IMPORTANT NOTICE

THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail including all attachments. The following applies to the offering circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE RELEVANT SECURITIES. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your representation: In order to be eligible to view the following offering circular or make an investment decision with respect to the securities, investors must be outside of the United States. By accepting the e-mail and accessing the following offering circular, you shall be deemed to have represented to us that (1) you and any customers you represent are outside of the United States, (2) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and, to the extent you purchase the securities, you will be doing so pursuant to Regulation S under the Securities Act, and (3) you consent to the delivery of such offering circular by electronic transmission.

You are reminded that the following offering circular has been delivered to you on the basis that you are a person into whose possession the following offering circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of the following offering circular to any other person. If this is not the case, you must return this offering circular to us immediately.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and the Korea Development Bank (collectively, the "Joint Lead Managers") or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the issuer in such jurisdiction.

The following offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the Joint Lead Managers nor any person who controls any of the Joint Lead Managers or any director, officer, employee or agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

You should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

KOREA MIDLAND POWER CO., LTD.

(incorporated with limited liability under the laws of the Republic of Korea)

U.S.$3,000,000,000 Euro Medium Term Notes Program

This Offering Circular replaces and supersedes the offering circular dated July 27, 2021 describing the Program (as defined below). Any Notes (as defined below) issued under the Program on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued prior to the date of this Offering Circular.

Under this U.S.$3,000,000,000 Euro Medium Term Note Program (the "Program"), Korea Midland Power Co., Ltd. (the "Issuer") may from time to time issue notes in bearer and/or registered form (respectively, "Bearer Notes" and "Registered Notes" and, together, the "Notes") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Program will not exceed U.S.$3,000,000,000 (or its equivalent in other currencies calculated as described herein). The Notes may be issued on a continuing basis to one or more of the dealers specified under "Summary of the Program" and any additional dealer appointed under the Program from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers"). References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "Singapore Stock Exchange") in connection with the Program and application will be made for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the Singapore Stock Exchange. Such permission will be granted when such Notes have been admitted for listing and quotation on the Singapore Stock Exchange. The Singapore Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of any of the Notes on, the Singapore Stock Exchange are not to be taken as an indication of the merits of the Issuer, the Program or the Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each tranche of Notes will be set out in a pricing supplement (the "Pricing Supplement"), a copy of which, with respect to Notes to be listed on the Singapore Stock Exchange, will be submitted to the Singapore Stock Exchange before the date of listing of the Notes of such tranche.

The Program provides that the Notes may be listed or admitted to trading on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act ("Regulation S")) except pursuant to an exemption from the registration requirements of the Securities Act. Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code")). For a description of these and other restrictions on transfer, see "Subscription and Sale — Selling Restrictions."

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

See "Risk Factors" beginning on page 11 for a discussion of certain factors to be considered in connection with an investment in the Notes.

Arranger

Citigroup

Dealers

Citigroup **HSBC** **KDB**

The date of this Offering Circular is July 9, 2026.

You should rely only on the information contained in this Offering Circular or to which we have referred you. We have not authorized anyone to provide you with information that is different. This Offering Circular may only be used where it is legal to sell these securities. The information in this Offering Circular may only be accurate on the date of this Offering Circular.

IN CONNECTION WITH ANY OFFERING, TO THE EXTENT PERMITTED BY, AND IN ACCORDANCE WITH, APPLICABLE LAWS AND REGULATIONS, THE ARRANGER OR THE DEALERS (IF ANY) NAMED AS THE STABILIZING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) (THE "STABILIZING MANAGER") MAY OVER- ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF THE REPUBLIC OF KOREA ("KOREA") UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA, AS AMENDED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, SOLD, DELIVERED OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY KOREAN RESIDENT (AS SUCH TERM IS DEFINED IN THE FOREIGN EXCHANGE TRANSACTION ACT OF KOREA AND THE ENFORCEMENT DECREE THEREOF) FOR A PERIOD OF ONE YEAR FROM THE DATE OF ISSUANCE OF THE NOTES, EXCEPT (I) IF ARTICLE 2–2-2, PARAGRAPH 2, ITEM 3 OF THE REGULATION ON THE ISSUANCE OF SECURITIES AND PUBLIC DISCLOSURE, ETC. OF KOREA IS APPLICABLE, THE NOTES MAY BE OFFERED, SOLD, DELIVERED OR TRANSFERRED TO, BETWEEN OR AMONG KOREAN QUALIFIED INSTITUTIONAL INVESTORS AS SPECIFIED IN ARTICLE 2–2, PARAGRAPH 2, ITEM 4 OF THE ABOVE-MENTIONED REGULATION, PROVIDED THAT AT LEAST 80% OF THE AGGREGATE ISSUANCE AMOUNT OF THE NOTES SHALL BE ALLOCATED TO NON-RESIDENTS OF KOREA (AS SUCH TERM IS DEFINED IN THE FOREIGN EXCHANGE TRANSACTION ACT OF KOREA AND THE ENFORCEMENT DECREE THEREOF) (WHICH APPLIES ONLY TO THE NOTES ACQUIRED FROM THE ISSUER OR ANY UNDERWRITER AT THE TIME OF ISSUANCE OF THE NOTES), AND THE OTHER REQUIREMENTS AS SET FORTH IN ARTICLE 2–2-2, PARAGRAPH 2, ITEM 3 ABOVE ARE SATISFIED, OR (II) AS OTHERWISE PERMITTED BY APPLICABLE KOREAN LAWS AND REGULATIONS.

No person has been authorized in connection with any offering of the Notes to give any information or make any representation other than as contained in this Offering Circular and, if given or made, that information or representation must not be relied upon as having been authorized by us or by the Dealers (as defined in "Subscription and Sale"). This

Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any Notes by any person except in compliance with all applicable laws and regulations. No representation or warranty, express or implied, is made, and no responsibility or liability is accepted, by the Dealers or any of their directors, employees, affiliates or advisers as to the accuracy or completeness of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Dealers or their directors, employees, affiliates or advisers. Neither the delivery of this Offering Circular nor any sale made in connection with this Offering Circular shall under any circumstances imply that the information in this Offering Circular is correct as of any date subsequent to the date of this Offering Circular or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in our affairs since the date of this Offering Circular.

We, having made all reasonable inquiries, confirm that this Offering Circular contains all information with respect to us and the Notes which is material in the context of the issue and offering of the Notes, that the information contained in this Offering Circular is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed in this Offering Circular are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, and that there are no other facts, the omission of which would, in the context of the issue and offering of the Notes, make this Offering Circular as a whole or any information or the expression of any opinions or intentions expressed in this Offering Circular misleading in any material respect. We accept responsibility accordingly.

This Offering Circular is based on information provided by us and by other sources that we believe is reasonable. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the authenticity, origin, validity, accuracy or completeness of the information contained or incorporated by reference in this Offering Circular or any supplement hereto or any other information provided by us in connection with the Program or any other statement, made or purported to be made by any Dealer or on its behalf in connection with us, the Program or the issue and offering of the Notes. To the fullest extent permitted by law, no Dealer accepts any liability (and accordingly disclaims all liability whether arising in tort or contract or otherwise) in relation to the information contained or incorporated by reference in this Offering Circular, or any other information provided by us in connection with the Program or any other statement, made or purported to be made by any Dealer or on its behalf in connection with us, the Program or the issue and offering of the Notes. Each Dealer and its affiliates accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such information.

Neither this Offering Circular nor any other information supplied in connection with the Program or any Notes (i) is intended to provide the basis of any credit, taxation or other evaluation or (ii) should be considered as a recommendation or to constitute an invitation or offer by us or any of the Dealers to any of its recipients to purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of us. Neither this Offering Circular nor any other information supplied in connection with the Program or the issue of any Notes constitutes an offer or invitation by or on behalf of us or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning us is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Program is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of us during the life of the Program or to advise any investor in the Notes of any information coming to their attention. Investors should review the most recently published documents incorporated by reference in this Offering Circular when deciding whether or not to purchase any Notes.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and the regulations promulgated thereunder.

This Offering Circular does not constitute, and may not be used for purposes of, an offer, invitation or solicitation by anyone in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorized or to any person to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Neither we nor any of the Dealers represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us or the Dealers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular may come are required by us and the Dealers to inform themselves about and to observe the relevant restrictions. For a description of certain restrictions on offers and sales of the Notes and distribution of this Offering Circular, see "Subscription and Sale." No action is being taken in any jurisdiction to permit an offering to the general public of Notes or the distribution of this Offering Circular in any jurisdiction where action would be required for those purposes.

EEA INFORMATION

MIFID II product governance — The final terms (or Pricing Supplement, as the case may be) in respect of any Series (as defined under "Terms and Conditions of the Notes") of Notes may include a legend entitled "MiFID II Product Governance," which will outline the target market assessment in respect of the Notes of any such Series and which channels for distribution of the Notes are appropriate. If such information is included, any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "MiFID II") will be responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), each of the Arranger and Dealers subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT — EEA RETAIL INVESTORS — If the final terms (or Pricing Supplement, as the case may be) in respect of any Series of Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors," the Notes of any such Series are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes: (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below); and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be prepared and therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

For the purposes of the foregoing paragraph, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

UK INFORMATION

UK MiFIR product governance — The final terms (or Pricing Supplement, as the case may be) in respect of any Series (as defined under "Terms and Conditions of the Notes") of Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes of any such Series and which channels for distribution of the Notes are appropriate. If such information is included, any person subsequently offering, selling or recommending the Notes (a "UK MiFIR distributor") should take into consideration the target market assessment; however, a UK MiFIR distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") will be responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, each of the Arranger and Dealers subscribing for any Notes is a UK MiFIR manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a UK MiFIR manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT — UK RETAIL INVESTORS — If the final terms (or Pricing Supplement, as the case may be) in respect of any Series of Notes includes a legend entitled "UK Consumer Composite Investments (Designated Activities) Regulations/Prohibition of Sales to UK Retail Investors," the Notes of any such Series are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes: (a) the expression "retail investor" means a person who is either one (or both) of the following: (i) not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 ("POATRs"); and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes. Consequently, no disclosure document required by FCA Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore, offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

This Offering Circular is only being distributed to and is only directed at (i) persons who are outside the UK; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"); or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (e) of the Order (all such persons together being referred to as "relevant persons"). The Notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Offering Circular or any of its contents.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the offering of the Notes, including the merits and risks involved. The Notes have not been registered with or approved or disapproved by the United States Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

Neither we nor the Dealers make any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Prospective investors should be aware that certain intermediaries in the context of certain offerings of the Notes pursuant to the Program (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the

attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and

consented to the collection, disclosure, use and transfer of such information by the relevant Dealer and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

SINGAPORE INFORMATION

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE — The Pricing Supplement in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). If applicable, the Issuer will make a determination about the classification of the Notes being offered for the purposes of section 309B(1)(a) and section 309B(1)(c) of the SFA. Any such legend included in the relevant Pricing Supplement will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

CERTAIN DEFINED TERMS AND CONVENTIONS

We have prepared this Offering Circular using a number of conventions that should be considered when reading the information contained in this Offering Circular. All references to "Korea" or the "Republic" herein are references to The Republic of Korea. All references to the "Government" herein are references to the Government of The Republic of Korea. All references to "KOMIPO" or the "Issuer" herein are references to Korea Midland Power Co., Ltd. All references to "we" or "us" herein are references to the Issuer or to the Issuer and its subsidiaries, as the context requires.

In this Offering Circular, references to "Won" or "₩" are to the currency of Korea and all references to "U.S. dollars," "Dollars," "$" or "U.S.$" are to the currency of the United States of America. We maintain our accounts in Won. This Offering Circular contains translations of certain Won amounts into U.S. dollars at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the Won amounts actually represent such U.S. dollar amounts or could have been or could be converted into U.S. dollars at any particular rate, or at all. Unless otherwise specified, all conversions of Won into U.S. dollars were made at the market average exchange rate announced by Seoul Money Brokerage Services, Ltd. in Seoul between Won and the U.S. dollars (the "Market Average Exchange Rate"). Where applicable, the translations from Won to U.S. dollars herein indicated were made at the rate of W1,513.4 to U.S.$1.00, which was the Market Average Exchange Rate in effect as of March 31, 2026. The exchange rate between the U.S. dollar and the Won may be highly volatile from time to time and the U.S. dollar amounts referred to in this report should not be relied upon as an accurate reflection of our results of operations. See "Exchange Rates."

Any discrepancies in the tables included in this Offering Circular between the listed amounts and totals thereof are due to rounding.

ENFORCEABILITY OF CIVIL LIABILITIES

We are a corporation with limited liability organized under the laws of Korea. All of our directors and officers and certain other persons named in this Offering Circular reside in Korea, and all or a significant portion of the assets of the directors and officers and certain other persons named in this Offering Circular and substantially all of our assets are located in Korea. As a result, it may not be possible for you to effect service of process outside Korea upon us or such persons, or to enforce judgments against us or such persons obtained in courts outside Korea predicated upon civil liabilities of us or our directors and officers under laws other than Korean law, including any judgment predicated upon United States federal securities laws. We have been advised by Lee & Ko, our counsel as to matters of Korean law, that there is doubt as to the enforceability in Korea in original actions or in actions for enforcement judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

PRESENTATION OF FINANCIAL INFORMATION

Our audited consolidated financial statements as of December 31, 2025 and 2024 and each of the two years in the period ended December 31, 2025 and our unaudited interim condensed consolidated financial statements as of March 31, 2026 and for the three months ended March 31, 2026 and 2025, included in this Offering Circular, have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions ("Government Accounting Standards"), and where accounting provisions have not been specified under the Government Accounting Standards, we have also applied Korean International Financial Reporting Standards ("K-IFRS"), which may differ in certain respects from International Financial Reporting Standards ("IFRS") applied in other countries. In making an investment decision, investors must rely upon their own independent examination of us, the terms of any offering and the most recent financial information, including the risks involved. Potential investors should consult their own professional advisers for an understanding of the differences between Government Accounting Standards, K-IFRS and IFRS, and how these differences affect the financial information contained in this Offering Circular. This Offering Circular should not be considered as a recommendation by any of the Dealers that any recipient of this Offering Circular should purchase the Notes.

All financial information in this Offering Circular has been presented on a consolidated basis unless otherwise specified or the context otherwise requires.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Circular constitute "forward-looking statements," as defined in Section 27A of the Securities Act, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), including statements regarding our expectations and projections for future operating performance and business prospects. The words "believe," "expect," "anticipate," "estimate," "project," "will," "aim," "will likely result," "will continue," "intend," "plan," "contemplate," "seek to," "future," "objective," "goal," "should," "will pursue" and similar expressions or variations of these expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding our financial position and results, business strategy, plans and objectives of management for future operations, including development plans and

objectives relating to our products and services, are forward-looking statements. Such forward-looking statements and any other projections contained in this Offering Circular (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by forward-looking statements. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections regarding our present and future business strategies and the environment in which we will operate in the future. Among the important factors that could cause some or all of those assumptions not to occur or cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things, our ability to successfully implement our business strategy and our safety policies, the condition of and changes in the Korean, Asian or global economies, the our growth and expansion, including whether we succeed in our capital investment program to increase our installed capacity, changes in interest rates and exchange rates and changes in government regulation and licensing of our businesses in Korea and in other jurisdictions where we may operate, and the change in the price of electricity sold by us. Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors." Any forward-looking statements contained in this Offering Circular speak only as of the date of this Offering Circular. Each of the us and the Dealers expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based.

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SUMMARY

THE ISSUER

We were established on April 2, 2001 as one of six generation subsidiaries (the "Generation Subsidiaries") of Korea Electric Power Corporation ("KEPCO"). The Generation Subsidiaries generate approximately two-thirds of the electricity in Korea. As of March 31, 2026, we had a domestic generation capacity of 10,781 megawatts, or approximately 6.8% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). Based on our internal data, in 2024, 2025 and the three months ended March 31, 2026, we sold 43,951, 36,468 and 10,445 gigawatt hours of electricity, respectively, to KEPCO through the Korea Power Exchange (the "KPX"). KEPCO is currently the sole electricity transmission and distribution company in Korea.

Total demand for electricity in Korea decreased by 0.4% in 2023, increased by 0.7% in 2024 and decreased by 0.1% in 2025, in each case, year on year, according to KEPCO. The consumption of electric power is expected to increase by 2.0% per year from 2024 to 2038, according to the Government's Eleventh Basic Plan of Long-Term Supply and Demand of Electricity (the "Eleventh Basic Plan") announced in March 2025. We plan to continue to make capital expenditures to maintain and expand our generation capacity and enhance our generating systems in the future, particularly with respect to energy transition.

Based on our vision of becoming a "Global Total Energy Company Leading the Next Value," we aspire to create sustainable value by advancing energy transition, building trust and contributing to the environment, economy and society. As of March 31, 2026, we had a total installed generation capacity of 10,781 megawatts, of which 6,106 megawatts, 4,310 megawatts and 365 megawatts were attributable to our coal thermal units, LNG-combined cycle units and renewable energy units, respectively. We generated sales of Won 7,233 billion, Won 5,790 billion, Won 1,545 billion and Won 1,575 billion in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our profit for the year was Won 222 billion in 2024 and Won 180 billion in 2025. Our profit for the period was Won 46 billion for the three months ended March 31, 2025 and Won 28 billion for the three months ended March 31, 2026.

We are a corporation incorporated with limited liability under the laws of Korea. Our registered office is located at 160, Boryeongbuk-ro, Boryeong-si, Chungcheongnam-do 33439, Korea. Our website address is *www.komipo.co.kr*.

THE PROGRAM

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this summary.

Issuer	Korea Midland Power Co., Ltd. (Legal Entity Identifier: 988400Z1HCY1QUPS1W65)
Program Size	Up to U.S.$3,000,000,000 (or the equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuer may increase the amount of the Program in accordance with the terms of the Dealer Agreement.
Risk Factors	Investing in Notes issuable under the Program involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations in respect of the Notes are discussed under the section "Risk Factors" below.
Arranger	Citigroup Global Markets Limited
Dealers	Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and The Korea Development Bank and any other Dealer appointed from time to time by the Issuer either generally in respect of the Program or in relation to a particular Series of the Notes.
Fiscal Agent, CMU Lodging and Paying Agent and Registrar .	Citicorp International Limited
Paying Agent and Transfer Agent	Citibank, N.A., London Branch
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical, the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment date of interest, nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement.

Clearing System	With respect to Notes (other than any series of Notes cleared through the CMU Service (the "CMU Notes")), Euroclear Bank SA/NV ("Euroclear"), Clearstream Banking, S.A. ("Clearstream") and such other clearing system as shall be agreed among the Issuer, the Agents and the relevant Dealer. With respect to CMU Notes, the CMU Service (each of Euroclear, Clearstream and the CMU Service, a "Clearing System"). See "Clearance and Settlement."
Form of the Notes	Notes may be issued in bearer form or in registered form. Registered Notes will not be exchangeable for Bearer Notes and vice versa. No single Series or Tranche may comprise both Bearer Notes and Registered Notes. Each Tranche of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note, as specified in the relevant Pricing Supplement, which, in each case, may be deposited on the issue date with a common depositary for Euroclear, Clearstream or any other agreed alternative clearance system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. Any interest in a Temporary Global Note or a Permanent Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, the CMU Service and/or any other agreed clearance system, as appropriate.

Bearer Notes will be issued in compliance with applicable U.S. tax rules. Bearer Notes will be issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163–5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code (the "D Rules") unless (i) the relevant Pricing Supplement states that the Bearer Notes are issued in compliance with rules in substantially the same form as U.S. Treasury Regulation §1.163–5(2)(i)(C) for purposes of Section 4701 of the U.S. Internal Revenue Code (the "C Rules") or (ii) the Bearer Notes are issued other than in compliance with the D Rules or the C Rules but in circumstance in which the Notes will not constitute "registration required obligations" for U.S. federal income tax purposes, which circumstance will be referred to in the relevant Pricing Supplement. Bearer Notes that are issued in compliance with the D Rules must be initially represented by a Temporary Global Note. If the D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note.

Each Tranche of Registered Notes will, unless otherwise specified in the relevant Pricing Supplement, be represented by a Global Note Certificate (as defined in the "Form of the Notes"), which will be deposited on or about its issue date with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream or, in respect of CMU Notes, a sub-custodian for the CMU Service operated by the HKMA. With respect to all offers or sales by a Dealer of an unsold allotment or subscription, beneficial interests in a Global Note Certificate of such Tranche may be held only through Euroclear, Clearstream or the CMU Service.

Application will be made to have the Global Notes or the Global Note Certificates of any Tranche accepted for clearance and settlement through the facilities of Euroclear, Clearstream and/or the CMU Service, as appropriate.

Currencies . . . . . Notes may be denominated in any currency or currencies, agreed between the Issuer and the relevant Dealer(s) subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of the Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Denominations	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Status of the Notes . . .	The Notes constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. See "Terms and Conditions of the Notes — Status."
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly paid notes may be issued, the issue price of which will be payable in two or more instalments.
Maturities	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the Issuer.
Redemption	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date of the relevant Tranche as described in Condition 9(a) (Scheduled redemption).
Optional Redemption . .	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) as described in Condition 9(c) (Redemption at the option of the Issuer) and/or the Noteholders to the extent (if at all) specified in the Condition 9(e) (Redemption at the option of Noteholders).

Tax Redemption	The Notes may be redeemed at the option of the Issuer in whole, but not in part for tax reasons as described in Condition 9(b) (Redemption for tax reasons).
Interest	Notes may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Tranche. All such information will be set out in the relevant Pricing Supplement.
Negative Pledge	The Issuer is subject to certain negative pledge as further described in Condition 5 (Negative Pledge).
Events of Default	Events of Default for the Notes are set out in Condition 13 (Events of Default), which includes certain Events of Defaults relating to the Issuer.
Cross-Default	The Notes will contain a cross-default provision as further described in Condition 13(d) (Cross-default of Issuer or Subsidiary).
Taxation	All payments in respect of the Notes and/or the Coupons will be made free and clear of withholding taxes imposed by any taxing jurisdiction, subject as provided in Condition 12 (Taxation). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 12, be required to pay additional amounts to cover the amounts so deducted.
Listing	Approval in-principle has been received from the Singapore Stock Exchange in connection with the Program and application will be made for the listing and quotation of any Notes that may be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the Singapore Stock Exchange. Such permission will be granted when such Notes have been admitted for listing and quotation on the Singapore Stock Exchange. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. For so long as any Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, such Notes, if traded on the Singapore Stock Exchange, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).

Governing Law	The Notes, the Agency Agreement, and the Deed of Covenant and any non-contractual obligations arising out of or in connection with the Notes, the Agency Agreement and the Deed of Covenant will be governed by English law.
Selling Restrictions . . .	For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of offering materials in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, Singapore and Korea, see "Subscription and Sale." In connection with the offering and sale of a particular Tranche, additional restrictions may be imposed which will be set out in the relevant Pricing Supplement.
Initial Delivery of the Notes	On or before the issue date for each Series, the Global Note representing Bearer Notes or the Global Note Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream or a sub-custodian for the CMU Service. Global Notes or Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system; provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent, the CMU Lodging and Paying Agent, the Registrars and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of a nominee or a sub-custodian for, such clearing systems.

SUMMARY FINANCIAL AND OTHER DATA

The following tables present summary financial and other data as of December 31, 2025 and 2024 and each of the two years in the period ended December 31, 2025 and as of March 31, 2026 and for the three months ended March 31, 2026 and 2025. The summary financial information and other data set forth below have been derived from and should be read in conjunction with our audited consolidated financial statements and notes thereto as of December 31, 2025 and 2024 and each of the two years in the period ended December 31, 2025 and our unaudited interim condensed consolidated financial statements and notes thereto as of March 31, 2026 and for the three months ended March 31, 2026 and 2025, which are included elsewhere in this Offering Circular.

Our audited consolidated financial statements as of December 31, 2025 and 2024 and each of the two years in the period ended December 31, 2025 and our consolidated interim financial statements as of March 31, 2026 and for the three months ended March 31, 2026 and 2025 have been prepared in accordance with Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions in the Republic of Korea.

Our results of operations for the three months ended March 31, 2026 may not be indicative of our results of operations for any future interim period or for the full year 2026.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2024	2025	2025	2026
	(in billions of Won, except per share data)			
Consolidated Statement of Comprehensive Income (Loss) Data:				
Sales	**₩7,233**	**₩5,790**	**₩1,545**	**₩1,575**
Cost of sales	(6,586)	(5,291)	(1,402)	(1,463)
Gross profit	**647**	**499**	**143**	**112**
Selling and administrative expenses	(166)	(192)	(41)	(40)
Operating profit	**481**	**307**	**102**	**72**
Other non-operating income	15	38	2	5
Other non-operating expenses	(21)	(13)	(2)	(0)
Other income, net	2	34	9	6
Finance income	316	184	25	73
Finance costs	(465)	(293)	(69)	(124)
Share of profit (loss) of associates and joint ventures, net	(17)	(15)	11	5
Profit before income tax	**311**	**242**	**79**	**37**
Income tax expense	(89)	(62)	(33)	(9)
Profit for the year/period	**₩222**	**₩180**	**₩46**	**₩28**
Other comprehensive income (loss) for the year, net of tax	**279**	**(534)**	**(77)**	**(267)**
Total comprehensive income (loss) for the year	**₩501**	**₩(354)**	**₩(31)**	**₩(239)**

	As of December 31,		As of March 31,
	2024	2025	2026
	(in billions of Won)		
Consolidated Statement of Financial Position Data:			
Assets:			
Cash and cash equivalents	₩260	₩121	₩130
Other current assets[(1)]	1,686	1,517	1,744
Property, plant and equipment, net	10,258	10,169	10,063
Other non-current assets[(2)]	3,855	3,042	2,754
Total assets	**₩16,060**	**₩14,849**	**₩14,691**
Liabilities and shareholder's equity:			
Short-term borrowings	₩59	₩814	₩934
Current portion of long-term borrowings	95	26	24
Current portion of bonds, net	770	990	1,134
Other current liabilities[(3)]	1,040	671	813
Bonds, net	6,272	5,280	5,226
Long-term borrowings, net	229	223	232
Other non-current liabilities[(4)]	1,667	1,419	1,292
Total liabilities	**₩10,132**	**₩9,422**	**₩9,655**
Total equity	**₩5,928**	**₩5,427**	**₩5,036**
Total liabilities and equity	**₩16,060**	**₩14,849**	**₩14,691**
Net working capital (deficit)[(5)]	₩(17)	₩(862)	₩(1,031)

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2024	2025	2025	2026
	(in billions of Won)			
Consolidated Other Financial Data:				
Capital expenditures[(6)]	₩682	₩890	₩192	₩137
Depreciation and amortization[(7)]	1,020	901	229	228
Cash flows provided by operating activities	1,707	1,023	64	94
Cash flows used in investing activities	(453)	(864)	(193)	(232)
Cash flows provided by (used in) financing activities	(1,363)	(295)	101	141
Consolidated Operating Information:				
Total power sold (gigawatt hours)	43,951	36,468	8,728	10,445
Total installed capacity (megawatts)	10,778	10,782	10,778	10,781

Notes:

(1) Other current assets consist of current financial assets, net, trade and other receivables, net, inventories, current tax assets and current non-financial assets.

(2) Other non-current assets consist of non-current financial assets, long-term trade and other receivables, intangible assets, investments in associates and joint ventures, deferred tax assets and non-current non-financial assets.

(3) Other current liabilities consist of trade and other payables, current derivative liabilities, current tax liabilities, current non-financial liabilities and current provisions.

(4) Other non-current liabilities consist of non-current trade and other payables, non-current derivative liabilities, non-current non-financial liabilities, employee benefit obligations, deferred tax liabilities and non-current provisions.

(5) Net working capital (deficit) means total current assets minus total current liabilities.

(6) Capital expenditures represent the sum of acquisition of property, plant and equipment, construction-in-progress and intangible assets in our statements of cash flows.

(7) In respect of cost of sales only, and not selling and administrative expenses.

Prospective purchasers of the Notes should carefully consider all of the information contained in this Offering Circular, including our financial statements and related notes, in addition to the following risk factors. In particular, investors should pay attention to the fact that we are subject to the legal and regulatory environment of Korea, which in many respects differs from that which prevails in other countries.

Risks Relating to Our Business

The Government may adopt policy measures, or make changes to existing policy measures to, substantially restructure the Korean electric power industry or our operational structure, which may have a material adverse effect on our business, operations and profitability.

Since our establishment, the Government has introduced successive policy initiatives to foster efficiency in the Korean electric power industry and has adopted policy measures that have substantially modified our business and operations. However, these policy initiatives have not always been fully implemented as originally planned and in some cases have been amended or replaced by new initiatives, among others, due to economic or policy considerations or a change in administration. There can be no assurance that the initiatives and plans announced by the Government will be implemented as planned or at all, or that the implementation of any such plans will not have a negative effect on our business, results of operations or financial condition.

In June 2016, the Government announced plans to reform state-owned enterprises in the energy and resources development sector, including KEPCO, our parent company, and the electric power industry in general. The Government plan involves, among other things, the gradual liberalization of the electric power industry with respect to the distribution market, as well as the initial public offering of the Generation Subsidiaries, including us, in conjunction with the sale of minority interests (20% to 30%) in such subsidiaries. See "The Korean Electricity Industry — Restructuring of the Electricity Industry in Korea."

Following his election in May 2017, former President Moon Jae-In ordered the (i) suspension of coal-fired generation units that have been in service for more than 30 years for the month of June 2017 and staggered, if not suspended, operations of such old coal-fired generation units during the spring season in 2018 and beyond when yellow dust storms are more frequent, (ii) accelerated decommissioning of such old coal-fired generation units and (iii) suspension of construction of new coal-fired generation units and reevaluation of coal-fired generation projects less than 10% into construction.

However, in May 2022, the Government announced in its 110 National Agenda Items and Implementation Plan that the energy mix will be adjusted to a reasonable and feasible level in consideration of a balance between nuclear power plants and renewable energy in order to achieve the Nationally Determined Contribution ("NDC") of reducing greenhouse gas emissions. Such plan contemplates that renewable energy would continue to be supplied based on residential receptivity while the proportion of renewable energy (such as wind and solar power) would be adjusted to a reasonable level.

In July 2022, the Government presented new policy goals and directions through its "New Government's Energy Policy Direction," including on climate change, energy security and new energy industries. While the "New Government's Energy Policy Direction" does not completely replace the existing Government policies, it replaces or modifies, in part, the previous administration's energy policy that specified phased reduction of nuclear energy, including the Third Basic National Energy Plan and the Ninth Basic Plan on Long-Term Electricity Supply and Demand thereunder (the "Ninth Basic Plan"). The "New Government's Energy Policy Direction" calls for, among others, (1) the resumption of construction of Shin-Hanul nuclear power units 3 and 4 with the goal of expanding the proportion of nuclear energy to a minimum of 30% by 2030 and the promotion of continued operations of the nuclear power plants whose operation licenses expire in the future (including for ten of the aging nuclear power plants mentioned in the Ninth Basic Plan), (2) a change in renewable energy supply targets, including appropriate proportions for each source including solar and wind power, in consideration of supply conditions, (3) the replacement of old coal power plants with LNG power plants in a flexible manner in order to achieve stable power supply and respond to changing energy market situations, and (4) the development of core technologies for water electrolysis, fuel cells, and hydrogen ships, vehicles and turbines as well as high value-added materials to achieve independence from foreign sources with respect to such core technologies.

In addition, pursuant to the Framework Act on Carbon Neutrality (the "Carbon Neutrality Act"), the Government announced the National Carbon Neutral and Green Growth Basic Plan (the "Carbon Neutral Basic Plan") in April 2023, which is largely in line with the "New Government's Energy Policy Direction" and the Tenth Basic Plan. The Carbon Neutral Basic Plan includes plans to, among others, (i) close down coal power plants with an operational lifespan of 30 years or more, (ii) promote mixed hydrogen and ammonia power generation based on development of eco-friendly technologies, (iii) resume construction of the two nuclear power units, Shin-Hanul units 3 and 4, which were previously suspended, (iv) continue to operate existing nuclear power plants and (v) promote the balanced mix of energy sources by increasing the proportion of renewable energy in power generation from 9.2% in 2022 to over 21.6% by 2030.

Moreover, in March 2025, the Government announced the Eleventh Basic Plan for the period from 2024 to 2038, which focuses on, among other things, (i) promoting the use of scientific methods to estimate and calculate future electricity demand, (ii) pursuit of energy mix that prioritizes supply stability, efficiency and carbon neutrality, (iii) expansion of carbon-free energy sources instead of converting aging coal-fired generation plants into LNG power plants, (iv) expansion of power grid systems that take into account the construction of new facilities for renewable energy and (v) effective utilization of the energy market to enhance supply stability and energy distribution. Furthermore, the Eleventh Basic Plan includes the following implementation measures: (i) continued utilization of nuclear power as a carbon-free energy source, (ii) systematic expansion of renewable energy sources while attaining greenhouse gas reduction goals, (iii) expansion of clean hydrogen- and ammonia-based power generation and (iv) incorporation of district energy systems into the national electricity supply and demand management framework.

Pursuant to such plans, our Boryeong units no. 5 and 6 will be converted to LNG combined cycle units in 2027 and 2028, respectively. Boryeong units no. 3, 7, and 8 will be converted to hydrogen-fired or district energy facilities in 2038, and unit no. 4 will be replaced by the Bonghwa pumped-storage hydropower project in 2036. Furthermore, as of March 31, 2026, approximately 57% of our total installed capacity was attributable to our coal-fired generation units. As such, the continued implementation of these measures, or the introduction of new and more stringent measures, which may reduce our sales and increase our costs, including capital expenditures, may have a material adverse effect on our business, results of operations and financial condition. See "— Our capacity expansion plans, which are based on Government projections on long-term supply and demand of electricity in Korea, may prove to be inadequate."

Environmental regulations may adversely affect our operations.

We are required to comply with numerous laws and regulations relating to the protection of the environment and land use in Korea. See "Business — Environment." These laws and regulations are constantly changing. While we believe we are in compliance with applicable environmental laws and regulations in all material respects and that we have obtained all material environmental approvals currently required to own and operate our facilities, we may incur significant costs as a result of these requirements.

Starting January 2012, the Government has enforced the Renewable Portfolio Standard ("RPS"), under which each generation company, including us, is required to supply 25% of the total energy generated from such generation company in the form of renewable energy by 2030, with interim annual targets for the intervening years. Any generation company failing to do so in the prescribed timeline is subject to penalties. We have met the RPS targets of 13.0% for 2023, 13.5% in 2024 and 14.0% in 2025 and thus have not been levied any penalties for non-compliance with respect to such years. While we intend to continue increasing the proportion of generation capacity from renewable energy relative to generation capacity from non-renewable energy in order to meet our future RPS targets, there is no assurance that we will be able to do so quickly enough to meet such targets. Furthermore, while we expect that additional capital expenditures to increase generation capacity from renewable energy will be covered by a corresponding increase in electricity tariff levied on end-users, which will in turn increase the amount payable to us by KEPCO, there is no assurance that the Government will in fact raise the electricity tariff to a level sufficient to fully cover such additional capital expenditures or at all.

In addition, in 2015, the Government implemented a carbon emission trading system in order to reduce the emission of greenhouse gases by 37% from 2030 business-as-usual levels in accordance with the Act on Allocation and Trading of Greenhouse Gas Emission Allowances. Furthermore, in 2020, the Government announced its goal to reach net neutrality of greenhouse gas emissions by 2050, and in 2021, the Government raised its target to reduce the emission of greenhouse gases by 40% by 2030 compared to 2018, in consideration of the legislative intent of the Carbon Neutrality Act and global trends. Under the Government's emission trading system, the Government allocates emission allowance units to companies in certain industries, including generation companies, and such companies are allowed to emit levels of greenhouse gases based on the number of allowance units that have been allocated to them. If a company emits more than the amount of allowance units that have been allocated to it, the company must purchase additional allowance units on the emission trading system. In 2025, we emitted approximately 28 million tons of carbon equivalents, of which 8 million tons were additional allowance units

that we have purchased or will purchase prior to the requisite deadline. Our continued adherence to such annual emission reduction targets is expected to result in our incurring significant compliance costs.

In December 2016, the Ministry of Trade, Industry and Energy, which has since been renamed as the Ministry of Trade, Industry and Resources (the "MOTIR") and the five non-nuclear Generation Subsidiaries, including us, entered into an agreement to reduce fine dust and pollutant emissions from coal-fired generation units. The agreement calls for the Generation Subsidiaries to invest a total of Won 11.6 trillion in pollution reduction equipment in existing and new coal-fired generation units, as well as the decommissioning of old coal-fired generation units. Pursuant to such plans, our Boryeong units no. 1 and 2 units have been decommissioned in 2020 and our Boryeong units no. 5 and 6 will be converted to LNG combined cycle units in 2027 and 2028, respectively.

Korean environmental laws establish emissions standards relating to, among other things, sulfur oxides ("SOx"), nitrogen oxides ("NOx") and dust. Such standards have become more stringent in recent years to reduce the amount of permitted emissions, including through the enactment of the Special Act on the Improvement of Air Quality in Air Control Zones in April 2019. Pursuant to the regulations under such act, which became effective in April 2020, all of our thermal generation facilities, other than our Jeju power plant complex, became subject to annual emission allowance targets and trading systems of emission allowance units with respect to SOx, NOx and dust starting in 2020, similar to those targets and trading systems relating to greenhouse gas emissions. Adhering to such annual emission reduction targets may result in our incurring significant compliance costs.

Furthermore, heightened global awareness and international and national commitments to reduce greenhouse gas emissions and counteract climate change (including increased activism by non-governmental and political organizations campaigning against fossil fuel extractions) may lead to increased costs for us. For example, the Glasgow Climate Pact, which was agreed to at the 2021 United Nations Climate Change Conference ("COP26") in November 2021, includes commitments to phase down the use of unabated coal power and inefficient fossil fuel subsidies. The Government also announced its commitment to reduce greenhouse gas emissions by 40% by 2030 compared to 2018 at COP26, and such commitments were reconfirmed at the 2022 United Nations Climate Change Conference in November 2022. Moreover, the 2023 United Nations Climate Change Conference in December 2023 resulted in an agreement to transition away from fossil fuels to achieve net-zero emissions by 2050 as well as to triple renewable energy capacity globally by 2030. Furthermore, at COP30 in Brazil in November 2025, the Government committed to reduce greenhouse gas emissions by 53% to 61% from 2018 levels by 2035. In addition, pursuant to the Carbon Neutrality Act which was enacted in September 2021 and took effect in March 2022, the Government set the carbon neutrality target as a national vision by 2050. Carbon tax proposals in various jurisdictions as well as consumer preference changes in response to growing concerns of climate change could stimulate the emergence of alternative technologies and renewable energy availability, which may impact demand for electricity and fossil fuel-based power generation while increasing corporate expenses. Investor preferences and sentiments are also influenced by environmental, social and corporate governance considerations including climate change and the transition to a lower carbon economy. Changes in such preferences and sentiment, including increased scrutiny from market participants, environmental organizations or the press could have an adverse effect on our debt issuances under this Program, could affect our access to the capital markets and

our attractiveness to potential investors, potentially resulting in reduced access to financing, increased financing costs, potential volatility in the price(s) of any Notes issued hereunder and impacts upon our business plans and financial performance.

We believe that the facilities and operations in which we hold interests are in material compliance with the requirements of the relevant environmental protection laws and safety regulations. While the costs of the measures taken to comply with such laws or regulations have not had a material adverse effect on our financial condition or results of operations to date, the costs of such measures and liabilities related to damages caused by our operations may increase in the future. Also, if we are unable to comply with the applicable laws and regulations, regulatory authorities may, at their discretion, close the non-complying facility, or force us to cease operations until proper compliance is made. Such increases in environmental or safety compliance costs or disruptions in operations may have a material adverse effect on our results of operation and financial condition.

Our capacity expansion plans, which are based on Government projections on long-term supply and demand of electricity in Korea, may prove to be inadequate.

We make plans for expanding or upgrading our generation capacity based on the Government's Basic National Energy Plan, as well as the applicable Basic Plan. The Basic Plan is announced and revised generally every two years by the Government.

In June 2019, the Government announced the Third Basic National Energy Plan, which is a comprehensive plan that covers the entire spectrum of energy industries in Korea from 2019 to 2040. The Third Basic National Energy Plan focuses on the following five key tasks: (i) innovating the structure of energy consumption by strengthening the energy demand management of various sectors such as industrial, building and transportation, and streamlining pricing systems with the aim of improving the efficiency of energy consumption by 38% by 2040 and reducing energy demand by 18.6% by 2040, (ii) transitioning to a clean and safe mix of energy through increasing the share of renewable energy by 30~35% while reducing the share of nuclear and coal energy, (iii) expanding decentralized and participatory energy systems by increasing the share of distributed energy resources (such as renewable energy and fuel cells) in areas with demand and strengthening regional management by expanding the roles and responsibilities of local governments, (iv) bolstering the global competitiveness of Korea's energy industry by fostering future energy industries such as renewable energy, hydrogen and efficiency-enhancing industries, as well as through adding value to existing traditional energy industries, and (v) laying the foundation for conversion to clean and safe energy by improving the electricity, gas and heat market systems and building an energy big data platform to promote the creation of new industries.

In March 2025, the Government announced the Eleventh Basic Plan of Long-Term Supply and Demand of Electricity (the "Eleventh Basic Plan") for the period from 2024 to 2038, which focuses on, among other things, (i) promoting the use of scientific methods to estimate and calculate future electricity demand, (ii) pursuit of energy mix that prioritizes supply stability, efficiency and carbon neutrality, (iii) expansion of carbon-free energy sources instead of converting aging coal-fired generation plants into LNG power plants, (iv) expansion of power grid systems that take into account the construction of new facilities for renewable energy and (v) effective utilization of the energy market to enhance supply stability and energy distribution. Furthermore, the Eleventh Basic Plan includes the following implementation measures: (i) continued utilization of nuclear power as a

carbon-free energy source, (ii) systematic expansion of renewable energy sources while attaining greenhouse gas reduction goals, (iii) expansion of clean hydrogen- and ammonia-based power generation and (iv) incorporation of district energy systems into the national electricity supply and demand management framework. In addition, the Carbon Neutral Basic Plan, which was announced in April 2023, targets to increase the proportion of renewable energy from 9.2% in 2022 to over 21.6% by 2030. Pursuant to such plans, our Boryeong units no. 5 and 6 will be converted to LNG combined cycle units in 2027 and 2028, respectively. Boryeong units no. 3, 7, and 8 will be converted to hydrogen-fired or district energy facilities in 2038, and unit no. 4 will be replaced by the Bonghwa pumped-storage hydropower project in 2036.

We cannot assure you that the Third Basic National Energy Plan, the Eleventh Basic Plan or any future plans to be subsequently adopted will successfully achieve their intended goals, the foremost of which is to ensure, through carefully calibrated capacity expansion and other means, balanced overall electricity supply and demand in Korea at affordable rates to end users while promoting efficiency and environmental friendliness in the consumption and production of electricity. If there is a significant variance between the projected electricity supply and demand considered in planning our capacity expansions and the actual electricity supply and demand, or if these plans otherwise fail to meet their intended goals or have other unintended consequences, this may result in inefficient use of our capital, mispricing of electricity and undue financing costs on our part, which may have a material adverse effect on our results of operations, financial condition and cash flows.

We engage in certain international activities and dealings, including dealings relating to Russia, that may become subject to or otherwise be affected by economic sanctions administered and enforced by various jurisdictions. These economic sanctions may limit what dealings we can engage in, including dealings related to our purchases of bituminous coal, and may have other adverse effects on our business and reputation.

The U.S. government, including the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), administers and enforces certain laws and regulations, or U.S. primary sanctions, that impose prohibitions or restrictions on dealings with or related to certain designated countries and territories, governments, entities and individuals, and entities majority-owned by such parties, that take place within U.S. jurisdiction. U.S. primary sanctions include territorial sanctions targeting specific countries and jurisdictions; blocking sanctions, which generally prohibit U.S. persons from engaging in transactions or other dealings with or involving blocked persons or the property or interests in property of a blocked person; and non-blocking prohibitions and restrictions that target specific kinds of dealings, including, for example, dealings in debt or equity issued by certain designated parties issued after certain dates. For example, as a result of the ongoing conflict involving Ukraine and Russia, the United States, along with the European Union, the United Kingdom, Korea and other major jurisdictions, has adopted new, additional and/or enhanced economic and trade sanctions and restrictions on Russia. Although U.S. primary sanctions generally are not applicable to non-U.S. persons (but noting certain U.S. primary sanctions programs do apply to non-U.S. subsidiaries of U.S. companies), non-U.S. persons can be held liable for violations of U.S. primary sanctions to the extent they participate in prohibited transactions within U.S. jurisdiction (including as a result of, for example, involving U.S. goods, services or technology, U.S. persons, or U.S. dollar payments that are cleared through the U.S. financial system). Violations of U.S. primary sanctions can result in substantial civil or criminal penalties.

In addition to U.S. primary sanctions, the United States maintains numerous secondary sanctions programs that give the U.S. government authority to impose a variety of sanctions on foreign parties that engage in certain dealings relating to Russia, as well as other U.S. sanctions targets/targeted activities regardless of whether such dealings are within U.S. jurisdiction. The imposition of U.S. secondary sanctions is not automatic, and instead requires specific action by the U.S. government. In practice, U.S. secondary sanctions are highly discretionary and may be strongly influenced by political considerations, and accordingly, are difficult to predict. Non-U.S. parties that engage in sanctionable activities are potentially subject to a number of sanctions, including, among other things, the blocking of any property within U.S. jurisdiction (including the possession or control of U.S. persons) in which the sanctioned party has an interest, which would include a prohibition on transactions or dealings within U.S. jurisdiction involving the securities of the sanctioned party, or, in the case of financial institutions, being prohibited or restricted from maintaining correspondent accounts in the United States. Our business and reputation could be adversely affected, for example, if the U.S. government were to determine that our activities, or the activities of any of our counterparties, involve sanctionable activity under U.S. secondary sanctions.

In addition, the European Union, the United Kingdom, Korea and other major jurisdictions administer and enforce their own sanctions programs that target certain countries and territories, governments, entities and individuals in varying respects that we or certain of our dealings may be subject to.

From time to time, we have engaged in business transactions related to Russia, mainly purchasing bituminous and anthracite coal sourced from Russia through global, including non-sanctioned Russian, suppliers. While these dealings have historically included transactions conducted in U.S. dollars through U.S. financial institutions, we believe that these transactions have been conducted in compliance with all applicable sanctions laws. We are continuing to evaluate our business activities in, with, or involving Russia and intend to only engage in additional transactions in, with, or involving Russia that are compliant with applicable sanctions. Although we believe that we are in compliance with all applicable sanctions, and intend to use our reasonable best efforts to maintain such compliance, we cannot guarantee that we will be in compliance in the future, particularly since the scope of such sanctions may be uncertain and such sanctions are subject to frequent and unpredictable changes. Additionally, changes to applicable sanctions may have a negative impact on our stable procurement of bituminous coal or otherwise on our business or reputation. While we believe that adequate alternative supplies of bituminous coal are currently available to us, if we cannot obtain adequate bituminous coal volumes of the type and quality we require or if we are able to obtain such types and volumes only at unfavorable prices as a result of applicable sanctions, our business and results of operations could be materially and adversely affected.

We are dependent on fuel imported from overseas suppliers in currencies other than Won under contracts with varying quantities and durations, and any increases in fuel costs, if not fully passed through to KEPCO, could adversely affect our results of operations.

Raw materials used included in our cost of sales, which primarily consist of fuel costs, constituted 65.5%, 61.2%, 65.4% and 67.6% of our sales, and 71.9%, 67.0%, 72.0% and 72.8% of our cost of sales, in 2024, 2025 and the three-month periods ended March 31, 2025 and 2026, respectively. A substantial majority of our fuel costs are incurred to purchase bituminous coal from sources outside of Korea at prices determined in part by prevailing

market prices in currencies other than Won, primarily the U.S. dollar. In addition, we purchase a significant portion of our fuel requirements under contracts with limited quantity and duration. See "Business — Fuel."

Substantially all of our bituminous coal requirements are imported from various suppliers located in Australia, Indonesia, the United States, Russia, Colombia, Canada and South Africa under long-term or spot contracts. Approximately 98.3%, 88.9%, 97.4% and 86.3% of our bituminous coal requirements were purchased under long-term contracts in 2024, 2025 and the three-month periods ended March 31, 2025 and 2026, respectively, with the remaining requirements being purchased on the spot market. We purchase oil through a competitive open bidding process with other bidders, including Korean refiners, on the spot market. We purchase a substantial portion of our domestic LNG requirements from Korea Gas Corporation ("KOGAS") under a long-term supply contract. Since 2015, we have started direct importation of LNG and such direct imports comprise 15.9% of the LNG used in our domestic units for the three months ended March 31, 2026.

In recent years, the prices of fuel, including bituminous coal, oil and LNG, have fluctuated significantly. If fuel prices increase sharply within a short span of time, we may be unable to secure requisite fuel supplies at prices that we were able to obtain during prior periods. In addition, any significant interruption or delay in the supply of fuel (bituminous coal and LNG in particular) from any of our suppliers, including due to any future increases in the scope of applicable sanctions against Russia, could cause us to purchase fuel on the spot market at prices higher than the prices available under existing supply contracts, resulting in an increase in fuel cost.

While increases in our fuel costs are fully passed through to KEPCO in its purchase of electricity from us under the current cost-based pool system, such pass-through is subject to a two-month time lag, and accordingly, fuel cost increases, including cost increases resulting from the depreciation of the Won against the U.S. dollar or other currencies, could adversely affect our results of operations if the price of electricity payable to us by KEPCO does not timely capture such fuel cost increases for the relevant financial reporting period. Furthermore, in determining the adjusted coefficient for the marginal price component of the price of electricity sold by us to KEPCO by way of KPX, the Cost Evaluation Committee, a committee composed of representatives from the Government, KEPCO and the Generation Subsidiaries, including us, considers various factors, including the market prices of fuels, electricity tariff rates and their impact on the relative fair investment returns for KEPCO and the Generation Subsidiaries, including us, among others. Therefore, in the event of a sustained or rapid rise in fuel costs which impact is not sufficiently offset by a corresponding rise in electricity tariff rates in a timely manner and as a result would significantly hurt KEPCO's profitability, the adjusted coefficient may be set at a level which would have the effect of lowering the fair investment return for the Generation Subsidiaries, including us, and, in turn, the overall profitability of our operations. For instance, in March 2013, the Cost Evaluation Committee imposed a price cap on the marginal price of electricity sold by us to KEPCO. In addition, the Government has introduced the concept of an "emergency price cap" on the marginal price of electricity sold by us to KEPCO for a period of one year from December 2022 to December 2023 to address extraordinarily rapid increases in the market price of fuel, pursuant to which the MOTIR can set a temporary emergency price cap for one month (not to exceed three consecutive months) that would override the regular price cap on the marginal price of electricity set by the Cost Evaluation Committee. Such price cap has affected those generation units using relatively more expensive fuel types, such as our LNG and oil units, which accounted for approximately

42.1% in aggregate of our installed capacity as of March 31, 2026. The price cap has had and may have a material adverse effect on our results of operation and financial condition. See "The Korean Electricity Industry — Power Purchase — Cost-based Pool System — Marginal Price."

We anticipate substantial capital expenditures, which will require additional debt incurrence in the future.

We anticipate that substantial capital expenditures will be required in the future for construction of additional generation facilities as discussed in "Business — Capital Investment Program." Our capital expenditures, which represent the sum of property, plant and equipment, construction-in-progress and intangible assets in our statements of cash flows, were Won 682 billion in 2024, Won 890 billion in 2025, Won 192 billion for the three months ended March 31, 2025 and Won 137 billion for the three months ended March 31, 2026. We have budgeted Won 1,344 billion (including amounts already expended in 2026), Won 1,170 billion, Won 1,152 billion and Won 1,173 billion for capital expenditures (for (i) new power plant construction, (ii) power generation facility reinforcement, (iii) other tangible assets, (iv) intangible assets, (v) investment assets and (vi) other non-current assets) for 2026, 2027, 2028 and 2029, respectively. The budgeted amounts may vary from the actual amounts of our capital expenditures for a variety of reasons, including changes in the number of units to be constructed and the timing of such construction, changes in rates of exchange between the Won and foreign currencies, changes in interest rates, changes in the Government's policy objectives and other factors. For example, in May 2026, the Government announced its plans to increase the portion of renewable energy generated in Korea to 30% of the total energy generated in Korea by 2035, which calls for the Generation Subsidiaries, including us, to make significant investments in the construction and operation of power plants fueled by renewable energy. In response to such policy objectives, we have set an internal target to increase the portion of renewable energy to 30% of our total power generation by 2035. Although we plan to fund a substantial portion of our capital expenditures with net cash from operating activities, no assurance can be given that we will be able to do so. We expect that a portion of our future capital expenditures will need to be financed through foreign currency borrowings in the international capital markets, as well as borrowings of Korean Won in the domestic capital market, which may lead to an increase in our overall debt levels as well as our debt ratio. It is also possible that the required financing may not be available to us or that the cost at which such financing may be available may not be acceptable to us. Volatile financial market conditions and an increasing interest rate environment may also curtail our ability to obtain adequate funding and/or increase our cost of borrowings, which would have an adverse effect on our liquidity and financial position. In addition to funding requirements relating to our capital investment program, payments of principal and interest on indebtedness will require considerable capital resources. If we are unable to obtain debt financing at acceptable rates on a timely basis, or at all, we may be unable to meet our funding requirements or debt repayment obligations, which could have a material adverse impact on our business and results of operations and could lead to a decline in the market value of the Notes.

In recent years, in light of the previous policy guidelines of the Government for public enterprises (including us) in general to reduce their respective overall debt levels, we implemented various measures to reduce our debt levels, including by way of disposing of equity interests in unprofitable subsidiaries and other non-core assets. If the Government reprises such policy guidelines in the future, we cannot provide assurance that we will be able to successfully reduce our debt to a level contemplated by the Government or to a level

that would be optimal for our capital structure. If we fail to reduce our debt to a level contemplated by the Government or the measures taken by us to reduce debt levels have unintended adverse consequences, such developments may have an adverse effect on our business, results of operation and financial condition.

The introduction of the vesting contract system has been indefinitely suspended and may not achieve the desired benefits when fully implemented.

On May 20, 2014, the Electricity Business Act was amended to introduce a vesting contract system to determine the price and quantity of electricity to be sold and purchased through the KPX between the purchaser of electricity (currently, KEPCO) and the sellers of electricity (namely, the Generation Subsidiaries (including us) and independent power producers ("IPPs")).

Under the vesting contract system, electricity generators using low-cost base load fuels (such as nuclear, coal, hydro and by-product gas) at a particular generation unit were to be required to enter into a contract with the purchaser of electricity (currently, KEPCO), which would specify, among other things, the quantity of electricity to be generated and sold from such generation unit and the price at which such electricity would be sold, subject to certain adjustments.

The introduction of the vesting contract system was intended principally to prevent excessive profit-taking by producers of electricity using low-cost base load fuels (such as nuclear, coal, hydro and by-product gas) by replacing the adjusted coefficient as the basis for determining the guaranteed return to generation companies, as well as to enhance the stability of electricity supply by requiring long-term contractual arrangements for the purchase and sale of electricity and promote cost savings, productivity enhancements and operational efficiency by providing incentives and penalties depending on the degree to which the generation companies could supply electricity at costs below the contracted electricity prices.

In order to minimize undue shock to the electricity trading market in Korea, the vesting contract system was to be implemented in phases starting with by-product gas-based electricity in 2015. The rollout of the vesting contract system was further studied by a task force consisting of representatives from the Government, the KPX and generation companies. Following such study, the Government announced in June 2016 that, due to changes in the electricity business environment (including an increase in generation capacity relative to peak usage, reduced fuel costs following a decline in oil prices and greater environmental concerns related to coal-fired electricity generation), it will indefinitely suspend any further rollout of the vesting contract system beyond by-product gas-based electricity, and retain the adjusted coefficient-based electricity pricing adjustment mechanism. However, in January 2024, the MOTIR announced the 2024 Major Business Execution Plan, which included plans to adopt the vesting contract system for nuclear-based electricity in order to promote the use of nuclear power. A council consisting of representatives from the Ministry of Climate, Energy and Environment (the "MCEE"), KEPCO, KPX and Korea Hydro & Nuclear Power Co., Ltd. was formed and is currently discussing the details regarding the implementation of such vesting contract system. No assurance can be given that such system, if re-introduced, will not adversely affect our business, results of operation or financial condition in the future. See "The Korean Electricity Industry — Vesting Contract System."

The movement of the Won against the U.S. dollar and other currencies may have a material adverse effect on us.

The Won has fluctuated significantly against major currencies from time to time, including recently in light of the COVID-19 pandemic in Korea and globally, Russia's invasion of Ukraine and the ensuing sanctions against Russia, and more recently, increased levels of uncertainty and signs of deterioration in the global economy and financial markets. Depreciation of the Won against the U.S. dollar and other foreign currencies typically results in a material increase in the cost of fuel and equipment purchased by us from overseas since the prices for substantially all of the fuel and a significant portion of the equipment we purchase are denominated in currencies other than the Won, generally in U.S. dollars. Changes in foreign exchange rates may also impact the cost of servicing our foreign currency-denominated debt. As of March 31, 2026, 15.0% of our long-term debt (borrowings and bonds excluding current portion and net of discount), before accounting for swap transactions, was denominated in foreign currencies, principally U.S. dollars. In addition, as is the case with LNG purchased from KOGAS, even if we make payments in Won for certain sources of fuel and equipment, some of these sources of fuel may originate from other countries and their prices may be affected accordingly by the exchange rates between the Won and foreign currencies, especially the U.S. dollar. Since substantially all of our sales are denominated in Won, we must generally obtain foreign currencies through foreign currency-denominated financings or from foreign currency exchange markets to make such purchases or service such debt. As a result, any significant depreciation of the Won against the U.S. dollar or other major foreign currencies may have a material adverse effect on our profitability and results of operations.

Our risk management procedures may not prevent losses in debt and foreign currency positions.

We manage interest rate exposure in our debt positions by limiting our variable-rate and fixed-rate exposures to percentages of total debt and by monitoring the effects of market changes in interest rates. We also actively manage the risks inherent in our foreign currency positions, which incorporate both our foreign currency-denominated assets and debt. For example, we enter into foreign currency contracts to hedge all of our imported bituminous coal requirements purchased in U.S. dollars, which is our primary foreign currency exposure. In addition, we hedge all of our U.S. dollar debt exposure through foreign currency swap contracts. We measure the potential loss using risk analysis software and enter into derivatives to hedge the exposure when the possible loss reaches a certain percentage of our total capitalization. To the extent we have unhedged positions or our hedging and other risk management procedures do not work as planned, our results of operations and financial condition could be adversely affected.

Our insurance coverage may not be sufficient.

We have obtained a general commercial insurance policy to insure against fire, natural disasters and mechanical accidents up to Won 17.9 trillion as well as construction insurance on certain new projects for Boryeong's new combined cycle power plants and Haman's combined cycle power plants up to Won 1.3 trillion. We also have marine cargo insurance in respect of imported fuel and procurement with insurance coverage of U.S.$2.8 billion, as well as general vehicle insurance. We also maintain directors' and officers' liability insurance.

While we believe that we carry insurance coverage meeting the expected standards in our industry, our insurance and indemnity policies do not cover all of the assets that we own and operate and do not cover all types or amounts of loss which could arise in connection with the ownership and operation of our power plants. We do not maintain insurance for business interruptions, terrorist attacks or war. As a result, significant accidents with damages over our "per occurrence" amount limitations that affect our assets, or other events for which we are not insured, such as an act of terrorism, could have a material adverse impact on our business and results of operations and could lead to a decline in the market value of the Notes. See "Business — Insurance."

An increase in consumption tax on our fuel sources may have a material adverse effect on our business, operations and profitability.

Effective July 2014, largely based on policy considerations of tax equity among different types of fuel sources as well as environmental concerns, the Government applied consumption tax to bituminous coal, which previously had not been subject to consumption tax unlike other types of fuel such as LNG and bunker oil. Pursuant to the amended Individual Consumption Tax Act, effective as of January 1, 2023, the base tax rate (which is subject to certain adjustments) is Won 46 per kilogram for bituminous coal; however, due to concerns on the potential adverse effect on industrial activities, the applicable tax rate is applied differently in accordance with the Enforcement Decree of the Individual Consumption Tax Act. The currently applicable tax rate for bituminous coal, which remains in effect until December 31, 2025 is Won 39.1 per kilogram. In contrast, the currently applicable tax rate for LNG for power generation is Won 8.4 per kilogram, while the currently applicable tax rate for LNG for uses other than power generation is Won 42 per kilogram, subject to certain exceptions.

Bituminous coal is a significant fuel source for our electricity generation in terms of electricity output, as electricity sales from such fuel sources accounted for 60.9%, 71.0%, 61.8% and 62.9% of our total electricity sales in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. We paid Won 477 billion, Won 411 billion, Won 114 billion and Won 170 billion in consumption taxes with respect to the use of bituminous coal in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. While we expect that additional fuel costs due to any further increase in consumption tax on our fuel sources, bituminous coal, oil and LNG in particular, will be covered by a corresponding increase in the system marginal price of electricity sold by us to KEPCO, there is a time lag between our purchase of coal and our sale of electricity, which may adversely affect our cash flow, results of operation and financial condition.

Labor unrest may adversely affect our operations.

As of March 31, 2026, approximately 49.8% of our employees were members of the Korea Midland Power Labor Union, which membership comprises entirely of our employees, and approximately 15.0% of our employees were members of the Korea Midland Power United Labor Union, which membership also comprises entirely of our employees and approximately 2.5% of our employees were members of the Korean Power Plant Industry Union, of which employees of other non-nuclear Generation Subsidiaries are also members. In 2002, the Government's plan to restructure and privatize KEPCO's non-nuclear Generation Subsidiaries resulted in a six-week strike by the labor unions of the non-nuclear Generation Subsidiaries to protest the Government's plan. Although the strike did not materially disrupt the supply of electricity or have a material adverse impact on our

business and results of operations, and a large-scale strike has not happened since then, we cannot assure you that a large-scale strike will not occur again in the future, that such labor unrest will be satisfactorily resolved or that such labor unrest will not materially disrupt the supply of electricity or have a material adverse effect on our business or results of operations. While we believe that we have trained a sufficient number of alternative staff and employees to run our operations in the event of a strike, there can be no assurances that this would prove to be successful. Labor unrest may adversely affect our results of operations by disrupting the power supply.

Our business may be materially and adversely affected by legal claims and regulatory actions against us.

We are subject to the risk of legal claims and regulatory actions in the ordinary course of business (including with respect to sanctions, anti-corruption and anti-money laundering, among others), which may expose us to substantial monetary damages and legal costs, injunctive relief, criminal and civil penalties, sanctions against our management and employees and regulatory restrictions on our operations, as well as reputational harm.

We are unable to predict the final outcome of many of the proceedings and other lawsuits, arbitration proceedings and regulatory actions in which we are involved. An adverse determination in any such proceedings may result in monetary damages, regulatory sanctions and financial liability as well as reputational harm to us, which in turn may have a material adverse effect on our business, results of operations and financial condition.

We may face greater competition in the future.

We compete with other non-nuclear Generation Subsidiaries and, to a lesser but increasing extent, with IPPs for the sale of electricity in Korea. According to KEPCO, the IPPs accounted for 32.3%, 34.1% and 36.3% of total power sold in terms of volume in 2024, 2025 and the three months ended March 31, 2026, respectively. As of March 31, 2026, there were 18 principal IPPs in Korea according to data from the KPX.

Under the Electricity Business Act, the Community Energy System ("CES") enables regional districts to source electricity from IPPs without having to undergo the cost-based pool system used by us to distribute electricity nationwide. A supplier of electricity under the CES must obtain a license from the MOTIR following deliberation by the Korea Electricity Regulatory Commission (the "KOREC"). The purpose of this system is to decentralize electricity supply and thereby reduce transmission costs and improve the efficiency of energy use. These entities do not supply electricity on a national level but are licensed to supply electricity on a limited basis to their respective districts under the CES. As of March 31, 2026, the aggregate generation capacity of suppliers participating in the CES amounted to approximately 9.7% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). Wider adoption of the CES would likely erode our market position in the generation of electricity in Korea and may have a material adverse effect on our business, growth, sales and profitability.

While high initial investment costs are an effective barrier to entry for newcomers in the industry, our existing competitors are planning to make substantial investments in expanding their power generation capacity. If such capacity expansion outpaces the general demand for electricity in Korea, the price of electricity in Korea may decrease, which may have a material adverse effect on our results of operations.

We may not be successful in implementing new business strategies.

As part of our overall business strategy, we plan to undertake new, or expand existing, projects such as expanding generation capacity under the applicable Basic Plan, strengthening our renewable energy generation capabilities under the RPS initiative and expanding in overseas markets, particularly in the construction and operation of power plants which may lead to increased potential liabilities.

Due to their inherent uncertainties, such new and expanded strategic initiatives expose us to a number of risks and challenges, including the following:

- unanticipated capital expenditures and additional compliance requirements;
- less growth or profit than we currently anticipate with no assurance that such business activities will become profitable;
- failure to identify and enter into alternative business areas in a timely fashion, putting us at a disadvantage vis-a-vis competitors, particularly in overseas markets; and
- failure to hire or retain personnel who are able to supervise and conduct the relevant business activities.

As part of our business strategy, particularly in relation to overseas expansion, fuel sources procurement and renewable energy development, we may also, on a selective basis, seek, evaluate or engage in potential acquisitions, mergers, combinations or other similar opportunities, including with existing or future joint ventures and strategic alliances. The prospects of these initiatives are uncertain, and there can be no assurance that we will be able to successfully implement or grow new ventures, and these ventures may prove more difficult or costly than we presently expect. In addition, we regularly review the profitability and growth potential of our businesses. As a result of such review, we may decide to exit from or reduce the resources that we allocate to new business ventures in the future. There is a risk that these ventures may not achieve profitability or operational efficiencies to the extent that we presently expect and we may fail to recover investments or expenditures we have already made. Any of the foregoing may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

We plan to pursue international expansion opportunities that may subject us to different or greater risk from those associated with our domestic operations.

While our core operations have historically been based in Korea, we have strategically pursued overseas expansion to secure future growth engines. Our international power generation portfolio, developed following rigorous risk assessments, spans 13 projects across five countries. Building on this strong foundation, we remain committed to the continued expansion of our global operations. In particular, we intend to diversify our geographical footprint beyond Asia, Europe and North America by extending our presence into the Middle East, Australia and other emerging markets.

In addition, we intend to transition our project portfolio — historically centered on fossil fuel power generation — by actively developing and scaling renewable energy projects, including solar, wind and hydroelectric power, in alignment with Article 6 of the Paris Agreement under the United Nations Framework Convention on Climate Change (the "UNFCCC"). The Article 6 mechanism, as established under the UNFCCC framework, enables participants to reduce economic burdens and achieve emission reduction targets by deploying capital into highly cost-effective mitigation projects on a global scale.

Overseas operations generally carry risks that are different from those we face in our domestic operations. These risks include:

- challenges of complying with multiple foreign laws and regulatory requirements, including tax laws and laws regulating our operations and investments;
- volatility of overseas economic conditions, including fluctuations in foreign currency exchange rates;
- difficulties in enforcing creditors' rights in foreign jurisdictions;
- risk of expropriation and exercise of sovereign immunity where the counterparty is a foreign government;
- difficulties in establishing, staffing and managing foreign operations;
- differing labor regulations;
- political and economic instability, natural calamities, war and terrorism;
- lack of familiarity with local markets and competitive conditions;
- changes in applicable laws and regulations in Korea that affect foreign operations; and
- obstacles to the repatriation of earnings and cash.

Any failure by us to recognize or respond to these differences may adversely affect the success of our operations in those markets, which in turn could materially and adversely affect our business and results of operations.

Risks Relating to Korea

If economic conditions in Korea deteriorate, our current business and future growth could be materially and adversely affected.

We are incorporated in Korea and a significant portion of our assets are located in Korea. As a result, we are subject to political, economic, legal and regulatory risks specific to Korea, and our performance and successful execution of our operational strategies are dependent on the overall Korean economy.

In recent years, adverse conditions and volatility in the global financial markets, fluctuations in oil and commodity prices, supply chain disruptions and the increasing weakness of the global economy, in particular due to the COVID-19 pandemic, the Russia-Ukraine war and ensuing sanctions against Russia and the military conflicts

between Iran and other countries, including the United States and Israel, among others, have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy, which has been characterized by high levels of uncertainty resulting from high inflation rates, a rise in interest rates and a depreciation of the Won against the U.S. dollar. As a result, future growth of the Korean economy is subject to many factors beyond our control, including developments in the global economy.

Other developments that could have an adverse impact on Korea's economy include:

- declines in consumer confidence and a slowdown in consumer spending in the Korean or global economy;
- hostilities or political or social tensions involving oil producing countries in the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;
- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and ensuing actions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- adverse conditions or uncertainty in the economies of countries and regions that are important export markets for Korea, such as China, the United States, Europe and Japan, or in emerging market economies in Asia or elsewhere, including as a result of the deterioration of economic and trade relations among such countries (including escalations of tariffs) and increased uncertainties in the global financial markets and industry;
- adverse changes or volatility in foreign currency reserve levels, inflation rates, interest rates, commodity prices (including oil prices), exchange rates (including fluctuation of the U.S. dollar, Euro or Japanese Yen exchange rates or revaluation of the Chinese Yuan) or stock markets;
- deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy;
- the economic impact of any pending or future free trade agreements or of any changes to existing free trade agreements;
- increased sovereign default risk in select countries and the resulting adverse effects on the global financial markets;
- deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea;
- investigations of large Korean business groups and their senior management for possible misconduct;
- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and small- and medium-sized enterprise borrowers in Korea;

- the occurrence of severe health epidemics in Korea and other parts of the world;
- political uncertainty or increasing strife among or within political parties in Korea following the declaration of martial law by former President Yoon Suk Yeol in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025;
- social and labor unrest;
- substantial changes in the market prices of Korean real estate;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- a substantial decrease in tax revenues and a substantial increase in the Government's expenditures for fiscal stimulus measures, unemployment compensation and other economic and social programs, which would likely lead to a national budget deficit as well as an increase in the Government's debt;
- financial problems or lack of progress in the restructuring of Korean business groups, other large troubled companies, their suppliers or the financial sector;
- loss of investor confidence arising from corporate accounting irregularities and corporate governance issues concerning certain Korean companies;
- increases in social expenditures to support an aging population in Korea or decreases in economic productivity due to the declining population size in Korea;
- natural or man-made disasters that have a significant adverse economic or other impact on Korea or its major trading partners; and
- an increase in the level of tensions or an outbreak of hostilities between North Korea and Korea or the United States.

Escalations in tensions with North Korea could have an adverse effect on us and the market value of the Notes.

Relations between Korea and North Korea have been tense throughout Korea's modern history. The level of tension between Korea and North Korea has fluctuated and may increase abruptly as a result of current and future events. In particular, there have been heightened security concerns in recent years stemming from North Korea's nuclear weapon and ballistic missile programs as well as its hostile military actions against Korea.

North Korea renounced its obligations under the Nuclear Non-Proliferation Treaty in January 2003 and conducted six rounds of nuclear tests since October 2006, including claimed detonations of hydrogen bombs and warheads that can be mounted on ballistic missiles. Over the years, North Korea has continued to conduct a series of missile tests, including ballistic missiles launched from submarines and intercontinental ballistic missiles that it claims can reach the United States mainland. North Korea has increased the frequency of such activities since the beginning of 2022, firing numerous ballistic missiles, including intercontinental ballistic missiles, and in November 2023, successfully launched its first spy satellite. In response, the Government has repeatedly condemned North Korea's

provocations and flagrant violations of relevant United Nations Security Council resolutions. Over the years, the United Nations Security Council has passed a series of resolutions condemning North Korea's actions and significantly expanding the scope of sanctions applicable to North Korea as did the United States and the European Union.

North Korea's economy also faces severe challenges, which may further aggravate social and political pressures within North Korea.

Although bilateral summit meetings were held between the two Koreas in April, May and September 2018 and between the United States and North Korea in June 2018, February 2019 and June 2019, there can be no assurance that the level of tensions affecting the Korean peninsula will not escalate in the future. Any increase in tensions, which may occur, for example, if North Korea experiences a leadership crisis, high-level contacts between Korea and North Korea break down or military hostilities occur, could have a material adverse effect on the Korean economy and on our business, financial condition and results of operations and the price of the Notes, including a downgrade in our credit rating or of the Notes.

There are special risks involved with investing in securities of Korean companies.

As we are a Korean company and operate in a business and cultural environment that is different from that of other countries, there are risks associated with investing in its securities that are not typical for investments in securities of companies in other jurisdictions.

Under the Foreign Exchange Transactions Act of Korea and its Enforcement Decree and regulations under that Act and Decree (collectively referred to as the "Foreign Exchange Transaction Laws"), if the Government deems that certain emergency circumstances, including sudden fluctuations in interest rates or exchange rates, extreme difficulty in stabilizing the balance of payments or substantial disturbance in the Korean financial and capital markets, are likely to occur, it may impose any necessary restriction such as requiring Korean or foreign investors to obtain prior approval from the Ministry of Finance and Economy (the "MOFE") for the acquisition of Korean securities or for the repatriation of interest, dividends or sales proceeds arising from Korean securities or other types of capital transactions. Moreover, if the Government deems it necessary on account of war, armed conflict, natural disaster or grave and sudden changes in domestic or foreign economic circumstances or similar events or circumstances, the Minister of Finance and Economy may temporarily suspend performance under any or all foreign exchange transactions, in whole or in part, to which the Foreign Exchange Transaction Laws apply (including suspension of payment and receipt of foreign exchange) or impose an obligation to deposit or sell any means of payment to the Bank of Korea or certain other governmental agencies or financial institutions.

In addition, our audited consolidated financial statements and unaudited interim condensed consolidated financial statements included in this Offering Circular are presented in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions ("Government Accounting Standards"), and where accounting provisions have not been specified under the Government Accounting Standards, we have also applied K-IFRS. Our future financial statements will be prepared in accordance with Government Accounting Standards or K-IFRS, which differ in certain respects from accounting principles applicable to companies in certain other

countries, including the United States. There may also be less publicly available information about Korean companies, such as us, than is regularly made available by companies in other countries. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and the financial and other information contained in this Offering Circular.

Risks Relating to the Notes

The Notes are unsecured obligations.

As the Notes are unsecured obligations, their repayment may be compromised if:

- we enter into bankruptcy, liquidation, reorganization or other winding-up proceedings;
- there is a default in payment under our secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of our indebtedness.

If any of these events were to occur, our assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Notes.

The Notes are subject to transfer restrictions.

The Notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws. For a further discussion of the transfer restrictions applicable to the Notes, see "Terms and Conditions of the Notes" and "Subscription and Sale."

The Notes have not been and will not be registered with the Financial Services Commission (the "FSC") under the Financial Investment Services and Capital Markets Act, as amended (the "FSCMA"), and accordingly the Notes may not be offered, sold, delivered or transferred, directly or indirectly, in Korea or to, or for the account or benefit of, any Korean resident (as such term is defined in the Foreign Exchange Transaction Act of Korea and the Enforcement Decree thereof) for a period of one year from the date of issuance of the Notes, except (i) if Article 2–2-2, Paragraph 2, Item 3 of the Regulation on the Issuance of Securities and Public Disclosure, etc. of Korea is applicable, the Notes may be offered, sold or delivered to Korean Qualified Institutional Investors as specified in Article 2–2, Paragraph 2, Item 4 of the above-mentioned regulation, provided that at least 80% of the aggregate issuance amount of the Notes shall be allocated to non-residents of Korea (as such term is defined in the Foreign Exchange Transaction Act of Korea and the Enforcement Decree thereof) (which applies only to the Notes acquired from the Issuer or any underwriter at the time of issuance of the Notes), and the other requirements as set forth in Article 2–2-2, Paragraph 2, Item 3 above are satisfied, or (ii) as otherwise permitted by applicable Korean laws and regulations.

The Notes are subject to prescription regulations in Korea.

Failure to exercise a right of action for more than a certain period of time may operate as a bar to exercise of such right. Under Korean laws, claims against the issuer in respect of the payment of principal of notes or bonds are prescribed upon the expiry of ten years, and claims for payment of interest in respect of notes or bonds are prescribed upon the expiry of five years, in each case, from the relevant due date as adjusted by any acceleration or otherwise, in respect thereof. If the Note holders fail to exercise his or her right of payment for more than the period set forth above, the Korean courts may not enforce a claim for payment for principal or interest in respect of the Notes.

There is no existing trading market for the Notes and, therefore, the Notes offer limited liquidity.

The Notes constitute a new issue of securities for which there is no existing market. Approval in- principle has been received from the Singapore Stock Exchange in connection with the Program and application will be made for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the Singapore Stock Exchange. The offer and sale of the Notes is not conditioned on obtaining a listing of the Notes on the Singapore Stock Exchange or any other exchange. Although the Initial Purchasers have advised us that they currently intend to make a market in the Notes, they are not obligated to do so, and any market-making activity with respect to the Notes, if commenced, may be discontinued at any time without notice in their sole discretion. For a further discussion of the Initial Purchasers' planned market-making activities, see "Plan of Distribution."

No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued depending on many factors, including:

- prevailing interest rates;
- our results of operations and financial condition;
- the rate of exchange between Won and the currency of the Notes;
- political and economic developments in and affecting Korea and other regions;
- the market conditions for similar securities; and
- the financial condition and stability of the Korean financial and other sectors.

The Notes are not protected by restrictive covenants.

The Notes and the Fiscal Agency Agreement relating to the Notes do not contain restrictive financial or operating covenants or restrictions on the payment of dividends, the incurrence of indebtedness, the sale of assets or the issuance or repurchase of securities by us.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, including the repayment of maturing debt, or such other purposes as may be specified in the applicable Pricing Supplement, and such proceeds will not be used for a purpose related to any efforts and activities pertaining to the construction of new coal fired generation units.

EXCHANGE RATES

The following table sets forth, for the periods and dates indicated, certain information concerning the Market Average Exchange Rate in Won per U.S.$1.00. No representation is made that the Won or the U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate or at all.

Year Ended December 31,	At End of Period	Average[(1)]	High	Low
		(Won per U.S.$1.00)		
2021	1,185.5	1,144.4	1,199.1	1,083.1
2022	1,267.3	1,292.0	1,436.6	1,185.5
2023	1,289.4	1,305.4	1,360.6	1,219.3
2024	1,470.0	1,364.0	1,474.1	1,289.4
2025	1,434.9	1,422.2	1,483.4	1,352.6
2026 (through July 8)	1,526.6	1,486.7	1,554.4	1,424.5
January	1,427.0	1,456.5	1,477.5	1,427.0
February	1,424.5	1,449.3	1,470.3	1,424.5
March	1,513.4	1,486.6	1,513.4	1,435.4
April	1,476.1	1,487.4	1,530.5	1,470.8
May	1,505.8	1,490.1	1,513.3	1,450.8
June	1,541.5	1,527.3	1,546.5	1,503.2
July (through July 8)	1,526.6	1,542.5	1,554.4	1,526.6

Source: Seoul Money Brokerage Services, Ltd.

Note:

(1) Annual averages are calculated from month-end rates. Monthly averages are calculated using the average of the daily rates during the relevant period.

CAPITALIZATION

The following table sets forth our capitalization as derived from our unaudited interim condensed consolidated financial statements as of March 31, 2026 included in this Offering Circular.

The table below should be read in connection with our unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2026 and 2025 included in this Offering Circular.

	As of March 31, 2026[1]	
	(in billions of Won and millions of U.S. dollars)	
Long-term debt:		
Borrowings (excluding current portion), net of discount	₩232	U.S.$153
Bonds (excluding current portion), net of discount	5,226	3,453
Total long-term debt	₩5,458	U.S.$3,606
Equity:		
Share capital of ₩5,000 par value; Authorized — 100,000,000 shares; Issued and outstanding — 28,581,320 shares	₩143	U.S.$94
Share premium	1,128	745
Retained earnings:		
Legal reserves	78	52
Discretionary reserves	1,691	1,117
Unappropriated retained earnings	971	642
Other components of equity:		
Accumulated other comprehensive income	1,180	780
Other equity	(296)	(196)
Equity attributable to owner of the Company	₩4,894	U.S.$3,234
Non-controlling interests	142	94
Total equity	₩5,036	U.S.$3,328
Total capitalization[2][3]	₩10,494	U.S.$6,934

Notes:

(1) Translated Won and dollar amounts at the Market Average Exchange Rate of Won 1,513.4 to US$1.00 on March 31, 2026.

(2) Total capitalization is defined as total long-term debt plus total equity.

(3) Except for the notes issued by the Company in April 2026 in the amount of Won 260 billion, in May 2026 in the amount of Won 250 billion, in June 2026 in the amount of Won 160 billion and in July 2026 in the amount of Won 230 billion and as disclosed herein, there has been no material change in our capitalization since March 31, 2026.

THE KOREAN ELECTRICITY INDUSTRY

BACKGROUND

Total demand for electricity in Korea decreased by 0.4% in 2023, increased by 0.7% in 2024 and decreased by 0.1% in 2025, in each case, year on year, according to KEPCO. The consumption of electric power is expected to increase by 2.0% per year from 2024 to 2038, according to the Eleventh Basic Plan.

Historically, KEPCO and the Generation Subsidiaries have made substantial expenditures for the construction of power plants and other facilities to meet increased demand for electric power. Subject to the Restructuring Plan as defined and discussed in "— Restructuring of the Electricity Industry in Korea" below, KEPCO and the Generation Subsidiaries plan to continue to make substantial expenditures to expand and enhance their generation, transmission and distribution system in the future.

The Korean electric utility industry traces its origin to the establishment of the first electric utility company in Korea in 1898. On July 1, 1961, the industry was reorganized by the merger of Korea Electric Power Company, Seoul Electric Company and South Korea Electric Company, which resulted in the formation of Korea Electric Company. From 1976 to 1981, the Government acquired the private minority shareholdings in Korea Electric Company. After the Government had acquired all of the outstanding shares of Korea Electric Company, Korea Electric Company dissolved, and KEPCO was incorporated in 1981, assuming the assets and liabilities of Korea Electric Company. KEPCO ceased to be wholly owned by the Government in 1989 when the Government sold 21.0% of its common stock. As of March 31, 2026, the Government owned 51.1% (including indirect holdings by Korea Development Bank, which is wholly owned by the Government) of the outstanding shares of KEPCO's common stock.

The Korea Electric Power Corporation Act requires that the Government own at least 51% of KEPCO's capital stock. Direct or indirect ownership of more than 50% of KEPCO's outstanding common stock enables the Government to control the approval of certain corporate matters which require a stockholders' resolution, including approval of dividends. The rights of the Government and Korea Development Bank as holders of KEPCO's common stock are exercised by the MCEE in consultation with the MOFE. To our knowledge, the Government currently has no plan to cease to own, directly or indirectly, at least 51% of KEPCO's outstanding common stock.

Prior to the corporate reorganization effected on April 2, 2001, which created six generation subsidiaries wholly owned by KEPCO (including us), KEPCO was the principal electricity generation company in Korea. KEPCO continues to be the principal electricity transmission and distribution company in Korea, subject to the implementation of the Restructuring Plan.

RESTRUCTURING OF THE ELECTRICITY INDUSTRY IN KOREA

On January 21, 1999, the MOTIR published a plan to restructure the electricity industry (the "Restructuring Plan"). The overall objectives of the Restructuring Plan were to:

- introduce competition and thereby increase efficiency in the Korean electricity industry,

- ensure a long-term, inexpensive and stable electricity supply, and
- promote consumer convenience through the expansion of consumer choice.

The following is a description of the Restructuring Plan and the Government's position relating to the Restructuring Plan.

Phase I

During Phase I, which was the preparation stage for Phase II and lasted from January 1, 1999 to April 2, 2001, KEPCO continued to be the principal electricity generator, with several IPPs supplying electricity to it under existing power purchase agreements. On February 23, 2001, KEPCO's board of directors approved a plan to split its non-nuclear and non-hydroelectric generation capacity into five separate wholly owned generation subsidiaries, namely, Korea East-West Power Co., Ltd. ("KEWP"), Korea South-East Power Co., Ltd. ("KOSEP"), Korea Southern Power Co., Ltd. ("KOSPO"), Korea Western Power Co., Ltd. ("KOWEPO") and us, each with its own management structure, assets and liabilities. KEPCO's hydroelectric and nuclear generation capacity was transferred into a separate wholly owned generation subsidiary, Korea Hydro & Nuclear Power Co., Ltd. ("KHNP," and together with KEWP, KOSEP, KOSPO, KOWEPO and us, the "Generation Subsidiaries"). On March 16, 2001, KEPCO's shareholders approved the plan to establish the Generation Subsidiaries effective as of April 2, 2001.

The Government's objectives in dividing the power generation capacity into separate generation subsidiaries were principally to:

- introduce competition and thereby increase efficiency in the electricity generation industry in Korea, and
- ensure the stable supply of electricity in Korea.

Following the implementation of Phase I, KEPCO retained, until the adoption of the CES in July 2004, its monopoly position with respect to the transmission and distribution of electricity in Korea.

While KEPCO's ownership percentage of the non-nuclear and non-hydroelectric generation subsidiaries was to be decided by the ultimate form of the Restructuring Plan approved by the Government, to our knowledge, KEPCO plans to continue to retain 100% ownership of both KHNP and the transmission and distribution business.

Phase II

Phase II of the Restructuring Plan began on April 2, 2001. For Phase II, the Government introduced a competitive or bidding pool system under which KEPCO purchases power from the Generation Subsidiaries and other companies for transmission and distribution to customers. Such competitive bidding pool system, which is a cost-based system, was established on April 2, 2001. For a further description of the pool system, see "— Power Purchase — Cost-based Pool System" below.

Pursuant to the Electricity Business Act amended on December 23, 2000, the Government established the KPX on April 2, 2001 to deal with the sale of electricity and implement regulations governing the electricity market to allow for electricity distribution through a

competitive bidding process. The Government also established the KOREC on April 27, 2001 to regulate the restructured Korean electricity industry and to ensure fair competition. As part of this process, the KPX established the Electricity Market Rules relating to the operation of the bidding pool system. To amend the Electricity Market Rules, the KPX must have the proposed amendment reviewed by the KOREC and then obtain the approval of the MCEE.

The KOREC's main functions include implementation of necessary standards and measures for electricity market operation and review of matters relating to licensing participants in the Korean electricity industry. The KOREC also acts as an arbitrator in disputes involving utility rates and participants in the Korean electricity industry and consumers and investigates illegal or deceptive activities of the participants in the Korean electricity industry.

Privatization of Non-nuclear Generation Subsidiaries

In April 2002, the MOTIR released the basic privatization plan for the five non-nuclear Generation Subsidiaries, including us. KEPCO commenced the process for selling its interest in KOSEP in 2002. According to the original plan, this process was, in principle, to take the form of a sale of management control, potentially supplemented by an initial public offering as a way of broadening the investor base.

Suspension of the Plan to Form and Privatize Distribution Subsidiaries

In September 2003, the Tripartite Commission, which included, among others, representatives from the Government and the leading businesses and labor unions in Korea, established the Joint Study Group on Reforming Electricity Distribution Network to propose a methodology of introducing competition within the industry for distribution of electricity. In June 2004, based on a report published by this Joint Study Group, the Tripartite Commission issued a resolution that recommended halting the plan to form and privatize the distribution subsidiaries, and in lieu thereof, creating independent business divisions within KEPCO, namely, the "strategy business units," as a way of improving operational efficiency and internal competition among the district divisions. This resolution was adopted by the MOTIR in June 2004, and KEPCO subsequently commissioned a third party consultant to conduct a study on implementing plans related to the creation of the strategy business units and solicited comments on the study from various parties, including labor unions and the Government. Based on this study and the related comments, in September 2006, KEPCO established nine strategy business units (which, together with KEPCO's other business units, were subsequently restructured into 14 business units in February 2012) having a separate management structure with limited autonomy and separate financial accounting and performance evaluation criteria. Based on whether the strategy business units successfully achieve their intended goals of improving operational efficiency and internal competition, KEPCO may expand the use of strategy business units.

Introduction of Market-based Public Enterprise System

On August 25, 2010, the Government announced an electricity industry development plan through which the Government aims to increase efficiency through fostering competition and strengthen the autonomy of public companies. Pursuant to this plan, in December 2010, the MOTIR announced guidelines for a cooperative framework between KEPCO and the Generation Subsidiaries, and in January 2011, the five non-nuclear Generation Subsidiaries

formed a "joint cooperation unit" and transferred their pumped-storage hydroelectric business units to KHNP. Furthermore, in January 2011, the six Generation Subsidiaries were officially designated as "market-oriented public enterprises," whereupon the president of each such subsidiary is required to enter into a management contract directly with the minister of the MCEE, performance evaluation of such subsidiaries is conducted by the Public Enterprise Management Evaluation Commission, and the president and the statutory auditor of each such subsidiary are appointed by the President of Korea while the selection of outside directors is subject to approval by the minister of the MOFE. Previously, the president of each such subsidiary entered into a management contract with KEPCO's president, performance evaluation of such subsidiaries was conducted by KEPCO's evaluation committee, and the president and the statutory auditor of each such subsidiary were appointed by, and the selection of outside directors was subject to approval by, KEPCO's president.

POWER PURCHASE

Cost-based Pool System

Since April 2001, the purchase and sale of electricity in Korea is generally required to be made through the KPX, which is a statutory not-for-profit organization established under the Electricity Business Act responsible for setting the price of electricity, handling the trading and collecting relevant data for the electricity market in Korea. The suppliers of electricity in Korea primarily consist of the Generation Subsidiaries, including us, which were spun-off from KEPCO in April 2001, and IPPs. KEPCO distributes electricity purchased through the KPX to end users.

The price of electricity in the Korean electricity market is determined principally based on the cost of generating electricity using a system known as the "cost-based pool" system, under which the Generation Subsidiaries, including us, fully pass through changes in fuel costs to KEPCO in its purchase through KPX of electricity from the Generation Subsidiaries, including us. Under the cost-based pool system, the price of electricity has two principal components, namely the marginal price (representing, in principle, the variable cost of generating electricity) and the capacity price (representing, in principle, the fixed cost of generating electricity).

Marginal Price

The primary purpose of the marginal price is to compensate the generation companies for fuel costs, which represents the principal component of the variable costs of generating electricity. Such marginal price is referred to as the "system marginal price." The concept of marginal price under the cost-based pool system has undergone several changes in recent years in large part due to the sharp fluctuations in fuel prices. For example, prior to December 31, 2006, the marginal price operated on a two-tiered structure, namely, a "base load" marginal price applicable to electricity generated from nuclear fuels and coals, which tend to be less expensive per unit of electricity than electricity generated from LNG, oil and hydroelectric power to which a "non-base load" marginal price applied. The base load marginal price and the non-base load marginal price were generally set at levels so that electricity generated from cheaper fuels could be utilized first while ensuring a relatively fair rate of return to all generation units. However, when the price of coal rose sharply beginning in the second half of 2006, the pre-existing base load marginal price was abolished and a market cap by the name of "regulated market price" was introduced in its

stead for electricity generated from base load fuels, with the regulated market price being set at a level higher than the pre-existing base load marginal price in order to compensate the Generation Subsidiaries for the rapid rise in the price of coal. Subsequently, when the price of coal continued to rise sharply above the level originally assumed in setting the regulated market price, this had the effect of undercutting KEPCO's profit margin as the purchaser of electricity from the Generation Subsidiaries, although the Generation Subsidiaries were able to maintain a better margin under the regulated market price regime than under the pre-existing base load marginal price regime. Accordingly, on May 1, 2008, the regulated market price regime was abolished, and the current system of "system marginal price" was introduced in order to set the marginal price in a more flexible way by using the concept of an "adjusted coefficient" tailored to each fuel type.

Under the system marginal price regime currently in effect, the marginal price of electricity at which the Generation Subsidiaries sell electricity to KEPCO is determined using the following formula:

Marginal Price = Variable Cost + [System Marginal Price – Variable Cost] * Adjusted Coefficient

The system marginal price represents, in effect, the marginal price of electricity at a given hour at which the projected demand for electricity and the projected supply of electricity for such hour intersect, as determined by the merit order system, which is a system used by the KPX to allocate which generation units will supply electricity for which hour and at what price. The projected demand for electricity for a given hour is determined by the KPX based on a forecast made one day prior to trading, and such forecast takes into account, among others, historical statistics relating to demand for electricity nationwide by day and by hour, after taking into account, among others, seasonality and peak-hour versus non-peak hour demand analysis. The projected supply of electricity at a given hour is determined as the aggregate of the available capacity of all generation units that have submitted bids to supply electricity for such hour. These bids are submitted to the KPX one day prior to trading.

Under the merit order system, the generation unit with the lowest variable cost of producing electricity among all the generation units that have submitted a bid for a given hour is first awarded a purchase order for electricity up to the available capacity of such unit as indicated in its bid. The generation unit with the next lowest variable cost is then awarded a purchase order up to its available capacity in its bid, and so forth, until the projected demand for electricity for such hour is met. The variable cost of the generation unit that is the last to receive the purchase order for such hour is referred to as the system marginal price, which also represents the most expensive price at which electricity can be supplied at a given hour based on the demand and supply for such hour. Generation units whose variable costs exceed the system marginal price for a given hour do not receive purchase orders to supply electricity for such hour. The variable cost of each generation unit is determined by the Cost Evaluation Committee on a monthly basis and reflected in the following month based on the fuel costs as of two months prior to such determination. The final allocation of electricity supply, however, is further adjusted on the basis of other factors, including the proximity of a generation unit to the geographical area to which power is being supplied, network and fuel constraints and the amount of power loss.

The purpose of the merit order system is to encourage generating units to reduce their electricity generation costs by making their generation process more efficient, sourcing fuels from more cost-effective sources or adopting other cost savings programs. The additional adjustment mechanism is designed to improve the overall cost-efficiency in the distribution and transmission of electricity to the end-users by adjusting for losses arising from the distribution and transmission process.

Under the merit order system, the electricity purchase allocation, the system marginal price and the final allocation adjustment are automatically determined based on an objective formula. The adjusted coefficient, the capacity price and the variable costs are determined in advance of trading by the Cost Evaluation Committee. Accordingly, a supplier of electricity cannot exercise control over the merit order system or its operations to such supplier's strategic advantage.

An adjusted coefficient applies in principle to all generation units operated by the Generation Subsidiaries and the coal-fired generation units operated by IPPs. The adjusted coefficient applicable to the generation units operated by the Generation Subsidiaries is determined based on considerations of, among others, electricity tariff rates, the differential generation costs for different fuel types and the relative fair returns on investment in respect of KEPCO compared to the Generation Subsidiaries. The purpose of the adjusted coefficient is to prevent electricity trading from resulting in undue imbalances as to the relative financial results among the Generation Subsidiaries as well as between KEPCO (as the purchaser of electricity) and the Generation Subsidiaries (as sellers of electricity). Such imbalances may arise from excessive profit taking by base load generators (on account of their inherently cheaper fuel cost structure compared to non-base load generators) as well as from fluctuations in fuel prices (it being the case that during times of rapid and substantial rises in fuel costs which are not offset by corresponding rises in electricity tariff rates charged by KEPCO to end-users, on a non-consolidated basis, the profitability of KEPCO will decline compared to that of the Generation Subsidiaries since the Generation Subsidiaries are entitled to sell electricity to KEPCO at cost plus a guaranteed margin). In comparison, the adjusted coefficient applicable to the coal-fired generation units operated by IPPs is determined to enable such IPPs to recover the total costs of building and operating such units.

The adjusted coefficient applicable to the Generation Subsidiaries is currently set at the highest level for the marginal price of electricity generated using LNG and oil, followed by coal and nuclear fuel. The differentiated adjusted coefficients reflect the Government's prevailing energy policy objectives and have the effect of setting priorities in the fuel types to be used in electricity generation.

The adjusted coefficient is determined by the Cost Evaluation Committee in principle on an annual basis, although in exceptional cases driven by external or structural factors such as rapid and substantial changes in fuel costs, adjustments to electricity tariff rates or changes in the electricity pricing structure, the adjusted coefficient may be adjusted on a quarterly basis.

Capacity Price

In addition to payment in respect of the variable cost of generating electricity, the Generation Subsidiaries receive payment in the form of capacity price, the purpose of which is to compensate them for the costs of constructing generation facilities and to provide

incentives for new construction. The capacity price is determined annually by the Cost Evaluation Committee based on the construction costs and maintenance costs of a standard generation unit and is paid to each generation company for the amount of available capacity indicated in the bids submitted the day before trading. From time to time, the capacity price is adjusted in ways to soften the impact of changes in the marginal price over time based on the expected rate of return for the Generation Subsidiaries. The reference capacity price and the time-of-the-day capacity coefficient are determined annually before the end of December for the subsequent 12-month period. The reserve capacity factor and the fuel switching factor are determined annually before the end of June for the subsequent 12-month period. Currently, the capacity price is determined using the following formula:

Capacity Price = Reference Capacity Price * Reserve Capacity Factor * Time of the Day Capacity Factor * Fuel Switching Factor

In the three months ended March 31, 2026, the average capacity price of our generation units was Won 11.81/kWh.

The reference capacity price refers to the Korean Won amount per kilowatt-hour payable annually for annualized available capacity indicated in the bids submitted the day before trading (provided that such capacity is actually available on the relevant day of trading), and is determined based on the construction costs and maintenance costs of a standard generation unit and related transmission access facilities, and a base rate for loading electricity. Prior to October 2016, the same reference capacity price applied uniformly to all generation units. Since October 2016, the reference capacity price applies differentially to each generation unit depending on the start year of its commercial operation.

The reserve capacity factor relates to the requirement to maintain a standard capacity reserve margin in the range of 15% in order to prevent excessive capacity build-up as well as induce optimal capacity investment at the regional level. The capacity reserve margin is the ratio of peak demand to the total available capacity. Under this system, generation units in a region where available capacity is insufficient to meet demand for electricity, as evidenced by a failure to meet the standard capacity reserve margin, receive an increased capacity price. Conversely, generation units in a region where available capacity exceeds demand for electricity, as evidenced by exceeding the standard capacity reserve margin, receive a reduced capacity price. Since October 2016, the reserve capacity factor also factors in the transmission loss per generation unit in order to favor transmission of electricity from a nearby generation unit.

The time-of-the-day capacity coefficient allows hourly and seasonal adjustments in order to incentivize the Generation Subsidiaries to operate their generation facilities at full capacity during periods of highest demand. For example, the capacity price paid differs depending on whether the relevant hour is an "on-peak" hour, a "mid-peak" hour or an "off-peak" hour (the capacity price being highest for the on-peak hours and lowest for the off-peak hours) and the capacity price paid is highest during the months of January, July and August when electricity usage is highest due to weather conditions.

The fuel switching factor, which was introduced in October 2016 to promote environmental sensitivities to climate change, seeks to encourage reduced carbon emission by penalizing generation units (mostly coal-fired units) for excessive carbon emission.

Other than subject to the aforementioned variations, the same capacity pricing mechanism applies to all generation units regardless of fuel types used.

Vesting Contract System

On May 20, 2014, the Electricity Business Act was amended, with effect from November 21, 2014, to introduce a vesting contract system to determine the price and quantity of electricity to be sold and purchased through the KPX between the purchaser of electricity (currently, KEPCO) and the sellers of electricity (namely, the Generation Subsidiaries (including us) and IPPs). The application of the adjusted coefficient under the cost-based pool system is planned to be gradually replaced by the vesting contract system.

Under the vesting contract system, electricity generators using low-cost base load fuels (such as nuclear, coal, hydro and by-product gas) at a particular generation unit were to be required to enter into a contract with the purchaser of electricity (currently, KEPCO), which would specify, among other things, the quantity of electricity to be generated and sold from such generation unit and the price at which such electricity would be sold, subject to certain adjustments.

The introduction of the vesting contract system was intended principally to prevent excessive profit-taking by producers of electricity using low-cost base load fuels (such as nuclear, coal, hydro and by-product gas) by replacing the adjusted coefficient as the basis for determining the guaranteed return to generation companies, as well as to enhance the stability of electricity supply by requiring long-term contractual arrangements for the purchase and sale of electricity and promote cost savings, productivity enhancements and operational efficiency by providing incentives and penalties depending on the degree to which the generation companies could supply electricity at costs below the contracted electricity prices.

In order to minimize undue shock to the electricity trading market in Korea, the vesting contract system was to be implemented in phases starting with by-product gas-based electricity in 2015. The rollout of the vesting contract system was further studied by a task force consisting of representatives from the Government, the KPX and generation companies. Following such study, the Government announced in June 2016 that, due to changes in the electricity business environment (including an increase in generation capacity relative to peak usage, reduced fuel costs following a decline in oil prices and greater environmental concerns related to coal-fired electricity generation), it will indefinitely suspend any further rollout of the vesting contract system beyond by-product gas-based electricity, and retain the adjusted coefficient-based electricity pricing adjustment mechanism.

However, in January 2024, the MOTIR announced the 2024 Major Business Execution Plan, which included plans to adopt the vesting contract system for nuclear-based electricity in order to promote the use of nuclear power. A council consisting of representatives from the MCEE, KEPCO, KPX and us was formed and is currently discussing the details regarding the implementation of such vesting contract system.

RENEWABLE PORTFOLIO STANDARD

In order to expand the utilization of renewable energy resources for generating electrical energy, to reduce greenhouse gas emission and to protect the environment, the Government adopted the RPS in December 2010, under which 25% of all electricity generated by the power generation companies in Korea will be required to be sourced from renewable energy by 2030. Generation companies receive Renewable Energy Certificates ("RECs"), based on a weighted scheme, for energy generated from an eligible renewable energy source, which can be used to satisfy their own RPS requirements or traded on the KPX to other generation companies to satisfy their RPS requirements. Penalties are levied on any generation company with generation capacities of 500 MW or more that fails to do so in the prescribed timeline. However, the First Renewable Energy Basic Plan, which was announced in May 2026, called for the (1) transformation of existing RPSs into a scheme imposing mandatory renewable energy capacity installation obligations, (2) abolition of RECs and (3) introduction of long-term fixed-price contracts through competitive bidding. Amendments to reflect such changes to the Renewable Energy Act are scheduled to be pursued during 2026.

THIRD BASIC NATIONAL ENERGY PLAN

On June 4, 2019, the MOTIR adopted the Third Basic National Energy Plan following consultations with representatives from civic groups, the power industry and academia. The Third Basic National Energy Plan, which is a comprehensive plan that covers the entire spectrum of energy industries in Korea, covers the period from 2019 to 2040 (compared to 2013 to 2035 under the Second Basic National Energy Plan) and focuses on the following five key tasks: (i) innovating the structure of energy consumption by strengthening the energy demand management of various sectors such as industrial, building and transportation, and streamlining pricing systems with the aim of improving the efficiency of energy consumption by 38% by 2040 and reducing energy demand by 18.6% by 2040, (ii) transitioning to a clean and safe mix of energy through increasing the share of renewable energy by 30~35% while reducing the share of nuclear and coal energy, (iii) expanding decentralized and participatory energy systems by increasing the share of distributed energy resources (such as renewable energy and fuel cells) in areas with demand and strengthening regional management by expanding the roles and responsibilities of local governments, (iv) bolstering the global competitiveness of Korea's energy industry by fostering future energy industries such as renewable energy, hydrogen and efficiency-enhancing industries, as well as through adding value to existing traditional energy industries, and (v) laying the foundation for conversion to clean and safe energy by improving the electricity, gas and heat market systems and building an energy big data platform to promote the creation of new industries.

However, the Third Basic National Energy Plan has been modified, in part, in accordance with the "New Government's Energy Policy Direction" announced in July 2022. According to the "New Government's Energy Policy Direction," the Government plans, among others, to replace old coal power plants with LNG power plants in a flexible manner to achieve stable power supply and respond to changing energy market situations and adjust the renewable energy supply target to reasonable levels.

In addition, the Carbon Neutral Basic Plan announced in April 2023, which is largely in line with the "New Government's Energy Policy Direction," calls for plans to, among others, (i) close down coal power plants with an operational lifespan of 30 years or more, (ii) promote

mixed hydrogen and ammonia power generation based on development of eco-friendly technologies, (iii) resume construction of the two nuclear power units, Shin-Hanul units 3 and 4, which were previously suspended, (iv) continue to operate existing nuclear power plants and (v) promote the balanced mix of energy sources by increasing the proportion of renewable energy in power generation from 9.2% in 2022 to over 21.6% by 2030.

ELEVENTH BASIC PLAN RELATING TO THE LONG-TERM SUPPLY AND DEMAND OF ELECTRICITY

In March 2025, the Government announced the Eleventh Basic Plan for the period from 2024 to 2038, which focuses on, among other things, (i) promoting the use of scientific methods to estimate and calculate future electricity demand, (ii) pursuit of energy mix that prioritizes supply stability, efficiency and carbon neutrality, (iii) expansion of carbon-free energy sources instead of converting aging coal-fired generation plants into LNG power plants, (iv) expansion of power grid systems that take into account the construction of new facilities for renewable energy and (v) effective utilization of the energy market to enhance supply stability and energy distribution. Furthermore, the Eleventh Basic Plan includes the following implementation measures: (i) continued utilization of nuclear power as a carbon-free energy source, (ii) systematic expansion of renewable energy sources while attaining greenhouse gas reduction goals, (iii) expansion of clean hydrogen- and ammonia-based power generation and (iv) incorporation of district energy systems into the national electricity supply and demand management framework.

PLAN TO REFORM STATE-OWNED ENTERPRISES IN THE ENERGY AND RESOURCES DEVELOPMENT SECTOR

On June 14, 2016, the Government announced broad plans to overhaul state-owned enterprises in the energy and resources development sector, including KEPCO, in response to reported losses and inefficiencies among state-owned enterprises. The Government aimed to streamline overlapping energy and resources development roles and functions among the state-owned enterprises by divesting from businesses not essential to the core purpose for which a stated-owned enterprise was established, while also encouraging competition by gradually opening up the energy and resources development industry to the private sector. With respect to the electric power industry, the plans call for, among other things, (i) KEPCO's divestiture of its overseas businesses to the Generation Subsidiaries, (ii) the designation and specialization among the Generation Subsidiaries on the areas of business to pursue overseas, (iii) the gradual liberalization of the electricity distribution market and (iv) the initial public offering of the Generation Subsidiaries, including us, in conjunction with the sale of minority interests (20% to 30%) in such subsidiaries, by 2020. Pursuant to such plans, KEPCO considered a sale in the public market of a minority stake of its shares in the Generation Subsidiaries. However, to our knowledge, the planned sales have been put on hold. In 2023, KEPCO contemplated the sale of its interests in its non-Generation Subsidiaries, KEPCO KDN Co., Ltd. and KEPCO Engineering & Construction Co., Inc. ("KEPCO E&C"), and in December 2023, sold 14.77% of its shares in KEPCO E&C. The sale of KEPCO's interest in its other non-Generation Subsidiaries has been put on hold. In any event, we believe that KEPCO plans to maintain a controlling interest in each of the Generation Subsidiaries.

OVERVIEW

We were established on April 2, 2001 as one of six Generation Subsidiaries of KEPCO. The Generation Subsidiaries generate approximately two-thirds of the electricity in Korea. As of March 31, 2026, we had a domestic generation capacity of 10,781 megawatts, or approximately 6.8% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). Based on our internal data, in 2024, 2025 and the three months ended March 31, 2026, we sold 43,951, 36,468 and 10,445 gigawatt hours of electricity, respectively, to KEPCO through the KPX. KEPCO is currently the sole electricity transmission and distribution company in Korea.

Total demand for electricity in Korea decreased by 0.4% in 2023, increased by 0.7% in 2024 and decreased by 0.1% in 2025, in each case, year on year, according to KEPCO. The consumption of electric power is expected to increase by 2.0% per year from 2024 to 2038, according to the Government's Eleventh Basic Plan of Long-Term Supply and Demand of Electricity (the "Eleventh Basic Plan") announced in March 2025. We plan to continue to make capital expenditures to maintain and expand our generation capacity and enhance our generating systems in the future, particularly with respect to energy transition.

Based on our vision of becoming a "Global Total Energy Company Leading the Next Value," we aspire to create sustainable value by advancing energy transition, building trust and contributing to the environment, economy and society. As of March 31, 2026, we had a total installed generation capacity of 10,781 megawatts, of which 6,106 megawatts, 4,310 megawatts and 365 megawatts were attributable to our coal thermal units, LNG-combined cycle units and renewable energy units, respectively. We generated sales of Won 7,233 billion, Won 5,790 billion, Won 1,545 billion and Won 1,575 billion in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our profit for the year was Won 222 billion in 2024 and Won 180 billion in 2025. Our profit for the period was Won 46 billion for the three months ended March 31, 2025 and Won 28 billion for the three months ended March 31, 2026.

We are a corporation incorporated with limited liability under the laws of Korea. Our registered office is located at 160, Boryeongbuk-ro, Boryeong-si, Chungcheongnam-do 33439, Korea. Our website address is *www.komipo.co.kr*.

POWER GENERATION

As of March 31, 2026, we owned and operated 9 bituminous coal-fired thermal generation units at our power plant complexes located in Boryeong, Shin Boryeong and Shin Seocheon, two bio heavy oil-fired thermal generation unit at our power plant complex located in Jeju, 29 LNG-combined cycle units at our power plant complexes located in Boryeong, Incheon, Sejong and Jeju and two bio heavy oil-fired internal combustion engine units at our power plant complex located in Jeju. Our thermal units produce electricity using steam turbine generators and include units fired by coal or oil. Our combined-cycle units produce electricity using gas turbine generators and steam turbine generators fired by LNG.

We have also invested in the generation of renewable energy. We have a number of photovoltaic, mini-hydropower and wind power units. Our photovoltaic units utilize solar cells to directly convert sunlight into electricity. Our wind power units convert wind energy into electricity using wind turbines that generate electricity by the rotation of its blades that are connected to a power generator. Our mini-hydropower units utilize the coolant water discharged from our thermal generation units to spin water turbines to produce electricity.

The table below sets forth for each domestic plant type and location, the weighted average age of units, installed capacity, the average capacity factor and the average fuel cost based upon the net amount of electricity generated as of March 31, 2026:

	Weighted Average Age of Units	**Installed Capacity[1]**	**Average Capacity Factor[2]**	**Average Fuel Cost**
	(years)	*(megawatts)*	*(%)*	*(Won/kWh)*
Thermal:				
Bituminous coal:[3]				
Boryeong units no. 3, 4, 5, 6, 7, 8	27.6	3,050	64.3	76.40
Shin Boryeong units no. 1, 2	8.7	2,038	58.3	70.94
Shin Seocheon unit no. 1	4.8	1,018	41.9	104.28
Bio Heavy Oil:				
Jeju units no. 2, 3	25.7	150	35.3	302.10
Jeju internal combustion no. 1, 2	18.8	80	1.2	159.97
Total thermal	17.7	6,336	61.4	65.78
Combined cycle:				
LNG:				
Boryeong gas turbine ("GT") units no. 1, 2, 3, 4, 5, 6; steam turbine ("ST") units no. 1, 2, 3	27.1	1,350	6.5	159.01
Incheon GT units no. 1, 2, 3, 4, 5, 6; ST units no. 1, 2, 3	17.1	1,462	24.4	137.09
Jeju GT units no. 1, 2; ST units no. 1, 2	7.8	229	38.3	135.08
Seoul GT units no. 1, 2; ST units no. 1, 2	6.6	738	36.6	137.54
Sejong GT units no. 1, 2; ST unit no. 1	12.4	530	24.6	187.13
Total combined cycle	17.4	4,310	21.6	147.39
Renewable:				
Photovoltaic units	8.6	26	10.7	2.57
Mini-hydropower units	12.5	15	21.8	0.20
Wind power unit	13.3	33	10.5	1.36
Biomass	10.9	10	71.7	46.19
Misc[4]	6.4	50	77.4	166.70
Total renewable	9.4	134	38.2	118.80
Total	17.5	10,781	42.8	101.32

Notes:

(1) Installed capacity represents the level of output that may be sustained continuously without significant risk of damage to plant and equipment.

(2) Average capacity factor represents the total number of kilowatt hours of electricity generated in the period divided by the total number of kilowatt hours that would have been generated assuming continuous operation of generation units at installed capacity expressed as a percentage.

(3) Bituminous units are fueled by bituminous coal supplemented by wood pellets.

(4) Consists of LNG fuel cell and solid recovered fuel units.

As of March 31, 2026, we had an aggregate domestic installed capacity of 10,781 megawatts. In 2024, 2025 and the three months ended March 31, 2026, the average capacity factor of our generation units was 49%, 41% and 47%, respectively. In 2024, 2025 and the three months ended March 31, 2026, our power generation (excluding electricity produced by units before the commencement of their commercial operations) amounted to 43,951, 36,468 and 10,445 gigawatt hours of electricity, respectively.

The useful life of each type of units without substantial refurbishment is approximately 25 to 30 years for thermal, combined cycle and internal combustion engine units. Substantial refurbishment can extend the useful lives of such units by an additional 10 years or more. See "— Capital Investment Program."

The maintenance cycle for our power generation units is 24 months for thermal units and range from 2,000 to 27,000 equivalent operating hours (EOHs) for other types of units depending on the type and installed capacity of units. The duration of maintenance depends on the nature and degree of maintenance involved and may last from 7 to 104 days depending on the unit. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our total repairs and maintenance expenses were Won 234 billion, Won 254 billion, Won 44 billion and Won 46 billion, respectively. Our forced (unplanned) outage factor, which is a percentage of total forced (unplanned) outage time over total available operating time, was 0.025%, 0.020%, 0.006% and 0.020% in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. We have received ISO 37001, 27001 and 45001 certifications for our anti-bribery, information security and occupational health and safety management systems, respectively.

Efficient operation of generation units requires that such units be run continuously at relatively constant energy output levels. As electricity output cannot be stored in significant amounts, generation must be continuously managed to match demand. Within each day there is a certain level below which demand does not fall. This minimum level of demand throughout the day is known as "base load" while "peak load" refers to the maximum level of demand during the course of a day and "intermediate load" refers to the level of demand between base load and peak load. Base load generation units are those that can generate power in dependable amounts to consistently meet demand. Electricity demand, however, constantly fluctuates by time and region. Accordingly, peak and intermediate load power plants are also coordinated into our system in order to meet such changing demand for power.

Base load power plants, which are typically fueled by coal, produce continuous, reliable and efficient power at low cost. They often take a relatively long time to start up and are relatively inefficient in terms of cost-to-output ratio when operated at less than full output. Base load plants run at all times throughout the year except in the case of repairs or scheduled maintenance. Their reliability to provide the base demand helps keep their operation costs low and offers stable, attractive pricing through long-term agreements. Peak load power plants provide power during times of peak demand. These plants can speedily respond to changes in electricity demand as they can be started up relatively quickly and vary the quantity of electrical output by the minute and therefore, are principally used to meet short-term surges in demand. Peak load power plants, which are

typically fueled by LNG, are expensive to operate relative to the amount of power they produce and the cost of fuel to power them. Intermediate load plants, which are typically fueled by oil, fill the gap between base load and peak load plants. Coal-fired units in our Boryeong, Shin Boryeong and Shin Seocheon complexes operate at base load, while our oil-fired units, LNG-combined cycle units and internal combustion oil engine units in our Boryeong, Incheon, Seoul, Sejong and Jeju complexes operate at intermediate to peak load.

The table below sets forth our installed capacity at the end of each period and peak and average load in the periods indicated below.

	As of and for the year ended December 31,		As of and for the three months ended March 31,	
	2024	2025	2025	2026
	(megawatts)			
Installed capacity	10,646	10,646	10,646	10,646
Peak-load[(1)]	9,557	8,894	8,478	8,407
Average load[(2)]	5,205	4,348	4,176	5,046

Notes:

(1) Peak load represents the highest load in the relevant period.

(2) Average load represents the total number of megawatts of electricity generated in the period divided by the total number of hours in that period.

* Excludes new and renewable energy.

FUEL

Raw materials used in our cost of sales, which primarily consist of fuel costs, constituted 65.5%, 61.2%, 65.4% and 67.6% of our sales, and 71.9%, 67.0%, 72.0% and 72.8% of our cost of sales, in 2024, 2025 and the three-month periods ended March 31, 2025 and 2026, respectively. The table below sets forth the total fuel costs for the periods indicated on a separate basis.

	For the year ended December 31,				For the three months ended March 31,			
	2024		2025		2025		2026	
	(billions of Won)	*(%)*	*(billions of Won)*	*(%)*	*(billions of Won)*	*(%)*	*(billions of Won)*	*(%)*
Bituminous coal	2,157	46.4	1,916	59.7	421	42.7	496	47.4
Oil	238	5.1	195	6.1	50	5.1	52	5.0
LNG[(1)]	2,157	46.4	1,237	30.8	490	49.7	473	45.1
Others[(2)]	100	2.1	111	3.4	25	2.5	26	2.5
Total raw materials used[(3)]	4,652	100.0	3,459	100.0	986	100.0	1,047	100.0

Notes:

(1) LNG is used as fuel for our combined cycle units and fuel cell units.

(2) Represents (i) cost of storing and managing fuel stocks at our units, (ii) fuel for our renewable units (excluding LNG for our fuel cell units), (iii) fuel to initially start up our units (primarily diesel oil) and other miscellaneous fuel related costs. Fuel storage and management costs amounted to Won 86 billion, Won 98 billion, Won 22 billion and Won 25 billion in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

(3) On a consolidated basis, our total raw materials used in our cost of sales, which primarily consist of fuel costs, were Won 4,736 billion, Won 3,545 billion, Won 1,010 billion and Won 1,065 billion in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

In order to ensure stable supplies of fuel, we enter into long-term contracts with various suppliers, and supplement such supplies with purchases of fuel on the spot market. Substantially all of the fuel we use comes from sources outside Korea, and the fuel cost is impacted by the exchange rates between the Won and the relevant foreign currency in which prices are set. See "Risk Factors — Risks Relating to Our Business — We are dependent on fuel imported from overseas suppliers in currencies other than Won under contracts with varying quantity and duration, and rising fuel costs could adversely affect our results of operations."

Cost increases resulting from the depreciation of the Won against the U.S. dollar or other currencies, or supply disruptions have adversely affected our results of operations in the past and may do so in the future. In recent years, we have reduced the cost of fuel procurement while maintaining a stable fuel supply through a centralized inventory management control tower system that utilizes big data to forecast our supply needs. Generally, we pay for fuel on a cash-on-delivery basis and finance such payments in part with bank usance or on a letter of credit basis.

Coal

As of March 31, 2026, 57% of our total installed generation capacity was represented by thermal units burning bituminous coal. We ceased to operate anthracite coal thermal units with the decommissioning of our Seocheon units in June 2017.

In 2024, 2025 and the three months ended March 31, 2025 and 2026, we purchased 12.0 million tons, 10.4 million tons, 2.9 million tons and 3.7 million tons of bituminous coal, amounting to Won 2,157 billion, Won 1,916 billion, Won 421 billion and Won 509 billion, respectively. Substantially all of our bituminous coal requirements are imported from various suppliers located in Australia, Indonesia, the United States, Russia, Colombia, Canada and South Africa under long-term or spot contracts. Approximately 98.3%, 88.9%, 97.4% and 86.3% of our bituminous coal requirements were purchased under long-term contracts in 2024, 2025 and the three-month periods ended March 31, 2025 and 2026, respectively, with the remaining requirements being purchased on the spot market. See "Risk Factors — Risks Relating to Our Business — We are dependent on fuel imported from overseas suppliers in currencies other than Won under contracts with varying quantity and duration, and rising fuel costs could adversely affect our results of operations."

Pursuant to the terms of our long-term supply contracts, prices may be adjusted monthly, quarterly or annually depending on market conditions. In the case of term contracts, the obligation to purchase contracted annual amounts of fuel automatically terminates at the end of the year if the parties cannot reach an agreement in respect of price. Depending on the type of contract, we are able to increase or decrease the quantity of bituminous coal under the relevant supply contract by up to approximately 100%. In addition, under the

long-term contracts, we have the option to reduce the required annual purchase quantity in the event of a revision in plant construction schedule, fluctuations in spot market prices, suspension of plant operation and alteration of the power generation plan as a result of an accident or an unavoidable cause. The average cost of bituminous coal per ton purchased by us was approximately Won 137,635, Won 124,684, Won 144,667 and Won 126,254 in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. We may, if necessary, augment our supplies by entering into new short-term import contracts or by making spot purchases. We estimate that the delivery time for bituminous coal imported from Australia, Indonesia, Russia and the United States is approximately 16 days, 9 days, 3 days and 20 days, respectively. Currently, we maintain a reserve of bituminous coal of approximately 30 days.

Oil

We purchased approximately 496,829 liters of bunker-C fuel oil in 2024, amounting to Won 0.5 billion. We did not purchase any bunker-C fuel oil in 2025 or the three months ended March 31, 2026. While bunker-C fuel oil has historically been the primary source of our oil requirements, in recent years, we have increased our purchases of bio-heavy oil, which contains lower levels of sulfur and nitrogen contents compared to bunker-C fuel oil and is thus more environment-friendly. In 2024, 2025 and the three months ended March 31, 2025 and 2026, we purchased approximately 177 thousand kiloliters, 136 thousand kiloliters, 31 thousand kiloliters and 30 thousand kiloliters of bio-heavy oil, amounting to Won 178 billion, Won 148 billion, Won 34 billion and Won 32 billion, respectively.

We purchase oil through a competitive open bidding process with other bidders, including Korean refiners, on the spot market. Purchase prices, including taxes and other expenses, of oil are based on the spot market in Singapore. The average cost of bio-heavy oil per kiloliter was approximately Won 1,006 thousand, Won 1,085 thousand, Won 1,092 thousand and Won 1,078 thousand in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Currently, we maintain a reserve of bio-heavy oil of approximately 15 days.

LNG

In 2024, 2025 and the three months ended March 31, 2025 and 2026, we purchased approximately 2,1 million tons, 1.2 million tons, 0.5 million tons and 0.5 million tons of LNG, amounting to Won 2,157 billion, Won 1,238 billion, Won 490 billion and Won 473 billion, respectively.

We purchase a substantial portion of our domestic LNG requirements from KOGAS, a Korean corporation of which KEPCO owns 20.47%, under LNG supply contracts (the "LNG Contracts") with KOGAS, which are scheduled to expire between 2026 and 2039. Under the terms of the LNG Contract, our purchase quantity is determined through negotiations with KOGAS, subject to Government's approval. We are under an obligation to purchase LNG quantities within a 10% plus or minus range from our previously agreed purchase quantity. If we purchase LNG outside this range, we are required to pay a penalty to KOGAS. To date, all our purchases have been within such range. The purchase price for LNG is determined monthly, subject to approval by the MOTIR. KOGAS imports LNG primarily from Australia and the United States and supplies LNG to us, other Generation Subsidiaries and other Korean gas companies.

We also purchase LNG directly from suppliers other than KOGAS. Approximately 40.0%, 13.9% and 15.9% of our LNG requirements were imported directly by us in 2024, 2025 and the three months ended March 31, 2026 mainly from Malaysia, Russia, Australia and the United States.

The average cost per ton of LNG was approximately Won 1,005,294, Won 1,005,523, Won 1,070,299 and Won 942,210 in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

SALES AND PURCHASE OF POWER

Generation Companies' Combined Sales of Electricity

Pursuant to Article 31 of the Electricity Business Act of Korea, we sell all of the electricity we generate to KEPCO through the KPX. KEPCO is currently the only company engaged in the transmission and distribution of electricity in Korea. The results of power trading, as effected through the KPX, for the Generation Subsidiaries, including us, and IPPs for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026 are as follows:

	For the year ended December 31, 2024				
	Volume[1][2]	**Percentage of Total Volume**	**Sales[1]**	**Percentage of Total Sales**	**Unit Price**
	(Gigawatt hours)	*(%)*	*(in billions of Won)*	*(%)*	*(Won/kWh)*
Generation Companies:					
KHNP	185,422	33.8	13,106	18.5	70.68
KOSEP	37,232	6.8	5,158	7.3	138.54
KOMIPO	43,951	8.0	6,856	9.7	155.99
KOWEPO	35,862	6.5	5,861	8.3	163.43
KOSPO	36,068	6.6	6,218	8.8	172.40
EWP	33,328	6.1	5,094	7.2	152.84
Others[3]	177,266	32.3	28,366	40.1	160.02
Total	549,130	100.0	70,657	100.0	128.67
Energy Sources:					
Nuclear	179,061	32.6	11,885	16.8	66.37
Bituminous coal	159,294	29.0	22,886	32.4	143.67
Anthracite coal	1,777	0.3	253	0.4	142.37
Oil	116	0.0	51	0.1	439.66
LNG-combined cycle	163,523	29.8	28,711	40.6	175.58
Hydro	3,438	0.6	509	0.7	148.05
Pumped storage	4,660	0.8	975	1.4	209.23
Renewables[1]	34,504	6.3	4,782	6.8	138.59
Others	2,757	0.5	606	0.9	219.80
Total	549,130	100.0	70,657	100.0	128.67

Source: KEPCO.

Notes:

(1) Excludes sale of RECs by generation companies.

(2) Includes volume from CES projects.

(3) Includes, among others, POSCO, OCI Company Ltd., LG Petrochemical Co., Ltd. and Korea Petrochemical IND. Co., Ltd.

	For the year ended December 31, 2025				
	Volume[(1)(2)]	**Percentage of Total Volume**	**Sales[(1)]**	**Percentage of Total Sales**	**Unit Price**
	(Gigawatt hours)	*(%)*	*(in billions of Won)*	*(%)*	*(Won/kWh)*
Generation Companies:					
KHNP	181,051	33.2	14,924	21.9	82.43
KOSEP	36,791	6.7	4,927	7.2	133.92
KOMIPO	36,468	6.7	5,476	8.0	150.16
KOWEPO	35,885	6.6	5,167	7.6	143.99
KOSPO	36,306	6.7	5,861	8.6	161.43
EWP	32,568	6.0	4,751	7.0	145.88
Others[(3)]	186,125	34.1	27,005	39.6	145.09
Total	545,195	100.0	68,111	100.0	124.93
Energy Sources:					
Nuclear	174,938	32.1	13,836	20.3	79.09
Bituminous coal	162,931	29.9	22,495	33.0	138.06
Anthracite coal	1,199	0.2	144	0.2	120.10
Oil	159	0.0	61	0.1	383.65
LNG-combined cycle	159,438	29.2	25,213	37.0	158.14
Hydro	3,076	0.6	405	0.6	131.66
Pumped storage	4,399	0.8	871	1.3	198.00
Renewables[(1)]	36,490	6.7	4,573	6.7	125.32
Others	2,565	0.5	514	0.8	200.39
Total	545,195	100.0	68,111	100.0	124.93

Source: KEPCO.

Notes:

(1) Excludes sale of RECs by generation companies.

(2) Includes volume from CES projects.

(3) Includes, among others, POSCO, OCI Company Ltd., LG Petrochemical Co., Ltd. and Korea Petrochemical IND. Co., Ltd.

	For the three months ended March 31, 2025				
	Volume[1][2]	Percentage of Total Volume	Sales[1]	Percentage of Total Sales	Unit Price
	(Gigawatt hours)	*(%)*	*(in billions of Won)*	*(%)*	*(Won/kWh)*
Generation Companies:					
KHNP	50,874	36.7	4,227	23.6	83.09
KOSEP	9,115	6.6	1,265	7.1	138.78
KOMIPO	8,728	6.3	1,436	8.0	164.53
KOWEPO	7,035	5.1	1,154	6.4	164.04
KOSPO	7,220	5.2	1,340	7.5	185.60
EWP	7,357	5.3	1,174	6.6	159.58
Others[3]	48,308	34.8	7,308	40.8	151.28
Total	138,637	100.0	17,904	100.0	129.14
Energy Sources:					
Nuclear	49,394	35.6	3,945	22.0	79.87
Bituminous coal	32,546	23.5	4,992	27.9	153.38
Anthracite coal	248	0.2	34	0.2	137.10
Oil	51	0.0	15	0.1	294.12
LNG-combined cycle	44,884	32.4	7,283	40.7	162.26
Hydro	475	0.3	69	0.4	145.26
Pumped storage	1,230	0.9	249	1.4	202.44
Renewables[1]	9,132	6.6	1,167	6.5	127.79
Others	676	0.5	151	0.8	223.37
Total	138,637	100.0	17,904	100.0	129.14

Source: KEPCO.

Notes:

(1) Excludes sale of RECs by generation companies.

(2) Includes volume from CES projects.

(3) Includes, among others, POSCO, OCI Company Ltd., LG Petrochemical Co., Ltd. and Korea Petrochemical IND. Co., Ltd.

	For the three months ended March 31, 2026				
	Volume[1][2]	Percentage of Total Volume	Sales[1]	Percentage of Total Sales	Unit Price
	(Gigawatt hours)	*(%)*	*(in billions of Won)*	*(%)*	*(Won/kWh)*
Generation Companies:					
KHNP	38,773	28.6	3,654	21.4	94.24
KOSEP	8,964	6.6	1,132	6.6	126.28
KOMIPO	10,445	7.7	1,469	8.6	140.64
KOWEPO	9,492	7.0	1,293	7.6	136.22
KOSPO	9,314	6.9	1,408	8.3	151.17
EWP	9,541	7.0	1,286	7.5	134.79
Others[3]	49,264	36.3	6,796	39.9	137.95
Total	135,792	100.0	17,037	100.0	125.46
Energy Sources:					
Nuclear	37,696	27.8	3,455	20.3	91.65
Bituminous coal	41,247	30.4	5,351	31.4	129.73
Anthracite coal	15	0.0	6	0.0	400.00
Oil	20	0.0	10	0.1	500.00
LNG-combined cycle	45,474	33.5	6,776	39.8	149.01
Hydro	473	0.3	62	0.4	131.08
Pumped storage	831	0.6	169	1.0	203.37
Renewables[1]	9,398	6.9	1,075	6.3	114.39
Others	638	0.5	133	0.8	208.46
Total	135,792	100.0	17,037	100.0	125.46

Source: KEPCO.

Notes:

(1) Excludes sale of RECs by generation companies.

(2) Includes volume from CES projects.

(3) Includes, among others, POSCO, OCI Company Ltd., LG Petrochemical Co., Ltd. and Korea Petrochemical IND. Co., Ltd.

Our Sales of Electricity

The tables below set forth our electricity sales, depending on the energy sources and a breakdown of base load and non-base load electricity sales in 2024, 2025 and the three months ended March 31, 2025 and 2026, in each case on a separate basis based on our internal data.

	For the year ended December 31, 2024				
	Volume[(1)]	Percentage of Total Volume	Sales to KEPCO[(2)]	Percentage of Total Sales	Unit Price
	(GWh)	*(%)*	*(in billions of Won)*	*(%)*	*(Won/kwh)*
Energy Sources:					
Bituminous coal	28,734	65.2	4,183	60.9	145.6
Oil	558	1.3	202	2.9	362.5
LNG	14,225	32.3	2,413	35.1	169.6
Renewable	520	1.2	66	1.1	126.5
Total	44,037	100.0	6,864	100.0	155.9
Load:					
Base load	28,734	65.2	4,183	60.9	145.6
Non-base load	15,303	34.8	2,681	39.1	175.2
Total	44,037	100.0	6,864	100.0	155.9

Note:

(1) This information is based on the volume of electricity generated by our generation units, which is greater than the volume of electricity actually sold to, and recorded by, KEPCO. Such difference is primarily due to our internal use of some of the electricity we generate to power our generation equipment and facilities.

(2) The information regarding sales in the table above differs from the amount of our electricity sales recorded by KEPCO due to the exclusion of our sale of RECs, which is recognized and recorded at various points in time in the previous year that are not always aligned with the KEPCO system.

	For the year ended December 31, 2025				
	Volume[(1)]	Percentage of Total Volume	Sales to KEPCO[(2)]	Percentage of Total Sales	Unit Price
	(GWh)	*(%)*	*(in billions of Won)*	*(%)*	*(Won/kwh)*
Energy Sources:					
Bituminous coal	27,973	76.4	3,898	71.0	139.4
Oil	433	1.2	191	3.5	441.9
LNG	7,700	21.0	1,345	24.5	174.7
Renewable	493	1.3	55	1.0	112.4
Total	36,599	100.0	5,491	100.0	150.0
Load:					
Base load	27,973	76.4	3,898	71.0	139.4
Non-base load	8,626	23.6	1,593	29.0	184.6
Total	36,599	100.0	5,491	100.0	150.0

Note:

(1) This information is based on the volume of electricity generated by our generation units, which is greater than the volume of electricity actually sold to, and recorded by, KEPCO. Such difference is primarily due to our internal use of some of the electricity we generate to power our generation equipment and facilities.

(2) The information regarding sales in the table above differs from the amount of our electricity sales recorded by KEPCO due to the exclusion of our sale of RECs, which is recognized and recorded at various points in time in the previous year that are not always aligned with the KEPCO system.

	For the three months ended March 31, 2025				
	Volume[1]	Percentage of Total Volume	Sales to KEPCO[2]	Percentage of Total Sales	Unit Price
	(GWh)	*(%)*	*(in billions of Won)*	*(%)*	*(Won/kwh)*
Energy Sources:					
Bituminous coal	5,578	63.9	887	61.8	159.1
Oil	100	1.1	46	3.2	456.6
LNG	2,926	33.5	488	34.0	166.9
Renewable	130	1.5	15	1.0	115.2
Total	8,734	100.0	1,436	100.0	164.4
Load:					
Base load	5,578	63.9	887	61.8	159.1
Non-base load	3,156	36.1	549	38.2	174.0
Total	8,734	100.0	1,436	100.0	164.4

Note:

(1) This information is based on the volume of electricity generated by our generation units, which is greater than the volume of electricity actually sold to, and recorded by, KEPCO. Such difference is primarily due to our internal use of some of the electricity we generate to power our generation equipment and facilities.

(2) The information regarding sales in the table above differs from the amount of our electricity sales recorded by KEPCO due to the exclusion of our sale of RECs, which is recognized and recorded at various points in time in the previous year that are not always aligned with the KEPCO system.

	For the three months ended March 31, 2026				
	Volume[1]	Percentage of Total Volume	Sales to KEPCO[2]	Percentage of Total Sales	Unit Price
	(GWh)	*(%)*	*(in billions of Won)*	*(%)*	*(Won/kwh)*
Energy Sources:					
Bituminous coal	7,129	67.8	929	62.9	130.4
Oil	98	0.9	43	2.9	443.4
LNG	3,167	30.1	493	33.3	155.5
Renewable	117	1.2	13	0.9	106.6
Total	10,511	100.0	1,478	100.0	140.6
Load:					
Base load	7,129	67.8	929	62.9	130.4
Non-base load	3,382	32.2	549	37.1	162.1
Total	10,511	100.0	1,478	100.0	140.6

Note:

(1) This information is based on the volume of electricity generated by our generation units, which is greater than the volume of electricity actually sold to, and recorded by, KEPCO. Such difference is primarily due to our internal use of some of the electricity we generate to power our generation equipment and facilities.

(2) The information regarding sales in the table above differs from the amount of our electricity sales recorded by KEPCO due to the exclusion of our sale of RECs, which is recognized and recorded at various points in time in the previous year that are not always aligned with the KEPCO system.

Cost-Based Pool System

Currently, other than in limited circumstances under the CES and certain exceptional transactions stipulated under the Enforcement Decree of the Electricity Business Act, the purchase and sale of electricity in Korea is required to be made through the KPX. The pricing of electricity in the Korean electricity market is based on the "cost-based pool" system and is determined principally based on the variable cost of generating electricity, adjusted by an adjustment factor that varies depending on fuel sources. See "The Korean Electricity Industry — Power Purchase — Cost-based Pool System."

Demand Trends in Korea

The rapid growth in Korea's economy since the early 1960s has resulted in substantial growth in the demand for electricity. Consumption levels, particularly during periods of peak demand, continue to press the limits of available supply.

According to KEPCO, total demand for electricity in Korea decreased by 0.4% in 2023, increased by 0.7% in 2024 and decreased by 0.1% in 2025, in each case, year on year. The GDP growth rate at chained 2020 year prices was 1.6% in 2023, 2.0% in 2024 and 1.0% in 2025, in each case, year on year based on preliminary data from the Bank of Korea.

The table below sets forth, for the periods indicated, the annual rate of growth in Korea's GDP as published by the Bank of Korea and the annual rate of growth in electricity demand (measured in total annual electricity consumption) as published by KEPCO.

	For the year ended December 31,				
	2021	2022	2023	2024	2025
Growth in GDP (at chained 2020 year prices)	4.6%	2.7%	1.6%	2.0%	1.0%
Growth in electricity consumption	4.7%	2.7%	(0.4)%	0.7%	(0.1)%

Source: KEPCO; Bank of Korea

The demand for electricity varies depending on the season and the time of day. Demand is generally higher during the summer and winter seasons due to the use of air conditioners and heaters, respectively, and during daylight hours due to commercial and industrial activity. Variations in weather conditions may also cause significant variations in demand for electricity.

Demand by Class of Customer

The table below sets forth the consumption of electric power by class of customer for the periods indicated.

	For the year ended December 31,					
	2021	2022	2023	2024	2025	% of Total 2025
			(gigawatt hours)			*(%)*
Industrial	291,333	296,036	290,555	286,212	280,221	51.0
Commercial	119,550	127,193	130,844	134,807	138,315	25.2
Residential	79,915	80,996	82,348	86,989	88,474	16.1
Agricultural	20,603	21,420	20,763	21,088	21,523	3.9
Others[(1)]	22,029	22,288	21,456	20,725	20,884	3.8
Total	533,431	547,933	545,966	549,821	549,417	100.0

Source: KEPCO

Note:

(1) Consists of consumption for education, street lighting and overnight power

The industrial sector represents the largest segment of electricity consumption in Korea. Demand from the industrial sector has fluctuated historically as a result of changes in the global and Korean economic conditions. Demand decreased by 2.1% in 2025 to 280,221 gigawatt hours in 2025 compared to 2024, mainly due to economic slowdown in power-intensive industries such as petrochemical and steel.

Demand from the commercial sector has generally increased historically except for a decrease in 2020 due primarily to the impact of COVID-19. The continued expansion of the commercial sector of the Korean economy has resulted in increased office building construction, office automation and use of air conditioners. Growth in the commercial sector is also attributable to the construction industry and the expansion of the leisure and distribution industries. Demand from the commercial sector increased by 2.6% to 138,315 gigawatt hours in 2025 compared to 2024, primarily due to a gradual recovery in consumption and an increase in demand for cooling and heating.

Demand from the residential sector has generally increased historically as well as in recent years, in part as a result of a general increase in rising household income. Demand increased by 1.7% in 2025 to 88,474 gigawatt hours in 2025 compared to 2024, mainly due to the effects of increased demand for heating and cooling during the winter and summer seasons.

POWER DEVELOPMENT

In June 2019, the Government announced the Third Basic National Energy Plan, which is a comprehensive plan that covers the entire spectrum of energy industries in Korea from 2019 to 2040. The Third Basic National Energy Plan focuses on the following five key tasks: (i) innovating the structure of energy consumption by strengthening the energy demand management of various sectors such as industrial, building and transportation, and streamlining pricing systems with the aim of improving the efficiency of energy consumption by 38% by 2040 and reducing energy demand by 18.6% by 2040, (ii) transitioning to a clean and safe mix of energy through increasing the share of renewable

energy by 30~35% while reducing the share of nuclear and coal energy, (iii) expanding decentralized and participatory energy systems by increasing the share of distributed energy resources (such as renewable energy and fuel cells) in areas with demand and strengthening regional management by expanding the roles and responsibilities of local governments, (iv) bolstering the global competitiveness of Korea's energy industry by fostering future energy industries such as renewable energy, hydrogen and efficiency-enhancing industries, as well as through adding value to existing traditional energy industries, and (v) laying the foundation for conversion to clean and safe energy by improving the electricity, gas and heat market systems and building an energy big data platform to promote the creation of new industries.

However, the Third Basic National Energy Plan has been modified, in part, in accordance with the "New Government's Energy Policy Direction" announced in July 2022. According to the "New Government's Energy Policy Direction," the Government plans, among others, to replace old coal power plants with LNG power plants in a flexible manner to achieve stable power supply and respond to changing energy market situations and adjust the renewable energy supply target to reasonable levels.

In March 2025, the Government announced the Eleventh Basic Plan for the period from 2024 to 2038, which focuses on, among other things, (i) promoting the use of scientific methods to estimate and calculate future electricity demand, (ii) pursuit of energy mix that prioritizes supply stability, efficiency and carbon neutrality, (iii) expansion of carbon-free energy sources instead of converting aging coal-fired generation plants into LNG power plants, (iv) expansion of power grid systems that take into account the construction of new facilities for renewable energy and (v) effective utilization of the energy market to enhance supply stability and energy distribution. Furthermore, the Eleventh Basic Plan includes the following implementation measures: (i) continued utilization of nuclear power as a carbon-free energy source, (ii) systematic expansion of renewable energy sources while attaining greenhouse gas reduction goals, (iii) expansion of clean hydrogen- and ammonia-based power generation and (iv) incorporation of district energy systems into the national electricity supply and demand management framework. Pursuant to such plans, our Boryeong units no. 5 and 6 will be converted to LNG combined cycle units in 2027 and 2028, respectively. Boryeong units no. 3, 7, and 8 will be converted to hydrogen-fired or district energy facilities in 2038, and unit no. 4 will be replaced by the Bonghwa pumped-storage hydropower project in 2036.

CAPITAL INVESTMENT PROGRAM

According to the Eleventh Basic Plan, the ratio of reserve power required to peak power demand is set at a target of 20% from 2025 to 2028, 21% from 2029 to 2032 and 22% from 2033 to 2038, and the total nominal capacity of all generating facilities in Korea in 2038 is expected to be 268.1 gigawatts, of which nuclear power plants are expected to contribute 13.1%, coal-fired plants 8.3%, LNG plants 25.8%, renewable energy plants 45.5% and other plants 7.3%. In addition, the Government plans to expand the proportion of nuclear energy to a minimum of 31.8% by 2030 and 35.2% by 2038 and adjust the renewable energy supply target to reasonable levels, and the energy capacity of generation plants may be adjusted in accordance with such changes in policies. Specifically, the Carbon Neutral Basic Plan, which was announced in April 2023, targets to increase the proportion of renewable energy from 9.2% in 2022 to over 21.6% by 2030. In accordance with the objectives of the

Eleventh Basic Plan and the "New Government's Energy Policy Direction," we intend to add new installed capacity, primarily by making investments in LNG-combined and renewable energy generation.

The table below sets forth information as to the currently estimated year of completion and installed capacity of material generation units to be completed by us.

Expected Year of Completion	Description of Material Projects	Installed Capacity (megawatts)
2027	Conversion of Boryeong unit no. 5 to LNG fuel use	500
2028	Conversion of Boryeong unit no. 6 to LNG fuel use	500

Our capital expenditures, which represent the sum of acquisition of property, plant and equipment, construction-in progress and intangible assets in our statements of cash flows, were Won 682 billion in 2024, Won 890 billion in 2025, Won 192 billion for the three months ended March 31, 2025 and Won 137 billion for the three months ended March 31, 2026. We are planning to increase our investments in renewable energy generation in order to meet our annual RPS obligations.

The actual number and capacity of generation units we construct and the timing of such construction will depend upon a variety of factors, including demand growth projections, availability and cost of financing, changes in fuel prices and availability of fuel, ability to acquire necessary plant sites, environmental considerations, community opposition and other factors.

Power Plant Refurbishment and Recommissioning

We supplement power generation capacity through refurbishing or recommissioning our power plant units, which includes installation of anti-pollution devices, modification of control systems and overall rehabilitation of existing equipment. Ensuring the reliability of our equipment is critical to our operations.

The useful life of each type of units without substantial refurbishment is approximately 24 to 30 years for thermal, combined cycle and internal combustion engine units. Substantial refurbishment can extend the useful lives of such units by an additional 10 years or more.

INDEPENDENT POWER PRODUCER AND COMMUNITY ENERGY SYSTEM PROJECTS

Based on our more than 30 years of experience in operating and maintaining power plants, we have become involved in a number of domestic and overseas IPP projects in recent years, both as an investor and plant operator.

We collaborate with a number of IPPs that specialize in the construction and operation of power plants fueled by renewable energy. For example, we hold a 15% equity interest in Gangwon Wind Power Plant in Pyeongchang, Gangwon-do, the largest wind farm in Korea with an aggregate capacity of 98 megawatts consisting of 49 units. In addition, in 2026, we invested Won 96.1 billion in Shinan Ui Offshore Wind Power Corporation, the operator of the largest wind farm in Korea (390 MW), acquiring an 18.9% equity stake. This investment represented the inaugural funding under the National Public Growth Fund established by the Korean Financial Services Commission.

We expect to leverage our expertise in other IPP projects in the future. We believe that such activities will help us to diversify our revenue streams and leverage our operational experience gathered from overseeing our power plants. Please see "— Overseas Activities" for a description of our overseas IPP projects.

We also participate in CES projects through local IPPs. For example, Wonju Green Combined Heat and Power Plant, in which participants also include Korea Institute of Energy Research, Korea Institute of Machinery & Materials and POSCO, commenced operations in May 2015 and uses refuse derived fuel (RDF) and general solid refuse fuel (SRF) produced in Wonju.

OVERSEAS ACTIVITIES

We are actively engaged in a number of overseas IPP and resources development projects. Our overseas IPP projects help us apply our operational experience and add new revenue streams, while our overseas resources development activities help us establish strategic relationships with companies that are supplying or may supply fuel to us. The table and descriptions set forth below summarize the material overseas projects that we were pursuing as of March 31, 2026.

Project Description	Project Period	Project Type	Invested Capital as of March 31, 2026
Tanjung Jati B Coal-fired Power Plant, Indonesia	Jan. 2012~Jan. 2032	O&M[(1)]	U.S.$5.1 million
Cirebon Coal-fired Power Plant, Indonesia	Jul. 2012~Jul. 2042	BOO[(2)]	U.S.$70.1 million
Wampu Hydro Power Plant, Indonesia	Apr. 2016~Apr. 2046	BOO	U.S.$20.0 million
Tanggamus Hydro Power Plant, Indonesia	Jul. 2018~Jul. 2048	BOO	U.S.$25.0 million
Cirebon2 Coal-fired Power Plant, Indonesia	Nov. 2017~May. 2048	BOOT[(3)]	U.S.$51.9 million
Bayan, Indonesia	2016~	Resources development	₩80.5 billion
Bylong, Australia	2016~	Resources development	AUD 70.3 million
CAES, LLC, USA	Nov. 2020~Nov.2040	BOO	U.S.$16.5 million

Notes:

(1) Operation and maintenance project.

(2) Build, own and operate project.

(3) Build, own, operate and transfer project.

IPP Projects

- We operate unit no. 3 and 4 of Tanjung Jati B coal-fired power plant, which have an aggregate installed capacity of 1,320 megawatts, in Indonesia through our subsidiary PT KPJB. As of March 31, 2026, we held a 51% equity interest in PT KPJB.

- We operate the Cirebon Unit 1 coal-fired power plant, which has an installed capacity of 660 megawatts, in Indonesia though our subsidiary PT Cirebon Electric Power. As of March 31, 2026, we held a 27.5% equity interest in the power plant.

- We operate the Wampu hydro power plant, which has an installed capacity of 45 megawatts, in Indonesia. As of March 31, 2026, we held a 46.0% equity interest in the power plant.

- We operate the Tanggamus hydro power plant, which has an installed capacity of 54 megawatts, in Indonesia. As of March 31, 2026, we held a 52.5% equity interest in the power plant.]

- We operate the Cirebon Unit 2 coal-fired power plant, which has an installed capacity of 1,000 megawatts, in Indonesia though our subsidiary PT CEPR. As of March 31, 2026, we held a 10.0% equity interest in the power plant.

Resources Development Projects

- In December 2016, pursuant to the June 2016 Government Plan, KEPCO divested its 20% equity interest in PT Bayan Resources Tbk ("Bayan") and sold a 4% equity interest for Won 80.5 billion to each of the five non-nuclear Generation Subsidiaries, including us. Bayan is a leading coal producer in Indonesia.

- In January 2008, we and three other non-nuclear Generation Subsidiaries and KEPCO were part of a Korean consortium that acquired a 10% interest in a coal mine project located in Moolarben, New South Wales, Australia. The Moolarben project began production of bituminous coal in May 2010. In December 2016, pursuant to the June 2016 Government Plan, KEPCO divested its 1% interest in the Moolarben project and sold 0.25% to each of the four Generation Subsidiaries, including us, raising each of our interests to 1.25%. The four Generation Subsidiaries have a coal off-take agreement for 2.5 million tons of bituminous coal per annum.

- In December 2016, pursuant to the June 2016 Government Plan, KEPCO sold a 2% equity interest in KEPCO Bylong Australia Pt., Ltd., a KEPCO subsidiary developing the Bylong coal mines located in New South Wales, Australia, to each of the five non-nuclear Generation Subsidiaries, including us, for AUD 70.3 million each. The Bylong project is still in the developmental stage.

ENVIRONMENT

The Environment Policy Basic Act and other related legislation and regulations (the "Environment Acts"), which are principally administered by the Ministry of Environment, regulate atmospheric emissions, waste water and other emissions from our generation units. See "Risk Factors — Environmental regulations may adversely affect our operations." We believe that our generation units are currently in substantial compliance with the requirements of the Environment Acts.

Atmospheric emissions from generation plants burning fossil fuels include, among other things, sulfur dioxides ("SOx"), nitrogen oxides ("NOx") and dust. The Environment Acts establish emissions standards relating to, among other things, SOx, NOx and dust. Such standards have become more stringent in recent years to reduce the amount of permitted emissions, including pursuant to the enactment of the Special Act on the Improvement of Air Quality in Air Control Zones in April 2019. Currently, Flue Gas Desulfurization ("FGD") systems are installed in 9 units at our Boryeong, Shin Boryeong and Shin Seocheon power plant complexes to reduce sulfur oxide emissions. We have installed

Electrostatic Precipitation systems in 13 units at our Boryeong, Shin Boryeong, Shin Seocheon and Jeju power plant complexes to reduce dust emissions and minimize the unintended dispersion of powderized coal. We have also installed Selective Catalytic Reduction systems, which reduce NOx emissions, in 20 units at our Boryeong, Shin Boryeong, Shin Seocheon, Jeju, Incheon, Seoul and Sejong power plant complexes. In addition, we have installed DeNOx systems, such as the Low NOx Burner and Over Fired Air systems, in all units at our Boryeong, Shin Boryeong, Shin Seocheo, Jeju, Incheon, Seoul and Sejong power plant complexes. The installation of such emissions control equipment may also result in increased operating costs. The actual costs of installation and operation of such equipment will depend upon a variety of factors, including, among other things, modifications to emissions limits and the amount of power such equipment will consume. In order to comply with current and expected environmental standards and address related legal and social concerns, we intend to continue to install additional equipment and make related capital expenditures.

The Environment Acts also prescribe maximum permissible levels of pollutants that can be contained in waste water. We operate waste water purification facilities so that the level of waste water discharged from our power plant complexes fall within permissible levels. All waste materials discharged from our power plant complexes are collected, separated and temporarily stored until they are safely transported to appropriate waste sites. In addition, all of our coal-fired units are equipped with ash-ponds to store coal ashes.

In order to minimize the level of noise and vibration pollution, we have erected sound barrier walls at strategic locations and installed silencers and vibration mufflers on certain equipment.

To ensure compliance with the requirements of the Environment Acts, we have installed automatic computerized monitoring systems at strategic locations at our power plant complexes. These monitoring systems constantly measure the level of pollutants being discharged from our power plant complexes and transmit such information via modem to a main server, which then further transmits such information to our headquarters and the relevant governmental agencies through the Internet.

Prior to the construction of a power generation unit, we must perform an environmental impact assessment which is designed to evaluate public hazards, damage to the environment and concerns of local residents. A report reflecting this evaluation and proposed measures to address the problems identified must be submitted to and approved by the Ministry of Environment prior to the construction of the unit. We are then required to implement the measures reflected in the approved report.

We have received ISO 14001 certification for our environmental management system. We are also taking steps to ensure compliance with the Kyoto Protocol and the Paris Agreement, including planned constructions of wind power, photovoltaic power, fuel cell, bio-dual fuel and carbon capture and electricity storage system units.

COMPETITION

The electricity industry is in the process of liberalization and deregulation, beginning with the establishment of the Generation Subsidiaries, including us, in April 2001, in accordance with the Restructuring Plan. In 2025, approximately two-thirds of electricity demand in Korea was supplied by us and the other Generation Subsidiaries. We compete principally

with the four other non-nuclear Generation Subsidiaries and, to a lesser extent, as described below, KHNP. In addition, we compete with IPPs on a limited basis. As of March 31, 2026, there were 18 principal IPPs in Korea according to data from the KPX.

High initial investment costs are an effective barrier to entry for newcomers in the industry. Cost and service quality are the most important determining factors in respect of competition in the Korean electricity generation industry. For the respective market shares of the Generation Subsidiaries, including us, in terms of sales to KEPCO based on trading results in 2024, 2025 and the three months ended March 31, 2025 and 2026, see "— Sales and Purchase of Power — Sales to KEPCO." Historically, demand for electricity had grown at a rate exceeding the growth of Korea's GDP. However, the rate of growth in demand for electricity has slowed in recent years as Korean economy has matured, and we expect that competition for the sale of electricity generated will become more intense as the other Generation Subsidiaries and the IPPs ramp up their installed capacity of LNG and renewable energy generation in their product mix in accordance with the Eleventh Basic Plan.

Among KEPCO's non-nuclear subsidiaries, we have the advantage of proximity to major metropolitan areas, in particular, Seoul. Our major power plant complexes, namely Boryeong, Shin Boryeong and Incheon, are located near large cities and/or large industrial complexes, in particular, the Seoul metropolitan area. We believe that the addition of two combined-cycle power units with an aggregate installed capacity of 1,000 megawatts in Seoul in 2019 and a bituminous coal-fired unit with an installed capacity of 1,000 megawatts in Shin Seocheon in 2021 will enhance our generation capacity and further strengthen our competitiveness.

We believe that we and the other non-nuclear Generation Subsidiaries do not compete directly with KHNP due to the inherent difference in cost structures between non-nuclear Generation Subsidiaries and the nuclear Generation Subsidiary. In general, the cost of generating power is lower for the nuclear Generation Subsidiary than for non-nuclear Generation Subsidiaries.

DEREGULATION

The Korean electricity industry has been undergoing deregulation since 1999. For a description of the deregulation process, see "The Korean Electricity Industry — Restructuring of the Electricity Industry in Korea."

Pursuant to the Electricity Business Act, the Government established the KOREC in April 2001 to regulate the Korean electricity industry and to ensure fair competition. All of the Generation Subsidiaries, including us, are under the general supervision of the KOREC.

The Electricity Business Act administered by the MCEE requires that licenses be obtained in relation to the generation of electricity for sale to others, with limited exceptions. Each of the Generation Subsidiaries, including us, is deemed to possess an electricity generation license and other governmental approvals (which KEPCO possessed prior to April 2, 2001, pursuant to the Law on Promotion of Restructuring of Electricity Power Industry).

Our operations are subject to a number of laws and regulations relating to environmental protection and safety. See "— Environment" above.

RESEARCH AND DEVELOPMENT

We maintain a research and development ("R&D") program concentrated on developing self-reliant core technology and, in cooperation with KEPCO, leading national technology advancement in the electric power generation business.

Our R&D activities and those of the other Generation Subsidiaries are principally carried out by the Korea Electric Power Research Institute ("KEPRI"), KEPCO's research center in Daejeon, Korea. Similar to the other Generation Subsidiaries, we supervise and finance R&D activities being performed by KEPRI, including joint studies co-sponsored by the other Generation Subsidiaries.

In 2024, 2025 and the three months ended March 31, 2026, we were involved in 38, 21 and 4 R&D projects, respectively. In 2026, we plan to undertake 25 R&D projects, which will involve improving technologies relating to power generation, among others.

Our total ordinary development expenses, which include R&D expenses, were Won 41 billion, Won 44 billion, Won 7 billion and Won 9 billion, constituting 0.7%, 0.8%, 0.5% and 0.6% of our sales, in 2024, 2025 and the three-month periods ended March 31, 2025 and 2026, respectively. In 2026, we plan to invest approximately Won 19 billion in R&D.

PATENTS, UTILITY AND TRADEMARK

As of March 31, 2026, we owned 431 patents, including co-owned patents, and had 107 patent applications pending in Korea. Most of the patents and utility model rights relate to power generation operating and maintenance tools. Patents generated through our active R&D efforts will position us as a leading company in the field of power generation.

The period of protection offered under current Korean legislation (i) with respect to a patent commences upon registration thereof and ends 20 years from the filing date, (ii) with respect to a utility model right commences upon registration thereof and ends ten years from the filing date and (iii) with respect to a trademark is ten years from registration with the option to renew for an additional ten years indefinitely.

INSURANCE

We have obtained a general commercial insurance policy to insure against fire, natural disasters and mechanical accidents up to Won 17.9 trillion as well as construction insurance on certain new projects in Boryeong's new combined cycle power plants and Haman's combined cycle power plants. We also have marine cargo insurance in respect of imported fuel and procurement with insurance coverage of U.S.$2.8 billion, as well as general vehicle insurance. We also maintain directors' and officers' liability insurance.

Our insurance and indemnity policies do not cover all of the assets that we own and operate and do not cover all types or amounts of loss which could arise in connection with the ownership and operation of our power plants, and material financial consequences could result from a significant accident. We also do not carry insurance for business interruptions. In addition, we do not carry insurance against terrorist attacks. As a result, significant accidents with damages over our "per occurrence" limit, or the occurrence of events for which we are not insured, may have a material adverse impact on our financial condition and results of operations.

PROPERTY, PLANT AND EQUIPMENT

Our property consists mainly of power generation equipment and facilities in Korea. See "— Power Generation" and "— Capital Investment Program." As of March 31, 2026, the net book value of our property, plant and equipment was Won 10,063 billion. No significant portion of our properties is leased.

In June 2005, the Korean government announced its policy to relocate the headquarters of select government-invested enterprises, including KEPCO and the Generation Subsidiaries, from their current locations in the Seoul metropolitan area to other provinces in Korea. Pursuant to this policy, we relocated our headquarters to Boryeong in Chungcheongnam-do in 2015.

LEGAL AND REGULATORY PROCEEDINGS

We are subject to the risk of legal claims and regulatory actions in the ordinary course of our business, which may expose us to substantial monetary damages and legal costs, injunctive relief, criminal and civil penalties, sanctions against our management and employees and regulatory restrictions on our operations, as well as reputational harm. As of March 31, 2026, we have been named as a defendant in 23 lawsuits for claimed damages of approximately Won 53 billion in the aggregate.

The outcome of these proceedings cannot presently be determined. We cannot presently assure you that there will not be further lawsuits in relation to aforementioned matters or that the reserve amount that we have set aside will be sufficient to cover any compensation or damages arising from the present or future litigation. However, our management believes that the ultimate disposition of these cases will not have a materially adverse impact on our operations or financial position.

Employees

As of March 31, 2026, we had 2,983 regular employees, which include full-time and part-time employees, and 6 temporary employees. The following table sets forth the number of our employees at our various work locations as of March 31, 2026.

Location	Number of Employees
Headquarters in Boryeong	427
Boryeong Power Generation Site Division	895
Shin Boryeong Power Generation Site Division	272
Incheon Power Generation Site Division	262
Sejong Power Generation Site Division	135
Jeju Power Generation Site Division	291
Seoul Power Generation Site Division	208
Shin Seocheon Power Generation Site Division	216
Haman Construction Division	55
Human Resources Development Institute	7
Overseas	59
Other	156
Total	2,983

We grant our employees annual increases in basic wages and quarterly bonuses in accordance with the wage guidelines set by the Government. Under the guidelines applicable to Public Enterprises pursuant to the Act on the Management of Public Institutions, we may increase average wages up to 3.5% on a year-on-year basis for 2026. Although we are not obligated to follow these Government-issued guidelines, it is our policy to increase our budget for labor cost within these guidelines. Wages increased by an average of 2.4% in 2024 and 2.9% in 2025 in accordance with the Government guidelines then in effect.

We provide our employees with the national pension plan and medical insurance. With respect to the national pension plan, we generally match our employees' contributions in the amount of 4.75% of each employee's salary, and with respect to medical insurance, we match our employees' contributions in the amount of 3.595% of each employee's salary. In addition, we provide other benefits such as company housing, low-interest housing loans and university tuition support.

As of March 31, 2026, approximately 49.8% of our employees were members of the Korea Midland Power Labor Union, which membership comprises entirely of our employees, approximately 15.0% of our employees were members of the Korea Midland Power United Labor Union, which membership also comprises entirely of our employees and approximately 2.5% of our employees were members of the Korean Power Plant Industry Union, of which employees of other non-nuclear Generation Subsidiaries are also members. We negotiate a collective bargaining agreement every two years, except for wages, which are negotiated every year, with the representatives of each labor union. The current collective bargaining agreement was entered into in December 2024.

Pursuant to applicable Korean law, an Employee-Employer Cooperation Committee, which is composed of three to ten representatives of management and three to ten union employee representatives, is required to be, and has been, established. The Committee meets periodically to discuss various labor issues.

The Restructuring Plan and the privatization plan for the Generation Subsidiaries have generated labor unrest. Labor unions to which our employees belong have voiced their opposition to the Restructuring Plan from its inception, in particular with respect to the prospect of our privatization and the privatization of the other Generation Subsidiaries. On February 25, 2002, employees belonging to labor unions of the non-nuclear Generation Subsidiaries, including us, commenced a strike, which lasted six weeks, to protest the Government's plans to privatize us and the other Generation Subsidiaries. The Korean Confederation of Trade Unions ("KCTU"), the largest governing body of labor unions in Korea with over 800,000 members, negotiated with the Government on behalf of the labor unions. After prolonged negotiations with the Government, KCTU directed the labor unions of the non-nuclear Generation Subsidiaries to end their strike on April 2, 2002. We cannot assure you that a large-scale strike or any other work stoppages will not occur again in the future or that any such labor unrest will be satisfactorily resolved. Labor unrest may adversely affect our results of operations by severely disrupting the power supply as well as substantially hinder the implementation of the Government's plans.

RELATED PARTY TRANSACTIONS

For our sale of electricity to KEPCO through KPX, see "— Sales and Purchase of Power" above.

As of March 31, 2026, we had a 7.1% ownership of KPX, which represents our capital contribution to KPX in the amount of Won 18.3 billion.

We employ KEPCO KPS Co., Ltd., KEPCO E&C Inc. and KEPCO KDN Co., Ltd., affiliates of KEPCO, for maintenance services for all our power generation facilities, design for power plant construction and data processing services.

For transactions and related account balances with related parties, including KEPCO and its subsidiaries, see Note 36 to our audited consolidated financial statements as of and for the years ended December 31, 2025 and 2024 and Note 36 to our unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2026 and 2025.

We have an LNG purchase contract with KOGAS, a related party, with the quantity to be determined by mutual agreement. In addition, we have several contracts with Korea Coal Corporation and others with the quantity to be set by the Korean government.

We also provide housing and tuition loans to our employees, the aggregate amount of which was Won 26 billion as of March 31, 2026.

SHARE OWNERSHIP

The following table sets forth certain information relating to our shareholder as of March 31, 2026 and as of the date hereof:

Title of Class	Identity of Person or Group	Shares Owned	Percentage
Common stock	Korea Electric Power Corporation	28,581,320	100.0%

None of our directors and members of the administrative, supervisory or management bodies owns any share of our common stock.

DIRECTORS AND SENIOR MANAGEMENT

In January 2011, the Public Enterprise Management Commission of the MOFE passed a resolution under which the six generation subsidiaries of KEPCO were designated as "market-oriented public enterprises." We have revised our articles of incorporation to accommodate such designation according to the Act on the Management of Public Institutions.

Under our articles of incorporation, our board of directors, consisting of not more than 15 directors, including the President, is vested with the power of management. The directors are classified into two categories: standing directors and non-standing directors. The number of standing directors must be less than one-half the number of directors, including the President. The standing directors also presently constitute its executive officers. Previously, we had a statutory auditor, who was a full time employee responsible for monitoring our business affairs and accounts, was entitled to attend and to express opinions at the meeting of the board of directors, but was not entitled to vote. Under our articles of incorporation, an audit committee was established under the board of directors and replaced the statutory auditor when the statutory auditor's term of office expired. The audit committee consists of three directors, at least two of whom must be non-standing directors. At least one of the audit committee members must be an accounting or financial expert. Under our articles of incorporation, the representative director, who acts as our President, is appointed by the President of Korea through the following nomination process: the recommendation of two or more candidates by the officer recommendation committee, followed by the resolution of the Committee for Management of Public Institutions established under the Act on the Management of Public Institutions, followed by the resolution of our shareholders at the general meeting, followed by the nomination by the Minister of the MCEE. The standing directors, other than the President, are appointed by the President following the resolution of shareholders at a general meeting, except that any standing director who is to become a member of the audit committee must be appointed by the President of Korea following the nomination of two or more candidates by the officer recommendation committee, the resolution by the Committee for Management of Public Institutions, the resolution by our shareholders and the nomination by the Minister of the MOFE. The non-standing directors are appointed by the Minister of the MOFE following the nomination of two or more candidates by the officer recommendation committee, the resolution by the Committee for Management of Public Institutions and the resolution by our shareholders. The President serves as our chief executive officer, represents us and administers our day-to-day business in all matters not specifically designated as responsibilities of the board of directors.

The term of office of the President is three years, and the term of office of a director is two years. Officers may be reappointed each year to one-year terms in accordance with the Act on the Management of Public Institutions. If an officer is reappointed, the recommendation of the officer recommendation committee is not required. If the President is re-elected, the management contract set forth in Article 35–2(3) of our articles of incorporation must be re-executed, but the discussion of the officer recommendation committee required under Article 35–2(2) of our articles of incorporation is not required.

The names, titles, and outside occupations, if any, of the directors as of March 31, 2026, and the respective dates on which they took office are set forth below.

Name	Age	Title	Outside Occupation	Position Held Since
Young Jo Lee. . . .	64	President & Chief Executive Officer	None	09/2024
Jong Guk Lee . . .	61	Head of Planning & Management Division	None	03/2025
Sung Kyu An. . . .	58	Head of Engineering & Safety Division	None	03/2026
Sang Doug Park. .	74	Non-standing Director	Researcher, SNU Nuclear Energy Policy Center	05/2024
Chang Hak Lee . .	63	Non-standing Director	None	11/2024
Jin Ho Shin	58	Non-standing Director	Manager, Jeju Power Generation Site Division	04/2025
Do Young Kim . .	61	Non-standing Director	CEO, Inil Accounting Corporation	04/2026
Jae Min Lim	36	Non-standing Director	Secretary-General, Energy Transition Forum Korea	04/2026

The presence at board meetings of a majority of the board members constitutes a voting quorum and resolutions can be passed by a majority of the board members.

Young Jo Lee has served as our president and chief executive officer since September 2024. Mr. Lee received a master's degree in public administration from Pusan National University and a bachelor's degree in political science and diplomacy from Dong A University. He also served as the head of our planning & administration division and the head of our planning & strategy department.

Jong Guk Lee has served as the head of the planning & management division since March 2025. Mr. Lee received a bachelor's degree in public administration from Dankook University. He also served as the head of our planning & strategy department and the head of our Sejong power generation site division.

Sung Kyu An has served as the head of the engineering & safety division since March 2026. Mr. An received a doctorate in climate change policy studies from Sejong University, a master's degree in new power generation engineering from Yonsei University and a bachelor's degree in electrical engineering from Sungkyunkwan University. He also served as the head of our future project division and the head of our power development department.

Sang Doug Park has served as a non-standing director since May 2024. Mr. Park received a doctorate and master's degree in nuclear engineering from the University of Michigan and a bachelor's degree in nuclear engineering from Seoul National University. Currently, he is a researcher at the SNU Nuclear Energy Policy Center. He previously served as the chief of the Energy MD Group at the Office of Strategic R&D Planning.

Chang Hak Lee has served as a non-standing director since November 2024. Mr. Lee received a master's degree in public administration from Seoul National University and a bachelor's degree in political science from Seoul National University. He previously served as a visiting professor at the department of urban sociology of the University of Seoul and the secretary general at the Seoul Metropolitan Council.

Jin Ho Shin has served as a non-standing director since April 2025. Mr. Shin received a bachelor's degree in mechanical engineering from Inha University. Currently, he is a manager at our Jeju power generation site division. He previously served as the chief vice-chairman at the Korea Midland Power Labor Union.

Do Young Kim has served as a non-standing director since April 2026. Mr. Kim received a bachelor's degree in business administration from Inha University. Currently, he is the CEO of Inil Accounting Corporation. He previously served as a CPA at Samil Accounting Corporation.

Jae Min Lim has served as a non-standing director since April 2026. Mr. Lim received a bachelor's degree in public administration from the University of Seoul. Currently, he is the secretary general of the Energy Transition Forum Korea. He previously served as a researcher at the Energy Transition Forum Korea.

The business address of our directors is 160, Boryeongbuk-ro, Boryeong-si, Chungcheongnam-do 33439, Korea.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

For the year ended December 31, 2025 and the three months ended March 31, 2026, the aggregate amount of salaries paid to the key members of management of the group was Won 506 million and Won 118 million, respectively. The aggregate amount we set aside during 2025 and the three months ended March 31, 2026 to provide retirement and severance benefits for the key members of management of the group was Won 18 million and Won 6 million, respectively.

Board Practices

Our articles of incorporation provide for the establishment of the audit committee, the officer recommendation committee and other committees as deemed necessary by our board of directors. Currently, other than the audit committee and the officer recommendation committee, we maintain a number of "expert committees" whose members are non-standing directors tasked with advising on certain specialized matters regarding our management.

The President's management contract provides for benefits upon termination of his employment. The President is only eligible for retirement and severance pay after more than one year of continuous service. For each year's employment, the payment amount for retirement and severance pay is equal to the average income for one month.

The terms for retirement and severance pay for standing directors (including the President) are determined in accordance with the internal regulations for executive benefits. Standing directors are only eligible for retirement and severance pay after retirement or upon death following one year of continuous service. The amount for retirement and severance pay is calculated by multiplying (i) the annual base income divided by twelve by (ii) the number of years of service.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Program. To the extent permitted by applicable law and/or regulation, the Pricing Supplement in respect of any Tranche of Notes may supplement, amend or replace any information in this Offering Circular.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form."

1. INTRODUCTION

(a) *Program*: Korea Midland Power Co., Ltd. (the "Issuer") has established a Euro Medium Term Note Program (the "Program") for the issuance of up to U.S.$3,000,000,000 in aggregate principal amount of notes (the "Notes").

(b) *Pricing Supplement*: Notes issued under the Program are issued in series (each a "Series") and each Series may comprise one or more tranches (each a "Tranche") of Notes. Each Tranche is the subject of a pricing supplement (the "Pricing Supplement") which supplements these terms and conditions (the "Conditions"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

(c) *Agency Agreement*: The Notes are the subject of an issue and paying agency agreement dated October 20, 2017 among the Issuer, The Bank of New York Mellon, London Branch as fiscal agent (the "Fiscal Agent," which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), The Bank of New York Mellon, Hong Kong Branch as CMU lodging and paying agent and CMU registrar (the "CMU Lodging and Paying Agent" and the "CMU Registrar," respectively, which expression includes any successor CMU lodging and paying agent and CMU registrar appointed from time to time in connection with Notes cleared through the CMU Service), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the "Registrar," which expression includes any successor registrar appointed from time to time in connection with the Notes cleared through a clearing system other than the CMU Service, and together with the CMU Registrar, the "Registrars" and each, a "relevant Registrar"), the paying agents named therein (together with the Fiscal Agent, the "Paying Agents," which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrars, the "Transfer Agents," which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes), as supplemented by the supplemental agency agreement dated June 15, 2021 among the Issuer, The Bank of New York Mellon, London Branch as original fiscal agent, original paying agent and original calculation agent, The Bank of New York Mellon SA/NV, Luxembourg Branch as original registrar and original transfer agent, The Bank of New York Mellon, Hong Kong Branch as original

CMU lodging and paying agent, original CMU registrar, original CMU transfer agent and original CMU calculation agent, Citicorp International Limited as new fiscal agent, new CMU lodging and paying agent, new CMU registrar, new CMU transfer agent, new CMU calculation agent and registrar and Citibank, N.A., London Branch as new paying agent, new calculation agent and new transfer agent (the "Agency Agreement"). In these Conditions references to the "Agents" are to the Paying Agents and the Transfer Agents and any reference to an "Agent" is to any one of them.

(d) *Deed of Covenant:* The Notes may be issued in bearer form ("Bearer Notes"), or in registered form ("Registered Notes"). Registered Notes are constituted by a deed of covenant dated October 20, 2017 (the "Deed of Covenant") entered into by the Issuer.

(e) *The Notes*: All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing during normal business hours at the Specified Offices of the Paying Agents.

(f) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "Couponholders" and the "Coupons," respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available upon prior written request, for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. INTERPRETATION

(a) *Definitions*: In these Conditions the following expressions have the following meanings:

"Accrual Yield" has the meaning given in the relevant Pricing Supplement;

"Business Center(s)" means the city or cities specified as such in the relevant Pricing Supplement;

"Financial Center(s)" means the city or cities specified as such in the relevant Pricing Supplement;

"Business Day" means:

(1) in relation to any sum payable in euro, a TARGET Settlement Day and a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments generally in each (if any) Business Center; and

(2) in relation to any sum payable in a currency other than euro or Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Center of the relevant currency and in each (if any) Business Center;

(3) in relation to any sum payable in Renminbi:

(i) if cleared through the CMU Service, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and

(ii) if cleared through Euroclear and Clearstream a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in London.;

"Business Day Convention," in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(1) "Following Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day;

(2) "Modified Following Business Day Convention" or "Modified Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(3) "Preceding Business Day Convention" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(4) "FRN Convention," "Floating Rate Convention" or "Eurodollar Convention" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(5) "No Adjustment" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"Calculation Amount" has the meaning given in the relevant Pricing Supplement;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the "Calculation Period"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

(1) if "Actual/Actual (ICMA)" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(2) if "Actual/Actual (ISDA)" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(3) if "Actual/365 (Fixed)" is so specified, means the actual number of days in the Calculation Period divided by 365;

(4) if "Actual/360" is so specified, means the actual number of days in the Calculation Period divided by 360;

(5) if "30/360" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30";

(6) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

(7) if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"Early Redemption Amount (Tax)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Pricing Supplement;

"Extraordinary Resolution" has the meaning given in the Agency Agreement;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"First Interest Payment Date" means the date specified in the relevant Pricing Supplement;

"Fixed Coupon Amount" has the meaning given in the relevant Pricing Supplement;

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(1) any obligation to purchase such Indebtedness;

(2) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(3) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(4) any other agreement to be responsible for such Indebtedness;

"Holder," in the case of Bearer Notes, has the meaning given in Condition 3(b) (Form, Denomination, Title and Transfer — Title to Bearer Notes) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (Form, Denomination, Title and Transfer — Title to Registered Notes);

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(1) amounts raised by acceptance under any acceptance credit facility;

(2) amounts raised under any note purchase facility;

(3) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(4) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(5) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"Interest Determination Date" has the meaning given in the relevant Pricing Supplement;

"Interest Payment Date" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(1) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(2) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" has the meaning given in the relevant Pricing Supplement;

"Margin" has the meaning given in the relevant Pricing Supplement;

"Maturity Date" has the meaning given in the relevant Pricing Supplement;

"Maximum Redemption Amount" has the meaning given in the relevant Pricing Supplement;

"Minimum Redemption Amount" has the meaning given in the relevant Pricing Supplement;

"Noteholder," in the case of Bearer Notes, has the meaning given in Condition 3(b) (Form, Denomination, Title and Transfer — Title to Bearer Notes) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (Form, Denomination, Title and Transfer — Title to Registered Notes);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"Optional Redemption Date (Call)" has the meaning given in the relevant Pricing Supplement;

"Optional Redemption Date (Put)" has the meaning given in the relevant Pricing Supplement;

"Participating Member State" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

(1) if the currency of payment is euro, any day which is:

    (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

    (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Financial Center; or

(2) if the currency of payment is not euro, any day which is:

    (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

    (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Center of the currency of payment and in each (if any) Financial Center;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Center" means, in relation to any currency, the principal financial center for that currency provided, however, that:

(1) in relation to euro, it means the principal financial center of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(2) in relation to Australian dollars, it means Sydney;

(3) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(4) in relation to Renminbi, it means Hong Kong or the principal financial center as specified in the applicable Pricing Supplement;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Pricing Supplement;

"Reference Banks" has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Pricing Supplement;

"Reference Rate" has the meaning given in the relevant Pricing Supplement;

"Regular Period" means:

(1) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(2) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and

(3) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Center of the

currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Center" has the meaning given in the relevant Pricing Supplement;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Pricing Supplement;

"Reserved Matter" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Specified Currency" has the meaning given in the relevant Pricing Supplement;

"Specified Denomination(s)" has the meaning given in the relevant Pricing Supplement;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Pricing Supplement;

"Subsidiary" means, in relation to any Person (the "first Person") at any particular time, any other Person (the "second Person"):

(1) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(2) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"Talon" means a talon for further Coupons;

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007;

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro;

"Treaty" means the Treaty of the Functioning of the European Union, as amended;

"Zero Coupon Note" means a Note specified as such in the relevant Pricing Supplement;

(b) *Interpretation*: In these Conditions:

(1) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(2) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(3) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;

(4) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(5) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(6) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;

(7) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(8) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. FORM, DENOMINATION, TITLE AND TRANSFER

(a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "Holder" means the holder of such Bearer Note and "Noteholder" and "Couponholder" shall be construed accordingly.

(c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.

(d) *Title to Registered Notes:* The Registrar will maintain the register (the "Register") in accordance with the provisions of the Agency Agreement. A certificate (each, a "Note Certificate") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "Holder" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "Noteholder" shall be construed accordingly.

(e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) *Transfers of Registered Notes:* Subject to paragraphs (i) (Closed periods) and (j) (Regulations concerning transfers and registration) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (Transfers of Registered Notes) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "business day" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. STATUS

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. NEGATIVE PLEDGE

(a) Negative Pledge

So long as any Note remains outstanding, the Issuer will not, and will procure that none of its respective Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any International Investment

Securities unless the Issuer, in the case of a Security Interest, before or at the same time, and in any other case, promptly, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Notes are secured by the Security Interest equally and rateably with the International Investment Securities; or

(ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (which is defined in the Agency Agreement as a resolution duly passed by a majority of not less than three-fourths of the votes cast) of the Noteholders.

The foregoing shall not operate to restrict or prohibit the creation of any Security Interest over the assets of, and/or shareholder interest in, a capital project securing payment of interest or principal of, payment under any guarantee of, or payment under any indemnity relating to, any International Investment Securities issued by a Subsidiary, where the International Investment Securities are issued to finance such capital project and the financier's rights of recovery are limited to cash flows generated by the specifically identifiable project, and the assets of, and/or shareholder interest in, such capital project.

(b) Interpretation

For the purposes of this Condition 5 (Negative Pledge):

(i) "capital project" means a long-term investment project to acquire, develop, improve, and/or maintain water resources, power generation or similar infrastructure projects; and

(ii) "International Investment Securities" means notes, bonds, debentures, certificates of deposit or investment securities of any Person which (1) by their terms either are payable, or confer a right to receive payment, in any currency other than Korean Won ("Won") or are denominated in Won and more than 50% of the aggregate principal amount of which is initially distributed outside the Republic of Korea ("Korea") by or with the authorization of the Issuer; (2) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market outside Korea; and (3) are not (A) securities issued in accordance with a securitization plan pursuant to the Asset-Backed Securitization Act of Korea (or other similar laws of Korea); or (B) securities or instruments serviced primarily by the cash flows of a discrete pool of receivables or other financial assets, either fixed or revolving, that by their terms convert into cash within a finite period and which are commonly regarded as asset-backed securities.

6. FIXED RATE NOTE PROVISIONS

(a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (Payments — Bearer Notes). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(e) *Notes accruing interest otherwise than a Fixed Coupon Amount:* This Condition 6(e) shall apply to Notes which are Fixed Rate Notes only where the Pricing Supplement for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The relevant amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest and the Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agents, the Registrar (in the case of Registered Notes) and the Noteholders in accordance with Condition 19 (Notices) and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.

7. FLOATING RATE NOTE PROVISIONS

(a) *Application:* This Condition 7 (Floating Rate Note Provisions) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (Payments — Bearer Notes). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; *provided, however, that* if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Center office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Center interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Center of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Center of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) *ISDA Determination:* If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement;

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the Secured Overnight Financing Rate ("SOFR") for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement; and

(iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(e) *Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark*: Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as SOFR Benchmark in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "SOFR Benchmark" will be determined based on Compounded Daily SOFR or SOFR Index, as follows (subject in each case to Condition 7(g) as further specified hereon)

(1) If Compounded Daily SOFR is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Period (where SOFR Lag is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified in the applicable Pricing Supplement:

(I) SOFR Lag:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_{i\text{-}xUSBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"*SOFRi-xUSBD*" for any U.S. Government Securities Business Day "i" in the relevant Interest Period is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day "i";

"*Lookback Days*" means such number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement, which shall not be less than five U.S. Government Securities Business Days;

"*d*" means the number of calendar days in the relevant Interest Period;

"*do*" for any Interest Period means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"*i*" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period; and

"*ni*" for any U.S. Government Securities Business Day "i" in the relevant Interest Period means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_{i\text{-}xUSBD}$ applies.

(II) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"*SOFRi*" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i";

"*SOFR Observation Period*" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"*SOFR Observation Shift Days*" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement, which shall not be less than five U.S. Government Securities Business Days;

"*d*" means the number of calendar days in the relevant SOFR Observation Period;

"*do*" for any SOFR Observation Period means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"*i*" means a series of whole numbers ascending from one to do, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period; and

"*ni*" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_i$ applies.

The following defined terms shall have the meanings set out below for purpose of this Condition 7(e)(1):

"*Bloomberg Screen SOFRRATE Page*" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"*Reuters Page USDSOFR=*" means the Reuters page designated "USDSOFR=" or any successor page or service;

"*SOFR*" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(a) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(b) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(c) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 7(g) shall apply as specified in the applicable Pricing Supplement;

"*SOFR Determination Time*" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(2) If SOFR Index is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\,Index_{End}}{SOFR\,Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded

down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"*SOFR Index*" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that*:

(i) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 7(e)(1)(II) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" shall mean five U.S. Government Securities Business Days; or

(ii) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 7(g) shall apply as specified in the applicable Pricing Supplement;

"$SOFR\ Index_{End}$" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the Interest Payment Date for such Interest Period (or in the final Interest Period, the Maturity Date), which shall not be less than five U.S. Government Securities Business Days;

"$SOFR\ Index_{Start}$" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified hereon prior to the first day of such Interest Period;

"*SOFR Index Determination Time*" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"*SOFR Observation Period*" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"*SOFR Observation Shift Days*" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement; and

"*dc*" means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for purpose of this Condition 7(e):

"*Interest Determination Date*" means, with respect to a Rate of Interest and Interest Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period unless otherwise agreed with the Calculation Agent;

"*SOFR Administrator's Website*" means the website of the Federal Reserve Bank of New York, or any successor source;

"*SOFR Benchmark Replacement Date*" means the date of occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"*SOFR Benchmark Transition Event*" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark; and

"*U.S. Government Securities Business Day*" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(f) *Effect of Benchmark Transition Event*

(i) Benchmark Replacement

If the Issuer or its designee determines that a Benchmark Transition Event (as defined below) and its related Benchmark Replacement Date (as defined below) have occurred prior to the Reference Time (as defined below) in respect of any determination of the Benchmark (as defined below) on any date, the Benchmark Replacement (as defined below) will replace the then-current Benchmark for all purposes relating to the applicable Notes in respect of such determination on such date and all determinations on all subsequent dates.

(ii) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes (as defined below) from time to time.

At the request of the Issuer, but subject to receipt by the Agents of a certificate signed by two duly authorized officers of the Issuer pursuant to Condition 7(f)(iv) and at least five London banking days' prior notice thereof, the Agents shall (at the expense of the Issuer) be obliged to concur with the Issuer in using their reasonable endeavors to effect any Benchmark Replacement Conforming Changes (including, *inter alia*, by amending or supplementing the Agency Agreement) in the circumstances and as otherwise set out in this Condition 7(f), without the consent of the Noteholders, Receiptholders and Couponholders, provided that the Agents shall not be

obliged so to concur if, in the opinion of any of the Agents, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agents in these Terms and Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplements thereto) in any way.

In connection with any Benchmark Replacement Conforming Changes in accordance with this Condition 7(f)(ii), the Issuer shall comply with the rules of any stock exchange on which the applicable Notes are for the time being listed or admitted to trading.

(iii) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 7(f), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's or its designee's sole discretion, and, notwithstanding anything to the contrary in the these Terms and Conditions or the Agency Agreement, shall become effective with respect to the applicable Notes without consent from any other party.

(iv) Notices, etc.

Any Benchmark Replacement (including any Benchmark Replacement Adjustment) and the specific terms of any Benchmark Replacement Conforming Changes determined under this Condition 7(f) will be notified promptly by the Issuer to the Fiscal Agent and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Agents a certificate signed by two duly authorized officers of the Issuer:

(A) confirming (1) that a Benchmark Transition Event has occurred and (2) the Benchmark Replacement (including any Benchmark Replacement Adjustment) and the specific terms of any Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7(f); and

(B) certifying that the Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of the Benchmark Replacement.

The Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof.

(v) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 7(f)(i), (ii), (iii) and (iv), the Benchmark and the fallback provisions provided for in Condition 7(c) will continue to apply unless and until the Fiscal Agent has been notified of the Benchmark Replacement (including any Benchmark Replacement Adjustment) and the specific terms of any Benchmark Replacement Conforming Changes, in accordance with Condition 7(f)(iv).

(vi) Certain Defined Terms

As used in this Condition 7(f):

"Benchmark" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement); provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"Benchmark Replacement" means the Interpolated Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of: (1) Term SOFR and (2) the Benchmark Replacement Adjustment;

(ii) the sum of: (1) Compounded SOFR and (b) the Benchmark Replacement Adjustment;

(iii) the sum of: (1) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (2) the Benchmark Replacement Adjustment;

(iv) the sum of: (1) the ISDA Fallback Rate and (2) the Benchmark Replacement Adjustment;

(v) the sum of: (1) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (2) the Benchmark Replacement Adjustment.

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Period and other administrative matters) with respect to these Terms and Conditions or the Agency Agreement or otherwise that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary).

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (1) the date of the public statement or publication of information referenced therein and (2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"Compounded SOFR" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Issuer or its designee in accordance with:

(i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:

(ii) if, and to the extent that, the issuer or its designee determines that Compounded SOFR cannot be determined in accordance with clause (i) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate notes at such time.

Notwithstanding the foregoing, Compounded SOFR will include a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period.

"Corresponding Tenor" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

"designee" means a designee as selected and separately appointed by the Issuer in writing.

"Federal Reserve Bank of New York's Website" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"Interpolated Benchmark" with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (i) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (ii) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"*Reference Time*" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified as applicable hereon) or SOFR Index Determination Time (where SOFR Index is specified as applicable hereon), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"SOFR" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"Term SOFR" means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(g) *Benchmark Discontinuation (SOFR)*

The following provisions shall apply if Benchmark Discontinuation (SOFR) is specified in the applicable Pricing Supplement:

(A) Benchmark Replacement: If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes: In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 7(g). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Agents (if required). Further, none of the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) Decisions and Determinations: Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 7(g), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (1) will be conclusive and binding absent manifest error, (2) will be made in the sole discretion of the Issuer or its designee, as applicable, and (3) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) Certain Defined Terms: As used in this Condition 7(g):

"*Benchmark*" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"*Benchmark Event*" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"*Benchmark Replacement*" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(1) the sum of:

(I) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(II) the Benchmark Replacement Adjustment;

(2) the sum of:

(I) the ISDA Fallback Rate; and

(II) the Benchmark Replacement Adjustment; or

(3) the sum of:

(I) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and

(II) the Benchmark Replacement Adjustment;

"*Benchmark Replacement Adjustment*" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then- current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"*Benchmark Replacement Conforming Changes*" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not

administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"*Benchmark Replacement Date*" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(1) in the case of sub-paragraph (1) or (2) of the definition of "Benchmark Event", the later of:

    (I) the date of the public statement or publication of information referenced therein; and

    (II) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of sub-paragraph (3) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"*designee*" means a designee as selected and separately appointed by the Issuer in writing;

"*ISDA Definitions*" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"*ISDA Fallback Adjustment*" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"*ISDA Fallback Rate*" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"*Reference Time*" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified as applicable hereon) or SOFR Index Determination Time (where SOFR

Index is specified as applicable hereon), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"*Relevant Governmental Body*" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"*Unadjusted Benchmark Replacement*" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(h) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(i) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. For the avoidance of doubt, this Condition 7(h) shall not apply if a Benchmark Transition Event has occurred and Condition 7(e) becomes effective.

(j) *Notification:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Fiscal Agent, the CMU Lodging and Paying Agent and each relevant Paying Agents as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given by the Issuer to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. For the avoidance of doubt, this Condition 7(h) shall not apply if a Benchmark Transition Event has occurred and Condition 7(e) becomes effective.

(k) *Notifications, etc.:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Noteholders and the Couponholders and

(subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. ZERO COUPON NOTE PROVISIONS

(a) *Application:* This Condition 8 (Zero Coupon Note Provisions) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. REDEMPTION AND PURCHASE

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (Payments — Bearer Notes).

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (unless the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant final terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (Taxation) as a result of any change in, or amendment to, the laws or regulations of the Republic of Korea or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or

regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and

(B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

(1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant final terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

(2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant final terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant pricing supplement (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (Redemption at the option of the Issuer), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (Redemption at the option of the Issuer) shall specify the serial numbers of the Notes so to be redeemed, and,

in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant final terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.

(g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.

(i) *Cancellation:* All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. PAYMENTS — BEARER NOTES

This Condition 10 is only applicable to Bearer Notes.

(a) *Principal:* Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States (i) in the case of a currency other than Renminbi, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Center of that currency, and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Center of that currency.

(b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (Taxation) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (Taxation)) any law

implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Deductions for unmatured Coupons:* If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "Relevant Coupons") being equal to the amount of principal due for payment; provided, however, that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(f) *Unmatured Coupons void*: If the relevant Pricing Supplement specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (Redemption for tax reasons), Condition 9(e) (Redemption at the option of Noteholders), Condition 9(c) (Redemption at the option of the Issuer) or Condition 13 (Events of Default), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (Prescription). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. PAYMENTS — REGISTERED NOTES

This Condition 11 is only applicable to Registered Notes.

(a) *Principal:* Payments of principal shall be made:

(i) in the case of a currency other than Renminbi, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Center of that currency; and

(ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Center of that currency,

and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) *Interest:* Payments of interest shall be made

(i) in the case of a currency other than Renminbi, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an

account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Center of that currency; and

(ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Center of that currency,

and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (Taxation) (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (Taxation)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "Record Date").

12. TAXATION

(a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties,

assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Korea or any political subdivision therein or any authority therein or thereof having power to tax ("Korean Tax"), unless the withholding or deduction of such Korean Tax is required by law. In that event, the Issuer shall pay such additional amounts ("Additional Amounts") as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note or Coupon:

(i) held by or on behalf of a Holder who is liable to such Korean Tax in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) held by or on behalf of a Holder who would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested in writing by the Issuer to make such a declaration or claim, such Holder fails to do so within 30 days; or

(iii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such Additional Amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

(b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Korea, references in these Conditions to the Republic of Korea shall be construed as references to the Republic of Korea and/or such other jurisdiction.

13. EVENTS OF DEFAULT

If any of the following events occurs and is continuing:

(a) *Non-payment of principal:* the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof; or

(b) *Non-payment of interest*: the Issuer fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and such default continues for a period of 30 days; or

(c) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or

(d) *Cross-default of Issuer or Subsidiary:*

(i) any Indebtedness of the Issuer or any of its Subsidiaries in the aggregate outstanding principal amount of U.S.$15,000,000 (or its equivalent in any other currency or currencies) or more is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or the relevant Subsidiary or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness;

(iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness; or

(e) *Unsatisfied judgment*: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of any amount is rendered against the Issuer or any of its Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(f) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Subsidiaries; or

(g) *Insolvency:* (i) the Issuer or any of its Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or any of its Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Subsidiaries, (iii) the Issuer or any of its Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer or any of its Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business; or

(h) *Winding up:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Subsidiaries (otherwise than, in the case of a Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent); or

(i) *Analogous event:* any event occurs which under the laws of the Republic of Korea has an analogous effect to any of the events referred to in paragraphs (e) to (h) above; or

(j) *Failure to take action:* any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, (ii) to ensure that those obligations

are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of the Republic of Korea is not taken, fulfilled or done; or

(k) *Unlawfulness:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes; or

(l) *Controlling shareholder:* the government of the Republic of Korea ceases to hold directly or indirectly at least 51% of the issued share capital of the Issuer,

then any Note may, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

14. PRESCRIPTION

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within 10 years of the appropriate Relevant Date.

15. REPLACEMENT OF NOTES AND COUPONS

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. AGENTS

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to

appoint a successor fiscal agent, registrar, CMU lodging and paying agent, CMU registrar or Calculation Agent and additional or successor paying agents; provided, however, that:

(a) the Issuer shall at all times maintain a fiscal agent and a registrar; and

(b) the Issuer shall at all times maintain a CMU lodging and paying agent in relation to Notes accepted for clearance through the CMU Service and (if such Notes are Registered Notes) a CMU Registrar; and

(c) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and

(d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER

(a) *Meetings of Noteholders*: The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification:* The Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the sole opinion of the Issuer, not materially prejudicial to the interests of the Noteholders. For the avoidance of doubt, none of the Agents shall have any responsibility or liability whatsoever with respect to any determination as to material prejudice to the interests of the Noteholders pursuant to this Condition 17(b).

18. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

19. NOTICES

(a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading daily newspaper of general circulation in Asia by the Issuer. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) *Registered Notes:* Notices to the Holders of Registered Notes shall be (i) sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and will be deemed to have been given on the fourth day after mailing and (ii) if and for so long as the Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

20. CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable under these Conditions or such order or judgment into another currency (the "second currency") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any

discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. GOVERNING LAW AND JURISDICTION

(a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.

(b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "Dispute") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

(c) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England*: Notwithstanding Condition 22(b) (*English courts*), any Noteholder may take proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Service of process*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

(f) *Consent to enforcement, etc.*: The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

(g) *Waiver of immunity*: To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Program.

Pricing Supplement dated [•]

KOREA MIDLAND POWER CO., LTD.
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$3,000,000,000 Euro Medium Term Note Program

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

[MiFID II PRODUCT GOVERNANCE — Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration each manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining each manufacturer's target market assessment) and determining the appropriate distribution channels.]

[UK MiFIR PRODUCT GOVERNANCE — Solely for the purposes of each UK MiFIR manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "UK MiFIR distributor") should take into consideration each UK MiFIR manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") will be responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes: (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of

MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"); and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore, offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes: (a) the expression "retail investor" means a person who is one (or more) of the following: not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 ("POATRs"); and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes. Consequently, no disclosure document required by FCA Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore, offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]

[THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKET ACT OF KOREA. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED IN KOREA OR TO ANY RESIDENT THEREOF (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTION LAW OF KOREA AND THE REGULATIONS THEREUNDER) OR TO ANY OTHER PERSON FOR OFFER, RESALE OR REDELIVERY DIRECTLY OR INDIRECTLY IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT THEREOF FOR A PERIOD OF ONE YEAR AFTER THE DATE OF ISSUE OF THE NOTES, EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE KOREAN LAWS AND REGULATIONS.][1]

[THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKET ACT OF KOREA. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED IN KOREA OR TO ANY RESIDENT THEREOF (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTION LAW OF KOREA AND THE REGULATIONS THEREUNDER) OR TO ANY OTHER PERSON FOR OFFER, RESALE OR REDELIVERY DIRECTLY OR INDIRECTLY IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE KOREAN LAWS AND

1 Applicable when relying on the exemption as set out in Article 2–2-2, Paragraph 2 (other than Item 3) of the Regulation on the Issuance of Securities, Public Disclosure, etc. of Korea promulgated by the Financial Services Commission of Korea.

REGULATIONS. IN ADDITION, WITHIN ONE YEAR FOLLOWING THE ISSUE OF THE NOTES, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS DEFINED UNDER THE FOREIGN EXCHANGE TRANSACTIONS LAW OF KOREA AND THE REGULATIONS THEREUNDER) OTHER THAN A "QUALIFIED INSTITUTIONAL BUYER" (A "KOREAN QIB," AS DEFINED IN THE REGULATION ON THE ISSUANCE OF SECURITIES, PUBLIC DISCLOSURE, ETC. OF KOREA) WHO IS REGISTERED WITH THE KOREA FINANCIAL INVESTMENT ASSOCIATION (THE "KOFIA") AS A KOREAN QIB, PROVIDED THAT THE AMOUNT OF THE NOTES ACQUIRED BY SUCH KOREAN QIBS IN THE PRIMARY MARKET IS LIMITED TO NO MORE THAN 20% OF THE AGGREGATE ISSUE AMOUNT OF THE NOTES.][2]

[The following legend is to be inserted if the Notes will be offered to investors in Singapore and such investors are institutional investors and accredited investors only.]

[Notice to investors in Singapore: By accepting this Pricing Supplement, if you are an investor in Singapore, you: (I) represent and warrant that you are either (1) an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA; or (2) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (II) agree to be bound by the limitations and restrictions described in the Offering Circular.]

[The following legend is to be inserted if the Notes will be offered in Singapore to investors other than institutional investors and accredited investors. If so, the Issuer is to determine the relevant classification of the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.]

[SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION — NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (THE "SFA") — the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products [OR] capital markets products other than prescribed capital markets products]* (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and [Excluded Investment Products [OR] Specified Investment Products]* (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).] *[*To delete accordingly]*

2 Applicable when relying on the exemption as set out in Article 2–2-2, Paragraph 2, Item 3, of the Regulation on the Issuance of Securities, Public Disclosure, etc. of Korea promulgated by the Financial Services Commission of Korea.

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "Conditions") set forth in the Offering Circular dated July 9, 2026 [and the supplemental Offering Circular dated *[date]*] ([together,] the "Offering Circular"). This Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular with an earlier date and the relevant terms and conditions from that offering circular with an earlier date were incorporated by reference in this Offering Circular.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "Conditions") incorporated by reference in the offering circular dated *[original date]*. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular, except in respect of the Conditions which are set forth in the offering circular dated *[original date]* and are incorporated by reference in the Offering Circular.]

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.]

1.	(i)	Issuer:	Korea Midland Power Co., Ltd. (Legal Entity Identifier: 988400Z1HCY1QUPS1W65)
2.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•]
	(iii)	Date on which the Notes become fungible:	[Not applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about [•]].]
3.		Specified Currency or Currencies:	[•]
4.		Aggregate Nominal Amount:	[•]
	(i)	Series:	[•]
	(ii)	Tranche:	[•]

5.	(i)	Issue Price:	[•]% of the Aggregate Nominal Amount [plus accrued interest from [•] *(in the case of fungible re-opening issues only, if applicable)*]
	(ii)	Net Proceeds:	[•]
6.	(i)	Specified Denominations:	[•] *[If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording below:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."]* *[Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).]* *[Notes to be listed on SEHK are required to be traded with board lot size of at least HK$500,000 (or equivalent in other countries).]*
	(ii)	Calculation Amount:	[•]
7.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date:	[*Specify* /Issue Date/Not applicable]
	(iii)	Trade Date:	[•]
8.		Maturity Date:	*[Specify date or (for Floating Rate Notes)* *Interest Payment Date falling in or nearest to the relevant month and year]*[1]

Notes:

(1) Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

9.	Interest Basis:	[[•]% Fixed Rate] [*Specify reference rate*] +/– [•]% Floating Rate] [Zero Coupon] (further particulars specified below)
10.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[•]/[100]]% of their nominal amount.
11.	Change of Interest or Redemption/ Payment Basis:	[Applicable/Not applicable]
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	Listing:	[Singapore Exchange Securities Trading Limited[2]/*Specify other* /None] (*For Notes to be listed on the SEHK, insert the expected effective listing date of the Notes*)
14.	(i) Status of the Notes:	Senior
	(ii) Date of [Board] approval for issuance of Notes] obtained:	[•] [and [•], respectively] (*N.B. Only relevant where Board (or similar) authorization is required for the particular tranche of Notes*)
15.	Method of distribution:	[Syndicated/Non-syndicated]

Notes:

(2) For Singapore Stock Exchange listing: If audited annual financial statements of the Issuer that are more recent than those included in the Offering Circular are available, the pricing supplement shall append in full such latest audited annual financial statements.

(3) Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Notes, the Interest Payment Dates are subject to adjustment in accordance with the Modified Following Business Day Convention.

(4) For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest RMB0.01, RMB0.005 for the case of Renminbi-denominated Fixed Rate Notes and to the nearest HK$0.01, HK$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards."

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**	[Applicable/Not applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate(s) of Interest:	[•]% per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	[•] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Center(s) for the definition of "Business Day*"]/not adjusted][3]
	(iii) Fixed Coupon Amount(s): (*applicable to Notes in definitive form*)	[[•] per Calculation Amount/Not applicable] *For Notes where the Interest Payment Dates are subject to modification: The amount of interest payable for any Interest Period is to be calculated in accordance with Condition 6(e)*][4]
	(iv) Broken Amount(s): (*applicable to Notes in definitive form*)	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
	(v) Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/other]
	(vi) Determination Date(s):	[•] in each year (*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
	(vii) Other terms relating to the method of calculating for Fixed Rate Notes:	[The Fiscal Agent will act as the Calculation Agent/None/*Give details*]
17.	**Floating Rate Note Provisions**	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Specified Period:	[•]
	(ii) Specified Interest Payment Dates:	[[•] in each year]

(iii) First Interest Payment Date:	[•]
(iv) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(v) Business Center(s):	[Not applicable/[•]]
(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]):	[[•] shall be the Calculation Agent]
(viii) Screen Rate Determination:	
• Reference Rate:	[•] *(Either EURIBOR, SOFR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)*
• Interest Determination Date(s):	[•] *(Second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR)*
• Relevant Screen Page:	[•] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
• SOFR Benchmark:	[Not Applicable/Compounded Daily SOFR/ SOFR Index] (*Only applicable where the Reference Rate is SOFR*)
• Compounded Daily SOFR:	[Not Applicable/SOFR Lag/SOFR Observation Shift] (*Only applicable in the case of Compounded Daily SOFR*)
• Lookback Days:	[Not Applicable/[•] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Lag*)

•	SOFR Observation Shift Days:	[Not Applicable/[•] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Observation Shift or SOFR Index*)
•	SOFR $\text{Index}_{\text{Start}}$:	[Not Applicable/[•] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Index*)
•	SOFR $\text{Index}_{\text{End}}$:	[Not Applicable/[•] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Index*)
(ix)	ISDA Determination:	
•	Floating Rate Option:	[•]
•	Designated Maturity:	[•]
•	Reset Date:	[•]
•	ISDA Definitions:	[2006]
(x)	Linear Interpolation:	Not applicable/Applicable — the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
(xi)	Margin(s):	[+/–][•]% per annum
(xii)	Minimum Rate of Interest:	[•]% per annum
(xiii)	Maximum Rate of Interest:	[•]% per annum
(xiv)	Day Count Fraction:	[•]
18.	**Zero Coupon Note Provisions**	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Accrual Yield:	[•]% per annum
(ii)	Reference Price:	[•]
(iii)	Day Count Fraction in relation to early Redemption Amounts:	[30/360/Actual/Actual (ICMA/ISDA)/other]

PROVISIONS RELATING TO REDEMPTION

19.	**Call Option**	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note:	[•] per Calculation Amount [/Spens Amount/ Make-Whole Amount]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[•] per Calculation Amount
	(b) Maximum Redemption Amount:	[•] per Calculation Amount
	(iv) Notice period:	[•][5]
20.	**Put Option**	[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
	(iii) Notice period:	[•]
21.	**Final Redemption Amount of each Note**	[•]/[Par] per Calculation Amount
22.	**Early Redemption Amount**	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[[•]/[Par] per Calculation Amount/Not applicable]

Notes:

(5) Euroclear and Clearstream require a minimum of five business days' notice for exercise of call options

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice and in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice and in the limited circumstances specified in the Permanent Global Note] Registered Notes: [Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice and in the limited circumstances described in the Global Registered Note]
24.	New Global Note:	No
25.	Financial Center(s) or other special provisions relating to payment dates:	[Not applicable/give details. *Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest end dates, to which sub paragraph 15(v) relates*]
26.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

PART B — OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING**	[Application will be made to/Application has been made to/Approval in-principle has been received from] the Singapore Exchange Securities Trading Limited (the "Singapore Stock Exchange") for the listing and quotation of the Notes on the Singapore Stock Exchange. The Singapore Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. Approval-in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the Singapore Stock Exchange are not to be taken as an indication of the merits of the Issuer, the Program or the Notes.]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *specify other exchange*] with effect from [•].] [Not applicable.] [Application will be made for the Notes to be recognised under the SGX Sustainable Fixed Income initiative on the Singapore Stock Exchange. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, the Singapore Stock Exchange may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the website of the Singapore Stock Exchange.] *[Note: For Singapore Stock Exchange listing — To include this paragraph if the Notes are green/social/sustainability Notes and the Issuer intends to apply for recognition under SGX's Sustainable Fixed Income initiative.]* *(Where documenting a fungible issue, need to indicate that original Notes are already admitted to trading.)*

2. **OPERATIONAL INFORMATION**

ISIN:	[•]
Common code:	[•]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[•]

3. **DISTRIBUTION**

(i) Method of distribution:	[Syndicated/Non-syndicated]
(ii) If syndicated:	[Not applicable/*give names*]
(a) Names of Managers:	[•]
(b) Date of subscription agreement:	[•]
(c) Stabilizing Manager(s) (if any):	[Not applicable/[•]]
(iii) If non-syndicated, name of Manager:	[Not applicable/*give name*]
(iv) Indication of the overall amount of the underwriting commission and of the placing commission:	[•]% of the Aggregate Nominal Amount
(v) US selling restrictions	[Reg. S Compliance Category [1/2]; TEFRA C/ TEFRA D/TEFRA not applicable]
(Categories of potential investors to which the Notes are offered):	
(vi) Prohibition of sales to EEA or UK retail investors:	[Applicable/Not applicable]
(vii) Additional selling restrictions:	[Not applicable/*give details*]

4. **HONG KONG SFC CODE OF CONDUCT**

(i)	Rebates:	[Not Applicable/A rebate of [•] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]
(ii)	Contact email addresses of the Managers where underlying investor information in relation to omnibus orders should be sent:	[Not Applicable/give details] (N.B. *If applicable, include relevant contact email addresses of the Managers where the underlying investor information should be sent*)
(iii)	Marketing and investor target strategies:	[As indicated in the Offering Circular] (To be specified if different from the Offering Circular)

Signed on behalf of **KOREA MIDLAND POWER CO., LTD.**:

By: _____

Duly authorized

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

CLEARING SYSTEM ACCOUNTHOLDERS

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system and/or a sub-custodian for the CMU Service, will be that depositary or common depositary or, as the case may be, sub-custodian.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system and/or a sub-custodian for the CMU Service, will be that depositary or common depositary or a nominee for that depositary or common depositary or such sub-custodian.

Each of the persons shown in the records of Euroclear and/or Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "Accountholder") must look solely to Euroclear and/or Clearstream and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantor to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the holder of such Global Note or Global Registered Note.

If a Global Note or a Global Registered Note is lodged with a sub-custodian for or registered with the CMU Service, the person(s) for whose account(s) interests in such Global Note or Global Registered Note are credited as being held in the CMU Service in accordance with the CMU Rules as notified by the CMU Service to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be the only person(s) entitled or in the case of Registered Notes, directed or deemed by the CMU Service as entitled to receive payments in respect of the Notes represented by such Global Note or Global Registered Note and the Issuer and the Guarantor will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Note Certificate are credited as being held in the CMU Service in respect of each amount so paid. Each of the persons shown in the records of the CMU Service, as the beneficial holder of a particular nominal amount of the Notes represented by such Global

Note or Global Registered Note must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Issuer in respect of such Global Note or Global Registered Note.

CONDITIONS APPLICABLE TO GLOBAL NOTES

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day: In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Financial Center; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Center of the currency of payment and in each (if any) Financial Center.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "Record Date") where "Clearing System Business Day" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 9(e) (Redemption at the option of Noteholders) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent or, as the case may be, the CMU Lodging and Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9(c) (Redemption at the option of the Issuer) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream or the CMU Service (to be reflected in the records of Euroclear and Clearstream or the CMU Service as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 19 (Notices), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, (i) deposited with a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (Notices) on the date of delivery to Euroclear and/or Clearstream and/or any other relevant clearing system or (ii) deposited with the CMU Service, notices to the holders of Notes of the relevant Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the business day preceding the date of dispatch of such notice as holding interests in the relevant Global Note or Global Note Certificate.

FORM OF THE NOTES

BEARER NOTES

Each Tranche of Notes in bearer form ("Bearer Notes") will initially be in the form of either a temporary global note in bearer form (the "Temporary Global Note"), without interest coupons, or a permanent global note in bearer form (the "Permanent Global Note"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "Global Note") will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("Euroclear") and/or Clearstream Banking, S.A. ("Clearstream") and/or any other relevant clearing system.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163–5(c)(2)(i)(C) (the "TEFRA C Rules") or United States Treasury Regulation §1.163–5(c)(2)(i)(D) (the "TEFRA D Rules") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note," then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership *provided, however*, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

(a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("Definitive Notes"):

(a) if the Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note," then if either of the following events occurs:

    (i) Euroclear or Clearstream or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (ii) any of the circumstances described in Condition 13 (Events of Default) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

(c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

For so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that the Permanent Global Note is exchanged for Definitive Notes, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that the Permanent Global Note is exchanged for Definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

For so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that the Temporary Global Note is exchanged for Definitive Notes, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that the Temporary Global Note is exchanged for Definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes," then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note," then if either of the following events occurs:

    (i) Euroclear or Clearstream or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing

Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

For so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that the Permanent Global Note is exchanged for Definitive Notes, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that the Permanent Global Note is exchanged for Definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Temporary Global Note or Permanent Global Note exchangeable for Definitive Notes

For the avoidance of doubt, where a Temporary Global Note or a Permanent Global Note is exchangeable for Definitive Notes on the expiry of such period of notice as may be specified in the relevant Final Terms, the exchange upon notice should not be expressed to be applicable if the Specified Denomination of the Notes in the relevant Pricing Supplement includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000." Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Global Note exchangeable for Definitive Notes.

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("Individual Note Certificates") or a global Note in registered form (a "Global Registered Note"), in each case as specified in the relevant Pricing Supplement.

Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Pricing Supplement specifies the form of Notes as being "Individual Note Certificates," then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Pricing Supplement specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates," then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(b) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Registered Note," then if either of the following events occurs:

    (i) Euroclear or Clearstream or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or

    (ii) any of the circumstances described in Condition 13 (Events of Default) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or

(b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the

records of Euroclear and/or Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream and/or any other relevant clearing system.

For so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that the Global Registered Note is exchanged for Individual Note Certificates, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that the Global Registered Note is exchanged for Individual Note Certificates, an announcement of such exchange will be made by or on behalf of the Issuer through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the Individual Note Certificates, including details of the paying agent in Singapore.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

KOREAN TAXATION

The information provided below does not purport to be a complete summary of Korean tax law and practice currently applicable. This summary is based on laws, regulations, rulings and decision in effect as of the date of this Offering Circular. These laws, regulations, rulings and/or decisions may change; any such change could apply retroactively and could affect the continued validity of this summary. In addition, this summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisors.

The taxation of non-resident individuals and non-Korean corporations ("Non-Residents") depends on whether they have a "permanent establishment" (as defined under Korean law and applicable tax treaty) in Korea to which the relevant Korean source income is attributable or with which such income is effectively connected. Non-Residents without a permanent establishment in Korea are taxed in the manner described below. Non-Residents with permanent establishments in Korea are taxed in accordance with different rules.

TAX ON INTEREST

Interest paid to Non-Residents (excluding payments to their permanent establishment in Korea) on the Notes, being foreign currency denominated bonds issued outside Korea, is exempt from income tax and corporation tax (whether payable by withholding or otherwise) pursuant to the Special Tax Treatment Control Law of Korea (the "STTCL").

If the tax exemption under the STTCL referred to above were to cease to be in effect, the rate of income tax or corporation tax applicable to interest on the Notes, for a Non-Resident without a permanent establishment in Korea, would be 14% of income. In addition, a tax surcharge called a local income tax would be imposed at the rate of 10% of the income tax or corporation tax (raising the total tax rate to 15.4%).

The tax is withheld by the payer or us.

The tax rates may be reduced by an applicable tax treaty, convention or agreement between Korea and the country of the recipient of the income. The relevant tax treaties are discussed below.

TAX ON CAPITAL GAINS

Korean tax laws currently exclude from Korean taxation gains made by a Non-Resident without a permanent establishment in Korea from the sale of the Notes to Non-Residents (other than to their permanent establishments in Korea). In addition, capital gains earned by Non-Residents with or without permanent establishments in Korea from the transfer taking place outside Korea of the Notes are currently exempt from taxation by virtue of the STTCL, provided that the issuance of the Notes is deemed to be an overseas issuance under the STTCL.

If the exclusion or exemption from Korean taxation referred to above were to cease to be in effect, in the absence of an applicable treaty reducing or eliminating tax on capital gains, the applicable rate of tax would be the lower of 11% (including local income tax) of the gross realization proceeds and (subject to the production of satisfactory evidence of the acquisition cost and certain direct transaction costs of the relevant Note) 22% (including

local income tax) of the realized gain (i.e., the excess of the gross realization proceeds over the acquisition cost and certain direct transaction costs) made. If such evidence shows that no gain (or a loss) was made on the sale, no Korean tax is payable. With respect to computing the above-mentioned 22% withholding taxes (including local income tax) on the realized gain, please note that there is no provision under relevant Korean law for offsetting gains and losses or otherwise aggregating transactions for the purpose of computing the net gain attributable to sales of Notes issued by Korean companies. The purchaser or any other designated withholding agent of Notes is obliged under Korean law to withhold the applicable amount of Korean tax and make payment thereof to the relevant Korean tax authority. Unless the seller can claim the benefit of an exemption from tax under an applicable tax treaty or on the failure of the seller to produce satisfactory evidence of his acquisition cost and certain direct transaction costs in relation to the instruments being sold, the purchaser or such withholding agent must withhold an amount equal to 11% (including local income tax) of the gross realization proceeds. Any amounts withheld by the purchaser or withholding agent must be paid to the competent Korean tax office. The purchaser or withholding agent must pay any withholding tax no later than the tenth day of the month following the month in which the payment for the purchase of the relevant instruments occurred. Failure to transmit the withheld tax to the Korean tax authorities in time subjects the purchaser or the withholding agent to penalties under Korean tax laws. The Korean tax authorities may attempt to collect such tax from a Non- Resident who is liable for payment of any Korean tax on gains, as a purchaser or withholding agent who is obliged to withhold such tax, through proceedings against payments due to the Non-Resident from its Korean investments and the assets or revenues of any of the Non-Resident's branch or representative offices in Korea.

INHERITANCE TAX AND GIFT TAX

Korean inheritance tax is imposed upon (a) all assets (wherever located) of the deceased if at the time of his death he was domiciled in Korea or had resided in Korea continuously for at least 183 days immediately prior to his death and (b) all property located in Korea which passes on death (irrespective of the domicile of the deceased). Gift tax is imposed in similar circumstances to the above. The taxes are imposed if the value of the relevant property is above a certain limit and the rate varies from 10% to 50% according to the value of the property and the identity of the persons involved. At present, Korea has not entered into any tax treaties regarding its inheritance or gift taxes.

Under Korean inheritance and gift tax laws, bonds issued by Korean corporations are deemed located in Korea irrespective of where they are physically located or by whom they are owned. And, consequently, the Korean inheritance and gift taxes will be imposed on transfers of the Notes by inheritance or gift. Holders should consult their personal tax advisors regarding the consequences of the imposition of the Korean inheritance or gift tax.

STAMP DUTY AND SECURITIES TRANSACTION TAX

No stamp, issue or registration duties will be payable in Korea by the Holders in connection with the issue of the Notes except for a nominal amount of stamp duty on certain documents executed in Korea which will be paid by us. No securities transaction tax will be imposed upon the transfer of the Notes.

TAX TREATIES

At the date of this Offering Circular, Korea has tax treaties with, *inter alia*, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Czech Republic, Denmark, Egypt, Finland, France, Germany, India, Indonesia, Ireland, Italy, Japan, Luxembourg, Malaysia, Mexico, Mongolia, the Netherlands, New Zealand, Norway, Pakistan, Philippines, Poland, Republic of Fiji, Romania, Singapore, Spain, Sri Lanka, Sweden, Switzerland, Thailand, Tunisia, Turkey, the United Kingdom, the United States of America and Vietnam under which the rate of withholding tax on interest is reduced, generally to between 5 and 16.5% (including local income tax), and the tax on capital gains is often eliminated.

Each Holder should inquire whether he is entitled to the benefit of a tax treaty with respect to any transaction involving the Notes. It is the responsibility of the party claiming the benefits of a tax treaty in respect of interest payments to file with the payer or us a certificate as to his country of tax residence. In the absence of sufficient proof, the payer or we, as the case may be, must withhold taxes in accordance with the above discussion.

Further, in order for a non-resident to obtain the benefit of a tax exemption under an applicable tax treaty, Korean tax law requires such non-resident (or its agents) to submit to the payer of such Korean source income an application for tax exemption under a tax treaty along with a certificate of tax residency of such non-resident issued by a competent authority of the non-resident's country of residence, subject to certain exceptions. The Korean tax law also requires an overseas investment vehicle to receive the application for tax exemption from the beneficial owners together with a certificate of tax residency of the beneficial owner and forward a Report of Overseas Investment Vehicle to the payer of such Korean source income, together with a Schedule of Beneficial Owners and the obtained application for an exemption from the beneficial owner. The payer of such Korean source income, in turn, is required to submit such exemption application to the relevant district tax office in Korea by the ninth day of the month following the date of the first payment of such income. However, this requirement does not apply to tax exemptions under Korean tax law such as the STTCL. Furthermore, in order to obtain a reduced rate of withholding tax on interest, a Non-Resident as a beneficial owner of the interest, must submit to the payer of the interest, prior to the payment date, the Application for Entitlement to Reduced Tax Rate. If interest is paid to an overseas investment vehicle, the overseas investment vehicle must submit a Report of Overseas Investment Vehicle and a Schedule of Beneficial Owners, with certain exceptions. The payer of such Korean source income, in turn, is required to submit such application (together with the supporting documents and the applicable Overseas Investment Vehicle report) to the relevant district tax office by the end of February of the year following the year in which the payment of such income occurred.

WITHHOLDING AND GROSS UP

As mentioned above, interest on the Notes is exempt from any withholding or deduction on account of income tax or corporation tax pursuant to the STTCL. However, in the event that the payer or we are required by law to make any withholding or deduction for or on account of any Korean taxes (as more fully described in "Terms and Conditions of the Notes — Additional Amounts") we have agreed to pay (subject to the customary exceptions as set out in "Terms and Conditions of the Notes — Additional Amounts") such Additional Amounts as may be necessary in order that the net amounts received by the Holder of any Note after such withholding or deduction shall equal the respective amounts which would have been received by such Holder in the absence of such withholding or deduction.

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, any Arranger or Dealer, the Trustee or any Agent takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

THE CLEARING SYSTEMS

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organizations and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream participants are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by any Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated program agreement dated January 11, 2019, as supplemented and amended from time to time (the "Program Agreement"), agreed with the Issuer on a basis upon which they or any of them may from time to time agree to purchase or procure purchasers for Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes." In the Program Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Program and the issue of Notes under the Program and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may to the extent permitted by applicable laws and regulations engage in transactions that stabilize, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer.

Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilize or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilizing or other transactions. Such transactions, if commenced, may be discontinued at any time. Stabilization activities are subject to certain prescribed time limits in certain jurisdictions.

IMPORTANT NOTICE TO CMIS (INCLUDING PRIVATE BANKS) PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;

- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus orders should be sent to the Managers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "Person"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) — (vi) to the extent that it will not result in violation of any sanctions by the CMIs: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the "SSI List"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "EU Annexes"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's

Bureau of Industry and Security ("BIS") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military-Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "Sanctions Authority" means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

CERTAIN RELATIONSHIPS

The Dealers and certain affiliates of the Dealers may have performed banking and advisory services (which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities) for the Issuer from time to time for which they have received customary fees and expenses. The Dealers and certain of their affiliates may, from time to time, engage in transactions with and perform services for the Issuer in the ordinary course of their business. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Issuer.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution. The Dealers and/or their affiliates may purchase Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes, and/or other securities of the Issuer or its respective subsidiaries or associates at the same time as the offer and sale of the Notes, or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including

bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views with respect to such securities or financial instruments and may hold, or recommend to clients that they acquire long and/or short positions in such securities and instruments.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealer or any affiliate of the Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

SELLING RESTRICTIONS

United States of America

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and Bearer Notes are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Bearer Notes) delivered within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Each of the Dealers has agreed that, except as permitted by the Program Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver the Notes within the United States.

Notes in bearer form (other than Notes with a maturity of 365 days or less including unilateral rollovers and extensions) will be issued in accordance with the provisions of United States Treasury Regulations Section 1.163–5(c)(2)(i)(D) (the "D Rules"), or in accordance with the provisions of United States Treasury Regulations Section 1.163–5(c)(2)(i)(C) (the "C Rules"), as specified in the applicable Pricing Supplement.

In respect of Notes issued in accordance with the D Rules, each Dealer has represented and agreed that:

(i) except to the extent permitted under the D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) if such Dealer is a United States person, it has represented that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if such Dealer retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulations Section 1.163–5(c)(2)(i)(D)(6);

(iv) with respect to each affiliate that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (x) repeats and confirms the representations and agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (y) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-causes (i), (ii) and (iii); and

(v) such Dealer will obtain for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii), (iii) and (iv) from any person other than its affiliate with whom it enters into a written contract, as defined in United States Treasury Regulations Section 1.163–5(c)(2)(i)(D)(4), for the offer and sale during the restricted period of Notes.

Terms used in the above paragraph have the meanings given to them by the Code and regulations thereunder, including the D Rules.

In respect of Notes issued in accordance with the C Rules, Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to such tranche, each Dealer has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Notes, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either of them is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meaning given to them by the Code and regulations thereunder, including the C Rules.

Notes issued pursuant to the D Rules and any receipts or coupons appertaining thereto will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitation provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Each issuance of index-linked, commodity-linked or currency-linked Notes may be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

European Economic Area

The final terms (or Pricing Supplement, as the case may be) in respect of any Series of Notes may include a legend entitled "MiFID II Product Governance," which will outline the target market assessment in respect of the Notes of any such Series and which channels for distribution of the Notes are appropriate. If such information is included, any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II will

be responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID Product Governance Rules, each of the Arranger and Dealers subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Unless the final terms (or Pricing Supplement, as the case may be) in respect of any Series of Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable," each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA. For the purposes of this provision: (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation; and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the final terms (or Pricing Supplement, as the case may be) in respect of any Notes specifies the "Prohibition of sales to EEA retail investors" as "Not Applicable," in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular, as completed by the final terms in relation thereto, to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) subject to any other restriction and obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer, at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

The EEA selling restrictions described above are in addition to any other applicable selling restriction set out below.

United Kingdom

The final terms (or Pricing Supplement, as the case may be) in respect of any Series of Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes of any such Series and which channels for distribution of the Notes are appropriate. If such information is included, any person subsequently offering, selling or recommending the Notes (a "UK MiFIR distributor") should take into consideration the target market assessment; however, a UK MiFIR distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") will be responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, each of the Arranger and Dealers subscribing for any Notes is a UK MiFIR manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a UK MiFIR manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Unless the final terms (or Pricing Supplement, as the case may be) in respect of any Series of Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable," each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the UK. For the purposes of this provision: (a) the expression "retail investor" means a person who is either one (or both) of the following: (i) not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by

virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 ("POATRs"); and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

If the final terms (or Pricing Supplement, as the case may be) in respect of any Notes specifies the "Prohibition of sales to UK retail investors" as "Not Applicable," in relation to the UK, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular, as completed by the final terms in relation thereto, to the public in the UK except that it may make an offer of such Notes to the public in the UK:

(a) to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(b) to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree that:

(a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

The UK selling restrictions described above are in addition to any other applicable selling restriction set out below.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each Relevant Dealer represents and agrees that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Hong Kong

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Program will be required to represent, warrant and agree that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O"); and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Program will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Korea

The Notes have not been and will not be registered under the Financial Investment Services and the Capital Markets Act of Korea.

Accordingly, Each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree that:

(a) in respect of the Notes relying on the exemption as set out in Article 2–2-2, Paragraph 2, Item 3 of the Regulation on the Issuance of Securities, Public Disclosure, Etc. of Korea), during the first year after the issuance of the Notes, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined under the Foreign Exchange Transactions Law of Korea and the regulations thereunder) other than a "qualified institutional buyer" (a "Korean QIB," as defined in the Regulation on Issuance, Public Disclosure, Etc. of Securities of Korea) who is registered with the Korea Financial Investment Association (the "KOFIA") as a Korean QIB, provided that (a) the Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than Korean won, (b) the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate issue amount of the Notes, (c) the Notes are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the Notes in a major overseas securities market, (d) the one-year restriction on offering, delivering or selling of Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant purchase agreement and offering circular and (e) the Issuer and the Dealers shall individually or collectively keep the evidence of fulfilment of conditions (a) through (d) above after having taken necessary actions therefor, except as otherwise permitted by applicable Korean laws and regulations; and

(b) in respect of the Notes relying on the exemption as set out in Article 2–2-2, Paragraph 2 (other than Item 3), of the Regulation on the Issuance of Securities, Public Disclosure, Etc. of Korea, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined under the Foreign Exchange Transactions Law of Korea and the regulations thereunder), except as otherwise permitted by applicable Korean laws and regulations.

Each Dealer has undertaken, and each further Dealer appointed under the Program will be required to undertake, to ensure that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland, and will not be listed on SIX Swiss Exchange ("SIX") or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article

652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Company or the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority ("FINMA"), and investors in the Notes will not benefit from protection or supervision by such authority.

General

Each Dealer represents, warrants and undertakes that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular or any Pricing Supplement or any related offering material, in all cases at its own expense.

LEGAL MATTERS

Cleary Gottlieb Steen & Hamilton LLP, English law counsel to the Dealers, will pass upon certain legal matters as to English law relating to the Notes. Lee & Ko, our Korean counsel, will pass upon certain matters as to Korean law. Cleary Gottlieb Steen & Hamilton LLP may rely as to all matters of Korean law on Lee & Ko. Lee & Ko may rely on Cleary Gottlieb Steen & Hamilton LLP as to all matters of English law.

INDEPENDENT AUDITORS

Our audited consolidated financial statements as of December 31, 2024 and for the year then ended, which are included herein, have been audited by EY Han Young, our former independent auditor, as stated in their reports appearing herein.

Our consolidated financial statements as of and for the year ended December 31, 2025 included herein have been audited by KPMG Samjong Accounting Corp., independent auditors, as stated in their report appearing herein, which includes an emphasis of matter paragraph regarding the basis of preparation of consolidated financial statements.

With respect to our unaudited condensed consolidated interim financial statements as of March 31, 2026 and for the three-month periods ended March 31, 2026 and 2025 included herein, KPMG Samjong Accounting Corp., independent auditors, have reported that they applied limited procedures in accordance with professional standards for review of such information. However, their separate report included herein, which includes an emphasis of matter paragraph regarding the basis of preparation of unaudited consolidated interim financial statements, states that they did not audit and they do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their separate report on such information should be restricted in light of the limited nature of the review procedures applied.

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Independent Auditors' Review Report

The Shareholder and Board of Directors
Korea Midland Power Co., Ltd.

Reviewed financial statements

We have reviewed the accompanying condensed consolidated interim financial statements of Korea Midland Power Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated interim statement of financial position of the Group as of March 31, 2026, consolidated interim statements of comprehensive loss, changes in equity and cash flows for the three-month periods ended March 31, 2026 and 2025 and notes, comprising material accounting policy information and other explanatory information.

Management's responsibility for the consolidated interim financial statements

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions in the Republic of Korea, and for such internal control as management determines is necessary to enable the preparation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' review responsibility

Our responsibility is to issue a report on these consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing ("KSA") and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements referred to above are not presented fairly, in all material respects, in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions in the Republic of Korea.

Emphasis of matter

Without qualifying our review conclusion, we draw attention to Note 2 to the consolidated interim financial statements which states that the Group's consolidated interim financial statements have been prepared in accordance with *the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*. Pursuant to Article 2-5 of the rules, the Group applies Korean International Financial Reporting Standards ("KIFRS") where specific accounting treatments are not prescribed by the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. There are no material accounts of which accounting treatment is different compared to KIFRS in order for the Group to be in full compliance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

Other matters

We have audited the consolidated statement of financial position of the Group as of December 31, 2025, and the related consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended, not presented herein, in accordance with Korean Standards on Auditing. We expressed an unmodified opinion on those financial statements in our audit report dated March 10, 2026. The accompanying consolidated statement of financial position as of December 31, 2025, presented for comparative purposes, does not differ, in all material respects, from the audited consolidated statement of financial position from which it was derived.

The procedures and practices utilized in the Republic of Korea to review such consolidated interim financial statements may differ from those generally accepted and applied in other countries.

KPMG Samjong Accounting Corp.

Seoul, Korea
May 15, 2026

This report is effective as of May 15, 2026, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated interim statements of financial position
as of March 31, 2026 and December 31, 2025

In won

	Note		March 31, 2026	December 31, 2025
Assets				
Cash and cash equivalents	*5,6,8,35*	₩	130,078,532,678	121,115,203,838
Current financial assets, net	*5,7,8,10,35,36*		166,253,920,496	133,562,297,477
Trade and other receivables, net	*5,11,35,36*		930,102,250,784	793,500,168,133
Inventories	*12,38*		455,568,015,250	486,979,057,189
Current tax assets	*32*		8,983,841,763	6,610,308,948
Current non-financial assets	*13*		182,762,678,633	96,525,968,064
Current assets			1,873,749,239,604	1,638,293,003,649
Non-current financial assets	*5,7,8,9,10,35,36*		1,676,779,704,850	2,077,564,553,717
Long-term trade and other receivables	*5,11,35,36*		168,326,027,007	164,920,018,812
Property, plant and equipment, net	*14,18,38*		10,063,161,365,540	10,168,596,771,036
Intangible assets	*15*		113,076,032,591	112,569,956,197
Investments in associates and joint ventures	*16,36*		736,793,446,620	626,909,896,889
Deferred tax assets	*32*		21,019,576,750	19,768,336,610
Non-current non-financial assets	*13, 22*		37,804,067,681	40,324,898,565
Non-current assets			12,816,960,221,039	13,210,654,431,826
Total assets		₩	14,690,709,460,643	14,848,947,435,475

(Continued)

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated interim statements of financial position, Continued
as of March 31, 2026 and December 2025

In won	***Note***		**March 31, 2026**	**December 31, 2025**
Liabilities				
Trade and other payables	*5,17,18,35,36*	₩	707,833,743,020	540,708,409,026
Current financial liabilities	*5,10,14,19,35,39*			
Short-term borrowings			934,156,600,000	813,610,100,000
Current portion of long-term borrowings			23,524,378,094	25,669,404,258
Current portion of bonds, net			1,133,712,363,993	990,022,500,680
Derivative liabilities			14,761,000,000	14,761,000,000
Current tax liabilities	*32*		17,351,371,557	8,415,357,980
Current non-financial liabilities	*20*		31,720,773,974	69,422,890,351
Current provisions	*21,35*		41,901,082,402	37,593,744,004
Current liabilities			2,904,961,313,040	2,500,203,406,299
Non-current trade and other payables	*5,17,18,35*		603,161,225,531	606,716,134,425
Non-current financial liabilities	*5,10,14,19,35,39*			
Long-term borrowings, net			232,375,041,597	223,380,326,611
Bonds, net			5,226,170,780,384	5,279,531,615,965
Derivative liabilities			57,245,489,579	60,669,157,238
Non-current non-financial liabilities	*20*		14,701,681,169	14,198,518,024
Employee benefits obligations	*22,35*		160,655,859,253	177,274,665,406
Deferred tax liabilities	*32*		451,586,060,581	556,531,701,557
Non-current provisions	*21,35*		3,915,582,167	3,641,233,047
Non-current liabilities			6,749,811,720,261	6,921,943,352,273
Total liabilities			9,654,773,033,301	9,422,146,758,572
Equity				
Issued capital	*23*		1,270,930,147,572	1,270,930,147,572
Retained earnings	*24*		2,739,105,207,054	2,867,342,484,053
Other components of equity	*5,9,10,25*		883,723,494,812	1,153,713,691,081
Equity attributable to owners of the parent			4,893,758,849,438	5,291,986,322,706
Non-controlling interests			142,177,577,904	134,814,354,197
Total equity			5,035,936,427,342	5,426,800,676,903
Total liabilities and equity		₩	14,690,709,460,643	14,848,947,435,475

The accompanying notes are an integral part of the consolidated interim financial statements.

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated interim statements of comprehensive loss
for the three-month periods ended March 31, 2026 and 2025

In won

	Notes		2026	2025
Sales	*4,26,36*	₩	1,574,970,683,896	1,545,339,392,173
Cost of sales	*33,36*		1,463,344,888,969	1,401,991,690,660
Gross profit			111,625,794,927	143,347,701,513
Selling and administrative expenses	*27,33*		39,601,742,817	41,038,610,398
Operating profit			72,024,052,110	102,309,091,115
Other non-operating income	*28*		5,006,571,300	2,436,100,526
Other non-operating expenses	*28*		422,080,287	2,092,463,402
Other income, net	*5,29*		6,227,042,304	9,256,276,631
Finance income	*5,10,30*		73,002,752,315	25,110,216,442
Finance costs	*5,10,31*		123,834,106,260	69,045,639,440
Share of profit of associates and joint ventures, net	*16*		5,237,390,338	10,654,650,441
Profit before income tax			37,241,621,820	78,628,232,313
Income tax expense	*32*		9,192,749,324	32,584,378,408
Profit for the period			28,048,872,496	46,043,853,905
Other comprehensive income (loss):				
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Remeasurements of defined benefit liability, net of tax	*22,24*		394,973,738	(6,553,931,659)
Share of other comprehensive income of associates and joint ventures	*16,24*		43,786	11,918,968
Loss on valuation of equity investments at fair value through other comprehensive loss ("FVOCI")	*5,9,25*		(320,424,302,688)	(72,347,523,617)
Items that may be reclassified to profit or loss in subsequent periods (net of tax):				
Net change in the unrealized fair value of derivatives using cash flow hedge accounting	*5,10,25*		4,095,817,118	2,266,848,354
Share of other comprehensive loss of associates and joint ventures	*16,25*		(3,449,474,818)	(600,645,541)
Gain on translation of foreign operations	*25*		52,722,512,447	518,667,162
Other comprehensive loss for the period, net of tax			(266,660,430,417)	(76,704,666,333)
Total comprehensive loss for the period, net of tax		₩	(238,611,557,921)	(30,660,812,428)
Profit for the period attributable to:				
Owners of the parent		₩	23,620,397,117	41,836,041,169
Non-controlling interests			4,428,475,379	4,207,812,736
Profit for the period		₩	28,048,872,496	46,043,853,905
Total comprehensive income (loss) for the period attributable to:				
Owners of the parent		₩	(245,974,781,628)	(33,809,047,850)
Non-controlling interests			7,363,223,707	3,148,235,422
Total comprehensive loss for the period		₩	(238,611,557,921)	(30,660,812,428)
Earnings per share				
Basic earnings per share	*34*	₩	826	1,464

The accompanying notes are an integral part of the consolidated interim financial statements.

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated interim statements of changes in equity
for the three-month periods ended March 31, 2026 and 2025

In won

	Controlling interest					
	Issued capital	Retained earnings	Other components of equity	Controlling interest subtotal	Non-controlling interests	Total equity
As of January 1, 2025	₩ 1,270,930,147,572	2,833,400,125,788	1,684,077,625,822	5,788,407,899,182	139,899,183,194	5,928,307,082,376
Total comprehensive loss for the period:						
Income for the period	-	41,836,041,170	-	41,836,041,170	4,207,812,735	46,043,853,905
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):						
Remeasurements of defined benefit liability	-	(6,553,931,659)	-	(6,553,931,659)	-	(6,553,931,659)
Share of other comprehensive income of associates and joint ventures	-	11,918,968	-	11,918,968	-	11,918,968
Loss on valuation of equity investments at FVOCI	-	-	(72,347,523,617)	(72,347,523,617)	-	(72,347,523,617)
Items that may be reclassified to profit or loss in subsequent periods (net of tax):						
Net change in the unrealized fair value of derivatives using cash flow hedge accounting	-	-	3,033,623,137	3,033,623,137	(766,774,783)	2,266,848,354
Share of other comprehensive income of associates and joint ventures	-	-	(600,645,541)	(600,645,541)	-	(600,645,541)
Net change in translation of foreign operations	-	-	811,469,693	811,469,693	(292,802,531)	518,667,162
Transactions with owners of the parent recognized directly in equity:						
Dividends paid	-	(146,364,939,720)	-	(146,364,939,720)	-	(146,364,939,720)
As of March 31, 2025	₩ 1,270,930,147,572	2,722,329,214,547	1,614,974,549,494	5,608,233,911,613	143,047,418,615	5,751,281,330,228

(Continued)

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated interim statements of changes in equity, Continued
for the three-month periods ended March 31, 2026 and 2025

In won

	Controlling interest					
	Issued capital	Retained earnings	Other components of equity	Controlling interest subtotal	Non-controlling interests	Total equity
As of January 1, 2026	₩ 1,270,930,147,572	2,867,342,484,053	1,153,713,691,081	5,291,986,322,706	134,814,354,197	5,426,800,676,903
Total comprehensive loss for the period:						
Income for the period	-	23,620,397,117	-	23,620,397,117	4,428,475,379	28,048,872,496
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):						
Remeasurements of defined benefit liability	-	394,973,738	-	394,973,738	-	394,973,738
Share of other comprehensive income of associates and joint ventures	-	43,786	-	43,786	-	43,786
Loss on valuation of equity investments at FVOCI	-	-	(320,424,302,688)	(320,424,302,688)	-	(320,424,302,688)
Items that may be reclassified to profit or loss in subsequent periods (net of tax):						
Net change in the unrealized fair value of derivatives using cash flow hedge accounting	-	-	4,144,003,728	4,144,003,728	(48,186,610)	4,095,817,118
Share of other comprehensive income of associates and joint ventures	-	-	(3,449,474,818)	(3,449,474,818)	-	(3,449,474,818)
Net change in translation of foreign operations	-	-	49,739,577,509	49,739,577,509	2,982,934,938	52,722,512,447
Transactions with owners of the parent recognized directly in equity:						
Dividends	-	(152,252,691,640)	-	(152,252,691,640)	-	(152,252,691,640)
As of March 31, 2026	₩ 1,270,930,147,572	2,739,105,207,054	883,723,494,812	4,893,758,849,438	142,177,577,904	5,035,936,427,342

The accompanying notes are an integral part of the consolidated interim financial statements.

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated interim statements of cash flows
for the three-month periods ended March 31, 2026 and 2025

In won		2026	2025
Cash flows from operating activities			
Income for the period	₩	28,048,872,496	46,043,853,905
Adjustments for:			
Retirement benefits		6,481,063,308	6,285,290,800
Increase in provisions for employee benefits		4,008,771,102	11,876,411,430
Depreciation		229,842,754,416	231,760,992,763
Amortization		3,211,969,299	2,032,671,226
Income tax expense		9,192,749,324	32,584,378,408
Losses on disposal of inventories		-	3,176,704,314
Losses on disposal of property, plant and equipment		8,000	513,640,060
Losses on foreign currency translation		75,482,112,700	8,795,706,158
Losses on valuation of derivative instruments		-	6,433,745,261
Losses on transaction of derivative instruments		1,870,022,872	4,404,789,057
Increase in provisions for RPS, net		11,909,706,419	9,051,650,605
Increase in provisions for greenhouse gas emission, net		3,546,918,217	1,844,482,330
Interest expenses		47,561,462,561	49,827,618,706
Losses on valuation of investment in associates and joint ventures		2,776,702,808	3,510,059,982
Reversal of allowance for doubtful accounts (other)		(325,094,000)	-
Gains on disposal of inventories		-	(56,363,636)
Gains on disposal of property, plant and equipment		-	(56,362,636)
Gains from assets contributed		-	(177,119,536)
Interest income		(8,043,523,195)	(9,931,948,579)
Gains on foreign currency translation		(452,811,049)	(3,774,612,327)
Reversal of allowance for doubtful accounts		(36,441,734)	-
Gains on valuation of financial assets measured at fair value through profit (“FVPL”)		(11,154,207)	-
Gains on valuation of derivative instruments		(58,042,549,823)	(8,948,399,571)
Gains on transaction of derivative instruments		(6,004,418,843)	(2,160,629,960)
Gains on valuation of investment in associates and joint ventures		(8,014,093,146)	(14,164,710,423)
Others, net		(8,369,046,626)	(10,413,686,077)
		306,585,108,403	322,414,308,355
Changes in operating assets and liabilities:			
Trade receivables		63,195,506,295	182,688,075,993
Other receivables		(12,690,969,080)	27,799,406,501
Accrued income		(181,076,135,168)	(136,511,297,565)
Prepayments		141,522,686	(19,125,357)
Prepaid expenses		998,944,562	3,641,060,966
Inventories		(72,140,871,681)	(53,613,336,727)
Long-term prepaid expenses		(2,716,316,896)	177,522,847
Trade payables		43,760,972,991	(136,812,045,569)
Other payables		(12,937,211,353)	(85,002,697,357)
Accrued expenses		1,455,101,612	(7,691,125,833)
Advance received		100,000,000	-
Deferred income		2,352,561,109	3,587,082,495
Withholdings		(3,606,211,021)	(3,663,576,395)
Other withholdings		(161,925,596)	(2,346,977,000)
Long-term payables		101,708	-
Retirement benefits paid		(281,943,062)	(297,101,628)
Provisions for employee benefits		(3,153,639,050)	(3,006,976,350)
Other long-term employee benefit liabilities		71,474,490	(16,969,393)
Others, net		(26,826,017,456)	(27,876,585,173)
	₩	(203,515,054,910)	(238,964,665,545)

(Continued)

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated interim statements of cash flows, Continued
for the three-month periods ended March 31, 2026 and 2025

In won		2026	2025
Cash flows from operating activities, continued			
Interest received	₩	7,429,713,312	7,653,516,352
Interest paid		(43,011,339,992)	(46,443,471,094)
Dividends received		5,863,469,203	4,182,784,494
Income taxes paid		(7,384,011,967)	(31,086,065,384)
Net cash flows provided by operating activities		94,016,756,545	63,800,261,083
Cash flows from investing activities			
Decrease in short-term financial instruments		111,800,000	11,777,371,165
Collection of short-term loans		343,093,949	23,263,500
Collection of long-term loans		13,996,166,352	136,438,635
Decrease in long-term deposits		2,165,230,206	1,813,497,082
Proceeds from disposal of property, plant and equipment and intangible assets		325,522,600	579,024,951
Receipt of government grants		161,890,000	376,580,000
Increase in short-term financial instruments		(1,000,000,000)	(13,750,000,000)
Increase in financial assets at FVPL		(3,783,500,000)	-
Increase in short-term loans		(1,475,654,219)	(39,980,382)
Increase in long-term loans		(2,769,086,120)	(817,764,520)
Increase in long-term deposits		(1,890,998,391)	(1,083,589,146)
Acquisition of property, plant and equipment		(14,104,593,473)	(9,130,605,662)
Acquisition of construction-in-progress		(110,942,650,924)	(183,298,146,744)
Acquisition of intangible assets		(11,804,551,730)	(36,474,400)
Acquisition of investments in associates and joint ventures		(101,281,978,685)	-
Net cash flows used in investing activities		(231,949,310,435)	(193,450,385,521)
Cash flows from financing activities			
Payment of lease liabilities		(18,802,810,172)	(27,386,999,727)
Proceeds from short-term borrowings, net		116,711,122,049	300,068,690,429
Repayment of current portion of long-term borrowings		(1,363,256,121)	(6,445,770,273)
Repayment of current portion of bonds		(60,000,000,000)	(170,000,000,000)
Proceeds from long-term borrowings		295,450,535	-
Repayment of bonds		(250,211,600)	-
Issuance of bonds		100,000,000,000	-
Settlement of derivatives		4,144,802,827	4,560,760,903
Net cash flows provided in financing activities		140,735,097,518	100,796,681,332
Effect of exchange rate fluctuations on cash held		6,160,785,212	(81,686,257)
Net increase (decrease) in cash and cash equivalents		8,963,328,840	(28,935,129,363)
Cash and cash equivalents at the beginning of the period		121,115,203,838	260,441,440,224
Cash and cash equivalents (before deduction of government grants) at the end of the period		135,623,711,285	235,344,777,298
Government grants		(5,545,178,607)	(3,838,466,437)
Cash and cash equivalents at the end of the period, net	₩	130,078,532,678	231,506,310,861

The accompanying notes are an integral part of the consolidated interim financial statements.

1. General Information

(1) Description of parent company

Korea Midland Power Co., Ltd. (hereinafter the "Parent company") was incorporated on April 2, 2001 through the in-kind spin-off from Korea Electric Power Corporation ("KEPCO") in accordance with *the Act on Promotion of Restructuring of the Electricity Industry* enacted on December 23, 2000. The Parent company is engaged principally in the development of electric power resources and generation of electricity. As of March 31, 2026, the Parent company operates Boryeong Thermal Power Plant and six other power plants with a generating capacity in the aggregate of 10,781 Megawatts.

The Parent company's head office is located in Boryeong-si, Chungcheongnam-do. As of March 31, 2026, the Parent company has issued capital of ₩ 142,907 million, and all of its issued and outstanding shares are wholly owned by KEPCO.

(2) Subsidiary information

(i) The Parent company's investments in subsidiaries and its shareholdings as of March 31, 2026 and December 31, 2025 are as follows:

				Percentage of ownership (%)	
Subsidiary	Direct Equity Investor	Key operating activities	Location	March 31, 2026	December 31, 2025
KOMIPO Global Pte Ltd.	Korea Midland Power Co., Ltd.	Holding Company	Singapore	100.0	100.0
KOMIPO Australia Pty., Ltd.	Korea Midland Power Co., Ltd.	Overseas resources development	Australia	100.0	100.0
PT KPJB	Korea Midland Power Co., Ltd.	Operation of utility plant	Indonesia	51.0	51.0
PT Cirebon Power Services (*1)	KOMIPO Global Pte., Ltd.	Operation of utility plant	Indonesia	27.5	27.5
PT Tanggamus Electric Power	KOMIPO Global Pte., Ltd.	Hydropower	Indonesia	52.5	52.5
KOMIPO America Inc.	Korea Midland Power Co., Ltd.	Holding Company	USA	100.0	100.0
KOMIPO Bylong Pty., Ltd. (*2)	Korea Midland Power Co., Ltd.	Overseas resources development	Australia	100.0	100.0
PT Siborpa Eco Power	KOMIPO Global Pte., Ltd.	Hydropower	Indonesia	55.0	55.0
PT KOMIPO Energy Indonesia	Korea Midland Power Co., Ltd.	Overseas operation and maintenance of utility plant	Indonesia	95.0	95.0
KOMIPO Service., Ltd.	Korea Midland Power Co., Ltd.	Service business	Korea	100.0	100.0
KOMIPO Europe B.V.	Korea Midland Power Co., Ltd.	Holding Company	Netherland	100.0	100.0
KOMIPO Vanphong Power Services Limited Liability Company	Korea Midland Power Co., Ltd.	Operation and maintenance of utility plant	Vietnam	100.0	100.0
Ogiri Solar Power Generation	Korea Midland Power Co., Ltd.	Solar energy generation	Korea	70.0	70.0
Solar Vader Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
Yeongyang Apollon Solar Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
Yeongyang Solar Management Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
Yeongyang Innovation Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
Yeongyang Corporation Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
Yeongyang Horus Solar Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
KOMIPO Energy Solution America, LLC	KOMIPO America Inc.	Holding Company	USA	100.0	100.0
Elara Equity Holdings, LLC	KOMIPO America Inc.	Holding Company	USA	52.3	52.3
Elara Investment Holdings, LLC (*3)	KOMIPO America Inc.	Holding Company	USA	0.1	0.1
Elara ClassB Holdings, LLC	Elara Equity Holdings, LLC	Holding Company	USA	100.0	100.0
Elara ClassB Member, LLC	Elara Class B Holdings, LLC	Holding Company	USA	100.0	100.0
Elara Energy Holdings, LLC	Elara Class B Member, LLC	Holding Company	USA	61.6	61.6
Elara Development Holdings, LLC	Elara Class B Holdings, LLC	Holding Company	USA	100.0	100.0
KOMIPO Development, LLC	KOMIPO America Inc.	Holding Company	USA	100.0	100.0
Elara Energy Project, LLC	Elara Energy Holdings, LLC	Solar energy generation	USA	100.0	100.0
KOMIPO Iberian Solar Group, S.L.U	KOMIPO Europe B.V.	Holding Company	Spain	100.0	100.0

1. General Information, Continued

(2) Subsidiary information, continued

Subsidiary	Direct Equity Investor	Key operating activities	Location	Percentage of ownership (%)	
				March 31, 2026	December 31, 2025
CVS Equity Holdings, LLC	KOMIPO America Inc.	Holding Company	USA	81.0	81.0
CVS Class B Holdings, LLC	CVS Equity Holdings, LLC	Holding Company	USA	100.0	100.0
CVS Class B Member, LLC	CVS Class B Holdings, LLC	Holding Company	USA	100.0	100.0
CVS Energy Holdings, LLC	CVS Class B Member, LLC	Holding Company	USA	62.6	62.6
CVS Development Holdings, LLC	CVS Class B Holdings, LLC	Holding Company	USA	100.0	100.0
CVS Development, LLC	CVS Development Holdings, LLC	Holding Company	USA	100.0	100.0
Concho Valley Energy, LLC	CVS Energy Holdings, LLC	Holding Company	USA	100.0	100.0
Concho Valley Solar, LLC	Concho Valley Energy, LLC	Solar energy generation	USA	100.0	100.0
KOMIPO Middle East Energy L.L.C-FZ(*4)	KOMIPO Global Pte Ltd.	Solar energy generation	UAE	100.0	100.0

(*1) The Group is able to exercise majority voting rights in the Board of Directors meeting according to the shareholders' agreement, even though the Group's ownership interest is less than 50%. As such, the entity is included in the Group's scope of consolidation.
(*2) Percentage of ownership in KOMIPO Bylong Pty., Ltd. is ratio of common stock excluding preferred stocks which have no voting rights.
(*3) The Group is able to exercise control over the Board of Directors according to the shareholders' agreement, even though the Group's ownership interest is less than 50%. As such, the entity is included in the Group's scope of consolidation.
(*4) For the year ended December 31, 2025, the entity was newly established and included in the Group's scope of consolidation.

1. General Information, Continued

(2) Subsidiary information, continued

(ii) The summarized financial information on subsidiaries as of and for the three-month period ended March 31, 2026 is as follows:

In millions of won

Subsidiary	As of and for the three-month period ended March 31, 2026						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Profit (loss)	Total comprehensive income (loss)
KOMIPO Global Pte Ltd.	₩ 43,777	377,831	898	2,172	-	7,314	7,954
KOMIPO Australia Pty., Ltd.	33,676	26,982	2,180	2,614	7,122	(1,981)	(1,981)
PT KPJB	21,757	3,066	4,452	693	9,106	5,495	5,495
PT Cirebon Power Services	3,878	358	834	504	2,649	5	5
PT Tanggamus Electric Power	54,025	167,642	20,525	110,391	2,374	2,928	2,827
KOMIPO America Inc.(*)	36,112	577,392	121,761	169,057	3,648	2,178	(1,835)
KOMIPO Bylong Pty., Ltd.	20	-	8	212	-	(7)	(7)
PT Siborpa Eco Power	129	21,148	7,074	-	-	(15)	(15)
PT KOMIPO Energy Indonesia	4,654	797	144	13	1,351	860	860
KOMIPO Service., Ltd.	8,428	3,180	5,272	184	11,258	1,064	1,049
KOMIPO Europe B.V.	7,461	85,612	124	-	323	(898)	(974)
KOMIPO Vanphong Power Services Limited Liability Company	33,775	3,433	1,574	-	8,040	3,584	3,584
Ogiri Solar Power Generation	17	1,032	22	-	-	(4)	(4)
Solar Vader Co., Ltd.	177	1,189	75	1,136	40	18	18
Yeongyang Apollon Solar Co., Ltd.	188	1,189	81	1,136	40	17	17
Yeongyang Solar Management Co., Ltd.	189	1,189	75	1,136	43	21	21
Yeongyang Innovation Co., Ltd.	160	1,189	71	1,136	36	13	13
Yeongyang Corporation Co., Ltd.	171	1,183	71	1,136	40	17	17
Yeongyang Horus Solar Co., Ltd.	146	1,183	72	1,136	34	12	12
KOMIPO Iberian Solar Group, S.L.U	6,158	74,732	3,918	73,588	-	1,037	1,037
KOMIPO Middle East Energy L.L.C-FZ	1,006	393	-	407	-	(5)	(5)

(*) The summarized financial information on KOMIPO America Inc. is consolidated, including the financial information on its subsidiaries (Elara Equity Holdings, LLC and other 16 subsidiaries).

1. General Information, Continued

(2) Subsidiary information, continued

(ii) The summarized financial information on subsidiaries as of and for the year ended December 31, 2025 is as follows:

In millions of won

Subsidiary	As of and for the year ended December 31, 2025						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Profit (loss)	Total comprehensive income (loss)
KOMIPO Global Pte Ltd.	₩ 20,359	372,672	1,931	2,061	-	9,259	5,824
KOMIPO Australia Pty., Ltd.	29,016	29,945	3,153	2,111	25,387	9,793	9,793
PT KPJB	13,963	3,069	2,765	775	21,982	1,024	1,024
PT Cirebon Power Services	3,428	296	703	277	10,612	609	609
PT Tanggamus Electric Power	50,774	162,490	26,542	103,446	3,876	9,460	7,226
KOMIPO America Inc.(*)	43,353	551,542	114,958	172,040	25,586	8,754	83
KOMIPO Bylong Pty., Ltd.	18	-	-	197	-	(14)	(14)
PT Siborpa Eco Power	137	17,427	4,083	-	-	(62)	(62)
PT KOMIPO Energy Indonesia	5,382	473	1,604	12	5,425	1,111	1,111
KOMIPO Service., Ltd.	7,620	3,494	5,921	89	40,652	1,641	1,737
KOMIPO Europe B.V.	6,838	84,650	89	-	1,214	(3,010)	(1,866)
KOMIPO Vanphong Power Services Limited Liability Company	32,193	3,403	5,201	-	30,289	7,112	7,112
Ogiri Solar Power Generation	20	1,032	21	-	-	(24)	(24)
Solar Vader Co., Ltd.	179	1,189	87	1,143	206	42	42
Yeongyang Apollon Solar Co., Ltd.	190	1,189	94	1,143	208	44	44
Yeongyang Solar Management Co., Ltd.	187	1,189	87	1,143	213	49	49
Yeongyang Innovation Co., Ltd.	167	1,189	85	1,143	200	36	36
Yeongyang Corporation Co., Ltd.	173	1,183	84	1,143	204	40	40
Yeongyang Horus Solar Co., Ltd.	154	1,183	85	1,143	192	28	28
KOMIPO Iberian Solar Group, S.L.U	4,876	71,915	3,168	71,351	-	(4,518)	(5,351)
KOMIPO Middle East Energy L.L.C-FZ	954	373	380	-	-	(7)	(7)

(*) Summary of financial information of KOMIPO America Inc. is consolidated, including financial information of its subsidiaries (Elara Equity Holdings, LLC and other 16 subsidiaries).

1. General Information, Continued

(2) Subsidiary information, continued

(iii) Details of non-controlling interests (NCI) prior to intra-group eliminations as of and for the three-month period ended March 31, 2026 are as follows:

In millions of won	As of and for the three-month period ended March 31, 2026						
	PT KOMIPO Pembangkitan Jawa Bali	PT Cirebon Power Service	PT Tanggamus Electric Power	KOMIPO America Inc.(*)	KOMIPO Bylong Pty., Ltd.	PT Siborpa Eco Power	PT KOMIPO Energy Indonesia
Current assets	₩ 21,757	3,878	54,025	36,112	20	129	4,654
Non-current assets	3,066	358	167,642	577,392	-	21,148	797
Current liabilities	4,452	834	20,525	121,761	8	7,074	144
Non-current liabilities	693	504	110,391	169,057	212	-	13
Net assets	19,678	2,899	90,751	322,686	(200)	14,203	5,293
Book value of NCI	9,639	2,101	43,107	80,609	(200)	6,391	265
Sales	9,106	2,649	2,374	3,648	-	-	1,351
Profit (loss) for the year	5,495	5	2,928	2,178	(7)	(15)	860
Profit (loss) for the year attributable to NCI	2,692	3	1,391	284	(7)	(7)	43
Cash flows from operating activities	(1,241)	477	5,499	(1,953)	-	(14)	(761)
Cash flows from investing activities	(8)	-	(90)	(5,182)	-	-	(6)
Cash flows from financing activities, before dividends to NCI	(108)	-	(5,033)	(1,142)	-	-	(319)
Cash flows from financing activities - cash dividends to NCI	-	-	-	-	-	-	-
Effect of exchange rate fluctuations on cash held	377	102	437	1,945	1	7	148
Net increase (decrease) in cash and cash equivalents	(980)	579	813	(6,332)	1	(7)	(938)

(*) Summary of financial information of KOMIPO America Inc. is consolidated, including financial information of its subsidiaries (Elara Equity Holdings, LLC and other 16 subsidiaries).

1. General Information, Continued

(2) Subsidiary information, continued

(iii) Details of non-controlling interests (NCI) prior to intra-group eliminations as of and for the three-month period ended March 31, 2026 are as follows: *continued,*

In millions of won	As of and for the three-month period ended March 31, 2026						
	Ogiri Solar Power Generation	Solar Vader Co., Ltd.	Yeongyang Apollon Solar Co., Ltd.	Yeongyang Solar Management Co., Ltd.	Yeongyang Innovation Co., Ltd.	Yeongyang Corporation Co., Ltd.	Yeongyang Horus Solar Co., Ltd
Current assets	₩ 17	177	188	189	160	171	146
Non-current assets	1,032	1,189	1,189	1,189	1,189	1,183	1,183
Current liabilities	22	75	81	75	71	71	72
Non-current liabilities	-	1,136	1,136	1,136	1,136	1,136	1,136
Net assets	1,027	156	159	167	142	147	121
Book value of NCI	308	(5)	(4)	(1)	(9)	(8)	(15)
Sales	-	40	40	43	36	40	34
Profit (Loss) for the year	(4)	18	17	21	13	17	12
Profit (Loss) for the year attributable to NCI	(1)	5	5	6	4	5	4
Cash flows from operating activities	(3)	16	16	20	11	16	10
Cash flows from investing activities	-	-	-	-	-	-	-
Cash flows from financing activities, before dividends to NCI	-	(19)	(19)	(19)	(19)	(19)	(19)
Cash flows from financing activities - cash dividends to NCI	-	-	-	-	-	-	-
Effect of exchange rate fluctuations on cash held	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(3)	(2)	(3)	1	(8)	(2)	(9)

1. General Information, Continued

(2) Subsidiary information, continued

(iii) Details of non-controlling interests (NCI) prior to intra-group eliminations as of and for the year ended December 31, 2025 are as follows:

In millions of won	As of and for the year ended December 31, 2025						
	PT KOMIPO Pembangkitan Jawa Bali	PT Cirebon Power Service	PT Tanggamus Electric Power	KOMIPO America Inc.(*)	KOMIPO Bylong Pty., Ltd.	PT Siborpa Eco Power	PT KOMIPO Energy Indonesia
Current assets	₩ 13,963	3,428	50,774	43,353	18	137	5,382
Non-current assets	3,069	296	162,490	551,542	-	17,427	473
Current liabilities	2,765	703	26,542	114,958	-	4,083	1,604
Non-current liabilities	775	277	103,446	172,040	197	-	12
Net assets	13,493	2,744	83,276	307,897	(179)	13,481	4,239
Book value of NCI	6,608	1,989	39,556	80,325	(179)	6,066	212
Sales	21,982	10,612	3,876	25,586	-	-	5,425
Profit (loss) for the year	1,024	609	9,460	8,754	(14)	(62)	1,111
Profit (loss) for the year attributable to NCI	502	441	4,493	(2,316)	(14)	(28)	56
Cash flows from operating activities	2,394	491	19,336	(2,536)	3	(136)	1,947
Cash flows from investing activities	(233)	-	(478)	(9,626)	-	-	(117)
Cash flows from financing activities, before dividends to NCI	(976)	-	(19,812)	11,746	-	-	(729)
Cash flows from financing activities - cash dividends to NCI	(596)	-	-	-	-	-	-
Effect of exchange rate fluctuations on cash held	(614)	(22)	(222)	(710)	1	(8)	(230)
Net increase (decrease) in cash and cash equivalents	(25)	469	(1,176)	(1,126)	3	(144)	871

(*) Summary of financial information of KOMIPO America Inc. is consolidated, including financial information of its subsidiaries (Elara Equity Holdings, LLC and other 16 subsidiaries).

1. General Information, Continued

(2) Subsidiary information, continued

(iii) Details of non-controlling interests (NCI) prior to intra-group eliminations as of and for the three-month period ended March 31, 2025 are as follows: *continued,*

In millions of won	As of and for the three-month period ended March 31, 2025						
	Ogiri Solar Power Generation	Solar Vader Co., Ltd.	Yeongyang Apollon Solar Co., Ltd.	Yeongyang Solar Management Co., Ltd.	Yeongyang Innovation Co., Ltd.	Yeongyang Corporation Co., Ltd.	Yeongyang Horus Solar Co., Ltd
Current assets	₩ 20	179	190	187	167	173	154
Non-current assets	1,032	1,189	1,189	1,189	1,189	1,183	1,183
Current liabilities	21	87	94	87	85	84	85
Non-current liabilities	-	1,143	1,143	1,143	1,143	1,143	1,143
Net assets	1,031	138	142	146	129	129	109
Book value of NCI	309	(10)	(9)	(8)	(13)	(13)	(19)
Sales	-	206	208	213	200	204	192
Profit (Loss) for the year	(24)	42	44	49	36	40	28
Profit (Loss) for the year attributable to NCI	(7)	13	13	15	11	12	9
Cash flows from operating activities	(25)	115	117	122	109	113	101
Cash flows from investing activities	-	-	-	-	-	-	-
Cash flows from financing activities, before dividends to NCI	-	(84)	(84)	(84)	(84)	(84)	(84)
Cash flows from financing activities - cash dividends to NCI	-	-	-	-	-	-	-
Effect of exchange rate fluctuations on cash held	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(25)	31	33	38	26	30	18

2. Basis of preparation

(1) Application of accounting standards

The consolidated interim financial statements have been prepared in accordance with the *Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*. In accordance with Article 2-5 of the *Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*, the Group applies Korean International Financial Reporting Standards ("KIFRS") where accounting provisions have not been specified in the *Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*. There are no significant matters that have been applied differently from KIFRS under the *Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*.

These consolidated interim financial statements have been prepared in accordance with KIFRS 1034, *Interim Financial Reporting*, and does not include all the disclosures that are required for annual consolidated financial statements, and should be read in conjunction with the annua consolidated financial statements as of and for the year ended December 31, 2025.

(2) Basis of measurement

The consolidated interim financial statements have been prepared on a historical cost basis except for the following material items in the statement of financial position:
- derivative financial instruments measured at fair value;
- financial assets measured at fair value through profit or loss;
- financial assets measured at fair value through other comprehensive income; and
- liabilities for defined benefit plans recognized at the net of the total present value of defined benefit obligations less the fair value of plan assets.

(3) Functional and presentation currency

The consolidated interim financial statements of the Group are prepared in functional currency of the respective operation. These consolidated interim financial statements are presented in Korean won, which is the Parent company's functional and presentation currency.

(4) Use of estimates and judgments

The preparation of the consolidated interim financial statements in conformity with KIFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The judgments of management in applying the Group's accounting policies and the estimates used in the consolidated interim financial statements are based on the same accounting policies and methods of estimation as those applied in the annual financial statements for the year ended December 31, 2025.

2. Basis of preparation, Continued

(5) Fair value measurement

The Group has established policies and procedures related to the fair value assessment. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of applicable accounting standards, including the level in the fair value hierarchy in which such valuations should be classified.

The Group reports significant valuation matters to the Audit Committee.

3. Material accounting policies

The significant accounting policies applied in the preparation of the consolidated interim financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2025, except for the standards effective from January 1, 2026.

(1) New and amended standards adopted by the Group

The Group applied for the first time certain new and amended standards, which are effective for annual periods began on or after January 1, 2026. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

✓ Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures*

KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures* have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments do not have a significant impact on the Group's consolidated interim financial statements.

The amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term; and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

✓ Annual Improvements to KIFRS -*Volume 11*

Annual Improvements to KIFRS - *Volume 11* are applicable for annual periods beginning on or after January 1, 2026. The amendments do not have a significant impact on the Group's consolidated interim financial statements.

The standards affected by the Annual Improvements to KIFRS - *Volume 11* are as follows:

- KIFRS 1101 *First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter*
- KIFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition and implementation guidance*
- KIFRS 1109 *Financial Instruments: Derecognition of lease liabilities and definition of transaction price*
- KIFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- KIFRS 1007 *Statement of Cash Flows: Cost method*

3. Material accounting policies, Continued

(1) New and amended standards adopted by the Group, Continued

- ✓ Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity*

Contracts referencing nature-dependent electricity are defined contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (e.g. the weather). The amendments clarify that 'contracts to buy or sell such electricity' are assessed for eligibility under the own-use exemption. In addition, the amendments modify hedge accounting requirements by allowing an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that reflect the nature-dependent variability of electricity and introduce additional disclosure requirements.

(2) New and amended standards issued but not yet effective

The following new and amended accounting standards and interpretations had been issued but were not adopted by the Group as they were not yet effective.

- ✓ KIFRS 1118 *Presentation and Disclosure in Financial Statements*

KIFRS 1118 *Presentation and Disclosure in Financial Statements* replaces KIFRS 1001 *Presentation of Financial Statements*. KIFRS 1118 is expected to increase comparability of the financial performance of similar entities by providing users with more useful information for analyzing and comparing the entity's performance based on the income statement.

KIFRS 1118 should be first applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. In accordance with KIFRS 1008 *Accounting Policies, Changes in Accounting Estimates and Errors,* the comparative information for the year ended December 31, 2026, shall be restated under KIFRS 1118 as the Group is required to apply the standard retrospectively.

When the Group prepares its financial statements by applying KIFRS 1118, the following material accounting policies are expected to result in significant differences compared to the current financial statements. These items do not include all differences that may arise in the future and may be subject to change based on the results of additional analysis.

Changes in presentation of income statement

KIFRS 1118 requires all income and expenses in the income statement to be classified into one of five categories: the operating category, investing category, financing category, income taxes category, and discontinued operations category. Under the standard, all income and expenses that are not classified as investing, financing, income tax, or discontinued operations categories are classified in the operating category. Accordingly, the operating category is a residual category, and operating profit or loss is defined as the total of income and expenses classified within that category.

In classifying income and expenses, the Group is required to assess its main business activities. If the Group determines that investing in particular types of assets or providing financing to customers is a main business activity, income and expenses that would otherwise be classified in the investing or financing categories are classified instead in the operating category.

As a consequence, operating profit or loss determined in accordance with KIFRS 1118 may differ significantly from operating profit calculated under KIFRS 1001, which has generally been defined as revenue less cost of sales and selling, general and administrative expenses. KIFRS 1118 requires the Group to disclose, in the notes, the operating profit or loss calculated in accordance with KIFRS 1001, together with a reconciliation between that amount and operating profit or loss as defined by KIFRS 1118.

3. Material accounting policies, Continued

(2) New and amended standards issued but not yet effective, Continued

In addition, KIFRS 1118 requires to present in the income statement the following defined subtotals: 'operating profit or loss' comprising all income and expenses classified in the operating category; 'profit or loss before financing and income taxes' comprising operating profit or loss and all income and expenses classified in the investing category; and 'profit or loss' for the period. However, if providing financing to customers is a main business activity of the Group, the presentation of profit or loss before financing and income taxes may not be required, depending on the accounting policy applied.

Introduction of disclosure of management-defined performance measures

KIFRS 1118 introduces requirements for the disclosure of management-defined performance measures (MPMs). MPMs are defined as subtotals of income and expenses that are used by management in public communications outside the financial statements, are used to communicate management's view of an aspect of the Group's financial performance, and are not officially listed or otherwise explicitly required to be presented or disclosed by KIFRS.

When the Group reports MPMs, it is required to disclose the reasons why such measures provide useful information, how those measures are calculated, and a reconciliation between those measures and the most directly comparable subtotal specified in KIFRS 1118. In addition, the Group shall disclose the income tax effect of each reconciling item and the effect of each reconciling item on non-controlling interests.

Changes in classification of cash flows

In accordance with the issuance of KIFRS 1118, certain amendments have been made to KIFRS 1007 *Statement of Cash Flows*. Under the amendment, when applying the indirect method, the starting point for determining net cash flows from operating activities has been changed from profit or loss for the period to operating profit or loss, and the accounting policy choice regarding the classification of cash flows related to interest and dividends has been eliminated.

Assessment of key impacts

The Group has not applied KIFRS 1118 as it is not yet effective and plans to report its first interim financial statements for the period ending March 31, 2027, in accordance with KIFRS 1118. The Group is in the process of implementing its financial reporting system to reflect the new classification of income and expenses and is performing ongoing system validation and parallel closing activities during 2026.

- Changes in the statement of financial position and income statement

In accordance with classification of income and expenses under KIFRS 1118, gains or losses on disposal of property, plant and equipment and impairment losses (and reversals) of property, plant and equipment and intangible assets that are currently classified as non-operating items are expected to be classified within the operating category. Interest income, dividend income and the share of profit or loss of associates and joint ventures are expected to be classified within the investing category, while interest expenses and gains or losses on the redemption of borrowings are expected to be classified within the financing category. Foreign exchange differences are expected to be classified in the same category as the related income and expenses that give rise to those differences.

As a result of these changes, there is expected to be no impact on the Group's profit or loss for the period; however, operating profit or loss is expected to change.

In addition, due to the amendments to KIFRS 1007, cash inflows and outflows related to interest received, interest paid and dividends received, which are currently classified as cash flows from operating activities, are expected to be classified within investing or financing activities, and accordingly, cash flows from operating activities are expected to change.

4. Operating segment

The Group has a single reportable segment in accordance with KIFRS 1108 *Operating Segments* and, accordingly, has not disclosed separate segment information.

A customer that accounts for 10% or more of the Group's revenue is Korea Electric Power Corporation, the Parent Company of the Group. Revenue from Korea Electric Power Corporation for the three-month periods ended March 31, 2026 and 2025 amounted to ₩1,492,032 million and ₩1,454,446 million, respectively.

5. Classification of financial instruments

(1) The classification of financial assets as of March 31, 2026 and December 31, 2025 is as follows:

In millions of won

	March 31, 2026				
	Financial assets at FVPL	Financial assets at FVOCI	Financial assets at amortized cost	Derivative assets (using hedge accounting)	Total
Current assets					
Cash and cash equivalents	₩ -	-	130,079	-	130,079
Financial assets at FVPL	3,784	-	-	-	3,784
Short-term financial instruments	-	-	35,857	-	35,857
Derivative assets	473	-	-	109,497	109,970
Short-term loans	-	-	16,644	-	16,644
Trade and other receivables	-	-	930,102	-	930,102
	4,257	-	1,112,682	109,497	1,226,436
Non-current assets					
Financial assets at FVPL	500	-	-	-	500
Financial assets at FVOCI	-	1,387,909	-	-	1,387,909
Derivative assets	42,185	-	-	106,107	148,292
Long-term loans	-	-	133,672	-	133,672
Other financial assets	-	-	6,406	-	6,406
Trade and other receivables	-	-	168,326	-	168,326
	42,685	1,387,909	308,404	106,107	1,845,105
	₩ 46,942	1,387,909	1,421,086	215,604	3,071,541

In millions of won

	December 31, 2025				
	Financial assets at FVPL	Financial assets at FVOCI	Financial assets at amortized cost	Derivative assets (using hedge accounting)	Total
Current assets					
Cash and cash equivalents	₩ -	-	121,115	-	121,115
Short-term financial instruments	-	-	33,868	-	33,868
Derivative assets	-	-	-	84,589	84,589
Short-term loans	-	-	15,106	-	15,106
Trade and other receivables	-	-	793,500	-	793,500
	-	-	963,589	84,589	1,048,178
Non-current assets					
Financial assets at FVPL	500	-	-	-	500
Financial assets at FVOCI	-	1,810,632	-	-	1,810,632
Derivative assets	41,519	-	-	73,637	115,156
Long-term loans	-	-	144,918	-	144,918
Other financial assets	-	-	6,359	-	6,359
Trade and other receivables	-	-	164,920	-	164,920
	42,019	1,810,632	316,197	73,637	2,242,485
	₩ 42,019	1,810,632	1,279,786	158,226	3,290,663

5. Classification of financial instruments, Continued

(2) The classification of financial liabilities as of March 31, 2026 and December 31, 2025 is as follows:

In millions of won

	March 31, 2026			
	Financial liabilities at FVPL	Financial liabilities at amortized cost	Derivative liabilities (using hedge accounting)	Total
Current liabilities				
Borrowings	₩ -	957,681	-	957,681
Bonds	-	1,133,712	-	1,133,712
Derivative liabilities	14,761	-	-	14,761
Trade and other payables	-	707,834	-	707,834
	14,761	2,799,227	-	2,813,988
Non-current liabilities				
Borrowings	-	232,375	-	232,375
Bonds	-	5,226,171	-	5,226,171
Derivative liabilities	57,245	-	-	57,245
Trade and other payables	-	603,161	-	603,161
	57,245	6,061,707	-	6,118,952
	₩ 72,006	8,860,934	-	8,932,940

In millions of won

	December 31, 2025			
	Financial liabilities at FVPL	Financial liabilities at amortized cost	Derivative liabilities (using hedge accounting)	Total
Current liabilities				
Borrowings	₩ -	839,280	-	839,280
Bonds	-	990,023	-	990,023
Derivative liabilities	14,761	-	-	14,761
Trade and other payables	-	540,708	-	540,708
	14,761	2,370,011	-	2,384,772
Non-current liabilities				
Borrowings	-	223,380	-	223,380
Bonds	-	5,279,532	-	5,279,532
Derivative liabilities	60,669	-	-	60,669
Trade and other payables	-	606,716	-	606,716
	60,669	6,109,628	-	6,170,297
	₩ 75,430	8,479,639	-	8,555,069

5. Classification of financial instruments, Continued

(3) The classification of comprehensive income (loss) from financial instruments for the three-month periods ended March 31, 2026 and 2025 is as follows:

In millions of won			**2026**
Financial assets at amortized cost	Loss on fluctuation of exchange rates from cash and cash equivalents	₩	224
	Interest income from cash and cash equivalents		829
	Interest income from loans		1,440
	Loss on fluctuation of exchange rates from trade and other receivables		115
	Interest income from trade and other receivables		5,775
Financial assets at FVPL	Loss on valuation of derivative (profit or loss)		473
	Gain on transaction of derivatives		3,577
	Gain on valuation of financial assets measured at FVPL		11
Derivative assets (using hedge accounting)	Loss on valuation of derivatives (profit or loss)		51,801
	Gain on valuation of derivatives (equity, before tax)		5,409
	Gain on transaction of derivatives		557
Financial assets at FVOCI	Loss on valuation of financial assets at FVOCI (equity, before tax)		(422,723)
Financial liabilities at amortized cost	Gain on fluctuation of exchange rates		(75,368)
	Interest expenses from borrowing and bonds		(43,866)
	Interest expenses from trade and other payables		(3,695)
Financial liabilities at FVPL	Gain on valuation of derivatives (profit or loss)		5,768
Derivative liabilities (using hedge accounting)	Gain on valuation of derivatives (profit or loss)		-
	Loss on valuation of derivatives (equity, before tax)		-

In millions of won			**2025**
Financial assets at amortized cost	Loss on fluctuation of exchange rates from cash and cash equivalents	₩	378
	Interest income from cash and cash equivalents		1,774
	Interest income from loans		1,304
	Loss on fluctuation of exchange rates from trade and other receivables		(108)
	Interest income from trade and other receivables		6,854
Financial assets at FVPL	Loss on valuation of derivative (profit or loss)		(784)
	Gain on transaction of derivatives		(2,244)
	Gain on valuation of financial assets measured at FVPL		-
Derivative assets (using hedge accounting)	Loss on valuation of derivatives (profit or loss)		269
	Gain on valuation of derivatives (equity, before tax)		4,255
	Gain on transaction of derivatives		-
Financial assets at FVOCI	Loss on valuation of financial assets at FVOCI (equity, before tax)		(94,080)
Financial liabilities at amortized cost	Gain on fluctuation of exchange rates		(5,291)
	Interest expenses from borrowing and bonds		(45,472)
	Interest expenses from trade and other payables		(4,356)
Financial liabilities at FVPL	Gain on valuation of derivatives (profit or loss)		(2,905)
Derivative liabilities (using hedge accounting)	Gain on valuation of derivatives (profit or loss)		5,935
	Loss on valuation of derivatives (equity, before tax)		(1,277)

6. Cash and cash equivalents

Cash and cash equivalents as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Cash	₩	95,837	96,284
Cash equivalents (*)		39,786	30,376
Government grants		(5,545)	(5,545)
	₩	130,078	121,115

(*) Cash and cash equivalents as of March 31, 2026 and December 31, 2025 include government grants which are restricted for use in connection with a governmental research project.

7. Financial assets

(1) Financial assets as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March31, 2026		December 31, 2025	
		Current	Non-current	Current	Non-current
Loans	₩	16,725	135,262	15,177	146,461
Present value discount		(81)	(1,590)	(71)	(1,543)
		16,644	133,672	15,106	144,918
Short-term financial instruments		35,857	-	33,868	-
Financial assets at FVPL		3,783	500	-	500
Derivative assets		109,970	148,292	84,588	115,156
Financial assets at FVOCI		-	1,387,909	-	1,810,632
Other financial assets		-	6,407	-	6,359
		149,610	1,543,108	118,456	1,932,647
	₩	166,254	1,676,780	133,562	2,077,565

(2) Loans as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026		December 31, 2025	
		Current	Non-current	Current	Non-current
Loans for tuition (*1)	₩	2,240	14,910	2,233	14,950
Present value discount		(81)	(1,590)	(71)	(1,543)
		2,159	13,320	2,162	13,407
Housing fund loans (*2)		1,153	7,993	996	8,295
Loans to associates (*3)		12,099	99,220	10,715	112,169
Other loans		1,233	13,139	1,233	11,047
		14,485	120,352	12,944	131,511
	₩	16,644	133,672	15,106	144,918

(*1) The Group grants loans to employees interest free for the purpose of supporting school expenses of their children. Loans are collected quarterly in equal installment payment through deduction from salary payment.
(*2) The Group grants loans to employees who do not own a house for the purpose of improving residential stability of employees. The interest rate is 95% of weighted average borrowing rate of the parent company. Loan terms are 20 years with installment payments.
(*3) The Group lends to PT Cirebon Energi Prasarana and Foresight Iberian Solar Group Holding Spain SL at interest rates of 7% per annum.

7. Financial assets, Continued

(3) Financial instruments as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Fixed deposit and others	₩	35,857	33,868

(4) Financial assets at FVPL as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Money Market Fund (MMF)	₩	3,784	-
Contribution to the Chungnam Enterprise Growth Venture Fund		500	500
	₩	4,284	500

8. Deposits restricted in use

Deposits restricted in use as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		Mach31, 2026	December 31, 2025
Cash and cash equivalents (*1)	₩	5,545	5,545
Cash and cash equivalents (*2)		3,208	3,082
Cash and cash equivalents (*3)		16,558	14,738
Cash and cash equivalents (*5)		-	2
Short-term financial instruments (*4)		11,000	11,000
Non-current financial assets (*3)		6,406	6,359

(*1) This amount is a deposit restricted for use in connection with a governmental research project.
(*2) This amount is deposited in PT Bank Mandiri for PT KOMIPO Pembangkitan Jawa Bali, a subsidiary, to execute operation and maintenance contract with Indonesia Electric Power Corporation (PT Perusahaan Listrik Negara).
(*3) This is a financial product restricted for use in connection with the Elara and Concho Valley solar power generation projects of KOMIPO America Inc., a subsidiary.
(*4) As of March 31, 2026, a deposit made for Industrial Bank of Korea's 'win-win growth program' for small and medium enterprises, is restricted in use.
(*5) Related to the long-term borrowings of the KOMIPO Iberian Solar Group, S.L.U., a subsidiary.

9. Financial assets at FVOCI

(1) Financial assets at FVOCI as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

	Shares *(in shares)*	Ownership (%)		March 31, 2026 Acquisition cost	March 31, 2026 Book value	December 31, 2025 Book value
Equity securities						
Listed						
PT. Bayan Resources TBK	1,333,333,400	4.00	₩	80,533	1,369,170	1,791,893
Unlisted						
Korea Power Exchange	1,826,275	7.14		9,131	18,325	18,325
HeeMang Sunlight Power Co., Ltd.	78,600	8.33		393	393	393
KEPCO Bylong Australia Pty., Ltd.	3,537,032	2.00		6,135	-	-
Fire Guarantee	40	-		20	20	20
			₩	96,212	1,387,908	1,810,631

(2) Changes in financial assets at FVOCI (equity securities) for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

		2026 Beginning balance	Valuation	Ending balance
PT. Bayan Resources TBK	₩	1,791,893	(422,723)	1,369,170
Korea Power Exchange		18,325	-	18,325
HeeMang Sunlight Power Co., Ltd.		393	-	393
Fire Guarantee		20	-	20
	₩	1,810,631	(422,723)	1,387,908

In millions of won

		2025 Beginning balance	Valuation	Ending balance
PT. Bayan Resources TBK	₩	2,459,700	(667,807)	1,791,893
Korea Power Exchange		15,509	2,816	18,325
HeeMang Sunlight Power Co., Ltd.		393	-	393
Fire Guarantee		20	-	20
	₩	2,475,622	(664,991)	1,810,631

10. Derivatives

(1) Derivatives as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

	March 31, 2026		December 31, 2025	
	Current	Non-current	Current	Non-current
Derivative assets				
Currency swap	₩ 109,192	103,238	84,175	70,917
Currency forward	473	-	-	-
Interest rate swap	304	9,592	414	8,777
Other derivatives (*)	-	35,462	-	35,462
	109,969	148,292	84,589	115,156
Derivative liabilities				
Interest rate swap	-	3,179	-	8,613
Other derivative liabilities (*)	14,761	54,066	14,761	52,056
	₩ 14,761	57,245	14,761	60,669

(*) Other derivative liabilities arise from the agreement between shareholders of Hyundai Green Power Co., Ltd., an associate, and the electricity sale agreement entered into by Elara Energy Project, LLC, a subsidiary, as described in Note 36 and 39.

(2) Currency swap contracts as of March 31, 2026 are as follows:

In millions of won and thousands of foreign currencies, except for contract exchange rate

Type	Counterparty	Terms of the contract	Contract amount		Contract interest rate (%)		Contract exchange rate (in won)
			Pay	Receive	Pay	Receive	
Cash flow hedge	Nomura	Oct. 30, 2017 ~ Oct. 30, 2037	₩ 52,457	EUR 40,000	2.60	1.70	₩1,311.42
	Nomura	Nov. 16, 2017 ~ Nov. 16, 2037	59,423	SEK 450,000	2.62	2.36	₩132.05
	Kookmin Bank	Aug. 9, 2021 ~ Aug. 9, 2026	114,230	USD 100,000	1.27	1.25	₩1,142.30
	Korea Development Bank	Aug. 9, 2021 ~ Aug. 9, 2026	114,230	USD 100,000	1.27	1.25	₩1,142.30
	Hana Bank	Aug. 9, 2021 ~ Aug. 9, 2026	114,230	USD 100,000	1.27	1.25	₩1,142.30
	Korea Development Bank	Apr. 21, 2022 ~ Apr. 21, 2027	123,710	USD 100,000	3.41	3.63	₩1,237.10
	Woori Bank	Apr. 21, 2022 ~ Apr. 21, 2027	123,710	USD 100,000	3.41	3.63	₩1,237.10
	JP Morgan	Apr. 21, 2022 ~ Apr. 21, 2027	123,710	USD 100,000	3.41	3.63	₩1,237.10

10. Derivatives, Continued

(3) Currency forward contracts as of March 31, 2026 are as follows:

In millions of won and thousands of U.S. dollars

Type	Counterparty	Terms of the contract	Contract interest rate (%)				Contract exchange rate (in won)
			Pay		Receive		
Held for trading	Korea Development Bank and others	Mar. 11, 2026 ~ Apr. 03, 2026	₩	11,733	USD	8,000	₩1,466.57
	Korea Development Bank and others	Mar. 19, 2026 ~ Apr. 03, 2026		10,495	USD	7,000	₩1,499.31

(4) Interest rate swap contracts as of March 31, 2026 are as follows:

In millions of won and thousands of U.S. dollars

Type	Counterparty	Terms of the contract		Contract amount	Contract interest rate (%)	
					Pay	Receive
Held for trading	Nomura	Oct. 30, 2017 ~ Oct. 30, 2032	₩	52,457	2.55+ floating rate	2.60
	Nomura	Nov. 16, 2017 ~ Nov. 16, 2032	₩	59,423	2.57+ floating rate	2.62
	NORD LB Bank	Aug. 29, 2022 ~ Sep. 30, 2036	USD	16,121	1.83	SOFR(6M)
	Rabobank	Aug. 29, 2022 ~ Sep. 30, 2036	USD	19,618	1.83	SOFR(6M)
Cash flow hedge	The Export-Import Bank of Korea	Feb. 12, 2015 ~ Dec. 29, 2031	USD	11,021	2.67	1D SOFR + 0.428%
	ING Bank N.V.	Feb. 12, 2015 ~ Dec. 29, 2031	USD	27,178	2.67	1D SOFR + 0.428%
	BNP Paribas	Feb. 12, 2015 ~ Dec. 29, 2031	USD	28,994	2.67	1D SOFR + 0.428%

(5) Gains or losses on valuation and transaction of derivatives for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won

		Gain (loss) on valuation (profit or loss)		Gain (loss) on transaction (profit or loss)		Other comprehensive income (loss)(*)	
		2026	2025	2026	2025	2026	2025
Currency swap	₩	51,801	6,204	557	-	5,537	5,047
Currency forward		473	1,544	3,577	(2,244)	-	-
Interest rate swap		5,767	(5,233)	-	-	(128)	(2,070)
	₩	58,043	2,515	4,134	(2,244)	5,409	2,977

(*) Loss on valuation of derivatives recorded in accumulated other comprehensive income in the amounts of ₩6,466 million as of March 31, 2026 and loss on valuation of derivatives recorded ₩10,610 million as of December 31, 2025 respectively, are net of tax.

11. Trade and other receivables

(1) Trade and other receivables as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

		March 31, 2026		
		Gross receivables	Allowance for doubtful accounts	Book value
Current assets				
Trade receivables	₩	495,579	-	495,579
Other receivables		436,546	(2,023)	434,523
Subtotal		932,125	(2,023)	930,102
Non-current assets				
Trade receivables		135,803	-	135,803
Other receivables		32,523	-	32,523
Subtotal		168,326	-	168,326
	₩	1,100,451	(2,023)	1,098,428

In millions of won

		December 31, 2025		
		Gross receivables	Allowance for doubtful accounts	Book value
Current assets				
Trade receivables	₩	548,160	-	548,160
Other receivables		247,688	(2,348)	245,340
Subtotal		795,848	(2,348)	793,500
Non-current assets				
Trade receivables		132,275	-	132,275
Other receivables		32,645	-	32,645
Subtotal		164,920	-	164,920
	₩	960,768	(2,348)	958,420

11. Trade and other receivables, Continued

(2) Other receivables as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

	March 31, 2026		
	Gross receivables	Allowance for doubtful accounts	Book value
Current assets			
Non-trade receivables	₩ 53,435	(2,023)	51,412
Accrued income	382,986	-	382,986
Deposits	125	-	125
Subtotal	436,546	(2,023)	434,523
Non-current assets			
Non-trade receivables	1	-	1
Deposits	32,522	-	32,522
Subtotal	32,523	-	32,523
	₩ 469,069	(2,023)	467,046

In millions of won

	December 31, 2025		
	Gross receivables	Allowance for doubtful accounts	Book value
Current assets			
Non-trade receivables	₩ 33,862	(2,348)	31,514
Accrued income	213,706	-	213,706
Deposits	120	-	120
Subtotal	247,688	(2,348)	245,340
Non-current assets			
Non-trade receivables	1	-	1
Deposits	32,644	-	32,644
Subtotal	32,645	-	32,645
	₩ 280,333	(2,348)	277,985

(3) There were no receivables that were past due or impaired as of March 31, 2026 and December 31, 2025.

11. Trade and other receivables, Continued

(4) An aging analysis of trade and other receivables as of March 31, 2026 and December 31, 2025 is as follows:

In millions of won		March 31, 2026	
		Trade receivables	**Other receivables**
Receivables that are neither past due nor impaired:	₩	631,382	467,047
Receivables that are past due but not impaired:			
0 ~ 90 days		-	-
Receivables that are impaired:			
0 ~ 90 days		-	-
90 ~ 120 days		-	-
120 days ~ 1year		-	576
Over 1 year		-	1,446
Subtotal		631,382	469,069
(Less allowance for doubtful receivables)		-	(2,023)
(Less present value)		-	-
Ending balance	₩	631,382	467,046

In millions of won		December 31, 2025	
		Trade receivables	**Other receivables**
Receivables that are neither past due nor impaired:	₩	763,536	277,986
Receivables that are past due but not impaired:			
0 ~ 90 days		-	-
Receivables that are impaired:			
0 ~ 90 days		-	-
90 ~ 120 days		-	-
120 days ~ 1year		-	577
Over 1 year		-	1,771
Subtotal		763,536	280,334
(Less allowance for doubtful receivables)		-	(2,348)
(Less present value)		(83,101)	-
Ending balance	₩	680,435	277,986

(5) Changes in allowance for doubtful accounts of other receivables for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won		**2026**	**2025**
Beginning balance	₩	2,348	-
Bad debt expenses for impaired financial assets		-	2,348
Reversal of write-offs of trade and other receivables		(325)	-
Ending balance	₩	2,023	2,348

12. Inventories

(1) Inventories as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

		March 31, 2026	December 31, 2025
Raw materials	₩	280,647	321,924
Supplies		87,841	53,783
Inventories in transit		85,793	110,291
Other inventories		1,287	980
	₩	455,568	486,978

(2) The Group has no gain or loss on valuation of inventories for the three-month periods ended March 31, 2026 and 2025.

13. Non-financial assets

Non-financial assets as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

		March 31, 2026		December 31, 2025	
		Current	Non-current	Current	Non-current
Advanced payments	₩	142,020	3,423	67,175	3,423
Prepaid expenses		26,149	30,212	26,786	26,497
Others		14,593	2,920	2,565	8,745
	₩	182,762	36,555	96,526	38,665

14. Property, plant and equipment

(1) Property, plant and equipment as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

		March 31, 2026				
		Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	₩	843,514	-	-	-	843,514
Buildings		2,702,372	(5,090)	(1,255,631)	(2,052)	1,439,599
Structures		1,804,008	-	(701,811)	(1,376)	1,100,821
Machinery		12,447,735	(3,417)	(7,299,719)	(57,818)	5,086,781
Vehicles		16,163	(475)	(13,145)	(116)	2,427
Equipment		241,692	(100)	(201,162)	(333)	40,097
Tools		30,962	-	(29,908)	(1)	1,053
Construction-in-progress		920,579	(1,843)	-	-	918,736
Right-of-use assets		1,135,607	-	(504,404)	(1,070)	630,133
	₩	20,142,632	(10,925)	(10,005,780)	(62,766)	10,063,161

In millions of won

		December 31, 2025				
		Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	₩	843,350	-	-	-	843,350
Buildings		2,702,208	(5,520)	(1,225,576)	(2,052)	1,469,060
Structures		1,803,778	-	(686,867)	(1,376)	1,115,535
Machinery		12,383,893	(3,596)	(7,128,713)	(57,818)	5,193,766
Vehicles		16,120	(374)	(12,804)	(116)	2,826
Equipment		239,930	(138)	(196,228)	(332)	43,232
Tools		30,814	-	(29,756)	(1)	1,057
Construction-in-progress		857,037	(1,843)	-	-	855,194
Right-of-use assets		1,132,991	-	(487,344)	(1,070)	644,577
	₩	20,010,121	(11,471)	(9,767,288)	(62,765)	10,168,597

14. Property, plant and equipment, Continued

(2) Changes in property, plant and equipment for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

	2026					
	Beginning balance	Acquisitions /capital expenditure	Disposals	Depreciation	Others (*)	Ending balance
Land	₩ 843,351	-	-	-	163	843,514
Buildings	1,469,060	33	-	(28,285)	(1,209)	1,439,599
Structures	1,115,535	-	-	(14,905)	191	1,100,821
Machinery	5,193,766	14,050	-	(164,848)	43,813	5,086,781
Vehicles	2,826	-	-	(249)	(150)	2,427
Equipment	43,232	18	-	(4,722)	1,569	40,097
Tools	1,057	3	-	(109)	102	1,053
Construction-in-progress	855,193	74,989	-	-	(11,446)	918,736
Right-of-use assets	644,577	363	(326)	(16,725)	2,244	630,133
	₩ 10,168,597	89,456	(326)	(229,843)	35,277	10,063,161

(*) Others consist of transfer from construction-in-progress to items of property, plant and equipment, capitalized borrowing costs, capitalized retirement benefits, effects of exchange rate fluctuations and the receipt of government grants.

In millions of won

	2025						
	Beginning balance	Acquisitions /capital expenditure	Disposals	Depreciation	Others (*)	Changes in scope of consolidation (*2)	Ending balance
Land	₩ 833,406	-	(17)	-	10,774	(812)	843,351
Buildings	1,443,505	36	(6)	(112,457)	139,666	(1,684)	1,469,060
Structures	1,176,043	790	(314)	(68,470)	13,406	(5,920)	1,115,535
Machinery	5,489,673	78,551	(9,785)	(626,922)	303,654	(41,405)	5,193,766
Vehicles	1,726	139	(14)	(1,156)	2,131	-	2,826
Equipment	37,771	437	-	(20,076)	25,100	-	43,232
Tools	816	130	-	(805)	948	(32)	1,057
Construction-in-progress	561,178	796,821	-	-	(502,806)	-	855,193
Right-of-use assets	714,285	3,344	(9)	(82,815)	9,772	-	644,577
	₩ 10,258,403	880,248	(10,145)	(912,701)	2,645	(49,853)	10,168,597

(*1) Others consist of transfer from construction-in-progress to items of property, plant and equipment, capitalized borrowing costs, capitalized retirement benefits, effects of exchange rate fluctuations and the receipt of government grants.
(*2) The changes in the scope of consolidation reflect the derecognition of Commerce and Industry Energy Co., Ltd.'s property, plant and equipment due to the loss of control resulting from the partial disposal of interest in Commerce and Industry Energy Co., Ltd.

14. Property, plant and equipment, Continued

(3) Government grants as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Buildings	₩	5,090	5,520
Machinery		3,417	3,596
Vehicles		475	374
Equipment		100	138
Construction-in-progress		1,843	1,843
	₩	10,925	11,471

(4) Changes in government grants for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won		2026			
		Beginning balance	Acquisition	Depreciation	Ending balance
Buildings	₩	5,520	-	(430)	5,090
Machinery		3,595	-	(178)	3,417
Vehicles		375	162	(61)	476
Equipment		138	-	(38)	100
Construction-in-progress		1,843	-	-	1,843
	₩	11,471	162	(707)	10,926

In millions of won		2025			
		Beginning balance	Acquisition	Depreciation	Ending balance
Buildings	₩	7,241	-	(1,721)	5,520
Machinery		4,309	-	(714)	3,595
Vehicles		208	377	(210)	375
Equipment		288	-	(150)	138
Construction-in-progress		1,843	-	-	1,843
	₩	13,889	377	(2,795)	11,471

15. Intangible assets

(1) Intangible assets as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

	March 31, 2026				
	Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment loss	Carrying amount
Software	₩ 123,191	-	(105,230)	(19)	17,942
Development expenditures	679	-	(298)	-	381
Mining rights	27,552	-	(19,046)	-	8,506
Others	86,159	(59)	(2,270)	(26)	83,804
Goodwill	2,443	-	-	-	2,443
	₩ 240,024	(59)	(126,844)	(45)	113,076

In millions of won

	December 31, 2025				
	Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment loss	Carrying amount
Software	₩ 122,576	-	(103,686)	(19)	18,871
Development expenditures	679	-	(264)	-	415
Mining rights	24,813	-	(16,203)	-	8,610
Others	84,429	(82)	(2,091)	(25)	82,231
Goodwill	2,443	-	-	-	2,443
	₩ 234,940	(82)	(122,244)	(44)	112,570

15. Intangible assets, Continued

(2) Changes in intangible assets for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

	2026				
	Beginning balance	Acquisitions /capital expenditure	Amortization	Others (*)	Ending balance
Software	₩ 18,871	34	(1,519)	556	17,942
Development expenditures	415	-	(12)	(22)	381
Mining rights	8,611	790	(1,551)	657	8,507
Others	82,230	10,981	(130)	(9,278)	83,803
Goodwill	2,443	-	-	-	2,443
	₩ 112,570	11,805	(3,212)	(8,087)	113,076

(*) Others consist of transfer from construction-in-progress, transfer from emission rights to item of intangible assets, transfer from amortization cost to construction-in-progress, effect of exchange rate fluctuations.

In millions of won

	2025					
	Beginning balance	Acquisitions /capital expenditure	Amortization	Others (*1)	Changes in scope of consolidation (*2)	Ending balance
Software	₩ 20,815	201	(6,253)	4,116	(7)	18,871
Development expenditures	327	-	(20)	108	-	415
Mining rights	10,225	-	(1,068)	(546)	-	8,611
Others	83,470	67,460	(270)	(68,429)	-	82,230
Goodwill	2,443	-	-	-	-	2,443
	₩ 117,279	67,661	(7,612)	(64,751)	(7)	112,570

(*1) Others consist of transfer from construction-in-progress, transfer from emission rights to intangible assets, transfer from amortization cost to construction-in-progress, and the effects of exchange rate fluctuations.
(*2) The changes in the scope of consolidation reflect the derecognition of Intangible assets of Commerce and Industry Energy Co., Ltd. due to the loss of control resulting from the partial disposal of interest in Commerce and Industry Energy Co., Ltd.

Greenhouse gas emission rights allocated free of charge from the government are classified as intangible assets and measured as nil.

(3) Changes in government grants for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

	2026			
	Beginning balance	Acquisition	Amortization	Ending balance
Others	₩ 82	-	(23)	59

In millions of won

	2025			
	Beginning balance	Acquisition	Amortization	Ending balance
Others	₩ 171	-	(89)	82

16. Investments in associates and joint ventures

(1) Investments in associates and joint ventures as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

			March 31, 2026		
Investees	**Key operation activities**	**Location**	**Ownership ratio (%)**	**Acquisition cost**	**Book value**
<Associates>					
Gangwon Wind Power Co., Ltd. (*1)	Wind power generation	Korea	15.0	₩ 5,725	11,298
Hyundai Green Power Co., Ltd.	By-product gas power generation facility consignment management	Korea	29.0	88,885	83,069
PT Cirebon Electric Power	Coal-fired power generation	Indonesia	27.5	40,365	172,607
PT Wampu Electric Power	Water power generation	Indonesia	46.0	21,292	36,687
PT Cirebon Energi Prasarana(*1)	Coal-fired power generation	Indonesia	10.0	26,710	101,435
Korea Offshore Wind Power Co., Ltd.(*1)	Wind power generation	Korea	12.5	26,600	27,000
KEPCO Solar Co., Ltd. (*1)	Solar school business	Korea	8.3	16,650	17,660
KEPCO ES Co., Ltd. (*1)	Energy saving business	Korea	8.3	25,000	25,965
YaksuESS Co., Ltd.	Installing ESS related equipment	Korea	29.0	210	40
Jeju Hallim Offshore Wind Power Co., Ltd.	Wind power generation	Korea	22.9	20,000	19,893
YeongGwang Yaksu Wind Electric.Co., Ltd. (*1)	Wind power generation	Korea	9.6	533	92
Green Energy Power Co., Ltd.	Wind power generation	Korea	29.0	1,189	399
Kwangbaek Solar Power Investment Co., Ltd.	Solar power generation	Korea	44.0	4,757	5,238
Muan Solar Power Plant Co., Ltd.	Solar power generation	Korea	20.0	1,570	2,377
Goesan Solar Park Co., Ltd.	Solar power generation	Korea	29.0	1,276	2,792
Bitgoeul Eco Energy Co., Ltd.	Fuel cell power generation	Korea	29.0	4,640	7,613
Jeju Gimnyeong Wind Power Co., Ltd.	Wind power generation	Korea	30.0	714	279
East Highway Solar Co., Ltd	Solar power generation	Korea	20.0	190	555
West Highway Solar Co., Ltd	Solar power generation	Korea	20.0	195	712
Yeomsubong Wind Power Co., Ltd.	Wind power generation	Korea	29.0	1,411	517
Yeong-yang 2nd Wind Power Co., Ltd.	Wind power generation	Korea	30.0	7,965	11,868
Haeparang Energy Co., Ltd.	Wind power generation	Korea	25.0	2,241	2,590
Saemangeum Sebit Power Plant Co., Ltd.	Solar power generation	Korea	41.1	15,667	28,260
Commerce and Industry Energy Co., Ltd.	Biomass Power generation	Korea	24.3	498	498
Shinan Ui Offshore Windpower Corporation (*2)	Wind power generation	Korea	31.4	96,100	96,100
				410,383	655,544
<Joint ventures>					
Stavro Holding Ⅱ A.B.	Overseas investment	Sweden	20.0	18,567	18,169
Energy Co.	Solar power generation	Korea	29.0	1,659	2,463
CAES, LLC	ESS based VPP business	USA	36.0	19,414	18,661
Foresight Iberian Solar Group Holding Spain SL (*3)	Solar power generation	Spain	75.0	10,564	-
Enel X KOMIPO Limited	Solar power generation	Korea	20.0	2,211	2,831
Prime Swedish Holding AB	Overseas investment	Sweden	45.0	35,410	38,732
Lucy Equity Holdings, LLC	Solar power generation	USA	20.0	14,794	-
Nour Ibri Solar Power SAOC	Solar power generation	Oman	30.8	364	393
				102,983	81,249
				₩ 513,366	736,793

(*1) Although the Group owns less than 20% of the equity shares of the entity, the Group participates in the directors' meetings and exercises significant influence. As such, it is classified as investments in associates.
(*2) The Group invested in a new investment for the three-month period ended March 31, 2026.
(*3) Although the Group owns more than 50% of the equity shares of the entity, key operating and strategic decisions require the consent of the other joint investor under the shareholders' agreement, and therefore the Group does not exercise sole control. As such, the investment is classified as a joint venture as the Group shares joint control with the other investor.

16. Investments in associates and joint ventures, Continued

(1) Investments in associates and joint ventures as of March 31, 2026 and December 31, 2025 are as follows, continued:

In millions of won

Investees	Key operation activities	Location	December 31, 2025		
			Ownership ratio (%)	Acquisition cost	Book value
<Associates>					
Gangwon Wind Power Co., Ltd. (*1)	Wind power generation	Korea	15.0	₩ 5,725	12,373
Hyundai Green Power Co., Ltd.	By-product gas power generation facility consignment management	Korea	29.0	88,885	86,549
PT Cirebon Electric Power	Coal-fired power generation	Indonesia	27.5	40,365	162,112
PT Wampu Electric Power	Water power generation	Indonesia	46.0	21,292	36,516
PT Cirebon Energi Prasarana(*1)	Coal-fired power generation	Indonesia	10.0	26,710	94,005
Korea Offshore Wind Power Co., Ltd.(*1)	Wind power generation	Korea	12.5	26,600	26,921
KEPCO Solar Co., Ltd. (*1)	Solar school business	Korea	8.3	16,650	17,842
KEPCO ES Co., Ltd. (*1)	Energy saving business	Korea	8.3	25,000	26,075
YaksuESS Co., Ltd.	Installing ESS related equipment	Korea	29.0	210	31
Jeju Hallim Offshore Wind Power Co., Ltd.	Wind power generation	Korea	22.9	20,000	18,673
YeongGwang Yaksu Wind Electric.Co., Ltd. (*1)	Wind power generation	Korea	9.6	533	61
Green Energy Power Co., Ltd.	Wind power generation	Korea	29.0	1,189	230
Kwangbaek Solar Power Investment Co., Ltd.	Solar power generation	Korea	44.0	4,757	5,236
Muan Solar Power Plant Co., Ltd.	Solar power generation	Korea	20.0	1,570	2,778
Goesan Solar Park Co., Ltd.	Solar power generation	Korea	29.0	1,276	2,926
Bitgoeul Eco Energy Co., Ltd.	Fuel cell power generation	Korea	29.0	4,640	7,672
Jeju Gimnyeong Wind Power Co., Ltd.	Wind power generation	Korea	30.0	714	-
East Highway Solar Co., Ltd	Solar power generation	Korea	20.0	190	523
West Highway Solar Co., Ltd	Solar power generation	Korea	20.0	195	683
Yeomsubong Wind Power Co., Ltd.	Wind power generation	Korea	29.0	1,411	325
Yeong-yang 2nd Wind Power Co., Ltd.	Wind power generation	Korea	30.0	7,965	13,406
Haeparang Energy Co., Ltd.	Wind power generation	Korea	25.0	2,241	2,714
Saemangeum Sebit Power Plant Co., Ltd.	Solar power generation	Korea	41.1	15,667	28,114
Commerce and Industry Energy Co., Ltd.	Biomass Power generation	Korea	24.3	498	498
				314,283	546,263
<Joint ventures>					
Stavro Holding Ⅱ A.B.	Overseas investment	Sweden	20.0	18,567	18,062
Energy Co.	Solar power generation	Korea	29.0	1,659	2,628
CAES, LLC	ESS based VPP business	USA	36.0	19,414	18,098
Foresight Iberian Solar Group Holding Spain SL(*2)	Solar power generation	Spain	75.0	10,564	-
Enel X KOMIPO Limited	Solar power generation	Korea	20.0	2,211	2,822
Prime Swedish Holding AB	Overseas investment	Sweden	45.0	35,410	38,664
Lucy Equity Holdings, LLC	Solar power generation	USA	20.0	9,612	-
Nour Ibri Solar Power SAOC	Solar power generation	Oman	30.8	364	373
				97,801	80,647
				₩ 412,084	626,910

(*1) Although the Group owns less than 20% of the equity shares of the entity, it participates in the directors' meetings and exercises significant influence. As such, it is classified as investments in associates.

(*2) Although the Group owns more than 50% of the equity shares of the entity, key operating and strategic decisions require the consent of the other joint investor under the shareholders' agreement, and therefore the Group does not exercise sole control. As such, the investment is classified as a joint venture as the Group shares joint control with the other investor.

16. Investments in associates and joint ventures, Continued

(2) Changes in investments in associates and joint ventures for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

Investees	2026 Beginning balance	Acquisition	Dividends received	Share of profit (loss)	Share of changes in equity	Others	Ending balance
<Associates>							
Gangwon Wind Power Co., Ltd.	₩ 12,373	-	(1,420)	344	-	-	11,297
Hyundai Green Power Co., Ltd.	86,549	-	(3,555)	75	-	-	83,069
PT Cirebon Electric Power	162,112	-	-	1,574	-	8,921	172,607
PT Wampu Electric Power	36,516	-	(2,022)	254	-	1,939	36,687
PT Cirebon Energi Prasarana	94,005	-	-	1,574	640	5,216	101,435
Korea Offshore Wind Power Co., Ltd.	26,921	-	-	80	-	-	27,001
KEPCO Solar Co., Ltd.	17,842	-	(293)	110	-	-	17,659
KEPCO ES Co., Ltd.	26,075	-	(263)	153	-	-	25,965
YaksuESS Co., Ltd.	31	-	-	9	-	-	40
Jeju Hallim Offshore Wind Power Co., Ltd.	18,673	-	-	1,220	-	-	19,893
YeongGwang Yaksu Wind Electric.Co., Ltd.	61	-	-	31	-	-	92
Green Energy Power Co., Ltd.	230	-	-	169	-	-	399
Kwangbaek Solar Power Investment Co., Ltd.	5,236	-	(16)	18	-	-	5,238
Muan Solar Power Plant Co., Ltd.	2,778	-	(460)	60	-	-	2,378
Goesan Solar Park Co., Ltd.	2,926	-	(174)	40	-	-	2,792
Bitgoeul Eco Energy Co., Ltd.	7,672	-	-	(59)	-	-	7,613
Jeju Gimnyeong Wind Power Co., Ltd.	-	-	-	279	-	-	279
East Highway Solar Co., Ltd	523	-	-	32	-	-	555
West Highway Solar Co., Ltd	683	-	-	29	-	-	712
Yeomsubong Wind Power Co., Ltd.	325	-	-	192	-	-	517
Yeong-yang 2nd Wind Power Co., Ltd.	13,406	-	(2,406)	868	-	-	11,868
Haeparang Energy Co., Ltd.	2,714	-	(179)	55	-	-	2,590
Saemangeum Sebit Power Plant Co., Ltd.	28,114	-	-	146	-	-	28,260
Commerce and Industry Energy Co., Ltd.	498	-	-	-	-	-	498
Shinan Ui Offshore Windpower Corporation	-	96,100	-	-	-	-	96,100
	₩ 546,263	96,100	(10,788)	7,253	640	16,076	655,544

16. Investments in associates and joint ventures, Continued

(2) Changes in investments in associates and joint ventures for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows, continued:

In millions of won

	2026						
Investees	**Beginning balance**	**Acquisition**	**Dividends received**	**Share of profit (loss)**	**Share of changes in equity**	**Others**	**Ending balance**
<Joint ventures>							
Stavro Holding Ⅱ A.B.	₩ 18,062	-	-	(323)	(76)	506	18,169
Energy Co.	2,629	-	-	(166)	-	-	2,463
CAES, LLC	18,098	-	-	(266)	8	821	18,661
Foresight Iberian Solar Group Holding Spain SL (*1)	-	-	-	-	-	-	-
Enel X KOMIPO Limited	2,822	-	-	9	-	-	2,831
Prime Swedish Holding AB	38,664	-	-	(966)	-	1,034	38,732
Lucy Equity Holdings, LLC	-	5,182	-	(996)	(4,021)	(165)	-
Nour Ibri Solar Power SAOC	372	-	-	-	-	21	393
	80,647	5,182	-	(2,708)	(4,089)	2,217	81,249
	₩ 626,910	101,282	(10,788)	4,545	(3,449)	18,293	736,793

(*1) For the period ended March 31, 2026, the Group additionally recognized ₩7,477 million of share of loss due to the suspension of the equity method for Foresight Iberian Solar Group Holding Spain S.L., in long-term loans, which are part of the net investment.

16. Investments in associates and joint ventures, Continued

(2) Changes in investments in associates and joint ventures for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows, continued:

In millions of won

Investees		2025 Beginning balance	Acquisition	Dividends received	Share of profit (loss)	Share of changes in equity	Others	Ending balance
<Associates>								
Gangwon Wind Power Co., Ltd.	₩	11,693	-	(1,420)	2,100	-	-	12,373
Hyundai Green Power Co., Ltd.		87,392	-	(3,556)	2,679	-	34	86,549
PT Cirebon Electric Power		157,530	-	-	8,268	-	(3,686)	162,112
PT Wampu Electric Power		39,269	-	(3,928)	1,699	430	(954)	36,516
PT Cirebon Energi Prasarana		96,846	-	-	3,342	(3,865)	(2,318)	94,005
Korea Offshore Wind Power Co., Ltd.		24,861	-	-	2,060	-	-	26,921
KEPCO Solar Co., Ltd.		17,592	-	(336)	585	1	-	17,842
KEPCO ES Co., Ltd.		26,047	-	(508)	526	(5)	15	26,075
YaksuESS Co., Ltd.		163	-	-	(132)	-	-	31
Jeju Hallim Offshore Wind Power Co., Ltd.		16,935	-	-	1,739	(1)	-	18,673
YeongGwang Yaksu Wind Electric.Co., Ltd.		41	-	-	20	-	-	61
Green Energy Power Co., Ltd.		-	-	-	230	-	-	230
Kwangbaek Solar Power Investment Co., Ltd.		5,155	-	-	81	-	-	5,236
Muan Solar Power Plant Co., Ltd.		2,772	-	(520)	526	-	-	2,778
Goesan Solar Park Co., Ltd.		3,133	-	(400)	193	-	-	2,926
Bitgoeul Eco Energy Co., Ltd.		8,035	-	(835)	472	-	-	7,672
Jeju Gimnyeong Wind Power Co., Ltd.		250	-	-	(250)	-	-	-
East Highway Solar Co., Ltd		512	-	-	11	-	-	523
West Highway Solar Co., Ltd		579	-	-	104	-	-	683
Yeomsubong Wind Power Co., Ltd.		603	-	-	(278)	-	-	325
Yeong-yang 2nd Wind Power Co., Ltd.		11,302	-	-	2,104	-	-	13,406
Haeparang Energy Co., Ltd.		1,949	-	-	766	(1)	-	2,714
Saemangeum Sebit Power Plant Co., Ltd.		27,702	-	-	412	-	-	28,114
Commerce and Industry Energy Co., Ltd.		-	-	-	-	-	498	498
	₩	540,361	-	(11,503)	27,257	(3,441)	(6,411)	546,263

16. Investments in associates and joint ventures, Continued

(2) Changes in investments in associates and joint ventures for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows, continued:

In millions of won

Investees		2025						
		Beginning balance	Dividends received	Share of profit (loss)	Share of changes in equity	Disposal	Others	Ending balance
<Joint ventures>								
Stavro Holding Ⅱ A.B.	₩	16,459	-	-	(1,227)	1,144	1,686	18,062
Energy Co.		2,322	-	-	307	-	-	2,629
CAES, LLC		20,659	-	(742)	(1,237)	(140)	(442)	18,098
Foresight Iberian Solar Group Holding Spain SL (*1)		-	-	-	-	(833)	833	-
Enel X KOMIPO Limited		2,715	-	-	107	-	-	2,822
Prime Swedish Holding AB		37,559	-	(204)	(2,301)	-	3,610	38,664
Lucy Equity Holdings, LLC		-	9,612	-	(1,110)	(8,532)	30	-
Nour Ibri Solar Power SAOC		-	365	-	-	-	7	372
		79,714	9,977	(946)	(5,461)	(8,360)	5,724	80,647
	₩	620,075	9,977	(12,449)	21,796	(11,801)	(687)	626,910

(*1) As of December 31, 2025, the Group additionally recognized ₩8,169 million of share of loss due to the suspension of the equity method for Foresight Iberian Solar Group Holding Spain S.L., in long-term loans, which are part of the net investment.

16. Investments in associates and joint ventures, Continued

(3) The summarized financial information on associates and joint ventures as of March 31, 2026 and December 31, 2025 and for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

	As of and for the three-month period ended March 31, 2026						
Investees	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Sales**	**Profit (loss)**	**Total compreh - ensive income (loss)**
<Associates>							
Gangwon Wind Power Co., Ltd. ₩	46,270	229,545	2,122	198,700	6,129	2,295	2,295
Hyundai Green Power Co., Ltd.	51,624	595,954	64,726	194,200	26,219	2,447	2,447
PT Cirebon Electric Power	161,325	583,355	66,047	50,971	76,089	5,724	5,724
PT Wampu Electric Power	26,531	163,376	6,518	103,633	746	552	552
PT Cirebon Energi Prasarana	396,663	3,343,150	168,269	2,557,197	135,724	15,748	22,145
Korea Offshore Wind Power Co., Ltd.	102,007	243,036	22,713	106,327	11,688	638	638
KEPCO Solar Co., Ltd.	76,618	167,473	6,728	25,236	5,350	1,316	1,316
KEPCO ES Co., Ltd.	205,743	132,443	26,582	29	2,153	1,831	1,831
YaksuESS Co., Ltd.	459	3,191	1,682	1,836	334	30	30
Jeju Hallim Offshore Wind Power Co., Ltd.	91,461	547,365	30,081	525,160	23,222	5,328	5,328
YeongGwang Yaksu Wind Electric.Co., Ltd.	4,058	29,588	3,649	29,872	1,806	326	326
Green Energy Power Co., Ltd.	3,020	68,256	6,703	65,883	2,352	581	581
Kwangbaek Solar Power Investment Co., Ltd.	22,987	212,827	16,147	208,480	1,973	41	41
Muan Solar Power Plant Co., Ltd.	20,062	96,909	10,910	96,645	3,591	299	299
Goesan Solar Park Co., Ltd.	5,632	39,530	883	34,651	1,362	136	136
Bitgoeul Eco Energy Co., Ltd.	10,387	59,935	9,661	34,408	6,732	(204)	(204)
Jeju Gimnyeong Wind Power Co., Ltd.	11,295	38,928	18,769	30,522	4,133	1,184	1,184
East Highway Solar Co., Ltd	2,362	15,801	1,300	14,338	642	164	164
West Highway Solar Co., Ltd	2,577	13,346	1,543	10,820	2,837	145	145
Yeomsubong Wind Power Co., Ltd.	4,842	46,269	2,135	48,039	2,308	665	665
Yeong-yang 2nd Wind Power Co., Ltd.	27,471	105,239	3,143	97,041	6,933	2,891	2,891
Haeparang Energy Co., Ltd.	6,638	58,870	2,462	52,766	2,508	219	219
Saemangeum Sebit Power Plant Co., Ltd.	28,025	114,074	5,224	68,376	5,135	357	357
Commerce and Industry Energy Co., Ltd.	5,419	53,904	7,282	19,275	7,425	243	243
Shinan Ui Offshore Windpower Corporation	86,884	243,384	29,306	18	-	-	-
<Joint ventures>							
Stavro Holding Ⅱ A.B.	11	91,123	172	118	-	(1,614)	(1,614)
Energy Co.	5,413	47,047	2,390	44,435	684	(571)	(571)
CAES, LLC	9	43,707	-	-	-	(740)	(719)
Foresight Iberian Solar Group Holding Spain SL	4,507	212,690	6,230	225,430	-	922	922
Enel X KOMIPO Limited	3,307	11,186	338	-	547	47	47
Prime Swedish Holding AB	26,537	125,096	1,736	67,569	3,033	(2,148)	(2,148)
Lucy Equity Holdings, LLC	1,184	-	-	-	-	-	-
Nour Ibri Solar Power SAOC	38,798	287,427	7,960	380,122	-	(885)	82,846

16. Investments in associates and joint ventures, Continued

(3) The summarized financial information on associates and joint ventures as of March 31, 2026 and December 31, 2025 and for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows, continued:

In millions of won

	As of and for the three-month period ended March 31, 2025						
Investees	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Sales**	**Profit (loss)**	**Total compreh - ensive income (loss)**
<Associates>							
Gangwon Wind Power Co., Ltd. ₩	56,275	227,185	6,697	194,600	27,005	13,997	13,997
Hyundai Green Power Co., Ltd.	51,511	605,478	51,850	204,486	111,887	9,787	9,905
PT Cirebon Electric Power	187,137	537,635	82,694	52,578	304,258	30,071	30,071
PT Wampu Electric Power	31,432	159,463	13,256	98,258	19,113	3,058	4,971
PT Cirebon Energi Prasarana	475,577	3,174,530	174,367	2,535,694	525,647	33,411	(5,240)
Korea Offshore Wind Power Co., Ltd.	96,298	241,958	20,199	102,693	43,562	16,480	16,480
KEPCO Solar Co., Ltd.	75,539	167,548	4,485	24,278	23,412	7,023	7,046
KEPCO ES Co., Ltd.	202,957	133,087	23,081	60	9,516	6,321	6,442
YaksuESS Co., Ltd.	968	3,329	2,358	1,836	716	(454)	(454)
Jeju Hallim Offshore Wind Power Co., Ltd.	79,299	554,226	30,096	525,172	80,467	7,590	7,590
YeongGwang Yaksu Wind Electric.Co., Ltd.	4,523	30,269	5,142	29,851	5,925	205	205
Green Energy Power Co., Ltd.	1,708	65,399	7,399	61,600	5,270	2,158	2,158
Kwangbaek Solar Power Investment Co., Ltd.	27,491	212,827	20,654	208,480	8,849	883	883
Muan Solar Power Plant Co., Ltd.	20,607	98,513	11,058	96,645	15,446	2,628	2,628
Goesan Solar Park Co., Ltd.	6,152	40,127	1,057	35,131	6,120	667	667
Bitgoeul Eco Energy Co., Ltd.	10,178	60,787	10,111	34,398	24,840	1,403	1,403
Jeju Gimnyeong Wind Power Co., Ltd.	9,341	39,921	17,595	31,919	11,339	(1,085)	(1,085)
East Highway Solar Co., Ltd	2,199	16,038	1,312	14,564	2,700	55	55
West Highway Solar Co., Ltd	2,279	13,592	1,636	10,820	2,837	519	519
Yeomsubong Wind Power Co., Ltd.	7,751	42,979	2,428	48,030	6,151	(961)	(961)
Yeong-yang 2nd Wind Power Co., Ltd.	32,569	106,402	2,653	98,665	20,537	7,014	7,014
Haeparang Energy Co., Ltd.	5,648	60,748	2,906	52,712	7,339	3,063	3,063
Saemangeum Sebit Power Plant Co., Ltd.	27,398	115,883	5,540	69,599	20,428	1,003	1,003
Commerce and Industry Energy Co., Ltd.	6,244	55,111	8,663	20,169	10,732	(3,487)	(3,487)
<Joint ventures>							
Stavro Holding Ⅱ A.B.	1	90,561	175	78	-	(6,134)	(6,134)
Energy Co.	6,148	48,961	2,695	46,208	6,690	1,058	1,058
CAES, LLC	23	42,130	-	-	-	(3,434)	(3,823)
Foresight Iberian Solar Group Holding Spain SL	5,010	203,495	4,245	219,233	8,598	(1,312)	(2,422)
Enel X KOMIPO Limited	3,165	11,317	374	-	2,376	533	533
Prime Swedish Holding AB	25,771	125,559	3,617	65,535	10,691	(5,114)	(5,114)
Nour Ibri Solar Power SAOC	1,184	-	-	-	-	-	-
Lucy Equity Holdings, LLC	17,991	256,714	7,310	415,952	-	(16)	(16)

17. Trade and other payables

Trade and other payables as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026		December 31, 2025	
		Current	Non-current	Current	Non-current
Trade payables	₩	212,723	-	167,716	-
Non-trade payables		151,182	10,570	191,023	19,480
Accrued expenses		105,003	-	98,078	-
Other deposits received		366	5	528	4
Dividend payables		152,756	-	483	-
Lease liabilities (*)		85,803	592,586	82,880	587,231
	₩	707,833	603,161	540,708	606,715

(*) Refer to Note 18 for the details of lease liabilities.

18. Leases

(1) Details of right-of-use assets as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026			
		Acquisition	Accumulated depreciation	Accumulated impairment	Book value
Ships	₩	836,200	(366,837)	-	469,364
Machinery		210,005	(101,148)	(1,070)	107,787
Other right-of-use assets		89,402	(36,419)	-	52,982
	₩	1,135,607	(504,404)	(1,070)	630,133

In millions of won		December 31, 2025			
		Acquisition	Accumulated depreciation	Accumulated impairment	Book value
Ships	₩	836,201	(353,814)	-	482,387
Machinery		209,886	(99,112)	(1,070)	109,704
Other right-of-use assets		86,904	(34,418)	-	52,486
	₩	1,132,991	(487,344)	(1,070)	644,577

(2) Changes in right-of-use assets for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won		2026				
		Beginning balance	Acquisition	Depreciation	Others increase and decrease (*)	Ending balance
Ships	₩	482,387	-	(13,023)	-	469,364
Machinery		109,704	-	(2,036)	119	107,787
Other right-of-use assets		52,486	362	(1,665)	1,800	52,983
	₩	644,577	362	(16,724)	1,919	630,134

(*) Other changes consist of lease modification amounts, among others.

18. Leases, Continued

(2) Changes in right-of-use assets for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows, continued:

In millions of won

	2025				
	Beginning balance	Acquisition	Depreciation	Others increase and decrease (*)	Ending balance
Ships ₩	547,127	-	(64,727)	(14)	482,387
Machinery	117,375	-	(8,141)	470	109,704
Other right-of-use assets	49,783	3,344	(9,948)	9,308	52,486
₩	714,285	3,344	(82,816)	9,764	644,577

(*) Other changes mainly consist of lease modifications.

(3) Details of expenses recognized in profit or loss relating to leases for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won

	2026	2025
Depreciation of right-of use assets ₩	16,725	23,767
Interest expenses of lease liabilities	3,664	3,960
₩	20,389	27,727

(4) Details of lease liabilities as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

	March 31, 2026		December 31, 2025	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Less than 1 year ₩	86,820	85,803	83,894	82,880
1 ~ 5 years	333,326	313,923	321,261	302,369
More than 5 years	323,170	278,663	331,089	284,862
₩	743,316	678,389	736,244	670,111

(5) Changes in lease liabilities for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

	2026						
	Beginning balance	Acquisition /capital expenditure	Payment	Interest expense	Changes in exchange rates	Others increase and decrease (*)	Ending balance
Lease liabilities ₩	670,111	362	(22,467)	3,664	26,161	558	678,390

(*) Other changes consist of lease modification amounts, among others.

In millions of won

	2025						
	Beginning balance	Acquisition /capital expenditure	Payment	Interest expense	Changes in exchange rates	Others increase and decrease (*)	Ending balance
Lease liabilities ₩	762,381	3,344	(111,369)	15,156	(9,482)	10,082	670,111

(*) Other changes consist of lease modification amounts, among others.

19. Financial liabilities

(1) Financial liabilities as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026		December 31, 2025	
		Current	Non-current	Current	Non-current
Borrowings	₩	957,681	232,375	839,279	223,380
Bonds		1,133,712	5,226,171	990,023	5,279,532
Derivative liabilities (*)		14,761	57,245	14,761	60,669
	₩	2,106,154	5,515,791	1,844,063	5,563,581

(*) Details of derivatives are described in Note 10.

(2) Borrowings and bonds issued as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Current liabilities			
Short-term borrowings	₩	934,157	813,610
Current portion of long-term borrowings		23,524	25,669
Current portion of bonds issued		1,134,020	990,470
Less: discount on bonds issuance		(308)	(447)
		2,091,393	1,829,302
Non-current liabilities			
Long-term borrowings		237,706	228,435
Less: present value discount		(5,331)	(5,055)
Bonds		5,234,590	5,288,085
Less: discount on bonds issuance		(8,419)	(8,554)
		5,458,546	5,502,912
	₩	7,549,939	7,332,214

19. Financial liabilities, Continued

(3) Short-term borrowings as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

Type	Creditor	Interest rate (%)		Maturity		March 31, 2026	December 31, 2025
Short-term local currency borrowings	Yuanta Securities Korea Co., Ltd.	3.25	Fixed rate	Feb. 6, 2026	₩	-	50,000
	NH INVESTMENT & SECURITIES CO.,LTD. and others	3.46	Fixed rate	Feb. 23, 2026		-	50,000
	MERITZ SECURITIES CO.,LTD and others	3.41	Fixed rate	Mar. 6, 2026		-	150,000
	iM SECURITIES CO., LTD. and others	3.16	Fixed rate	Mar. 13, 2026		-	200,000
	Daol Investment & Securities Co., Ltd. and others	3.16	Fixed rate	Mar. 26, 2026		-	100,000
	KB SECURITIES CO.,LTD and others	3.20	Fixed rate	Feb. 25, 2026		-	10,000
	BOOKOOK SECURITIES CO.,LTD and others	2.90	Fixed rate	Apr. 3, 2026		120,000	-
	Yuanta Securities Korea Co., Ltd.	2.99	Fixed rate	May. 22, 2026		140,000	-
	BOOKOOK SECURITIES CO.,LTD	2.91	Fixed rate	Apr. 23, 2026		30,000	-
	BOOKOOK SECURITIES CO.,LTD and others	3.16	Fixed rate	Apr. 23, 2026		150,000	-
	Yuanta Securities Korea Co., Ltd. and others	3.00	Fixed rate	May. 8, 2026		120,000	-
	BOOKOOK SECURITIES CO.,LTD and others	3.10	Fixed rate	Apr. 13, 2026		150,000	-
General corporate loans in local currency	NongHyup Bank	3.26	Fixed rate	Jan. 8, 2026		-	183,300
	NongHyup Bank	3.40	Fixed rate	Apr. 9, 2026		150,000	-
Short-term foreign currency borrowings	OCBC	1M SOFR + 0.40	Floating rate	Nov. 25, 2026		13,621	12,914
	HANA BANK	1M SOFR + 0.90	Floating rate	Aug. 11, 2026		60,536	57,396
					₩	934,157	813,610

19. Financial liabilities, Continued

(4) Long-term borrowings as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won and thousands of foreign currencies

							March 31, 2026	
Type	**Creditor**	**Description**	**Interest rate (%)**		**Maturity**		**Foreign currency**	**Local currency**
Long-term local currency borrowings	Industrial Bank of Korea	Fund loan	Fixed rate	4.40	Jun. 30, 2038		-	₩ 7,184
Long-term foreign currency borrowings	PT. BS Energy	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	844	1,278
	Posco E&C	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	2,019	3,056
	The Export-Import Bank of Korea	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	1,115	1,687
	The Export-Import Bank of Korea	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	30,216	45,729
	BNP Paribas, Seoul Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	15,108	22,864
	ING Bank N.V.,Singapore Brnach	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	15,108	22,864
	BNP Paribas, Singapore Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	1,532	2,318
	ING Bank N.V.,Singapore Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	1,532	2,318
	KiwoomSolar Power Professional Investor Private Placement Investment Trust V	Senior loan	Fixed rate	3.90	Jun. 30, 2029	EUR	36,411	63,114
	NORD/LB Bank	Facility	Floating rate	1M SOFR + 1.825	Oct. 21, 2029	USD	32,446	49,103
	OCBC Bank	Facility	Floating rate	1M SOFR + 1.750	Dec. 10, 2030	USD	26,242	39,715
								261,231
	Less: discount on long-term borrowings							(5,331)
	Less: current portion of long-term borrowings							(23,524)
								₩ 232,375

19. Financial liabilities, Continued

(4) Long-term borrowings as of March 31, 2026 and December 31, 2025 are as follows, continued:

In millions of won and thousands of foreign currencies

							December 31, 2025	
Type	**Creditor**	**Description**	**Interest rate (%)**		**Maturity**		**Foreign currency**	**Local currency**
Long-term local currency borrowings	Industrial Bank of Korea	Fund loan	Fixed rate	4.40	Jun. 30, 2038		-	₩ 7,296
Long-term foreign currency borrowings	PT. BS Energy	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	844	1,212
	Posco E&C	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	2,019	2,897
	The Export-Import Bank of Korea	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	1,222	1,754
	The Export-Import Bank of Korea	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	31,742	45,547
	BNP Paribas, Seoul Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	15,871	22,773
	ING Bank N.V.,Singapore Brnach	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	15,871	22,773
	BNP Paribas, Singapore Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	1,723	2,473
	ING Bank N.V.,Singapore Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	1,723	2,473
	KiwoomSolar Power Professional Investor Private Placement Investment Trust V	Senior loan	Fixed rate	3.90	Jun. 30, 2029	EUR	36,060	60,786
	NORD/LB Bank	Facility	Floating rate	1M SOFR + 1.825	Oct. 21, 2029	USD	33,880	48,615
	OCBC Bank	Facility	Floating rate	1M SOFR + 1.750	Dec. 10, 2030	USD	24,744	35,506
								254,104
	Less: discount on long-term borrowings							(5,055)
	Less: current portion of long-term borrowings							(25,669)
								₩ 223,380

19. Financial liabilities, Continued

(5) Local bonds as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

Type	Issue date	Maturity	Interest rate (%)		March 31, 2026	December 31, 2025
Unsecured bonds #33-2	Jul. 30, 2015	Jul. 30, 2030	Fixed rate	2.67	130,000	130,000
Unsecured bonds #34-1	Mar. 11, 2016	Mar. 11, 2026	Fixed rate	1.94	-	60,000
Unsecured bonds #34-2	Mar. 11, 2016	Mar. 11, 2031	Fixed rate	2.01	130,000	130,000
Unsecured bonds #35-1	Jul. 6, 2016	Jul. 6, 2026	Fixed rate	1.60	160,000	160,000
Unsecured bonds #35-2	Jul. 6, 2016	Jul. 6, 2031	Fixed rate	1.62	90,000	90,000
Unsecured bonds #36-2	Nov. 9, 2016	Nov. 9, 2031	Fixed rate	1.99	100,000	100,000
Unsecured bonds #37-1	Mar. 29, 2017	Mar. 29, 2027	Fixed rate	2.40	150,000	150,000
Unsecured bonds #37-2	Mar. 29, 2017	Mar. 29, 2032	Fixed rate	2.43	50,000	50,000
Unsecured bonds #38-2	May. 25, 2017	May. 25, 2027	Fixed rate	2.49	100,000	100,000
Unsecured bonds #38-3	May. 25, 2017	May. 25, 2032	Fixed rate	2.60	100,000	100,000
Unsecured bonds #39-1	Aug. 3, 2017	Aug. 3, 2027	Fixed rate	2.35	20,000	20,000
Unsecured bonds #39-2	Aug. 3, 2017	Aug. 3, 2032	Fixed rate	2.44	70,000	70,000
Unsecured bonds #39-3	Aug. 3, 2017	Aug. 3, 2037	Fixed rate	2.47	130,000	130,000
Unsecured bonds #40-1	Nov. 10, 2017	Nov. 10, 2027	Fixed rate	2.74	90,000	90,000
Unsecured bonds #40-2	Nov. 10, 2017	Nov. 10, 2037	Fixed rate	2.69	90,000	90,000
Unsecured bonds #41-2	Feb. 20, 2018	Feb. 20, 2028	Fixed rate	2.92	130,000	130,000
Unsecured bonds #42-2	Mar. 27, 2018	Mar. 27, 2028	Fixed rate	2.79	50,000	50,000
Unsecured bonds #43-1	Jun. 15, 2018	Jun. 15, 2028	Fixed rate	2.79	70,000	70,000
Unsecured bonds #43-2	Jun. 15, 2018	Jun. 15, 2033	Fixed rate	2.80	110,000	110,000
Unsecured bonds #44-1	Jul. 9, 2018	Jul. 9, 2033	Fixed rate	2.66	20,000	20,000
Unsecured bonds #44-2	Jul. 9, 2018	Jul. 9, 2038	Fixed rate	2.70	180,000	180,000
Unsecured bonds #45-1	Sep. 10, 2018	Sep. 10, 2038	Fixed rate	2.30	90,000	90,000
Unsecured bonds #45-2	Sep. 10, 2018	Sep. 10, 2048	Fixed rate	2.26	110,000	110,000
Unsecured bonds #46-1	Oct. 31, 2018	Oct. 31, 2038	Fixed rate	2.24	90,000	90,000
Unsecured bonds #46-2	Oct. 31, 2018	Oct. 31, 2048	Fixed rate	2.17	30,000	30,000
Unsecured bonds #47-1	Feb. 8, 2019	Feb. 8, 2039	Fixed rate	2.19	160,000	160,000
Unsecured bonds #47-2	Feb. 8, 2019	Feb. 8, 2049	Fixed rate	2.17	120,000	120,000
Unsecured bonds #48-1	Mar. 26, 2019	Mar. 26, 2029	Fixed rate	2.03	100,000	100,000
Unsecured bonds #48-2	Mar. 26, 2019	Mar. 26, 2049	Fixed rate	1.99	120,000	120,000
Unsecured bonds #49-1	May. 21, 2019	May. 21, 2039	Fixed rate	1.96	130,000	130,000
Unsecured bonds #49-2	May. 21, 2019	May. 21, 2049	Fixed rate	1.95	120,000	120,000
Unsecured bonds #50-1	Jun. 18, 2019	Jun. 18, 2029	Fixed rate	1.70	70,000	70,000
Unsecured bonds #50-2	Jun. 18, 2019	Jun. 18, 2039	Fixed rate	1.75	110,000	110,000
Unsecured bonds #50-3	Jun. 18, 2019	Jun. 18, 2049	Fixed rate	1.72	70,000	70,000
Unsecured bonds #51-1	Oct. 30, 2019	Oct. 30, 2029	Fixed rate	1.95	50,000	50,000
Unsecured bonds #51-2	Oct. 30, 2019	Oct. 30, 2039	Fixed rate	1.92	80,000	80,000
Unsecured bonds #52-1	Nov. 13, 2019	Nov. 13, 2029	Fixed rate	2.00	140,000	140,000
Unsecured bonds #52-2	Nov. 13, 2019	Nov. 13, 2049	Fixed rate	1.86	80,000	80,000
Unsecured bonds #53-2	Dec. 4, 2019	Dec. 4, 2029	Fixed rate	1.92	80,000	80,000
Unsecured bonds #54-1	Feb. 25, 2020	Feb. 25, 2040	Fixed rate	1.53	50,000	50,000
Unsecured bonds #54-2	Feb. 25, 2020	Feb. 25, 2050	Fixed rate	1.53	120,000	120,000
Unsecured bonds #55	Mar. 18, 2020	Mar. 18, 2040	Fixed rate	1.59	80,000	80,000
Unsecured bonds #56-1	Jun. 18, 2020	Jun. 18, 2040	Fixed rate	1.66	60,000	60,000
Unsecured bonds #56-2	Jun. 18, 2020	Jun. 18, 2050	Fixed rate	1.69	120,000	120,000
Unsecured bonds #57-1	Jul. 21, 2020	Jul. 21, 2030	Fixed rate	1.51	90,000	90,000
Unsecured bonds #57-2	Jul. 21, 2020	Jul. 21, 2040	Fixed rate	1.64	100,000	100,000
Unsecured bonds #58-2	Aug. 25, 2020	Aug. 25, 2030	Fixed rate	1.57	70,000	70,000
Unsecured bonds #58-3	Aug. 25, 2020	Aug. 25, 2040	Fixed rate	1.66	40,000	40,000
Unsecured bonds #61	Apr. 21, 2021	Apr. 21, 2026	Fixed rate	1.85	190,000	190,000
Unsecured bonds #62-1	May. 27, 2021	May. 27, 2026	Fixed rate	1.93	130,000	130,000
Unsecured bonds #62-2	May. 27, 2021	May. 27, 2031	Fixed rate	2.22	20,000	20,000
Unsecured bonds #63-3	Jul. 14, 2021	Jul. 14, 2031	Fixed rate	2.17	30,000	30,000
Unsecured bonds #64-3	Nov. 11, 2021	Nov. 11, 2026	Fixed rate	2.60	20,000	20,000

19. Financial liabilities, Continued

(5) Local bonds as of March 31, 2026 and December 31, 2025 are as follows, continued:

In millions of won

Type	Issue date	Maturity	Interest rate (%)		March 31, 2026	December 31, 2025
Unsecured bonds #64-4	Nov. 11, 2021	Nov. 11, 2031	Fixed rate	2.63	40,000	40,000
Unsecured bonds #65-1	Jan. 17, 2022	Jan. 17, 2032	Fixed rate	2.85	10,000	10,000
Unsecured bonds #65-2	Jan. 17, 2022	Jan. 17, 2042	Fixed rate	2.83	10,000	10,000
Unsecured bonds #66-2	Jan. 24, 2022	Jan. 24, 2027	Fixed rate	2.95	30,000	30,000
Unsecured bonds #66-3	Jan. 24, 2022	Jan. 24, 2052	Fixed rate	2.87	50,000	50,000
Unsecured bonds #67	Feb. 17, 2022	Feb. 17, 2052	Fixed rate	3.01	40,000	40,000
Unsecured bonds #68-1	May. 24, 2022	May. 24, 2042	Fixed rate	3.79	20,000	20,000
Unsecured bonds #68-2	May. 24, 2022	May. 24, 2052	Fixed rate	3.76	60,000	60,000
Unsecured bonds #69-2	Jun. 22, 2022	Jun. 22, 2042	Fixed rate	4.24	30,000	30,000
Unsecured bonds #69-3	Jun. 22, 2022	Jun. 22, 2052	Fixed rate	4.08	10,000	10,000
Unsecured bonds #70-2	Jul. 14, 2022	Jul. 14, 2042	Fixed rate	3.70	10,000	10,000
Unsecured bonds #71-2	Aug. 24, 2022	Aug. 24, 2052	Fixed rate	4.14	20,000	20,000
Unsecured bonds #72-2	Jul. 6, 2023	Jul. 6, 2028	Fixed rate	4.11	30,000	30,000
Unsecured bonds #73-3	Oct. 24, 2023	Oct. 24, 2028	Fixed rate	4.77	20,000	20,000
Unsecured bonds #75	Feb. 12, 2026	Feb. 11, 2028	Fixed rate	3.56	100,000	-
					5,320,000	5,280,000
Less: discount on local bonds					(7,655)	(7,686)
Less: current portion of local bonds					(680,000)	(560,000)
Add: current portion of discount on local bonds					84	86
				₩	4,632,429	4,712,400

19. Financial liabilities, Continued

(6) Foreign bonds as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won and thousands of foreign currencies

Type	Issue date	Maturity	Interest rate (%)			March 31, 2026 Foreign currency		March 31, 2026 Local currency		December 31, 2025 Foreign currency		December 31, 2025 Local currency
Foreign bonds	2017-10-30	2037-10-30	Fixed rate	1.70	EUR	40,000	₩	69,335	EUR	40,000	₩	67,429
	2017-11-16	2037-11-16	Fixed rate	2.36	SEK	450,000		71,235	SEK	450,000		70,187
	2021-08-09	2026-08-09	Fixed rate	1.25	USD	300,000		454,020	USD	300,000		430,470
	2022-04-21	2027-04-21	Fixed rate	3.63	USD	300,000		454,020	USD	300,000		430,470
								1,048,610				998,555
Less: discount on foreign bonds								(1,072)				(1,315)
Less: current portion of foreign bonds								(454,020)				(430,470)
Add: current portion of discount on foreign bonds								224				361
							₩	593,742			₩	567,131

(7) Repayment schedules of borrowings and bonds as of March 31, 2026 are as follows:

In millions of won

	Borrowings	Bonds	Total
Less than 1 year	₩ 957,681	1,134,020	2,091,701
1-5 years	226,656	1,924,020	2,150,676
More than 5 years	11,050	3,310,570	3,321,620
	₩ 1,195,387	6,368,610	7,563,997

(8) Changes in borrowings and bonds for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

	2026 Beginning balance	Net cash flow	Changes in exchange rates	Interest expense	Ending balance
Borrowings and bonds	₩ 7,332,214	155,393	61,752	580	7,549,939

In millions of won

	2025 Beginning balance	Net cash flow	Changes in exchange rates	Interest expense	Ending balance
Borrowings and bonds	₩ 7,423,844	(44,304)	(49,800)	2,474	7,332,214

20. Non-financial liabilities

Non-financial liabilities as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026		December 31, 2025	
		Current	Non-current	Current	Non-current
Advance received	₩	100	-	28,727	-
Unearned revenue		3,746	10,668	1,354	10,850
Withholdings		3,406	-	6,985	-
Others (*)		24,469	4,034	32,357	3,348
	₩	31,721	14,702	69,423	14,198

(*) Others consist of government-grants, which shall be repaid after the completion of the project.

21. Provisions

(1) Provisions as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026		December 31, 2025	
		Current	Non-current	Current	Non-current
Provisions for employee benefits	₩	27,425	-	26,570	-
Provisions for greenhouse gas emission(*1)		12,089	-	8,542	-
Provisions for financial guarantee contract		2,387	-	2,482	-
Others		-	3,916	-	3,641
	₩	41,901	3,916	37,594	3,641

(*1) In accordance with the *Act on Allocation and Trading of Greenhouse Gas Emission*, the Group has present obligation to submit its emission rights to the government and it is probable that there will be outflows of resources for satisfying the obligation. In this regard, such obligations are recorded as a provision for emission liability. The provision is derecognized when the emission right is submitted to the government.

(i) The Group's greenhouse gas emission right which is allocated free of charge from the government according to the *Act on Allocation and Trading of Greenhouse Gas Emission* as of March 31, 2026 is as follows:

In million tons	Implementation year				
	2021	2022	2023	2024	2025
Quantity of emission right allocated free of charge from the government	29	28	30	26	23

In accordance with the government’s plan to allocate national emission allowances for each commitment period, the amount allocated for each compliance year from 2021 to 2025 is fully allocated to the Group. The Group has not provided emission rights allocated free of charge from the government as collateral.

21. Provisions, Continued

(1) Provisions as of March 31, 2026 and December 31, 2025 are as follows, Continued

(ii) As of March 31, 2026, the Group does not hold any emission allowances for the purpose of short-term trading gains.

(2) Changes in provisions for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

	2026				
	Beginning balance	Increase in (reversal of) provision	Payments	Others (*)	Ending balance
Provisions for employee benefits	₩ 26,570	4,009	(3,154)	-	27,425
Provisions for greenhouse gas emission	8,542	3,547	-	-	12,089
Provisions for financial guarantee contract	2,482	(95)	-	-	2,387
Others	3,641	-	-	274	3,916
	₩ 41,235	7,461	(3,154)	274	45,817

(*) Other changes consist of the effects of changes in foreign exchange rates, etc.

In millions of won

	2025				
	Beginning balance	Increase in (reversal of) provision	Payments	Others (*)	Ending balance
Provisions for employee benefits	₩ 47,670	57,332	(78,432)	-	26,570
Provisions for greenhouse gas emission	51,639	80,131	(123,228)	-	8,542
Provisions for financial guarantee contract	2,053	428	-	-	2,481
Others	3,456	198	-	(13)	3,641
	₩ 104,818	138,089	(201,660)	(13)	41,234

(*) Other changes consist of the effects of changes in foreign exchange rates, etc.

22. Employment benefits obligations

The Group's retirement pension plans are classified into defined contribution plans and defined benefit plans, and employees of the Group may choose to enroll in either a defined contribution plan or a defined benefit plan.

(1) Defined contribution plan

Plan assets are held separately from those of the Group in a fund under the control of a trustee. When employees terminate their employment before the benefits have vested, the Group's obligation to make contributions to the plan decreases by the forfeited amounts. The Group contributed ₩2,409 million and ₩2,189 million for the three -month periods ended March 31, 2026 and 2025, respectively.

Expenses recognized for defined contribution plan for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won

	2026	2025
Cost of sales	₩ 1,892	1,710
Selling and administrative expenses	409	396
Others, including construction-in-progress	108	83
	₩ 2,409	2,189

22. Employment benefits obligations, Continued

(2) Defined benefit plan

(i) Principal assumptions on actuarial valuation as of March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026	December 31, 2025
Discount rate	4.31% ~ 4.46%	3.86% ~ 4.46%
Expected salary increasing rate	3.26% ~ 6.21%	3.26% ~ 6.21%
Weighted average maturity (years)	8.69 ~ 8.80	8.69 ~ 8.90

(ii) Details of expense relating to defined benefit plans for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won		2026	2025
Current service cost	₩	5,627	5,382
Interest cost		2,148	1,867
Expected return on plan assets		(657)	(481)
	₩	7,118	6,768

The expense is recognized as retirement benefits in the consolidated statements of comprehensive income (loss). For the three-month period ended March 31, 2026, ₩6,078 million, ₩403 million and ₩637 million were recognized in cost of sales, selling and administrative expenses and construction in progress, respectively. For the three-month period ended March 31, 2025, ₩5,859million, ₩426 million and ₩483 million were recognized in cost of sales, selling and administrative expenses and construction in progress, respectively.

(iii) Employee benefit liabilities as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Present value of defined benefit obligations	₩	220,272	237,982
Present value of defined benefit obligations arising from unfunded plans		4,646	4,646
Fair value of plan assets		(66,553)	(67,158)
Net defined benefits liabilities from defined benefit plans		159,615	177,130
Net defined benefits assets from defined benefit plans	₩	1,250	1,660

22. Employment benefits obligations, Continued

(2) Defined benefit plan, continued

(iv) Changes in the present values of defined benefit obligations for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won		2026	2025
Beginning balance	₩	242,628	230,614
Current service cost		5,627	26,851
Interest cost		2,148	8,020
Actual payments		(1,497)	(2,023)
Remeasurement component		(573)	(4,401)
Payment due to change of plan to defined contribution plan		(23,479)	(12,356)
Changes in scope of consolidation (*)		-	(4,012)
Others		64	(63)
Ending balance	₩	224,918	242,628

(*) For the year ended December 31, 2025, Commerce and Industry Energy Co., Ltd. was excluded from the Group's scope of consolidation as a result of a disposal of ownership interests. Accordingly, the entity's defined benefit obligations and plan assets were derecognized from the consolidated financial statements. The related amounts were reflected as the effect of removing remeasurement components within other comprehensive income, and did not affect profit or loss.

(v) Changes in the fair values of plan assets for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won		2026	2025
Beginning balance	₩	67,158	66,267
Expected return on plan assets		657	2,276
Contributions by plan participants		-	2,000
Actual payments		(1,215)	(879)
Remeasurement component		(47)	16
Changes in scope of consolidation (*)		-	(2,522)
Ending balance	₩	66,553	67,158

(*) For the year ended December 31, 2025, Commerce and Industry Energy Co., Ltd. was excluded from the Group's scope of consolidation as a result of a disposal of ownership interests. Accordingly, the entity's defined benefit obligations and plan assets were derecognized from the consolidated financial statements. The related amounts were reflected as the effect of removing remeasurement components within other comprehensive income, and did not affect profit or loss.

(vi) Details of the fair values of plan assets as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Interest-guaranteed insurance	₩	66,553	67,158
Others		-	-
	₩	66,553	67,158

22. Employment benefits obligations, Continued

(2) Defined benefit plan, continued

(vii) Remeasurements recognized in other comprehensive income/loss for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won		2026	2025
Actuarial gains or losses from changes in financial assumptions	₩	8,600	7,406
Experience adjustments		(8,027)	(3,005)
Return on plan assets		(47)	16
	₩	526	4,417

(3) Other long-term employee benefit liabilities as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Other long-term employee benefit liabilities	₩	1,041	145

23. Issued capital

(1) Details of issued capital as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

				March 31, 2026		
				Shareholders		
Type	Number of shares authorized (in shares)	Number of shares issued (in shares)	Par value per share (in won)	Government	Non-government	Total
Common stock	100,000,000	28,581,320	₩ 5,000	₩ -	₩ 142,907	₩ 142,907

In millions of won

				December 31, 2025		
				Shareholders		
Type	Number of shares authorized (in shares)	Number of shares issued (in shares)	Par value per share (in won)	Government	Non-government	Total
Common stock	100,000,000	28,581,320	₩ 5,000	₩ -	₩ 142,907	₩ 142,907

(2) There is no change in the number of ordinary shares outstanding for the three-month period ended March 31, 2026 and the year ended December 31, 2025.

(3) Share premium

There were no changes in share premium for the three-month period ended March 31, 2026 and the year ended December 31, 2025.

24. Retained earnings and dividends paid

(1) Details of discretionary reserves as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Reserve for business stabilization (*)	₩	120	120
Reserve for investment in social overhead capital		70,184	70,184
Reserve for business expansion		1,620,689	1,519,221
	₩	1,690,993	1,589,525

(*) Prior to 2002, the Group appropriated retained earnings for certain tax-deductible benefits as reserve for business stabilization, which should be used only for offsetting deficit or transferring to equity, in accordance with *Act on Restriction on Special Cases Concerning Taxation*. Due to the amendment to the Act on December 11, 2002, under which the relevant provision was deleted, the reserve for business stabilization was reclassified as a discretionary reserve.

(2) Changes in retained earnings for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won		2026	2025
Beginning balance	₩	2,867,342	2,833,400
Income for the period attributable to owners of the parent		23,620	176,904
Dividend payment (*)		(152,253)	(146,365)
Share of other comprehensive loss of associates and joint ventures		-	49
Remeasurements of defined benefit liability, net of tax		396	3,354
Ending balance	₩	2,739,105	2,867,342

(*) Dividends payable have been recognized as of March 31, 2026.

(3) Dividend payment details for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In won and shares	2026	2025
A type of stock	Common stock	Common stock
Total number of issued shares *(in shares)*	28,581,320	28,581,320
Number of dividend shares *(in shares)*	28,581,320	28,581,320
A dividend per share *(in won)*	5,327	5,121
Total Dividends (*in millions of won)* (*)	152,253	146,365

(*) Dividends payable have been recognized as of March 31, 2026.

(4) Changes in remeasurement components related to defined benefit liability for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows :

In millions of won		2026	2025
Beginning balance	₩	4,698	1,344
Changes		526	4,425
Income tax effect		(131)	(1,071)
Ending balance	₩	5,093	4,698

25. Other components of equity

(1) Other components of equity as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

		March 31, 2026	December 31, 2025
Accumulated other comprehensive income	₩	1,180,162	1,450,152
Other equity		(296,439)	(296,438)
	₩	883,723	1,153,714

(2) Changes in accumulated other comprehensive income (loss) for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

		2026				
		Accumulated gain on valuation of financial assets at FVOCI	Accumulated loss on valuation of derivatives	Share of changes in other comprehensive income of associates and joint ventures	Gain on translation of overseas operations	Total
Beginning balance	₩	1,304,180	(10,610)	(6,288)	162,870	1,450,152
Changes in financial assets at FVOCI		(422,723)	-	-	-	(422,723)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting		-	5,470	-	-	5,470
Share of other comprehensive income of associates and joint ventures		-	-	(3,449)	-	(3,449)
Net change in translation of foreign operations		-	-	-	49,740	49,740
Tax effect		102,298	(1,326)	-	-	100,972
Ending balance	₩	983,755	(6,466)	(9,737)	212,610	1,180,162

25. Other components of equity, Continued

(2) Changes in accumulated other comprehensive income (loss) for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows, continued:

In millions of won

	2025				
	Accumulated gain on valuation of financial assets at FVOCI	Accumulated loss on valuation of derivatives	Share of changes in other comprehensive income of associates and joint ventures	Gain on translation of overseas operations	Total
Beginning balance ₩	1,834,483	(24,825)	5,513	170,109	1,985,280
Changes in financial assets at FVOCI	(664,990)	-	-	-	(664,990)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting	-	18,171	-	-	18,171
Share of other comprehensive income of associates and joint ventures	-	-	(11,801)	-	(11,801)
Net change in translation of foreign operations	-	-	-	(7,239)	(7,239)
Tax effect	134,687	(3,956)	-	-	130,731
Ending balance ₩	1,304,180	(10,610)	(6,288)	162,870	1,450,152

(3) Details of other equity as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

		March 31, 2026	December 31, 2025
Loss on capital reduction	₩	(279,193)	(279,193)
Other capital adjustment		(17,245)	(17,245)
	₩	(296,438)	(296,438)

26. Sales

Details of sales for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won		2026	2025
Sales of goods			
Domestic	₩	1,537,218	1,511,465
Overseas		13,143	13,705
		1,550,361	1,525,170
Provision of service			
Domestic		1,964	2,588
Overseas		22,645	17,581
		24,609	20,169
	₩	1,574,970	1,545,339

27. Selling and administrative expenses

Selling and administrative expenses for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won		2026	2025
Salaries	₩	10,390	9,866
Retirement benefits		812	822
Employee welfare		1,043	1,009
Insurance		967	859
Depreciation		3,693	3,359
Amortization		1,237	1,371
Reversal of allowance for doubtful accounts		(36)	-
Commission		6,130	9,211
Advertising		208	254
Training		41	55
Vehicle maintenance		60	80
Publishing		35	41
Business promotion		42	43
Rent		405	63
Telecommunication		47	36
Taxes and dues		1,226	1,944
Expendable supplies		66	74
Water, light and heating		211	219
Repairs and maintenance		5,614	4,235
Ordinary development		3,814	3,789
Travel		240	310
Clothing		328	79
Survey and analysis		-	1
Sales facilitation		-	7
Others		3,029	3,312
	₩	39,602	41,039

28. Other non-operating income and other non-operating expenses

(1) Other non-operating incomes for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won		2026	2025
Compensation and other revenue	₩	3,124	958
Gain from assets contributed		-	177
Rental income		1,558	1,301
Reversal of other allowance for doubtful accounts		325	-
	₩	5,007	2,436

(2) Other non-operating expenses for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won		2026	2025
Donations	₩	422	2,092

29. Other income (loss)

Details of other income (loss) for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won		2026	2025
Other income			
Gains on disposal of property plant, and equipment	₩	-	56
Gains on foreign currency translations (*)		19	57
Gains on foreign currency transactions (*)		3,441	10,143
Others		20,228	15,299
Other loss			
Losses on disposal of property plant, and equipment		-	(2,824)
Losses on foreign currency translation (*)		(1,427)	(429)
Losses on foreign currency transactions (*)		(9,088)	(7,900)
Others		(6,946)	(5,146)
	₩	6,227	9,256

(*) These represent gains (losses) on foreign currency translations and transactions arising from operating activities.

30. Finance income

Finance income for the three-month periods ended March 31, 2026 and 2025 is as follows:

In millions of won		2026	2025
Interest income	₩	8,044	9,932
Gain on valuation of financial assets measured at FVPL		11	-
Gains on valuation of derivatives		58,043	8,948
Gains on transaction of derivatives		6,004	2,161
Gains on foreign currency translation (*)		434	3,718
Gains on foreign currency transactions (*)		467	351
	₩	73,003	25,110

(*) These represent gains on foreign currency translations and transactions arising from financing activities.

31. Finance costs

(1) Finance costs for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won		2026	2025
Interest expense	₩	47,561	49,828
Losses on valuation of derivatives		-	6,434
Losses on transaction of derivatives		1,870	4,405
Losses on foreign currency translation (*)		74,056	8,366
Losses on foreign currency transactions (*)		347	13
Others		-	-
	₩	123,834	69,046

(*) These represent losses on foreign currency translations and transactions arising from financing activities.

(2) Interest expense included in finance costs for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won		2026	2025
Trade and other payables	₩	31	396
Short-term borrowings		5,521	392
Long-term borrowings		5,454	6,538
Bonds		36,658	40,816
Lease liabilities		3,664	3,960
		51,328	52,102
Less: capitalized borrowing costs		(3,767)	(2,274)
	₩	47,561	49,828

Weighted average interest rate on borrowings for the three-month periods ended March 31, 2026 and 2025 are 2.26% and 2.33%, respectively.

32. Income tax expense

The income tax expense was calculated by adjusting the current income tax expense for adjustments recognized in the current period in respect of current income tax of prior periods, deferred income tax expense arising from the origination and reversal of temporary differences, and income tax expense relating to items recognized outside profit or loss. The average effective tax rates for the three-month periods ended March 31, 2026 and 2025 were 24.68% and 41.44%, respectively.

33. Expenses by nature

(1) Expenses by nature for the three-month period ended March 31, 2026 are as follows:

In millions of won

		2026		
		Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩	-	1,065,035	1,065,035
Salaries		10,390	71,670	82,060
Retirement benefits		812	7,970	8,782
Employee welfare		1,043	7,965	9,008
Insurance		967	2,248	3,215
Depreciation		3,693	226,150	229,843
Amortization		1,237	1,975	3,212
Commission		(36)	-	(36)
Advertising		6,130	589	6,719
Training		208	374	582
Vehicle maintenance		41	83	124
Publishing		60	47	107
Business promotion		35	53	88
Rent		42	47	89
Telecommunication		405	2,876	3,281
Transportation		47	74	121
Taxes and dues		-	4	4
Expendable supplies		1,226	8,753	9,979
Water, light and heating		66	1,162	1,228
Repairs and maintenance		211	235	446
Ordinary development		5,614	40,452	46,066
Travel		3,814	5,351	9,165
Clothing		240	319	559
Survey and analysis		328	43	371
Provisions of RPS		-	60	60
Provisions of greenhouse gas emission		-	11,910	11,910
Sales promotion		-	3,547	3,547
Others		3,030	4,355	7,385
	₩	39,603	1,463,347	1,502,950

33. Expenses by nature, Continued

(2) Expenses by nature for the three-month period ended March 31, 2025 are as follows:

In millions of won

	2025		
	Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩ -	1,009,978	1,009,978
Salaries	9,866	71,109	80,975
Retirement benefits	822	7,569	8,391
Employee welfare	1,009	7,343	8,352
Insurance	859	1,531	2,390
Depreciation	3,359	228,402	231,761
Amortization	1,371	662	2,033
Reversal of allowance for doubtful accounts	9,211	1,080	10,291
Commission	254	308	562
Advertising	55	87	142
Training	80	298	378
Vehicle maintenance	41	36	77
Publishing	43	43	86
Business promotion	63	2,968	3,031
Rent	36	80	116
Telecommunication	-	11	11
Transportation	1,944	7,042	8,986
Taxes and dues	74	815	889
Expendable supplies	219	435	654
Water, light and heating	4,235	39,860	44,095
Repairs and maintenance	3,789	3,439	7,228
Ordinary development	310	370	680
Travel	79	31	110
Clothing	1	159	160
Survey and analysis	-	9,052	9,052
Provisions of RPS	-	1,844	1,844
Provisions of greenhouse gas emission	7	-	7
Others	3,313	7,441	10,754
	₩ 41,040	1,401,993	1,443,033

34. Earnings per share

(1) Basic earnings per share for the three-month periods ended March 31, 2026 and 2025 are as follows:

In won		2026	2025
Basic earnings per share	₩	826	1,464

(2) Basic earnings per share

Income for the period attributable to owners of the parent and the weighted average number of common shares used in the calculation of basic earnings per share for the three-month periods ended March 31, 2026 and 2025 are as follows:

In won, except for share data		2026	2025
Income for the period attributable to owners of the parent	₩	23,620,397,117	41,836,041,169
Weighted average number of common shares		28,581,320 shares	28,581,320 shares

(3) Diluted earnings per share

The Group has no potential dilutive common shares outstanding as of March 31, 2026 and 2025.

35. Risk management

(1) Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder's value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment, capital return to shareholders or issue new shares.

The Group manages capital based on a gearing ratio which is net debt divided by total equity. The Group calculates net debt as interest bearing loans, borrowings and bonds payable, less cash and cash equivalents.

No changes were made in the purpose, policies and processes for managing capital during the periods ended March 31, 2026 and 2025.

The details of the Group's capital management accounts as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Total borrowings and bonds	₩	7,549,939	7,332,214
Cash and cash equivalents		130,079	121,115
Net borrowings and bonds		7,419,861	7,211,099
Total equity		5,035,936	5,426,801
Net debt to equity ratio		147.34%	132.88%

35. Risk management, Continued

(2) Financial risk management

The Group is exposed to various financial risks such as market risk (foreign exchange risk, interest rate risk, price risk) and credit risk in relation to financial instruments. The purpose of risk management is to identify potential risks affecting the financial performance of the Group and reduce, eliminate, and avoid them to an acceptable level. The Group uses derivative financial instruments to hedge certain risks such as foreign exchange risk. The overall financial risk management strategy of the Group is the same as in the previous year.

(i) Credit risk
Credit risk is the risk of finance loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's sales activities (accounts receivable), debt securities and derivative instruments. In addition, credit risk exposure may exist within financial guarantees and unused line of credits. In the case of banks and financial institutions, transactions are conducted with financial institutions that have high credit ratings, and therefore the credit risk from financial institutions is limited. The Group decides credit transaction limits based on evaluation of client's credit, through information obtained from the credit bureau and disclosed financial position at committing contracts.

a) Credit risk management
The Group uses publicly available information and its own internal data related to accounts receivable, to rate its major customers and to measure the credit risk that a counter party will default on a contractual obligation. As most of the Group's accounts receivable are due from government entities government entities(Korea Electric Power Corporation, etc.), the Group does not have significant credit risk exposure. Regarding its debt securities, the Group continuously manages its credit risk by reviewing credit ratings issued by credit agencies, and the Group deposits its working capital (i.e. cash) at financial institutions with high credit ratings.

b) Accounting policies over impairment & allowance accounts
In accordance with the Group policies, individual material financial assets are assessed on a regular basis, **The allowance for doubtful accounts for individually assessed trade receivables is determined by evaluating the existence of incurred losses on a case-by-case basis as of the end of the reporting period, which applies to all material trade receivables.** The value of the acquired collateral (including the confirmation of feasibility) and estimated collectable amounts are included in this assessment.

Book values of the financial assets represent the maximum exposed amounts of the credit risk. The details of the Group's level of maximum exposure to credit risk as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won		March 31, 2026	December 31, 2025
Cash and cash equivalents	₩	130,079	121,115
Financial asset at FVPL		4,284	500
Short-term financial instruments		35,857	33,868
Short-term and long-term loans		150,316	160,024
Trade and other receivables		1,098,428	958,420
Other non-current financial assets		6,406	6,359
Derivative financial assets held for trading		7,196	6,057
Derivative assets (using hedge accounting)		215,604	158,226
Other derivatives		35,462	35,462

There are no financial assets or non-financial assets acquired by exercising a lien or other credit enhancement as of March 31, 2026 and December 31, 2025.

(ii) Market risk

Market risk is the risk that the Group's fair values of the financial instruments or future cash flows are affected by the changes in the market. Market risk consists of interest rate risk, currency risk and other price risk.

35. Risk management, Continued

(2) Financial risk management, continued

(iii) Sensitivity analysis

- Significant assets and liabilities with uncertainties in underlying assumptions

① Defined benefit obligations

The following is a sensitivity analysis of defined benefit obligations assuming a 1% increase and decrease in the actuarial valuation assumptions as of March 31, 2026 and December 31, 2025:

In millions of won

Type	Accounts		March 31, 2026		December 31, 2025	
			1% Increase	1% Decrease	1% Increase	1% Decrease
Future salary increase rate	Increase (decrease) in defined benefit obligation	₩	20,810	(16,913)	20,248	(19,539)
Discount rate	Increase (decrease) in defined benefit obligation		(17,101)	21,429	(20,318)	21,612

Sensitivity analysis does not consider the variance of all cash flows expected to occur in the scheme, but it provides an approximation of sensitivity to the assumptions used.

- Management judgment affected by uncertainties in underlying assumptions

① Foreign currency risk

The Group is exposed to currency risk, because the transaction is denominated in foreign currencies. The details of monetary assets and liabilities denominated in foreign currencies as of March 31, 2026 and December 31, 2025 are as follows:

In thousands of foreign currency

	Assets		Liabilities	
	March 31 2026	December 31, 2025	March 31, 2026	December 31, 2025
USD	6	4	949	987
EUR	-	-	40	43
SEK	-	-	449	449
SGD	-	2	-	-
IDR	27,825	20,280	176	47,702
AUD	-	-	-	-

Applied exchange rates are as follows:

In won

	Average rate		Reporting date spot rate	
	2026	2025	March 31, 2026	December 31, 2025
USD	1,465.16	1,422.22	1,513.40	1,434.90
EUR	1,713.75	1,607.46	1,733.37	1,685.72
SEK	160.24	145.39	158.3	155.97
SGD	1,147.74	1,088.34	1,171.50	1,117.52
IDR	0.09	0.09	0.09	0.09
AUD	1,017.08	916.97	1,035.92	961.02

35. Risk management, Continued

(2) Financial risk management, continued

A sensitivity analysis on the Group's profit or loss and equity assuming a 10% change in functional currency(won) exchange rates for each foreign currency with all other variables held constant as of March 31, 2026 and December 31, 2025 is as follows:

In millions of won	March 31, 2026		December 31, 2025	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Increase (decrease) of profit (loss) before income tax	₩ (156,509)	156,509	(155,052)	155,052
Increase (decrease) of shareholder's equity (*)	(156,509)	156,509	(155,052)	155,052

(*) The effect of income tax is not considered.

Sensitivity analysis above is conducted for monetary assets and liabilities denominated in foreign currencies other than functional currency, excluding the hedge effect of related derivatives, as of March 31, 2026 and December 31, 2025.

In addition, to prepare for liquidity risk, the Group has secured trade finance and overdraft limits, and its subsidiaries have also obtained the necessary borrowing limits through payment guarantees provided by the Group. Furthermore, to manage its foreign currency risk related to foreign currency denominated forecasted sale and purchase transactions, the Group has a policy to enter into currency forward agreements.

When a derivative is used for the purpose of being a hedge, the Group negotiates the terms of the derivatives to match the terms of the hedged exposure. For hedges of foreign currency debt payments and receivable recoveries, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivables or payables denominated in the foreign currency.These forecast transactions are usually highly probable, and the balance of currency swap contracts depends on the expected foreign currency debt payments, the recovery of foreign currency receivables, and changes in exchange rates.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross-currency swap agreement are consistent with the terms of the forecast transaction. Because the risk of our currency swap contract is the same as the hedged risk, the hedging relationship was set to 1:1. Our hedging instrument effectively hedges the risk of the hedged item as of the end of the reporting period.

② Interest rate risk

The Group is exposed to interest rate risk due to its borrowings with floating interest rates. A 1%p increase or decrease is used when reporting interest rate risk internally to key management personnel which represents management's assessment of the reasonably possible change in interest rates.

The Group's borrowings and bonds with floating interest rates as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won	March 31, 2026	December 31, 2025
Short-term borrowings	₩ 74,157	70,310
Long-term borrowings	184,912	144,654

A sensitivity analysis on the Group's borrowings and bonds assuming a 1% increase and decrease in interest rates with all other variables held constant as of March 31, 2026 and December 31, 2025 is as follows:

In millions of won	March 31, 2026		December 31, 2025	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Increase (decrease) of profit before income tax	₩ (2,591)	2,591	(2,150)	2,150
Increase (decrease) of shareholder's equity (*)	(2,591)	2,591	(2,150)	2,150

(*) The effect of income tax is not considered.

To manage its interest rate risks, the Group enters into certain interest swap agreements or maintains an appropriate mix of fixed and floating rate borrowings. Sensitivity analysis above is conducted without consideration of hedge effect of related derivatives.

35. Risk management, Continued

(2) Financial risk management, continued

③ Liquidity risk

The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In addition, to manage liquidity risk, the Group has secured trade finance and overdraft limits, and its subsidiaries have also obtained the necessary borrowing limits through payment guarantees provided by the company. Furthermore, in case of major construction investment, the Group has the ability to use reserve cash or make long-term borrowings so as to minimize liquidity risk.

- Maturity analysis for non-derivative financial instruments
The following table shows the details of maturities of non-derivative financial liabilities based on contractual undiscounted payments:

In millions of won

	March 31, 2026				
Type	**Less than 1 year**	**1~2 years**	**2~5 years**	**More than 5 years**	**Total**
Borrowings and bonds (cash flows of principal) ₩	2,091,701	967,829	1,182,847	3,321,620	7,563,997
Borrowings and bonds (cash flows of estimated interest)	148,737	127,357	292,923	744,947	1,313,965
	2,240,438	1,095,186	1,475,770	4,066,567	8,877,962
Trade and other payables	708,850	96,599	247,302	323,170	1,375,922
Financial guarantee contract (*)	38,361	-	-	-	38,361
	747,212	96,599	247,302	323,170	1,414,283
	2,987,650	1,191,785	1,723,073	4,389,738	10,292,245

(*) This represents the total guaranteed amount that the Company would be obligated to bear in the event of a financial guarantee event occurring.As of March 31, 2026, the Group has recognized ₩2,387 million as guarantee provision for financial guarantee contracts.

In millions of won

	December 31, 2025				
Type	**Less than 1 year**	**1~2 years**	**2~5 years**	**More than 5 years**	**Total**
Borrowings and bonds (cash flows of principal) ₩	1,829,750	842,474	1,226,762	3,447,283	7,346,270
Borrowings and bonds (cash flows of estimated interest)	160,007	128,208	310,654	763,304	1,362,174
	1,989,757	970,683	1,537,416	4,210,588	8,708,444
Trade and other payables	541,722	101,984	238,762	331,089	1,213,557
Financial guarantee contract (*)	36,371	-	-	-	36,371
	578,094	101,984	238,762	331,089	1,249,929
	2,567,851	1,072,667	1,776,178	4,541,677	9,958,373

(*) This represents the total guaranteed amount that the Company would be obligated to bear in the event of a financial guarantee event occurring. As of December 31, 2025, the Group had recognized ₩2,482 million as guarantee provision for financial guarantee contracts.

35. Risk management, Continued

(2) Financial risk management, continued

As liquidity is managed on a net asset and net liability basis, information about non-derivative financial assets is included in order to understand liquidity risk management.

The following table shows the details of maturities for non-derivative financial assets as of March 31, 2026 and December 31, 2025 in detail are as follows:

In millions of won

	March 31, 2026				
Type	**Less than 1 year**	**1~5 years**	**More than 5 years**	**Others**	**Total**
Cash and cash equivalents	₩ 130,079	-	-	-	130,079
Financial assets at FVPL	3,784	-	500	-	4,284
Short-term financial instruments	35,857	-	-	-	35,857
Financial assets at FVOCI	-	-	-	1,387,909	1,387,909
Short-term and long-term loans	16,725	6,455	6,311	122,497	151,987
Trade and other receivables	932,125	99,418	68,908	-	1,100,451
Other financial assets	-	6,406	-	-	6,406
	₩ 1,118,569	112,279	75,719	1,510,405	2,816,972

In millions of won

	December 31, 2025				
Type	**Less than 1 year**	**1~5 years**	**More than 5 years**	**Others**	**Total**
Cash and cash equivalents	₩ 121,115	-	-	-	121,115
Financial assets at FVPL	-	-	500	-	500
Short-term financial instruments	33,868	-	-	-	33,868
Financial assets at FVOCI	-	-	-	1,810,632	1,810,632
Short-term and long-term loans	15,177	6,320	5,762	134,380	161,638
Trade and other receivables	793,500	93,321	71,599	-	958,420
Other financial assets	-	6,359	-	-	6,359
	₩ 963,660	105,999	77,861	1,945,012	3,092,532

- Maturity analysis for derivative financial instrumentsDerivative liabilities classified by maturity periods from reporting date to maturity date of contract as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

	March 31, 2026				
Type	**Less than 1 year**	**1~2 years**	**2~5 years**	**More than 5 years**	**Total**
Gross settlement					
- Trading	₩ -	-	-	3,179	3,179
- Etc.	14,761	15,323	-	38,743	68,827
	₩ 14,761	15,323	-	41,922	72,006

In millions of won

	December 31, 2025				
Type	**Less than 1 year**	**1~2 years**	**2~5 years**	**More than 5 years**	**Total**
Gross settlement					
- Trading	-	-	-	8,613	8,613
- Etc.	14,761	15,323	-	36,733	66,817
	₩ 14,761	15,323	-	45,346	75,430

35. Risk management, Continued

(2) Financial risk management, continued

Derivative assets classified by maturity periods from reporting date to maturity date of contract as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

	March 31, 2026				
Type	**Less than 1 year**	**1~2 years**	**2~5 years**	**More than 5 years**	**Total**
Gross settlement					
- Hedging	₩ 109,497	81,489	-	24,619	215,604
- Trading	473	-	-	6,723	7,196
- Others	-	35,462	-	-	35,462
	₩ 109,970	116,951	-	31,342	258,262

In millions of won

	December 31, 2025				
Type	**Less than 1 year**	**1~2 years**	**2~5 years**	**More than 5 years**	**Total**
Gross settlement					
- Hedging	₩ 84,589	55,569	-	18,069	158,226
- Trading	-	-	-	6,057	6,057
- Others	-	35,462	-	-	35,462
	₩ 84,589	91,031	-	24,125	199,745

35. Risk management, Continued

(3) Fair value risk

The fair value of the Group's actively-traded financial instruments (i.e. available-for-sale financial assets, etc.) is based on the traded market-price as of the reporting period end. The fair value of the Group's financial assets is the amount which the asset could be exchanged for or the amount a liability could be settled for.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Group uses that technique.

For trade receivables and trade payables, the Group considers the carrying value, net of impairment, as approximation of fair value. While for disclosure purposes, the fair value of debt securities is estimated by discounting a financial instrument with similar contractual cash flows using the effective interest method.

(i) Fair value and book value of financial assets and liabilities as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

Type		March 31, 2026		December 31, 2025	
		Book value	Fair value (*)	Book value	Fair value (*)
Assets recognized at fair value					
Currency swap (using hedge accounting)	₩	212,430	212,430	155,091	155,091
Currency forward (for trading)		473	473	-	-
Interest rate swap (using hedge accounting)		3,174	3,174	3,135	3,135
Interest rate swap (for trading)		6,723	6,723	6,057	6,057
Financial assets at FVPL		4,284	4,284	500	500
Financial assets at FVOCI		1,387,908	1,387,908	1,810,632	1,810,632
Other derivatives		35,462	35,462	35,462	35,462
	₩	1,650,454	1,650,454	2,010,877	2,010,877
Assets recognized at amortized cost					
Cash and cash equivalents	₩	130,079	130,079	121,115	121,115
Short-term financial instruments		35,857	35,857	33,867	33,867
Loans		150,316	150,316	160,024	160,024
Trade and other receivables		1,098,428	1,098,428	958,420	958,420
Other		6,406	6,406	6,359	6,359
	₩	1,421,086	1,421,086	1,279,785	1,279,785
Liabilities recognized at fair value					
Interest rate swap (for trading)		3,179	3,179	8,613	8,613
Other derivatives		68,827	68,827	66,817	66,817
	₩	72,006	72,006	75,430	75,430
Liabilities recognized at amortized cost					
Trade and other payables	₩	1,310,995	1,310,995	1,147,425	1,147,425
Borrowings		1,190,056	1,190,056	1,062,659	1,062,659
Bonds		6,359,883	5,467,037	6,269,554	5,554,872
	₩	8,860,934	7,968,088	8,479,638	7,764,956

(*) For current assets and current liabilities, the book values are reasonable approximations of fair value.

35. Risk management, Continued

(3) Fair value risk, continued

(ii) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread.

The discount rate used for calculating fair value as of March 31, 2026 and December 31, 2025 are as follows:

Type	March 31, 2026 (%)	December 31, 2025 (%)
Bonds	2.84 ~ 5	2.87 ~ 4.5
Leases	1.22 ~ 4.47	1.22 ~ 4.47
Derivatives	2.78 ~ 5.02	2.78 ~ 5.02

(iii) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, classified as Level 1, 2, or 3, based on the degree to which the fair value is observable.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3: Inputs that are not based on observable market data.

Fair values of financial instruments by hierarchy level as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

	March 31, 2026			
Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value				
Financial assets at FVPL	₩ -	4,284	-	4,284
Financial assets at FVOCI (*)	1,369,170	-	18,738	1,387,909
Derivative assets	-	222,800	35,462	258,262
	₩ 1,369,170	227,084	54,200	1,650,455
Financial liabilities at fair value				
Derivative liabilities	₩ -	3,179	68,827	72,006

(*) Financial assets at FVOCI have been measured at cost of ₩413 million as of March 31, 2026, which is included in the above disclosure as the difference between the fair value and cost is not significant.

35. Risk management, Continued

(3) Fair value risk, continued

In millions of won

Type		December 31, 2025			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Financial assets at FVPL		-	500	-	500
Financial assets at FVOCI (*)	₩	1,791,893	-	18,738	1,810,632
Derivative assets		-	164,283	35,462	199,745
	₩	1,791,893	164,783	54,200	2,010,877
Financial liabilities at fair value					
Derivative liabilities	₩	-	8,613	66,817	75,430

(*) Financial assets at FVOCI have been measured at cost of ₩413 million as of December 31, 2025, which is included in the above disclosure as the difference between the fair value and cost is not significant.

The fair value of non-marketable financial assets at FVOCI is calculated using the valuation results from an external pricing service. In addition, the fair value of derivatives is measured using a discounted cash flow model that reflects credit risk, utilizing input variables (such as credit risk, interest rates, and exchange rates) that consider the major economic indicators and economic environment of the evaluated derivatives.

There is no change between level 1 and level 2 for the three-month period ended March 31, 2026 and the year ended December 31, 2025.

Changes of financial assets and liabilities which are classified as level 3 for the three-month period ended March 31, 2026 are as follows:

In millions of won

Type		2026				
		Beginning balance	Acquisition	Valuation	Others	Ending balance
Financial assets at fair value						
Financial assets at FVOCI	₩	18,738	-	-	-	18,738
Derivative assets		35,462	-	-	-	35,462
Derivative liabilities		66,817	-	2,010	-	68,827

36. Related parties

(1) Details of the Group's related parties as of March 31, 2026 are as follows:

Type	Related party
Ultimate parent company	Korean Government
Parent	KEPCO
Associates and joint ventures	Gangwon Wind Power Co., Ltd. Hyundai Green Power Co., Ltd. Korea Offshore Wind Power Co., Ltd. PT Cirebon Electric Power PT Wampu Electric Power PT Cirebon Energi Prasarana KEPCO Solar Co., Ltd. KEPCO ES Co., Ltd. YaksuESS Co., Ltd. Jeju Hallim Offshore Wind Power Co., Ltd. YeongGwang Yaksu Wind Electric.Co., Ltd. Green Energy Power Co., Ltd. Kwangbaek Solar Power Investment Co., Ltd. Stavro Holding II AB Muan Solar Plant Co., Ltd. Goesan Solar Park Co., Ltd. Bitgoeul Eco Energy Co., Ltd. Jeju Gimnyeong Wind Power Co., Ltd. Energy Co. CAES, LLC East Highway Solar Co., Ltd. West Highway Solar Co., Ltd. Foresight Iberian Solar Group Holding Spain SL Enel X KOMIPO Limited Prime Swedish Holding AB Yeomsubong Wind Power Co., Ltd. Yeong-yang 2nd Wind Power Co., Ltd. Haeparang Energy Co., Ltd. Saemangeum Sebit Power Plant Co., Ltd. Nour Ibri Solar Power SAOC Commerce and Industry Energy Co., Ltd. Lucy Equity Holdings, LLC Shinan Ui Offshore Windpower Corporation

36. Related parties, Continued

(1) Details of the Group's related parties as of March 31, 2026 are as follows:, continued

Type	Related party
Others (*)	Korea Hydro & Nuclear Power Co., Ltd.
	Korea East-West Power Co., Ltd.
	Korea Western Power Co., Ltd.
	Korea Southern Power Co., Ltd.
	Korea South-East Power Co., Ltd.
	KEPCO Engineering & Construction Company INC.
	KEPCO Plant Service & Engineering Co., Ltd.
	KEPCO KDN Co., Ltd.
	Korea Gas Corporation
	Korea Electronic Power Industrial Development Co., Ltd.
	Korea Power Exchange
	Korea Development Bank
	PT Bayan Resources Tbk and others
	HeeMang Sunlight Power Co., Ltd
	KEPCO Lebanon S.A.R.L.
	Concho County Solar 1 LLC and others

(*) Others include subsidiaries, associates, and joint ventures of the Parent Company of the Group, KEPCO.

36. Related parties, Continued

(2) Details of the related party transactions for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won

Company name	Transaction type	Sales and others		Purchase and others	
		2026	2025	2026	2025
Korea Electric Power Corporation	Electricity trading and others	₩ 1,492,519	1,454,615	23,400	32,256
	Others	136,298	-	-	-
Korea Hydro & Nuclear Power Co., Ltd.	Rent expenses and others	-	-	9	8
Korea East-West Power Co., Ltd.	Other commission and others	-	-	-	9
Korea Southern Power Co., Ltd.	Other commission and others	83	-	-	2
Korea Western Power Co., Ltd.	Other commission and others	-	-	2	15
Korea South-East Power Co., Ltd.	Other commission and others	2	-	-	-
KEPCO Engineering & Construction Company INC.	Other commission and others	-	-	2,600	7,471
KEPCO Plant Service & Engineering Co., Ltd.	Rental, outsourcing services expenses and others	272	314	11,139	28,400
KEPCO KDN Co., Ltd.	Rental, outsourcing services expenses and others	1	1	4,907	4,900
Korea Gas Corporation	Rental income, raw material purchase and others	415	384	377,008	383,296
Korea Electronic Power Industrial Development Co., Ltd.	Rental, outsourcing services expenses and others	145	81	14,651	13,627
Gangwon Wind Power Co., Ltd.	Dividend income	1,420	1,420	-	-
Hyundai Green Power Co., Ltd.	Dividend income and sales of services	4,180	4,180	-	-
Green Energy Power Co., Ltd.	Commission and others	-	-	1,357	319
Jeju Hallim Offshore Wind Power Co., Ltd.	Sales of services, other commission and others	4,144	2,666	18,472	2
Korea Offshore Wind Power Co., Ltd.	Sales of services and others	-	-	1,925	1,801
KEPCO ES Co., Ltd.	Dividend income and sales of services	263	509	-	-
KEPCO Solar Co., Ltd.	Dividend income and sales of services	292	336	134	73
Korea Power Exchange	Electricity trading and commission expenses	-	-	1,255	906
Kwangbaek Solar Power Investment Co., Ltd.	Dividend income, commission and others	16	126	95	164
East Highway Solar Co., Ltd.	Commission and others	-	-	261	192
West Highway Solar Co., Ltd.	Commission and others	-	-	284	195
HeeMang Sunlight Power Co., Ltd.	Commission and others	-	-	14	14
Energy Co.	Commission and others	115	4	452	275
Bitgoeul Eco Energy Co., Ltd.	Dividend income, commission and others	100	982	4,528	3,902
YeongGwang Yaksu Wind Electric.Co., Ltd.	Commission and others	168	29	1,047	1,130
Yeong-yang 2nd Wind Power Co., Ltd.	Dividend income, commission and others	2,405	-	3,664	2,740
Jeju Gimnyeong Wind Power Co., Ltd.	Commission and others	125	203	2,198	1,434

36. Related parties, Continued

(2) Details of the related party transactions for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:, continued:

In millions of won

Company name	Transaction type	Sales and others		Purchase and others	
		2026	2025	2026	2025
Muan Solar Plant Co., Ltd.	Dividend income, commission and others	460	520	2,538	2,496
Saemangeum Sebit Power Plant Co., Ltd.	Commission and others	11	82	921	664
Yeomsubong Wind Power Co., Ltd.	Commission and others	-	-	980	-
Goesan Solar Park Co., Ltd.	Dividend income	174	-	-	-
Haeparang Energy Co., Ltd.	Dividend income, commission and others	180	-	961	674
Enel X KOMIPO Limited	Commission and others	-	-	287	166
PT Wampu Electric Power	Sales of services and others	2,022	1,833	-	-
PT Bayan Resources Tbk	Dividend income, raw material purchase and others	-	-	10,263	29,585
Foresight Iberian Solar Group Holding, S.L.	Interest income	-	1,242	-	-
PT Cirebon Energi Prasarana	Sales of services and others	511	565	-	-
Stavro Holding II A.B.	Sales of services	142	135	-	-
Prime Swedish Holding AB	Sales of services	93	79	-	-
		₩ 1,646,556	1,470,306	485,352	516,716

36. Related parties, Continued

(3) Details of receivables and payables arising from the related party transactions as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

Company name	Transaction type	Receivables		Payables	
		March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
KEPCO	Trade receivables	₩ 421,971	495,259	-	-
	Other receivables and others	377,840	208,614	-	-
	Other payables and others	-	-	10,457	9,981
Korea Western Power Co., Ltd.	Other receivables	2,760	-	-	-
Korea East-West Power Co., Ltd.	Other payables and others	3,988	-	10,662	3,248
Korea Southern Power Co., Ltd.	Other receivables and others	14	1,257	709	212
Korea South-East Power Co., Ltd.	Other receivables	304	-	-	-
KEPCO KDN Co., Ltd.	Other payables and others	-	-	1,713	2,427
KEPCO Plant Service & Engineering Co., Ltd.	Other receivables and others	1	1	-	-
	Other payables and others	-	-	1,904	13,085
KEPCO Engineering & Construction Company INC.	Other payables and others	-	-	1,723	1,590
Korea Gas Corporation	Trade payables and others	-	-	131,561	80,866
Korea Electronic Power Industrial Development Co., Ltd.	Other payables and others	-	-	864	1,061
Hyundai Green Power Co., Ltd.	Trade receivables	3,785	229	-	-
Korea Development Bank	Derivatives	63,560	46,579	-	-
Jeju Hallim Offshore Wind Power Co., Ltd.	Other receivables and others	45	58	7,976	6
Korea Offshore Wind Power Co., Ltd.	Trade receivables and others	-	135	-	482
KEPCO ES Co., Ltd.	Other receivables and others	263	-	-	-
KEPCO Solar Co., Ltd.	Other receivables and others	292	-	-	-
Korea Power Exchange	Other payables and others	-	-	363	469
East Highway Solar Co., Ltd.	Other payables and others	-	-	1	-
West Highway Solar Co., Ltd.	Other payables and others	-	-	1	-
Energy Co.	Other receivables and others	-	1	-	-
Bitgoeul Eco Energy Co., Ltd.	Other receivables and others	1,493	1,393	-	-
Saemangeum Sebit Power Plant Co., Ltd.	Trade receivables and others	5	132	-	10
Muan Solar Plant Co., Ltd.	Other receivables	460	-	-	-
YeongGwang Yaksu Wind Electric.Co., Ltd.	Other receivables and others	2,023	2,725	-	413
Jeju Gimnyeong Wind Power Co., Ltd.	Other receivables and others	119	118	463	7
Yeomsubong Wind Power Co., Ltd.	Other payables and others	-	-	301	-
Goesan Solar Park Co., Ltd.	Dividend income	174	-	-	-
PT Cirebon Electric Power	Other receivables and others	35,265	50,301	-	-
Foresight Iberian Solar Group Holding, S.L.	Loans	83,653	72,210	-	-
PT Bayan Resources Tbk	Trade payables and others	51	-	-	5,899
Stavro Holding II A.B.	Other receivables and others	2,460	2,204	-	-
Prime Swedish Holding AB	Other receivables and others	283	276	-	-
		₩ 1,000,809	881,492	168,698	119,756

36. Related parties, Continued

(4) Details of fuel swap transactions (*) with the related parties for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won

Company name		2026		2025	
		Loan	Borrowing	Loan	Borrowing
Korea Western Power Co., Ltd.	₩	20,953	-	-	-
Korea East-West Power Co., Ltd.		48,915	10,831	-	-
Korea Southern Power Co., Ltd.		28,459	15,663	36,197	16,330
	₩	98,327	26,494	36,197	16,330

(*) The transaction details are non-monetary exchange transactions with no commercial substance between related parties.

(5) Details of loans arising from related party transactions for the three-month period ended March 31, 2026 and the year ended December 31, 2025 are as follows:

In millions of won

Type	Company name		2026					
			Beginning balance	Increase	Decrease	Share of income	Others	Ending balance
Associates	PT Cirebon Energi Prasarana	₩	50,674	383	(17,745)	-	1,868	35,180
Joint ventures	Foresight Iberian Solar Group Holding, S.L.(*)		72,210	1,391	-	691	1,847	76,139
		₩	122,884	1,774	(17,745)	691	3,715	111,319

(*) As of March 31 2026, the Group additionally recognized ₩7,477 million of share of loss due to the suspension of the equity method for Foresight Iberian Solar Group Holding Spain S.L., in long term loans, which are part of the net investment.

In millions of won

Type	Company name		2025					
			Beginning balance	Increase	Decrease	Share of loss	Others	Ending balance
Associates	PT Cirebon Energi Prasarana	₩	38,865	10,412	(1,642)	-	3,039	50,674
Joint ventures	Foresight Iberian Solar Group Holding, S.L.(*)		71,137	3,018	-	(8,169)	6,224	72,210
		₩	110,002	13,430	(1,642)	(8,169)	9,263	122,884

(*) As of December 31 2025, the Group additionally recognized ₩8,169 million of share of loss due to the suspension of the equity method for Foresight Iberian Solar Group Holding Spain S.L., in long term loans, which are part of the net investment.

36. Related parties, Continued

(6) Payment guarantees provided to related parties as of March 31, 2026 are as follows:

In thousands of USD,EUR and OMR

Primary guarantor	Secondary guarantor	Type of guarantees	Guarantee	Credit limit
Korea Midland Power Co., Ltd.	PT Cirebon Electric Power	Payment guarantee for debt	Mizuho Bank	USD 3,795
Korea Midland Power Co., Ltd.	PT Wampu Electric Power	Payment guarantee for debt	PT. Bank KB Bukopin	USD 4,253
Korea Midland Power Co., Ltd.	Gubbaberget Vindkraft AB	Guarantee for business performance	Microsoft Ireland Operations Limited	EUR 7,031
Korea Midland Power Co., Ltd.	Nour Ibri Solar Power SAOC	Guarantee for business performance	Oman Power and Water Procurement Company SAOC	OMR 2,750
Korea Midland Power Co., Ltd.	Nour Ibri Solar Power SAOC	Guarantee for borrowings	Shinhan Bank, Dubai	USD 17,300
Korea Midland Power Co., Ltd.	Nour Ibri Solar Power SAOC	Payment guarantee for debt	Shinhan Bank, Dubai	USD 600
Korea Midland Power Co., Ltd.	Concho County Solar 1, LLC	Guarantee for business performance	Deutsche Bank Trust Company Americas and others	USD 15,038
				USD 40,985
				EUR 7,031
				OMR 2,750

36. Related parties, Continued

(7) Payment collaterals provided to the related parties as of March 31, 2026 are as follows:

In millions of won

Primary guarantor	Secondary guarantor	Type of guarantees	Book value	Guarantee
Korea Midland Power Co.,Ltd.	Hyundai Green Power Co., Ltd.	Collateralized money invested	₩ 83,069	Korea Development Bank and others
Korea Midland Power Co.,Ltd.	Commerce and Industry Energy Co., Ltd.	Collateralized money invested	498	Industrial Bank of Korea and others
Korea Midland Power Co.,Ltd.	YaksuESS Co., Ltd.	Collateralized money invested	40	Industrial Bank of Korea
Korea Midland Power Co.,Ltd.	Korea Offshore Wind Power Co., Ltd.	Collateralized money invested	27,000	Woori Bank and others
Korea Midland Power Co.,Ltd.	YeongGwang Yaksu Wind Electric.Co., Ltd.	Collateralized money invested	92	Industrial Bank of Korea and others
Korea Midland Power Co.,Ltd.	Green Energy Power Co., Ltd.	Collateralized money invested	399	Industrial Bank of Korea
Korea Midland Power Co.,Ltd.	Kwangbaek Solar Power Investment Co., Ltd.	Collateralized money invested	5,238	Kyobo Life Insurance Co., Ltd. and others
Korea Midland Power Co.,Ltd.	Muan Solar Power Plant Co., Ltd.	Collateralized money invested	2,377	Industrial Bank of Korea
Korea Midland Power Co.,Ltd.	Goesan Solar Park	Collateralized money invested	2,792	Industrial Bank of Korea
Korea Midland Power Co.,Ltd.	Bitgoeul Eco Energy	Collateralized money invested	7,613	Industrial Bank of Korea and others
Korea Midland Power Co.,Ltd..	Energy Co.	Collateralized money invested	2,463	Nonghyup Bank
Korea Midland Power Co.,Ltd..	Jeju Gimnyeong Wind Power Co., Ltd.	Collateralized money invested	279	Nonghyup Bank
Korea Midland Power Co.,Ltd.	East Highway Solar Co., Ltd.	Collateralized money invested	555	Shinhan Bank
Korea Midland Power Co.,Ltd.	West Highway Solar Co., Ltd.	Collateralized money invested	712	Shinhan Bank
Korea Midland Power Co., Ltd.	Yeong-yang 2nd Wind Power Co., Ltd.	Collateralized money invested	11,868	Korea Development Bank and others
Korea Midland Power Co., Ltd.	Jeju Hallim Offshore Wind Power Co., Ltd.	Collateralized money invested	19,893	Kookmin Bank and others
Korea Midland Power Co., Ltd.	Haeparang Energy Co., Ltd.	Collateralized money invested	2,590	Templeton Hana Asset Management
Korea Midland Power Co., Ltd.	Yeomsubong Wind Power Co., Ltd.	Collateralized money invested	517	Korea Development Bank
Korea Midland Power Co., Ltd.	Saemangeum Sebit Power Plant Co., Ltd.	Collateralized money invested	28,260	Industrial Bank of Korea and others
Korea Midland Power Co.,Ltd..	Shinan Ui Offshore Windpower Corporation	Collateralized money invested	96,100	Korea Development Bank and others
			₩ 292,357	

36. Related parties, Continued

(8) Other Commitments

(i) Hyundai Green Power Co., Ltd.

As of March 31, 2026, Hyundai Green Power Co., Ltd., a related party of the Group, which engages in the by-product gas power generating industry in Dangjin, South Chungcheong Province, carries long-term borrowings for project financing amounting to ₩ 390 billion (₩212.7 billion as of March 31, 2026) from Korea Development Bank and others. In connection with these borrowings, the Group pledged its investment securities in Hyundai Green Power Co. Ltd.

Meanwhile, the Group is under an obligation to purchase, upon exercise of a put option, the shares in Hyundai Green Power Co., Ltd. held by financial investors (including Industrial Bank of Korea, etc.) during certain specified periods in the future.

In addition, if the specific condition in the shareholders' agreement is satisfied, the Group will have the right to request Hyundai Steel Company (operating investor) to buy its equity, and will have the obligation to sell its equity to Hyundai Steel Company or a third party designated by Hyundai Steel Company at its request.

(ii) YaksuESS Co., Ltd.

As of March 31, 2026, YaksuESS Co., Ltd. a related party of the Group, is in the process of constructing and operating an energy storage system (ESS) linked to wind power plants in Yeonggwang, South Jeolla Province. YaksuESS Co., Ltd. carries long-term borrowings for project financing amounting to ₩5.9 billion (₩2.2 billion as of March 31, 2026) from Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in YaksuESS Co., Ltd.

(iii) Korea Offshore Wind Power Co., Ltd.

As of March 31, 2026, Korea Offshore Wind Power Co., Ltd., a related party of the Group, is in the process of constructing and operating offshore wind power plants in Buan and Gochang County, North Jeolla Province. Korea Offshore Wind Power Co., Ltd. carries long-term borrowings for project financing amounting to ₩244.5 billion (₩87.7 billion as of March 31, 2026) from Woori Bank and others. In connection with these borrowings, the Group pledged its investment securities in Korea Offshore Wind Power Co., Ltd. In addition, the Group has entered into additional funding agreements related to the excess operating expenses of the project.

(iv) YeongGwang Yaksu Wind Electric.Co., Ltd.

As of March 31, 2026, YeongGwang Yaksu Wind Electric. Co., Ltd., a related party of the Group, is conducting a wind power project in Yeonggwang, South Jeolla Province. YeongGwang Yaksu Wind Electric.Co., Ltd. carries long-term borrowings for project financing amounting to ₩46.8 billion (₩29.3 billion as of March 31, 2026) from Industrial Bank of Korea and others. In connection with these borrowings, the Group pledged its investment securities in YeongGwang Yaksu Wind Electric.Co., Ltd.

(v) Green Energy Power Co., Ltd.

As of March 31, 2026, Green Energy Power Co., Ltd., a related party of the Group, is constructing a wind power plant and operating the business in Taebaek, Gangwon Province. Green Energy Power Co., Ltd. carries long-term borrowings for project financing of ₩65.5 billion (₩58.1 billion as of March 31, 2026) from Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in Green Energy Power Co., Ltd. as collateral. In addition, the Group also has agreements to contribute additional investment and funding related to the excess operating expenses of the project.

(vi) Kwangbaek Solar Power Investment Co., Ltd.

As of March 31, 2026, Gwangbaek Solar Investment Co., Ltd., a related party of the Group, is constructing a Yeonggwang Gwangbaek 100MW solar power plant and operating ESS business in Yeongwang-gun, South Jeolla Province. Kwangbaek Solar Power Investment Co., Ltd. carries long-term borrowings for project financing of ₩338.4 billion (₩224.5 billion as of March 31, 2026) from Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in Kwangbaek Solar Power Investment Co., Ltd. as collateral.

(vii) Muan Solar Power Plant Co., Ltd.

As of March 31,2026, Muan Solar Plant Co., Ltd., a related party of the Group, is constructing a Muan 33MW solar power plant and operating ESS business in Muan-gun, South Jeolla Province. Muan Solar Plant Co., Ltd. carries long-term borrowings for project financing of W149.1 billion (₩104.4 billion as of March 31, 2026) from Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in Muan Solar Plant Co., Ltd. as collateral.

36. Related parties, Continued

(8) Other Commitments, continued

(viii) Goesan Solar Park

As of March 31,2026, Goesan Solar Park, a related party of the Group, is constructing a solar power plant and ESS facility in So-soo myeon, North Chung-cheong Province. Goesan Solar Park carries long-term borrowings for project financing of W43.8 billion (₩29.8 billion as of March 31, 2026) from Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in Goesan Solar Park as collateral.

(ix) Bitgoeul Eco Energy

As of March 31, 2026, Bitgoeul Eco Energy, a related party of the Group, is promoting the fuel cell power generation business in business district, Gwangju. Bitgoeul Eco Energy carries long-term borrowings for project financing of ₩65.5 billion (₩39.7 billion as of March 31, 2026) from the Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in Bitgoeul Eco Energy as collateral.

(x) Energy Co.

As of March 31, 2026, Energy Co., a related party of the Group, is managing construction of the solar power plant and operating the business in Eoeun ri, Okgu eup, Gunsan si, North Jeolla Province. Energy Co. carries long-term borrowings for project financing of ₩49.1 billion (₩39.8 billion as of March 31, 2026) from Nonghyup Bank. In connection with these borrowings, the Group pledged its investment securities in Energy Co. as collateral.

(xi) Jeju Gimnyeong Wind Power Co., Ltd.

As of March 31, 2026, Jeju Gimnyeong Wind Power Co., Ltd., a related party of the Group, is operating the Wind power plant in Kimsong ro, Gujwa eup, Jeju si. Jeju Gimnyeong Wind Power Co., Ltd. carries long-term borrowings for project financing of ₩60 billion (₩31.9 billion as of March 31, 2026) from Nonghyup Bank. In connection with these borrowings, the Group pledged its investment securities in Jeju Gimnyeong Wind Power Co., Ltd. as collateral.

(xii) East Highway Solar Co., Ltd.

As of March 31, 2026, East Highway Solar Co., Ltd., a related party of the Group, is managing construction of the solar power plant and operating the business in Gumijoongang ro, Gumi si. East Highway Solar Co., Ltd. carries long-term borrowings for project financing of ₩16.3 billion (₩15.5 billion as of March 31, 2026) from Shinhan Bank. In connection with these borrowings, the Group pledged its investment securities in East Highway Solar Co., Ltd. as collateral.

(xiii) West Highway Solar Co., Ltd.

As of March 31, 2026, West Highway Solar Co., Ltd., a related party of the Group, is managing construction of the solar power plant and operating the business in Ami ri, Bubal eup, Icheon si. West Highway Solar Co., Ltd. carries long-term borrowings for project financing of ₩15.9 billion (₩11.9 billion as of March 31, 2026) from Shinhan Bank. In connection with these borrowings, the Group pledged its investment securities in West Highway Solar Co., Ltd. as collateral.

(xiv) Jeju Hallim Offshore Wind Power Co., Ltd.

As of March 31, 2026, Jeju Hallim Offshore Wind Power Co., Ltd., a related party of the Group, is conducting a wind power generation project at 64 Sindae-ro, Jeju-si, and is raising funds through a project financing agreement of ₩ 543 billion (₩503.9 billion as of March 31, 2026) from Kookmin Bank, etc. The Group provides its shares of Jeju Hallim Offshore Wind Power Co., Ltd. to the lender as collateral. In addition, the Group has entered into a financing agreement to provide funds through paid-in capital increase or subordinated conditional loans in relation to the excess of the planned project costs.

(xv) Yeongyang 2nd Wind Power Co., Ltd.

As of March 31, 2026, Yeongyang No. 2 Wind Power Co., Ltd., a related party of the Group, is carrying out the construction management and operation of wind power generation facilities in Samui-ri, Seokbo-myeon, Yeongyang-gun, Gyeongsangbuk-do, and received ₩ 96.8 billion (₩89.1billion as of March 31, 2026) from the Korea Development Bank and Samsung Fire & Marine Insurance. In this loan agreement, the Group provides its shares of Yeongyang No. 2 Wind Power Co., Ltd. to the lender as collateral.

36. Related parties, Continued

(8) Other Commitments, continued

(xvi) Haeparang Energy Co., Ltd.

As of March 31, 2026, Haeparang Energy Co., Ltd., a related party of the Group, is carrying out construction management and operation of wind power generation facilities in Goesiri, Yeonghae-myeon, Yeongdeok-gun, Gyeongsangbuk-do, and received ₩ 55 billion (₩53.1 billion as of March 31, 2026) from Templeton Hana Asset Management Co., Ltd. In this loan agreement, the Group provides its shares of Haeparang Energy Co., Ltd. to the lender as collateral. In addition, the Group has entered into a financing agreement in which the payment is made by lending on a subordinated basis according to the ratio of each investor's share to the total investment share of the investors in relation to the excess of the planned project costs.

(xvii) Saemangeum Sebit Power Plant Co., Ltd.

As of March 31, 2026, Saemangeum Sebit Power Plant Co., Ltd., a related party of the Group, is carrying out construction management and operation of solar power generation facilities in a public water surface near Osikdo-dong, Gunsan-si, Jeollabuk-do, and received ₩ 99.9 billion (₩73.2 billion as of March 31, 2026) from the Industrial Bank of Korea and others. In this loan agreement, the Group provides its shares of Saemangeum Sebit Power Plant Co., Ltd. to the lenders as collateral.

(xviii) Yeomsubong Wind Power Co., Ltd.

As of March 31, 2026, Yeomsubong Wind Power Co., Ltd., a related party of the Group, is carrying out the construction management and operation business of wind power generation facilities in Daeri, Wondong-myeon, Yangsan-si, Gyeongsangnam-do, and is raising funds through a project finance loan agreement of W 49 billion (W 45.9 billion as of March 31, 2026) from the Korea Development Bank. In this loan agreement, Group is providing the stocks of Yeomsubong Wind Power Co., Ltd. held by us as collateral to the lender. In addition, Group has entered into an agreement to provide funds through paid-in capital increase or subordinated loan in relation to excess planned project costs of this project.

(xix) Commerce and Industry Energy Co., Ltd.

As of March 31, 2026, Commerce and Industry Energy Co., Ltd., a related party of the Group, is conducting group energy business in Iksan, North Jeolla Province. Commerce & Industry Energy Co., Ltd. carries long-term borrowings for project financing amounting to ₩85 billion (₩ 17.1 billion as of March 31, 2026) from Industrial Bank of Korea and others. In connection with these borrowings, the Company pledged its investment securities in Commerce & Industry Energy Co., Ltd.

(xx) Shinan Ui Offshore Windpower Corporation

As of March 31, 2026, Sinan Ui Offshore Wind Power Co., Ltd., a related party of the Group, is financing its operations through a project financing loan agreement amounting to W2,890 billion (outstanding balance of W2,890 billion as of March 31, 2026) from Mirae Energy Fund and Kookmin Growth Fund. In connection with this loan agreement, the Group pledged its shares in Sinan Ui Offshore Wind Power Co., Ltd. to the lenders as collateral.

(9) Salaries and other compensations to the key members of management of the Group for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won

	Type		2026	2025
Salaries	CEO and others	₩	118	106
Retirement benefits	CEO and others		6	3
		₩	124	109

(10) Housing and tuition loans to employees as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

Type		March 31, 2026	December 31, 2025
Short-term loans	₩	3,312	3,158
Long-term loans		21,313	21,702
	₩	24,625	24,860

37. Statement of Cash Flows

(1) Significant non-cash transactions from financing and investing activities excluded from the consolidated statements of cash flows for the three-month periods ended March 31, 2026 and 2025 are as follows:

In millions of won

Transactions		2026	2025
Transfer from construction-in-progress to depreciable assets	₩	17,934	29,447
Transfer of long-term borrowings and bonds from non-current to current		204,907	60,913
Settlement of non-trade payables related to acquisition of property, plant and equipment		(35,954)	9,631
Transfer of long-term lease liability from non-current to current		20,617	22,469

(2) Changes in liabilities from financing activities for the three-month period ended March 31, 2026 are as follows:

In millions of won

			Non-cash changes			
	Beginning balance	Cash flow	Acquisition	Changes in exchange rate	Others	Ending balance
Borrowings	₩ 1,062,660	115,643	-	11,753	-	1,190,056
Bonds	6,269,554	39,750	-	49,999	580	6,359,883
Net derivative liabilities	(124,315)	4,145	-	-	(66,085)	(186,255)
Lease liabilities	670,111	(18,803)	362	26,161	559	678,390
Dividends payable	483	-	-	-	152,273	152,756
	₩ 7,878,493	140,735	362	87,913	87,325	8,194,830

38. Material commitments

(1) The agreements for acquisition of property, plant and equipment as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won

Contracts		March 31, 2026		December 31, 2025	
		Amounts	Balance	Amounts	Balance
Purchase of equipment for Boryeong Power Generation Headquarters coal storage enclosure project	₩	372,129	125,215	371,978	134,735
Purchase of main equipment for Boryeong CCPP units 1		282,661	26,259	282,623	29,970
Construction of Boryeong CCPP units 1		231,101	85,445	221,475	93,617
Conditional purchase of Haman Complex power block installation		586,983	512,524	586,983	514,447

(2) Long-term marine transportation commitments

The long-term marine transportation commitments for bituminous coal as of March 31, 2026 and the details are as follows:

Company name	Ship	Contract periods
SW Shipping Co., Ltd.	Sea Grace	Sep. 2017 ~ Aug. 2032
	Sea Future	Sep. 2018 ~ Aug. 2033
Dooyang Limited Co., Ltd.	ORIENTAL PROMOTION	Oct. 2018 ~ Sep. 2033
Korea Shipping Corporation	SM Samarinda	Dec. 2015 ~ Nov. 2030
	SM Sinseocheon 1	Mar. 2020 ~ Mar. 2045
	SM Sinseocheon 2	Mar. 2020 ~ Aug. 2045
H-LINE Shipping Co., Ltd.	HL Komipo	Jan 2017 ~ Dec. 2031
	HL Boryeong	Jul. 2017 ~ Jun. 2035
	HL Midland	Sep. 2018 ~ Aug. 2033
Pan Ocean Co., Ltd.	Pan KOMIPO	Oct. 2016 ~ Sep. 2034

(3) Contracts for raw materials purchase

The Group has entered into purchase contracts related to raw materials such as thermal coal, and significant contracts as of the March 31, 2026 are as follows:

In thousands of tons, except for kiloliter

Supply source	Contract periods	Amount
Coal:		
Australia(Moolarben)	Jul. 2009 ~ End of mining production	625
Australia(Except Moolarben)	Dec. 2015 ~ Dec. 2027	6,665
Russia	Jun. 2016 ~ Dec. 2028	820
Indonesia	Oct. 2017 ~ Dec. 2032	3,350
United States	Jul. 2010 ~ Jun. 2026	1,440
Colombia	Jun. 2025 ~ Jun. 2026	135
Canada	Dec. 2025 ~ Dec. 2026	80
South africa	Jan. 2017 ~ Dec. 2027	2,445
Oil :		
DUKEUN INTERLINE REFINERY CO.,LTD	Dec. 2025 ~ Dec. 2026	113,375 kℓ
LNG:		
Korea Gas Corporation	Jan. 2007 ~ Dec. 2039	Renegotiated annually
Vitol S.A.	Jan. 2015 ~ Dec. 2028	200

39. Contingent Liability and Commitments

(1) Details of pending litigation of the Group as of March 31, 2026 and December 31, 2025 are as follows:

In millions of won, except for number of cases	March 31, 2026		December 31, 2025	
	Number of cases	Claim amount(*)	Number of cases	Claim amount
Litigations (Defendant case)(*)	23	₩ 52,940	20	₩ 34,899
Litigations (Plaintiff case)	17	17,468	18	17,923

(*) The claim amount includes a case in which the Group and others are co-defendants with claim amounts of ₩1,984 million as of March 31, 2026. Although the Group cannot predict the final outcome, its management expects that the outcome of the litigation will not have a significant impact on our business or financial position.

As of March 31, 2026, there are a total of four arbitration cases other than ongoing lawsuits. The Group did not recognize the provision for these arbitration cases as the outflow of economic benefits is not probable, and the related amount cannot be reliably measured.

(2) Details of major commitments with financial institutions as of March 31, 2026 are as follows:

In millions of won and thousands of foreign currencies

Commitments	Financial institutions	Currency	Limited amount	Exercised amount
Commitments on bank-overdraft	Nonghyup Bank	KRW	200,000	150,000
Certification of payment on L/C	Nonghyup Bank and others	USD	124,570	93,726
	Kookmin Bank and others	EUR	8,431	7,461
Loan limit	Korea Development Bank and others	KRW	450,000	-
	SMBC	USD	50,000	-
Loan secured by trade receivables	Nonghyup Bank and others	KRW	35,000	-
Others	Nonghyup Bank	USD	90,000	5,160

(3) The Group provides guarantees of USD 6,015,277 to the Export-Import Bank of Korea, BNP Paribas, and ING Bank to guarantee payment of debts of PT Tanggamus Electric Power, related to the Tanggamus Hydropower Project in Indonesia.

(4) The Group provides a guarantee of USD 4,252,695 to PT.Bank KB Bukopin to guarantee the debt payment of PT Wampu Electric Power, an associate, related to the Wampu hydroelectric power generation project in Indonesia.

(5) The Group provides a guarantee of USD 3,000,000 to RBC Community Investments Impact Renewables HoldCo-1, LLC for performance guarantees related to tax investor weatherization of the Concho Valley solar power project in the United States, which is operated by its subsidiary, Concho Valley Solar, LLC.

(6) The Group provides a business performance guarantee of EUR 7,030,800 to Microsoft Ireland Operations Limited to guarantee the performance of the wind power plant construction period in Gubbaberget, Sweden.

(7) The Group provides Axia Power Holdings B.V., and others with a project performance guarantee of USD 54,000,000 for KOMIPO Global Pte., Ltd, a subsidiary, for the implementation of the Cirebon thermal power plant project in Indonesia.

(8) The Group provides a business performance guarantee of USD 54,000,000 to PT Cirebon Electric Power for the operation and maintenance of the Cirebon thermal power plant in Indonesia by PT Cirebon Power Services, a subsidiary.

(9) The Group provides a debt payment guarantee of USD 3,795,000 to Mizuho Bank, Ltd. to guarantee the debt service reserve account for the Cirebon Power Generation Project in Indonesia, which is operated by its associate, PT Cirebon Electric Power.

(10) The Group provides a performance guarantee of IDR 35,599,935,151 to PT Perusahaan Listrik Negara for the Tanjung Jati Power Project in Indonesia of its subsidiary, PT KOMIPO Pembangkitan Jawa Bali.

39. Contingent Liability and Commitments, Continued

(11) The Group provides a business performance guarantee of USD 30,000,000 to Morgan Stanley Capital Group Inc for the performance guarantee of the Power Purchase Agreement for the solar power generation project in the US of its subsidiary, Elara Energy Project, LLC.

(12) The Group provides an equity contribution guarantee of USD 70,000,000 to Morgan Stanley Renewables Inc of the US solar power generation business of its subsidiary, Elara Class B Member, LLC.

(13) The Group provides KEB Hana Bank with a debt payment guarantee of up to USD 40,000,000 in connection with the Equity Bridge Loan (EBL) for the Concho Valley solar power project in the USA operated by its subsidiary, KOMIPO America Inc.

(14) The Group provides a business performance guarantee of USD 5,000,000 to Vanphong Power Company Ltd., for the operation and maintenance of its subsidiary, KOMIPO Vanphong Power Services Limited Liability Company, in Vietnam.

(15) The Group provides an equity contribution guarantee of USD 62,800,000 to RBC Community Investments Impact Renewables HoldCo-1, LLC, for the Concho Valley solar power project in the USA operated by its subsidiary, CVS Class B Member, LLC.

(16) The Group provides a business performance guarantee of USD 4,412,625 to Mondelez Global, LLC for the implementation of the Lucy solar power project in the USA conducted by Concho County Solar 1, LLC.

(17) The Group provides a business performance guarantee of USD 10,625,000 to Deutsche Bank Trust Company Americas for the implementation of the Lucy solar power project in the USA conducted by Concho County Solar 1, LLC.

(18) The Group provides a business performance guarantee of OMR 2,750,000 to Oman Power and Water Procurement Company SAOC for the implementation of the Ibri 3 solar power project in Oman, performed by a consortium of MASDAR, KOMIPO, AL KHADRA, and OQAE.

(19) The Group provides a business performance guarantee of OMR 2,750,000 to Oman Power and Water Procurement Company SAOC for the Ibri 3 solar power project in Oman, performed by its joint venture, Nour Ibri Solar Power SAOC.

(20) The Group provides a debt payment guarantee of USD 17,300,000 to Shinhan Bank, Dubai, to guarantee the borrowings of its joint venture, Nour Ibri Solar Power SAOC related to the Ibri 3 solar power project in Oman.

(21) The Group provides a debt payment guarantee of USD 600,000 to Shinhan Bank, Dubai for the EBL interest rate hedge contract guarantee related to the Ibri 3 solar power project in Oman, performed by its joint venture, Nour Ibri Solar Power SAOC.

(22) The Group provides an equity contribution guarantee of USD 17,515,014 to Natixis for the Ibri 3 solar power project in Oman, performed by its subsidiary KOMIPO Middle East Energy L.L.C. FZ.

(23) The Group provides a performance guarantee of OMR 666,667 to Oman Power and Water Procurement Company SAOC for the bid guarantee related to the Al Kamil solar power project in Oman, performed by a consortium of ABU DHABI FUTURE ENERGY COMPANY PJSC MASDAR, KOMIPO, and AL KHADRA.

(24) Korea Institute of Energy Technology was established in April 2020 in accordance with the “Basic Plan for the Establishment of the Korea Institute of Energy Technology (July 2019)”. According to *the Korea Institute of Energy Technology Act*, the national government, local governments and public institutions including the Group can provide contributions, and the Group will decide whether to contribute through a resolution of the Board of Directors after consulting with related organizations considering its annual financial condition.

(25) The ongoing armed conflict in Ukraine, which began in February 2022, and sanctions imposed by the international community against Russia may affect not only sanctioned entities but also entities operating directly or indirectly in Ukraine or Russia, as well as entities with economic exposure to either country. The Group is unable to reasonably estimate the related financial impact on future periods.

40. Service concession arrangements

(1) Significant terms and concession period of the arrangement

The Group has entered into a contract with PT PLN(PT Perusahaan Listrik Negara) whereby the Group provides electricity generated and charge tariff rates designed to recover capital cost, fixed O&M cost, water usage cost, variable O&M cost and special facilities cost during the concession period after building, rehabilitating, and operating the power plant for approximately 30 years (2018~2048) subsequent to the completion of plant construction.

(2) Rights to use specific asset

The Group has rights to use and own the power plant during the concession period from 2018 to 2048. At the end of the concession period, PT PLN has an option to take over the ownership of the power plant from the Group.

(3) Classification method

This project is a way for PT PLN to acquire ownership of the power plant after the end of the contract period after the plant is established.

(4) The Group's expected future collections from the service concession arrangement as of March 31, 2026 are as follows:

In millions of won

		Amount
Less than 1 year	₩	34,947
1 ~ 2 years		34,947
2 ~ 3 years		34,947
Over 3 years		520,951
	₩	625,792

41. Events After the Reporting Period

After the reporting period, the Group issued new Korean won bonds to finance working capital, and the details are as follows.

In millions of won

	Currency	Amount	Interest rate (%)	Issue date	Maturity
76-1st unsecured bonds	KRW	200,000	3.28	Apr.28,2026	Apr.28,2027
76-2nd unsecured bonds	KRW	60,000	3.98	Apr.28,2026	Apr.28,2029

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Independent auditors' report

The Shareholder and Board of Directors
Korea Midland Power Co., Ltd.

Opinion

We have audited the consolidated financial statements of Korea Midland Power Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2025 and the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

Basis for opinion

We conducted our audit in accordance with Korean Standards on Auditing ("KSA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements. As described in Note 2, the consolidated financial statements of the Group have been prepared in accordance with *the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*. For matters not prescribed by the *Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*, the Group applied Korean International Financial Reporting Standards ("KIFRS") in accordance with Article 2-5 of *the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*. Under the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, no material matter has been applied differently from KIFRS.

Other matter

The consolidated financial statements of the Group for the reporting period ended December 31, 2024 were audited by another auditor, whose auditor's report dated March 11, 2025 expressed an unmodified opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Samjong Accounting Corp.

March 10, 2026

This audit report is effective as of March 10, 2026, the audit report date. Accordingly, certain subsequent events or circumstances, which may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

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Shape the future with confidence

Independent auditor's report

(English translation of a report originally issued in Korean)

The Shareholder and Board of Directors
Korea Midland Power Co., Ltd.

Opinion

We have audited the consolidated financial statements of Korea Midland Power Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2024 and the consolidated statement of comprehensive income or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended , and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

Basis for opinion

We conducted our audit in accordance with Korean Standards on Auditing (KSA). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements. As described in Note 2, the consolidated financial statements of the Group have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. For matters not prescribed by the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, the Group applied International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") in accordance with Article 2-5 of the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. Under the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, no material matter has been applied differently from KIFRS.

Shape the future with confidence

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



March 11, 2025

This audit report is effective as of March 11, 2025, the independent auditor's report date. Accordingly, certain subsequent events or circumstances, which may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of December 31, 2025 and 2024

In won

	Note		December 31, 2025	December 31, 2024
Assets				
Cash and cash equivalents	*5,6,8,35*	₩	121,115,203,838	260,441,440,224
Current financial assets, net	*5,7,8,10,35,36*		133,562,297,477	99,229,412,951
Trade and other receivables, net	*5,11,35,36*		793,500,168,133	883,437,447,959
Inventories	*12,38*		486,979,057,189	604,065,991,225
Current tax assets	*32*		6,610,308,948	3,711,021,362
Current non-financial assets	*13*		96,525,968,064	95,709,422,241
Current assets			1,638,293,003,649	1,946,594,735,962
Non-current financial assets	*5,7,9,10,35,36*		2,077,564,553,717	2,859,951,187,917
Long-term trade and other receivables	*5,11,35,36*		164,920,018,812	198,038,712,025
Property, plant and equipment, net	*14,18,38*		10,168,596,771,036	10,258,403,208,411
Intangible assets	*15*		112,569,956,197	117,278,799,944
Investments in associates and joint ventures	*16,36*		626,909,896,889	620,074,722,187
Deferred tax assets	*32*		19,768,336,610	26,878,411,521
Non-current non-financial assets	*13, 22*		40,324,898,565	32,490,573,998
Non-current assets			13,210,654,431,826	14,113,115,616,003
Total assets		₩	14,848,947,435,475	16,059,710,351,965

(Continued)

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated statements of financial position, Continued
as of December 31, 2025 and 2024

In won	***Note***		**December 31, 2025**	**December 31, 2024**
Liabilities				
Trade and other payables	*5,17,18,35,36*	₩	540,708,409,026	745,250,924,577
Current financial liabilities	*5,10,14,19,35,39*			
Short-term borrowings			813,610,100,000	58,800,000,000
Current portion of long-term borrowings			25,669,404,258	94,499,154,103
Current portion of bonds, net			990,022,500,680	769,744,780,709
Derivative liabilities			14,761,000,000	-
Current tax liabilities	*32*		8,415,357,980	66,853,624,048
Current non-financial liabilities	*20*		69,422,890,351	126,686,068,966
Current provisions	*21,35*		37,593,744,004	101,362,467,245
Current liabilities			2,500,203,406,299	1,963,197,019,648
Non-current trade and other payables	*5,17,18,35*		606,716,134,425	708,756,748,761
Non-current financial liabilities	*5,10,14,19,35,39*			
Long-term borrowings, net			223,380,326,611	228,955,851,466
Bonds, net			5,279,531,615,965	6,271,844,184,893
Derivative liabilities			60,669,157,238	131,060,319,171
Non-current non-financial liabilities	*20*		14,198,518,024	15,919,091,682
Employee benefits obligations	*22,35*		177,274,665,406	165,643,708,741
Deferred tax liabilities	*32*		556,531,701,557	642,570,436,849
Non-current provisions	*21,35*		3,641,233,047	3,455,908,378
Non-current liabilities			6,921,943,352,273	8,168,206,249,941
Total liabilities			9,422,146,758,572	10,131,403,269,589
Equity				
Issued capital	*23*		1,270,930,147,572	1,270,930,147,572
Retained earnings	*24*		2,867,342,484,053	2,833,400,125,788
Other components of equity	*5,9,10,25*		1,153,713,691,081	1,684,077,625,822
Equity attributable to owners of the parent			5,291,986,322,706	5,788,407,899,182
Non-controlling interests			134,814,354,197	139,899,183,194
Total equity			5,426,800,676,903	5,928,307,082,376
Total liabilities and equity		₩	14,848,947,435,475	16,059,710,351,965

The accompanying notes are an integral part of the consolidated financial statements.

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income (loss)
For each of the two yearsended December 31, 2025

In won

	Notes		2025	2024
Sales	*4,26,36*	₩	5,790,385,671,747	7,232,869,483,420
Cost of sales	*33,36*		5,291,408,087,165	6,585,655,948,497
Gross profit			498,977,584,582	647,213,534,923
Selling and administrative expenses	*27,33*		191,835,444,166	165,866,525,109
Operating profit			307,142,140,416	481,347,009,814
Other non-operating income	*28*		38,203,471,868	15,361,899,561
Other non-operating expenses	*28*		13,419,094,177	21,334,891,378
Other income, net	*5,29*		34,052,731,119	1,552,964,544
Finance income	*5,10,30*		183,623,495,645	316,339,284,889
Finance costs	*5,10,31*		292,708,065,701	465,112,820,966
Share of profit of subsidiaries, associates and joint ventures, net	*16*		(14,556,096,198)	(17,253,988,667)
Profit before income tax			242,338,582,972	310,899,457,797
Income tax expense	*32*		62,491,473,732	88,882,741,477
Profit for the year			179,847,109,240	222,016,716,320
Other comprehensive income (loss):				
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Remeasurements of defined benefit liability, net of tax	*22,24*		3,353,843,513	(13,523,541,722)
Share of other comprehensive loss (income) of associates and joint ventures	*16,24*		49,238,388	(322,184,572)
Gain (loss) on valuation of equity investments at fair value through other comprehensive income (“FVOCI”)	*5,9,25*		(530,303,571,382)	184,625,962,059
Items that may be reclassified to profit or loss in subsequent periods (net of tax):				
Net change in the unrealized fair value of derivatives using cash flow hedge accounting	*5,10,25*		13,153,947,537	(1,155,688,923)
Share of other comprehensive loss of associates and joint ventures	*16,25*		(11,800,862,893)	(2,047,794,011)
Gain (loss) on translation of foreign operations	*25*		(8,719,053,736)	111,758,902,975
Other comprehensive income (loss) for the year, net of tax			(534,266,458,573)	279,335,655,806
Total comprehensive income (loss) for the year, net of tax		₩	(354,419,349,333)	501,352,372,126
Profit for the year attributable to:				
Owners of the parent		₩	176,904,216,084	216,785,061,383
Non-controlling interests			2,942,893,156	5,231,654,937
Profit for the year		₩	179,847,109,240	222,016,716,320
Total comprehensive income (loss) for the year attributable to:				
Owners of the parent		₩	(354,820,646,819)	490,221,982,901
Non-controlling interests			401,297,486	11,130,389,225
Total comprehensive income (loss) for the year		₩	(354,419,349,333)	501,352,372,126
Earnings per share				
Basic earnings per share	*34*	₩	6,190	7,585

The accompanying notes are an integral part of the consolidated financial statements.

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for each of the two years ended December 31, 2025

In won

	Controlling interest					
	Issued capital	Retained earnings	Other components of equity	Controlling interest subtotal	Non-controlling interests	Total equity
As of January 1, 2024	₩ 1,270,930,147,572	2,630,418,653,579	1,396,837,115,130	5,298,185,916,281	130,018,561,259	5,428,204,477,540
Total comprehensive income for the year:						
Income for the year	-	216,785,061,383	-	216,785,061,383	5,231,654,937	222,016,716,320
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):						
Remeasurements of defined benefit liability	-	(13,481,404,602)	-	(13,481,404,602)	(42,137,120)	(13,523,541,722)
Share of other comprehensive income of associates and joint ventures	-	(322,184,572)	-	(322,184,572)	-	(322,184,572)
Gain on valuation of equity investments at FVOCI	-	-	184,625,962,059	184,625,962,059	-	184,625,962,059
Items that may be reclassified to profit or loss subsequent periods (net of tax):						
Net change in the unrealized fair value of derivatives using cash flow hedge accounting	-	-	(1,094,097,212)	(1,094,097,212)	(61,591,711)	(1,155,688,923)
Share of other comprehensive income of associates and joint ventures	-	-	(2,047,794,011)	(2,047,794,011)	-	(2,047,794,011)
Gain on translation of foreign operations	-	-	105,756,439,856	105,756,439,856	6,002,463,119	111,758,902,975
Transactions with owners of the parent recognized directly in equity:						
Dividends paid	-	-	-	-	(1,249,767,290)	(1,249,767,290)
As of December 31, 2024	₩ 1,270,930,147,572	2,833,400,125,788	1,684,077,625,822	5,788,407,899,182	139,899,183,194	5,928,307,082,376

(Continued)

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity, Continued
for each of the two years ended December 31, 2025

In won

	Controlling interest					
	Issued capital	Retained earnings	Other components of equity	Controlling interest subtotal	Non-controlling interests	Total equity
As of January 1, 2025	₩ 1,270,930,147,572	2,833,400,125,788	1,684,077,625,822	5,788,407,899,182	139,899,183,194	5,928,307,082,376
Total comprehensive income for the year:						
Income for the year	-	176,904,216,084	-	176,904,216,084	2,942,893,156	179,847,109,240
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):						
Remeasurements of defined benefit liability	-	3,353,843,513	-	3,353,843,513	-	3,353,843,513
Share of other comprehensive income of associates and joint ventures	-	49,238,388	-	49,238,388	-	49,238,388
Gain on valuation of equity investments at FVOCI	-	-	(530,303,571,382)	(530,303,571,382)	-	(530,303,571,382)
Items that may be reclassified to profit or loss subsequent periods (net of tax):						
Net change in the unrealized fair value of derivatives using cash flow hedge accounting	-	-	14,215,195,557	14,215,195,557	(1,061,248,020)	13,153,947,537
Share of other comprehensive income of associates and joint ventures	-	-	(11,800,862,893)	(11,800,862,893)	-	(11,800,862,893)
Gain on translation of foreign operations	-	-	(7,238,706,086)	(7,238,706,086)	(1,480,347,650)	(8,719,053,736)
Transactions with owners of the parent recognized directly in equity:						
Dividends paid	-	(146,364,939,720)	-	(146,364,939,720)	(514,776,321)	(146,879,716,041)
Additional acquisition of interests in subsidiaries without a change in control	-	-	4,764,010,063	4,764,010,063	(4,764,010,063)	-
Disposal of investments in subsidiaries	-	-	-	-	(207,340,099)	(207,340,099)
As of December 31, 2025	₩ 1,270,930,147,572	2,867,342,484,053	1,153,713,691,081	5,291,986,322,706	134,814,354,197	5,426,800,676,903

The accompanying notes are an integral part of the consolidated financial statements.

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years ended December 31, 2025

In won		2025	2024
Cash flows from operating activities			
Income for the year	₩	179,847,109,240	222,016,716,320
Adjustments for:			
Retirement benefits		30,505,378,902	24,172,502,091
Increase in provisions for employee benefits		57,332,292,892	53,691,296,464
Depreciation		912,701,371,303	1,031,233,242,047
Amortization		7,611,820,969	8,362,359,181
Income tax expense		62,491,473,732	88,882,741,477
Losses on disposal of inventories		-	1,155,485,930
Losses on disposal of property, plant and equipment		9,780,755,944	2,489,389,060
Bad debt expenses		-	90,883,420
Other bad debt expenses		2,348,072,596	-
Losses on foreign currency translation		17,235,436,746	187,122,350,036
Losses on valuation of derivative instruments		70,011,972,665	42,635,261,726
Losses on transaction of derivative instruments		4,618,822,622	9,141,156,114
Increase in provisions for RPS, net		42,532,497,134	43,145,920,800
Increase in provisions for greenhouse gas emission, net		80,131,214,257	51,302,568,738
Interest expenses		201,143,829,903	227,814,295,009
Losses on valuation of investment in associates and joint ventures		14,703,396,386	12,665,847,083
Impairment loss on investment in associates and joint ventures		-	29,640,129,273
Losses on disposal of investments in subsidiaries		28,490,862,848	-
Gains on disposal of inventories		-	(1,140,982,401)
Gains on disposal of property, plant and equipment		(95,913,272)	(6,210,809,811)
Gains from assets contributed		(780,740,416)	(1,118,814,797)
Interest income		(41,980,325,909)	(49,995,830,751)
Dividend income		(21,865,601,093)	(33,796,189,268)
Gains on foreign currency translation		(34,197,049,843)	(6,399,571,620)
Gains on valuation of financial assets measured at fair value through profit or loss ("FVPL")		(17,507,294)	-
Gains on valuation of derivative instruments		(66,199,725,768)	(190,203,768,432)
Gains on transaction of derivative instruments		(17,220,892,207)	(36,011,120,344)
Gains on valuation of investment in associates and joint ventures		(28,638,163,036)	(24,938,556,002)
Gains on disposal of investment in associates and joint ventures		-	(113,431,687)
Others, net		(40,474,168,965)	(39,652,720,049)
		1,290,169,111,096	1,423,963,633,287
Changes in operating assets and liabilities:			
Trade receivables		98,438,034,405	(4,311,654,816)
Other receivables		(2,813,314,179)	35,344,350,179
Accrued income		(48,298,109,425)	116,879,639,214
Prepayments		(6,188,612)	(11,217,275,845)
Prepaid expenses		4,257,244,336	(2,369,396,939)
Inventories		90,435,204,270	103,758,162,872
Long-term prepayments		-	(23,625,000)
Long-term prepaid expenses		(3,938,314,462)	1,057,915,013
Trade payables		(160,476,453,252)	(56,526,147,582)
Other payables		(2,980,820,569)	12,203,019,562
Accrued expenses		13,414,554,134	12,341,738,074
Advance received		938,819,886	-
Deferred income		(97,713,374,337)	99,632,375,829
Withholdings		620,203,883	(2,352,368,884)
Other withholdings		(2,561,996,813)	2,464,628,661
Long-term payables		28,679,997	19,660,301
Retirement benefits paid		(1,143,998,370)	(1,299,686,815)
Plan assets		(2,000,000,000)	(1,648,211,203)
Provisions for employee benefits		(78,432,411,157)	(48,183,098,432)
Other long-term employee benefit liabilities		(50,871,299)	(36,906,701)
Others, net		(71,805,575,750)	(10,239,474,393)
	₩	(264,088,687,314)	245,493,643,095

(Continued)

Korea Midland Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows, Continued
for each of the two years ended December 31, 2025

In won		2025	2024
Cash flows from operating activities, continued			
Interest received	₩	36,245,161,469	45,240,114,424
Interest paid		(194,326,036,853)	(224,150,980,592)
Dividends received		45,794,182,041	14,402,599,009
Income taxes paid		(70,660,730,847)	(19,469,837,251)
Net cash flows provided by operating activities		1,022,980,108,832	1,707,495,888,292
Cash flows from investing activities			
Decrease in short-term financial instruments		74,776,972,894	28,032,414,270
Decrease in financial assets at FVPL, net		-	269,613,181,263
Collection of short-term loans		433,569,554	8,712,324,913
Collection of long-term loans		8,317,034,528	4,522,246,578
Decrease in long-term deposits		3,000,183,590	4,415,303,000
Proceeds from disposal of property, plant and equipment and intangible assets		961,214,801	6,889,352,938
Receipt of government grants		376,580,000	5,881,844,793
Decrease in investments in associates and joint ventures		-	923,343,915
Cash outflows from the loss of control over subsidiaries		(3,062,215,637)	-
Increase in short-term financial instruments		(23,359,800,000)	(89,961,213,174)
Increase in financial assets at FVPL		(500,000,000)	-
Increase in short-term loans		(11,811,069,583)	(581,601,762)
Increase in long-term loans		(6,029,114,528)	(2,351,260,247)
Acquisition of investments in associates and joint ventures		(9,976,684,901)	-
Increase in long-term deposits		(7,385,720,132)	(7,895,088,524)
Acquisition of property, plant and equipment		(80,083,582,751)	(41,814,483,055)
Acquisition of construction-in-progress		(809,888,753,595)	(638,854,711,798)
Acquisition of intangible assets		(236,208,671)	(841,540,650)
Net cash flows used in investing activities		(864,467,594,431)	(453,309,887,540)
Cash flows from financing activities			
Payment of lease liabilities		(96,212,960,453)	(97,016,365,284)
Proceeds from short-term borrowings, net		756,099,980,000	-
Repayment of current portion of long-term borrowings		(69,723,617,826)	(27,379,468,519)
Repayment of current portion of bonds		(770,000,000,000)	(970,000,000,000)
Addition to long-term borrowings		39,319,501,200	3,111,307
Settlement of derivatives		13,433,677,517	25,056,064,230
Payment of cash dividends		(142,356,511,875)	(293,877,605,257)
Acquisition of investments in subsidiaries		(25,569,816,189)	-
Net cash flows used in financing activities		(295,009,747,626)	(1,363,214,263,523)
Effect of exchange rate fluctuations on cash held		(2,829,003,161)	27,242,771,255
Net decrease in cash and cash equivalents		(139,326,236,386)	(81,785,491,516)
Cash and cash equivalents at the beginning of the year		260,441,440,224	345,275,757,190
Cash and cash equivalents (before deduction of government grants) at the end of the year		126,660,382,445	263,490,265,674
Government grants		(5,545,178,607)	(3,048,825,450)
Cash and cash equivalents at the end of the year, net	₩	121,115,203,838	260,441,440,224

The accompanying notes are an integral part of the consolidated financial statements.

1. General Information

(1) Description of parent company

Korea Midland Power Co., Ltd. (hereinafter the "Parent company") was incorporated on April 2, 2001 through the in-kind spin-off from Korea Electric Power Corporation ("KEPCO") in accordance with *the Act on Promotion of Restructuring of the Electricity Industry* enacted on December 23, 2000. The Parent company is engaged principally in the development of electric power resources and generation of electricity. As of December 31, 2025, the Parent company operates Boryeong Thermal Power Plant and six other power plants with a generating capacity in the aggregate of 10,782 MW.

The Parent company's head office is located in Boryeong-si, Chungcheongnam-do. As of December 31, 2025, the Parent company has issued capital of ₩ 142,907 million, and all of its issued and outstanding shares are wholly owned by KEPCO.

(2) Subsidiary information

(i) The Parent company's investments in subsidiaries and its shareholdings as of December 31, 2025 and 2024 are as follows:

				Percentage of ownership (%)	
Subsidiary	Direct Equity Investor	Key operating activities	Location	December 31, 2025	December 31, 2024
KOMIPO Global Pte Ltd.	Korea Midland Power Co., Ltd.	Holding Company	Singapore	100.0	100.0
KOMIPO Australia Pty., Ltd.	Korea Midland Power Co., Ltd.	Overseas resources development	Australia	100.0	100.0
PT KPJB	Korea Midland Power Co., Ltd.	Operation of utility plant	Indonesia	51.0	51.0
PT Cirebon Power Services (*1)	KOMIPO Global Pte., Ltd.	Operation of utility plant	Indonesia	27.5	27.5
PT Tanggamus Electric Power	KOMIPO Global Pte., Ltd.	Hydropower	Indonesia	52.5	52.5
KOMIPO America Inc.	Korea Midland Power Co., Ltd.	Holding Company	USA	100.0	100.0
Commerce and Industry Energy Co., Ltd.(*4)	Korea Midland Power Co., Ltd.	Biomass Power generation	Korea	-	85.0
KOMIPO Bylong Pty., Ltd. (*2)	Korea Midland Power Co., Ltd.	Overseas resources development	Australia	100.0	100.0
PT Siborpa Eco Power	KOMIPO Global Pte., Ltd.	Hydropower	Indonesia	55.0	55.0
PT KOMIPO Energy Indonesia	Korea Midland Power Co., Ltd.	Overseas operation and maintenance of utility plant	Indonesia	95.0	95.0
KOMIPO Service., Ltd.	Korea Midland Power Co., Ltd.	Service business	Korea	100.0	100.0
KOMIPO Europe B.V.	Korea Midland Power Co., Ltd.	Holding Company	Netherland	100.0	100.0
KOMIPO Vanphong Power Services Limited Liability Company	Korea Midland Power Co., Ltd.	Operation and maintenance of utility plant	Vietnam	100.0	100.0
Ogiri Solar Power Generation	Korea Midland Power Co., Ltd.	Solar energy generation	Korea	70.0	70.0
Solar Vader Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
Yeongyang Apollon Solar Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
Yeongyang Solar Management Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
Yeongyang Innovation Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
Yeongyang Corporation Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
Yeongyang Horus Solar Co., Ltd.	Ogiri Solar Power Generation	Solar energy generation	Korea	100.0	100.0
KOMIPO Energy Solution America, LLC	KOMIPO America Inc.	Holding Company	USA	100.0	100.0
Elara Equity Holdings, LLC	KOMIPO America Inc.	Holding Company	USA	52.3	52.3
Elara Investment Holdings, LLC (*3)	KOMIPO America Inc.	Holding Company	USA	0.1	0.1
Elara ClassB Holdings, LLC	Elara Equity Holdings, LLC	Holding Company	USA	100.0	100.0
Elara ClassB Member, LLC	Elara Class B Holdings, LLC	Holding Company	USA	100.0	100.0
Elara Energy Holdings, LLC	Elara Class B Member, LLC	Holding Company	USA	61.6	61.6
Elara Development Holdings, LLC	Elara Class B Holdings, LLC	Holding Company	USA	100.0	100.0
KOMIPO Development, LLC	KOMIPO America Inc.	Holding Company	USA	100.0	100.0
Elara Energy Project, LLC	Elara Energy Holdings, LLC	Solar energy generation	USA	100.0	100.0
KOMIPO Iberian Solar Group, S.L.U	KOMIPO Europe B.V.	Holding Company	Spain	100.0	100.0

1. General Information, Continued

(2) Subsidiary information, continued

Subsidiary	Key operating activities	Location	Percentage of ownership (%) December 31, 2025	Percentage of ownership (%) December 31, 2024
CVS Equity Holdings, LLC	Holding Company	USA	81.0	81.0
CVS Class B Holdings, LLC	Holding Company	USA	100.0	100.0
CVS Class B Member, LLC	Holding Company	USA	100.0	100.0
CVS Energy Holdings, LLC	Holding Company	USA	62.6	62.6
CVS Development Holdings, LLC	Holding Company	USA	100.0	100.0
CVS Development, LLC	Holding Company	USA	100.0	100.0
Concho Valley Energy, LLC	Holding Company	USA	100.0	100.0
Concho Valley Solar, LLC	Solar energy generation	USA	100.0	100.0
KOMIPO Middle East Energy L.L.C-FZ(*5)	Solar energy generation	UAE	100.0	-

(*1) The Group is able to exercise majority voting rights in the Board of Directors meeting according to the shareholders' agreement, even though the Group's ownership interest is less than 50%. As such, the entity is included in the Group's scope of consolidation.
(*2) Percentage of ownership in KOMIPO Bylong Pty., Ltd. is ratio of common stock excluding preferred stocks which have no voting rights.
(*3) The Group is able to exercise control over the Board of Directors according to the shareholders' agreement, even though the Company's ownership interest is less than 50%. As such, the entity is included in the Group's scope of consolidation.
(*4) For the year ended December 31, 2025, the entity was reclassified from a subsidiary to an associate as a result of a disposal of ownership interests.
(*5) For the year ended December 31, 2025, the entity was newly established and included in the Group's scope of consolidation.

(ii) Changes in subsidiaries

For the year ended December 31, 2025, KOMIPO Middle East Energy L.L.C-FZ, which was newly established for the purpose of investing in solar power generation projects in the Middle East region, was newly included in the Group's scope of consolidation. In addition, Commerce and Industry Energy Co., Ltd. was excluded from the Group's scope of consolidation as a result of a disposal of ownership interests.

1. General Information, Continued

(2) Subsidiary information, continued

(iii) The summarized financial information on subsidiaries as of and for the year ended December 31, 2025 is as follows:

In millions of won

Subsidiary	As of and for the year ended December 31, 2025						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Profit (loss)	Total comprehensive income (loss)
KOMIPO Global Pte Ltd.	₩ 20,359	372,672	1,931	2,061	-	9,259	5,824
KOMIPO Australia Pty., Ltd.	29,016	29,945	3,153	2,111	25,387	9,793	9,793
PT KPJB	13,963	3,069	2,765	775	21,982	1,024	1,024
PT Cirebon Power Services	3,428	296	703	277	10,612	609	609
PT Tanggamus Electric Power	50,774	162,490	26,542	103,446	3,876	9,460	7,226
KOMIPO America Inc.(*)	43,353	551,542	114,958	172,040	25,586	8,754	83
KOMIPO Bylong Pty., Ltd.	18	-	-	197	-	(14)	(14)
PT Siborpa Eco Power	137	17,427	4,083	-	-	(62)	(62)
PT KOMIPO Energy Indonesia	5,382	473	1,604	12	5,425	1,111	1,111
KOMIPO Service., Ltd.	7,620	3,494	5,921	89	40,652	1,641	1,737
KOMIPO Europe B.V.	6,838	84,650	89	-	1,214	(3,010)	(1,866)
KOMIPO Vanphong Power Services Limited Liability Company	32,193	3,403	5,201	-	30,289	7,112	7,112
Ogiri Solar Power Generation	20	1,032	21	-	-	(24)	(24)
Solar Vader Co., Ltd.	179	1,189	87	1,143	206	42	42
Yeongyang Apollon Solar Co., Ltd.	190	1,189	94	1,143	208	44	44
Yeongyang Solar Management Co., Ltd.	187	1,189	87	1,143	213	49	49
Yeongyang Innovation Co., Ltd.	167	1,189	85	1,143	200	36	36
Yeongyang Corporation Co., Ltd.	173	1,183	84	1,143	204	40	40
Yeongyang Horus Solar Co., Ltd.	154	1,183	85	1,143	192	28	28
KOMIPO Iberian Solar Group, S.L.U	4,876	71,915	3,168	71,351	-	(4,518)	(5,351)
KOMIPO Middle East Energy L.L.C-FZ	954	373	380	-	-	(7)	(7)

(*) The summarized financial information on KOMIPO America Inc. is consolidated, including the financial information on its subsidiaries (Elara Equity Holdings, LLC and other 16 subsidiaries).

1. General Information, Continued

(2) Subsidiary information, continued

(iii) The summarized financial information on subsidiaries as of and for the year ended December 31, 2024 is as follows:

In millions of won

Subsidiary	As of and for the year ended December 31, 2024						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Profit (loss)	Total comprehensive income (loss)
KOMIPO Global Pte Ltd.	₩ 78,297	375,756	1,095	1,621	-	15,618	18,552
KOMIPO Australia Pty., Ltd.	70,041	24,718	1,243	1,971	31,935	6,253	6,253
PT KPJB	14,445	3,570	2,322	1,362	21,567	969	969
PT Cirebon Power Services	2,841	163	606	217	10,515	586	586
PT Tanggamus Electric Power	31,626	201,337	23,315	131,804	6,136	4,216	4,095
KOMIPO America Inc.(*)	43,878	589,340	151,499	176,738	18,806	9,662	7,975
Commerce and Industry Energy Co., Ltd.	5,901	60,053	6,476	19,365	35,054	(3,638)	(3,948)
KOMIPO Bylong Pty., Ltd.	15	-	13	159	-	(17)	(17)
PT Siborpa Eco Power	281	13,597	3	-	-	(38)	(38)
PT KOMIPO Energy Indonesia	4,656	521	1,261	11	6,433	874	874
KOMIPO Service., Ltd.	5,414	2,709	4,701	26	38,415	657	228
KOMIPO Europe B.V.	5,555	79,344	123	-	890	(6,403)	(7,079)
KOMIPO Vanphong Power Services Limited Liability Company	35,875	3,272	3,592	-	26,235	9,951	9,951
Ogiri Solar Power Generation	45	1,032	21	-	77	55	55
Solar Vader Co., Ltd.	149	1,264	101	1,216	195	(12)	(12)
Yeongyang Apollon Solar Co., Ltd.	158	1,264	108	1,216	194	(4)	(4)
Yeongyang Solar Management Co., Ltd.	150	1,264	102	1,216	198	(23)	(23)
Yeongyang Innovation Co., Ltd.	143	1,264	98	1,216	188	1	1
Yeongyang Corporation Co., Ltd.	145	1,258	98	1,216	190	(12)	(12)
Yeongyang Horus Solar Co., Ltd.	137	1,258	98	1,216	184	(3)	(3)
KOMIPO Iberian Solar Group, S.L.U	5,948	70,909	5,076	64,632	-	(3,786)	(6,412)

(*) Summary of financial information of KOMIPO America Inc. is consolidated, including financial information of its subsidiaries (Elara Equity Holdings, LLC and other 16 subsidiaries).

1. General Information, Continued

(2) Subsidiary information, continued

(iv) Details of non-controlling interests (NCI) prior to intra-group eliminations as of and for the year ended December 31, 2025 are as follows:

In millions of won	As of and for the year ended December 31, 2025						
	PT KOMIPO Pembangkitan Jawa Bali	PT Cirebon Power Service	PT Tanggamus Electric Power	KOMIPO America Inc.(*)	KOMIPO Bylong Pty., Ltd.	PT Siborpa Eco Power	PT KOMIPO Energy Indonesia
Current assets	₩ 13,963	3,428	50,774	43,353	18	137	5,382
Non-current assets	3,069	296	162,490	551,542	-	17,427	473
Current liabilities	2,765	703	26,542	114,958	-	4,083	1,604
Non-current liabilities	775	277	103,446	172,040	197	-	12
Net assets	13,492	2,744	83,276	307,897	(179)	13,481	4,239
Book value of NCI	6,608	1,989	39,556	80,325	(179)	6,066	212
Sales	21,982	10,612	3,876	25,586	-	-	5,425
Profit (loss) for the year	1,024	609	9,460	8,754	(14)	(62)	1,111
Profit (loss) for the year attributable to NCI	502	441	4,493	(2,316)	(14)	(28)	56
Cash flows from operating activities	2,394	491	19,336	(2,536)	3	(136)	1,947
Cash flows from investing activities	(233)	-	(478)	(9,626)	-	-	(117)
Cash flows from financing activities, before dividends to NCI	(976)	-	(19,812)	11,746	-	-	(729)
Cash flows from financing activities - cash dividends to NCI	(596)	-	-	-	-	-	-
Effect of exchange rate fluctuations on cash held	(614)	(22)	(222)	(710)	1	(8)	(230)
Net increase (decrease) in cash and cash equivalents	(25)	469	(1,176)	(1,126)	4	(144)	871

(*) Summary of financial information of KOMIPO America Inc. is consolidated, including financial information of its subsidiaries (Elara Equity Holdings, LLC and other 16 subsidiaries).

1. General Information, Continued

(2) Subsidiary information, continued

(iv) Details of non-controlling interests (NCI) prior to intra-group eliminations as of and for the year ended December 31, 2025 are as follows: *continued,*

In millions of won	As of and for the year ended December 31, 2025						
	Ogiri Solar Power Generation	Solar Vader Co., Ltd.	Yeongyang Apollon Solar Co., Ltd.	Yeongyang Solar Management Co., Ltd.	Yeongyang Innovation Co., Ltd.	Yeongyang Corporation Co., Ltd.	Yeongyang Horus Solar Co., Ltd
Current assets	₩ 20	179	190	187	167	173	154
Non-current assets	1,032	1,189	1,189	1,189	1,189	1,183	1,183
Current liabilities	21	87	94	87	85	84	85
Non-current liabilities	-	1,143	1,143	1,143	1,143	1,143	1,143
Net assets	1,031	138	142	146	128	129	109
Book value of NCI	309	(10)	(9)	(8)	(13)	(13)	(19)
Sales	-	206	208	213	200	204	192
Profit (Loss) for the year	(24)	42	44	49	36	40	28
Profit (Loss) for the year attributable to NCI	(7)	13	13	15	11	12	9
Cash flows from operating activities	(25)	115	117	122	109	113	101
Cash flows from investing activities	-	-	-	-	-	-	-
Cash flows from financing activities, before dividends to NCI	-	(84)	(84)	(84)	(84)	(84)	(84)
Cash flows from financing activities - cash dividends to NCI	-	-	-	-	-	-	-
Effect of exchange rate fluctuations on cash held	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(25)	31	33	38	25	29	17

1. General Information, Continued

(2) Subsidiary information, continued

(iv) Details of non-controlling interests (NCI) prior to intra-group eliminations as of and for the year ended December 31, 2024 are as follows:

In millions of won	As of and for the year ended December 31, 2024							
	PT KOMIPO Pembangkitan Jawa Bali	PT Cirebon Power Service	PT Tanggamus Electric Power	KOMIPO America Inc.(*)	Commerce and Industry Energy Co., Ltd.	KOMIPO Bylong Pty., Ltd.	PT Siborpa Eco Power	PT KOMIPO Energy Indonesia
Current assets	₩ 14,445	2,841	31,626	43,878	5,901	15	281	4,656
Non-current assets	3,570	163	201,337	589,340	60,053	-	13,597	521
Current liabilities	2,322	606	23,315	151,499	6,476	13	3	1,261
Non-current liabilities	1,362	217	131,804	176,738	19,365	159	-	11
Net assets	14,331	2,181	77,844	304,981	40,113	(157)	13,875	3,905
Book value of NCI	7,019	1,582	36,976	82,638	5,230	(157)	6,243	195
Sales	21,567	10,515	6,136	18,806	35,054	-	-	6,433
Profit (loss) for the year	969	586	4,216	9,662	(3,638)	(17)	(38)	874
Profit (loss) for the year attributable to NCI	475	425	2,286	2,889	(545)	(17)	(17)	44
Cash flows from operating activities	1,882	661	18,218	(3,796)	2,060	2	(38)	1,094
Cash flows from investing activities	(197)	17	(151)	883	(249)	-	-	(340)
Cash flows from financing activities, before dividends to NCI	(1,546)	(914)	(16,321)	(4,412)	(3,605)	-	-	(81)
Cash flows from financing activities - cash dividends to NCI	-	-	-	-	-	-	-	-
Effect of exchange rate fluctuations on cash held	826	149	1,002	5,136	-	-	37	291
Net increase (decrease) in cash and cash equivalents	965	(87)	2,748	(2,189)	(1,794)	2	(1)	964

(*) Summary of financial information of KOMIPO America Inc. is consolidated, including financial information of its subsidiaries (Elara Equity Holdings, LLC and other 16 subsidiaries).

1. General Information, Continued

(2) Subsidiary information, continued

(iv) Details of non-controlling interests (NCI) prior to intra-group eliminations as of and for the year ended December 31, 2024 are as follows: *continued,*

In millions of won	As of and for the year ended December 31, 2024						
	Ogiri Solar Power Generation	Solar Vader Co., Ltd.	Yeongyang Apollon Solar Co., Ltd.	Yeongyang Solar Management Co., Ltd.	Yeongyang Innovation Co., Ltd.	Yeongyang Corporation Co., Ltd.	Yeongyang Horus Solar Co., Ltd
Current assets	₩ 45	149	158	150	143	145	137
Non-current assets	1,032	1,264	1,264	1,264	1,264	1,258	1,258
Current liabilities	21	101	108	102	98	98	98
Non-current liabilities	-	1,216	1,216	1,216	1,216	1,216	1,216
Net assets	1,056	96	98	96	93	89	81
Book value of NCI	316	(23)	(22)	(23)	(24)	(25)	(27)
Sales	77	195	194	198	188	190	184
Profit (Loss) for the year	55	(12)	(4)	(23)	1	(12)	(3)
Profit (Loss) for the year attributable to NCI	16	(4)	(1)	(7)	-	(4)	(1)
Cash flows from operating activities	44	66	74	56	78	66	74
Cash flows from investing activities	-	-	-	-	-	-	-
Cash flows from financing activities, before dividends to NCI	-	(102)	(102)	(102)	(102)	(102)	(102)
Cash flows from financing activities - cash dividends to NCI	-	-	-	-	-	-	-
Effect of exchange rate fluctuations on cash held	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	44	(36)	(28)	(46)	(24)	(36)	(28)

2. Basis of preparation

(1) Application of accounting standards

The consolidated financial statements have been prepared in accordance with the *Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*. In accordance with Article 2-5 of the *Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*, the Group applies Korean International Financial Reporting Standards ("KIFRS") where accounting provisions have not been specified in the *Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*. There are no significant matters that have been applied differently from KIFRS under the *Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions*.

The consolidated financial statements of the Group were approved by the Board of Directors on March 6, 2026 and are scheduled to be approved at the shareholders' meeting on March 18, 2026.

(2) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the following material items in the statement of financial position:
- derivative financial instruments measured at fair value;
- financial assets measured at fair value through profit or loss;
- financial assets measured at fair value through other comprehensive income; and
- liabilities for defined benefit plans recognized at the net of the total present value of defined benefit obligations less the fair value of plan assets.

(3) Functional and presentation currency

The financial statements of the Parent company and each subsidiary are prepared in functional currency of the respective operation. These consolidated financial statements are presented in Korean won, which is the Parent company's functional currency that is the currency of the primary economic environment in which the Group operates.

(4) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with KIFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Group considers climate-related risks in estimates and assumptions related to climate change and the establishment of future global greenhouse gas reduction regimes. Climate-related risks increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

1) Management judgment
Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:
- Note 1: Consolidation – subsidiary information
- Note 16: Investments in Associates and Joint Ventures

2) Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:
- Note 21: Provisions
- Note 22: Employee Benefits Obligations
- Note 39: Contingent Liability and Commitments

2. Basis of preparation, Continued

(5) Fair value measurement

The Group has established policies and procedures related to the fair value assessment. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of applicable accounting standards, including the level in the fair value hierarchy in which such valuations should be classified.

The Group reports significant valuation issues to the Audit Committee.

3. Changes in accounting policies

(1) Standards and amendments adopted by the Group

The Group applied for the first time certain standards and amendments, which are effective for annual periods began on or after January 1, 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The details of changes in accounting policies are as follows:

✓ Amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* and 1101 *First-time Adoption of International Financial Reporting Standards – Lack of Exchangeability*

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments have no impact on the Group's consolidated financial statements.

(2) Standards and amendments issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below.

✓ Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures*

KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures* have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is reviewing the impact of these amendments on the financial statements. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term; and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

3. Changes in accounting policies, Continued

(2) Standards and amendments issued but not yet effective, Continued

✓ Annual Improvements to KIFRS -*Volume 11*

Annual Improvements to KIFRS - Volume 11 should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is in review for the impact of these amendments on the consolidated financial statements.

- KIFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition and implementation guidance*
- KIFRS 1109 *Financial Instruments: Derecognition of lease liabilities and definition of transaction price*
- KIFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- KIFRS 1007 *Statement of Cash Flows: Cost method*

✓ Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity*

Contracts referencing nature-dependent electricity are defined contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (e.g. the weather). The amendments clarify that 'contracts to buy or sell such electricity' are assessed for eligibility under the own-use exemption. In addition, the amendments modify hedge accounting requirements by allowing an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that reflect the nature-dependent variability of electricity and introduce additional disclosure requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is in review for the impact of these amendments on the consolidated financial statements.

✓ Standards to KIFRS 1118 *Presentation and Disclosure in Financial Statements*

KIFRS 1118 *Presentation and Disclosure in Financial Statements* replaces KIFRS 1001 *Presentation of Financial Statements.* KIFRS 1118 *Presentation of Financial Statements* introduces the following new requirements:

- An entity is required to classify all income and expenses in the statement of profit or loss into five categories: operating activities, investing activities, financing activities, discontinued operations, and income taxes, and to present an operating profit subtotal. The classification into categories and the presentation of the operating profit subtotal do not affect the entity's profit or loss for the period.
- Management-defined performance measures are required to be disclosed in a single note to the financial statements.
- Enhanced guidance is provided on how information is aggregated and disaggregated in the financial statements.

The amendments should be applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. In accordance with the retrospective application requirements, comparative information for the year ending December 31, 2026, shall be restated under KIFRS 1118. The Group has not yet adopted KIFRS 1118 and is in the process of determining the impact on the Group of applying KIFRS 1118. The Group has prepared a transition plan and is on track to report its first KIFRS 1118-compliant interim financial statements for the period ending March 31, 2027 and annual financial statements for the period ending December 31, 2027.

4. Material accounting policies

The material accounting policies applied by the Group in the preparation of its consolidated financial statements as of and for the year ended December 31, 2025 in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions are consistent with those followed in the preparation of the Group's consolidated financial statements as of and for the year ended December 31, 2024, except for application of amended and enacted Standards effective as of January 1, 2025.

(1) Operating Segments

The Group's reporting segment is a single segment in accordance with KIFRS 1108 *Operating Segments*, and therefore, the Group did not separately disclose the information of each operating segment. The customer which accounts for more than 10% of the Group's sales is KEPCO, the parent company of the KOMIPO, and the sales to KEPCO amounted to ₩ 5,556,583 million and ₩ 6,954,956 million, in 2025 and 2024 respectively.

(2) Consolidation

1) Business combination
A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or business under common control.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities recognized according to KIFRS 1032 and 1039.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

2) Non-controlling interests
NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3) Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

4. Material accounting policies, Continued

(2) Consolidation, Continued

4) Loss of control
When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

5) Interests in equity-method investments
The Group's interests in equity-method investments comprise interests in associate and joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associate and joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-method investees, until the date on which significant influence or joint control ceases.

6) Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity method investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(3) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents, for example in the case of preferred shares when it has a short maturity with a specified redemption date.

(4) Inventories

The cost of inventories, other than supplies and inventory-in-transit, is based on the weighted average method. The cost of supplies and inventory-in-transit is based on the moving average method and the specific identification method, respectively. The cost of inventories includes expenditures for acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

The carrying amount of the inventories is recognized as cost of goods sold in the period in which the related revenue is recognized. Inventories are measured at the lower of cost and net realizable value. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, are recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

(5) Non-derivative financial assets

1) Recognition and initial measurement
Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL (Fair Value through Profit or Loss), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4. Material accounting policies, Continued

(5) Non-derivative financial assets, continued

2) Classification and subsequent measurement

① Classification

On initial recognition, a financial asset is classified as financial assets at amortized cost, debt instruments at FVOCI (Fair Value through Other Comprehensive Income), equity investments at FVOCI, or financial assets at FVPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:
- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is at FVOCI only if it meets both of the following conditions and is not designated as at FVPL:
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as at FVPL. In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Once, the Group designates a financial asset as at FVPL, the Group will not reclassify those items in FVOCI subsequently.

② Business model

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:
- The accounting policies and objectives specified for the portfolio and the actual operation of those policiesThe stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the financial assets held within the business model is evaluated and reported to the entity's key management personnel;- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group’s continuing recognition of the assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

③ Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(5) Non-derivative financial assets, continued

In making the assessment, the Group considers:
- contingent events that would change the amount and timing of cash flows;
- provisions that adjust the contractual nominal interest rate, including variable-rate features;
- prepayment and extension terms; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

④ Financial assets – Subsequent measurement and gains and losses

Financial assets at FVPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3) Derecognition
The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognized.

4) Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4. Material accounting policies, Continued

(6) Derivative financial instruments

Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

1) Hedge accounting
The Group holds forward exchange contracts, interest rate swaps, currency swaps and other derivative contracts to manage interest rate risk and foreign exchange risk. The Group designated derivatives as hedging instruments to hedge the risk of changes in the fair value of assets, liabilities or firm commitments (a fair value hedge) and foreign currency risk of highly probable forecasted transactions or firm commitments (a cash flow hedge).

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship.

① Fair value hedge
Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in profit or loss. The gain or loss from remeasuring the hedging instrument at fair value for a derivative hedging instrument and the gain or loss on the hedged item attributable to the hedged risk are recognized in profit or loss in the same line item of the consolidated statement of comprehensive income. The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, or if the hedge no longer meets the criteria for hedge accounting. Any adjustment arising from gain or loss on the hedged item attributable to the hedged risk is amortized to profit or loss from the date the hedge accounting is discontinued.

② Cash flow hedge
When a derivative is designated to hedge the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income, net of tax, and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income is reclassified to profit or loss in the periods during which the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, then the balance in other comprehensive income is recognized immediately in profit or loss.

The hedge ineffectiveness may arise from:
(a) Cash flow timing differences between hedging targets and hedging instruments.
(b) Various indices associated with the risk of the hedged item and the hedging instrument (and the resulting other curves).
(c) The counterparty's credit risk has a different effect than the change in fair value of the hedging instrument and the hedged item.
(d) Variation in the expected cash flow amount of the hedged item and the hedging instrument.

2) Separable embedded derivatives
Embedded derivatives are separated from the host contract and accounted for separately only if the following criteria have been met:
(a) The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
(b) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
(c) The hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss.
Changes in the fair value of separable embedded derivatives are recognized immediately in profit or loss.

3) Other derivative financial instruments
Changes in the fair value of other derivative financial instruments not designated as a hedging instrument are recognized immediately in profit or loss.

4. Material accounting policies, Continued

(7) Impairment of financial assets

1) Financial instruments and contract assets
The Group recognizes loss allowances for ECLs on:
- Financial assets measured at amortized cost;
- Debt investments at FVOCI; and
- Contract assets defined by KIFRS 1115.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- Debt securities that are determined to have low credit risk at the reporting date
- Other debt securities and bank deposit for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group measured loss allowances for lifetime ECLs on trade receivables and contract assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

2) Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows that are due to an entity in accordance with a contract and the cash flows that the entity expects to receive.) ECLs are discounted at the effective interest rate of the financial asset.

3) Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:
- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- Concessions that would not otherwise be considered, granted for economic or contractual reasons relating to the borrower's financial difficulty;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

4) Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

5) Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4. Material accounting policies, Continued

(8) Property, plant and equipment

Property, plant and equipment are initially measured at cost and after initial recognition, are carried at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent to initial recognition, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are recognized in the carrying amount of property, plant and equipment at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing are recognized in profit or loss as incurred.

Property, plant and equipment, except for land, are depreciated over estimated useful lives that appropriately reflect the pattern in which the asset's future economic benefits are expected to be consumed on a straight-line basis. A component that is significant compared to the total cost of property, plant and equipment is depreciated over its separate useful life.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit or loss.

The estimated useful lives of the Group's property, plant and equipment for the current and prior periods are as follows:

	Useful lives (years)	Depreciation method
Buildings	8 ~ 30	Straight-line method
Structures	8 ~ 30	
Machinery	2 ~ 24	
Vehicles	4 ~ 5	
Other property, plant and equipment	4	
Right-of-use assets	2 ~ 30	

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted, if appropriate. The change is accounted for as a change in an accounting estimate.

(9) Intangible assets

Intangible assets are measured initially at cost and, subsequently, are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization of intangible assets except for goodwill is calculated on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The residual value of intangible assets is zero. However, as there are no foreseeable limits to the periods over which club memberships are expected to be available for use, this intangible asset is determined as having indefinite useful lives and not amortized.

	Useful lives (years)
Computer software	4
Development costs	5
Other intangible assets	20

4. Material accounting policies, Continued

(9) Intangible assets, continued

Useful lives and the amortization methods for intangible assets with finite useful lives are reviewed at the end of each reporting period. The useful lives of intangible assets that are not being amortized are reviewed at the end of each reporting period to determine whether events and circumstances continue to support indefinite useful life assessments for those assets. Changes are accounted for as changes in accounting estimates.

1) Research and development
Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

2) Subsequent expenditures
Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditures on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(10) Borrowing costs

The Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognized in expense as incurred. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use or sale. Financial assets and inventories that are manufactured or otherwise produced over a short period of time are not qualifying assets. Assets that are ready for their intended use or sale when acquired are not qualifying assets.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset.

The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the Group capitalizes during a period shall not exceed the amount of borrowing costs incurred during that period.

(11) Government grants

Government grants are not recognized unless there is reasonable assurance that the Group will comply with the grant's conditions and that the grant will be received.

Government grants whose primary condition is that the Group purchase, construct or otherwise acquire long-term assets are deducted in calculating the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset as a reduction to depreciation expense.

4. Material accounting policies, Continued

(12) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than assets arising from employee benefits, inventories, deferred tax assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, irrespective of whether there is any indication of impairment, are tested for impairment annually by comparing their recoverable amount to their carrying amount.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets ("CGUs"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. The value in use is estimated by applying a pre-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the asset or CGU for which estimated future cash flows have not been adjusted, to the estimated future cash flows expected to be generated by the asset or CGU.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or a CGU exceeds its recoverable amount.

(13) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1) Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

① Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Note 4.(12) Impairment of non-financial assets.

4. Material accounting policies, Continued

(13) Leases, continued

② Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

③ Leases of low-value asset and short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(14) Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into financial liabilities at fair value through profit or loss or other financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities. The Group recognizes financial liabilities in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial liability.

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or designated as such upon initial recognition. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Upon initial recognition, transaction costs that are directly attributable to the acquisition are recognized in profit or loss as incurred.

2) Other financial liabilities

Non-derivative financial liabilities other than financial liabilities at fair value through profit or loss are classified as other financial liabilities. At the date of initial recognition, other financial liabilities are measured at fair value minus transaction costs that are directly attributable to the acquisition. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

The Group derecognizes a financial liability from the consolidated statement of financial position when it is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

4. Material accounting policies, Continued

(15) Employee benefits

1) Short-term employee benefits
Short-term employee benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. When an employee has rendered service to the Group during an accounting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

2) Other long-term employee benefits
Other long-term employee benefits include employee benefits that are expected to be settled beyond 12 months after the end of the annual reporting period in which the employees render the related service. The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

3) Retirement benefits: defined contribution plans
When an employee has rendered service to the Group during a period, the Group recognizes the contribution payable to a defined contribution plan in exchange for that service as a liability, after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Group recognizes that excess as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4) Retirement benefits: defined benefit plans
The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

4. Material accounting policies, Continued

(16) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation 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.

The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision. Where the effect of the time value of money is material, provisions are determined at the present value of the expected future cash flows.

Where some or all of the expenditures required to settle a provision are expected to be reimbursed by another party, the reimbursement is recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is presented as a separate asset.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Provisions are used only for expenditures related to the initial recognition.

1) Provision for employee benefits

The Group estimates the provision for performance bonuses under management evaluation performance pay based on the current year's business performance and management evaluation criteria.

2) Provision for Renewable Portfolio Standards(“RPS”)

The Group is obligated to generate a certain amount of its total electricity with renewable energy each year under *the New Energy and Renewable Energy Development, Utilization and Promotion Act*, and as of the end of the reporting period, a provision is recognized based on the best estimate of the expenditures required to fulfill the obligation, to the extent that the obligated amount is expected to fall short of the required supply.

According to the Act, the obligor can fulfill its obligation by directly generating electricity using renewable energy or purchasing renewable energy supply certificates.

The Group has contracts with some renewable energy generators to purchase renewable energy certificates for a period of 15 to 20 years, and these transactions may be affected by the amount of electricity generated, which is affected by environmental factors such as sunlight and temperature, and uncertain electricity market prices.

4. Material accounting policies, Continued

(17) Emissions rights

The Group accounts for greenhouse gases emission right and the relevant liability as below pursuant to the *Act on Allocation and Trading of Greenhouse Gas Emission* which became effective in 2015.

1) Greenhouse gases emission right
Greenhouse gases emission right consists of emission allowances which are allocated from the government free of charge or purchased from the market. The cost includes any directly attributable costs incurred during the normal course of business. The Group held emission rights for the purpose of performing the legal obligation.

The Group holds emission rights for fulfilling its legal obligations. Emission right is classified as an intangible asset and the emission right to be submitted to the government within a year is classified as a current asset. Emission right is initially measured at cost, and subsequently carried at cost less accumulated impairment losses.

The Group derecognizes an emission right asset when the emission allowance is unusable, disposed or submitted to government in which the future economic benefits are no longer expected to be probable.

2) Emission liability
Emission liability is a present obligation of submitting emission rights to the government with regard to emission of greenhouse gas. Emission liability is recognized when there is a high possibility of outflows of resources in performing the obligation and the costs required to perform the obligation are reliably estimable. Emission liability is the sum of the carrying amount of emission right held for submission to the government for the applicable implementation year and the expenditure to be made to fulfill obligations for emissions over the emission rights currently in possession. The emission liabilities are removed when they are submitted to the government.

(18) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency using the reporting date's exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising at the settlement of monetary items and from a financial liability designated as a cash flow hedge. If the gain or loss arising from non-monetary items is recognized in other comprehensive income, the effect of the exchange rate fluctuation included in the gain or loss is recognized in other comprehensive income, and if recognized profit or loss, the effect is recognized in profit or loss.

4. Material accounting policies, Continued

(19) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(20) Revenue from contracts with customers

The Group recognizes revenue by applying the following five-step approach in accordance with KIFRS 1115: (Step 1: Identify the contract(s) with a customer, Step 2: Identify the performance obligations in the contract, Step 3: Determine the transaction price, Step 4: Allocate the transaction price to the performance obligations in the contract, Step 5: Recognize revenue when the entity satisfied a performance obligation). The Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. The Group recognizes revenue when the Group satisfies a performance obligation by transferring a promised good or service to a customer.

1) Identifying the performance obligations in the contract
The Group is engaged in the generation of electricity and development of electric power resources, and electricity sales revenue accounts for 96.0% of revenue for the year ended December 31, 2025. Under KIFRS 1115, supplying electricity is a promise to transfer a series of distinct goods and is identified as a single performance obligation. The Group is also engaged in contracts with customers for heat supply, sales of byproducts, services related to power generation, etc. that are identified as separate performance obligations for each contract.

2) Variable consideration
The Group may be subject to a variation of consideration paid by the customer due to contracts with customers. The Group estimates an amount of variable consideration by using the expected value method that the Group expects to better predict the amount of consideration to which it will be entitled, and includes in the transaction price some or all of an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3) Performance obligations satisfied over time
The Group satisfies its performance obligations, such as providing technological support services for the management and operation of generating facilities, over time. The Group recognizes revenue based on the percentage-of-completion on a reasonable basis.

The Group recognizes revenue over time if one of the following criteria is met:
(a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the entity performs;
(b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) The Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

4. Material accounting policies, Continued

(21) Finance income and finance costs

Finance income comprises interest income on funds invested (including financial assets at FVOCI), dividend income, gains on the disposal of financial assets measured at fair value, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(22) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

1) Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

2) Deferred tax
Deferred tax is recognized, using the asset-liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which they can be utilized.

A deferred income tax asset is recognized for the carryforward of unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, tax credits and deductible temporary differences can be utilized. The future taxable profit depends on reversing taxable temporary differences. When there are insufficient taxable temporary differences, the probability of future taxable profit (including the reversal of temporary differences) should be considered.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are offset only if there is a legally enforceable right to offset the related current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority and they intend to settle current income tax liabilities and assets on a net basis.

(23) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

5. Classification of financial instruments

(1) The classification of financial assets as of December 31, 2025 and 2024 is as follows:

In millions of won

	December 31, 2025				
	Financial assets at FVPL	FVOCI - equity instruments	Financial assets at amortized cost	Derivative assets (using hedge accounting)	Total
Current assets					
Cash and cash equivalents	₩ -	-	121,115	-	121,115
Short-term financial instruments	-	-	33,868	-	33,868
Derivative assets	-	-	-	84,589	84,589
Short-term loans	-	-	15,106	-	15,106
Trade and other receivables	-	-	793,500	-	793,500
	-	-	963,589	84,589	1,048,178
Non-current assets					
Financial assets at FVPL	500	-	-	-	500
Financial assets at FVOCI	-	1,810,632	-	-	1,810,632
Derivative assets	41,519	-	-	73,637	115,156
Long-term loans	-	-	144,918	-	144,918
Other financial assets	-	-	6,359	-	6,359
Trade and other receivables	-	-	164,920	-	164,920
	42,019	1,810,632	316,197	73,637	2,242,485
	₩ 42,019	1,810,632	1,279,786	158,226	3,290,663

In millions of won

	December 31, 2024				
	Financial assets at FVPL	FVOCI - equity instruments	Financial assets at amortized cost	Derivative assets (using hedge accounting)	Total
Current assets					
Cash and cash equivalents	₩ -	-	260,441	-	260,441
Short-term financial instruments	-	-	86,402	-	86,402
Derivative assets	6,805	-	-	2,255	9,060
Short-term loans	-	-	3,767	-	3,767
Trade and other receivables	-	-	883,437	-	883,437
	6,805	-	1,234,047	2,255	1,243,107
Non-current assets					
Financial assets at FVOCI	-	2,475,622	-	-	2,475,622
Derivative assets	86,495	-	-	147,002	233,497
Long-term loans	-	-	144,615	-	144,615
Other financial assets	-	-	6,217	-	6,217
Trade and other receivables	-	-	198,039	-	198,039
	86,495	2,475,622	348,871	147,002	3,057,990
	₩ 93,300	2,475,622	1,582,918	149,257	4,301,097

5. Classification of financial instruments, Continued

(2) The classification of financial liabilities as of December 31, 2025 and 2024 is as follows:

In millions of won

	December 31, 2025			
	Financial liabilities at FVPL	Financial liabilities at amortized cost	Derivative liabilities (using hedge accounting)	Total
Current liabilities				
Borrowings	₩ -	839,280	-	839,280
Bonds	-	990,023	-	990,023
Derivative liabilities	14,761	-	-	14,761
Trade and other payables	-	540,708	-	540,708
	14,761	2,370,011	-	2,384,772
Non-current liabilities				
Borrowings	-	223,380	-	223,380
Bonds	-	5,279,532	-	5,279,532
Derivative liabilities	60,669	-	-	60,669
Trade and other payables	-	606,716	-	606,716
	60,669	6,109,628	-	6,170,297
	₩ 75,430	8,479,639	-	8,555,069

In millions of won

	December 31, 2024			
	Financial liabilities at FVPL	Financial liabilities at amortized cost	Derivative liabilities (using hedge accounting)	Total
Current liabilities				
Borrowings	₩ -	153,299	-	153,299
Bonds	-	769,745	-	769,745
Derivative liabilities	-	-	-	-
Trade and other payables	-	745,251	-	745,251
	-	1,668,295	-	1,668,295
Non-current liabilities				
Borrowings	-	228,956	-	228,956
Bonds	-	6,271,844	-	6,271,844
Derivative liabilities	126,165	-	4,895	131,060
Trade and other payables	-	708,757	-	708,757
	126,165	7,209,557	4,895	7,340,617
	₩ 126,165	8,877,852	4,895	9,008,912

5. Classification of financial instruments, Continued

(3) The classification of comprehensive income (loss) from financial instruments for each of the two years ended December 31, 2025 is as follows:

In millions of won			**2025**
Financial assets at amortized cost	Loss on fluctuation of exchange rates from cash and cash equivalents	₩	(182)
	Interest income from cash and cash equivalents		10,679
	Interest income from loans		5,494
	Loss on fluctuation of exchange rates from trade and other receivables		(371)
	Interest income from trade and other receivables		25,807
Financial assets at FVPL	Loss on valuation of derivative (profit or loss)		(44,762)
	Gain on transaction of derivatives		3,129
	Gain on valuation of financial assets measured at FVPL		18
Derivative assets (using hedge accounting)	Loss on valuation of derivatives (profit or loss)		(7,608)
	Gain on valuation of derivatives (equity, before tax)		16,754
	Gain on transaction of derivatives		3,773
Financial assets at FVOCI	Dividend income		21,866
	Loss on valuation of financial assets at FVOCI (equity, before tax)		(664,990)
Financial liabilities at amortized cost	Gain on fluctuation of exchange rates		17,515
	Interest expenses from borrowing and bonds		(185,256)
	Interest expenses from trade and other payables		(15,888)
Financial liabilities at FVPL	Gain on valuation of derivatives (profit or loss)		43,662
	Gain on transaction of derivatives		5,701
Derivative liabilities (using hedge accounting)	Gain on valuation of derivatives (profit or loss)		4,895
	Loss on valuation of derivatives (equity, before tax)		-
	Loss on transaction of derivatives		-

In millions of won			**2024**
Financial assets at amortized cost	Gain on fluctuation of exchange rates from cash and cash equivalents	₩	5,778
	Interest income from cash and cash equivalents		18,037
	Interest income from loans		4,954
	Gain on fluctuation of exchange rates from trade and other receivables		143
	Interest income from trade and other receivables		27,005
Financial assets at FVPL	Gain on valuation of derivative (profit or loss)		72,350
	Gain on transaction of derivatives		24,412
	Loss on valuation of financial assets measured at FVPL		-
Derivative assets (using hedge accounting)	Gain on valuation of derivatives (profit or loss)		112,098
	Gain on valuation of derivatives (equity, before tax)		905
	Gain on transaction of derivatives		2,613
Financial assets at FVOCI	Dividend income		33,796
	Gain on valuation of financial assets at FVOCI (equity, before tax)		240,086
Financial liabilities at amortized cost	Loss on fluctuation of exchange rates		(186,644)
	Interest expenses from borrowing and bonds		(209,665)
	Interest expenses from trade and other payables		(18,149)
Financial liabilities at FVPL	Loss on valuation of derivatives (profit or loss)		(38,781)
	Gain on transaction of derivatives		56
Derivative liabilities (using hedge accounting)	Gain on valuation of derivatives (profit or loss)		1,901
	Loss on valuation of derivatives (equity, before tax)		(2,406)
	Loss on transaction of derivatives		(211)

6. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Cash	₩	96,284	217,956
Cash equivalents (*)		30,376	45,534
Government grants		(5,545)	(3,049)
	₩	121,115	260,441

(*) Cash and cash equivalents as of December 31, 2025 and 2024 include government grants which are restricted for use in connection with a governmental research project.

7. Financial assets

(1) Financial assets as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025		December 31, 2024	
		Current	Non-current	Current	Non-current
Loans	₩	15,177	146,461	3,843	146,201
Present value discount		(71)	(1,543)	(76)	(1,586)
Subtotal		15,106	144,918	3,767	144,615
Short-term financial instruments		33,868	-	86,402	-
Financial assets at FVPL		-	500	-	-
Derivative assets		84,588	115,156	9,060	233,497
Financial assets at FVOCI		-	1,810,632	-	2,475,622
Other financial assets		-	6,359	-	6,217
	₩	133,562	2,077,565	99,229	2,859,951

(2) Loans as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025		December 31, 2024	
		Current	Non-current	Current	Non-current
Loans for tuition (*1)	₩	2,233	14,950	2,346	16,599
Present value discount		(71)	(1,543)	(76)	(1,585)
Subtotal		2,162	13,407	2,270	15,014
Housing fund loans (*2)		996	8,295	907	9,540
Loans to associates (*3)		10,715	112,169	230	109,772
Other loans		1,233	11,047	360	10,289
	₩	15,106	144,918	3,767	144,615

(*1) The Group makes loans to employees interest free for the purpose of supporting school expenses of their children. Loans are collected quarterly in equal installment payment through deduction from salary payment.
(*2) The Group makes loans to employees who do not own a house for the purpose of improving residential stability of employees. The interest rate is 95% of weighted average borrowing rate of the Group. Loan terms are 20 years with installment payments.
(*3) The Group lends to PT Cirebon Energi Prasarana and Foresight Iberian Solar Group Holding Spain SL at interest rates of 7~11% per annum.

7. Financial assets, Continued

(3) Financial instruments as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Fixed deposit and others	₩	33,868	86,402

(4) Changes in allowances for doubtful accounts of loans for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Beginning balance	₩	-	12,396
Bad debt expenses for impaired financial assets		-	-
Write-offs of trade receivables and other receivables		-	(12,396)
Ending balance	₩	-	-

(5) Financial assets at FVPL as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Contribution to the Chungnam Enterprise Growth Venture Fund	₩	500	-

8. Deposits restricted in use

Deposits restricted in use as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Cash and cash equivalents (*1)	₩	-	1,730
Cash and cash equivalents (*2)		5,545	3,049
Cash and cash equivalents (*3)		3,082	3,280
Cash and cash equivalents (*4)		14,738	1,469
Cash and cash equivalents (*6)		2	941
Short-term financial instruments (*5)		11,000	11,000
Non-current financial assets (*4)		6,359	6,217

(*1) This amount is provided as collateral for the long-term borrowings of Commerce and Industry Energy Co., Ltd., a subsidiary excluded from the scope of consolidation during the year ended December 31, 2025.
(*2) This amount is a deposit restricted for use in connection with a governmental research project.
(*3) This amount is deposited in PT Bank Mandiri for PT KOMIPO Pembangkitan Jawa Bali, a subsidiary, to execute operation and maintenance contract with Indonesia Electric Power Corporation (PT Perusahaan Listrik Negara).
(*4) This is a financial product restricted for use in connection with the Elara and Concho Valley solar power generation projects of KOMIPO America Inc., a subsidiary.
(*5) As of December 31, 2025, as a deposit made for IBK Industrial Bank’s 'win-win growth program' for small and medium enterprises, this amount is restricted in use.
(*6) Related to the long-term borrowings of the KOMIPO Iberian Solar Group, S.L.U., a subsidiary.

9. Financial assets at FVOCI

(1) Financial assets at FVOCI as of December 31, 2025 and 2024 are as follows:

In millions of won

	Shares *(in shares)*	Ownership (%)		December 31, 2025 Acquisition cost	December 31, 2025 Book value	December 31, 2024 Book value
Equity securities						
Listed						
PT. Bayan Resources TBK	1,333,333,400	4.00	₩	80,533	1,791,893	2,459,700
Unlisted						
Korea Power Exchange	1,826,275	7.14		9,131	18,325	15,509
HeeMang Sunlight Power Co., Ltd.	78,600	8.33		393	393	393
KEPCO Bylong Australia Pty., Ltd.	3,537,032	2.00		6,135	-	-
Fire Guarantee	40	-		20	20	20
			₩	96,212	1,810,631	2,475,622

(2) Changes in financial assets at FVOCI (equity securities) for each of the two years ended December 31, 2025 are as follows:

In millions of won

		2025 Beginning balance	Valuation	Ending balance
PT. Bayan Resources TBK	₩	2,459,700	(667,807)	1,791,893
Korea Power Exchange		15,509	2,816	18,325
HeeMang Sunlight Power Co., Ltd.		393	-	393
Fire Guarantee		20	-	20
	₩	2,475,622	(664,991)	1,810,631

In millions of won

		2024 Beginning balance	Valuation	Ending balance
PT. Bayan Resources TBK	₩	2,218,187	241,513	2,459,700
Korea Power Exchange		16,936	(1,427)	15,509
HeeMang Sunlight Power Co., Ltd.		393	-	393
Fire Guarantee		20	-	20
Gunsan Bio Energy Co.,Ltd. (*)		-	-	-
	₩	2,235,536	240,086	2,475,622

(*) The liquidation was completed for the year ended December 31, 2024.

10. Derivatives

(1) Derivatives as of December 31, 2025 and 2024 are as follows:

In millions of won

	December 31, 2025		December 31, 2024	
	Current	Non-current	Current	Non-current
Derivative assets				
Currency swap	₩ 84,175	70,917	-	142,963
Currency forward	-	-	6,805	-
Interest rate swap	414	8,777	2,255	12,282
Other derivatives (*)	-	35,462	-	78,252
	84,589	115,156	9,060	233,497
Derivative liabilities				
Currency swap	-	-	-	4,895
Currency forward	-	-	-	-
Interest rate swap	-	8,613	-	4,358
Other derivative liabilities (*)	14,761	52,056	-	121,807
	₩ 14,761	60,669	-	131,060

(*) Other derivative liabilities arise from the agreement between shareholders of Hyundai Green Power Co., Ltd., an associate, and the electricity sale agreement entered into by Elara Energy Project, LLC, a subsidiary, as described in Note 36.

(2) Currency swap contracts as of December 31, 2025 are as follows:

In millions of won and thousands of foreign currencies, except for contract exchange rate

Type	Counterparty	Terms of the contract	Contract amount		Contract interest rate (%)		Contract exchange rate (in won)
			Pay	Receive	Pay	Receive	
Cash flow hedge	Nomura	Oct. 30, 2017 ~ Oct. 30, 2037	₩ 52,457	EUR 40,000	2.60	1.70	₩1,311.42
	Nomura	Nov. 16, 2017 ~ Nov. 16, 2032	59,423	SEK 450,000	2.62	2.36	₩132.05
	Kookmin Bank	Aug. 9, 2021 ~ Aug. 9, 2026	114,230	USD 100,000	1.27	1.25	₩1,142.30
	Korea Development Bank	Aug. 9, 2021 ~ Aug. 9, 2026	114,230	USD 100,000	1.27	1.25	₩1,142.30
	Hana Bank	Aug. 9, 2021 ~ Aug. 9, 2026	114,230	USD 100,000	1.27	1.25	₩1,142.30
	Korea Development Bank	Apr. 21, 2022 ~ Apr. 21, 2027	123,710	USD 100,000	3.41	3.63	₩1,237.10
	Woori Bank	Apr. 21, 2022 ~ Apr. 21, 2027	123,710	USD 100,000	3.41	3.63	₩1,237.10
	JP Morgan	Apr. 21, 2022 ~ Apr. 21, 2027	123,710	USD 100,000	3.41	3.63	₩1,237.10

10. Derivatives, Continued

(3) Interest rate swap contracts as of December 31, 2025 are as follows:

In millions of won and thousands of U.S. dollars

Type	Counterparty	Terms of the contract		Contract amount	Contract interest rate (%)	
					Pay	Receive
Held for trading	Nomura	Oct. 30, 2017 ~ Oct. 30, 2032	₩	52,457	2.55+ floating rate	2.60
	Nomura	Nov. 9, 2017 ~ Nov. 16, 2032	₩	59,423	2.57+ floating rate	2.62
	NORD LB Bank	Aug. 29, 2022 ~ Sep. 30, 2036	USD	16,121	1.83	SOFR(6M)
	Rabobank	Aug. 29, 2022 ~ Sep. 30, 2036	USD	19,618	1.83	SOFR(6M)
Cash flow hedge	The Export-Import Bank of Korea	Feb. 12, 2015 ~ Dec. 29, 2031	USD	11,021	2.67	1D SOFR + 0.428%
	ING Bank N.V.	Feb. 12, 2015 ~ Dec. 29, 2031	USD	27,178	2.67	1D SOFR + 0.428%
	BNP Paribas	Feb. 12, 2015 ~ Dec. 29, 2031	USD	28,994	2.67	1D SOFR + 0.428%

(4) Gains or losses on valuation and transaction of derivatives for each of the two years ended December 31, 2025 are as follows:

In millions of won

		Gain (loss) on valuation (profit or loss)		Gain (loss) on transaction (profit or loss)		Other comprehensive income (loss)(*)	
		2025	2024	2025	2024	2025	2024
Currency swap	₩	(2,713)	113,999	3,773	2,402	19,737	(1,334)
Currency forward		-	6,805	3,129	24,412	-	-
Interest rate swap		(6,226)	(3,150)	(145)	56	(2,983)	(166)
Others		5,127	29,914	5,845	-	-	-
	₩	(3,812)	147,568	12,602	26,870	16,754	(1,500)

(*) Loss on valuation of derivatives recorded in accumulated other comprehensive income in the amounts of ₩10,610 million as of December 31, 2025 and loss on valuation of derivatives recorded ₩24,826 million as of December 31, 2024 respectively, are net of tax.

11. Trade and other receivables

(1) Trade and other receivables as of December 31, 2025 and 2024 are as follows:

In millions of won

		December 31, 2025		
		Gross receivables	Allowance for doubtful accounts	Book value
Current assets				
Trade receivables	₩	548,160	-	548,160
Other receivables		247,688	(2,348)	245,340
Subtotal		795,848	(2,348)	793,500
Non-current assets				
Trade receivables		132,275	-	132,275
Other receivables		32,645	-	32,645
Subtotal		164,920	-	164,920
	₩	960,768	(2,348)	958,420

In millions of won

		December 31, 2024		
		Gross receivables	Allowance for doubtful accounts	Book value
Current assets				
Trade receivables	₩	615,761	-	615,761
Other receivables		267,676	-	267,676
Subtotal		883,437	-	883,437
Non-current assets				
Trade receivables		169,455	-	169,455
Other receivables		28,583	-	28,583
Subtotal		198,038	-	198,038
	₩	1,081,475	-	1,081,475

11. Trade and other receivables, Continued

(2) Other receivables as of December 31, 2025 and 2024 are as follows:

In millions of won

	December 31, 2025		
	Gross receivables	Allowance for doubtful accounts	Book value
Current assets			
Non-trade receivables	₩ 33,862	(2,348)	31,514
Accrued income	213,706	-	213,706
Deposits	120	-	120
Subtotal	247,688	(2,348)	245,340
Non-current assets			
Non-trade receivables	1	-	1
Deposits	32,645	-	32,645
Subtotal	32,646	-	32,646
	₩ 280,334	(2,348)	277,986

In millions of won

	December 31, 2024		
	Gross receivables	Allowance for doubtful accounts	Book value
Current assets			
Non-trade receivables	₩ 62,219	-	62,219
Accrued income	205,046	-	205,046
Deposits	411	-	411
Subtotal	267,676	-	267,676
Non-current assets			
Non-trade receivables	1	-	1
Deposits	28,582	-	28,582
Subtotal	28,583	-	28,583
	₩ 296,259	-	296,259

11. Trade and other receivables, Continued

(3) An aging analysis of trade and other receivables as of December 31, 2025 and 2024 is as follows:

In millions of won		2025	
		Trade receivables	**Other receivables**
Receivables that are neither past due nor impaired:	₩	763,536	277,986
Receivables that are past due but not impaired:			
0 ~ 90 days		-	-
Receivables that are impaired:			
0 ~ 90 days		-	-
90 ~ 120 days		-	-
120 days ~ 1year		-	577
Over 1 year		-	1,771
Subtotal		763,536	280,334
(Less allowance for doubtful receivables)		-	(2,348)
(Less present value)		(83,101)	-
Ending balance	₩	680,435	277,986

In millions of won		2024	
		Trade receivables	**Other receivables**
Receivables that are neither past due nor impaired:	₩	785,217	296,259
Receivables that are past due but not impaired:			
0 ~ 90 days		-	-
Receivables that are impaired:			
0 ~ 90 days		-	-
90 ~ 120 days		-	-
120 days ~ 1year		-	-
Over 1 year		-	-
Subtotal		785,217	296,259
(Less allowance for doubtful receivables)		-	-
(Less present value)		-	-
Ending balance	₩	785,217	296,259

(4) There were no receivables that were past due or impaired as of December 31, 2025 and 2024.

(5) Changes in allowance for doubtful accounts of other receivables for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Beginning balance	₩	-	11,728
Bad debt expenses for impaired financial assets		2,348	-
Write-offs of trade and other receivables		-	(11,728)
Ending balance	₩	2,348	-

12. Inventories

(1) Inventories as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Raw materials	₩	321,924	330,147
Supplies		53,783	53,883
Inventories in transit		110,291	218,516
Other inventories		980	1,520
	₩	486,978	604,066

(2) The Group has no loss on valuation of inventories (reversal) for each of the two years ended December 31, 2025.

13. Non-financial assets

Non-financial assets as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025		December 31, 2024	
		Current	Non-current	Current	Non-current
Advanced payments	₩	67,175	3,423	11,683	3,423
Prepaid expenses		26,786	26,497	30,450	23,137
Others		2,565	8,745	53,576	4,798
	₩	96,526	38,665	95,709	31,358

14. Property, plant and equipment

(1) Property, plant and equipment as of December 31, 2025 and 2024 are as follows:

In millions of won

		December 31, 2025				
		Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	₩	843,350	-	-	-	843,350
Buildings		2,702,208	(5,520)	(1,225,576)	(2,052)	1,469,060
Structures		1,803,778	-	(686,867)	(1,376)	1,115,535
Machinery		12,383,893	(3,596)	(7,128,713)	(57,818)	5,193,766
Vehicles		16,120	(374)	(12,804)	(116)	2,826
Equipment		239,930	(138)	(196,228)	(332)	43,232
Tools		30,814	-	(29,756)	(1)	1,057
Construction-in-progress		857,037	(1,843)	-	-	855,194
Right-of-use assets		1,132,991	-	(487,344)	(1,070)	644,577
	₩	20,010,121	(11,471)	(9,767,288)	(62,765)	10,168,597

In millions of won

		December 31, 2024				
		Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	₩	833,406	-	-	-	833,406
Buildings		2,565,353	(7,241)	(1,112,555)	(2,052)	1,443,505
Structures		1,812,329	-	(634,910)	(1,376)	1,176,043
Machinery		12,124,139	(4,310)	(6,572,245)	(57,911)	5,489,673
Vehicles		14,292	(208)	(12,242)	(116)	1,726
Equipment		215,090	(287)	(176,699)	(333)	37,771
Tools		31,386	-	(30,569)	(1)	816
Construction-in-progress		563,021	(1,843)	-	-	561,178
Right-of-use assets		1,280,480	-	(565,125)	(1,070)	714,285
	₩	19,439,496	(13,889)	(9,104,345)	(62,859)	10,258,403

14. Property, plant and equipment, Continued

(2) Changes in property, plant and equipment for each of the two years ended December 31, 2025 are as follows:

In millions of won

		2025						
		Beginning balance	Acquisitions /capital expenditure	Disposals	Depreciation	Others (*)	Changes in scope of consolidation (*2)	Ending balance
Land	₩	833,406	-	(17)	-	10,774	(812)	843,351
Buildings		1,443,505	36	(6)	(112,457)	139,666	(1,684)	1,469,060
Structures		1,176,043	790	(314)	(68,470)	13,406	(5,920)	1,115,535
Machinery		5,489,673	78,551	(9,785)	(626,922)	303,654	(41,405)	5,193,766
Vehicles		1,726	139	(14)	(1,156)	2,131	-	2,826
Equipment		37,771	437	-	(20,076)	25,100	-	43,232
Tools		816	130	-	(805)	948	(32)	1,057
Construction-in-progress		561,178	796,821	-	-	(502,806)	-	855,193
Right-of-use assets		714,285	3,344	(9)	(82,815)	9,772	-	644,577
	₩	10,258,403	880,248	(10,145)	(912,701)	2,645	(49,853)	10,168,597

(*1) Others consist of transfer from construction-in-progress to items of property, plant and equipment, capitalized borrowing costs, capitalized retirement benefits, and the effects of exchange rate fluctuations.
(*2) The changes in the scope of consolidation reflect the derecognition of Commerce and Industry Energy Co., Ltd.'s property, plant and equipment due to the loss of control resulting from the partial disposal of interest in Commerce and Industry Energy Co., Ltd.

In millions of won

		2024					
		Beginning balance	Acquisitions /capital expenditure	Disposals	Depreciation	Others (*)	Ending balance
Land	₩	832,834	263	(652)	-	961	833,406
Buildings		1,532,191	724	(1,334)	(121,424)	33,348	1,443,505
Structures		1,209,455	1,102	(142)	(59,365)	24,993	1,176,043
Machinery		5,865,241	39,030	(1,035)	(736,229)	322,666	5,489,673
Vehicles		1,859	78	-	(1,256)	1,045	1,726
Equipment		39,704	542	(5)	(20,941)	18,471	37,771
Tools		1,581	76	-	(1,002)	161	816
Construction-in-progress		271,214	634,036	-	-	(344,072)	561,178
Right-of-use assets		796,448	3,880	-	(91,016)	4,973	714,285
	₩	10,550,527	679,731	(3,168)	(1,031,233)	62,546	10,258,403

(*) Others consist of transfer from construction-in-progress to items of property, plant and equipment, capitalized borrowing costs, capitalized retirement benefits, and the effects of exchange rate fluctuations.

14. Property, plant and equipment, Continued

(3) Government grants as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Buildings	₩	5,520	7,241
Machinery		3,596	4,309
Vehicles		374	208
Equipment		138	288
Construction-in-progress		1,843	1,843
	₩	11,471	13,889

(4) Changes in government grants for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025			
		Beginning balance	Acquisition	Depreciation	Ending balance
Buildings	₩	7,241	-	(1,721)	5,520
Machinery		4,309	-	(714)	3,595
Vehicles		208	377	(210)	375
Equipment		288	-	(150)	138
Construction-in-progress		1,843	-	-	1,843
Total	₩	13,889	377	(2,795)	11,471

In millions of won		2024			
		Beginning balance	Acquisition	Depreciation	Ending balance
Buildings	₩	8,962	-	(1,721)	7,241
Machinery		4,066	941	(698)	4,309
Vehicles		283	49	(124)	208
Equipment		438	-	(150)	288
Construction-in-progress		-	1,843	-	1,843
	₩	13,749	2,833	(2,693)	13,889

15. Intangible assets

(1) Intangible assets as of December 31, 2025 and 2024 are as follows:

In millions of won

		December 31, 2025				
		Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment loss	Carrying amount
Software	₩	122,576	-	(103,686)	(19)	18,871
Development expenditures		679	-	(264)	-	415
Mining rights		24,813	-	(16,203)	-	8,610
Others		84,429	(82)	(2,091)	(25)	82,231
Goodwill		2,443	-	-	-	2,443
	₩	234,940	(82)	(122,244)	(44)	112,570

In millions of won

		December 31, 2024				
		Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment loss	Carrying amount
Software	₩	118,181	-	(97,347)	(19)	20,815
Development expenditures		486	-	(159)	-	327
Mining rights		24,090	-	(13,865)	-	10,225
Others		85,487	(171)	(1,822)	(25)	83,469
Goodwill		2,443	-	-	-	2,443
	₩	230,687	(171)	(113,193)	(44)	117,279

15. Intangible assets, Continued

(2) Changes in intangible assets for each of the two years ended December 31, 2025 are as follows:

In millions of won

		2025					
		Beginning balance	Acquisitions /capital expenditure	Amortization	Others (*)	Changes in scope of consolidation	Ending balance
Software	₩	20,815	201	(6,254)	4,116	(7)	18,871
Development expenditures		327	-	(20)	108	-	415
Mining rights		10,224	-	(1,068)	(546)	-	8,611
Others		83,469	67,460	(270)	(68,429)	-	82,230
Goodwill		2,443	-	-	-	-	2,443
	₩	117,279	67,661	(7,612)	(64,751)	(7)	112,570

(*) Others consist of transfer from construction-in-progress, transfer from emission rights to item of intangible assets, transfer from amortization cost to construction-in-progress, effect of exchange rate fluctuations.

Greenhouse gas emission rights allocated free of charge from the government are classified as intangible assets and measured as nil.

In millions of won

		2024				
		Beginning balance	Acquisitions /capital expenditure	Amortization	Others (*)	Ending balance
Software	₩	17,208	6	(6,619)	10,220	20,815
Development expenditures		315	-	(24)	36	327
Mining rights		10,508	793	(1,467)	390	10,224
Others		71,092	43	(252)	12,587	83,469
Goodwill		2,443	-	-	-	2,443
	₩	101,567	842	(8,362)	23,233	117,279

(*) Others consist of transfer from construction-in-progress, transfer from emission rights to item of intangible assets, transfer from amortization cost to construction-in-progress, effect of exchange rate fluctuations.

Greenhouse gas emission rights allocated free of charge from the government are classified as intangible assets and measured as nil.

(3) Changes in government grants for each of the two years ended December 31, 2025 are as follows:

In millions of won

		2025			
		Beginning balance	Acquisition	Amortization	Ending balance
Others	₩	171	-	(89)	82

In millions of won

		2024			
		Beginning balance	Acquisition	Amortization	Ending balance
Others	₩	260	-	(89)	171

16. Investments in associates and joint ventures

(1) Investments in associates and joint ventures as of December 31, 2025 and 2024 are as follows:

In millions of won

Investees	Key operation activities	Location	December 31, 2025		
			Ownership ratio (%)	Acquisition cost	Book value
<Associates>					
Gangwon Wind Power Co., Ltd. (*1)	Wind power generation	Korea	15.0	₩ 5,725	12,373
Hyundai Green Power Co., Ltd.	By-product gas power generation facility consignment management	Korea	29.0	88,885	86,549
PT Cirebon Electric Power	Coal-fired power generation	Indonesia	27.5	40,365	162,112
PT Wampu Electric Power	Water power generation	Indonesia	46.0	21,292	36,516
PT Cirebon Energi Prasarana(*1)	Coal-fired power generation	Indonesia	10.0	26,710	94,005
Korea Offshore Wind Power Co., Ltd.(*1)	Wind power generation	Korea	12.5	26,600	26,921
KEPCO Solar Co., Ltd. (*1)	Solar school business	Korea	8.3	16,650	17,842
KEPCO ES Co., Ltd. (*1)	Energy saving business	Korea	8.3	25,000	26,075
YaksuESS Co., Ltd.	Installing ESS related equipment	Korea	29.0	210	31
Jeju Hallim Offshore Wind Power Co., Ltd.	Wind power generation	Korea	22.9	20,000	18,673
YeongGwang Yaksu Wind Electric.Co., Ltd. (*1)	Wind power generation	Korea	9.6	533	61
Green Energy Power Co., Ltd.	Wind power generation	Korea	29.0	1,189	230
Kwangbaek Solar Power Investment Co., Ltd.	Solar power generation	Korea	44.0	4,757	5,236
Muan Solar Power Plant Co., Ltd.	Solar power generation	Korea	20.0	1,570	2,778
Goesan Solar Park Co., Ltd.	Solar power generation	Korea	29.0	1,276	2,926
Bitgoeul Eco Energy Co., Ltd.	Fuel cell power generation	Korea	29.0	4,640	7,672
Jeju Gimnyeong Wind Power Co., Ltd.	Wind power generation	Korea	30.0	714	-
East Highway Solar Co., Ltd	Solar power generation	Korea	20.0	190	523
West Highway Solar Co., Ltd	Solar power generation	Korea	20.0	195	683
Yeomsubong Wind Power Co., Ltd.	Wind power generation	Korea	29.0	1,411	325
Yeong-yang 2nd Wind Power Co., Ltd.	Wind power generation	Korea	30.0	7,965	13,406
Haeparang Energy Co., Ltd.	Wind power generation	Korea	25.0	2,241	2,714
Saemangeum Sebit Power Plant Co., Ltd.	Solar power generation	Korea	41.1	15,667	28,114
Commerce and Industry Energy Co., Ltd.	RDF power generation	Korea	24.3	498	498
				314,283	546,263
<Joint ventures>					
Stavro Holding Ⅱ A.B.	Overseas investment	Sweden	20.0	18,566	18,062
Energy Co.	Solar power generation	Korea	29.0	1,659	2,629
CAES, LLC	ESS based VPP business	U.S.	36.0	19,414	18,098
Foresight Iberian Solar Group Holding Spain SL	Solar power generation	Spain	75.0	10,564	-
Enel X KOMIPO Limited	Solar power generation	Korea	20.0	2,211	2,822
Prime Swedish Holding AB	Overseas investment	Sweden	45.0	35,410	38,664
Lucy Equity Holdings, LLC	Solar power generation	U.S.	20.0	9,612	-
Nour Ibri Solar Power SAOC	Solar power generation	Oman	30.8	364	373
				97,800	80,648
				₩ 412,083	626,911

(*1) Although the Group owns less than 20% of the equity shares of the entity, the Group participates in the directors' meetings and exercises significant influence. As such, it is classified as investments in associates.

(*2) Although the Group owns more than 50% of the equity shares of the entity, key operating and strategic decisions require the consent of the other joint investor under the shareholders' agreement, and therefore the Group does not exercise sole control. As such, the investment is classified as a joint venture as the Group shares joint control with the other investor.

16. Investments in associates and joint ventures, Continued

(1) Investments in associates and joint ventures as of December 31, 2025 and 2024 are as follows, continued:

In millions of won

Investees	Key operation activities	Location	December 31, 2024		
			Ownership ratio (%)	Acquisition cost	Book value
<Associates>					
Gangwon Wind Power Co., Ltd. (*1)	Wind power generation	Korea	15.0	₩ 5,725	11,694
Hyundai Green Power Co., Ltd.	By-product gas power generation facility consignment management	Korea	29.0	88,885	87,392
PT Cirebon Electric Power	Coal-fired power generation	Indonesia	27.5	40,365	157,531
PT Wampu Electric Power	Water power generation	Indonesia	46.0	21,292	39,269
PT Cirebon Energi Prasarana(*1)	Coal-fired power generation	Indonesia	10.0	26,710	96,846
Korea Offshore Wind Power Co., Ltd.(*1)	Wind power generation	Korea	12.5	26,600	24,861
KEPCO Solar Co., Ltd. (*1)	Solar school business	Korea	8.3	16,650	17,592
KEPCO ES Co., Ltd. (*1)	Energy saving business	Korea	8.3	25,000	26,047
YaksuESS Co., Ltd.	Installing ESS related equipment	Korea	29.0	210	163
Jeju Hallim Offshore Wind Power Co., Ltd.	Wind power generation	Korea	22.9	20,000	16,935
YeongGwang Yaksu Wind Electric.Co., Ltd. (*1)	Wind power generation	Korea	9.6	533	41
Green Energy Power Co., Ltd.	Wind power generation	Korea	29.0	1,189	-
Kwangbaek Solar Power Investment Co., Ltd.	Solar power generation	Korea	44.0	4,757	5,155
Muan Solar Power Plant Co., Ltd.	Solar power generation	Korea	20.0	1,570	2,772
Goesan Solar Park Co., Ltd.	Solar power generation	Korea	29.0	1,276	3,133
Bitgoeul Eco Energy Co., Ltd.	Fuel cell power generation	Korea	29.0	4,640	8,035
Jeju Gimnyeong Wind Power Co., Ltd.	Wind power generation	Korea	30.0	714	250
East Highway Solar Co., Ltd	Solar power generation	Korea	20.0	190	512
West Highway Solar Co., Ltd	Solar power generation	Korea	20.0	195	579
Yeomsubong Wind Power Co., Ltd.	Wind power generation	Korea	29.0	1,411	603
Yeong-yang 2nd Wind Power Co., Ltd.	Wind power generation	Korea	30.0	7,965	11,302
Haeparang Energy Co., Ltd.	Wind power generation	Korea	25.0	2,241	1,950
Saemangeum Sebit Power Plant Co., Ltd.	Solar power generation	Korea	41.1	15,667	27,702
Boulder Solar III, LLC	Solar power generation	U.S.	-	-	-
				313,785	540,364
<Joint ventures>					
Stavro Holding Ⅱ A.B.	Overseas investment	Sweden	20.0	18,566	16,459
Energy Co.	Solar power generation	Korea	29.0	1,659	2,322
CAES, LLC	ESS based VPP business	U.S.	36.0	19,414	20,659
Foresight Iberian Solar Group Holding Spain SL	Solar power generation	Spain	75.0	10,564	-
Enel X KOMIPO Limited	Solar power generation	Korea	20.0	2,211	2,715
Prime Swedish Holding AB	Overseas investment	Sweden	45.0	35,410	37,559
				87,824	79,714
				₩ 401,609	620,078

(*1) Although the Group owns less than 20% of the equity shares of the entity, participates in the directors' meetings and exercises significant influence. As such, it is classified as investments in associates.

16. Investments in associates and joint ventures, Continued

(2) Changes in investments in associates and joint ventures for each of the two years ended December 31, 2025 are as follows:

In millions of won

Investees	2025						
	Beginning balance	Acquisition	Dividends received	Share of profit (loss)	Share of changes in equity	Others	Ending balance
<Associates>							
Gangwon Wind Power Co., Ltd.	₩ 11,693	-	(1,420)	2,100	-	-	12,373
Hyundai Green Power Co., Ltd.	87,392	-	(3,556)	2,679	-	34	86,549
PT Cirebon Electric Power	157,530	-	-	8,270	-	(3,688)	162,112
PT Wampu Electric Power	39,269	-	(3,928)	1,699	430	(954)	36,516
PT Cirebon Energi Prasarana	96,846	-	-	3,341	(3,865)	(2,317)	94,005
Korea Offshore Wind Power Co., Ltd.	24,861	-	-	2,060	-	-	26,921
KEPCO Solar Co., Ltd.	17,592	-	(336)	584	2	-	17,842
KEPCO ES Co., Ltd.	26,047	-	(508)	527	(6)	15	26,075
YaksuESS Co., Ltd.	163	-	-	(132)	-	-	31
Jeju Hallim Offshore Wind Power Co., Ltd.	16,935	-	-	1,739	(1)	-	18,673
YeongGwang Yaksu Wind Electric.Co., Ltd.	41	-	-	20	-	-	61
Green Energy Power Co., Ltd.	-	-	-	230	-	-	230
Kwangbaek Solar Power Investment Co., Ltd.	5,155	-	-	81	-	-	5,236
Muan Solar Power Plant Co., Ltd.	2,772	-	(520)	526	-	-	2,778
Goesan Solar Park Co., Ltd.	3,133	-	(400)	193	-	-	2,926
Bitgoeul Eco Energy Co., Ltd.	8,035	-	(835)	472	-	-	7,672
Jeju Gimnyeong Wind Power Co., Ltd.	250	-	-	(250)	-	-	-
East Highway Solar Co., Ltd	512	-	-	11	-	-	523
West Highway Solar Co., Ltd	579	-	-	104	-	-	683
Yeomsubong Wind Power Co., Ltd.	603	-	-	(278)	-	-	325
Yeong-yang 2nd Wind Power Co., Ltd.	11,302	-	-	2,104	-	-	13,406
Haeparang Energy Co., Ltd.	1,949	-	-	766	(1)	-	2,714
Saemangeum Sebit Power Plant Co., Ltd.	27,702	-	-	412	-	-	28,114
Commerce and Industry Energy Co., Ltd.	-	-	-	-	-	498	498
	₩ 540,361	-	(11,503)	27,258	(3,441)	(6,412)	546,263

16. Investments in associates and joint ventures, Continued

(2) Changes in investments in associates and joint ventures for each of the two years ended December 31, 2025 are as follows, continued:

In millions of won

Investees		2025						
		Beginning balance	Acquisition	Dividends received	Share of profit (loss)	Share of changes in equity	Others	Ending balance
<Joint ventures>								
Stavro Holding Ⅱ A.B.	₩	16,459	-	-	(1,227)	1,144	1,686	18,062
Energy Co.		2,322	-	-	307	-	-	2,629
CAES, LLC		20,659	-	(742)	(1,235)	(141)	(443)	18,098
Foresight Iberian Solar Group Holding Spain SL (*1)		-	-	-	-	(833)	833	-
Enel X KOMIPO Limited		2,715	-	-	107	-	-	2,822
Prime Swedish Holding AB		37,559	-	(204)	(2,301)	-	3,610	38,664
Lucy Equity Holdings, LLC		-	9,612	-	(1,112)	(8,530)	30	-
Nour Ibri Solar Power SAOC		-	364	-	-	-	9	373
		79,714	9,976	(946)	(5,461)	(8,360)	5,725	80,648
	₩	620,075	9,976	(12,449)	21,797	(11,801)	(687)	626,911

(*1) For the year ended December 31, 2025, the Group additionally recognized ₩8,168 million of share of loss due to the suspension of the equity method for Foresight Iberian Solar Group Holding Spain S.L., in long-term loans, which are part of the net investment.

16. Investments in associates and joint ventures, Continued

(2) Changes in investments in associates and joint ventures for each of the two years ended December 31, 2025 are as follows, continued:

In millions of won

Investees		2024						
		Beginning balance	Dividends received	Share of profit (loss)	Share of changes in equity	Disposal	Others	Ending balance
<Associates>								
Gangwon Wind Power Co., Ltd.	₩	12,001	(1,420)	1,112	-	-	-	11,693
Hyundai Green Power Co., Ltd.		118,172	(3,555)	2,713	-	-	(29,938)	87,392
PT Cirebon Electric Power		134,259	-	4,144	-	-	19,127	157,530
PT Wampu Electric Power		34,555	(3,765)	3,495	152	-	4,832	39,269
PT Cirebon Energi Prasarana		76,597	-	6,051	2,782	-	11,416	96,846
Korea Offshore Wind Power Co., Ltd.		23,798	-	1,063	-	-	-	24,861
KEPCO Solar Co., Ltd.		17,495	(418)	517	-	-	(2)	17,592
KEPCO ES Co., Ltd.		25,561	(265)	765	-	-	(14)	26,047
YaksuESS Co., Ltd.		285	-	(122)	-	-	-	163
Jeju Hallim Offshore Wind Power Co., Ltd.		16,914	-	21	-	-	-	16,935
YeongGwang Yaksu Wind Electric.Co., Ltd.		133	-	(92)	-	-	-	41
Green Energy Power Co., Ltd.		8	-	(8)	-	-	-	-
Kwangbaek Solar Power Investment Co., Ltd.		5,155	(523)	523	-	-	-	5,155
Muan Solar Power Plant Co., Ltd.		2,822	(560)	510	-	-	-	2,772
Goesan Solar Park Co., Ltd.		2,877	-	256	-	-	-	3,133
Bitgoeul Eco Energy Co., Ltd.		7,328	(854)	1,561	8	-	(8)	8,035
Jeju Gimnyeong Wind Power Co., Ltd.		246	-	4	-	-	-	250
East Highway Solar Co., Ltd		381	-	131	-	-	-	512
West Highway Solar Co., Ltd		406	-	173	-	-	-	579
Yeomsubong Wind Power Co., Ltd.		871	-	(268)	-	-	-	603
Yeong-yang 2nd Wind Power Co., Ltd.		10,101	-	1,201	-	-	-	11,302
Haeparang Energy Co., Ltd.		2,104	-	(155)	-	-	-	1,949
Saemangeum Sebit Power Plant Co., Ltd.		27,762	-	(60)	-	-	-	27,702
Boulder Solar III, LLC		754	-	-	-	(789)	35	-
	₩	520,585	(11,360)	23,535	2,942	(789)	5,448	540,361

16. Investments in associates and joint ventures, Continued

(2) Changes in investments in associates and joint ventures for each of the two years ended December 31, 2025 are as follows, continued:

In millions of won

Investees		2024						
		Beginning balance	Dividends received	Share of profit (loss)	Share of changes in equity	Disposal	Others	Ending balance
<Joint ventures>								
Stavro Holding Ⅱ A.B.	₩	18,263	-	(2,326)	(676)	-	1,198	16,459
Energy Co.		2,140	-	182	-	-	-	2,322
CAES, LLC		20,379	(663)	341	(1,687)	-	2,289	20,659
Foresight Iberian Solar Group Holding Spain SL		8,119	-	(5,852)	(2,626)	-	359	-
Enel X KOMIPO Limited		2,542	-	173	-	-	-	2,715
Prime Swedish Holding AB		38,789	-	(3,782)	-	-	2,552	37,559
		90,232	(663)	(11,264)	(4,989)	-	6,398	79,714
	₩	610,815	(12,023)	12,271	(2,047)	(789)	11,843	620,070

(*1) During the year ended December 31, 2024, it was excluded from associates as the Group was unable to exercise significant influence due to the ongoing liquidation and bankruptcy proceedings.

16. Investments in associates and joint ventures, Continued

(3) The summarized financial information on associates and joint ventures as of December 31, 2025 and 2024 and for each of the two years ended December 31, 2025 are as follows:

In millions of won

	As of and for the year ended December 31, 2025						
Investees	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Profit (loss)	Total compreh - ensive income (loss)
<Associates>							
Gangwon Wind Power Co., Ltd. ₩	56,275	227,185	6,697	194,600	27,005	13,997	13,997
Hyundai Green Power Co., Ltd.	51,511	605,478	51,850	204,486	111,887	9,787	9,905
PT Cirebon Electric Power	187,137	537,635	82,694	52,578	304,258	30,071	30,071
PT Wampu Electric Power	31,432	159,463	13,256	98,258	19,113	3,058	4,971
PT Cirebon Energi Prasarana	475,577	3,174,530	174,367	2,535,694	525,647	33,411	(5,240)
Korea Offshore Wind Power Co., Ltd.	96,298	241,958	20,199	102,693	43,562	16,480	16,480
KEPCO Solar Co., Ltd.	75,539	167,548	4,485	24,278	23,412	7,023	7,046
KEPCO ES Co., Ltd.	202,957	133,087	23,081	60	9,516	6,321	6,442
YaksuESS Co., Ltd.	968	3,329	2,358	1,836	716	(454)	(454)
Jeju Hallim Offshore Wind Power Co., Ltd.	79,299	554,226	30,096	525,172	80,467	7,590	7,590
YeongGwang Yaksu Wind Electric.Co., Ltd.	4,523	30,269	5,142	29,851	5,925	205	205
Green Energy Power Co., Ltd.	1,708	65,399	7,399	61,600	5,270	2,158	2,158
Kwangbaek Solar Power Investment Co., Ltd.	27,491	212,827	20,654	208,480	8,849	883	883
Muan Solar Power Plant Co., Ltd.	20,607	98,513	11,058	96,645	15,446	2,628	2,628
Goesan Solar Park Co., Ltd.	6,152	40,127	1,057	35,131	6,120	667	667
Bitgoeul Eco Energy Co., Ltd.	10,178	60,787	10,111	34,398	24,840	1,403	1,403
Jeju Gimnyeong Wind Power Co., Ltd.	9,341	39,921	17,595	31,919	11,339	(1,085)	(1,085)
East Highway Solar Co., Ltd	2,199	16,038	1,312	14,564	2,700	55	55
West Highway Solar Co., Ltd	2,279	13,592	1,636	10,820	2,837	519	519
Yeomsubong Wind Power Co., Ltd.	7,751	42,979	2,428	48,030	6,151	(961)	(961)
Yeong-yang 2nd Wind Power Co., Ltd.	32,569	106,402	2,653	98,665	20,537	7,014	7,014
Haeparang Energy Co., Ltd.	5,648	60,748	2,906	52,712	7,339	3,063	3,063
Saemangeum Sebit Power Plant Co., Ltd.	27,398	115,883	5,540	69,599	20,428	1,003	1,003
Commerce and Industry Energy Co., Ltd.	6,244	55,111	8,663	20,169	10,732	(3,487)	(3,487)
<Joint ventures>							
Stavro Holding Ⅱ A.B.	1	90,561	175	78	-	(6,134)	(6,134)
Energy Co.	6,148	48,961	2,695	46,208	6,690	1,058	1,058
CAES, LLC	23	42,130	-	-	-	(3,434)	(3,823)
Foresight Iberian Solar Group Holding Spain SL	5,010	203,495	4,245	219,233	8,598	(1,312)	(2,422)
Enel X KOMIPO Limited	3,165	11,317	374	-	2,376	533	533
Prime Swedish Holding AB	25,771	125,559	3,617	65,535	10,691	(5,114)	(5,114)
Lucy Equity Holdings, LLC	1,184	-	-	-	-	-	-
Nour Ibri Solar Power SAOC	17,991	256,714	7,310	415,952	-	(16)	(16)

16. Investments in associates and joint ventures, Continued

(3) The summarized financial information on associates and joint ventures as of December 31, 2025 and 2024 and for each of the two years ended December 31, 2025 are as follows, continued:

In millions of won

Investees	As of and for the year ended December 31, 2024						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Profit (loss)	Total compreh - ensive income (loss)
<Associates>							
Gangwon Wind Power Co., Ltd. ₩	48,168	75,619	3,156	43,000	23,400	7,415	7,415
Hyundai Green Power Co., Ltd.	64,579	634,074	51,423	243,671	109,081	9,354	8,327
PT Cirebon Electric Power	184,793	557,840	43,405	126,391	281,041	15,070	15,070
PT Wampu Electric Power	28,948	180,777	13,667	110,691	19,146	7,598	7,929
PT Cirebon Energi Prasarana	452,717	3,379,275	158,200	2,705,335	543,340	60,513	88,333
Korea Offshore Wind Power Co., Ltd.	77,931	252,423	19,060	112,409	41,489	8,502	8,502
KEPCO Solar Co., Ltd.	63,570	176,985	4,344	24,896	20,788	6,210	6,189
KEPCO ES Co., Ltd.	181,867	136,781	5,825	262	6,384	9,184	9,006
YaksuESS Co., Ltd.	1,418	3,877	2,377	2,361	749	(423)	(423)
Jeju Hallim Offshore Wind Power Co., Ltd.	36,159	554,454	5,581	519,058	10,872	(5,067)	(5,070)
YeongGwang Yaksu Wind Electric.Co., Ltd.	3,639	33,021	5,722	31,343	5,194	(953)	(953)
Green Energy Power Co., Ltd.	13,025	68,772	21,830	64,018	1,942	(1,392)	(1,392)
Kwangbaek Solar Power Investment Co., Ltd.	27,184	233,457	20,535	229,107	9,658	1,188	1,188
Muan Solar Power Plant Co., Ltd.	22,049	106,081	9,838	106,903	16,246	2,552	2,552
Goesan Solar Park Co., Ltd.	6,408	42,516	283	37,836	6,143	884	884
Bitgoeul Eco Energy Co., Ltd.	15,178	64,531	10,249	41,527	28,110	6,064	6,064
Jeju Gimnyeong Wind Power Co., Ltd.	8,931	44,405	14,417	38,086	10,889	13	13
East Highway Solar Co., Ltd	1,572	14,567	1,432	12,401	2,665	656	656
West Highway Solar Co., Ltd	1,622	14,701	1,461	11,967	2,737	863	863
Yeomsubong Wind Power Co., Ltd.	5,181	40,288	456	43,780	-	(924)	(924)
Yeong-yang 2nd Wind Power Co., Ltd.	24,595	111,765	3,186	102,535	18,376	4,005	4,005
Haeparang Energy Co., Ltd.	3,761	59,988	12,594	43,436	758	(620)	(620)
Saemangeum Sebit Power Plant Co., Ltd.	37,190	123,035	5,408	87,678	20,376	(147)	(147)
<Joint ventures>							
Stavro Holding Ⅱ A.B.	16	82,390	92	22	-	(11,632)	(11,632)
Energy Co.	4,664	45,646	2,675	42,486	6,221	629	629
CAES, LLC	933	48,333	-	-	-	946	(3,740)
Foresight Iberian Solar Group Holding Spain SL	4,688	182,429	3,307	191,574	3,262	(13,206)	(16,716)
Enel X KOMIPO Limited	1,852	11,842	119	-	2,470	865	865
Prime Swedish Holding AB	28,865	114,238	1,339	61,016	8,911	(8,404)	(8,404)

16. Investments in associates and joint ventures, Continued

(4) **Unrecognized share of loss of associate as the Group ceased to recognize loss of the associate for each of the two years ended December 31, 2025 is as follows:**

In millions of won

	2025		2024	
	Unrecognized share of loss	Accumulated unrecognized share of loss	Unrecognized share of loss	Accumulated unrecognized share of loss
Green Energy Power Co., Ltd.	₩ -	-	(396)	(396)
Foresight Iberian Solar Group Holding Spain SL	-	-	(4,052)	(4,052)
Jeju Gimnyeong Wind Power Co., Ltd.	(76)	(76)	-	-
Lucy Equity Holdings, LLC	(3,538)	(3,538)	-	-

16. Investments in associates and joint ventures, Continued

(5) Adjustments of net assets of associates and joint ventures to the Group's share of their net assets as of December 31, 2025 are as follows:

In millions of won

Investee	Net assets	Ownership ratio	Share of net assets	Investment difference	Others(*)	Book value
<Associates>						
Gangwon Wind Power Co., Ltd.	82,163	15.0%	12,324	49	-	12,373
Hyundai Green Power Co., Ltd.	400,653	29.0%	116,189	-	(29,640)	86,549
PT Cirebon Electric Power	589,500	27.5%	162,112	-	-	162,112
PT Wampu Electric Power	79,382	46.0%	36,516	-	-	36,516
PT Cirebon Energi Prasarana	940,046	10.0%	94,005	-	-	94,005
Korea Offshore Wind Power Co., Ltd.	215,365	12.5%	26,921	-	-	26,921
KEPCO Solar Co., Ltd.	214,324	8.3%	17,842	-	-	17,842
KEPCO ES Co., Ltd.	312,903	8.3%	26,075	-	-	26,075
YaksuESS Co., Ltd.	103	29.0%	30	1	-	31
Jeju Hallim Offshore Wind Power Co., Ltd.	78,257	22.9%	17,929	744	-	18,673
YeongGwang Yaksu Wind Electric.Co., Ltd.	(201)	9.6%	(19)	300	(220)	61
Green Energy Power Co., Ltd.	(1,892)	29.0%	(549)	779	-	230
Kwangbaek Solar Power Investment Co., Ltd.	11,183	44.0%	4,921	316	-	5,237
Muan Solar Power Plant Co., Ltd.	11,417	20.0%	2,283	494	-	2,777
Goesan Solar Park Co., Ltd.	10,091	29.0%	2,926	-	-	2,926
Bitgoeul Eco Energy Co., Ltd.	26,456	29.0%	7,672	-	-	7,672
Jeju Gimnyeong Wind Power Co., Ltd.	(253)	30.0%	(76)	76	-	-
East Highway Solar Co., Ltd	2,360	20.0%	472	50	-	522
West Highway Solar Co., Ltd	3,415	20.0%	683	-	-	683
Yeomsubong Wind Power Co., Ltd.	271	29.0%	79	246	-	325
Yeong-yang 2nd Wind Power Co., Ltd.	37,653	30.0%	11,296	2,110	-	13,406
Haeparang Energy Co., Ltd.	10,778	25.0%	2,694	20	-	2,714
Saemangeum Sebit Power Plant Co., Ltd.	68,142	41.1%	27,986	128	-	28,114
Commerce and Industry Energy Co., Ltd.	32,523	24.3%	7,903	(8,309)	904	498
<Joint ventures>						
Stavro Holding Ⅱ A.B.	90,309	20.0%	18,062	-	-	18,062
Energy Co.	6,207	29.0%	1,800	829	-	2,629
CAES, LLC	42,153	36.0%	15,175	2,923	-	18,098
Foresight Iberian Solar Group Holding Spain SL	(14,972)	75.0%	(11,229)	1,427	9,802	-
Enel X KOMIPO Limited	14,108	20.0%	2,822	-	-	2,822
Prime Swedish Holding AB	82,179	45.0%	36,980	1,684	-	38,664
| Lucy Equity Holdings, LLC	(148,557)	20.0%	(29,711)	(1,222)	30,933	-
Nour Ibri Solar Power SAOC	1,184	30.8%	365	-	8	373

(*) Others consist of impairment loss on investments in associates and joint ventures, unrecognized share of loss due to the suspension of the equity method and others.

17. Trade and other payables

Trade and other payables as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025		December 31, 2024	
		Current	Non-current	Current	Non-current
Trade payables	₩	167,716	-	330,953	-
Non-trade payables		191,023	19,480	227,807	50,648
Accrued expenses		98,078	-	78,218	-
Other deposits received		528	4	3,090	288
Dividend payables		483	-	621	-
Lease liabilities (*)		82,880	587,231	104,561	657,821
	₩	540,708	606,715	745,250	708,757

(*) Refer to Note 18 for the details of lease liabilities.

18. Leases

(1) Details of right-of-use assets as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025			
		Acquisition	Accumulated depreciation	Accumulated impairment	Book value
Ships	₩	836,201	(353,814)	-	482,387
Machinery		209,886	(99,112)	(1,070)	109,704
Other right-of-use assets		86,904	(34,418)	-	52,486
	₩	1,132,991	(487,344)	(1,070)	644,577

In millions of won		December 31, 2024			
		Acquisition	Accumulated depreciation	Accumulated impairment	Book value
Ships	₩	995,370	(448,243)	-	547,127
Machinery		209,416	(90,971)	(1,070)	117,375
Other right-of-use assets		75,693	(25,910)	-	49,783
	₩	1,280,479	(565,124)	(1,070)	714,285

(2) Changes in right-of-use assets for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025				
		Beginning balance	Acquisition	Depreciation	Others increase and decrease	Ending balance
Ships	₩	547,127	-	(64,727)	(13)	482,387
Machinery		117,375	-	(8,141)	470	109,704
Other right-of-use assets		49,783	3,344	(9,948)	9,307	52,486
	₩	714,285	3,344	(82,816)	9,764	644,577

18. Leases, Continued

(2) Changes in right-of-use assets for each of the two years ended December 31, 2025 are as follows, continued:

In millions of won

		2024				
		Beginning balance	Acquisition	Depreciation	Others increase and decrease	Ending balance
Ships	₩	621,779	-	(74,652)	-	547,127
Machinery		125,018	-	(8,212)	569	117,375
Other right-of-use assets		49,651	3,880	(8,152)	4,404	49,783
	₩	796,448	3,880	(91,016)	4,973	714,285

(3) Details of expenses recognized in profit or loss relating to leases for each of the two years ended December 31, 2025 are as follows:

In millions of won

		2025	2024
Depreciation of right-of use assets	₩	82,815	91,016
Interest expenses of lease liabilities		15,156	16,099
Lease for low value assets		141	166
Short-term leases		223	157
	₩	98,335	107,438

(4) Details of lease liabilities as of December 31, 2025 and 2024 are as follows:

In millions of won

		December 31, 2025		December 31, 2024	
		Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Less than 1 year	₩	83,894	82,880	105,786	104,561
1 ~ 5 years		321,261	302,369	321,914	303,179
More than 5 years		331,089	284,863	414,950	354,641
	₩	736,244	670,112	842,650	762,381

(5) Changes in lease liabilities for each of the two years ended December 31, 2025 are as follows:

In millions of won

		2025						
		Beginning balance	Acquisition /capital expenditure	Payment	Interest expense	Changes in exchange rates	Others	Ending balance
Lease liabilities	₩	762,381	3,344	(111,369)	15,156	(9,482)	10,081	670,111

In millions of won

		2024						
		Beginning balance	Acquisition /capital expenditure	Payment	Interest expense	Changes in exchange rates	Others	Ending balance
Lease liabilities	₩	783,161	3,880	(113,115)	16,099	71,355	1,001	762,381

19. Financial liabilities

(1) Financial liabilities as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025		December 31, 2024	
		Current	Non-current	Current	Non-current
Borrowings	₩	839,280	223,380	153,299	228,956
Bonds		990,023	5,279,532	769,745	6,271,844
Derivative liabilities (*)		14,761	60,669	-	131,060
	₩	1,844,064	5,563,581	923,044	6,631,860

(*) Details of derivatives are described in Note 10.

(2) Borrowings and bonds issued as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Current liabilities			
Short-term borrowings	₩	813,610	58,800
Current portion of long-term borrowings		25,669	94,679
Less: present value discount		-	(180)
Current portion of bonds issued		990,470	770,000
Less: discount on bonds issuance		(447)	(255)
		1,829,302	923,044
Non-current liabilities			
Long-term borrowings		228,435	234,220
Less: present value discount		(5,055)	(5,264)
Bonds		5,288,085	6,283,103
Less: discount on bonds issuance		(8,554)	(11,259)
		5,502,911	6,500,800
	₩	7,332,213	7,423,844

(3) Short-term borrowings as of December 31, 2025 and 2024 are as follows:

In millions of won

Type	Creditor	Interest rate (%)		Maturity		December 31, 2025	December 31, 2024
Short-term local currency borrowings	Yuanta Securities Korea Co., Ltd.	3.25	Fixed rate	Feb. 6, 2026	₩	50,000	-
	NH INVESTMENT & SECURITIES CO.,LTD. and others	3.46	Fixed rate	Feb. 23, 2026		50,000	-
	MERITZ SECURITIES CO.,LTD and others	3.41	Fixed rate	Mar. 6, 2026		150,000	-
	iM SECURITIES CO., LTD. and others	3.16	Fixed rate	Mar. 13, 2026		200,000	-
	Daol Investment & Securities Co., Ltd. and others	3.16	Fixed rate	Mar. 26, 2026		100,000	-
	KB SECURITIES CO.,LTD and others	3.20	Fixed rate	Feb. 25, 2026		10,000	-
General corporate loans in local currency	NongHyup Bank	3.26	Fixed rate	Jan. 8, 2026		183,300	-
Short-term foreign currency borrowings	OCBC	1M SOFR + 0.40	Floating rate	Nov. 25, 2026		12,914	-
	HANA BANK	1M SOFR + 0.90	Floating rate	Aug. 11, 2026		57,396	58,800
					₩	813,610	58,800

19. Financial liabilities, Continued

(4) Long-term borrowings as of December 31, 2025 and 2024 are as follows:

In millions of won and thousands of foreign currencies

							December 31, 2025	
Type	**Creditor**	**Description**	**Interest rate (%)**		**Maturity**		**Foreign currency**	**Local currency**
Long-term local currency borrowings	Industrial Bank of Korea	Fund loan	Fixed rate	4.40	Jun. 30, 2038		₩ -	7,296
Long-term foreign currency borrowings	PT. BS Energy	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	844	1,212
	Posco E&C	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	2,019	2,897
	The Export-Import Bank of Korea	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	1,222	1,754
	The Export-Import Bank of Korea	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	31,742	45,547
	BNP Paribas, Seoul Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	15,871	22,773
	ING Bank N.V.,Singapore Brnach	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	15,871	22,773
	BNP Paribas, Singapore Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	1,723	2,473
	ING Bank N.V.,Singapore Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	1,723	2,473
	KiwoomSolar Power Professional Investor Private Placement Investment Trust V	Senior loan	Fixed rate	3.90	Jun. 30, 2029	EUR	36,060	60,786
	NORD/LB Bank	Facility	Floating rate	1M SOFR + 1.825	Oct. 21, 2029	USD	33,881	48,615
	OCBC Bank	Facility	Floating rate	1M SOFR + 1.750	Dec. 10, 2030	USD	24,744	35,505
								254,104
	Less: discount on long-term borrowings							(5,055)
	Less: current portion of long-term borrowings							(25,669)
							₩	223,380

19. Financial liabilities, Continued

(4) Long-term borrowings as of December 31, 2025 and 2024 are as follows, continued:

In millions of won and thousands of foreign currencies

			December 31, 2024					
Type	**Creditor**	**Description**	**Interest rate (%)**		**Maturity**		**Foreign currency**	**Local currency**
Long-term local currency borrowings	Industrial Bank of Korea	PF Refinancing loan	Floating rate	CD +1.25	Oct. 30, 2030		-	₩ 5,726
	Hyundai Life Insurance Co., Ltd.	PF Refinancing loan	Fixed rate	4.10	Oct. 30, 2030		-	7,634
	Dongbu Insurance Co., Ltd.	PF Refinancing loan	Fixed rate	4.10	Oct. 30, 2030		-	8,270
	Industrial Bank of Korea	Fund loan	Fixed rate	4.40	Jun. 30, 2038		-	7,797
	Credit Energy First Co., Ltd.	Long-term borrowings of financial investors of Commerce and Industry Energy Co., Ltd.(*)	Fixed rate	4.80	Apr. 29, 2025		-	25,565
Long-term foreign currency borrowings	PT BS Energy	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	3,111	4,573
	POSCO E&C	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	1,263	1,857
	The Export-Import Bank of Korea	Shareholder's loan	Fixed rate	8.00	Dec. 30, 2026	USD	1,319	1,939
	The Export-Import Bank of Korea	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	36,297	53,357
	BNP Paribas, Seoul Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	18,159	26,694
	ING Bank N.V.,Singapore Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	18,159	26,694
	BNP Paribas, Singapore Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031	USD	2,107	3,097
	ING Bank N.V.,Singapore Branch	Facility	Floating rate	1D SOFR + 0.428	Dec. 31, 2031-	USD	2,107	3,097
	KiwoomSolar Power Professional Investor Private Placement Investment Trust V	Senior loan	Fixed rate	3.90	Jun. 30, 2029	EUR	38,139	58,304
	Solar Construction Lending, LLC	Facility	Fixed rate	5.00	Dec. 15, 2025	USD	28,303	41,605
	NORD/LB Bank	Facility	Floating rate	1M SOFR + 1.825	Oct. 21, 2029	USD	35,843	52,690
								328,899
Less: discount on long-term borrowings								(5,444)
Less: current portion of long-term borrowings								(94,679)
Add: current portion of discount on long-term borrowings								180
								₩ 228,956

19. Financial liabilities, Continued

(5) Local bonds as of December 31, 2025 and 2024 are as follows:

In millions of won

Type	Issue date	Maturity	Interest rate (%)		December 31, 2025	December 31, 2024
Unsecured bonds #30-2	Mar. 23, 2015	Mar. 23, 2025	Fixed rate	2.26	-	130,000
Unsecured bonds #31-3	Apr. 29, 2015	Apr. 29, 2025	Fixed rate	2.46	-	160,000
Unsecured bonds #32-3	Jun. 16, 2015	Jun. 16, 2025	Fixed rate	2.73	-	100,000
Unsecured bonds #33-2	Jul. 30, 2015	Jul. 30, 2030	Fixed rate	2.67	130,000	130,000
Unsecured bonds #34-1	Mar. 11, 2016	Mar. 11, 2026	Fixed rate	1.94	60,000	60,000
Unsecured bonds #34-2	Mar. 11, 2016	Mar. 11, 2031	Fixed rate	2.01	130,000	130,000
Unsecured bonds #35-1	Jul. 6, 2016	Jul. 6, 2026	Fixed rate	1.60	160,000	160,000
Unsecured bonds #35-2	Jul. 6, 2016	Jul. 6, 2031	Fixed rate	1.62	90,000	90,000
Unsecured bonds #36-2	Nov. 9, 2016	Nov. 9, 2031	Fixed rate	1.99	100,000	100,000
Unsecured bonds #37-1	Mar. 29, 2017	Mar. 29, 2027	Fixed rate	2.40	150,000	150,000
Unsecured bonds #37-2	Mar. 29, 2017	Mar. 29, 2032	Fixed rate	2.43	50,000	50,000
Unsecured bonds #38-2	May. 25, 2017	May. 25, 2027	Fixed rate	2.49	100,000	100,000
Unsecured bonds #38-3	May. 25, 2017	May. 25, 2032	Fixed rate	2.60	100,000	100,000
Unsecured bonds #39-1	Aug. 3, 2017	Aug. 3, 2027	Fixed rate	2.35	20,000	20,000
Unsecured bonds #39-2	Aug. 3, 2017	Aug. 3, 2032	Fixed rate	2.44	70,000	70,000
Unsecured bonds #39-3	Aug. 3, 2017	Aug. 3, 2037	Fixed rate	2.47	130,000	130,000
Unsecured bonds #40-1	Nov. 10, 2017	Nov. 10, 2027	Fixed rate	2.74	90,000	90,000
Unsecured bonds #40-2	Nov. 10, 2017	Nov. 10, 2037	Fixed rate	2.69	90,000	90,000
Unsecured bonds #41-2	Feb. 20, 2018	Feb. 20, 2028	Fixed rate	2.92	130,000	130,000
Unsecured bonds #42-2	Mar. 27, 2018	Mar. 27, 2028	Fixed rate	2.79	50,000	50,000
Unsecured bonds #43-1	Jun. 15, 2018	Jun. 15, 2028	Fixed rate	2.79	70,000	70,000
Unsecured bonds #43-2	Jun. 15, 2018	Jun. 15, 2033	Fixed rate	2.80	110,000	110,000
Unsecured bonds #44-1	Jul. 9, 2018	Jul. 9, 2033	Fixed rate	2.66	20,000	20,000
Unsecured bonds #44-2	Jul. 9, 2018	Jul. 9, 2038	Fixed rate	2.70	180,000	180,000
Unsecured bonds #45-1	Sep. 10, 2018	Sep. 10, 2038	Fixed rate	2.30	90,000	90,000
Unsecured bonds #45-2	Sep. 10, 2018	Sep. 10, 2048	Fixed rate	2.26	110,000	110,000
Unsecured bonds #46-1	Oct. 31, 2018	Oct. 31, 2038	Fixed rate	2.24	90,000	90,000
Unsecured bonds #46-2	Oct. 31, 2018	Oct. 31, 2048	Fixed rate	2.17	30,000	30,000
Unsecured bonds #47-1	Feb. 8, 2019	Feb. 8, 2039	Fixed rate	2.19	160,000	160,000
Unsecured bonds #47-2	Feb. 8, 2019	Feb. 8, 2049	Fixed rate	2.17	120,000	120,000
Unsecured bonds #48-1	Mar. 26, 2019	Mar. 26, 2029	Fixed rate	2.03	100,000	100,000
Unsecured bonds #48-2	Mar. 26, 2019	Mar. 26, 2049	Fixed rate	1.99	120,000	120,000
Unsecured bonds #49-1	May. 21, 2019	May. 21, 2039	Fixed rate	1.96	130,000	130,000
Unsecured bonds #49-2	May. 21, 2019	May. 21, 2049	Fixed rate	1.95	120,000	120,000
Unsecured bonds #50-1	Jun. 18, 2019	Jun. 18, 2029	Fixed rate	1.70	70,000	70,000
Unsecured bonds #50-2	Jun. 18, 2019	Jun. 18, 2039	Fixed rate	1.75	110,000	110,000
Unsecured bonds #50-3	Jun. 18, 2019	Jun. 18, 2049	Fixed rate	1.72	70,000	70,000
Unsecured bonds #51-1	Oct. 30, 2019	Oct. 30, 2029	Fixed rate	1.95	50,000	50,000
Unsecured bonds #51-2	Oct. 30, 2019	Oct. 30, 2039	Fixed rate	1.92	80,000	80,000
Unsecured bonds #52-1	Nov. 13, 2019	Nov. 13, 2029	Fixed rate	2.00	140,000	140,000
Unsecured bonds #52-2	Nov. 13, 2019	Nov. 13, 2049	Fixed rate	1.86	80,000	80,000
Unsecured bonds #53-2	Dec. 4, 2019	Dec. 4, 2029	Fixed rate	1.92	80,000	80,000
Unsecured bonds #54-1	Feb. 25, 2020	Feb. 25, 2040	Fixed rate	1.53	50,000	50,000
Unsecured bonds #54-2	Feb. 25, 2020	Feb. 25, 2050	Fixed rate	1.53	120,000	120,000
Unsecured bonds #55	Mar. 18, 2020	Mar. 18, 2040	Fixed rate	1.59	80,000	80,000
Unsecured bonds #56-1	Jun. 18, 2020	Jun. 18, 2040	Fixed rate	1.66	60,000	60,000
Unsecured bonds #56-2	Jun. 18, 2020	Jun. 18, 2050	Fixed rate	1.69	120,000	120,000
Unsecured bonds #57-1	Jul. 21, 2020	Jul. 21, 2030	Fixed rate	1.51	90,000	90,000
Unsecured bonds #57-2	Jul. 21, 2020	Jul. 21, 2040	Fixed rate	1.64	100,000	100,000
Unsecured bonds #58-2	Aug. 25, 2020	Aug. 25, 2030	Fixed rate	1.57	70,000	70,000

19. Financial liabilities, Continued

(5) Local bonds as of December 31, 2025 and 2024 are as follows, continued:

In millions of won

Type	Issue date	Maturity	Interest rate (%)		December 31, 2025	December 31, 2024
Unsecured bonds #58-3	Oct. 30, 2020	Oct. 30, 2025	Fixed rate	1.45	40,000	40,000
Unsecured bonds #59-2	Apr. 21, 2021	Apr. 21, 2026	Fixed rate	1.85	-	60,000
Unsecured bonds #61	May. 27, 2021	May. 27, 2026	Fixed rate	1.93	190,000	190,000
Unsecured bonds #62-1	May. 27, 2021	May. 27, 2031	Fixed rate	2.22	130,000	130,000
Unsecured bonds #62-2	Jul. 14, 2021	Jul. 14, 2031	Fixed rate	2.17	20,000	20,000
Unsecured bonds #63-3	Nov. 11, 2021	Nov. 11, 2026	Fixed rate	2.60	30,000	30,000
Unsecured bonds #64-3	Nov. 11, 2021	Nov. 11, 2031	Fixed rate	2.63	20,000	20,000
Unsecured bonds #64-4	Jan. 17, 2022	Jan. 17, 2032	Fixed rate	2.85	40,000	40,000
Unsecured bonds #65-1	Jan. 17, 2022	Jan. 17, 2042	Fixed rate	2.83	10,000	10,000
Unsecured bonds #65-2	Jan. 24, 2022	Jan. 24, 2025	Fixed rate	2.83	10,000	10,000
Unsecured bonds #66-1	Jan. 24, 2022	Jan. 24, 2027	Fixed rate	2.95	-	40,000
Unsecured bonds #66-2	Jan. 24, 2022	Jan. 24, 2052	Fixed rate	2.87	30,000	30,000
Unsecured bonds #66-3	Feb. 17, 2022	Feb. 17, 2052	Fixed rate	3.01	50,000	50,000
Unsecured bonds #67	May. 24, 2022	May. 24, 2042	Fixed rate	3.79	40,000	40,000
Unsecured bonds #68-1	May. 24, 2022	May. 24, 2052	Fixed rate	3.76	20,000	20,000
Unsecured bonds #68-2	Jun. 22, 2022	Jun. 22, 2025	Fixed rate	4.37	60,000	60,000
Unsecured bonds #69-1	Jun. 22, 2022	Jun. 22, 2042	Fixed rate	4.24	-	130,000
Unsecured bonds #69-2	Jun. 22, 2022	Jun. 22, 2052	Fixed rate	4.08	30,000	30,000
Unsecured bonds #69-3	Jul. 14, 2022	Jul. 14, 2042	Fixed rate	3.70	10,000	10,000
Unsecured bonds #70-2	Aug. 24, 2022	Aug. 24, 2025	Fixed rate	4.18	10,000	10,000
Unsecured bonds #71-1	Aug. 24, 2022	Aug. 24, 2052	Fixed rate	4.14	-	40,000
Unsecured bonds #71-2	Jul. 6, 2023	Jul. 6, 2025	Fixed rate	4.11	20,000	20,000
Unsecured bonds #72-1	Jul. 6, 2023	Jul. 6, 2028	Fixed rate	4.11	-	70,000
Unsecured bonds #72-2	Oct. 24, 2023	Oct. 24, 2025	Fixed rate	4.34	30,000	30,000
Unsecured bonds #73-2	Oct. 24, 2023	Oct. 24, 2028	Fixed rate	4.77	-	40,000
Unsecured bonds #73-3	Oct. 30, 2020	Oct. 30, 2025	Fixed rate	1.45	20,000	20,000
					5,280,000	6,050,000
Less: discount on local bonds					(7,686)	(9,018)
Less: current portion of local bonds					(560,000)	(770,000)
Add: current portion of discount on local bonds					86	255
				₩	4,712,400	5,271,237

19. Financial liabilities, Continued

(6) Foreign bonds as of December 31, 2025 and 2024 are as follows:

In millions of won and thousands of foreign currencies

Type	Issue date	Maturity	Interest rate (%)			December 31, 2025 Foreign currency		December 31, 2025 Local currency		December 31, 2024 Foreign currency		December 31, 2024 Local currency
Foreign bonds	2017-10-30	2037-10-30	Fixed rate	1.70	EUR	40,000	₩	67,428	EUR	40,000	₩	61,149
	2017-11-16	2037-11-16	Fixed rate	2.36	SEK	450,000		70,187	SEK	450,000		59,954
	2021-08-09	2026-08-09	Fixed rate	1.25	USD	300,000		430,470	USD	300,000		441,000
	2022-04-21	2027-04-21	Fixed rate	3.63	USD	300,000		430,470	USD	300,000		441,000
								998,555				1,003,103
Less: discount on foreign bonds								(1,315)				(2,496)
Less: current portion of foreign bonds								(430,470)				-
Add: current portion of discount on foreign bonds								361				-
							₩	567,131			₩	1,000,607

(7) Repayment schedules of borrowings and bonds as of December 31, 2025 are as follows:

In millions of won		Borrowings	Bonds	Total
Less than 1 year	₩	839,280	990,470	1,829,750
1-5 years		218,767	1,850,470	2,069,237
More than 5 years		9,668	3,437,615	3,447,283
	₩	1,067,715	6,278,555	7,346,270

(8) Changes in borrowings and bonds for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025 Beginning balance	Net cash flow	Changes in exchange rates	Interest expense	Ending balance
Borrowings and bonds	₩	7,423,844	(44,304)	(49,800)	2,474	7,332,214

In millions of won		2024 Beginning balance	Net cash flow	Changes in exchange rates	Interest expense	Ending balance
Borrowings and bonds	₩	8,260,083	(997,376)	157,592	3,546	7,423,845

20. Non-financial liabilities

Non-financial liabilities as of December 31, 2025 and 2024 are as follows:

In millions of won	December 31, 2025		December 31, 2024	
	Current	Non-current	Current	Non-current
Advance received	₩ 28,727	-	-	-
Unearned revenue	1,354	10,850	99,894	-
Withholdings	6,985	-	6,476	-
Others (*)	32,357	3,348	20,316	15,919
	₩ 69,423	14,198	126,686	15,919

(*) Others consist of government-grants, which shall be repaid after the completion of the project.

21. Provisions

(1) Provisions as of December 31, 2025 and 2024 are as follows:

In millions of won	December 31, 2025		December 31, 2024	
	Current	Non-current	Current	Non-current
Provisions for employee benefits	₩ 26,570	-	47,670	-
Provisions for greenhouse gas emission(*1)	8,542	-	51,639	-
Provisions for financial guarantee contract	2,482	-	2,053	-
Others	-	3,641	-	3,456
	₩ 37,594	3,641	101,362	3,456

(*1) In accordance with the *Act on Allocation and Trading of Greenhouse Gas Emission*, the Group has present obligation to submit its emission rights to the government and it is probable that there will be outflows of resources for performing the obligation. In this regard, such obligations are recorded as a provision for emission liability. The provision is derecognized when the emission right is submitted to the government.

(i) The Group's greenhouse gas emission right which is allocated free of charge from the government according to the *Act on Allocation and Trading of Greenhouse Gas Emission* as of December 31, 2025 is as follows:

In million tons	Implementation year				
	2021	2022	2023	2024	2025
Quantity of emission right allocated free of charge from the government	29	28	30	26	23

In accordance with the government's plan to allocate national emission allowances for each commitment period, the amount allocated for each compliance year from 2021 to 2025 is fully allocated to the Group. The Group has not provided emission rights allocated free of charge from the government as collateral.

21. Provisions, Continued

(1) Provisions as of December 31, 2025 and 2024 are as follows, continued:

(ii) Changes in greenhouse gas emissions rights for each of the two years ended December 31, 2025 are as follows:

In millions of tons and won

	2025 3rd period					
	2021		2022		2023	
	Quantity	Book value	Quantity	Book value	Quantity	Book value
Beginning and free allocation	29	₩ -	28	-	30	-
Purchase(Disposal)	4	80,553	5	89,472	5	41,965
Submission to the government	(33)	(99,475)	(32)	(77,143)	(32)	(13,598)
Borrowing(Banking)	-	18,922	(1)	(12,329)	(3)	(28,367)
Ending balance	-	₩ -	-	-	-	-

In millions of tons and won

	2025 3rd period					
	2024		2025		Total	
	Quantity	Book value	Quantity	Book value	Quantity	Book value
Beginning and free allocation	26	₩ -	23	-	136	-
Purchase(Disposal)	6	53,920	4	44,824	24	310,734
Submission to the government	(30)	(52,410)	(7)	(70,819)	(134)	(313,445)
Borrowing(Banking)	-	(1,510)	3	27,147	(1)	3,863
Ending balance	-	₩ -	23	1,152	23	1,152

21. Provisions, Continued

(1) Provisions as of December 31, 2025 and 2024 are as follows, continued:

(ii) Changes in greenhouse gas emission rights as of December 31, 2025 and 2024 are as follows, continued

In millions of tons and won	2024 3rd period					
	2021		2022		2023	
	Quantity	Book value	Quantity	Book value	Quantity	Book value
Beginning and free allocation	29	₩ -	28	-	30	-
Purchase(Disposal)	4	80,019	5	88,521	5	40,678
Submission to the government	(33)	(99,476)	(32)	(77,143)	(31)	(13,599)
Borrowing(Banking)	-	19,457	(1)	(11,378)	(4)	(27,079)
Ending balance	-	₩ -	-	-	-	-

In millions of tons and won	2024 3rd period					
	2024		2025		Total	
	Quantity	Book value	Quantity	Book value	Quantity	Book value
Beginning and free allocation	23	₩ -	23	-	133	-
Purchase(Disposal)	2	30,876	-	-	16	240,094
Submission to the government	-	-	-	-	(96)	(190,218)
Borrowing(Banking)	2	20,763	4	51,705	1	53,468
Ending balance	27	₩ 51,639	27	51,705	54	103,344

(iii) Estimate of greenhouse gas emissions for the current implementation year is 28 million tons (tCO2-eq).

21. Provisions, Continued

(2) Changes in provisions for each of the two years ended December 31, 2025 are as follows:

In millions of won

	2025				
	Beginning balance	Increase in (reversal of) provision	Payments	Others	Ending balance
Provisions for employee benefits	₩ 47,670	57,332	(78,432)	-	26,570
Provisions for greenhouse gas emission	51,639	80,131	(123,228)	-	8,542
Provisions for financial guarantee contract	2,053	428	-	-	2,481
Others	3,456	198	-	(13)	3,641
	₩ 104,818	138,089	(201,660)	(13)	41,234

In millions of won

	2024				
	Beginning balance	Increase in (reversal of) provision	Payments	Others	Ending balance
Provisions for employee benefits	₩ 42,162	53,691	(48,183)	-	47,670
Provisions for greenhouse gas emission	2,366	51,303	(2,030)	-	51,639
Provisions for financial guarantee contract	463	1,590	-	-	2,053
Others	2,808	648	-	-	3,456
	₩ 47,799	107,232	(50,213)	-	104,818

22. Employment benefits obligations

(1) Defined contribution plan

The Group operates a defined contribution plan. A defined contribution fund is separately managed by the plan's administrator. When employees terminate their employment before the benefits have vested, the Group's obligation to make contributions to the plan decreases on a pro rata basis. The Group contributed ₩8,730 million and ₩7,294 million for each of the two years ended December 31, 2025, respectively.

Expenses recognized for defined contribution plan for each of the two years ended December 31, 2025 are as follows:

In millions of won

	2025	2024
Cost of sales	₩ 6,734	5,623
Selling and administrative expenses	1,677	1,362
Others, including construction-in-progress	320	309
	₩ 8,731	7,294

22. Employment benefits obligations, Continued

(2) Defined benefit plan

(i) Principal assumptions on actuarial valuation as of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Discount rate	3.86% ~ 4.46%	3.51% ~ 4.52%
Expected salary increasing rate	3.26% ~ 6.21%	2.80% ~ 6.21%
Weighted average maturity (years)	8.69 ~ 8.90	8.77 ~ 9.48

(ii) Details of expense relating to defined benefit plans for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Current service cost	₩	26,851	20,246
Interest cost		8,020	8,179
Expected return on plan assets		(2,277)	(2,702)
	₩	32,594	25,723

The expense is recognized as retirement benefits in the consolidated statements of comprehensive income (loss). For the year ended December 31, 2025, ₩28,634 million, ₩1,872 million and ₩2,088 million were recognized in cost of goods sold, selling and administrative expenses and construction in progress, respectively. For the year ended December 31, 2024, ₩23,049 million, ₩1,123 million and ₩1,550 million were recognized in cost of goods sold, selling and administrative expenses and construction in progress, respectively.

(iii) Employee benefit liabilities as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Present value of defined benefit obligations	₩	237,982	230,614
Present value of defined benefit obligations arising from unfunded plans		4,646	-
Fair value of plan assets		(67,158)	(66,267)
Net defined benefits liabilities from defined benefit plans		177,130	165,479
Net defined benefits assets from defined benefit plans	₩	1,660	1,132

22. Employment benefits obligations, Continued

(2) Defined benefit plan, continued

(iv) Changes in the present values of defined benefit obligations for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Beginning balance	₩	230,614	195,373
Current service cost		26,851	20,246
Interest cost		8,020	8,179
Actual payments		(2,023)	(1,895)
Remeasurement component		(4,401)	17,309
Payment due to change of plan to defined contribution plan		(12,356)	(8,727)
Changes in scope of consolidation (*)		(4,013)	-
Others		(63)	130
Ending balance	₩	242,629	230,614

(*) For the year ended December 31, 2025, Commerce and Industry Energy Co., Ltd. was excluded from the Group's scope of consolidation as a result of a disposal of ownership interests. Accordingly, the entity's defined benefit obligations and plan assets were derecognized from the consolidated financial statements. The related amounts were reflected as the effect of removing remeasurement components within other comprehensive income, and did not affect profit or loss.

(v) Changes in the fair values of plan assets for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Beginning balance	₩	66,267	62,571
Expected return on plan assets		2,277	2,702
Contributions by the employers		-	1,648
Contributions by plan participants		2,000	-
Actual payments		(879)	(595)
Remeasurement component		16	(59)
Changes in scope of consolidation (*)		(2,523)	-
Ending balance	₩	67,158	66,267

(*) For the year ended December 31, 2025, Commerce and Industry Energy Co., Ltd. was excluded from the Group's scope of consolidation as a result of a disposal of ownership interests. Accordingly, the entity's defined benefit obligations and plan assets were derecognized from the consolidated financial statements. The related amounts were reflected as the effect of removing remeasurement components within other comprehensive income, and did not affect profit or loss.

(vi) Details of the fair values of plan assets as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Interest-guaranteed insurance	₩	67,158	66,262
Others		-	5
	₩	67,158	66,267

22. Employment benefits obligations, Continued

(2) Defined benefit plan, continued

(vii) Remeasurements recognized in other comprehensive income/loss for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Changes in demographic assumptions	₩	-	6
Actuarial gains or losses from changes in financial assumptions		7,406	(14,154)
Experience adjustments		(3,005)	(3,161)
Return on plan assets		16	(58)
	₩	4,417	(17,367)

(3) Other long-term employee benefit liabilities as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Other long-term employee benefit liabilities	₩	145	164

23. Issued capital

(1) Details of issued capital as of December 31, 2025 and 2024 are as follows:

In millions of won

				December 31, 2025		
				Shareholders		
Type	Number of shares authorized (in shares)	Number of shares issued (in shares)	Par value per share (in won)	Government	Non-government	Total
Common stock	100,000,000	28,581,320	₩ 5,000	₩ -	₩ 142,907	₩ 142,907

In millions of won

				December 31, 2024		
				Shareholders		
Type	Number of shares authorized (in shares)	Number of shares issued (in shares)	Par value per share (in won)	Government	Non-government	Total
Common stock	100,000,000	28,581,320	₩ 5,000	₩ -	₩ 142,907	₩ 142,907

(2) There is no change in the number of ordinary shares outstanding for the two years ended December 31, 2025.

(3) Share premium

There were no changes in share premium for each of the two years ended December 31, 2025.

24. Retained earnings and dividends paid

(1) Details of discretionary reserves as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Reserve for business stabilization (*)	₩	120	120
Reserve for investment in social overhead capital		70,184	70,184
Reserve for research and human development		1,519,221	1,442,233
	₩	1,589,525	1,512,537

(*) Prior to 2002, the Group appropriated retained earnings for certain tax-deductible benefits as reserve for business stabilization, which should be used only for offsetting deficit or transferring to equity, in accordance with *Act On Restriction On Special Cases Concerning Taxation*. Due to the amendment to the Act on December 11, 2002, under which the relevant provision was deleted, the reserve for business stabilization was reclassified as a discretionary reserve.

(2) Changes in retained earnings for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Beginning balance	₩	2,833,400	2,630,419
Income for the year attributable to owners of the parent		176,904	216,785
Dividend payment		(146,365)	-
Share of other comprehensive loss of associates and joint ventures		49	(322)
Remeasurements of defined benefit liability, net of tax		3,354	(13,482)
Ending balance	₩	2,867,342	2,833,400

(3) Dividend payment details for each of the two years ended December 31, 2025 are as follows:

In millions of won	2025	2024
A type of stock	Common stock	Common stock
Total number of issued shares *(in shares)*	28,581,320	28,581,320
Number of dividend shares *(in shares)*	28,581,320	28,581,320
A dividend per share *(in won)*	5,121	-
Total Dividends	146,365	-

(4) Changes in remeasurement components related to defined benefit liability for each of the two years ended December 31, 2025 are as follows :

In millions of won		2025	2024
Beginning balance	₩	1,344	14,825
Changes		4,425	(17,324)
Income tax effect		(1,071)	3,843
Ending balance	₩	4,698	1,344

25. Other components of equity

(1) Other components of equity as of December 31, 2025 and 2024 are as follows:

In millions of won

		December 31, 2025	December 31, 2024
Accumulated other comprehensive income	₩	1,450,152	1,985,280
Other equity		(296,438)	(301,202)
	₩	1,153,714	1,684,078

(2) Changes in accumulated other comprehensive income (loss) for each of the two years ended December 31, 2025 are as follows:

In millions of won

		2025				
		Accumulated gain on valuation of financial assets at FVOCI	Accumulated loss on valuation of derivatives	Share of changes in other comprehensive income of associates and joint ventures	Gain on translation of overseas operations	Total
Beginning balance	₩	1,834,483	(24,825)	5,513	170,109	1,985,280
Changes in financial assets at FVOCI		(664,990)	-	-	-	(664,990)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting		-	18,171	-	-	18,171
Share of other comprehensive income of associates and joint ventures		-	-	(11,801)	-	(11,801)
Loss on translation of foreign operations		-	-	-	(7,239)	(7,239)
Tax effect		134,687	(3,956)	-	-	130,731
Ending balance	₩	1,304,180	(10,610)	(6,288)	162,870	1,450,152

25. Other components of equity, Continued

(2) Changes in accumulated other comprehensive income (loss) for each of the two years ended December 31, 2025 are as follows, continued:

In millions of won

	2024				
	Accumulated gain on valuation of financial assets at FVOCI	Accumulated loss on valuation of derivatives	Share of changes in other comprehensive income of associates and joint ventures	Gain on translation of overseas operations	Total
Beginning balance	₩ 1,649,857	(23,731)	7,561	64,353	1,698,040
Changes in financial assets at FVOCI	240,086	-	-	-	240,086
Net change in the unrealized fair value of derivatives using cash flow hedge accounting	-	(1,422)	-	-	(1,422)
Share of other comprehensive income of associates and joint ventures	-	-	(2,048)	-	(2,048)
Gain on translation of foreign operations	-	-	-	105,756	105,756
Tax effect	(55,460)	328	-	-	(55,132)
Ending balance	₩ 1,834,483	(24,825)	5,513	170,109	1,985,280

(3) Details of other equity as of December 31, 2025 and 2024 are as follows:

In millions of won

	December 31, 2025	December 31, 2024
Loss on capital reduction	₩ (279,193)	(279,193)
Other capital adjustment	(17,245)	(22,009)
	₩ (296,438)	(301,202)

26. Sales

Details of sales for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Sales of goods			
Domestic	₩	5,653,086	7,099,387
Overseas		54,849	56,440
		5,707,935	7,155,827
Provision of service			
Domestic		9,390	8,803
Overseas		73,060	68,240
		82,450	77,043
	₩	5,790,385	7,232,870

27. Selling and administrative expenses

Selling and administrative expenses for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Salaries	₩	41,577	38,379
Retirement benefits		3,548	2,485
Employee welfare		11,795	3,489
Insurance		4,477	4,472
Depreciation		14,498	13,990
Amortization		5,125	5,554
Bad debt		-	91
Commission		30,498	27,737
Advertising		960	764
Training		307	309
Vehicle maintenance		234	192
Publishing		222	200
Business promotion		181	150
Rent		1,564	1,405
Telecommunication		148	95
Taxes and dues		8,759	7,973
Expendable supplies		255	227
Water, light and heating		849	786
Repairs and maintenance		23,505	19,455
Ordinary development		25,162	23,383
Travel		1,503	824
Clothing		463	307
Survey and analysis		4	6
Sales facilitation		7	18
Others		16,194	13,576
	₩	191,835	165,867

28. Other non-operating income and other non-operating expenses

(1) Other non-operating incomes for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Gain from assets contributed	₩	781	1,119
Compensation and other revenue		29,489	1,851
Rental income		7,933	7,846
Government grant revenue		-	4,546
	₩	38,203	15,362

(2) Other non-operating expenses for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Other bad debt expense	₩	2,348	-
Donations		11,071	21,335
	₩	13,419	21,335

29. Other income (loss)

Details of other income (loss) for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Other income			
Gains on disposal of property plant, and equipment	₩	96	6,211
Gains on foreign currency translations (*)		2,321	252
Gains on foreign currency transactions (*)		18,063	21,638
Others		59,718	55,305
Other loss			
Losses on disposal of property plant, and equipment		(13,680)	(29,015)
Losses on foreign currency translation (*)		(355)	(6,716)
Losses on foreign currency transactions (*)		(21,838)	(33,472)
Others		(10,272)	(12,650)
	₩	34,053	1,553

(*) These represent gains (losses) on foreign currency translations and transactions arising from operating activities.

30. Finance income

Finance income for each of the two years ended December 31, 2025 is as follows:

In millions of won		2025	2024
Interest income	₩	41,980	49,996
Gain on valuation of financial assets measured at FVPL		18	-
Dividend income		21,866	33,796
Gains on valuation of derivatives		66,200	190,204
Gains on transaction of derivatives		17,221	36,011
Gains on foreign currency translation (*)		31,876	6,148
Gains on foreign currency transactions (*)		4,464	184
	₩	183,625	316,339

(*) These represent gains on foreign currency translations and transactions arising from financing activities.

31. Finance costs

(1) Finance costs for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Interest expense	₩	201,144	227,814
Losses on valuation of derivatives		70,012	42,635
Losses on transaction of derivatives		4,619	9,141
Losses on foreign currency translation (*)		16,880	180,406
Losses on foreign currency transactions (*)		50	5,100
Others		3	15
	₩	292,708	465,111

(*) These represent losses on foreign currency translations and transactions arising from financing activities.

(2) Interest expense included in finance costs for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Trade and other payables	₩	732	2,050
Short-term borrowings		18,302	1,121
Long-term borrowings		25,149	29,247
Bonds		153,774	185,213
Lease liabilities		15,156	16,099
		213,113	233,730
Less: capitalized borrowing costs		(11,968)	(5,916)
	₩	201,145	227,814

Weighted average interest rate on borrowings for each of the two years ended December 31, 2025 are 2.27% and 2.39%, respectively.

32. Income tax expense

(1) The major components of income tax expense for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Current income tax expenses			
Current income tax	₩	11,601	82,561
Adjustment for the prior year		(197)	3,307
Income tax directly recognized in equity		130,016	(51,272)
		141,420	34,596
Deferred income tax expenses (benefit)			
Generation and realization of temporary differences		(75,127)	18,558
Changes in deferred tax on tax loss carryforwards		-	15,895
Adjustment of temporary differences for prior periods		-	(2,643)
Tax credit carryforwards		(3,802)	22,477
		(78,929)	54,287
Income tax expense	₩	62,491	88,883

(2) A reconciliation between income tax expense and accounting income for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Income before income tax	₩	242,339	310,899
Income tax expenses in accordance with applicable tax rate		55,980	71,818
Adjustments			
Effect of applying gradual tax rate		(462)	3,565
Effect of non-taxable revenue		(15)	(1,436)
Effect of non-deductible expenses		2,521	429
Effects of tax credits and deduction		(16,269)	-
Adjustment of temporary differences for prior periods		-	(2,643)
Temporary differences not recognized as deferred tax assets		(1,072)	(3,148)
Effects of changes in tax rates in the current period		3,859	-
Effects of income tax from subsidiaries and associates		15,272	16,991
Others		2,874	-
		6,708	13,758
Change to estimate for prior years		(197)	3,307
Income tax expenses	₩	62,491	88,883
Effective tax rate		25.79%	28.59%

(3) Income tax recognized in other comprehensive income (loss) for each of the two years ended December 31, 2025 are as follows:

In millions of won		2025	2024
Income tax recognized as accumulated other comprehensive income (loss):			
Gain(loss) on valuation of financial assets at FVOCI	₩	134,687	(55,460)
Gain(loss) on valuation of derivative instruments, net		(3,600)	345
Remeasurements of defined benefit liability, net		(1,008)	3,843
	₩	130,079	(51,272)

32. Income tax benefit, Continued

(4) Deferred income tax assets (liabilities) recognized in the consolidated statement of financial position for each of the two years ended December 31, 2025 are as follows:

In millions of won

	2025			
	Beginning balance	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Ending balance
Deferred income tax on temporary differences				
Long-term employee benefits	₩ 43,983	12,020	(1,071)	54,932
Derivatives	(28,002)	(5,147)	(3,600)	(36,749)
Property, plant and equipment	(327,513)	(10,873)	-	(338,386)
Financial assets at FVOCI	(552,046)	(48)	134,687	(417,407)
Provisions	23,555	(13,983)	-	9,572
Foreign currency translation	44,771	(3,810)	-	40,961
Advanced depreciation provision	(11,020)	(524)	-	(11,544)
Lease liabilities	167,853	(13,883)	-	153,970
Others	(4,548)	(18,641)	-	(23,189)
	(642,967)	(54,889)	130,016	(567,840)
Unused tax loss	-	-	-	-
Tax credit	27,275	3,802	-	31,077
	₩ (615,692)	(51,087)	130,016	(536,763)

In millions of won

	2024			
	Beginning balance	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Ending balance
Deferred income tax on temporary differences				
Long-term employee benefits	₩ 34,663	5,477	3,843	43,983
Derivatives	5,667	(34,014)	345	(28,002)
Property, plant and equipment	(362,086)	34,573	-	(327,513)
Financial assets at FVOCI	(497,397)	811	(55,460)	(552,046)
Provisions	11,012	12,543	-	23,555
Foreign currency translation	17,914	26,857	-	44,771
Advanced depreciation provision	(11,020)	-	-	(11,020)
Lease liabilities	173,280	(5,427)	-	167,853
Others	3,589	(8,137)	-	(4,548)
	(624,378)	32,683	(51,272)	(642,967)
Unused tax loss	15,895	(15,895)	-	-
Tax credit	47,078	(19,803)	-	27,275
	₩ (561,405)	(3,015)	(51,272)	(615,692)

(5) Details of deductible temporary differences not recognized as deferred tax assets as of December 31, 2025 and 2024 are as follows:

In millions of won

	December 31, 2025	December 31, 2024
Deductible temporary differences	₩ 87,430	80,978

33. Expenses by nature

(1) Expenses by nature for the year ended December 31, 2025 are as follows:

In millions of won

	2025		
	Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩ -	3,544,821	3,544,821
Salaries	41,577	296,062	337,639
Retirement benefits	3,548	35,367	38,915
Employee welfare	11,795	29,824	41,619
Insurance	4,477	10,999	15,476
Depreciation	14,498	898,203	912,701
Amortization	5,125	2,487	7,612
Commission	30,498	9,039	39,537
Advertising	960	2,148	3,108
Training	307	463	770
Vehicle maintenance	234	1,093	1,327
Publishing	222	144	366
Business promotion	181	199	380
Rent	1,564	17,388	18,952
Telecommunication	148	314	462
Transportation	-	45	45
Taxes and dues	8,759	37,398	46,157
Expendable supplies	255	4,640	4,895
Water, light and heating	849	1,223	2,072
Repairs and maintenance	23,505	230,287	253,792
Ordinary development	25,162	18,371	43,533
Travel	1,503	1,412	2,915
Clothing	463	135	598
Survey and analysis	4	514	518
Provisions of RPS	-	42,532	42,532
Provisions of greenhouse gas emission	-	80,131	80,131
Sales promotion expense	7	-	7
Others	16,194	26,167	42,361
	₩ 191,835	5,291,406	5,483,241

33. Expenses by nature, Continued

(2) Expenses by nature for the year ended December 31, 2024 are as follows:

In millions of won

		2024		
		Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩	-	4,736,163	4,736,163
Salaries		38,379	298,257	336,636
Retirement benefits		2,485	28,672	31,157
Employee welfare		3,489	30,698	34,187
Insurance		4,472	8,640	13,112
Depreciation		13,990	1,017,244	1,031,234
Amortization		5,554	2,808	8,362
Bad debt		91	-	91
Commission		27,737	12,518	40,255
Advertising		764	1,789	2,553
Training		309	508	817
Vehicle maintenance		192	1,179	1,371
Publishing		200	131	331
Business promotion		150	171	321
Rent		1,405	17,888	19,293
Telecommunication		95	332	427
Transportation		-	131	131
Taxes and dues		7,973	42,484	50,457
Expendable supplies		227	3,563	3,790
Water, light and heating		786	1,228	2,014
Repairs and maintenance		19,455	214,809	234,264
Ordinary development		23,383	18,004	41,387
Travel		824	1,311	2,135
Clothing		307	179	486
Survey and analysis		6	514	520
Provisions of RPS		-	43,146	43,146
Provisions of greenhouse gas emission		-	51,303	51,303
Sales promotion expense		18	-	18
Others		13,578	51,988	65,566
	₩	165,869	6,585,658	6,751,527

34. Earnings per share

(1) Basic earnings per share for each of the two years ended December 31, 2025 are as follows:

In won		2025	2024
Basic earnings per share	₩	6,190	7,585

(2) Basic earnings per share

Income for the year attributable to owners of the parent and the weighted average number of common shares used in the calculation of basic earnings per share for each of the two years ended December 31, 2025 are as follows:

In won, except for share data		2025	2024
Income for the year attributable to owners of the parent	₩	176,904,216,084	216,785,061,383
Weighted average number of common shares		28,581,320 shares	28,581,320 shares

(3) Diluted earnings per share

The Group has no potential dilutive common shares outstanding as of December 31, 2025 and 2024.

35. Risk management

(1) Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder's value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment, capital return to shareholders or issue new shares.

The Group manages capital based on a gearing ratio which is net debt divided by total equity. The Group calculates net debt as interest bearing loans, borrowings and bonds payable, less cash and cash equivalents.

No changes were made in the purpose, policies and processes for managing capital during the periods ended December 31, 2025 and 2024.

The details of the Group's capital management accounts as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Total borrowings and bonds	₩	7,332,214	7,423,844
Cash and cash equivalents		121,115	260,441
Net borrowings and bonds		7,211,099	7,163,403
Total equity		5,426,801	5,928,307
Net debt to equity ratio		132.88%	120.83%

35. Risk management, Continued

(2) Financial risk management

The Group is exposed to various financial risks such as market risk (foreign exchange risk, interest rate risk, price risk) and credit risk in relation to financial instruments. The purpose of risk management is to identify potential risks affecting the financial performance of the Group and reduce, eliminate, and avoid them to an acceptable level. The Group uses derivative financial instruments to hedge certain risks such as foreign exchange risk. The overall financial risk management strategy of the Group is the same as in the previous year.

(i) Credit risk

Credit risk is the risk of finance loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's sales activities (accounts receivable), debt securities and derivative instruments. In addition, credit risk exposure may exist within financial guarantees and unused line of credits. In the case of banks and financial institutions, transactions are conducted with financial institutions that have excellent credit ratings, and therefore the credit risk from financial institutions is limited.The Group decides credit transaction limits based on evaluation of client's credit, through information obtained from the credit bureau and disclosed financial position at committing contracts.

a) Credit risk management

The Group uses publicly available information and its own internal data related to accounts receivable, to rate its major customers and to measure the credit risk that a counter party will default on a contractual obligation. As most of the Group's accounts receivable are due from government entities, the Group does not have significant credit risk exposure. Regarding its debt securities, the Group continuously reviews credit ratings issued by credit agencies, and the Group deposits its working capital (i.e. cash) at financial institutions with high credit ratings.

b) Accounting policies over impairment & allowance accounts

In accordance with the Group policies, individual material financial assets are assessed on a regular basis, trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. The value of the acquired collateral (including the confirmation of feasibility) and estimated collectable amounts are included in this assessment.

Book values of the financial assets represent the maximum exposed amounts of the credit risk. The details of the Group's level of maximum exposure to credit risk as of December 31, 2025 and 2024 are as follows:

In millions of won		December 31, 2025	December 31, 2024
Cash and cash equivalents	₩	121,115	260,441
Financial asset at FVPL		500	-
Short-term financial instruments		33,868	86,402
Loans and receivables		160,024	148,382
Trade and other receivables		958,420	1,081,476
Other non-current financial assets		6,359	6,217
Derivative financial assets held for trading		6,057	15,048
Derivative assets (using hedge accounting)		158,226	149,257
Other derivatives		35,462	78,252

There are no financial assets or non-financial assets acquired by exercising a lien or other credit enhancement as of December 31, 2025 and 2024.

(ii) Market risk

Market risk is the risk that the Group's fair values of the financial instruments or future cash flows are affected by the changes in the market. Market risk consists of interest rate risk, currency risk and other price risk.

35. Risk management, Continued

(2) Financial risk management, continued

(iii) Sensitivity analysis

- Significant assets and liabilities with uncertainties in underlying assumptions

① Defined benefit obligations

The following is a sensitivity analysis of defined benefit obligations assuming a 1% increase and decrease in the actuarial valuation assumptions as of December 31, 2025 and 2024:

In millions of won

Type	Accounts		December 31, 2025		December 31, 2024	
			1% Increase	1% Decrease	1% Increase	1% Decrease
Future salary increase rate	Increase (decrease) in defined benefit obligation	₩	20,248	(19,539)	18,820	(21,009)
Discount rate	Increase (decrease) in defined benefit obligation		(20,318)	21,612	(21,798)	20,215

Sensitivity analysis does not consider the variance of all cash flows expected to occur in the scheme, but it provides an approximation of sensitivity to the assumptions used.

- Management judgment affected by uncertainties in underlying assumptions

① Foreign currency risk

The Group is exposed to currency risk, because the transaction is denominated in foreign currencies. The details of monetary assets and liabilities denominated in foreign currencies as of December 31, 2025 and 2024 are as follows:

In thousands of foreign currency

	Assets		Liabilities	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
USD	4,369	50,434	987,381	1,132,769
EUR	-	-	42,662	39,936
SEK	-	-	449,349	449,302
VND	-	-	-	90,450
SGD	1,783	291	-	110
IDR	20,280,112	23,014,177	47,701,991	2,137,350
AUD	10	-	-	-

Applied exchange rates are as follows:

In won

	Average rate		Reporting date spot rate	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
USD	1,422.22	1,363.98	1,434.90	1,470.00
EUR	1,607.46	1,475.05	1,685.72	1,528.73
SEK	145.39	128.98	155.97	133.23
VND	0.05	0.05	0.05	0.06
SGD	1,088.34	1,020.35	1,117.52	1,081.08
IDR	0.09	0.09	0.09	0.09
AUD	916.97	899.64	961.02	913.68

35. Risk management, Continued

(2) Financial risk management, continued

A sensitivity analysis on the Group's profit or loss and equity assuming a 10% change in functional currency(won) exchange rates for each foreign currency with all other variables held constant as of December 31, 2025 and 2024 is as follows:

In millions of won	December 31, 2025		December 31, 2024	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Increase (decrease) of profit (loss) before income tax	₩ (155,052)	155,052	(170,985)	170,985
Increase (decrease) of shareholder's equity (*)	(155,052)	155,052	(170,985)	170,985

(*) The effect of income tax is not considered.

Sensitivity analysis above is conducted for monetary assets and liabilities denominated in foreign currencies other than functional currency, excluding the hedge effect of related derivatives, as of December 31, 2025 and December 31, 2024.

In addition, to manage its foreign currency risk related to the payment of foreign currency debts and the recovery of foreign currency receivables, the Group enters into cross-currency swap and currency option agreements. In addition, to manage its foreign currency risk related to foreign currency denominated forecasted sale and purchase transactions, the Group has a policy to enter into currency forward agreements.

When a derivative is used for the purpose of being a hedge, the Group negotiates the terms of the derivatives to match the terms of the hedged exposure. For hedges of foreign currency debt payments and receivable recoveries, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivables or payables denominated in the foreign currency.These forecast transactions are usually highly probable, and the balance of currency swap contracts depends on the expected foreign currency debt payments, the recovery of foreign currency receivables, and changes in exchange rates.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross-currency swap agreement are consistent with the terms of the forecast transaction. Because the risk of our currency swap contract is the same as the hedged risk, the hedging relationship was set to 1:1. Our hedging instrument effectively hedges the risk of the hedged item as of the end of the reporting period.

② Interest rate risk

The Group is exposed to interest rate risk due to its borrowings with floating interest rates. A 1%p increase or decrease is used when reporting interest rate risk internally to key management personnel which represents management's assessment of the reasonably possible change in interest rates.

The Group's borrowings and bonds with floating interest rates as of December 31, 2025 and 2024 are as follows:

In millions of won	December 31, 2025	December 31, 2024
Short-term borrowings	₩ 70,310	58,800
Long-term borrowings	144,654	171,353

A sensitivity analysis on the Group's borrowings and bonds assuming a 1% increase and decrease in interest rates with all other variables held constant as of December 31, 2025 and 2024 is as follows:

In millions of won	December 31, 2025		December 31, 2024	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Increase (decrease) of profit before income tax	₩ (2,150)	2,150	(2,302)	2,302
Increase (decrease) of shareholder's equity (*)	(2,150)	2,150	(2,302)	2,302

(*) The effect of income tax is not considered.

To manage its interest rate risks, the Group enters into certain interest swap agreements or maintains an appropriate mix of fixed and floating rate borrowings. Sensitivity analysis above is conducted without consideration of hedge effect of related derivatives.

35. Risk management, Continued

(2) Financial risk management, continued

③ Liquidity risk

The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In addition, the Group has established credit lines on its trade financing and bank overdrafts, and through payment guarantees it has received, it maintains an adequate credit (borrowing) line. In addition, in case of major construction investment, the Group has the ability to use reserve cash or make long-term borrowings so as to minimize liquidity risk.

- Maturity analysis for non-derivative financial instruments
The following table shows the details of maturities of non-derivative financial liabilities based on contractual undiscounted payments:

In millions of won

	December 31, 2025				
Type	**Less than 1 year**	**1~2 years**	**2~5 years**	**More than 5 years**	**Total**
Borrowings and bonds (cash flows of principal)	₩ 1,829,750	842,474	1,226,762	3,447,284	7,346,270
Borrowings and bonds (cash flows of estimated interest)	160,007	128,208	310,654	763,305	1,362,174
	1,989,757	970,682	1,537,416	4,210,589	8,708,444
Trade and other payables	541,722	101,984	238,762	331,089	1,213,557
Financial guarantee contract (*)	36,371	-	-	-	36,371
	578,093	101,984	238,762	331,089	1,249,928
	₩ 2,567,850	1,072,666	1,776,178	4,541,678	9,958,372

(*) This represents the total guaranteed amount that the Company would be obligated to bear in the event of a financial guarantee event occurring.As of December 31, 2025, the Group has recognized W2,482 million as guarantee provision for financial guarantee contracts.

In millions of won

	December 31, 2024				
Type	**Less than 1 year**	**1~2 years**	**2~5 years**	**More than 5 years**	**Total**
Borrowings and bonds (cash flows of principal)	₩ 923,479	1,025,569	1,743,447	3,748,307	7,440,802
Borrowings and bonds (cash flows of estimated interest)	172,582	150,994	328,842	841,851	1,494,270
	1,096,061	1,176,563	2,072,289	4,590,158	8,935,072
Trade and other payables	746,477	132,493	240,357	414,950	1,534,277
Financial guarantee contract (*)	27,219	-	-	-	27,219
	773,696	132,493	240,357	414,950	1,561,496
	₩ 1,869,757	1,309,056	2,312,646	5,005,108	10,496,568

(*) This represents the total guaranteed amount that the Company would be obligated to bear in the event of a financial guarantee event occurring. As of December 31, 2024, the Group had recognized W2,053 million as guarantee provision for financial guarantee contracts.

35. Risk management, Continued

(2) Financial risk management, continued

As liquidity is managed on a net asset and net liability basis, information about non-derivative financial assets is included in order to understand liquidity risk management.

The following table shows the details of maturities for non-derivative financial assets as of December 31, 2025 and 2024 in detail are as follows:

In millions of won

	December 31, 2025				
Type	Less than 1 year	1~5 years	More than 5 years	Others	Total
Cash and cash equivalents	₩ 121,115	-	-	-	121,115
Financial assets at FVPL	-	-	500	-	500
Short-term financial instruments	33,868	-	-	-	33,868
Financial assets at FVOCI	-	-	-	1,810,632	1,810,632
Short-term and long-term loans	15,177	6,320	5,762	134,380	161,638
Trade and other receivables	793,500	93,321	71,599	-	958,420
Other financial assets	-	6,359	-	-	6,359
	₩ 963,660	106,000	77,861	1,945,012	3,092,532

In millions of won

	December 31, 2024				
Type	Less than 1 year	1~5 years	More than 5 years	Others	Total
Cash and cash equivalents	₩ 260,441	-	-	-	260,441
Short-term financial instruments	86,402	-	-	-	86,402
Financial assets at FVOCI	-	-	-	2,475,622	2,475,622
Short-term and long-term loans	3,843	10,265	15,870	120,065	150,044
Trade and other receivables	914,554	333,820	121,637	-	1,370,011
Other financial assets	-	6,217	-	-	6,217
	₩ 1,265,240	350,302	137,507	2,595,687	4,348,737

Derivative liabilities classified by maturity periods from reporting date to maturity date of contract as of December 31, 2025 and 2024 are as follows:

In millions of won

	December 31, 2025				
Type	Less than 1 year	1~2 years	2~5 years	More than 5 years	Total
Gross settlement					
- Trading	₩ -	-	-	8,613	8,613
- Etc.	14,761	15,323	-	36,733	66,817
	₩ 14,761	15,323	-	45,346	75,430

In millions of won

	December 31, 2024				
Type	Less than 1 year	1~2 years	2~5 years	More than 5 years	Total
Gross settlement					
- Hedging	₩ -	-	-	4,895	4,895
- Trading	-	-	-	4,358	4,358
- Etc.	-	33,586	88,221	-	121,807
	₩ -	33,586	88,221	9,253	131,060

35. Risk management, Continued

(2) Financial risk management, continued

Derivative assets classified by maturity periods from reporting date to maturity date of contract as of December 31, 2025 and 2024 are as follows:

In millions of won

	December 31, 2025				
Type	**Less than 1 year**	**1~2 years**	**2~5 years**	**More than 5 years**	**Total**
Gross settlement					
- Hedging	₩ 84,589	55,569	-	18,068	158,226
- Trading	-	-	-	6,057	6,057
- Others	-	35,462	-	-	35,462
	₩ 84,589	91,031	-	24,125	199,745

In millions of won

	December 31, 2024				
Type	**Less than 1 year**	**1~2 years**	**2~5 years**	**More than 5 years**	**Total**
Gross settlement					
- Hedging	₩ 2,255	84,604	56,185	6,213	149,257
- Trading	6,805	-	-	8,243	15,048
- Others	-	78,252	-	-	78,252
	₩ 9,060	162,856	56,185	14,456	242,557

35. Risk management, Continued

(3) Fair value risk

The fair value of the Group's actively-traded financial instruments (i.e. available-for-sale financial assets, etc.) is based on the traded market-price as of the reporting period end. The fair value of the Group's financial assets is the amount which the asset could be exchanged for or the amount a liability could be settled for.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Group uses that technique.

For trade receivables and trade payables, the Group considers the carrying value, net of impairment, as approximation of fair value. While for disclosure purposes, the fair value of debt securities is estimated by discounting a financial instrument with similar contractual cash flows using the effective interest method.

(i) Fair value and book value of financial assets and liabilities as of December 31, 2025 and 2024 are as follows:

In millions of won

Type		December 31, 2025		December 31, 2024	
		Book value	Fair value (*)	Book value	Fair value (*)
Assets recognized at fair value					
Currency swap (using hedge accounting)	₩	155,091	155,091	142,963	142,963
Currency forward (for trading)		-	-	6,805	6,805
Interest rate swap (using hedge accounting)		3,135	3,135	6,295	6,295
Interest rate swap (for trading)		6,057	6,057	8,243	8,243
Financial assets at FVPL		500	500	-	-
Financial assets at FVOCI		1,810,632	1,810,632	2,475,622	2,475,622
Other derivatives		35,462	35,462	78,252	78,252
	₩	2,010,877	2,010,877	2,718,180	2,718,180
Assets recognized at amortized cost					
Cash and cash equivalents	₩	121,115	121,115	260,441	260,441
Short-term financial instruments		33,868	33,868	86,402	86,402
Loans		160,024	160,024	148,382	148,382
Trade and other receivables		958,420	958,420	1,081,476	1,081,476
Other		6,359	6,359	6,217	6,217
	₩	1,279,786	1,279,786	1,582,918	1,582,918
Liabilities recognized at fair value					
Currency swap (using hedge accounting)	₩	-	-	4,895	4,895
Currency forward (for trading)		-	-	-	-
Interest rate swap (for trading)		8,613	8,613	4,358	4,358
Other derivatives		66,817	66,817	121,807	121,807
	₩	75,430	75,430	131,060	131,060
Liabilities recognized at amortized cost					
Trade and other payables	₩	1,147,425	1,147,425	1,454,008	1,454,008
Borrowings		1,062,660	1,062,660	382,255	382,255
Bonds		6,269,554	5,554,872	7,041,589	6,385,951
	₩	8,479,639	7,764,957	8,877,852	8,222,214

(*) For current assets and current liabilities, the book values are reasonable approximations of fair value.

35. Risk management, Continued

(3) Fair value risk, continued

(ii) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread.

The discount rate used for calculating fair value as of December 31, 2025 and 2024 are as follows:

Type	December 31, 2025 (%)	December 31, 2024 (%)
Bonds	2.87 ~ 4.5	3.06 ~ 3.81
Leases	1.22 ~ 4.47	1.08 ~ 4.33
Derivatives	2.78 ~ 5.02	2.78 ~ 5.02

(iii) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, classified as Level 1, 2, or 3, based on the degree to which the fair value is observable.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3: Inputs that are not based on observable market data.

Fair values of financial instruments by hierarchy level as of December 31, 2025 and 2024 are as follows:

In millions of won

		December 31, 2025			
Type		Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Financial assets at FVPL	₩	-	500	-	500
Financial assets at FVOCI (*)		1,791,893	-	18,739	1,810,632
Derivative assets		-	164,283	35,462	199,745
	₩	1,791,893	164,783	54,201	2,010,877
Financial liabilities at fair value					
Derivative liabilities	₩	-	8,613	66,817	75,430

(*) Financial assets at FVOCI has been measured at cost of ₩413 million as of December 31, 2025, which is included in the above disclosure as the difference between the fair value and cost is not significant.

35. Risk management, Continued

(3) Fair value risk, continued

In millions of won

Type		December 31, 2024			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Financial assets at FVPL		-	-	-	-
Financial assets at FVOCI (*)	₩	2,459,700	-	15,922	2,475,622
Derivative assets		-	164,305	78,252	242,557
	₩	2,459,700	164,305	94,174	2,718,179
Financial liabilities at fair value					
Derivative liabilities	₩	-	9,254	121,806	131,060

(*) Financial assets at FVOCI has been measured at cost of ₩413 million as of December 31, 2024, which is included in the above disclosure as the difference between the fair value and cost is not significant.

The fair value of unquoted financial assets at FVOCI is calculated using the valuation results from an external pricing service in which weighted average borrowing rates of interest of evaluated companies are used as a discount rate. The fair value of derivatives is measured using valuation model which is determined at the present value of estimated future cash flows discounted at current market interest rate.

There is no change between level 1 and level 2 for each of the two years ended December 31, 2025.

Changes of financial assets and liabilities which are classified as level 3 for the year ended December 31, 2025 are as follows:

In millions of won

Type		2025				
		Beginning balance	Acquisition	Valuation	Others	Ending balance
Financial assets at fair value						
Financial assets at FVOCI	₩	15,922	-	2,816	-	18,738
Derivative assets		78,252	-	(42,790)	-	35,462
Derivative liabilities		121,807	-	(35,443)	(19,547)	66,817

36. Related parties

(1) Details of the Group's related parties as of December 31, 2025 are as follows:

Type	Related party
Ultimate parent company	Korean Government
Parent	KEPCO
Associates and joint ventures	Gangwon Wind Power Co., Ltd. Hyundai Green Power Co., Ltd. Korea Offshore Wind Power Co., Ltd. PT Cirebon Electric Power PT Wampu Electric Power PT Cirebon Energi Prasarana KEPCO Solar Co., Ltd. KEPCO ES Co., Ltd. YaksuESS Co., Ltd. Jeju Hallim Offshore Wind Power Co., Ltd. YeongGwang Yaksu Wind Electric.Co., Ltd. Green Energy Power Co., Ltd. Kwangbaek Solar Power Investment Co., Ltd. Stavro Holding II AB Muan Solar Plant Co., Ltd. Goesan Solar Park Co., Ltd. Bitgoeul Eco Energy Co., Ltd. Jeju Gimnyeong Wind Power Co., Ltd. Energy Co. CAES, LLC East Highway Solar Co., Ltd. West Highway Solar Co., Ltd. Foresight Iberian Solar Group Holding Spain SL Enel X KOMIPO Limited Prime Swedish Holding AB Yeomsubong Wind Power Co., Ltd. Yeong-yang 2nd Wind Power Co., Ltd. Haeparang Energy Co., Ltd. Saemangeum Sebit Power Plant Co., Ltd. Nour Ibri Solar Power SAOC Commerce and Industry Energy Co., Ltd. Lucy Equity Holdings, LLC

36. Related parties, Continued

(1) Details of the Group's related parties as of December 31, 2025 are as follows:, continued

Type	Related party
Others (*)	Korea Hydro & Nuclear Power Co., Ltd.
	Korea East-West Power Co., Ltd.
	Korea Western Power Co., Ltd.
	Korea Southern Power Co., Ltd.
	Korea South-East Power Co., Ltd.
	KEPCO Engineering & Construction Company INC.
	KEPCO Plant Service & Engineering Co., Ltd.
	KEPCO KDN Co., Ltd.
	Korea Gas Corporation
	Korea Electronic Power Industrial Development Co., Ltd.
	Korea Power Exchange
	Korea Development Bank
	PT Bayan Resources Tbk and others
	HeeMang Sunlight Power Co., Ltd
	KEPCO Lebanon S.A.R.L. and others

(*) Others include subsidiaries, associates, and joint ventures of the Parent Company, KEPCO.

36. Related parties, Continued

(2) Details of the related party transactions for each of the two years ended December 31, 2025 are as follows:

In millions of won

Company name	Transaction type	Sales and others		Purchase and others	
		2025	2024	2025	2024
Korea Electric Power Corporation	Electricity trading and others	₩ 5,559,087	6,955,325	111,741	98,744
	Others	509,323	415,828	-	-
Korea Hydro & Nuclear Power Co., Ltd.	Rent expenses and others	-	-	8	8
Korea East-West Power Co., Ltd.	Other commission and others	-	-	362	368
Korea Southern Power Co., Ltd.	Other commission and others	77	-	34	22
Korea Western Power Co., Ltd.	Other commission and others	-	-	17	4
Korea South-East Power Co., Ltd.	Other commission and others	-	2	42	-
KEPCO Engineering & Construction Company INC.	Outsourcing service expenses and others	-	-	9,517	6,000
KEPCO Plant Service & Engineering Co., Ltd.	Rental, outsourcing services expenses and others	1,582	1,453	129,976	117,224
KEPCO KDN Co., Ltd.	Rental, outsourcing services expenses and others	5	5	21,896	21,692
Korea Gas Corporation	Rental income, raw material purchase and others	539	522	1,073,788	1,471,510
Korea Electronic Power Industrial Development Co., Ltd.	Rental, outsourcing services expenses and others	216	186	62,507	56,544
Commerce and Industry Energy Co., Ltd.	Rental income, services expenses and others	2	-	3,046	-
Korea Development Bank	Other commission and others	-	-	-	-
Gangwon Wind Power Co., Ltd.	Dividend income	1,420	1,476	-	-
Hyundai Green Power Co., Ltd.	Dividend income and sales of services	6,055	6,055	-	-
Green Energy Power Co., Ltd.	Commission and others	-	-	2,018	658
Jeju Hallim Offshore Wind Power Co., Ltd.	Sales of services	8,081	361	41,388	-
Korea Offshore Wind Power Co., Ltd.	Sales of services and others	218	273	4,810	3,713
KEPCO ES Co., Ltd.	Dividend income and sales of services	509	381	-	-
KEPCO Solar Co., Ltd.	Dividend income and sales of services	336	418	368	211
Korea Power Exchange	Electricity trading and commission expenses	-	58	3,995	4,435
Kwangbaek Solar Power Investment Co., Ltd.	Dividend income, commission and others	307	517	590	499
East Highway Solar Co., Ltd.	Commission and others	-	-	941	751
West Highway Solar Co., Ltd.	Commission and others	-	-	953	773
HeeMang Sunlight Power Co., Ltd.	Commission and others	-	-	44	35
Energy Co.	Commission and others	25	127	1,331	670
Bitgoeul Eco Energy Co., Ltd.	Dividend income, commission and others	1,334	1,294	13,353	18,477
YeongGwang Yaksu Wind Electric.Co., Ltd.	Commission and others	61	136	3,243	2,221
Yeong-yang 2nd Wind Power Co., Ltd.	Commission and others	150	150	7,194	4,943
Jeju Gimnyeong Wind Power Co., Ltd.	Commission and others	610	458	3,882	2,461

36. Related parties, Continued

(2) Details of the related party transactions for each of the two years ended December 31, 2025 are as follows:, continued:

In millions of won

Company name	Transaction type	Sales and others		Purchase and others	
		2025	2024	2025	2024
Muan Solar Plant Co., Ltd.	Dividend income, commission and others	520	560	10,112	9,951
Saemangeum Sebit Power Plant Co., Ltd.	Commission and others	419	414	2,958	1,052
Yeomsubong Wind Power Co., Ltd.	Commission and others	-	-	2,186	-
Goesan Solar Park Co., Ltd.	Dividend income	400	-	-	-
Haeparang Energy Co., Ltd.	Commission and others	-	-	2,435	-
Enel X KOMIPO Limited	Commission and others	-	-	819	730
PT Cirebon Electric Power	Sales of services, interest income and others	-	873	-	-
PT Wampu Electric Power	Sales of services and others	3,975	3,845	-	-
PT Bayan Resources Tbk	Dividend income, raw material purchase and others	21,866	33,794	90,705	98,573
CAES, LLC	Dividend income	742	-	-	-
Foresight Iberian Solar Group Holding, S.L.	Interest income	-	4,758	-	-
PT Cirebon Energi Prasarana	Sales of services and others	2,652	2,582	-	-
Stavro Holding II A.B.	Sales of services	536	281	-	-
Prime Swedish Holding AB	Sales of services	551	305	-	-
		₩ 6,121,598	7,432,437	1,606,259	1,922,269

36. Related parties, Continued

(3) Details of receivables and payables arising from the related party transactions as of December 31, 2025 and 2024 are as follows:

In millions of won

Company name	Transaction type	Receivables		Payables	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
KEPCO	Trade receivables	₩ 495,259	552,305	-	-
	Other receivables and others	208,614	208,008	-	-
	Other payables and others	-	-	9,981	113,657
Korea South-East Power Co., Ltd	Other receivables and others	-	3,924	-	-
Korea East-West Power Co., Ltd.	Other payables and others	-	-	3,248	390
Korea Southern Power Co., Ltd.	Other receivables and others	1,257	1,278	212	1,943
KEPCO KDN Co., Ltd.	Other payables and others	-	-	2,427	2,588
KEPCO Plant Service & Engineering Co., Ltd.	Other receivables and others	1	-	-	-
	Other payables and others	-	-	13,085	10,454
KEPCO Engineering & Construction Company INC.	Other payables and others	-	-	1,590	-
Korea Gas Corporation	Trade payables and others	-	-	80,866	132,859
Korea Electronic Power Industrial Development Co., Ltd.	Other payables and others	-	-	1,061	2,664
Hyundai Green Power Co., Ltd.	Trade receivables	229	229	-	-
Korea Development Bank	Derivatives	46,579	47,607	-	-
Jeju Hallim Offshore Wind Power Co., Ltd.	Other receivables and others	58	99	6	-
Korea Offshore Wind Power Co., Ltd.	Trade receivables and others	135	199	482	-
KEPCO ES Co., Ltd.	Other receivables and others	-	38	-	-
Korea Power Exchange	Other payables and others	-	-	469	358
East Highway Solar Co., Ltd.	Other payables and others	-	-	-	1
West Highway Solar Co., Ltd.	Other payables and others	-	-	-	2
HeeMang Sunlight Power Co., Ltd.	Other payables and others	-	-	-	4
Energy Co.	Other receivables and others	1	124	-	-
Bitgoeul Eco Energy Co., Ltd.	Other receivables and others	1,393	-	-	1,458
Saemangeum Sebit Power Plant Co., Ltd.	Trade receivables and others	132	156	10	-
YeongGwang Yaksu Wind Electric.Co., Ltd.	Other receivables and others	2,725	2,858	413	-
Yeong-yang 2nd Wind Power Co., Ltd.	Other receivables and others	-	-	-	-
Jeju Gimnyeong Wind Power Co., Ltd.	Other receivables and others	118	143	7	5
Enel X KOMIPO Limited	Other payables and others	-	-	-	59
PT Cirebon Electric Power	Other receivables and others	50,301	38,915	-	-
Foresight Iberian Solar Group Holding, S.L.	Loans	72,210	71,137	-	-
PT Bayan Resources Tbk	Trade payables and others	-	14,655	5,899	-
Stavro Holding II A.B.	Other receivables and others	2,204	1,723	-	-
Prime Swedish Holding AB	Other receivables and others	275	79	-	-
		₩ 881,491	943,477	119,756	266,442

36. Related parties, Continued

(4) Details of fuel swap transactions (*) with the related parties for each of the two years ended December 31, 2025 are as follows:

In millions of won

Company name		2025		2024	
		Loan	Borrowing	Loan	Borrowing
Korea Western Power Co., Ltd.	₩	10,494	11,947	-	-
Korea East-West Power Co., Ltd.		9,578	31,624	-	-
Korea South-East Power Co., Ltd		11,914	9,477	-	12,434
Korea Southern Power Co., Ltd.		111,546	55,934	60,984	104,884
Korea Gas Corporation		40,913	37,130	-	-
	₩	184,445	146,112	60,984	117,318

(*) The transaction details are non-monetary exchange transactions with no commercial substance between related parties.

(5) Details of loans arising from related party transactions as of December 31, 2025 and 2024 are as follows:

In millions of won

Type	Company name		December 31, 2025					
			Beginning balance	Increase	Decrease	Share of loss	Others	Ending balance
Associates	PT Cirebon Energi Prasarana	₩	38,865	10,412	(1,642)	-	3,039	50,674
Joint ventures	Foresight Iberian Solar Group Holding, S.L.(*)		71,137	3,018	-	(8,169)	6,224	72,210
		₩	110,002	13,430	(1,642)	(8,169)	9,263	122,884

(*) For the year ended December 31, the Group additionally recognized ₩8,169 million of share of loss due to the suspension of the equity method for Foresight Iberian Solar Group Holding Spain S.L., in long term loans, which are part of the net investment.

In millions of won

Type	Company name		December 31, 2024				
			Beginning balance	Increase	Decrease	Others	Ending balance
Associates	PT Cirebon Energi Prasarana	₩	35,542	-	(3,658)	6,980	38,864
Joint ventures	Foresight Iberian Solar Group Holding, S.L.		64,318	222	-	6,597	71,137
		₩	99,860	222	(3,658)	13,577	110,001

36. Related parties, Continued

(6) Payment guarantees provided to related parties as of December 31, 2025 are as follows:

In thousands of USD and OMR

Primary guarantor	Secondary guarantor	Type of guarantees	Guarantee	Credit limit
Korea Midland Power Co., Ltd.	PT Cirebon Electric Power	Payment guarantee for debt	Mizuho Bank	USD 3,795
Korea Midland Power Co., Ltd.	PT Wampu Electric Power	Payment guarantee for debt	PT. Bank KB Bukopin	USD 4,253
Korea Midland Power Co., Ltd.	Nour Ibri Solar Power SAOC	Guarantee for business performance	Oman Power and Water Procurement Company SAOC	OMR 2,750
Korea Midland Power Co., Ltd.	Nour Ibri Solar Power SAOC	Guarantee for borrowings	Shinhan Bank, Dubai	USD 17,300
Korea Midland Power Co., Ltd.	Nour Ibri Solar Power SAOC	Payment guarantee for debt	Shinhan Bank, Dubai	USD 600
				USD 25,948
				OMR 2,750

36. Related parties, Continued

(7) Payment collaterals provided to the related parties as of December 31, 2025 are as follows:

In millions of won

Primary guarantor	Secondary guarantor	Type of guarantees		Book value	Guarantee
Korea Midland Power Co.,Ltd.	Hyundai Green Power Co., Ltd.	Collateralized money invested	₩	86,549	Korea Development Bank and others
Korea Midland Power Co.,Ltd.	Commerce and Industry Energy Co., Ltd.	Collateralized money invested		498	Industrial Bank of Korea and others
Korea Midland Power Co.,Ltd.	YaksuESS Co., Ltd.	Collateralized money invested		31	Industrial Bank of Korea
Korea Midland Power Co.,Ltd.	Korea Offshore Wind Power Co., Ltd.	Collateralized money invested		26,921	Woori Bank and others
Korea Midland Power Co.,Ltd.	YeongGwang Yaksu Wind Electric.Co., Ltd.	Collateralized money invested		61	Industrial Bank of Korea and others
Korea Midland Power Co.,Ltd.	Green Energy Power Co., Ltd.	Collateralized money invested		230	Industrial Bank of Korea
Korea Midland Power Co.,Ltd.	Kwangbaek Solar Power Investment Co., Ltd.	Collateralized money invested		5,236	Kyobo Life Insurance Co., Ltd. and others
Korea Midland Power Co.,Ltd.	Muan Solar Power Plant Co., Ltd.	Collateralized money invested		2,778	Industrial Bank of Korea
Korea Midland Power Co.,Ltd.	Goesan Solar Park	Collateralized money invested		2,926	Industrial Bank of Korea
Korea Midland Power Co.,Ltd.	Bitgoeul Eco Energy	Collateralized money invested		7,672	Industrial Bank of Korea and others
Korea Midland Power Co.,Ltd..	Energy Co.	Collateralized money invested		2,629	Nonghyup Bank
Korea Midland Power Co.,Ltd.	East Highway Solar Co., Ltd.	Collateralized money invested		523	Shinhan Bank
Korea Midland Power Co.,Ltd.	West Highway Solar Co., Ltd.	Collateralized money invested		683	Shinhan Bank
Korea Midland Power Co., Ltd.	Yeong-yang 2nd Wind Power Co., Ltd.	Collateralized money invested		13,406	Korea Development Bank and others
Korea Midland Power Co., Ltd.	Jeju Hallim Offshore Wind Power Co., Ltd.	Collateralized money invested		18,673	Kookmin Bank and others
Korea Midland Power Co., Ltd.	Haeparang Energy Co., Ltd.	Collateralized money invested		2,714	Templeton Hana Asset Management
Korea Midland Power Co., Ltd.	Yeomsubong Wind Power Co., Ltd.	Collateralized money invested		325	Korea Development Bank
Korea Midland Power Co., Ltd.	Saemangeum Sebit Power Plant Co., Ltd.	Collateralized money invested		28,113	Industrial Bank of Korea and others
			₩	199,968	

36. Related parties, Continued

(8) Other Commitments

(i) Hyundai Green Power Co., Ltd.

As of December 31, 2025, Hyundai Green Power Co., Ltd., a related party of the Group, which engages in the by-product gas power generating industry in Dangjin, South Chungcheong Province, carries long-term borrowings for project financing amounting to ₩ 390 billion (₩222.4 billion as of Dec 31, 2025) from Korea Development Bank and others. In connection with these borrowings, the Group pledged its investment securities in Hyundai Green Power Co. Ltd.

Meanwhile, the Group is under an obligation to purchase, upon exercise of a put option, the shares in Hyundai Green Power Co., Ltd. held by financial investors (including Industrial Bank of Korea, etc.) during certain specified periods in the future.

In addition, if the specific condition in the shareholders' agreement is satisfied, the Group will have the right to request Hyundai Steel Company (operating investor) and a third party designated by Hyundai Steel Company to buy its equity and have the obligation to sell its equity to Hyundai Steel Company at its request.

(ii) YaksuESS Co., Ltd.

As of December 31, 2025, YaksuESS Co., Ltd. a related party of the Group, is in the process of constructing and operating an energy storage system (ESS) linked to wind power plants in Yeonggwang, South Jeolla Province. YaksuESS Co., Ltd. carries long-term borrowings for project financing amounting to ₩5.9 billion (₩1.9 billion as of Dec 31, 2025) from Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in YaksuESS Co., Ltd.

(iii) Korea Offshore Wind Power Co., Ltd.

As of December 31, 2025, Korea Offshore Wind Power Co., Ltd., a related party of the Group, is in the process of constructing and operating offshore wind power plants in Buan and Gochang County, North Jeolla Province. Korea Offshore Wind Power Co., Ltd. carries long-term borrowings for project financing amounting to ₩244.5 billion (₩90.1 billion as of Dec 31, 2025) from Woori Bank and others. In connection with these borrowings, the Group pledged its investment securities in Korea Offshore Wind Power Co., Ltd. In addition, the Group has entered into additional funding agreements related to the excess operating expenses of the project.

(iv) YeongGwang Yaksu Wind Electric.Co., Ltd.

As of December 31, 2025, YeongGwang Yaksu Wind Electric. Co., Ltd., a related party of the Group, is conducting a wind power project in Yeonggwang, South Jeolla Province. YeongGwang Yaksu Wind Electric.Co., Ltd. carries long-term borrowings for project financing amounting to ₩46 billion (₩29.7 billion as of Dec 31, 2025) from Industrial Bank of Korea and others. In connection with these borrowings, the Group pledged its investment securities in YeongGwang Yaksu Wind Electric.Co., Ltd.

(v) Green Energy Power Co., Ltd.

As of December 31, 2025, Green Energy Power Co., Ltd., a related party of the Group, is constructing a wind power plant and operating the business in Taebaek, Gangwon Province. Green Energy Power Co., Ltd. carries long-term borrowings for project financing of ₩65.5 billion (₩65.2 billion as of Dec 31, 2025) from Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in Green Energy Power Co., Ltd. as collateral. In addition, the Group also has agreements to contribute additional investment and funding related to the excess operating expenses of the project.

(vi) Kwangbaek Solar Power Investment Co., Ltd.

As of December 31, 2025, Gwangbaek Solar Investment Co., Ltd., a related party of the Group, is constructing a Yeonggwang Gwangbaek 100MW solar power plant and operating ESS business in Yeongnam-gun, South Jeolla Province. Kwangbaek Solar Power Investment Co., Ltd. carries long-term borrowings for project financing of ₩338.4 billion (₩229 billion as of December 31, 2025) from Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in Kwangbaek Solar Power Investment Co., Ltd. as collateral.

(vii) Muan Solar Power Plant Co., Ltd.

As of December 31,2025, Muan Solar Plant Co., Ltd., a related party of the Group, is constructing a Muan 33MW solar power plant and operating ESS business in Muan-gun, South Jeolla Province. Muan Solar Plant Co., Ltd. carries long-term borrowings for project financing of W149.1 billion (₩106.9 billion as of December 31, 2025) from Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in Muan Solar Plant Co., Ltd. as collateral.

36. Related parties, Continued

(8) Other Commitments, continued

(viii) Goesan Solar Park

As of December 31,2025, Goesan Solar Park, a related party of the Group, is constructing a solar power plant and ESS facility in So-soo myeon, North Chung-cheong Province. Goesan Solar Park carries long-term borrowings for project financing of W43.8 billion (₩30.3 billion as of December 31, 2025) from Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in Goesan Solar Park as collateral.

(ix) Bitgoeul Eco Energy

As of December 31, 2025, Bitgoeul Eco Energy, a related party of the Group, is promoting the fuel cell power generation business in business district, Gwangju. Bitgoeul Eco Energy carries long-term borrowings for project financing of ₩65.5 billion (₩41.5 billion as of December 31, 2025) from the Industrial Bank of Korea. In connection with these borrowings, the Group pledged its investment securities in Bitgoeul Eco Energy as collateral.

(x) Energy Co.

As of December 31, 2025, Energy Co., a related party of the Group, is managing construction of the solar power plant and operating the business in Eoeun ri, Okgu eup, Gunsan si, North Jeolla Province. Energy Co. carries long-term borrowings for project financing of ₩49.1 billion (₩40.2 billion as of December 31, 2025) from Nonghyup Bank. In connection with these borrowings, the Group pledged its investment securities in Energy Co. as collateral.

(xi) Jeju Gimnyeong Wind Power Co., Ltd.

As of December 31, 2025, Jeju Gimnyeong Wind Power Co., Ltd., a related party of the Group, is operating the Wind power plant in Kimsong ro, Gujwa eup, Jeju si. Jeju Gimnyeong Wind Power Co., Ltd. carries long-term borrowings for project financing of ₩60 billion (₩33.3 billion as of December 31, 2025) from Nonghyup Bank. In connection with these borrowings, the Group pledged its investment securities in Jeju Gimnyeong Wind Power Co., Ltd. as collateral.

(xii) East Highway Solar Co., Ltd.

As of December 31, 2025, East Highway Solar Co., Ltd., a related party of the Group, is managing construction of the solar power plant and operating the business in Gumijoongang ro, Gumi si. East Highway Solar Co., Ltd. carries long-term borrowings for project financing of ₩16.3 billion (₩15.7 billion as of December 31, 2025) from Nonghyup Bank. In connection with these borrowings, the Group pledged its investment securities in East Highway Solar Co., Ltd. as collateral.

(xiii) West Highway Solar Co., Ltd.

As of December 31, 2025, West Highway Solar Co., Ltd., a related party of the Group, is managing construction of the solar power plant and operating the business in Ami ri, Bubal eup, Icheon si. West Highway Solar Co., Ltd. carries long-term borrowings for project financing of ₩15.9 billion (₩12 billion as of December 31, 2025) from Nonghyup Bank. In connection with these borrowings, the Group pledged its investment securities in West Highway Solar Co., Ltd. as collateral.

(xiv) Jeju Hallim Offshore Wind Power Co., Ltd.

As of December 31, 2025, Jeju Hallim Offshore Wind Power Co., Ltd., a related party of the Group, is conducting a wind power generation project at 64 Sindae-ro, Jeju-si, and is raising funds through a project financing agreement of ₩ 543 billion (₩503.9 billion as of December 31, 2025) from Kookmin Bank, etc. The Group provides its shares of Jeju Hallim Offshore Wind Power Co., Ltd. to the lender as collateral. In addition, the Group has entered into a financing agreement to provide funds through paid-in capital increase or subordinated conditional loans in relation to the excess of the planned project costs.

(xv) Yeongyang 2nd Wind Power Co., Ltd.

As of December 31, 2025, Yeongyang No. 2 Wind Power Co., Ltd., a related party of the Group, is carrying out the construction management and operation of wind power generation facilities in Samui-ri, Seokbo-myeon, Yeongyang-gun, Gyeongsangbuk-do, and received ₩ 96.8 billion (₩91.1billion as of December 31, 2025) from the Korea Development Bank and Samsung Fire & Marine Insurance. In this loan agreement, the Group provides its shares of Yeongyang No. 2 Wind Power Co., Ltd. to the lender as collateral.

36. Related parties, Continued

(8) Other Commitments, continued

(xvi) Haeparang Energy Co., Ltd.

As of December 31, 2025, Haeparang Energy Co., Ltd., a related party of the Group, is carrying out construction management and operation of wind power generation facilities in Goesiri, Yeonghae-myeon, Yeongdeok-gun, Gyeongsangbuk-do, and received ₩ 55 billion (₩53.6 billion as of December 31, 2025) from Templeton Hana Asset Management Co., Ltd. In this loan agreement, the Group provides its shares of Haeparang Energy Co., Ltd. to the lender as collateral. In addition, the Group has entered into a financing agreement in which the payment is made by lending on a subordinated basis according to the ratio of each investor's share to the total investment share of the investors in relation to the excess of the planned project costs.

(xvii) Saemangeum Sebit Power Plant Co., Ltd.

As of December 31, 2025, Saemangeum Sebit Power Plant Co., Ltd., a related party of the Group, is carrying out construction management and operation of solar power generation facilities in a public water surface near Osikdo-dong, Gunsan-si, Jeollabuk-do, and received ₩ 99.9 billion (₩74.4 billion as of December 31, 2025) from the Industrial Bank of Korea and others The Group plans to offer its shares of Saemangeum Sebit Power Plant Co., Ltd. as collateral to the lender at the time of raising the remaining W 63.4 billion of the loan agreement, excluding the senior loan of ₩ 36.5 billion. In connection with these borrowings, the Group pledged its investment securities in Saemangeum Sebit Power Plant Co., Ltd. as collateral.

(xvii) Yeomsubong Wind Power Co., Ltd.

As of December 31, 2025, Yeonsubong Wind Power Co., Ltd., a related party of the Group, is raising funds through a project finance loan agreement of ₩ 49 billion (₩ 47.8 billion as of December 31, 2025) from the Korea Development Bank. In this loan agreement, Group is providing the stocks of Yeonsubong Wind Power Co., Ltd. held by us as collateral to the lender. In addition, Group has entered into an agreement to provide funds through paid-in capital increase or subordinated loan in relation to excess planned project costs of this project.

(xviii) Commerce and Industry Energy Co., Ltd.

As of December 31, 2025, Commerce and Industry Energy Co., Ltd., a related party of the Group, is conducting group energy business in Iksan, North Jeolla Province. Commerce & Industry Energy Co., Ltd. carries long-term borrowings for project financing amounting to ₩85 billion (₩ 18 billion as of Dec 31, 2025) from Industrial Bank of Korea and others. In connection with these borrowings, the Company pledged its investment securities in Commerce & Industry Energy Co., Ltd.

(9) Salaries and other compensations to the key members of management of the Group for each of the two years ended December 31, 2025 are as follows:

In millions of won

	Type		2025	2024
Salaries	CEO and others	₩	506	607
Retirement benefits	CEO and others		18	28
		₩	524	635

(10) Housing and tuition loans to employees as of December 31, 2025 and 2024 are as follows:

In millions of won

Type		December 31, 2025	December 31, 2024
Short-term loans	₩	3,158	3,295
Long-term loans		21,702	25,434
	₩	24,860	28,729

37. Statement of Cash Flows

(1) Significant non-cash transactions from financing and investing activities excluded from the consolidated statements of cash flows for each of the two years ended December 31, 2025 are as follows:

In millions of won

Transactions		2025	2024
Transfer from construction-in-progress to depreciable assets	₩	521,505	350,761
Transfer of long-term borrowings and bonds from non-current to current		1,020,453	864,244
Increase in non-trade payables related to acquisition of property, plant and equipment		(13,068)	(4,818)
Transfer of long-term lease liability from non-current to current		83,209	104,561

(2) Changes in liabilities from financing activities for the year ended December 31, 2025 are as follows:

In millions of won

			Non-cash changes			
	Beginning balance	Cash flow	Acquisition	Changes in exchange rate	Others	Ending balance
Borrowings	₩ 382,255	725,696	-	(45,291)	-	1,062,660
Bonds	7,041,589	(770,000)	-	(4,509)	2,474	6,269,554
Net derivative liabilities	(111,496)	13,434	-	-	(26,252)	(124,314)
Lease liabilities	762,381	(96,213)	3,344	(9,482)	10,082	670,112
Dividends payable	621	(142,357)	-	-	142,219	483
	₩ 8,075,350	(269,440)	3,344	(59,282)	128,523	7,878,495

38. Material commitments

(1) The agreements for acquisition of property, plant and equipment as of December 31, 2025 and 2024 are as follows:

In millions of won

Contracts		December 31, 2025		December 31, 2024	
		Amounts	Balance	Amounts	Balance
Purchase of equipment for Boryeong Power Generation Headquarters coal storage enclosure project	₩	371,978	134,735	357,479	241,751
Purchase of main equipment for Boryeong CCPP units 1		282,623	29,970	286,299	177,988
Construction of Boryeong CCPP units 1		221,475	93,617	202,552	161,753
Conditional purchase of Haman Complex power block installation		586,983	514,447	581,790	543,509

(2) Long-term marine transportation commitments

The long-term marine transportation commitments for bituminous coal as of December 31, 2025 and the details are as follows:

Company name	Ship	Contract periods
SW Shipping Co., Ltd.	Sea Grace	Sep. 2017 ~ Aug. 2032
	Sea Future	Sep. 2018 ~ Aug. 2033
Dooyang Limited Co., Ltd.	ORIENTAL PROMOTION	Oct. 2018 ~ Sep. 2033
Korea Shipping Corporation	SM Samarinda	Dec. 2015 ~ Nov. 2030
	SM Sinseocheon 1	Mar. 2020 ~ Feb. 2045
	SM Sinseocheon 2	Aug. 2020 ~ Jul. 2045
H-LINE Shipping Co., Ltd.	HL Komipo	Jan 2017 ~ Dec. 2031
	HL Boryeong	Jul. 2017 ~ Jun. 2035
	HL MIDLAND	Sep. 2018 ~ Aug. 2033
Pan Ocean Co., Ltd.	Pan KOMIPO	Oct. 2016 ~ Sep. 2034

38. Material commitments, Continued

(3) Contracts for raw materials purchase

The Company has entered into purchase contracts related to raw materials such as thermal coal, and significant contracts as of the December 31, 2025 are as follows:

In thousands of tons, except for kiloliter

Supply source	Contract periods	Amount
Coal:		
Australia(Moolarben)	Jul. 2009 ~ End of mining production	625
Australia(Except Moolarben)	Dec. 2015 ~ Dec. 2027	6,665
Russia	Jun. 2016 ~ Dec. 2028	820
Indonesia	Oct. 2017 ~ Dec. 2032	3,350
United States	Jul. 2010 ~ Jun. 2026	1,440
Colombia	Jun. 2025 ~ Jun. 2026	135
Canada	Dec. 2025 ~ Dec. 2026	80
South africa	Jan. 2017 ~ Dec. 2027	2,445
Oil :		
DK Refinery Co., Ltd. and others	Jan. 2025 ~ Dec. 2025	96,323 kℓ
LNG:		
Korea Gas Corporation	Jan. 2007 ~ Dec. 2039	Renegotiated annually
Vitol S.A.	Jan. 2015 ~ Dec. 2028	200

39. Contingent Liability and Commitments

(1) Ongoing litigations as of December 31, 2025 and 2024 are as follows:

In millions of won, except for number of cases

	December 31, 2025		December 31, 2024	
	Number of cases	Claim amount(*)	Number of cases	Claim amount
Litigations (Defendant case)(*)	20	₩ 34,899	19	₩ 37,520
Litigations (Plaintiff case)	18	17,923	8	5,883

(*) The claim amount includes a case in which the Group and others are co-defendants with claim amounts of ₩2,124 million as of December 31, 2025. Although the Group cannot predict the final outcome, its management expects that the outcome of the litigation will not have a significant impact on our business or financial position.

As of December 31, 2025, there are a total of six arbitration cases other than ongoing lawsuits. The Group did not recognize the provision for these arbitration cases as the outflow of economic benefits is not probable, and the related amount cannot be reliably measured.

(2) Details of major commitments with financial institutions as of December 31, 2025 are as follows:

In millions of won and thousands of foreign currencies

Commitments	Financial institutions	Currency	Limited amount	Exercised amount
Commitments on bank-overdraft	Nonghyup Bank	KRW	200,000	183,300
Certification of payment on L/C	Nonghyup Bank and others	USD	115,945	89,381
	Kookmin Bank and others	EUR	8,431	7,461
Loan limit	Korea Development Bank and others	KRW	450,000	-
	SMBC	USD	50,000	-
Loan secured by trade receivables	Nonghyup Bank and others	KRW	35,000	-
Others	Nonghyup Bank	USD	90,000	5,160

(3) The Group provides guarantees of USD 6,015,227 to the Export-Import Bank of Korea, BNP Paribas, and ING Bank to guarantee payment of debts of PT Tanggamus Electric Power, related to the Tanggamus Hydropower Project in Indonesia.

(4) The Group provides a guarantee of USD 4,252,695 to PT.Bank KB Bukopin to guarantee the debt payment of PT Wampu Electric Power, an associate, related to the Wampu hydroelectric power generation project in Indonesia.

(5) The Group provides a guarantee of USD 3,000,000 to RBC Community Investments Impact Renewables HoldCo-1, LLC for performance guarantees related to tax investor weatherization of the Concho Valley solar power project, a subsidiary located in the United States.

(6) The Group provides Kookmin Bank with a business performance guarantee of EUR 7,030,800 to Microsoft Ireland Operations Limited, a third party, to guarantee the performance of the wind power plant construction period in Gubbaberget, Sweden.

(7) The Group provides Axia Power Holdings B.V., and others with a project performance guarantee of USD 54,000,000 for KOMIPO Global Pte., Ltd, a subsidiary, for the implementation of the Cirebon thermal power plant project in Indonesia.

(8) The Group provides a business performance guarantee of USD 54,000,000 to PT Cirebon Electric Power for the operation and maintenance of the Cirebon thermal power plant in Indonesia by PT Cirebon Power Services, a subsidiary.

(9) The Group provides Nonghyup Bank with a debt payment guarantee of USD 3,795,000 to a third party, Mizuho Bank, Ltd., to guarantee the debt service reserve account for the Cirebon Power Generation Project in Indonesia, which is operated by its associate, PT Cirebon Electric Power.

(10) The Group provides a performance guarantee of IDR 35,599,935,151 to PT Perusahaan Listrik Negara for the Tanjung Jati Power Project in Indonesia of its subsidiary, PT KOMIPO Pembangkitan Jawa Bali.

39. Contingent Liability and Commitments, Continued

(11) The Group provides a business performance guarantee of USD 30,000,000 to Morgan Stanley Capital Group Inc for the performance guarantee of the Power Purchase Agreement for the solar power generation project in the US of its subsidiary, Elara Energy Project, LLC.

(12) The Group provides an equity contribution guarantee of USD 70,000,000 to Morgan Stanley Renewables Inc of the US solar power generation business of its subsidiary, Elara Class B Member, LLC.

(13) The Group provides KEB Hana Bank with a debt payment guarantee of up to USD 40,000,000 in connection with the Equity Bridge Loan (EBL) for the Concho Valley solar power project in the USA operated by its subsidiary, KOMIPO America Inc.

(14) The Group provides a business performance guarantee of USD 5,000,000 to Vanphong Power Company Ltd., for the operation and maintenance of its subsidiary, KOMIPO Vanphong Power Services Limited Liability Company, in Vietnam.

(15) The Group provides an equity contribution guarantee of USD 62,800,000 to RBC Community Investments Impact Renewables HoldCo-1, LLC, for the Concho Valley solar power project in the USA operated by its subsidiary, CVS Class B Member, LLC.

(16) The Group provides a business performance guarantee of USD 4,412,625 to Mondelez Global, LLC for the implementation of the Lucy solar power project in the USA conducted by Concho County Solar 1, LLC.

(17) The Group provides a business performance guarantee of OMR 2,750,000 to HSBC Seoul for the implementation of the Ibri 3 solar power project in Oman, performed by a consortium of MASDAR, KOMIPO, AL KHADRA, and OQAE.

(18) The Group provides a business performance guarantee of OMR 2,750,000 to HSBC Oman and HSBC Seoul for the bidding project of the Ibri 3 solar power project in Oman, performed by its associate, Nour Ibri Solar Power SAOC.

(19) The Group provides a debt payment guarantee of USD 17,300,000 to Shinhan Bank, Dubai, to guarantee the borrowings of its associate, Nour Ibri Solar Power SAOC related to the bidding project of the Ibri 3 solar power project in Oman.

(20) The Group provides a debt payment guarantee of USD 600,000 to Shinhan Bank, Dubai for the EBL interest rate hedge contract guarantee related to the bidding project of the Ibri 3 solar power project in Oman, performed by its associate Nour Ibri Solar Power SAOC.

(21) The Group provides an equity contribution guarantee of USD 17,515,014 to Natixis for the Ibri 3 solar power project in Oman, performed by its subsidiary KOMIPO Middle East Energy L.L.C. FZ.

(22) The Group provides a performance guarantee of OMR 666,667 to HSBC Seoul for the bidding guarantee related to the Al Kamil solar power project in Oman, performed by a consortium of ABU DHABI FUTURE ENERGY COMPANY PJSC MASDAR, KOMIPO, and AL KHADRA.

(23) Korea Institute of Energy Technology was established in April 2020 in accordance with the “Basic Plan for the Establishment of the Korea Institute of Energy Technology (July 2019)”. According to *the Korea Institute of Energy Technology Act*, the national government, local governments and public institutions including the Company can provide contributions, and the Company will decide whether to contribute through a resolution of the Board of Directors after consulting with related organizations considering its annual financial condition.

(24) The Group is obligated under the *Promotion of New and Renewable Energy Development, Utilization and Supply Act* to generate at least a certain amount of its total electricity each year using renewable energy.

According to the Act, the obligor may fulfill the obligation by using its own power generation facilities or by purchasing renewable energy certificates ("RECs"), and the costs incurred in fulfilling the obligation are reimbursed by KEPCO in accordance with the relevant regulations.

In order to fulfill its obligations, the Group has entered into contracts with a number of counterparties to purchase RECs at a fixed price for a certain period of time, and the purchase price paid to the counterparties is reimbursed by KEPCO for the duration of the contract.

As of December 31, 2025, the Group 's fixed-price REC purchase contracts are as follows:

	Contract capacity (kW)	Average remaining contract period (months)	Average contract unit price (won)	Current purchase quantity (units)
Fixed price contract	3,001,375	180	184,596	5,114,654

39. Contingent Liability and Commitments, Continued

(25) The ongoing armed conflict in Ukraine started in February 2022 and relevant sanctions against Russia imposed by the international community can impact not only sanctioned entities but also the entities doing business directly or indirectly with Ukraine or Russia and the entities exposed directly or indirectly to industries or economy of Russia or Ukraine. The Group cannot make reasonable estimation of the financial impact of the recent conflict in Ukraine on the future events.

40. Service concession arrangements

(1) Significant terms and concession period of the arrangement

The Group has entered into a contract with PT PLN(PT Perusahaan Listrik Negara) whereby the Group provides electricity generated and charge tariff rates designed to recover capital cost, fixed O&M cost, water usage cost, variable O&M cost and special facilities cost during the concession period after building, rehabilitating, and operating the power plant for approximately 30 years (2018~2048) subsequent to the completion of plant construction.

(2) Rights to use specific asset

The Group has rights to use and own the power plant during the concession period from 2018 to 2048. At the end of the concession period, PT PLN has an option to take over the ownership of the power plant from the Group.

(3) Classification method

This project is a way for PT PLN to acquire ownership of the power plant after the end of the contract period after the plant is established.

(4) The Group's expected future collections from the service concession arrangement as of December 31, 2025 are as follows:

In millions of won

		Amount
Less than 1 year	₩	33,135
1 ~ 2 years		33,135
2 ~ 3 years		33,135
Over 3 years		502,212
	₩	601,617

41. Events After the Reporting Period

After the reporting period, the Group issued new Korean won bonds to repay existing corporate bonds.

In millions of won

	Currency		Amount	Interest rate (%)	Issue date	Maturity
75th unsecured bonds	KRW	₩	100,000	3.56	Feb.12,2026	Feb.11,2028

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