلی واحد تجاری، بررسی می شود. حسابرسی همچنین شامل ارزیابی مناسب بودن رویه های حسابداری استفاده شده و معقول بودن برآوردهای حسابداری انجام شده توسط هیئت مدیره و نیز ارزیابی کلیت ارائه صورتهای مالی است.

همچنین این سازمان به عنوان بازرس مسئولیت دارد موارد عدم رعایت الزامات مقرر در نامه ارسالی مجمع عمومی صاحبان سرمایه را گزارش کند.

گزارش حسابرسی مستقل و بازرسی (ادامه)

شرکت پتروپارس (با مسئولیت محدود)

گزارش در مورد وظایف بازرسی

۱۰- با توجه به مقایسه اقلام بودجه مصوب با مبالغ واقعی تحقق یافته، عملکرد سال مورد گزارش با بودجه مصوب در بیشتر موارد دارای مغایرت بوده که در این خصوص، توجیه علل انحرافات به این سازمان ارائه نگردیده است.

۱۱- مفاد ماده ۴۸ آیین نامه معاملات مبنی بر تهیه فهرستی از اشخاص یا موسسات طرف معامله شرکت که به تصویب کمیسیون معاملات رسیده باشد و بررسی پیشنهاد پیمانکاران و فروشندگان که صلاحیت آنها به ترتیب مذکور محرز شده باشد توسط شرکت رعایت نگردیده است.

۱۲- احکام و مقررات مرتبط با حقوق و دستمزد در خصوص سقف خالص پرداختی متوسط ماهانه از محل حقوق و مزایای مستمر و غیر مستمر و سایر پرداختی ها از هر محل، به طور کامل رعایت نشده است.

۱۳- تاییدیه دریافتی از واحد حقوقی شرکت حاکی از وجود تعدادی دعوی حقوقی له و علیه شرکت و همچنین مواردی به شرح زیر می باشد که توجه مجمع عمومی صاحبان سهام را به آن جلب می نماید:

۱۳-۱- دعوی تعدادی از پرسنل سابق علیه شرکت در خصوص حقوق و مزایا و همچنین عدم رعایت نظام ارزیابی مشاغل و ماده ۴۹ قانون کار.

۱۳-۲- پیگیری وصول مطالبات از شرکت ملی نفت ایران در خصوص تملک دکل مورد اجاره از شرکت ایزو.

۱۳-۳- علیرغم اینکه دعاوی مطروحه شرکت پترونیال کیش علیه شرکت پتروپارس در محاکم قضایی به نفع شرکت پتروپارس مختومه گردیده، اداره امور مالیاتی شمال تهران در راستای وصول بدهی مالیاتی شرکت نفتانیر (از شرکت های گروه پترونیال کیش)، اقدام به توقیف ۵۰۰۰ میلیارد ریال از وجوه شرکت پتروپارس نزد بانک تجارت نموده و اقدامات شرکت جهت استرداد وجوه مذکور تاکنون نتیجه ای نداشته است.

۱۴- مفاد مواد ۵۸ (بند های ۱ و ۴) مجموعه مقررات استخدامی و اداری و ۱۳-۵ آیین نامه حقوق و مزایا و مقررات کار در مناطق عملیاتی شرکت مبنی بر پیشنهاد و تصویب مجمع عمومی در خصوص آیین نامه های ترفیع و آموزش کارکنان رعایت نشده است.

گزارش حسابرسی مستقل و بازرسی (ادامه)

شرکت پترو پارس (با مسئولیت محدود)

۱۵- مصوبات هیئت مدیره جهت کنترل انطباق آنها با مصوبات مجمع عمومی صاحبان سرمایه و اساسنامه شرکت مورد بررسی قرار گرفته و موردی حاکی از عدم انطباق مشاهده نگردیده است.

۱۶- صورت ریز درآمد ها و هزینه های سال مورد گزارش به همراه توجیه نوسانات عمده نسبت به اقلام مقایسه ای، مورد بررسی این سازمان قرار گرفته است. بر اساس رسیدگی های انجام شده، نظر این سازمان به موارد با اهمیتی حاکی از نوسانات عمده توجیه نشده، جلب نگردیده است.

۱۷- سرمایه شرکت از ابتدای تاسیس مبلغ ۳۰ میلیون دلار آمریکا بوده و متناسب با فعالیت شرکت در سال های اخیر افزایش نیافته است. لازم به ذکر است عمده درآمدها ناشی از اجرای پروژه های فازهای ۱۲ و ۱۹ پارس جنوبی بوده و هزینه های شرکت از جمله هزینه های تامین مالی پروژه ها توسط شرکت اصلی بیش از هزینه های مالی پیش بینی شده در قراردادهای بیع متقابل بوده که این امر باعث زیان ده شدن پروژه ها شده به نحوی که نتیجه عملیات شرکت منجر به زیان (سال مورد گزارش مبلغ ۳۸۴ میلیون دلار) شده و با توجه به هزینه های تامین مالی، زیان انباشته شرکت در پایان سال مالی مورد گزارش به مبلغ ۳۳۲۵ میلیون دلار (سال مالی قبل ۲۹۴۱ میلیون دلار) بالغ گردیده است. علاوه بر این مانده تسهیلات دریافتی از شرکت نفتیران اینترترید (شرکت مادر) در پایان سال های ۲۰۲۳ و ۲۰۲۴ به ترتیب به مبالغ ۱۱۷۷۸ و ۱۲۳۱۷ میلیون دلار بالغ گردیده است. همچنین شرکت های زیر مجموعه دارای وابستگی عملیاتی و مالی به شرکت اصلی بوده و فاقد فعالیت های عملیاتی قابل توجه خارج از گروه می باشند. علاوه بر این برخی از شرکت های گروه از جمله پتروپارس ونزوئلا، پترو پارس UK، Venirog و KUASA فاقد فعالیت بوده است. با عنایت به مطالب فوق انجام فعالیت های پیش بینی شده در اساسنامه، بهبود ساختار سرمایه شرکت، اصلاح ساختار کلان گروه پترو پارس، خاتمه پروژه های در دست اجرا، تداوم فعالیت شرکت و تسویه بدهی ها، منوط به وصول به موقع مطالبات از کارفرمایان، توسعه بازارهای جدید توسط شرکت های زیر مجموعه، مستقل از شرکت اصلی و حمایت مالی توسط صاحبان سرمایه شرکت اصلی ضروری است.

گزارش حسابرس مستقل و بازرس (ادامه)

شرکت پتروپارس (با مسئولیت محدود)

۱۸- با توجه به اینکه شرکت مورد گزارش در خارج از ایران به ثبت رسیده لذا از قوانین و مقررات کشور محل ثبت تبعیت می نماید. ضمناً درآمد های شرکت به حساب موجود نزد خزانه داری کل کشور واریز نمی گردد.

۲ اردیبهشت ۱۴۰۵



سازمان حسابرسی

Petropars Limited

The directors present their report and the audited financial statements of Petropars Limited (the "Company") for the year ended on 31 December 2024.

Board of Directors

H. R. Saghafi
A. R. Sadeghi Abdollahi
M. R. Mesbah
J. Seyedi
A. Salehnia

Auditors

Audit Organization
No. 7
Shahid Ahmadian Street
Shahid Ahmad Ghasir Street
Argentina Square
P O Box 1513836511
Tehran, Iran

Registered office

Suite 4
Henville Building
P O Box 177
Main Street
Charlestown
Island of Nevis

Principal activities and future developments

The Company's principal activity during the year was to manage the construction of certain oil and gas projects. There was no significant change in the nature of the activities of the Company during the year ended on 31 December 2024.

Review of business and future

The financial position and performance of the Company for the year ended on 31 December 2024 are shown in the financial statements.

Directors' interests

No director had any beneficial interest in the shares of the Company at any time during the year ended on 31 December 2024.

Statement of director's responsibilities

The directors are required to prepare financial statements for each fiscal year that give a true and fair view of the state of affairs of the Company as at the end of fiscal year and of the profit or loss of the Company for that year. The directors are required to prepare financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue as a going concern.

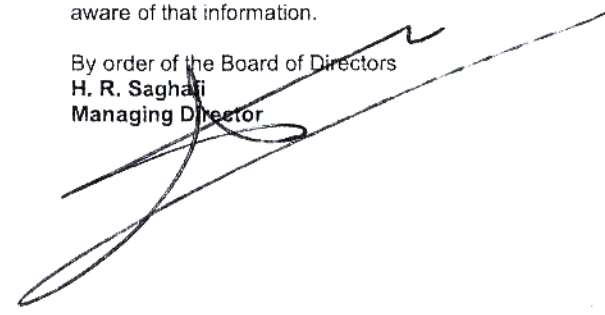
The directors confirm that suitable accounting policies have been used and applied consistently as explained under the summary of significant accounting policies sections. They also confirm that reasonable and prudent judgments and estimates have been made in the preparation of the financial statements.

The directors are responsible for keeping proper accounting records that are disclosed with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to ensure the prevention and early detection of fraud and other irregularities.

Auditors

The directors who held office at the date of approval of this report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken steps that he ought to have taken as a director to make himself aware of any relevant audit information and to ensure that the Company's auditors are aware of that information.

By order of the Board of Directors
H. R. Saghafi
Managing Director



Petropars Limited

Consolidated statement of income 31 December 2024

	Notes	2024 USD,000	Revised 2023 USD,000
Revenue	<u>7</u>	535,223	410,866
Cost of sales	<u>8</u>	(606,160)	(498,870)
Gross profit / (loss)		<u>(70,937)</u>	<u>(88,004)</u>
Administrative expenses	<u>9</u>	(8,179)	(21,864)
Other operating income / (expenses)	<u>10</u>	9,117	(151)
Expected credit losses	<u>11</u>	(695,987)	(130,486)
Operating loss		<u>(765,986)</u>	<u>(240,505)</u>
Finance income	<u>12</u>	710,387	604,911
Finance expenses	<u>12</u>	(1,077,881)	(938,359)
Net foreign exchange gains / (losses)	<u>12</u>	671,250	(349,983)
Other non-operating income / (expenses)	<u>13</u>	(18,257)	(6,596)
Loss before income tax		<u>(480,487)</u>	<u>(930,532)</u>
Income tax	<u>14</u>	(106)	(2,478)
Net loss		<u><u>(480,593)</u></u>	<u><u>(933,010)</u></u>
Attributable to:			
- Equity holders of the parent		(470,158)	(927,209)
- Non-controlling interests		(10,435)	(5,801)

The accompanying notes are an integral part of these financial statements.

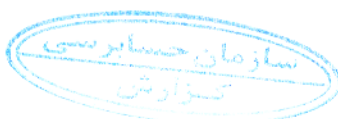


Petropars Limited

Consolidated statement of comprehensive income 31 December 2024

	2024 USD,000	Revised 2023 USD,000
Net loss	(480,593)	(933,010)
Other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	66,937	206,113
Total other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods	(413,656)	(726,897)
Total comprehensive loss	<u>(413,656)</u>	<u>(726,897)</u>
Attributable to:		
- Equity holder of the parent	(403,221)	(721,096)
- Non-controlling interests	(10,435)	(5,801)

The accompanying notes are an integral part of these financial statements.



Petropars Limited

Consolidated statement of financial position 31 December 2024

	Notes	2024 USD,000	Revised 2023 USD,000	Revised 2022 USD,000
Assets				
Non-current assets				
Property, plant and equipment	15	15,949	11,685	7,209
Intangible assets	16	55	72	90
Investments in associates	17	45	41	51
Long-term Investment	18	11,324	11,324	11,324
Amounts due from customers for contract work	20	8,194,794	8,194,794	7,999,341
Trade and other receivables	22	219,386	219,766	219,767
Other financial assets	23	10,062	25,031	22,463
Total non-current assets		8,451,615	8,462,713	8,260,245
Current assets				
Inventories	19	43,063	65,466	77,954
Construction work in progress	21	402,817	310,048	193,507
Amounts due from customers for contract work	20	222,834	267,132	258,848
Trade and other receivables	22	352,260	334,354	187,168
Prepayments	25	211,423	167,286	191,330
Cash and cash equivalents	24	264,044	144,793	305,415
Total current assets		1,496,441	1,289,079	1,214,222
Total assets		9,948,056	9,751,792	9,474,467
Shareholders' equity and liabilities				
Shareholder's equity				
Share capital	26	30,000	30,000	30,000
Currency translation reserves		83,363	16,426	(189,687)
Accumulated losses		(3,500,811)	(3,030,653)	(2,103,444)
Equity attributable to the equity holder of the parent		(3,378,448)	(2,984,227)	(2,263,131)
Non-controlling interest	27	2,578	13,013	18,814
Total shareholder's equity		(3,384,870)	(2,971,214)	(2,244,317)
Non-current liabilities				
Borrowings	29	12,316,975	11,778,203	10,693,320
Trade and other payables	28	54	90	123
Provisions	30	2,992	3,176	2,901
Total non-current liabilities		12,320,021	11,781,469	10,696,344
Current liabilities				
Trade and other payables	28	558,013	622,279	694,739
Amounts due to customers for contract work	20	254,299	217,237	244,723
Provisions	30	200,593	102,021	82,978
Total current liabilities		1,012,905	941,537	1,022,442
Total shareholder's equity and liabilities		9,948,056	9,751,792	9,474,467

Board of Directors

The accompanying notes are an integral part of these financial statements.



Petropars Limited

Consolidated statement of changes in equity 31 December 2024

	Equity attributable to the equity holder of the parent					Non-controlling interests	Total shareholders' equity
	Share capital	Currency translation reserves	Retained earnings	Total			
	USD,000	USD,000	USD,000	USD,000	USD,000	USD,000	USD,000
Balance at 31 December 2022	30,000	(189,687)	(2,103,444)	(2,263,131)	18,814		(2,244,317)
Net loss	-	-	(927,209)	(927,209)	(5,801)	-	(933,010)
Dividend Declared	-	-	-	-	-	-	-
Other comprehensive income	-	206,113	-	206,113	-	206,113	206,113
Total comprehensive loss for the year	-	206,113	(927,209)	(721,096)	(5,801)		(726,897)
Balance at 31 December 2023	30,000	16,426	(3,030,653)	(2,984,227)	13,013		(2,971,214)
Net loss	-	-	(470,158)	(470,158)	(10,435)	-	(480,593)
Dividend Declared	-	-	-	-	-	-	-
Other comprehensive income	-	66,937	-	66,937	-	66,937	66,937
Total comprehensive loss for the year	-	66,937	(470,158)	(403,221)	(10,435)		(413,656)
Balance at 31 December 2024	30,000	83,363	(3,500,811)	(3,378,448)	2,578		(3,384,870)

The accompanying notes are an integral part of these financial statements.



The accompanying notes are an integral part of these financial statements.

Petropars Limited

Statement of income 31 December 2024

	Notes	2024 USD'000	Revised 2023 USD'000
Revenue	<u>7</u>	363,654	236,124
Cost of sales	<u>8</u>	(329,625)	(216,852)
Gross profit		<u>34,028</u>	<u>19,272</u>
Administrative expenses	<u>9</u>	(1,039)	(3,333)
Other operating income (Expense)	<u>10</u>	9,147	(254)
Impairment credit loss	<u>11</u>	(696,914)	(130,486)
Operating profit (loss)		<u>(654,778)</u>	<u>(114,801)</u>
Finance income	<u>12</u>	676,353	597,161
Finance expense	<u>12</u>	(1,058,200)	(938,359)
Foreign exchange gains (losses)	<u>12</u>	670,255	(364,626)
Other non-operating income	<u>13</u>	(18,256)	(6,595)
Loss before taxation		<u>(384,626)</u>	<u>(827,220)</u>
Income tax	<u>14</u>	-	-
Net (loss)		<u>(384,626)</u>	<u>(827,220)</u>

The financial statements do not include a statement of comprehensive income as there were no components of other comprehensive income during the years ended on 31 December 2024 and 2023.

The accompanying notes are an integral part of these financial statements



Petropars Limited

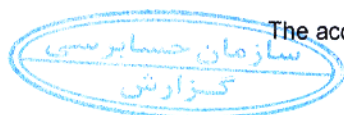
Statement of financial position 31 December 2024

	Notes	2024 USD'000	Revised 2023 USD'000
Assets			
Non-current assets			
Property, plant and equipment	<u>15</u>	7,398	834
Intangible assets	<u>16</u>	29	29
Investments in associates	<u>17</u>	40	40
Investments in subsidiaries	<u>18</u>	19,823	19,823
Long-term Investment	<u>18</u>	11,324	11,324
Amounts due from customers for contract work	<u>20</u>	8,194,794	8,194,794
Trade and other receivables	<u>22</u>	219,386	219,767
Other financial assets	<u>23</u>	9,848	24,807
Total non-current assets		<u>8,462,642</u>	<u>8,471,418</u>
Current assets			
Inventories	<u>19</u>	29,555	48,465
Construction work in progress	<u>21</u>	402,817	310,048
Amounts due from customers for contract work	<u>20</u>	222,835	279,132
Trade and other receivables	<u>22</u>	121,868	173,948
Prepayments	<u>25</u>	159,472	123,845
Cash and cash equivalents	<u>24</u>	207,921	116,187
Total current assets		<u>1,144,466</u>	<u>1,051,625</u>
Total assets		<u>9,607,106</u>	<u>9,523,043</u>
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	<u>26</u>	30,000	30,000
Retained earnings		(3,325,988)	(2,941,362)
Total shareholder's equity		<u>(3,295,988)</u>	<u>(2,911,362)</u>
Noncurrent liabilities			
Borrowings	<u>29</u>	12,316,975	11,778,203
Total non-current liabilities		<u>12,316,975</u>	<u>11,778,203</u>
Current liabilities			
Trade and other payables	<u>28</u>	341,546	491,150
Amounts due from customers for contract work	<u>20</u>	89,661	79,736
Provisions	<u>30</u>	154,911	85,315
Total current liabilities		<u>586,118</u>	<u>656,201</u>
Total shareholder's equity and liabilities		<u>9,607,106</u>	<u>9,523,043</u>

These financial statements were approved by the Board of Directors and signed on behalf of:

Director

Board of Directors



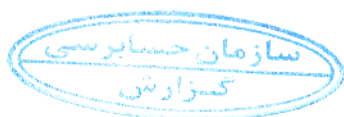
The accompanying notes are an integral part of these financial statements.

Petropars Limited

Statement of changes in equity 31 December 2024

	<i>Share Capital</i>	<i>Accumulated losses</i>	<i>Total Equity</i>
	<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>
Balance at 31 December 2022	30,000	(2,114,142)	(2,084,142)
Net loss	-	(827,220)	(827,220)
Balance at 31 December 20223	30,000	(2,941,362)	(2,911,362)
Net loss	-	(384,626)	(384,626)
Balance at 31 December 2024	30,000	(3,325,988)	(3,295,988)

The accompanying notes are an integral part of these financial statements.



Petropars Limited

Statement of cash flow

31 December 2024

	Notes	2024 USD'000	2023 USD'000
Operating activities			
Loss for the year		(384,626)	(827,220)
Non-cash adjustments:			
- Depreciation	15	407	142
- Amortization	16	-	-
- Provision for doubtful debts and write-off of receivables	10	-	-
- Expected credit losses	11	696,914	130,486
- Write-off of inventories	10	(9,147)	254
- Gain on sale of inventories	13	(19,252)	6,595
- Foreign currency exchange differences	12	(755,377)	364,626
- Dividend income	13	-	-
- Finance income	12	(676,353)	(597,161)
- Finance expense	12	1,058,200	938,359
Changes in working capital:			
- Decrease in inventories	19	18,910	19,686
- Decrease in construction work in progress	21	(92,769)	187,424
- Decrease / (Increase) in amounts due from customers for contract work	20	(611,200)	(161,018)
- Increase in trade and other receivables	22	53,754	(58,449)
- Increase in prepayments	25	(37,207)	(26,901)
- Decrease in other financial assets	23	7,347	(4,697)
- Decrease in trade and other payables	28	(100,600)	(63,831)
- (Decrease) / Increase in amounts due to customers from contract work	20	9,925	27,672
- increase in provisions and other liabilities	30	69,840	2,336
Net cash flows from operating activities		(732,730)	(61,697)
Investing activities			
Purchase of property, plant and equipment	15	(6,971)	(122)
Disposal of property, plant and equipment	15	-	-
Purchase of intangible assets	16	-	-
Finance Income	12	676,353	17,062
Dividend income	13	-	-
Net cash flows from investing activities		669,382	16,940
Financing activities			
Proceeds / (Repayments) of borrowings		155,082	(211,254)
Finance expense		-	-
Net cash flows from / (used in) from financing activities		155,082	(211,254)
Net increase / (decrease) in cash and cash equivalents		91,734	(94,232)
Cash and cash equivalents at the beginning of year		116,187	210,419
Cash and cash equivalents at the end of year		207,921	116,187

The accompanying notes are an integral part of these financial statements.



Petropars Limited

Notes to the financial statement 31 December 2024

Corporate information

Consolidated financial statements of the group and financial statements of Petropars limited for the year ended on 31 December 2024 are authorised for issue by the directors.

Consolidated financial statements of the group and financial statements of Petropars limited (the "Company") have been prepared in accordance with international financial reporting standards by the board of directors at 28 December 2024 the company is a limited company incorporated in British Virgin Islands. The Company transferred its domicile to the Island of Nevis in Suite 4, Henville Building, P O Box 177, Main Street Charlestown, on 22 February 2013. The registered office address is No. 33 Farhang Blvd., Saadat Abad, Tehran, 1997743881, Iran.

The group includes Petropars limited company and its subsidiaries.

The Company's principal activity is to act as the main contractor for the development of oil and gas projects in Iran.

The Company is the wholly owned subsidiary of Naftiran Intertrade Company (NICO) Limited. The Company's ultimate parent is National Iranian Oil Company.

1. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis.

These are the separate financial statements of the Company. The consolidated financial statements of the Company and its subsidiaries are prepared as a separate set of financial statements.

The financial statements are presented in United States of America dollars ("USD") and all values are rounded to the nearest thousand ("USD 000"), except when otherwise indicated.

2. Going concern

The Company incurred a net loss of USD 827 million during the year ended on 31 December 2024 (2023: net loss of USD 827 million) and, at 31 December 2024, total shareholder's equity was negative USD 3,001 million (2023: negative USD 3,001 million). This situation has mainly arisen from project overruns due to sanctions, other operational factors, additional financing costs due to adverse movement in foreign exchange rates and the additional time that is estimated to be required to recover the costs of the projects. The Company's management is negotiating with National Iranian Oil Company (ultimate parent) in attempt to recover at least a portion of these additional costs. However, no additional amounts have been approved by National Iranian Oil Company (ultimate parent) at the date of this report. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Company has received a letter of support from its immediate parent company, Naftiran Intertrade Company (NICO) Limited stating its willingness to provide adequate financial support to Petropars so as to ensure its business continuity. Therefore, the financial statements have been prepared on a going concern basis.

3. Summary of significant accounting policies

a) Investments in subsidiaries, joint controlled entities and associates

Investments in subsidiaries, joint controlled entities and associates are measured at lower amount of their carrying amount and fair value less costs to sell.

The Company recognises an impairment loss for any write-down of an investment to fair value and lower costs to sell. The Company recognises a gain for any subsequent increase in fair value and lower costs to sell, but not in excess of the cumulative impairment loss that has been recognised.

b) foreign currency translation

The Company's financial statements are presented in USD, which is its functional currency.

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first is qualified for recognition.

Petropars Limited

Notes to the financial statement

31 December 2024

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising from settlement or translation of monetary items are taken to profit or loss with the exception of monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising from retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

c) Revenue from contracts with customers

Revenue is recognised to the extent that it is probable when the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal for most of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Construction activities

Revenue is measured based on the consideration specified to a contract with a customer. The Company recognises revenue when or as it transfers control over goods or services to a customer.

Allocation of transaction price to performance obligations

A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue, when, or as, the performance obligation is satisfied. The Company allocates the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct goods or service in the contract.

Variable consideration

Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for our long-term contracts to contain variable considerations that can either increase or decrease the transaction price. Variability in the transaction price arises primarily due to the variation in contract work, claims and incentive payments.

The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled, and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to the Company.

Payment terms

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Payment terms may either be fixed, lump-sum or driven by time and materials (i.e., daily or hourly rates, plus materials). Because typically the customer retains a small portion of the contract price until completion of the contract, our contracts generally result in revenue recognised in excess of billings which we present as contract assets on the statement of financial position. Amounts billed and due from our customers are classified as amounts due from customers from contract work on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. For some contracts, the Company may be entitled to receive an advance payment. We recognise a liability for these advance payments in excess of revenue recognised and present it as amounts due to customers for contract work on the statement of financial position. The advance payment typically is not considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect us from the other party failing to adequately complete some or all of its obligations under the contract.

Petropars Limited

Notes to the financial statement 31 December 2024

Revenue recognised over time

The performance obligations are satisfied over time as work progresses or at a point in time when performance obligations are fulfilled and control transfers to the customer.

Revenue from products and services transferred to customers over time accounted for approximately 100% of the Company's revenue for the year ended on 31 December 2020. Typically, revenue is recognised over time using an input measure (e.g. costs incurred to date relative to total estimated costs at completion) to measure progress.

Cost-to-cost method

For the long-term contracts, because of control transferring over time, revenue is recognised based on the extent of progress towards completion of the performance obligation. Upon adoption of the new standard the Company generally uses the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts.

Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Any expected losses on construction-type contracts in progress are charged to earnings, in total, in the period the losses are identified. Previously, such contracts were accounted for under IAS 11 on Construction Contracts. Accordingly, revenue on ongoing contracts was measured on the basis of costs incurred and of margin recognised at the percentage of completion. Margin was recognised only when the visibility of the riskiest stages of the contract was deemed sufficient and when estimates of costs and revenue was considered to be reliable. The percentage of completion was calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones defined for the main deliverables under the contracts or based on the ratio between costs incurred to date and estimated total costs at completion.

As soon as the estimate of the final outcome of a contract indicated a loss, a provision was recorded for the entire loss. The gross margin of a long-term contract at completion was based on an analysis of total costs and income at completion, which are reviewed periodically and regularly throughout the life of the contract. A construction contract was considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset or temporary delivery, even if conditional.

Contract modifications

Contracts are often modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Most of the Company's contract modifications are for goods or services that are not distinct from the existing contract due to the variations in the contract work in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

The Company's contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Petropars Limited

Notes to the financial statement

31 December 2024

d) Taxes

The Company benefits from a full Island of Nevis income tax exemption.

Iranian tax of 25% is payable on income earned in Iran in accordance with Article 105 of Iranian Corporate Tax Law. Additionally, according to Iranian law, as a foreign company, only 12% of the aggregate amounts collected under the buy-back contracts which have been signed before 21 March 2003, are taxable in accordance with Article 107 of Iranian Corporate Tax Law. And for those contracts which have been signed after mentioned date, 15% of gross paid amount should be base of tax calculation.

Any tax liability arising from the performance of work in relation to relevant buy-back contracts should be paid by the Pars Oil and Gas Company and National Iranian Oil Company (ultimate parent). The Company is responsible for any Iranian withholding tax arising from payments to its subcontractors. This withholding tax is then paid to the Iranian tax authorities.

e) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and / or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated over the estimated useful lives of the assets as follows:

- Freehold land - not depreciated.
- Buildings – 15/25 years straight line for owner occupied.
- Motor vehicles – 6 years straight line.
- Office equipment – 5 years straight line.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

f) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are measured, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Financial assets are initially measured at their fair values plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. Refer to the accounting policies relating to revenue from contracts with customers.

The business model applied by the Company determines whether the cash flows from the instruments will be realized through collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

The subsequent measurement of financial assets depends on their classification as follows:

Petropars Limited

Notes to the financial statement

31 December 2024

Financial assets at amortized cost (debt instruments)

The Company measures financial assets (debt instruments) at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include trade receivables, loan to an associate and loan to a director, included under other non-current financial assets.

Financial assets at fair value through other comprehensive income (debt instruments)

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise at specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss.

Financial assets designated at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery from part of the financial asset cost, in a case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of groups of similar financial assets) is primarily derecognized (i.e. removed from Company's statement of financial position) when at least one of the following criteria is met:

- The rights to receive cash flows from the asset have been expired.

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- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For trade receivables and contract assets, the Company applies a simplified approach in calculating expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value plus, in case of loans and borrowings, directly attributable transactions costs.

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

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Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The effective interest rate amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions.
- Referring to the current fair value of another instrument that is substantially the same.
- A discounted cash flow analysis or other valuation models.

g) Inventories

Inventories are valued at the lower amount of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials:

- Purchase cost on a weighted average basis.

Finished goods and work in progress:

- Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in other comprehensive income, in respect of the purchases of raw materials. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to

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be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

j) Pensions and other post-employment benefits

For each year's service, one month of the latest salary for each employee is provided in the statement of financial position for termination benefits, in accordance with Iranian law. The Company has no other liability linked to pensions and other post-employment benefits.

4. Significant accounting judgments, estimates and assumptions

The key judgments, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its judgments, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revenue recognition

The majority of our revenue is derived from long-term contracts that can span several years. The Company accounts for revenue in accordance with IFRS 15 (Revenues from Contracts with Customers). The unit of account in IFRS 15 is a performance obligation. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue when, or as, the performance obligation is satisfied. The Company's performance obligations are satisfied over time as work progresses or at a point in time.

A significant portion of our total revenue recognised over time involve the oil and gas exploration, drilling, engineering, procurement, refinery construction, refinery operation and maintenance. Because of control transfer over time, revenue is recognised based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. The Company generally uses the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer that occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date of the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred.

Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables, and requires significant judgment. It is common for the long-term contracts to contain provisions that can either increase or decrease the transaction price. We include estimated amounts in the transaction price when we believe we have an enforceable right to the modification, the amount can be estimated reliably, and its realization is probable. The estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

We execute contracts with our customers that clearly describe the equipment, systems, and/or services. After analysing the drawings and specifications of the contract requirements, our project engineers estimate total contract costs based on their experience with similar projects and then adjust these estimates for specific risks associated with each project, such as technical risks associated with a new design. Costs associated with specific risks are estimated by assessing the probability that conditions arising from these specific risks will affect our total cost to complete the project. After work on a project begins, assumptions that form the basis for our calculation of total project cost are examined on a regular basis and our estimates are updated to reflect the most current information and management's best judgment.

Adjustments to estimates of contract revenue, total contract cost, or extent of progress toward completion are often required as work progresses under the contract and as experience is gained, even though the scope of work required under the contract may not change. The nature of accounting for long-term contracts is such refinements of the estimating process for changing conditions and new developments are continuous and characteristic of the process. Consequently, the amount of revenue recognised over time is sensitive to changes in our estimates of total contract costs. There are many factors, including, but not limited to, the ability to properly execute the engineering and design phases consistent with our customers' expectations, the availability and costs of labour and material resources, productivity, and weather, all of which can affect the accuracy of our cost estimates, and ultimately, our future profitability.

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Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. Management's judgement is required to assess the appropriate level of provisions that should be recognised in relation to contingent liabilities arising from various project related claims. These estimates that are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Provision for expected credit losses

For trade receivables and contract assets, the Company applies a simplified approach in calculating expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting. The Company has established a provision matrix that is based on its historical credit loss experience date (taking into account the ageing of trade receivables, and geographical risk as a proxy for counterparty risk), adjusted for forward-looking factors specific to the debtors and the economic environment.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

IRR foreign currency rate

Due to high rates of inflation in Iran the company has evaluated that it is more prudent to use for the year end at 31 December 2020 NIMA closing rate (IRR 255,701, per USD 1) and NIMA average rate (IRR 187,091 per USD 1) than to closing rate of Central bank of Iran (IRR 42,000 per USD 1). NIMA rates are used by Iranian exporters for conversion of their forging currency earnings into Iranian rial. Based on the management estimate application of NIMA rates have not had significant impact on the Company's results. The Company does not apply this year IAS 29 – Financial Reporting in Hyperinflationary Economies.

5. New and amended standards and interpretations

New and amended standards and interpretations

In 2023, the Group adopted below amended standards and interpretations for the first time:

- IAS1 (paragraph38) presentation of financial statements to present comparative figures.
- IAS7 statement of cash flow
- The adoption of these new or amended standards and interpretations did not have a material impact on the financial position or performance of the Group.

Standards issued but not yet effective

The standard and interstation's that have been issued or amended but not yet effectively up to date of issuance of financial statements are disclosed below .the group intends to adopt the following standards ,interpretations and amendments when they become effective , to the extent they are relevant to the group.

- Lack of exchangeability (Amendments to IAS 21)
- Amendments to the classification and measurement of instruments (instruments to IFRS 9 and IFRS 7)
- IFRS 18 presentation and disclosure in the financial statements [for this standard, it is unlikely that it can be concluded that the standard does not have a material impact on the report prepares annual report. It is likely that information about this standard needs to be presented in more detail, as exemplified in annex [I].]
- IFRS 19 subsidiaries without public accountability disclosures.
- Annual improvements to IFRS standards volume 11.

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6. Directors and employee information

Standalone

	2024 USD'000	2023 USD'000
Directors' emoluments	85	128
Wages and salaries	6,233	4,127
	<u>6,318</u>	<u>4,256</u>

Key management only includes directors of the Company. In addition to the directors, the Company had an average of 436 employees (2022: 433) based in Iran. Wages and salaries costs are split and allocated to administrative and costs of sales based on the function of the employee.

7. Revenue from contracts with customers

Consolidate

The Group's revenue has been generated from one segment, relating to the Group's role as the main contractor for the execution of the development of oil and gas projects in Iran. The Group currently operates only in Iran. Setting out below is the disaggregation of the Group's revenue from contracts with customers:

	2024 USD'000	2023 USD'000
South Pars (Phase 11)	125,136	-
South Pars (Phase 12)	-	13,707
Azadegan MC	-	966
Azadegan GC	75,110	144,263
Azadegan CTEP	68,478	48,604
Project Phase 12- TSA & Operation	-	2,382
Project Phase 11- Operation	2,656	2,487
Farzad A&B Fields Development Project	-	378
Farzad HOA	-	-
South Pars (Phase 19)	75,311	-
Foruzan Oil Field DEV Project	-	-
Belal Project (GC)	55,989	23,337
Venezuela-Jose Project	36,285	-
General logistics and operation services (PPI Consolidation)	96,258	174,742
	<u>535,223</u>	<u>410,866</u>

The significant amounts of the General logistics and operation services is related to Dehdasht petrochemical which is handed by PPI.

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Standalone

The Company's revenue has been generated from one segment, relating to the Company's role as the main contractor for the execution of the development of oil and gas projects in Iran. The Company currently operates only in Iran. Setting out below is the disaggregation of the Company's revenue from contracts with customers:

	2024 USD'000	2023 USD'000
South Pars (Phase 12)	-	13,707
South Pars (Phase 11)	125,136	-
AZADEGAN MC	-	966
Project Phase 12- TSA & Operation	-	2,382
Project Phase 11- Operation	2,656	2,487
Farzad A&B Fields Development Project (GC)	-	378
Azadegan GC	75,110	144,263
Foruzan Oil Field DEV Project	-	-
Azadegan CTEP	68,478	48,604
Venezuela-Jose	36,285	-
Farzad (HOA)	-	-
Belal Project (GC)	55,989	23,337
	<u>363,654</u>	<u>236,124</u>

During 2024 cost budget for Ph.12 has been revised which resulted in additional revenue in 2023.

8. Cost of sales

Consolidate

	2024 USD'000	2023 USD'000
South Pars (Phase 19)	79,896	-
South Pars (Phase 11)	37,980	-
South Pars (Phase 12)	43,185	13,178
Azadegan MC	23	2,356
Azadegan GC	92,201	126,586
Azadegan CTEP	-	51,879
Project Phase 12- TSA & Operation	(362)	2,281
Project Phase 11- Operation	2,868	2,487
Farzad HOA	321	-
Farzad A&B Fields Development Project	-	258
General logistics and operation services (PPI Consolidation)	329,520	282,019
Foruzan Oil Field DEV Project	182	-
Belal Project (GC)	9,613	17,826
Venezuela-Jose Project	10,691	-
	<u>606,160</u>	<u>498,870</u>

The significant amounts of the General logistics and operation services is related to Dehdasht petrochemical, Azadegan CTEP and PH19 projects which is handled by PPI.

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Standalone

	2024 USD'000	2023 USD'000
South Pars (Phase 12)	42,822	13,178
South Pars (Phase 11)	37,951	-
AZADEGAN MC	23	2,356
South Pars (Phase 19)	5,660	-
Project Phase 12- TSA & Operation	0	2,281
Project Phase 11- Operation	2,868	2,487
Farzad (HOA)	321	-
Farzad A&B Fields Development Project	5	259
Azadegan GC	92,201	126,586
Azadegan CTEP	80,341	51,879
Foruzan Oil Field DEV Project	182	-
Venezuela-Jose	10,691	-
Belal Project (GC)	56,523	17,826
Other Projects	37	-
	<u>329,626</u>	<u>216,852</u>

9. Administrative expenses

Consolidate

	2024 USD'000	2023 USD'000
Wages and salaries	7,524	21,639
Depreciation	606	136
Legal, professional and others	49	89
	<u>8,179</u>	<u>21,864</u>

Standalone

	2024 USD'000	2023 USD'000
Administrative expenses	1,039	3,333
	<u>1,039</u>	<u>3,333</u>

Administrative expenses mainly including wages and salary of headquarters and the old projects that are not attributable to the cost of sales.

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10. Other operating expense and income Consolidate

	2024 USD'000	2023 USD'000
Write-off of inventories	9,117	(151)
	<u>9,117</u>	<u>(151)</u>

Standalone

	2024 USD'000	2023 USD'000
Write-off of inventories	9,147	(254)
	<u>9,147</u>	<u>(254)</u>

11. Expected credit losses

Consolidate

	2024 USD'000	2023 USD'000
Expected credit losses	695,987	130,486
	<u>695,987</u>	<u>130,486</u>

Standalone

	2024 USD'000	2023 USD'000
Expected credit losses	696,914	130,486
	<u>696,914</u>	<u>130,486</u>

For trade receivables and contract assets, the Company applies a simplified approach in calculating expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Due to differed payment of phase12 repayment by NIOC, cost of money calculation was exceeded of ceiling of the contract. In this regard, management decided to consider suitable expected credit loss.

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12. Finance income, expenses and foreign exchange gains(losses)

Consolidate

	2024 USD'000	2023 USD'000
Foreign exchange (losses) / gains	671,250	(349,983)
Interest income on amounts recoverable on projects	695,500	580,099
Interest income on bank deposits	14,887	24,812
Interest income on bonds	-	-
Interest expense on amounts owed to the parent company	(1,077,881)	(938,359)
Provision for loss-making contract	-	-
	<u>303,756</u>	<u>(683,431)</u>

Standalone (Finance income)

	2024 USD'000	2023 USD'000
Interest income on bank deposits	8,855	17,062
Interest income on amounts recoverable on construction contracts	667,498	580,099
	<u>676,353</u>	<u>597,161</u>

Standalone (Finance expense & Foreign exchange)

	2024 USD'000	2023 USD'000
Foreign exchange (losses) / gains	670,255	(364,626)
Interest on amounts owed to parent company for South Pars (Phase 12)	(1,077,880)	(938,569)
Financing charges	19,680	210
	<u>393,519</u>	<u>(1,302,774)</u>

13. Other non-operating income and expense

Consolidate and Standalone

	2024 USD'000	2023 USD'000
Dividend income	996	
Gain (loss) on sales of inventory, Occasionally Revenue	(19,253)	(6,596)
	<u>(18,257)</u>	<u>(6,596)</u>

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14. Taxation

Standalone

The Company has tax exempt status in the Island of Nevis. Any tax liability arising from the performance of work in relation to each project is for the account of the contractors and National Iranian Oil Company (ultimate parent) or Pars Oil and Gas Company Petroleum Engineering and Development Company. The Company is responsible for any Iranian withholding tax arising from payments to its subcontractors. This withholding tax is paid to the Iranian tax authorities.

Consolidate

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

Any tax liability arising from the performance of work in relation to each project is for the account of the contractors and National Iranian Oil Company (ultimate parent) or Pars Oil and Gas Company or Petroleum Engineering and Development Company. The Group is responsible for any Iranian withholding tax arising from payments to its subcontractors. This withholding tax is paid to the Iranian tax authorities.

	2024 USD,000	2023 USD,000
Current income tax charge	106	2,478
	<u>106</u>	<u>2,478</u>

On 31 December 2024 and the same date in 2023 there was no deferred tax recognised by the Group.

The Company benefits from a full Island of Nevis income tax exemption. Iranian tax of 25% is payable on income earned in Iran in accordance with Article 105 of Iranian Corporate Tax Law. Additionally, according to Iranian law, as a foreign company, only 12% of the aggregate amounts collected under the buy-back contracts which have been signed before 21 March 2003, are taxable in accordance with Article 107 of Iranian Corporate Tax Law. And for those contracts which have been signed after the mentioned date, 10% of gross paid amount should be base of tax calculation. Any tax liability arising from the performance of work in relation to relevant buy-back contracts should be paid by Pars Oil and Gas Company and National Iranian Oil Company (ultimate parent). This withholding tax is then paid to the Iranian tax authorities.

The Company has tax exempt status in the Island of Nevis.

Any tax liability arising from the performance of work in relation to each project is for the account of the contractors and National Iranian Oil Company (ultimate parent) or Pars Oil and Gas Company. The Company is responsible for any Iranian withholding tax arising from payments to its subcontractors. This withholding tax is paid to the Iranian tax authorities.

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15. Property, plant and equipment

Consolidate

	Land and buildings USD,000	Office equipment USD,000	Assets under construction USD,000	Others USD,000	Total USD,000
At 1 January 2023	5,838	5,011	1,603	191	12,643
Additions	5,805	1,570	17	388	7,781
Disposals	-	-	(166)	-	(166)
Reclassifications	-	-	-	-	-
Translation difference	(1,629)	(850)	(257)	(50)	(2,787)
At 31 December 2023	10,014	5,732	1,197	529	17,471
Accumulated depreciation					
At 1 January 2023	1,699	3,605	-	130	5,434
Charge for the year	120	889	-	38	1,048
Disposals	-	-	-	-	-
Translation difference	(272)	(412)	-	(11)	(696)
At 31 December 2023	1,546	4,083	0	157	5,786
Net book value					
At 1 January 2023	4,140	1,406	1,603	60	7,209
At 31 December 2023	8,467	1,649	1,197	371	11,685
At 1 January 2024	10,014	5,732	1,197	529	17,471
Additions	8,242	2,016	-	882	11,140
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
Translation difference	(4,048)	(1,780)	(483)	(418)	(6,729)
At 31 December 2024	14,208	5,968	714	992	21,882
Accumulated depreciation					
At 1 January 2024	1,546	4,083	-	157	5,786
Charge for the year	-	1,130	-	-	1,130
Disposals	-	-	-	-	-
Translation difference	(27)	(1,001)	-	44	(984)
At 31 December 2024	1,519	4,212	-	201	5,932
Net book value					
At 1 January 2024	8,467	1,649	1,197	371	11,685
At 31 December 2024	12,688	1,756	714	791	15,949

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Standalone

	<i>Buildings and leasehold improvements USD'000</i>	<i>Office equipment USD'000</i>	<i>Motor vehicles USD'000</i>	<i>Assets under construction USD'000</i>	<i>Total USD'000</i>
Cost					
At 1 January 2023	1,072	2,158	93	-	3,323
Additions	-	101	21	-	122
Disposals	-	-	-	-	-
At 31 December 2023	1,072	2,259	114	()	3,445
Accumulated depreciation					
At 1 January 2023	(449)	(1,942)	(78)	-	(2,469)
Charge for the year	(51)	(86)	(5)	-	(142)
Disposals	-	-	-	-	-
At 31 December 2023	(500)	(2,028)	(83)	0	(2,611)
Net book value					
At 1 January 2023	623	216	15	0	855
At 31 December 2023	572	231	31	0	834
				Total	
	<i>Buildings and leasehold improvements USD'000</i>	<i>Office equipment USD'000</i>	<i>Motor vehicles USD'000</i>	<i>Assets under construction USD'000</i>	<i>USD'000</i>
Cost					
At 1 January 2024	1,072	2,259	114	-	3,445
Additions	6,707	219	46	-	6,971
Disposals	-	-	-	-	-
At 31 December 2024	7,779	2,478	160	-	10,416
Accumulated depreciation					
At 1 January 2024	(500)	(2,028)	(83)	-	(2,611)
Charge for the year	(271)	(124)	(12)	-	(407)
Disposals	-	-	-	-	-
At 31 December 2024	(772)	(2,152)	(95)	-	(3,018)
Net book value					
At 1 January 2024	572	231	31	-	834
At 31 December 2024	7,007	326	65	-	7,398

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16. Intangible assets

Consolidate

	Software and Other Intangible	Total
	USD,000	USD,000
Cost		
At 1 January 2023	3,164	3,164
Additions	-	-
Disposals	(18)	(18)
Reclassifications	-	-
Translation difference	-	-
At 31 December 2023	3,146	3,146
Accumulated depreciation		
At 1 January 2023	3,074	3,074
Charge for the year	2	2
Disposals	-	-
Translation difference	-	-
At 31 December 2023	3,074	3,074
Net book value		
At 1 January 2023	90	90
At 31 December 2023	72	72
	USD,000	USD,000
Cost		
At 1 January 2024	3,146	3,146
Additions	-	-
Translation difference	(20)	(20)
At 31 December 2024	3,126	3,126
Accumulated depreciation		
At 1 January 2024	3,074	3,074
Charge for the year	-	-
At 31 December 2024	-	-
Translation difference	(2)	(2)
	3,072	3,072
Net book value		
At 1 January 2024	72	72
At 31 December 2024	55	55

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Notes to the financial statement 31 December 2024

Standalone

	<i>Software and other intangibles</i>	<i>Total</i>
	<i>USD'000</i>	<i>USD'000</i>
Cost		
At 1 January 2023	3,097	3,097
Additions	-	-
Disposals	-	-
At 31 December 2023	3,097	3,097
Amortisation		
At 1 January 2023	(3,068)	(3,068)
Charge for the year	-	-
Disposals	-	-
At 31 December 2023	(3,068)	(3,068)
Net book value		
At 1 January 2023	29	29
At 31 December 2023	29	29
	<i>Software and other intangibles</i>	<i>Total</i>
	<i>USD'000</i>	<i>USD'000</i>
Cost		
At 1 January 2024	3,097	3,097
Additions	-	-
Disposals	-	-
At 31 December 2024	3,097	3,097
Amortization		
At 1 January 2024	(3,068)	(3,068)
Charge for the year	-	-
Disposals	-	-
At 31 December 2024	(3,068)	(3,068)
Net book value		
At 1 January 2024	29	29
At 31 December 2024	29	29

Petropars Limited

Notes to the financial statement 31 December 2024

17. Investments in associates & Long-term Investment

Investments in associates

Consolidate

	2024 USD,000	2023 USD,000
Petropars Gas Knowledge Institute	40	40
Kish Completed Technology Company	-	-
Shaskap	4	-
Petropars Ferdows Kish	1	1
Venezuela Iran Oil and Gas Company	677	677
Kish International Oil and Gas Company	601	601
impairment loss	(1,278)	(1,278)
	<u>45</u>	<u>41</u>

Standalone

	2024 USD'000	2023 USD'000
Venezuela Iran Oil and Gas Company	677	677
Petropars Gas Knowledge Institute	40	40
Kish International Oil and Gas Company	601	601
impairment loss	(1,278)	(1,278)
	<u>40</u>	<u>40</u>

18. Long-term Investment & Investments in subsidiaries

18.1. Long-term Investment

Consolidate & Standalone

	2024 USD,000	2023 USD,000
Dasht Azadegan Arvand	11,324	11,324
	<u>11,324</u>	<u>11,324</u>

Venezuela Iran Oil and Gas Company was established in 2010 in British Virgin Islands. Operations have not yet been commenced. The Company owns 50% of its shares. At the end of 2016, an impairment loss provision of USD 677 thousand was recognised, resulting in a book value of nil at the end of 2019 and 2020.

Petropars Gas Knowledge Institute was established in 2002 in Kish Island, Iran. It is an institute for oil and gas training. The Company owns 40% of its shares.

Kish International Oil and Gas Company was established in 2010 in Iran. It is involved in oil and gas activities. The Company owns 12% of its shares. At the end of 2016, an impairment loss of USD 601 thousand was recognised, resulting in a book value of nil at the end of 2020 and 2021.

Petropars Limited

Notes to the financial statement 31 December 2024

18.2. Investments in subsidiaries

Standalone

	2024 USD'000	2023 USD'000
Petropars Iran	19,366	19,366
Petropars International FZE	273	273
Petropars UK Limited	185	185
	<u>19,823</u>	<u>19,823</u>

Petropars Iran was established in Kish Island, Iran, and was acquired by the Company in 2003. Its principal activity is project logistics. The Company owns 100% of the shares.

Petropars International FZE was established in 2003 in Dubai (Jebel Ali free zone). Its principal activity is the supply of machinery, equipment and consumables for the oil and gas industry. The Company owns 100% of the shares.

Petropars UK Limited was established in 1998 in the United Kingdom. It is currently inactive. The Company owns 100% of the shares.

19. Inventories

Consolidate

	2024 USD,000	2023 USD,000
Warehouse - Kish Island site	<u>43,063</u>	<u>65,466</u>

Standalone

	2024 USD'000	2023 USD'000
Warehouse - Kish Island site (South Pars (Phases 6, 7, 8, 12, 19 and Farzad))	<u>29,555</u>	<u>48,465</u>
Reserve for obsolescence	<u>29,555</u>	<u>48,465</u>
	<u>29,555</u>	<u>48,465</u>

19.1. The inventory has been covered under insurance up to the amount of 5 m USD.

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Notes to the financial statement

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20. Amounts due from customers for contract work Consolidate

	2024 USD,000	2023 USD,000
Construction contracts in progress represent the projects as follows:		
Amounts due from customers for contract work - non current		
South Pars (Phase 12)	11,211,433	10,553,036
Expected credit losses	(3,016,639)	(2,358,242)
	<u>8,194,794</u>	<u>8,194,794</u>
Amounts due from customers for contract work - current		
South Pars (Phase 12)		
Phase 12 - Operation & Technical Service	45,623	46,124
South Pars (Phase 19)	7,638	7,638
South Pars (Phases 6, 7, 8)	23,572	23,572
South Pars (Phases 4, 5)	7,342	7,342
South Pars (Phase 11)	109,791	12,638
South Pars (Phase 11) - Operation	1,191	748
Belal Project (GC)		-
Farzad (HOA)	187,484	294,785
Azadegan MC		(6)
Azadegan GC	8,483	31,350
Azadegan CTEP		-
Venezuela-Jose	15,818	-
others	17,264	17,796
	<u>424,205</u>	<u>441,986</u>
Expected credit losses	(201,370)	(174,853)
	<u>222,834</u>	<u>267,132</u>
Total amounts due from customers for contract work	<u>8,417,629</u>	<u>8,777,930</u>
Amounts due to customers for contract work	(254,299)	(217,237)
Construction contracts in progress, net position	<u>8,163,329</u>	<u>8,244,690</u>
Income and expenses recognized on contracts in progress		
Revenue recognized during the year	535,223	410,866
Costs incurred during the year	(605,017)	(499,654)
Recognized loss	<u>(69,794)</u>	<u>88,788</u>

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Notes to the financial statement

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	Cumulative costs to date USD,000	Cumulative profit to date USD,000	Cumulative revenue to date USD,000
At 31 December 2024			
South Pars (Phase 12)	7,877,512	1,070,310	8,947,822
South Pars (Phases 11)	36,837	88,299	125,136
South Pars (Phases 6, 7 & 8)	3,741,290	833,780	4,575,070
South Pars (Phase 19)	2,927,083	508,574	3,435,657
South Pars (Phase 1 - New Development)	247,099	(1,118)	245,980
Project Phase 12- TSA & Operation	324,894	464	325,357
Project Phase 11- Operation	5,355	-	5,355
Foruzan Oil Field DEV Project	40,761	(182)	40,578
Azadegan MC	21,175	(2,765)	18,410
Azadegan GC	362,987	5,836	368,823
Azadegan CTEP	199,748	-	199,748
Belal Project (GC)	88,516	8,052	96,568
Farzad HOA	185,001	(321)	184,680
Venezuela-Jose Project	10,691	25,594	36,285
Other	765,496	(94,375)	671,122
	<u>16,842,702</u>	<u>2,446,412</u>	<u>19,289,114</u>

At 31 December 2023			
South Pars (Phase 12)	7,834,327	1,113,495	8,947,822
South Pars (Phases 6, 7 & 8)	3,741,869	833,201	4,575,070
South Pars (Phase 19)	2,847,178	513,168	3,360,346
South Pars (Phase 1 - New Development)	247,100	(1,119)	245,981
Project Phase 12- TSA & Operation	325,256	101	325,357
Project Phase 11- Operation	2,487	2,487	2,487
Foruzan Oil Field DEV Project	40,578	40,578	40,578
Azadegan MC	21,152	(2,719)	18,432
Azadegan GC	270,786	22,928	293,713
Azadegan CTEP	131,570	(300)	131,270
Belal Project (GC)	31,992	7,308	39,300
Farzad HOA	184,680	-	184,680
Other	559,581	29,273	588,853
	<u>16,237,685</u>	<u>2,516,206</u>	<u>18,753,891</u>

	2024 USD,000	2023 USD,000
Cumulative revenue to date	19,984,613	19,030,772
Cumulative progress billings settled and advances	(8,603,275)	(8,264,988)
Provision	(3,218,009)	(2,521,690)
Construction contracts in progress, net position	<u>8,163,329</u>	<u>8,244,906</u>

Amounts due from customers for contract work comprise amounts recoverable from National Iranian Oil Company (ultimate parent company) and Pars Oil and Gas Company (subsidiary of National Iranian Oil Company) and Petroleum Engineering and Development Company.

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Amounts due from customers for contract work from South Pars Phase 19 in the Amount of 94 MUSD have been delayed due to the lack extension of time for the contract arising to submission of good performance bank guaranty.

The repayments of these balances are in accordance with the terms of the related agreements, which for buy back projects are linked to the volume of production that will be achieved from each field following the completion of the projects. At the end of the reporting period management has assessed the recoverability of the amounts due from customers for contract work and considered whether there is objective evidence of an impairment. Taking into account the repayment terms, conditions described in buy-back contracts and the fact that the customers are related parties, management did not identify the need for impairment, although the expected credit losses provision has been recognized.

The receivable amount of NIOC related to PH12 project is 11,211 m USD for which the amount of 3,017 m USD has been recognized as expected credit loss.

Standalone

	2024 USD'000	2023 USD'000
Amounts recoverable on contracts represent the projects as follows:		
Amounts recoverable on construction contracts - non current		
South Pars (Phase 12)	11,211,433	10,553,036
	11,211,433	10,553,036
Expected credit losses & allowance for doubtful receivable	(3,016,639)	(2,358,242)
	8,194,794	8,194,794
Amounts recoverable on construction contracts – current		
South Pars (Phase 12 - Operation & Technical Service Agreement)	45,623	46,124
South Pars (Phase 11)	109,791	12,638
South Pars (Phase 11) - Operation	1,191	748
South Pars (Phase 19)	7,638	7,638
South Pars (Phases 6, 7 & 8)	23,572	23,572
South Pars (Phases 4 & 5)	7,342	7,342
Azadegan MC	-	(6)
Azadegan GC	8,483	31,350
Farzad (HOA)	187,484	294,785
Venezuela-Jose	15,818	-
Belal Project (GC)	-	-
Other Projects	17,264	17,796
	424,205	441,986
Expected credit losses	(201,370)	(162,853)
	222,835	279,132
Total net amounts due from customers for contract work	8,417,629	8,473,927
Amounts due to customers for contract work	(89,661)	(79,736)
	8,327,968	8,394,191
Income and expenses recognized on contracts in progress		
Revenue recognized during the year	363,654	236,124
Costs incurred during the year	(328,482)	(216,852)
Recognized loss	35,172	19,272

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Notes to the financial statement 31 December 2024

	Cumulative costs to date	Cumulative profit to date	Cumulative revenue to date
At 31 December 2024	USD'000	USD'000	USD'000
South Pars (Phase 12)	7,894,260	1,034,478	8,928,738
South Pars (Phases 11)	36,808	88,328	125,136
Opex PH11	5,355	(212)	5,143
South Pars (Phases 6, 7 & 8)	3,741,290	833,780	4,575,070
South Pars (Phase 19)	647,588	42,920	690,508
South Pars (Phase 1 - New Development)	247,099	(1,118)	245,980
Project Phase 12- TSA & Operation	324,894	464	325,357
Farzad (HOA)	185,001	(321)	184,680
Farzad A&B Fields Development Project	6,558	4,264	10,822
SP2- MEG PIPE Replacement	1,700	-	1,700
Azadegan MC	21,175	(2,742)	18,433
Azadegan GC	362,987	5,836	368,823
Azadegan CTEP	211,610	(11,863)	199,748
Belal	88,516	6,774	95,290
Foruzan Oil Field DEV Project	40,761	(182)	40,578
Venezuela-Jose Project	10,412	25,873	36,285
Other	107,344	21,930	129,274
	<u>13,933,635</u>	<u>2,047,929</u>	<u>15,981,565</u>

At 31 December 2023			
South Pars (Phase 12)	7,851,076	1,077,662	8,928,738
South Pars (Phases 6, 7 & 8)	3,741,290	833,780	4,575,070
South Pars (Phase 19)	641,928	48,580	690,508
South Pars (Phase 1 - New Development)	247,099	(1,118)	245,980
Project Phase 12- TSA & Operation	325,256	101	325,357
Farzad (HOA)	184,680	-	184,680
Farzad A&B Fields Development Project	6,553	4,269	10,822
SP2- MEG PIPE Replacement	1,700	-	1,700
Azadegan MC	21,152	(2,719)	18,433
Azadegan GC	270,786	22,928	293,713
Azadegan CTEP	131,270	-	131,270
Belal	31,992	7,308	39,300
Foruzan Oil Field DEV Project	40,578	-	40,578
Other	107,307	21,967	129,274
	<u>13,602,667</u>	<u>2,012,758</u>	<u>15,615,424</u>

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Notes to the financial statement 31 December 2024

	2024 USD'000	2023 USD'000
Cumulative revenue to date	16,637,475	15,979,078
Cumulative progress billings settled and advances	(5,091,498)	(5,063,792)
Expected credit losses & allowance for doubtful receivable	(3,218,009)	(2,521,095)
Construction contracts in progress, net position	<u>8,327,968</u>	<u>8,394,191</u>

Amounts due from customers for contract work comprise amounts recoverable from National Iranian Oil Company (ultimate parent company) and Pars Oil and Gas Company (subsidiary of National Iranian Oil Company).

The repayments of these balances are in accordance with the terms of the related agreements, which for buy back projects are linked to the volume of production that will be achieved from each field following the completion of the projects. At the end of the reporting period management has assessed the recoverability of the amounts due from customers for contract work and considered whether there is objective evidence of an impairment. Taking into account the repayment terms, conditions described in buy-back contracts and the fact that the customers are related parties, management did not identify the need for impairment, although the expected credit losses provision has been recognized.

The project of South Pars (Phase 12) project is mostly completed and the project was handed over to the NIOC (client) Dated 2014/03/15, Total Approved cost incurred in joint management committee (JMC) Agenda No.19 in 2018 is 9,455 MUSD, NIOC is following up to obtain approval for 501 MUSD from Economy council to finalize total ceiling budget in this contract, consequently PPL's claim approval for this project were held.

21. Construction work in progress

Consolidate

Construction work in progress relates to the engineering, procurement and construction contract of Farzad A.

	2024 USD,000	Revised 2023 USD,000
Construction work in progress	402,817	310,048
Bad debt reserves	-	-
	<u>402,817</u>	<u>310,048</u>

Standalone

	2024 USD'000	2023 USD'000
Construction work in progress	<u>402,817</u>	<u>310,048</u>

The significant amount is including PH 11 (390MUSD) and Farzad B Buy Back (8.1 MUSD) which will be reclassified as a cost incurred after first production that expected Oct.2028 based on approved time schedule and physical progress at the end of 2024 is 0.64%, and 32" Sour gas pipeline between SP14 and SP12 project (5.7 MUSD) which is being finalized the contract.

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22. Trade and other receivables

Consolidate

	2024 USD,000	2023 USD,000
Trade receivables - non current	219,386	219,767
Trade receivables - current	280,211	212,564
Trade receivables from customers (Social Security Organization retention)	72,049	121,790
	<u>571,646</u>	<u>554,121</u>

Standalone

	2024 USD'000	2023 USD'000
Trade and other receivables		
Trade receivables - non-Current	219,386	219,767
Trade receivables - current	121,868	173,948
	<u>341,254</u>	<u>393,715</u>

The amount of Trade receivables - non current is relating GPG & RPG receivable from NIOC's current project (Belal,Azadegan GC, Azadegan CTEP, Farzad B buy back) .The significant amount of Trade receivables – current is relating to prepayment & advance payment and on account to suppliers of the project.

23. Other financial assets

Consolidate

	2024 USD,000	2023 USD,000
Restricted bank deposits	9,903	24,816
Other - non-current	158	215
	<u>10,062</u>	<u>25,031</u>

Standalone

	2024 USD'000	2023 USD'000
Cash on hold – non-current	9,848	24,807
	<u>9,848</u>	<u>24,807</u>

Other financial assets including foreign currency bonds in EUR, USD and IRR amounting 3.3m,1.5m and 7,615,886m (2023: 3.8m,1.5m and 7,439,642m) respectively.

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24. Cash and cash equivalents

Consolidate

	2024 USD,000	2023 USD,000
Cash at bank and on hand	208,936	144,793
Short-term bank deposits	8,048	-
Other financial assets	47,059	-
	<u>264,044</u>	<u>144,793</u>

Standalone

	2024 USD'000	2023 USD'000
Cash at bank and on hand	199,873	108,139
Short-term bank deposits	8,048	8,048
	<u>207,921</u>	<u>116,187</u>

As of 31 December 2024, Cash and cash equivalents include balances with Banks & Petty Cash & Coins with Cash that includes 3 Gold Coins, the significant currencies are including EUR, USD, AED, CNY and IRR amounting 3.3M, 131.5M, 97M, 203M and 8,718,804m (2023: 3.5m, 20.8m, 30.7m, 203m and 18,925,872m) respectively.

25. Prepayments

Consolidate

	2024 USD,000	2023 USD,000
Prepayments and advanced payments	211,423	167,286
	<u>211,423</u>	<u>167,286</u>

Standalone

	2024 USD'000	2023 USD'000
Prepayments and advanced payments	199,472	163,845
	(40,000)	(40,000)
	<u>159,472</u>	<u>123,845</u>

The significant amounts are including Mahshahr Pipe Mill, Petrosteel, Petro Ahan Ferdous, IOEC amounting 22m, 18m, 17m, 9.4m respectively. Provision for doubtful debt is related to Iranian Safe Oil company (ISO) for purchasing drilling rig. the amount of 1/7 m USD is related to 1/12 advance payment of predicted income tax mentioned in annual budget published by government.

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Notes to the financial statement 31 December 2024

26. Share capital

Consolidate and Standalone

	2024 USD,000	2023 USD,000
Authorised share capital		
80,000,000 ordinary shares of USD 1 each	80,000	80,000
Allotted and called-up share capital		
30,000,000 ordinary shares of USD 1 each	30,000	30,000

27. Non-controlling interest

Consolidate

	2024 USD,000	2023 USD,000
Petropars Iran Company Consolidation	2,578	13,013
	<u>2,578</u>	<u>13,013</u>

At 31 December 2024 and 2023 the non-controlling interest of 48% consists of: 28% of Petropars Resources Engineering Company shares belong to Shaskap Petropars Personnel Investment Company and 20% of the shares belong to CSTI Company, which have been transferred from Shaskap Petropars Personnel Investment Company during 2015.

In February 2015, the Group acquired an additional 25% of shares in Petropars Operation and Management Company from the minority shareholder. At 31 December 2023 and 2022 the non-controlling interest of 24.5% consisted of: 13.7% of Petropars Operation and Management Company shares belong to Shaskap Petropars Personnel Investment Company and 9.8% of the shares belong to CSTI Company.

	2024 USD,000	2023 USD,000
Share capital	850	1,425
Increase in share capital	-	-
Other reserves PY	13	18
Retained earnings	1,715	11,571
	<u>2,588</u>	<u>13,012</u>

28. Trade and other payables

Consolidate

	2024 USD,000	2023 USD,000
Trade payables - non-current	54	90
Trade payables - current	450,479	467,181
Withholding tax and social security costs	107,534	155,098
	<u>558,067</u>	<u>622,369</u>

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Trade payables arise mainly from purchases of services and equipment for the various development projects. As the amounts are mainly due within one to three months after the date of purchase, the Group believes that the carrying amounts are a reasonable approximation of the fair value. The payables are unsecured and bear no interest. Withholding tax, value added tax and social security costs relate to the retentions on payments to sub-contractors.

Standalone

	2024 USD'000	2023 USD'000
Trade payables	202,772	301,911
Withholding tax and social security costs	108,312	155,098
Other payable	30,462	34,141
	<u>341,546</u>	<u>491,150</u>

Trade payables arise mainly from purchases of services and equipment for the various development projects. As the amounts are due within one year, the Company believes that the carrying amounts are a reasonable approximation of the fair value. The payables are unsecured and bear no interest and also there are two litigations against North Drilling & Mehran Co. related to their pending credits.

Withholding tax and social security costs relate to the retentions on payments to sub-contractors.

The carrying amount of the Company's trade and other payables are predominantly denominated in USD.

29. Borrowings

Consolidate & Standalone

	2024 USD'000	2023 USD'000
Amounts owed to group undertakings - non current	12,316,975	11,778,203
	<u>12,316,975</u>	<u>11,778,203</u>

Amounts owed to related parties comprise funding provided by Naftiran Intertrade Company (NICO) Limited for the development of South Pars PH 12,11 and Farzad A. The borrowing is repaid solely from the proceeds of amounts recovered from production and reimbursed by NIOC to the Group. Naftiran Intertrade Company (NICO) Limited has a charge over the future income of the Group as security for loans made to the Group.

The timing of the repayments is linked to production. The maximum period for repayment is 72 months after first production. The loans are carried at amortized cost. Interest rates on the loans are either based on floating EURIBOR or LIBOR plus margin (margin varies between 3% - 5.75%). All loans were denominated in USD 12,317 million (2023 USD 11,778 million).

For South Pars (Phase 12) related borrowings of USD 11,438 million (2023: USD 10,628 million) production commenced in April

2014. For Farzad A related borrowings of USD 258 million (2023: USD 236 million) production has not commenced as the project is currently under development.

For South Pars (Phase 11) related borrowings of USD 129 million (2023: USD 142 million) production commenced in January of 2023

The total interest expense on borrowings amounted to USD 1,063,774 thousand (2023: USD 938,569 thousand) (refer note 13).

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30. Provisions

Consolidate

	Statutory redundancy USD,000	Employee termination benefit USD,000	Operational provisions USD,000	Other provisions USD,000	Totals USD,000
At 1 Jan 2024	1,699	3,176	117,069	(16,749)	105,196
Release of provisions	(213)	(257)	(607,977)	-	(608,447)
Additional provisions	1,157	1,825	732,852	2,975	738,809
Reclassifications	-	-	-	-	-
Translation difference	3,775	(1,753)	(34,943)	949	(31,972)
At 31 Dec 2024	<u>6,418</u>	<u>2,992</u>	<u>207,001</u>	<u>(12,825)</u>	<u>203,585</u>
At 1 Jan 2023	1,279	3,675	95,536	(14,199)	56,291
Release of provisions	(323)	(379)	(663,427)	-	(664,130)
Additional provisions	744	1,491	684,961	-	687,196
Translation difference	-	(1,611)	-	(2,550)	(4,161)
At 31 Dec 2023	<u>1,699</u>	<u>3,176</u>	<u>117,069</u>	<u>(16,749)</u>	<u>105,196</u>

Standalone

	Onerous Contract USD'000	Statutory redundancy USD'000	Operational provisions USD'000	Totals USD'000
At 1 January 2024	-	5,475	79,840	85,315
Release of provisions	-	(213)	(607,754)	(607,968)
Additional provisions	-	1,157	676,407	677,564
At 31 December 2024	<u>-</u>	<u>6,418</u>	<u>148,493</u>	<u>154,911</u>
At 1 January 2023	-	5,054	77,925	82,979
Release of provisions	-	(323)	(663,708)	(664,031)
Additional provisions	-	744	665,623	666,367
At 31 December 2023	<u>-</u>	<u>5,475</u>	<u>79,840</u>	<u>85,315</u>

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Main operational provisions, related to project issues, include:

- Operational provisions relating to South Pars (Phases 6, 7 & 8) of USD 20 million (2020: USD 20 million).
- Operational provisions relating to South Pars (Phase 12) of USD 0 million (2020: USD 25 million).

Operational provisions also include subcontractors' invoices pending approval of the project employers:

- Operational provisions relating to South Pars (Phase 12 - Operation & TSA) of USD 0 million (2020: USD 0.23 million).
- Operational provisions relating to South Pars (Phase 19) of USD 0.3 million (2020: USD 5.1 million).

31. Prior Period Adjustment

	PPL Consolidation at 2023/12/30 Before Adjustment	Adjustment Error and Reclassification		PPL Consolidation at 2023/12/30 Revised
		Debit	Credit	
Non-controlling interest	(25,678)	-	38,691	13,013
Retained earnings	(2,965,750)	64,903	-	(3,030,653)
Amounts due from customers	583,135	-	316,003	267,132
Amounts due to customers	(230,021)	12,784	-	(217,237)
Construction work in progress	6,775	304,003	730	310,048
Trade and other payables	(655,454)	33,175	-	(622,279)
Currency translation reserve	(40,089)	-	56,515	16,426
Provisions	(102,271)	-	2,925	(105,197)
		<u>414,865</u>	<u>414,865</u>	
Income :				
Cost of sales	802,873	-	304,003	498,870
Revenue	714,868	304,003	-	410,866

32. Ultimate parent company and subsidiaries

Naftiran Intertrade Company (NICO) Limited (immediate parent) owns 100% of the Company's shares. The ultimate parent company is National Iranian Oil Company, incorporated and registered in Iran.

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

	Country of incorporation	Equity 2024	Equity 2023
Petropars Iran Company	Iran	100%	100%
Petropars international FZE	United Arab Emirates	100%	100%
Petropars Oilfield Services Company	Iran	100%	100%
Petropars Resources Engineering Company	Iran	49%	52%
Petropars Operation and Management Company	Iran	75%	76%

Petropars Iran Company was established in 2002 in the Kish Free Trade and Industrial Zone, located on the Island of Kish in Persian Gulf. The company was established in order to invest, manage and execute oil, gas and petrochemical related projects.

Petropars Limited

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Petropars international FZE was established in October 2003 in Jebel Ali Free Zone of United Arab Emirates. The company is engaged in various business activities including supply of equipment, spares, instrument, materials, etc.

Petropars Oilfield Services Company was established in 2004. This company aims to offer the best possible services in drilling management to its client by taking advantage of its highly specialized personal and modern equipment.

Petropars Resources Engineering Company was set up in 2004 in Kish Island to provide human workforce, to supply parts and materials required for oil and gas projects, and to render technical and engineering services to such projects.

Petropars Operation and Management Company was established in 2009 in the Kish Free Trade and Industrial Zone, located on the Island of Kish in Persian Gulf, to carry out activities and operations related to commissioning, operation and exploitation of oil and gas industry facilities in Kish Island.

33. Related party transactions

Consolidate

	2024 USD,000	2023 USD,000
<u>Consolidated statement of financial position</u>		
National Iranian Oil Company (ultimate parent)		
Amounts due from customers for contract work		
- South Pars (Phases 6, 7, 8)	23,572	23,572
- South Pars (Phase 12)	11,211,433	10,553,036
- South Pars (Phase 12 OPEX & TSA)	32,137	46,124
- South Pars (Phase 4,5)	7,342	7,342
- South Pars (Phase 1)	8,818	8,818
- South Pars (Phase 11)	109,791	12,638
Expected credit losses	(3,196,123)	(2,358,242)
Naftiran Intertrade Company (NICO) Limited (immediate parent)		
Borrowings		
- South Pars (Phase 12)	(11,926,380)	(11,035,073)
- Farzad A	(258,605)	(235,906)
- South Pars (Phase 11)	(129,147)	(141,933)
Trade and other receivables	7,562	33,760
Pars Oil and Gas Company (subsidiary of ultimate parent)		
Amounts due from customers for contract work		
- South Pars (Phase 19)	7,638	7,638
Amounts due to customers for contract work	-	-
- South Pars (Phase 19)	-	-
- 32" Sour gas pipeline between SP14 and SP12	(2,276)	1,422
- Farzad A&B	457	(12)
Trade and other receivables	9,055	-
Expected credit losses	(3,852)	(3,679)
Trade and other payables	-	-
Iranian Offshore Oil Company (subsidiary of ultimate parent)		
Trade and other receivables	-	-

Petropars Limited

Notes to the financial statement

31 December 2024

Amounts due to customers for contract work

(1,002)

-

Consolidated income statement

National Iranian Oil Company (ultimate parent)

Revenue

- South Pars (Phase 12)

-

13,707

- South Pars (Phase 12 - Operation & Technical Service Agreement)

-

2,382

- South Pars (Phase 11)

125,136

-

Interest income charged on recoverable amounts from projects

- South Pars (Phase 12)

658,398

571,795

- South Pars (Phase 11)

9,101

8,303

Pars Oil and Gas Company (subsidiary of ultimate parent)

Revenue

- South Pars (Phase 19)

-

4,256

- Belal Gas Field DEV (GC)

55,989

-

Iranian Offshore Oil Company (subsidiary of ultimate parent)

Revenue

-

82,242

-Salman Project

-

-

Naftiran Intertrade Company (NICO) Limited (immediate parent)

Finance costs

- South Pars (Phase 12)

(1,056,119)

(933,830)

- Farzad A

(22,699)

(21,836)

- South Pars (Phase 11)

(4,604)

Interest of USD 21,836 thousand (2022: USD 13,920 thousand) was capitalised as construction work in progress for the Farzad A project (refer Note 30).

Standalone

2024
USD'000

2023
USD'000

National Iranian Oil Company (ultimate parent Company)

Amounts recoverable on construction contracts

- South Pars (Phases 6, 7 & 8)

23,572

23,572

- South Pars (Phase 12)

11,211,433

10,553,036

- South Pars (Phase 12 OPEX & TSA)

32,137

46,124

- South Pars (Phase 11)

109,791

12,638

- South Pars (Phase 4,5)

7,342

7,342

Other Projects

10,239

16,807

Expected credit losses & allowance for doubtful receivable

(3,196,123)

(2,521,095)

Trade and other receivables

219,399

219,752

Pars Oil and Gas Company (subsidiary of ultimate parent)

Amounts due from customers for contract work

- South Pars (Phase 19)

7,638

7,638

Amounts due to customers for contract work

-

-

- 32" SOUR GAS PIPELINE BETWEEN SP14 AND SP12

(2,276)

1,422

- Farzad A&B

457

(12)

Trade and other receivables

9,055

15,642

Trade and other payables

-

-

Expected credit losses & allowance for doubtful receivable

(3,852)

(3,852)

Petropars Iran (subsidiary)

Trade and other payables

-

-

Trade and other receivables

45,880

48,371

Petropars Limited

Notes to the financial statement

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Petropars Oilfield Services Company (other related parties)

Trade and other payables	(55,517)	(43,106)
Trade and other receivables	-	-

Petropars Resources Engineering Kish Limited (other related parties)

Trade and other receivables	-	-
Trade and other payables	(910)	(454)

Petropars International FZE (subsidiary)

Trade and other payables	-	-
Trade and other receivables	3,925	3,471

Petropars Operation and Management Company (other related parties)

Trade and other receivables	-	-
Trade and other payables	(3,260)	(3,747)

Naftiran Intertrade Company (NICO) Limited (immediate parent)

Borrowings		
- South Pars (Phase 12)	(11,926,380)	(11,400,364)
- Farzad A	(258,605)	(235,906)
- South Pars (Phase 11)	(129,147)	(141,933)
Trade and other receivables	4,082	13,834

Petropars Limited

Notes to the financial statement

31 December 2024

Statement of income

	2024 USD'000	2023 USD'000
National Iranian Oil Company (ultimate parent)		
Revenue		
- South Pars (Phase 12)	-	13,707
- South Pars (Phase 12 – Operation & Technical Service Agreement)	-	2,382
- South Pars (Phase 11)	125,136	-
Interest income charged on recoverable amounts from projects		
- South Pars (Phase 12)	658,398	571,795
- South Pars (Phase 11)	9,101	8,303
Pars Oil and Gas Company (subsidiary of ultimate parent)		
Revenue		
- Belal Gas Field DEV (GC)	55,989	39,300
Petropars Iran (subsidiary)		
Dividend income	-	-
Cost of sales	78,782	49,385
Administrative expenses		
Petropars International FZE (subsidiary)		
Cost of sales	927	-
Dividend income	-	-
Petropars Resources Engineering Kish Limited (other related parties)		
Administrative expenses	2,339	3,631
Petropars Oilfield Services Company (other related parties)		
Cost of sales	46,127	3,205
Petropars Operation and Management Company (other related parties)		
Cost of sales	3	1,094
Naftiran Intertrade Company (NICO) Limited (immediate parent)		
Finance costs		
- South Pars (Phase 12)	(1,056,119)	(933,830)
- South Pars (Phase 11)	(6,975)	(4,604)
- Farzad A	(22,699)	(21,836)

Interest of USD 22,699 thousand (2023: USD 21,836 thousand) was capitalised as construction work in progress for the Farzad A project (refer Note 30).

Petropars Limited

Notes to the financial statement

31 December 2024

34. Financial risk management

The Company's operations expose it to financial risks including: foreign exchange rate risk; interest rate risk; credit risk; and liquidity risk.

Foreign exchange rate risk

Consolidate

The Group has exposures to foreign currency risk on its activities, and movements in currency exchange rates may have a material negative effect on Group's financial condition and result of operations. The Group monitor its exposure to changes in foreign currency exchange. The Group has not entered into any foreign currencies hedging arrangements.

The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries. Refer to the consolidated statement of changes in equity to see the impact of changes in foreign currencies on the Group's equity.

Standalone

The Company's operations are primarily in Iran. The Company's major business transactions are carried out in USD, which is its functional currency. However, the Company has certain assets and liabilities denominated in foreign currencies. The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Company's profit before tax due to changes in the carrying value of monetary assets and liabilities.

	2024		2023	
	increase in exchange rate	Decrease in exchange rate	increase in exchange rate	Decrease in exchange rate
	USD,000	USD,000	USD,000	USD,000
	+5%	-5%	+5%	-5%
AED	4,891	(4,891)	4,891	(4,891)
EUR	(424,064)	424,064	(424,064)	424,064
IRR	1,000	(1,000)	1,000	(1,000)
JPY	-	-	-	-

The Company has not entered into any foreign exchange rate hedging arrangements.

Interest rate risk

Consolidate

The Group has interest bearing assets and liabilities. The Group's exposure to interest rate risk is partially limited as changes in interest expense on amounts owed to the parent company arising from changes in base interest rates are predominantly offset by changes in interest income on amounts due from customers for contract work.

The Group has not entered into any interest rate hedging arrangements.

Petropars Limited

Notes to the financial statement

31 December 2024

Standalone

The Company has interest bearing assets and liabilities. The Company's exposure to interest rate risk is partially limited as changes in interest expense on amounts owed to the parent company arising from changes in base interest rates are partially offset by changes in interest income on amounts due from customers for contract work.

The Company has not entered into any interest rate hedging arrangements.

Liquidity risk

Consolidate

Liquidity risk is the risk that suitable sources of funding for the Group's business activities may not be available. Management monitors short- and long-term funding requirements to ensure it has the ability to meet its obligations. The Group has access to fund from the immediate parent company, Naftiran Intertrade Company (NICO) Limited, at a rate established under the agreed facility agreement.

The table below summarises the maturity profile of the Group's financial liabilities at the end of reporting period. The amounts presented exclude future interest cash flows because the repayment schedule for many of the financial liabilities is undetermined as it is linked to the volume of production of the financed projects:

	Less than 1 year USD,000	Between 1 and 2 years USD,000	Between 2 and 5 years USD,000	Over 5 years USD,000	Total USD,000
December 31, 2024					
Borrowings	129,147	-	6,093,914	6,093,914	12,316,975
Trade and other payables	558,737	-	54	-	558,791
Amounts due to customers for contract work	-	254,299	-	-	254,299
	<u>687,883</u>	<u>254,299</u>	<u>6,093,968</u>	<u>6,093,914</u>	<u>12,130,064</u>
December 31, 2023					
Borrowings	-	92,496	5,753,018	5,932,689	11,778,203
Trade and other payables	622,279	-	91	-	622,279
Amounts due to customers for contract work	-	218,022	-	-	218,022
	<u>622,279</u>	<u>310,518</u>	<u>5,753,109</u>	<u>5,932,689</u>	<u>12,618,504</u>

Standalone

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available. Management monitors short- and long-term funding requirements to ensure it has the ability to meet its obligations. The Company has access to funding from the immediate parent company, Naftiran Intertrade Company (NICO) Limited at a rate established under the agreed facility agreement.

The table below summarises the maturity profile of the Company's financial liabilities at the end of reporting period. The amounts presented exclude future interest cash flows because the repayment schedule for many of the financial liabilities is undetermined as it is linked to the volume of production of the financed projects.

Petropars Limited

Notes to the financial statement 31 December 2024

	Less than 1 year USD,000	Between 1 and 2 years USD,000	Between 2 and 5 years USD,000	Over 5 years USD,000	Total USD,000
31 December 2024					
Borrowings	129,147	-	6,093,914	6,093,914	12,316,975
Trade and other payables	233,234	-	108,312	-	341,546
Amounts due to customers for contract work	89,661	-	-	-	89,661
	<u>452,041</u>	<u>-</u>	<u>6,202,226</u>	<u>6,093,914</u>	<u>12,748,181</u>
31 December 2023					
Borrowings	-	92,496	5,753,018	5,932,689	11,778,203
Trade and other payables	491,150	-	-	-	491,150
Amounts due to customers for contract work	79,736	-	-	-	79,736
	<u>570,886</u>	<u>92,496</u>	<u>5,753,018</u>	<u>5,932,689</u>	<u>12,349,089</u>

Sanctions and international restriction risk

International sanctions against Iran have created additional risks in the following areas:

- Money transfers to foreign contractors and increases in commissions for money transfer.
- Claims relating to agreements with contractor's related to changes in foreign currency rates.
- Purchase of goods and services, and engagement of contractors, from abroad, resulting in delays to projects.

Credit risk

The Company has credit risk relating to amounts recoverable on construction contracts, trade and other receivables and cash and cash equivalents. However, the majority of these amounts relate to National Iranian Oil Company and its subsidiaries, which is a state-owned company.

The credit risk arising from the Company's normal commercial operations is controlled according to guidelines established by National Iranian Oil Company (ultimate parent) and guidelines established by the Company itself.

The maximum exposure to credit risk was equal to the carrying amount of amounts due from customers for contract work, trade and other receivables and cash and cash equivalents.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. Management reviews the capital structure on a regular basis. No changes were made in the objectives, policies or processes for managing capital during 2018 and 2017.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, borrowings, less cash and cash equivalents. Given total equity was negative in 2018, the gearing ratio has not been presented.

Petropars Limited

Notes to the financial statement 31 December 2024

Changes in liabilities arising from financing activities

Consolidate & Standalone

	1 January 2024	Cash	Non-Cash	Interest expense	Foreign exchange	31 December 2024
	USD,000	USD,000	USD,000	USD,000	USD,000	USD,000
Borrowings	11,778,203	155,082	-	1,084,855	(701,166)	12,316,974
Total liabilities from financing activities	<u>11,778,203</u>	<u>155,082</u>	<u>-</u>	<u>1,084,855</u>	<u>(701,166)</u>	<u>12,316,974</u>

	1 January 2023	Cash	Non-Cash	Interest expense	Foreign exchange	31 December 2023
	USD,000	USD,000	USD,000	USD,000	USD,000	USD,000
Borrowings	10,734,038	92,496	-	938,569	13,100	11,778,203
Total liabilities from financing activities	<u>10,734,038</u>	<u>92,496</u>	<u>-</u>	<u>938,569</u>	<u>13,100</u>	<u>11,778,203</u>

35. Ultimate parent company and controlling party

The immediate parent company is Naftiran Intertrade Company (NICO) Limited, incorporated and registered in the Island of Labuan.

Both Naftiran Intertrade Company (NICO) Limited and the Company are under the common control of the ultimate parent company, National Iranian Oil Company.

36. Contingent liabilities

Due to delays in completion of the contracts entered in PH12, it may become liable for payments of extension of time and other claims from its subcontractors and Client. The existence of these liabilities and Revenue recognition of financing (bank charges) will be confirmed by the occurrence or non-occurrence of contract employer approval, which is not within the control of the Company. Finalization of the mentioned claims depend on upcoming negotiations with them.

37. Subsequent events

The IMF WEO reported a 3-year cumulative rate of inflation of 111% as of December 2024 and forecast an inflation rate of 52.3% for 2025 and 52.3% for 2023. The Iranian national statistics office (Statistical Centre of Iran, www.amar.org.ir) reported 3-year and 12-month cumulative rates of inflation of 120% and 30.4%, respectively, as of August 2020. Therefore, IAS 29 Financial Reporting in Hyperinflationary Economies should be applied by entities whose functional currency is Iranian Rial going forward. The Group will apply accounting for the hyperinflation economies for its subsidiaries reporting in Iranian Rial.

There has been no material subsequent event after the close of the reporting period.