IMPORTANT NOTICE

AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS WITH ADDRESSES 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 U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), 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. 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 non-U.S. persons outside the United States as defined in Regulation S under the Securities Act. The following offering circular is being sent at your request and by accepting the e-mail and accessing the offering circular, you shall be deemed to have represented to us that (1) you and any customers you represent are non-U.S. persons outside of the United States, (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States and, to the extent you purchase the securities, you will be doing so pursuant to Regulation S and (3) you consent to delivery of such offering circular and any amendments and supplements thereto 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 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 the joint lead managers or such affiliate on behalf of Korea East-West Power Co., Ltd. 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 Citigroup Global Markets Limited, The HongKong and Shanghai Banking Corporation Limited and Merrill Lynch International (collectively, the "Joint Lead Managers") nor any person who controls any of them nor any director, officer, employee nor agent of any of them 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.

The Joint Lead Managers are acting exclusively for Korea East-West Power Co., Ltd. and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as its client in relation to the offer and will not be responsible to anyone other than Korea East-West Power Co., Ltd. for providing the protections afforded to its clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You should not reply by e-mail to this transmission, 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. 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 East-West Power Co., Ltd.

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

US$300,000,000 4.000% Notes due 2031

The US$300,000,000 4.000% Notes due 2031 (the "Notes") of Korea East-West Power Co., Ltd. ("we" or "us") will mature on May 4, 2031 (the "Maturity Date"). The Notes will bear interest at the rate of 4.000% per annum from, and including, November 4, 2025 (the "Issue Date") to, but excluding, the Maturity Date. Interest will be payable in arrears on May 4 and November 4 in each year, commencing May 4, 2026. We may, at our option, redeem all, but not some only, of the Notes at any time at their principal amount plus accrued interest in the event of certain changes in tax law as described under "Terms and Conditions of the Notes – Optional Redemption Due to Changes in Tax Treatment."

The Notes are expected to be rated "Aa2" by Moody's Investors Service, Inc. ("Moody's) and "AA-" by Fitch Ratings, Inc. ("Fitch"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

The Notes will constitute our direct, unconditional, unsubordinated and unsecured obligations and shall at all times rank *pari passu* and without any preference or priority among themselves and with all of our other present and future direct, unconditional, unsubordinated and unsecured obligations, except as may be required by mandatory provisions of law.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering circular. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Notes or us. There is currently no public market for the Notes. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). Accordingly, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000.

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws of the United States. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons as defined under Regulation S ("Regulation S") under the Securities Act. For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this offering circular, see "Subscription and Sale" and "Transfer Restrictions."

Investing in the Notes involves risks. See "Risk Factors" beginning on page 7 to read about certain risk factors you should consider before buying the Notes.

Price: 99.429% per Note plus accrued interest, if any, from November 4, 2025.

Delivery of the Notes in book-entry form will be made on or about November 4, 2025.

Joint Bookrunners and Lead Managers

BofA Securities **Citigroup** **HSBC**

The date of this Offering Circular is October 27, 2025.

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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 THIS OFFERING, TO THE EXTENT PERMITTED BY, AND IN ACCORDANCE WITH, APPLICABLE LAWS AND REGULATIONS, EACH OF CITIGROUP GLOBAL MARKETS LIMITED, THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED AND MERRILL LYNCH INTERNATIONAL (THE "STABILIZING MANAGERS") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGERS) 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 MANAGERS (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGERS) 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 REGISTERED UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA (THE "FSCMA"). ACCORDINGLY, 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 SUCH TERM IS DEFINED UNDER THE FOREIGN EXCHANGE TRANSACTION ACT OF KOREA AND ITS ENFORCEMENT DECREE) OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE KOREAN LAWS AND REGULATIONS. IN ADDITION, DURING THE FIRST YEAR AFTER THE ISSUANCE OF THE NOTES, THE NOTES MAY NOT BE TRANSFERRED TO ANY RESIDENT OF KOREA OTHER THAN A "QUALIFIED INSTITUTIONAL INVESTOR" (A "KOREAN QIB," AS DEFINED IN THE REGULATION ON THE ISSUANCE OF SECURITIES AND 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.

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 Joint Lead Managers (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 by the Joint Lead Managers or any of their affiliates or advisers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by us in connection with the offering of the Notes or the Notes or their distribution or for any other statement made or purported to be made by any Joint Lead Manager or on its behalf in connection with us or the offering of the Notes. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Joint Lead Managers or their affiliates or advisers. Each Joint Lead Manager accordingly disclaims any and all responsibility or liability whether arising in tort or contract or otherwise which it might otherwise have in respect of the information contained in this Offering Circular, any other information provided by us in connection with the offering of the Notes or any other such statement. 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. Information provided in this Offering Circular with respect to Korea and its political status and economy, has been derived from information published by the Korean government and other public sources, and we accept responsibility only for the accurate extraction of information from such sources.

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. Persons into whose possession this Offering Circular may come are required by us and the Joint Lead Managers 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.

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. We are not making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. The contents of this Offering Circular should not be construed as providing legal, business, accounting or tax advice.

Any investor who purchases the Notes will be deemed to have made acknowledgements, representations, warranties and agreements intended to restrict the resale or other transfer of the Notes, as set forth under "Transfer Restrictions" in this Offering Circular. Each investor should understand that he or she might be required to bear the financial risks of the investment in the Notes for an indefinite period of time.

MiFID II product governance/Professional investors and ECPs target market – Solely for the purposes of the 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/Professional investors and ECPs only target market – Solely for the purposes of the 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, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("UK MiFIR") only; 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 the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook, as may be applicable, is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining the appropriate distribution channels.

Notice to investors in Singapore: By accepting this Offering Circular, 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 herein.

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Purchase Agreement and the issue of the Notes by the Company to the Joint Lead Managers pursuant to the Purchase Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes pursuant to this Offering Circular shall (without liability or responsibility on the part of the Company or the Joint Lead Managers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Company to the Joint Lead Managers pursuant to the Purchase Agreement.

Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including all Joint Lead Managers, are "capital market intermediaries" (together, the "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" (together, the "OCs") for this offering and are subject to additional requirements under the SFC Code. Prospective investors who are our directors, employees or major shareholders, a CMI or its group companies would be considered under the SFC Code as having an association (an "Association") with us, the CMI or the relevant group company (as the case may be). Prospective investors associated with us or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this 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 this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this 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). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should so indicate when placing an order if it is for a fund or portfolio where the relevant Joint Lead Manager 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 this 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 Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should so indicate to the relevant Joint Lead Manager 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 this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this 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 Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to us, 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 this offering. Failure to provide such information may result in that order being rejected.

CERTAIN DEFINED TERMS AND CONVENTIONS

All references to "we," "us" or "the Company" herein are references to Korea East-West Power Co., Ltd. and its subsidiaries, as the context requires. 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.

In this Offering Circular, references to "Won" or "₩" are to the currency of Korea, all references to "U.S. dollars" or "US$" are to the currency of the United States of America, all references to "S$" are to the currency of the Republic of Singapore, and all references to "A$" are to the currency of the Commonwealth of Australia. 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 base rate under the market average exchange rate system, announced by Seoul Money Brokerage Services, Ltd. in Seoul, between U.S. dollars and Won, rounded to the nearest tenth of one Won (the "Market Average Exchange Rate"). Unless otherwise specified, the translations of Won into U.S. dollars as of and for the period ended June 30, 2025 have been made at the Market Average Exchange Rate in effect on June 30, 2025, which was Won 1,356.4 to US$1.00. 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. For a discussion of historical information regarding the rate of exchange between Won and the U.S. dollar, 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 within the United States upon such persons or to enforce against them or against us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Korea, either in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated on the U.S. federal securities laws.

PRESENTATION OF FINANCIAL INFORMATION

Our consolidated financial statements as of and for the years ended December 31, 2022, 2023 and 2024 and our unaudited interim consolidated financial statements as of June 30, 2025 and for the six months ended June 30, 2025 and 2024 included in this Offering Circular have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions of the Republic of Korea (the "Government Accounting Standards"), and where accounting provisions have not been specified under the Government Accounting Standards, we have applied the International Financial Reporting Standards as adopted by the Republic of Korea ("K-IFRS") as allowed under the Government Accounting Standards. Our unaudited interim consolidated financial statements as of June 30, 2025 and for the six months ended June 30, 2025 and 2024 included in this Offering Circular have been prepared in accordance with K-IFRS No. 1034 "*Interim Financial Reporting*." Such accounting standards differ in certain significant respects from generally accepted accounting principles in other countries, including the United States. In making an investment decision, investors must rely upon their own independent examination of us, the terms of this 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 K-IFRS and generally accepted accounting principles in their own jurisdictions, 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 Joint Lead Managers that any recipient of this Offering Circular should purchase the Notes.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes "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, 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 we and the Joint Lead Managers expressly disclaim 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.

SUMMARY

We were established on April 2, 2001 as one of six Generation Subsidiaries (as defined in "The Korean Electric Industry") of KEPCO. The Generation Subsidiaries generate approximately two-thirds of the electricity in Korea. As of June 30, 2025, we had a domestic generation capacity of 9,676 megawatts (excluding decommissioned generation units), or approximately 6.2% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). As of June 30, 2025, our generation capacity consisted of 6,440 megawatts, 2,972 megawatts and 265 megawatts attributable to our coal-fired units, LNG-combined cycle units and renewable energy units, respectively.

In 2022, 2023 and 2024, we sold 37,468 GWh, 34,047 GWh and 33,328 GWh, respectively, and in the first six months of 2024 and 2025, we sold 15,164 GWh and 13,104 GWh, respectively, to KEPCO through the KPX. KEPCO is currently the sole electricity transmission and distribution company in Korea. Our revenue amounted to Won 6,994 billion, Won 5,622 billion and Won 5,379 billion in 2022, 2023 and 2024, respectively, and Won 2,409 billion and Won 2,276 billion in the first six months of 2024 and 2025, respectively. We recorded net profit of Won 106 billion, Won 177 billion and Won 522 billion in 2022, 2023 and 2024, respectively, and net profit of Won 127 billion and Won 231 billion in the first six months of 2024 and 2025, respectively.

Total demand for electricity increased by 2.7% in 2022, decreased by 0.4% in 2023 and increased by 0.7% in 2024, 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 substantial capital expenditures to maintain and expand our generation capacity and enhance our generating systems in the future, particularly with respect to the generation of renewable energy.

Based on our "Pioneering Company in Eco-friendly Energy Transition" vision, we intend to grow into a sustainable, eco-friendly energy company by shifting to low-carbon energy, developing new technologies and preemptively responding to climate change risks while fulfilling our social responsibilities. By 2035, we aim to increase production capacity of renewable energy in our production mix to 30%. Furthermore, we also aim to pursue net neutrality of greenhouse emissions by 2050 through, among other things, phasing out our coal-fired generation units, converting our LNG-combined cycle units to use carbon-free fuel such as hydrogen, and continuing to expand our production capacity of renewable energy. We seek to achieve eco-friendly energy transition, sustainability management, social responsibility and a communication-oriented transparent management system as key goals and plan to continue to strengthen our core businesses while broadening the scope of our business into new growth areas.

We are a corporation incorporated with limited liability under the laws of Korea. Our registered office is located at 395, Jongga-ro, Jung-gu, Ulsan 44543, Korea. Our website address is *www.ewp.co.kr.*

THE OFFERING

The following is a brief summary of some of the terms of the Notes. For a more detailed description of the terms of the Notes, see "Terms and Conditions of the Notes." Terms used in this summary and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Notes."

Company	Korea East-West Power Co., Ltd.
Offering	US$300,000,000 4.000% Notes due 2031
Issue Price	99.429% of principal amount of the Notes.
Issue Date	November 4, 2025
Maturity Date	May 4, 2031
Ranking	The Notes will constitute our direct, unconditional, unsubordinated and unsecured obligations and shall at all times rank *pari passu* and without any preference or priority among themselves and with all of our other present and future direct, unconditional, unsubordinated and unsecured obligations, except as may be required by mandatory provisions of law.
Interest	4.000% per annum, from, and including, the Issue Date to, but excluding, the Maturity Date, payable semi-annually in arrears.
Interest Payment Dates	May 4 and November 4 of each year, commencing on May 4, 2026. For a further description of payments of interest on the Notes, see "Terms and Conditions of the Notes – Payments."
Tax Redemption	We may redeem the Notes at our option, in whole but not in part, at their principal amount plus accrued interest to, but excluding, the date fixed for redemption and any Additional Amounts, upon the occurrence of certain changes in tax law. See "Terms and Conditions of the Notes – Optional Redemption."
Korean Taxes	Payments in respect of the Notes will 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 or levied by or on behalf of Korea or by or within any political subdivision of Korea or any authority or agency of Korea having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, we will (subject to certain exceptions) pay such Additional Amounts as will result in the holders of the Notes (the "Holders") receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required, except in certain circumstances. See "Terms and Conditions of the Notes – Taxation" and "Taxation – Korean Taxation."

Denominations and Form .	The Notes will be denominated in principal amounts of US$200,000 (which shall not be split to a lesser amount) and integral multiples of US$1,000 in excess thereof. Notes sold will be evidenced by the Global Note, in fully registered form without interest coupons and will be registered in the name of a nominee of the common depositary for Euroclear and Clearstream. The Notes are not issuable in bearer form. Beneficial interest in the Global Note will be shown on, and transfers thereof will be effected only through, the records maintained by Euroclear and Clearstream and their respective account holders.
Certain Covenants	The Notes contain certain limitations on the creation, incurrence, issuance or assumption or the guarantee by us of certain debt secured by mortgage, charge, pledge or other security interest on any of our property or asset and on the consolidation, merger and sale of our assets. The Notes also contain certain limitations on sale and leaseback transactions by us. See "Terms and Conditions of the Notes – Covenants of the Company" and "Terms and Conditions of the Notes – Merger and Consolidation."
Listing and Trading	Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). Accordingly, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Global Note is exchanged for definitive Notes in certificated form, we 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 a Global Note is exchanged for definitive Notes in certificated form, an announcement of such exchange will be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes in certificated form, including details of the paying agent in Singapore.
Governing Law	The Notes and the Fiscal Agency Agreement will be governed by, and construed in accordance with, the laws of the State of New York.
Fiscal Agent and Registrar	Citicorp International Limited
Paying Agent and Transfer Agent	Citibank, N.A., London Branch
Use of Proceeds	The net proceeds from the sale of the Notes, which will be US$297,537,000, after deducting a combined management and underwriting commission but not estimated expenses of the offering, will be principally for general corporate purposes, including repayment of existing debt and expenditures related to LNG-powered energy and renewable energy. However, such proceeds will not be used for any purpose related to any efforts or activities pertaining to the construction of new coal-fired power generation units.

Ratings	The Notes are expected to be rated "Aa2" by Moody's and "AA-" by Fitch. Such ratings of the Notes do not constitute a recommendation to buy, sell or hold the Notes and may be subject to revision or withdrawal at any time by the rating organizations. Each such rating should be evaluated independently of any other rating of the Notes or of our other securities.
Legal Entity Identifier . . .	988400N0YW2A27V3D553
Common Code and ISIN .	ISIN: XS3219365635 Common Code: 321936563

SUMMARY FINANCIAL AND OTHER INFORMATION

Investors should read the summary financial and operating data below in conjunction with our financial statements and related notes and other historical financial information included elsewhere in this offering circular.

The summary financial data as of and for the years ended December 31, 2022, 2023 and 2024 have been derived from our audited consolidated financial statements and notes thereto included elsewhere in this Offering Circular. The summary financial data as of June 30, 2025 and for the six months ended June 30, 2024 and 2025 have been derived from our unaudited interim consolidated financial statements and notes thereto included elsewhere in this Offering Circular.

Our results of operations for the six months ended June 30, 2025 may not be indicative of our results of operations for the full year 2025.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
			(in billions of Won)		
Statement of Comprehensive Income (Loss) Data:					
Revenue	₩ 6,994	₩ 5,622	₩ 5,379	₩ 2,409	₩ 2,276
Cost of sales	(6,798)	(5,290)	(4,580)	(2,184)	(1,906)
Gross profit	196	332	799	224	370
Selling and administrative expenses	(185)	(179)	(178)	(82)	(83)
Operating profit	10	153	621	142	287
Other income	29	14	23	12	18
Other expense	(12)	(16)	(34)	(4)	(6)
Other loss	(21)	(33)	(18)	(25)	(7)
Finance income	315	186	347	164	175
Finance costs	(320)	(183)	(389)	(221)	(190)
Gain on investments in associates and joint ventures	98	99	79	41	43
Profit for the period before tax	99	220	630	109	320
Income tax benefit (expense)	6	(43)	(108)	19	(89)
Profit for the period	106	177	522	127	231
Other comprehensive income (loss) for the period, net of tax	1,568	(38)	244	(302)	(242)
Total comprehensive income (loss) for the period, net of tax	₩ 1,673	₩ 139	₩ 766	₩ (175)	₩ (11)

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in billions of Won)			
Statement of Financial Position Data:				
Assets:				
Cash and cash equivalents	₩ 78	₩ 319	₩ 169	₩ 114
Trade and other receivables	1,040	635	687	863
Inventories	401	213	220	253
Other current assets	288	241	356	175
Non-current financial assets	2,340	2,320	2,574	2,297
Property, plant and equipment	6,832	6,908	7,267	7,377
Investments in associates and joint ventures	1,065	1,105	1,227	1,182
Other non-current assets	405	399	393	385
Total assets	₩ 12,448	₩ 12,139	₩ 12,894	₩ 12,647
Liabilities and shareholder's equity:				
Trade and other payables	₩ 633	₩ 769	₩ 446	₩ 421
Current financial liabilities	809	418	1,750	1,181
Current income tax liabilities	14	24	70	58
Other current liabilities	171	82	76	83
Non-current financial liabilities	3,057	3,328	2,166	2,960
Long-term trade and other payables	378	333	330	290
Deferred tax liabilities	763	749	851	754
Other non-current liabilities	85	59	64	75
Total liabilities	₩ 5,909	₩ 5,764	₩ 5,753	₩ 5,823
Total equity	₩ 6,539	₩ 6,375	₩ 7,142	₩ 6,824
Total liabilities and equity	₩ 12,448	₩ 12,139	₩ 12,894	₩ 12,647
Net working capital (deficit)[(1)]	₩ 180	₩ 115	₩ (910)	₩ (338)

Note:

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

	For the year ended December 31,			For the three months ended June 30,	
	2022	2023	2024	2024	2025
			(in billions of Won)		
Other Financial Data:					
Capital expenditures[(1)]	₩ 787	₩ 805	₩ 1,010	₩ 475	₩ 462
Depreciation and amortization	734	754	723	354	345
Net cash flow from operating activities	711	1,299	1,255	338	279
Net cash flow used in investing activities	(832)	(950)	(989)	(326)	(491)
Net cash flow provided by (used in) financing activities	119	(106)	(424)	(202)	160
Operating data:					
Total power sold (gigawatt hours)	37,468	34,047	33,328	15,164	13,104

Note:

(1) Capital expenditures represent the sum of (i) purchases of land, buildings, structures, machinery, vehicles, other intangible assets and other property, plant and equipment, (ii) increases in construction-in-progress and investments in joint ventures and associates and (iii) consideration paid in business combination in our statements of cash flows, plus purchases of certain intangible assets such as greenhouse gas emission allowance units.

RISK FACTORS

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 (excluding our Honam units 1 and 2, which have since been decommissioned) 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 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 Honam units 1 and 2 have been decommissioned as of January 1, 2022 and our Ulsan units 4, 5 and 6 have been decommissioned as of February 1, 2022. Our Dangjin units 1 and 2 and our Donghae units 1 and 2 are scheduled for decommissioning in 2029. We are also planning to replace certain of our currently operating coal-fired generation units in Dangjin (comprising units 1, 2, 3, 4, 5, 6, 7 and 8) and Donghae (comprising units 1 and 2) and, subject to applicable regulatory approvals, our LNG-combined cycle generation units in Ulsan (comprising units 1, 2 and 3) and Ilsan (comprising units 1 and 2) with new LNG, hydrogen-LNG co-fired combined cycle or pumped-storage hydro power generation units in the longer term between 2027 and 2036. Furthermore, as of June 30, 2025, approximately 67% 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 12.5% in 2022, 13.0% for 2023 and 13.5% in 2024 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 2024, we emitted approximately 26.0 million tons of carbon equivalents, of which 5.7 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 (the "MOTIE") 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 (including Won 1.1 trillion by us) in pollution reduction equipment in existing and new coal-fired generation units, as well as the decommissioning of old coal-fired generation units, including our Honam units 1 and 2 which have been decommissioned as of January 1, 2022.

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, our generation facilities in Dangjin, Honam and Ulsan (in addition to our generation facilities in Ilsan, which had already been subject to similar regulations) became subject to annual emission allowance targets and trading systems of emission allowance units with respect to SOx, NOx and fine 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. 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 and specified the NDC of reducing greenhouse gas emissions by 40% by 2030. 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, 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 our outstanding debt securities as well as on 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, we are pursuing, and plan to pursue, the construction of additional generation facilities to further expand our generation capacities or replace our previously decommissioned facilities, including our coal-fired Honam units 1 and 2 which were decommissioned as of January 1, 2022 and our oil-fired Ulsan units 4, 5 and 6 which were decommissioned as of February 1, 2022. We are also planning to replace certain of our currently operating coal-fired generation units in Dangjin (comprising units 1, 2, 3, 4, 5, 6, 7 and 8) and Donghae (comprising units 1 and 2) and, subject to applicable regulatory approvals, our LNG-combined cycle generation units in Ulsan (comprising units 1, 2 and 3) and Ilsan (comprising units 1 and 2) with new LNG, hydrogen-LNG co-fired combined cycle or pumped-storage hydro power generation units in the longer term between 2027 and 2036. Furthermore, we are currently constructing a 150 megawatt hydrogen-LNG co-fired combined cycle power plant in Jeju with target completion by 2028.

In 2011, we acquired a minority equity interest in the former Dangjin Eco Power Co., Ltd., which was originally established to construct a coal-fired power plant complex in Dangjin. Pursuant to the Eighth Basic Plan announced in 2018, the Dangjin Eco Power project was converted to the construction of a 1,122 megawatt LNG-fired generation plant in Eumseong and a 1,122 megawatt LNG- and liquefied petroleum gas ("LPG")-combined generation plant in Ulsan. As a result, in August 2019, the former Dangjin Eco Power Co., Ltd. was split up into three separate companies: (i) Dangjin Eco Power Co., Ltd., which was newly established (but has the same name as its predecessor) and has completed construction of a photovoltaic generation and storage complex in Dangjin in December 2019, (ii) Eumseong Natural Gas Power Co., Ltd., which plans to construct the above-mentioned 1,122 megawatt LNG-fired generation plant in Eumseong with target completion by the end of 2028, and (iii) Ulsan GPS Co., Ltd., which completed construction of the above-mentioned 1,122 megawatt LNG- and LPG-fired generation plant in Ulsan in December 2024. In 2019, we acquired all of the equity interests held by our joint venture partners in Eumseong Natural Gas Power Co., Ltd. and merged it into us, and divested ourselves of all of the equity interests we held in Ulsan GPS Co., Ltd. We also currently maintain a 34% equity interest in the new Dangjin Eco Power Co., Ltd. following such split-up. See "Business – Independent Power Producer and Community Energy System Projects."

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, any increases in fuel costs, if not fully passed through to KEPCO, could adversely affect our results of operations.

Raw materials used and power costs purchased in our cost of sales, which primarily consist of fuel costs, constituted 78.9%, 73.5% and 62.0% of our revenue, and 81.2%, 78.1% and 72.8% of our cost of sales, in 2022, 2023 and 2024, respectively, and 66.6% and 58.3% of our revenue, and 73.5% and 69.7% of our cost of sales, in the first six months of 2024 and 2025, 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, Russia, Indonesia, South Africa, Colombia, Canada, the United States and Philippines under long-term or spot contracts. Approximately 88.4%, 90.1%, 96.3% and 93.0% of our bituminous coal requirements were purchased under long-term contracts in 2022, 2023, 2024 and the first six months of 2025, 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 currently purchase 87.1% of our LNG for our domestic units from Korea Gas Corporation ("KOGAS") under a long-term supply contract. Since April 2025, we have started direct importation of LNG and such direct imports comprise 12.9% of the LNG used in our domestic units.

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 MOTIE 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 our LNG generation units, which accounted for approximately 31% in aggregate of our installed capacity as of June 30, 2025. 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." In 2022, 2023, 2024 and the first six months of 2025, we spent Won 787 billion, Won 805 billion, Won 1,010 billion and Won 462 billion, respectively, on capital expenditures, which represent the sum of (i) purchases of land, buildings, structures, machinery, vehicles, other intangible assets and other property, plant and equipment, (ii) increases in construction-in-progress and investments in joint ventures and associates and (iii) consideration paid in business combination in our statements of cash flows, plus purchases of certain intangible assets such as greenhouse gas emission allowance units. We have budgeted Won 1,221 billion, Won 1,791 billion and Won 2,634 billion for capital expenditures for 2025, 2026 and 2027, 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 December 2017, the Government announced its plans to increase the portion of renewable energy generated in Korea to 20% of the total energy generated in Korea by 2030, which calls for the Generation Subsidiaries, including us, to make significant investments in the construction and operation of power plants fueled by renewable energy. Furthermore, the Carbon Neutral Basic Plan, which was announced by the Government in April 2023, targets to increase the proportion of renewable energy to over 21.6% by 2030. 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 and to expend an estimated total of approximately Won 2.1 trillion through 2035 for such purpose. 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 significant 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 MOTIE 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 MOTIE, 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."

Unexpected events, including natural disasters and health epidemics, including the COVID-19 pandemic, may increase our cost of doing business or disrupt our operations.

The occurrence of one or more unexpected events, including fires, tornadoes, tsunamis, hurricanes, earthquakes, floods and other forms of severe weather, as well as severe health epidemics in Korea or in other countries where we operate or where our suppliers or customers are located could adversely affect our operations and financial performance. In particular, COVID-19, an infectious disease caused by severe acute respiratory syndrome coronavirus 2, was declared a pandemic by the World Health Organization in March 2020. The global outbreak of COVID-19 had led to global economic and financial disruptions and had adversely affected our business operations. In addition, the normal operations of our existing facilities or the construction of our new facilities may be interrupted by accidents caused by operating hazards, power supply disruptions, equipment failures, natural disasters or other events or by disruptions due to health epidemics. Although we have not had any material instances of such interruptions in recent years, any interruption (partial or complete) to our operations at our facilities as a result of any such accidents or otherwise, including an occurrence of widespread infectious diseases, could materially and adversely affect our business, financial condition and results of operations. There can be no assurance that such events will not occur in the future or that our production capacity will not be materially and adversely impacted as a result of such events.

Risks associated with COVID-19 or other types of widespread infectious diseases include:

- disruption in the normal operations of industrial and commercial customers, which in turn may decrease demand for electricity for such uses;
- an increase in unemployment among, and/or decrease in disposable income of, Korean consumers, which may decrease demand for electricity for residential use and the products and services of our industrial and commercial customers, thereby also leading to a decrease in demand for electricity for such uses;
- disruption in the supply of fuel and equipment from our suppliers;
- disruptions or delays in the construction of new generation facilities or maintenance and refurbishment of existing generation facilities;
- disruption in the normal operations of our business resulting from contraction of infectious diseases by our employees, which may necessitate our employees to be quarantined and/or our generation facilities or offices to be temporarily shut down;
- disruption resulting from the necessity for social distancing, including implementation of temporary adjustment of work arrangements requiring employees to work remotely, which may lead to a reduction in labor productivity;
- depreciation of the Won against major foreign currencies, which in turn may increase the cost of imported raw materials and equipment;
- unstable global and Korean financial markets, which may adversely affect our ability to meet our funding needs on a timely and cost-effective basis; and
- impairments in the fair value of our investments in companies that may be adversely affected by the pandemic.

In the event that a future recurrence of COVID-19 or an occurrence of other types of widespread infectious diseases cannot be effectively and timely contained, our business, financial condition and results of operations may be materially adversely affected.

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 June 30, 2025, 14% of our long-term debt before accounting for swap transactions, was denominated in foreign currencies, all of which were in 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 a substantial majority our revenues 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 most 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 to cover all potential losses or liabilities.

We maintain general commercial insurance policies with an aggregate comprehensive risk coverage of Won 14,793 billion with respect to our facilities and an aggregate machinery damage coverage of Won 3,613 billion with respect to our machinery. We also maintain marine cargo insurance in respect of imported fuel and procurement with insurance coverage of Won 3,087 billion, as well as general vehicle insurance, directors' and officers' liability insurance and environmental 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 represents the largest type of fuel source for our electricity generation in terms of electricity output, as electricity sales from such fuel source accounted for 70.4%, 75.4%, 74.5% and 76.4% of our total electricity sales in 2022, 2023, 2024 and the first six months of 2025, respectively. We paid Won 483 billion, Won 431 billion, Won 418 billion and Won 174 billion in consumption taxes with respect to the use of bituminous coal in 2022, 2023, 2024 and the first six months of 2025, 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 June 30, 2025, approximately 88.8% of our employees were members of the Korea East-West Power Labor Union, which membership comprises entirely of our employees, and approximately 9.3% 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, 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.

In August 2023, Hyundai Heavy Industries Power Systems Co., Ltd., a former member of the consortium of contractors engaged for the enhancement of certain environmental facilities at our Dangjin units 1 and 4 (the "Dangjin Environmental Facilities Construction"), filed a request for arbitration

against us at the Korea Commercial Arbitration Board, seeking compensation for contract price adjustment and additional construction costs in the amount of approximately Won 15 billion. This arbitration case is currently pending.

In February 2024, KC Cottrell Co., Ltd., which was also a member of the consortium for the Dangjin Environmental Facilities Construction, filed a request for arbitration against us at the Korea Commercial Arbitration Board, seeking compensation for increased equipment costs in the amount of approximately Won 23.5 billion. This arbitration case is currently pending.

In June 2025, Hanwha Solutions Corporation, a contractor involved in the construction of our Daeho Lake (located in Seosan, Korea) floating solar farm project, filed a request for arbitration against us at the Korea Commercial Arbitration Board, seeking compensation for additional construction costs in the amount of approximately Won 16.2 billion. This arbitration case is currently pending.

We are unable to predict the final outcome of such proceedings and other lawsuits, arbitration proceedings and regulatory actions. 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 29.6%, 31.7%, 32.3% and 34.6% of total power sold in terms of volume in 2022, 2023, 2024 and the first six months of 2025, respectively. As of June 30, 2025, there were 13 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 MOTIE 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 June 30, 2025, the aggregate generation capacity of suppliers participating in the CES amounted to approximately 7.0% 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, revenues 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 operations have been primarily based in Korea to date, we have been expanding, and plan to continue to expand, on a selective basis, our overseas operations in the future. In particular, we have been diversifying the geographic focus of our operations from Asia to the rest of the world, including North America and Latin America. For example, in October 2019, we and KEPCO established Guam Ukudu Power LLC, in which we and KEPCO hold 40% and 60% equity interest, respectively, to construct and operate a new ultra-low sulfur diesel/natural gas dual-fired power plant with an expected aggregate installed capacity of 198 megawatts in Guam. The construction for such unit is targeted for completion by the end of 2025. In September 2022, we acquired a 48.5% equity interest (including a 66.7% equity interest in terms of common shares) in Columboola Solar Farm Hold Co Pty., Ltd. (“Columboola Solar Farm”), which constructed a photovoltaic solar power generation farm in the Columboola region of Queensland, Australia with an aggregate installed capacity of 202 megawatts. Such project commenced operations in November 2023 and will be operated by us until 2056. In October 2023,we acquired a 10.0% equity interest in Amaala Sustainable Company for Energy LLC (“Amaala SCE”), which is constructing a photovoltaic solar power generation farm and energy storage system in Saudi Arabia with an expected power generation capacity of 248 megawatts and storage capacity of 777 megawatts. The commercial operation of such project is targeted to commence in January 2027.

We also plan to expand our project portfolio, which has to date involved technical advice and development of energy fuels, to include the construction and operation of power plants as well as generation business using biomass and other renewable energy sources pursuant to the Clean Development Mechanism (“CDM”) and the Article 6 mechanism of the Paris Agreement under the United Nations Framework Convention on Climate Change (“UNFCCC”). The CDM and the Article 6 mechanism are defined under the UNFCCC and allows industrialized countries to meet their emission reduction commitments with reduced impact on their economies by investing in emission reductions wherever it is relatively cheaper and accessible globally.

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 and Russia's invasion of Ukraine and ensuing sanctions against Russia, 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;

- political uncertainty or increasing strife among or within political parties in Korea following the declaration of martial law by former President Yoon 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;

- hostilities, political or social tensions involving Russia (including the war between Russia and Ukraine by Russia and ensuing actions that the United States and other countries have taken or may take in the future) 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 deteriorating relations between the United States and such other countries (including the imposition of significant tariffs by the United States on its trading partners, which has been followed by retaliatory tariffs in some cases) and increased uncertainties in the global financial markets and industry;

- the imposition of significant tariffs on Korea's exports by any of its major export markets, such as the imposition of a 15% tariff on Korea's exports generally (and a 25% tariff on specific products, such as automobiles) to the United States announced in July 2025;

- 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 due to the Government's policies to increase minimum wages and limit working hours of employees;

- 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 (such as the global COVID-19 pandemic);

- 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;

- hostilities or political or social tensions involving oil producing countries in the Middle East (including those resulting from the hostilities in the Middle East following the Israel-Hamas war and the Iran-Israel conflict) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;

- 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 the two Koreas 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. Some of the significant incidents in recent years include the following:

- 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 the provocations and flagrant violations of relevant United Nations Security Council resolutions. In February 2016, the Government also closed the inter-Korea Gaesong Industrial Complex in response to North Korea's fourth nuclear test in January 2016. Internationally, 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. Over the years, the United States and the European Union have also expanded their sanctions applicable to North Korea.

- In March 2010, a Korean naval vessel was destroyed by an underwater explosion, killing many of the crewmen on board. The Government formally accused North Korea of causing the sinking, while North Korea denied responsibility. Moreover, in November 2010, North Korea fired more than one hundred artillery shells that hit Korea's Yeonpyeong Island near the Northern Limit Line, which acts as the de facto maritime boundary between Korea and

North Korea on the west coast of the Korean peninsula, causing casualties and significant property damage. The Government condemned North Korea for the attack and vowed stern retaliation should there be further provocation.

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 Economy and Finance (the "MOEF") 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 Economy and Finance 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 included in this Offering Circular are presented in accordance with the Government Accounting Standards or K-IFRS, as the case may be, and our future financial statements will be prepared in accordance with the Government Accounting Standards or K-IFRS, as the case may be, 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 public or nonpublic 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 or to, or for the account or benefit of, U.S. persons, 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. In addition, subject to the conditions set forth in the Fiscal Agency Agreement (as defined in "Terms and Conditions of the Notes"), a Note may be transferred only if the principal amount of Notes transferred is at least US$200,000. For a further discussion of the transfer restrictions applicable to the Notes, see "Terms and Conditions of the Notes" and "Transfer Restrictions."

The Notes have not been and will not be registered under the FSCMA. Accordingly, 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 such term is defined under the Foreign Exchange Transactions Act of Korea and its Enforcement Decree), or to others for re-offering or resale, directly or indirectly, in Korea or to any residents of Korea, except as otherwise permitted under applicable Korean laws and regulations. In addition, during the first year after the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean QIB who is registered with 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.

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 a holder of the Notes fails 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 SGX-ST for the listing and quotation of the Notes on the SGX-ST. The offer and sale of the Notes is not conditioned on obtaining a listing of the Notes on the SGX-ST or any other exchange. Although the Joint Lead Managers 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 Joint Lead Managers' planned market-making activities, see "Subscription and Sale."

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 aggregate net proceeds of the issue of the Notes, which are estimated to be approximately US$297,537,000, after deducting commissions paid to the Joint Lead Managers, but before expenses incurred in connection with the issue of the Notes, will be used principally for general corporate purposes, including repayment of existing debt and expenditures related to LNG-powered energy and renewable energy. However, such proceeds will not be used for any purpose related to any efforts or activities pertaining to the construction of new coal-fired power generation units.

EXCHANGE RATES

The table below sets forth, for the periods and dates indicated, information concerning the Market Average Exchange Rate, announced by Seoul Money Brokerage Services, Ltd., between Won and U.S. dollars and rounded to the nearest tenth of one Won. No representation is made that the Won or 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.

Period	At End of Period	Average Rate[(1)]	High	Low
		(Won per US$1.00)		
2020	1,088.0	1,180.1	1,280.1	1,082.7
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 (through October 27)	1,436.1	1,413.4	1,482.9	1,352.6
May	1,381.4	1,394.5	1,426.9	1,365.0
June	1,356.4	1,367.0	1,381.9	1,356.4
July	1,382.9	1,375.2	1,391.9	1,352.6
August	1,388.6	1,389.7	1,399.3	1,382.2
September	1,402.2	1,391.8	1,411.6	1,380.0
October (through October 27)	1,436.1	1,421.2	1,436.6	1,401.9

Source: Seoul Money Brokerage Services, Ltd.

Note:

(1) The average rate for each year is calculated as the average of the Market Average Exchange Rates on each business day during the relevant year (or portion thereof). The average rate for a month is calculated as the average of the Market Average Exchange Rates on each business day during the relevant month (or portion thereof).

CAPITALIZATION

The following table sets forth our capitalization (1) as derived from our unaudited interim consolidated financial statements as of June 30, 2025 included in this Offering Circular and (2) as adjusted to give effect to the issuance of the Notes offered hereby, before deducting commissions paid to the Joint Lead Managers and estimated offering expenses payable by us, and on the assumption that the proceeds from the issuance of the Notes will not be used for the immediate repayment of outstanding borrowings. The table below should be read in connection with our unaudited interim consolidated financial statements as of June 30, 2025 and accompanying notes included in this Offering Circular.

	As of June 30, 2025	
	Actual	As Adjusted
	(in billions of Won)	
Long-term debt:		
Borrowings (excluding current portion)	₩ 102	₩ 102
Bonds Payable (excluding current portion), net of discount	2,859	2,859
Bonds offered hereby[1]	–	407
Total long-term debt	₩ 2,960	₩ 3,368
Equity:		
Issued capital of ₩5,000 par value;		
Authorized — 100,000,000 shares;		
Issued and outstanding — 57,932,221 shares	₩ 290	₩ 290
Share premium	1,929	1,929
Retained earnings:		
Legal reserves	132	132
Voluntary reserves	1,397	1,397
Unappropriated retained earnings	1,398	1,398
Other components of equity:		
Cumulative other comprehensive income	1,728	1,728
Other equity	(82)	(82)
Non-controlling interests	32	32
Total equity	₩ 6,824	₩ 6,824
Total capitalization[2][3]	₩ 9,784	₩ 10,192

Notes:

(1) The exchange rate used to convert U.S. dollars into Won in the case of the Notes now being issued is Won 1,356.4 to US$1.00, which was the Market Average Exchange Rate in effect as of June 30, 2025.

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

(3) Except as disclosed herein, there has been no material change in our capitalization since June 30, 2025.

THE KOREAN ELECTRICITY INDUSTRY

Background

Total demand for electricity in Korea increased by 2.7% in 2022, decreased by 0.4% in 2023 and increased by 0.7% in 2024, 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 June 30, 2025, 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 MOTIE in consultation with the MOEF. 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 MOTIE 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 South-East Power Co., Ltd. ("KOSEP"), Korea Southern Power Co., Ltd. ("KOSPO"), Korea Western Power Co., Ltd. ("KOWEPO"), Korea Midland Power Co., Ltd. ("KOMIPO") 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 KOSEP, KOSPO, KOWEPO, KOMIPO 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 MOTIE.

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 MOTIE 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 MOTIE 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 MOTIE 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 MOTIE, 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 MOEF. 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.

Previously, it was contemplated that the vesting contract system would gradually replace the application of the adjusted coefficient. However, since the implementation of the vesting contract system has been suspended indefinitely, it is unlikely to impact the application of the adjusted coefficient in the foreseeable future.

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 six months ended June 30, 2025, the average capacity price of our generation units was Won 8.39/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 MOTIE 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 MOTIE, 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.

Third Basic National Energy Plan

On June 4, 2019, the MOTIE 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 any event, we believe that KEPCO plans to maintain a controlling interest in each of the Generation Subsidiaries.

BUSINESS

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 June 30, 2025, we had a domestic generation capacity of 9,676 megawatts (excluding decommissioned generation units), or approximately 6.2% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). As of June 30, 2025, our generation capacity consisted of 6,440 megawatts, 2,972 megawatts and 265 megawatts attributable to our coal-fired units, LNG-combined cycle units and renewable energy units, respectively.

In 2022, 2023 and 2024, we sold 37,468 GWh, 34,047 GWh and 33,328 GWh, respectively, and in the first six months of 2024 and 2025, we sold 15,164 GWh and 13,104 GWh, respectively, to KEPCO through the KPX. KEPCO is currently the sole electricity transmission and distribution company in Korea. Our revenue amounted to Won 6,994 billion, Won 5,622 billion and Won 5,379 billion in 2022, 2023 and 2024, respectively, and Won 2,409 billion and Won 2,276 billion in the first six months of 2024 and 2025, respectively. We recorded net profit of Won 106 billion, Won 177 billion and Won 522 billion in 2022, 2023 and 2024, respectively, and net profit of Won 127 billion and Won 231 billion in the first six months of 2024 and 2025, respectively.

Total demand for electricity in increased by 2.7% in 2022, decreased by 0.4% in 2023 and increased by 0.7% in 2024, 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 announced in March 2025. We plan to continue to make substantial capital expenditures to maintain and expand our generation capacity and enhance our generating systems in the future, particularly with respect to the generation of renewable energy.

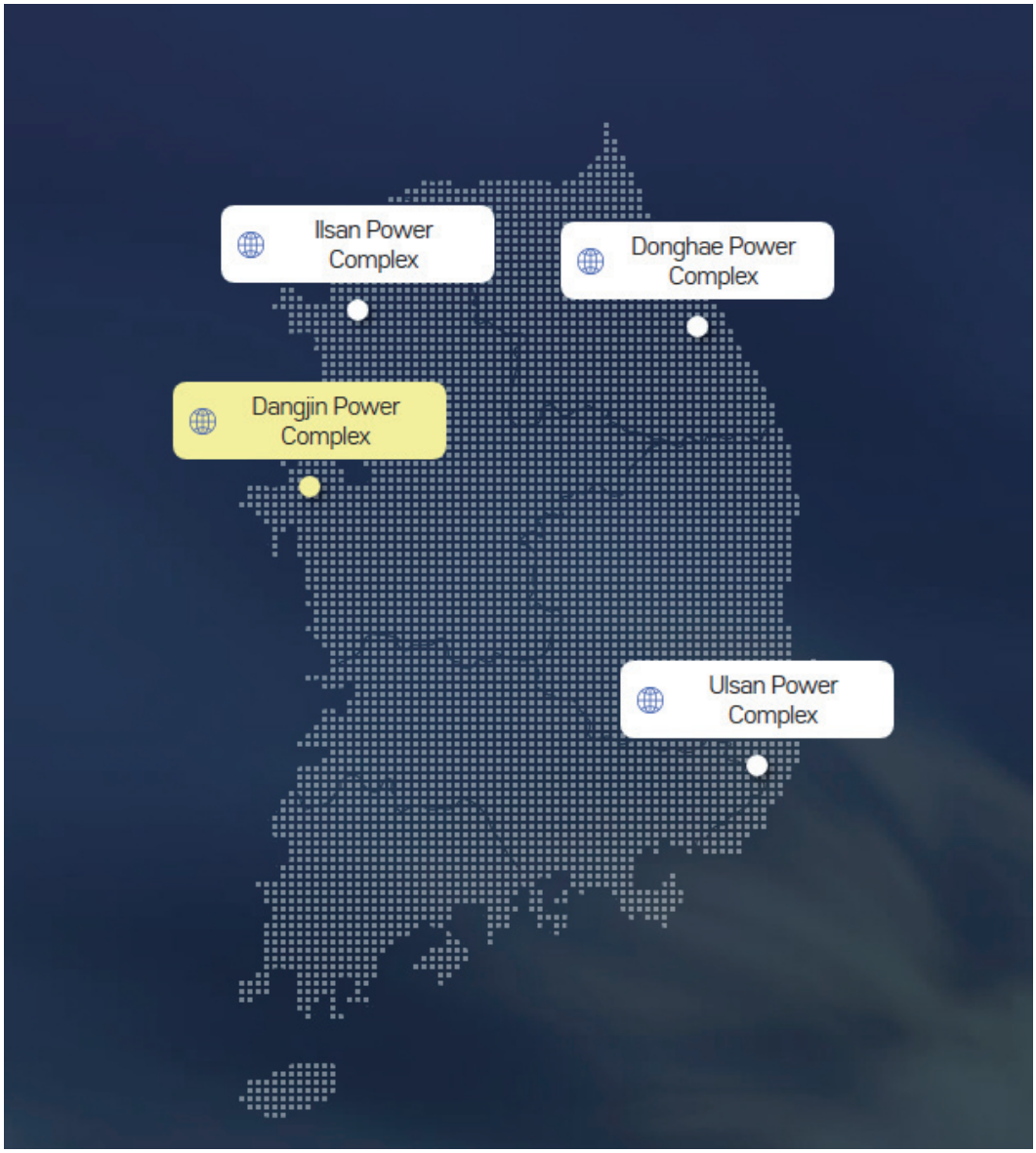
Based on our "Pioneering Company in Eco-friendly Energy Transition" vision, we intend to grow into a sustainable, eco-friendly energy company by shifting to low-carbon energy, developing new technologies and preemptively responding to climate change risks while fulfilling our social responsibilities. By 2035, we aim to increase production capacity of renewable energy in our production mix to 30%. Furthermore, we also aim to pursue net neutrality of greenhouse emissions by 2050 through, among other things, phasing out our coal-fired generation units, converting our LNG-combined cycle units to use carbon-free fuel such as hydrogen, and continuing to expand our production capacity of renewable energy. We seek to achieve eco-friendly energy transition, sustainability management, social responsibility and a communication-oriented transparent management system as key goals and plan to continue to strengthen our core businesses while broadening the scope of our business into new growth areas.

We are a corporation incorporated with limited liability under the laws of Korea. Our registered office is located at 395, Jongga-ro, Jung-gu, Ulsan 44543, Korea. Our website address is *www.ewp.co.kr.*

Power Generation

As of June 30, 2025, we owned and operated 12 coal-fired thermal generation units at our power plant complexes located in Dangjin and Donghae and 20 LNG-combined cycle units at our power plant complexes located in Ilsan and Ulsan. We also own and/or operate power generation projects in four overseas locations including the continental United States, Jamaica and Indonesia and two additional projects under construction in Guam and Australia. See "– Overseas Activities." Our thermal units produce electricity using steam turbine generators fired by coal. 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, biomass thermal, wind power and fuel cell units. Our photovoltaic units utilize solar cells to directly convert sunlight into electricity. Our biomass thermal units utilize waste wood, also known as wood chips, as fuel. Our wind power unit converts wind energy into electricity using wind turbines that generate electricity by the rotation of its blades that are connected to a power generator. Our fuel cell units generate electricity through a chemical reaction of LNG or hydrogen. The following map shows the geographic locations of our power plant complexes as of June 30, 2025 in Korea.



The table below sets forth, for each of our domestic plants, type and location, the weighted average age of unit, installed capacity, the average capacity factor and the average fuel cost based upon the net amount of electricity generated, in each case as of June 30, 2025:

	Weighted Average Age of Units	Installed Capacity[1]	Average Capacity Factor[2]	Average Fuel Cost
	(years)	(megawatts)	(%)	(Won/kWh)
Thermal:				
Bituminous:[3]				
Dangjin units no. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10	15.3	6,040	40.4	79.7
Anthracite:[4]				
Donghae unit no. 1, 2	23.1	400	21.5	91.6
Total thermal	15.9	6,440	39.2	81.7
Combined cycle:[5]				
LNG:				
Ilsan gas turbine units no. 1, 2, 3, 4, 5, 6; steam turbine units no. 1, 2	29.1	900	18.9	163.0
Ulsan gas turbine units no. 1, 2, 3, 4, 5, 6, 7, 8; steam turbine units no. 1, 2, 3, 4	19.4	2,072	18.7	142.9
Total combined cycle	21.3	2,972	18.8	149.6
Renewable:				
Photovoltaic units	3.1	179	16.0	–
Biomass units[6]	12.0	30	78.4	103.0
Wind power unit	11.3	3	12.4	–
Fuel cell units	4.3	53	80.4	147.1
Total renewable	4.5	265	36.1	90.9
Total	17.4	9,676	32.8	104.3

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 refuse-derived fuels and wood chips.

(4) Anthracite units are fueled by anthracite coal supplemented by bituminous coal.

(5) Combined cycle units are fueled by LNG.

(6) Biomass units are fueled by wood chips.

As of June 30, 2025, we had an aggregate domestic installed capacity of 9,676 megawatts. The average capacity factor of our generation units was 46.7%, 42.9% and 41.8% in 2022, 2023 and 2024, respectively, and 38.2% and 32.8% in the first six months of 2024 and 2025, respectively. Our capacity factor decreased in 2024 compared to 2023 primarily due to constructions at our Dangjin units 2 and 3 to enhance their environmental facilities. Our capacity factor further decreased in the first six months of 2025 compared to the first six months of 2024 primarily due to scheduled maintenance at our Dangjin units 7 and 10 as well as an increase in demand for nuclear power. In 2022, 2023 and 2024, we sold 37,468 GWh, 34,047 GWh and 33,328 GWh, respectively, and in the first six months of 2024 and 2025, we sold 15,164 GWh and 13,104 GWh, respectively, to KEPCO through the KPX.

The useful life of each type of units without substantial refurbishment is approximately 30 years for thermal and LNG-combined cycle units. Substantial refurbishment can extend the useful lives of thermal units by an additional ten years or more. See "– Capital Investment Program."

The maintenance cycle for our power generation units ranges from 24 to 48 months depending on the type and utilization rate of units. The duration of maintenance depends on the nature and degree of maintenance involved and may last from approximately one to eight weeks depending on the unit. Our repair and maintenance expenses were Won 157 billion, Won 167 billion and Won 186 billion in 2022, 2023 and 2024, respectively, and Won 94 billion and Won 93 billion in the first six months of 2024 and 2025, respectively. Our forced (unplanned) outage factor, which is a percentage of total forced (unplanned) outage time over total available operating time, was 0.021%, 0.058% and 0.014% in 2022, 2023 and 2024, respectively, and 0.004% and 0.004% the first six months of 2024 and 2025, respectively. We have received and continually maintained ISO 22301 and 9001 certifications for our business continuity and quality management systems.

Our productivity decreased in 2023, while production costs also decreased in 2023. Our productivity further decreased in 2024, while production costs further decreased in 2024. Our productivity decreased in the first half of 2025 compared to the first half of 2024, while production costs increased over such period. Such productivity decreases were mainly due to decreases in the marginal price and our capacity factor as described above. In 2022, 2023 and 2024, our revenue per employee on a separate basis was Won 2,826 million, Won 2,263 million and Won 2,162 million, respectively, while our production costs were Won 184.9/kWh, Won 159.2/kWh and Won 141.2/kWh, respectively. In the first six months of 2024 and 2025, our revenue per employee on a separate basis was Won 923 million and Won 855 million, respectively, while our production costs were Won 147.1/kWh and Won 149.6/kWh, 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 Dangjin and Donghae complexes operate at base load, while our LNG-combined cycle units in our Ulsan and Ilsan complexes operate at intermediate to peak load.

The table below sets forth our installed capacity in Korea 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 six months ended June
	2022	2023	2024	30, 2025
		(megawatts)		
Installed capacity	9,562	9,579	9,675	9,676
Peak-load[(1)]	7,802	7,195	7,280	6,323
Average load[(2)]	4,512	4,107	4,013	3,177

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.

Fuel

Raw materials used and power costs purchased in our cost of sales, which primarily consist of fuel costs, constituted 78.9%, 73.5% and 62.0% of our revenue, and 81.2%, 78.1% and 72.8% of our cost of sales, in 2022, 2023 and 2024, respectively, and 66.6% and 58.3% of our revenue, and 73.5% and 69.7% of our cost of sales, in the first six months of 2024 and 2025, respectively. The table below sets forth the total fuel costs, which represent the sum of raw materials in use and power costs purchased of our costs of sales, for the periods indicated on a separate basis.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	(billions of Won)	(%)	(billions of Won)	(%)	(billions of Won)	(%)	(billions of Won)	(%)	(billions of Won)	(%)
Bituminous coal	₩ 2,990	54.4	₩ 2,346	57.0	₩ 1,861	56.0	₩ 825	51.6	₩ 742	56.1
Anthracite coal	194	3.5	167	4.1	167	5.0	84	5.3	35	2.6
Oil[(1)]	44	0.8	–	–	–	–	–	–	–	–
LNG[(2)]	2,105	38.3	1,429	34.7	1,113	33.5	594	37.1	436	33.0
Others[(3)]	168	3.1	175	4.2	181	5.5	96	6.0	109	8.3
Total fuel cost[(4)]	₩ 5,501	100.0%	₩ 4,117	100.0%	₩ 3,322	100.0%	₩ 1,599	100.0%	₩ 1,322	100.0%

Notes:

(1) Represents bunker-C oil used for our oil-fired thermal units, all of which were decommissioned as of February 1, 2022. Excludes diesel oil to initially start up our thermal, combined cycle and wind power generation units.

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

(3) 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 wood chips and diesel oil), (iv) bio heavy oil mixed into the fuel for our oil-fired units and (v) other miscellaneous fuel related costs.

(4) On a consolidated basis, our total fuel costs were Won 5,521 billion, Won 4,130 billion and Won 3,334 billion in 2022, 2023 and 2024, respectively, and Won 1,605 billion and Won 1,328 billion in the first six months of 2024 and 2025, 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 (other than anthracite coal) 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

Our coal-fired generation units represent over half of our installed generation capacity. As of June 30, 2025, 62.4% of our total installed generation capacity was represented by units burning bituminous coal and 4.1% was represented by units burning anthracite coal.

Bituminous coal

In 2022, 2023, 2024 and the first six months of 2025, on a separate basis, we purchased 11.0 million tons, 10.9 million tons, 10.6 million tons and 4.4 million tons of bituminous coal, amounting to Won 2,990 billion, Won 2,346 billion, Won 1,861 billion and Won 742 billion in terms of our recognized fuel cost, respectively. Substantially all of our bituminous coal requirements are imported from various suppliers located in Australia, Russia, Indonesia, South Africa, Colombia, Canada, the United States and Philippines under long-term or spot contracts. Approximately 88.4%, 90.1%, 96.3% and 93.0% of our bituminous coal requirements were purchased under long-term contracts in 2022, 2023, 2024 and the first six months of 2025, 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 276,890, Won 222,764, Won 181,024 and Won 180,862 in 2022, 2023, 2024 and the first six months of 2025, 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 our foreign suppliers ranges from approximately 3 to 45 days. Currently, we maintain a reserve of bituminous coal of approximately 20 days.

Anthracite coal

In 2022, 2023, 2024 and the first six months of 2025, on a separate basis, we purchased 0.9 million tons, 0.9 million tons, 0.9 million tons and 0.2 million tons of anthracite coal, amounting to Won 194 billion, Won 167 billion, Won 167 billion and Won 35 billion in terms of our recognized fuel cost, respectively. Our anthracite coal requirements are sourced from various suppliers located in Australia and Russia and two domestic suppliers, including the Korea Coal Association. In each of 2022, 2023, 2024 and the first six months of 2025, almost all of our anthracite coal requirements were purchased from overseas suppliers on the spot market, with the remaining requirements being purchased from domestic suppliers pursuant to long-term supply contracts.

Under our contract with Korea Coal Association, which is renewed biannually, we are required to notify the suppliers, on a monthly basis, of an estimate of our requirements based on the Government's coal supply and demand plan. Pursuant to the Coal Industry Act of Korea, we are subject to the MOTIE's direction in respect of the specific volume of anthracite coal we must use for electricity generation purposes to support the domestic coal industry. The price for anthracite coal is typically set by the Government at the highest selling price of domestic anthracite coal announced by the Government. The average cost of anthracite coal per ton purchased by us was approximately Won 219,493, Won 185,132, Won 180,478 and Won 187,203 in 2022, 2023, 2024 and the first six months of 2025, respectively. Currently, we maintain a reserve of anthracite coal of approximately 28 days.

LNG

In 2022, 2023, 2024 and the first six months of 2025, on a separate basis, we purchased approximately 1.3 million tons, 0.99 million tons, 0.98 million tons and 0.47 million tons of LNG, amounting to Won 2,105 billion, Won 1,429 billion, and 1,113 billion and Won 436 billion in terms of our recognized fuel cost, respectively.

We purchase 87.1% of our domestic LNG requirements from KOGAS, a Korean corporation of which KEPCO owns 20.47%, under long-term LNG supply contracts (the "LNG Contracts") with KOGAS, which are scheduled to expire between 2027 and 2033. Under the terms of the LNG Contracts, 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 MOTIE. KOGAS imports LNG primarily from Qatar, Australia and the United States and supplies LNG to us, other Generation Subsidiaries and other Korean gas companies.

Since April 2025, we have started direct importation of LNG, which account for 12.9% of our domestic LNG requirements.

The average cost per ton of LNG by us was approximately Won 1,581,123, Won 1,443,386, Won 1,137,785 and Won 1,057,149 in 2022, 2023, 2024 and the first six months of 2025, 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. According to KEPCO, the results of power trading for the generation subsidiaries, including us, and IPPs for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025 are as follows:

	For the year ended December 31, 2022				
	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	172,345	31.3	10,094	11.9	58.57
KOSEP	42,177	7.7	7,153	8.4	169.60
KOMIPO	44,875	8.1	8,509	10.0	189.62
KOWEPO	41,293	7.5	7,941	9.4	192.31
KOSPO	49,592	9.0	9,182	10.8	185.15
EWP	37,468	6.8	6,697	7.9	178.74
Others[3]	163,083	29.6	35,343	41.6	216.72
Total	550,832	100.0	84,919	100.0	154.17
Energy Sources:					
Nuclear	167,346	30.4	8,799	10.4	52.58
Bituminous coal	184,048	33.4	29,076	34.2	157.98
Anthracite coal	1,675	0.3	340	0.4	202.99
Oil	1,337	0.2	406	0.5	303.67
LNG-combined cycle	159,461	28.9	38,255	45.0	239.90
Hydro	2,923	0.5	616	0.7	210.74
Pumped storage	3,702	0.7	1,029	1.2	277.96
Renewables[1]	28,361	5.1	5,771	6.8	203.48
Others	1,981	0.4	629	0.7	317.52
Total	550,832	100.0	84,919	100.0	154.17

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, 2023				
	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	176,568	32.5	10,578	14.0	59.91
KOSEP	38,422	7.1	5,698	7.6	148.30
KOMIPO	45,099	8.3	7,468	9.9	165.59
KOWEPO	39,514	7.3	6,701	8.9	169.59
KOSPO	38,081	7.0	7,250	9.6	190.38
EWP	34,047	6.3	5,440	7.2	159.78
Others[3]	172,243	31.7	32,216	42.8	187.04
Total	543,973	100.0	75,352	100.0	138.52
Energy Sources:					
Nuclear	171,461	31.5	9,447	12.5	55.10
Bituminous coal	177,021	32.5	25,002	33.2	141.24
Anthracite coal	1,679	0.3	282	0.4	167.96
Oil	643	0.1	236	0.3	367.03
LNG-combined cycle	153,326	28.2	33,004	43.8	215.25
Hydro	2,982	0.5	503	0.7	168.68
Pumped storage	3,773	0.7	910	1.2	241.19
Renewables[1]	30,645	5.6	5,339	7.1	174.22
Others	2,443	0.4	629	0.8	257.47
Total	543,973	100.0	75,352	100.0	138.52

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, 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	142.38
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 six months ended June 30, 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	89,648	33.8	5,987	18.0	66.78
KOSEP	18,498	7.0	2,459	7.4	132.93
KOMIPO	21,420	8.1	3,218	9.7	150.23
KOWEPO	16,355	6.2	2,575	7.8	157.44
KOSPO	16,225	6.1	2,767	8.3	170.54
EWP	15,164	5.7	2,274	6.8	149.96
Others[3]	87,562	33.1	13,943	42.0	159.24
Total	264,873	100.0	33,222	100.0	125.43
Energy Sources:					
Nuclear	86,392	32.6	5,366	16.2	62.11
Bituminous coal	75,476	28.5	10,282	30.9	136.23
Anthracite coal	907	0.3	128	0.4	141.13
Oil	64	0.0	24	0.1	375.00
LNG-combined cycle	79,119	29.9	13,987	42.1	176.78
Hydro	1,854	0.7	268	0.8	144.55
Pumped storage	2,420	0.9	503	1.5	207.85
Renewables[1]	17,217	6.5	2,366	7.1	137.42
Others	1,424	0.5	300	0.9	210.67
Total	264,873	100.0	33,222	100.0	125.43

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 six months ended June 30, 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	97,011	36.9	8,048	23.9	82.96
KOSEP	17,787	6.8	2,481	7.4	139.48
KOMIPO	15,254	5.8	2,462	7.3	161.40
KOWEPO	13,921	5.3	2,233	6.6	160.41
KOSPO	14,956	5.7	2,629	7.8	175.78
EWP	13,104	5.0	2,118	6.3	161.63
Others[3]	91,147	34.6	13,712	40.7	150.44
Total	263,179	100.0	33,684	100.0	127.99
Energy Sources:					
Nuclear	93,861	35.7	7,487	22.2	79.77
Bituminous coal	63,861	24.3	9,685	28.8	151.66
Anthracite coal	334	0.1	45	0.1	134.73
Oil	62	0.0	20	0.1	322.58
LNG-combined cycle	81,450	30.9	13,115	38.9	161.02
Hydro	1,383	0.5	193	0.6	139.55
Pumped storage	2,419	0.9	464	1.4	191.82
Renewables[1]	18,522	7.0	2,414	7.2	130.33
Others	1,286	0.5	260	0.8	202.18
Total	263,179	100.0	33,684	100.0	127.99

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 for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, in each case on a separate basis based on our internal data.

	For the year ended December 31, 2022				
	Volume[(1)]	**Percentage of Total Volume**	**Sales to KEPCO[(2)]**	**Percentage of Total Sales**	**Unit Price**
	(Gigawatt hours)	**(%)**	**(in billions of Won)**	**(%)**	**(Won/kwh)**
Energy Sources:					
Bituminous coal	26,385	70.4	4,013	60.0	152.09
Anthracite coal	1,677	4.5	339	5.1	202.15
Oil	329	0.9	63	0.9	191.49
LNG	8,499	22.7	2,156	32.3	253.68
Renewable	615	1.6	112	1.7	182.11
Total	37,505	100.0	6,683	100.0	178.19
Load:					
Base load	26,385	70.4	4,013	60.0	152.09
Non-base load	11,120	29.6	2,670	40.0	240.11
Total	37,505	100.0	6,683	100.0	178.19

Notes:

(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, 2023				
	Volume[1]	Percentage of Total Volume	Sales to KEPCO[2]	Percentage of Total Sales	Unit Price
	(Gigawatt hours)	(%)	(in billions of Won)	(%)	(Won/kwh)
Energy Sources:					
Bituminous coal	25,678	75.4	3,445	64.6	134.16
Anthracite coal	1,681	4.9	278	5.2	165.38
LNG	6,085	17.8	1,513	28.3	248.64
Renewable	647	1.9	102	1.9	157.65
Total	34,091	100.0	5,339	100.0	156.61
Load:					
Base load	25,678	75.4	3,445	64.6	134.16
Non-base load	8,413	24.6	1,893	35.4	225.01
Total	34,091	100.0	5,339	100.0	156.61

Notes:

(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, 2024				
	Volume[1]	Percentage of Total Volume	Sales to KEPCO[2]	Percentage of Total Sales	Unit Price
	(Gigawatt hours)	(%)	(in billions of Won)	(%)	(Won/kwh)
Energy Sources:					
Bituminous coal	24,879	74.5	3,497	68.6	140.56
Anthracite coal	1,781	5.3	253	5.0	142.06
LNG	6,075	18.2	1,265	24.8	208.23
Renewable	660	2.0	84	1.6	127.27
Total	33,395	100.0	5,099	100.0	152.69
Load:					
Base load	24,879	74.5	3,497	68.6	140.56
Non-base load	8,516	25.5	1,602	31.4	188.12
Total	33,395	100.0	5,099	100.0	152.69

Notes:

(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 six months ended June 30, 2024				
	Volume[1]	Percentage of Total Volume	Sales to KEPCO[2]	Percentage of Total Sales	Unit Price
	(Gigawatt hours)	(%)	(in billions of Won)	(%)	(Won/kwh)
Energy Sources:					
Bituminous coal	10,801	71.1	1,469	64.6	136.01
Anthracite coal	908	6.0	128	5.6	140.97
LNG	3,153	20.8	637	28.0	202.03
Renewable	324	2.1	41	1.8	126.54
Total	15,186	100.0	2,275	100.0	149.81
Load:					
Base load	10,801	71.1	1,469	64.6	136.01
Non-base load	4,385	28.9	806	35.4	183.81
Total	15,186	100.0	2,275	100.0	149.81

Notes:

(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 six months ended June 30, 2025				
	Volume[1]	Percentage of Total Volume	Sales to KEPCO[2]	Percentage of Total Sales	Unit Price
	(Gigawatt hours)	(%)	(in billions of Won)	(%)	(Won/kwh)
Energy Sources:					
Bituminous coal	10,026	76.4	1,566	73.9	156.19
Anthracite coal	334	2.5	45	2.1	134.73
LNG	2,372	18.1	461	21.8	194.35
Renewable	394	3.0	47	2.2	119.29
Total	13,126	100.0	2,120	100.0	161.51
Load:					
Base load	10,026	76.4	1,566	73.9	156.19
Non-base load	3,100	23.6	554	26.1	178.71
Total	13,126	100.0	2,120	100.0	161.51

Notes:

(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 increased by 2.7% in 2022, decreased by 0.4% in 2023 and increased by 0.7% in 2024, in each case, year on year. The GDP growth rate at chained 2020 year prices was 2.7% in 2022, 1.4% in 2023 and 2.0% in 2024, 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,				
	2020	**2021**	**2022**	**2023**	**2024**
Growth in GDP (at chained 2015 year prices).	(0.7)%	4.0%	2.6%	1.4%	2.0%
Growth in electricity consumption .	(2.2)%	4.7%	2.7%	(0.4)%	0.7%

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,					
	2020	**2021**	**2022**	**2023**	**2024**	**% of Total 2024**
			(gigawatt hours)			**(%)**
Industrial	278,660	291,333	296,036	290,555	286,212	52.1
Public & Service	113,639	119,550	127,193	130,844	134,807	24.5
Residential	76,303	79,915	80,996	82,348	86,989	15.8
Agricultural . . .	19,029	20,603	21,420	20,763	21,088	3.8
Others[(1)].	21,639	22,029	22,288	21,456	20,725	3.8
Total	509,270	533,431	547,933	545,966	549,821	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 1.5% in 2024 to 286,212 gigawatt hours in 2024 compared to 2023, mainly due to decreases in exports and industrial demand.

Demand from the public and service sector has generally increased historically except for a decrease in 2020 due primarily to the impact of COVID-19. The continued expansion of the service sector of the Korean economy has resulted in increased office building construction, office automation and use of air conditioners. Growth in the public and service sector is also attributable to the

construction industry and the expansion of the leisure and distribution industries. Demand from the public and service sector increased by 3.0% to 134,807 gigawatt hours in 2024 compared to 2023, primarily due to an increase in the number of public and service sector customers and an increase in demand for air-conditioning and other cooling appliances due to higher than usual temperatures during the summer months.

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 5.6% in 2024 to 86,989 gigawatt hours in 2024 compared to 2023, mainly due to an increase in demand for air conditioning due to higher than usual temperatures during the summer months and an increase in the number of residential customers.

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, we are pursuing, and plan to pursue, the construction of additional generation facilities to further expand our generation capacities or replace our previously decommissioned facilities, including our coal-fired Honam units 1 and 2 which were decommissioned as of January 1, 2022 and our oil-fired Ulsan units 4, 5 and 6 which were decommissioned as of February 1, 2022. We are also planning to replace certain of our currently operating coal-fired generation units in Dangjin (comprising units 1, 2, 3, 4, 5, 6, 7 and 8) and Donghae (comprising units 1 and 2) and, subject to applicable regulatory approvals, our LNG-combined cycle generation units in Ulsan (comprising units

1, 2 and 3) and Ilsan (comprising units 1 and 2) with new LNG, hydrogen-LNG co-fired combined cycle or pumped-storage hydro power generation units in the longer term between 2027 and 2036. Furthermore, we are planning to construct a 150 megawatt combined cycle power plant in Jeju with target completion by 2028.

In 2011, we acquired a minority equity interest in the former Dangjin Eco Power Co., Ltd., which was originally established to construct a coal-fired power plant complex in Dangjin. In 2018, the Dangjin Eco Power project was converted to the construction of a 1,122 megawatt LNG-fired generation plant in Eumseong and a 1,122 megawatt LNG- and LPG-combined generation plant in Ulsan. As a result, in August 2019, the former Dangjin Eco Power Co., Ltd. was split up into three separate companies: (i) Dangjin Eco Power Co., Ltd., which was newly established (but has the same name as its predecessor) and has completed construction of a photovoltaic generation and storage complex in Dangjin in December 2019, (ii) Eumseong Natural Gas Power Co., Ltd., which plans to construct the above-mentioned 1,122 megawatt LNG-fired generation plant in Eumseong with target completion by the end of 2028, and (iii) Ulsan GPS Co., Ltd., which completed construction of the above-mentioned 1,122 megawatt LNG- and LPG-fired generation plant in Ulsan in December 2024. In 2019, we acquired all of the equity interests held by our joint venture partners in Eumseong Natural Gas Power Co., Ltd. and merged it into us, and divested ourselves of all of the equity interests we held in Ulsan GPS Co., Ltd. We also currently maintain a 34% equity interest in the new Dangjin Eco Power Co., Ltd. following such split-up. See "Business – Independent Power Producer and Community Energy System Projects."

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.

Our capital expenditures, which represent the sum of (i) purchases of land, buildings, structures, machinery, vehicles, other intangible assets and other property, plant and equipment, (ii) increases in construction-in-progress and investments in joint ventures and associates and (iii) consideration paid in business combination in our statements of cash flows, plus purchases of certain intangible assets such as greenhouse gas emission allowance units, were Won 787 billion, Won 805 billion, Won 1,010 billion and Won 462 billion in 2022, 2023, 2024 and the first six months of 2025, respectively. We are planning to increase our investments in renewable energy generation in order to meet our annual RPS obligations. We are also planning to invest in IPP and CES projects.

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.

The table below sets forth the budgeted amounts of capital expenditures pursuant to our capital investment program for 2025, 2026 and 2027. 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 and other factors.

	For the year ended December 31,		
	2025	2026	2027
	(in billions of Won)		
Construction of new generation facilities	₩ 521	₩ 1,215	₩ 1,985
Maintenance of existing generation facilities	343	279	283
Investments in and construction of renewable energy projects	202	211	237
Overseas investments	81	18	59
Others[(1)]	74	68	70
Total	₩ 1,221	₩ 1,791	₩ 2,634

Note:
(1) Miscellaneous expenditures for acquisition and maintenance of non-generation and ancillary facilities and intangible assets.

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 30 years for thermal and LNG-combined cycle units. Substantial refurbishment can extend the useful lives of thermal units by an additional ten years or more.

Independent Power Producer and Community Energy System Projects

Based on our decades 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.

GS Donghae Electric Power Co., Ltd. is currently operating two 595 megawatt coal-fired units, along with photovoltaic and mini-hydro power units, in Donghae-shi, Kangwon-do, Korea. The first unit came into operation in March 2017 and the second unit came into operation in August 2017. As of June 30, 2025, we held a 34% equity interest in GS Donghae Electric Power Co., Ltd.

In 2011, we acquired a minority equity interest in the former Dangjin Eco Power Co., Ltd., which was originally established to construct a coal-fired power plant complex in Dangjin. In 2018, the Dangjin Eco Power project was converted to the construction of a 1,122 megawatt LNG-fired generation plant in Eumseong and a 1,122 megawatt LNG- and LPG-combined generation plant in Ulsan. As a result, in August 2019, the former Dangjin Eco Power Co., Ltd. was split up into three separate companies: (i) Dangjin Eco Power Co., Ltd., which was newly established (but has the same name as its predecessor) and has completed construction of a photovoltaic generation and storage complex in Dangjin in December 2019, (ii) Eumseong Natural Gas Power Co., Ltd., which plans to construct the above-mentioned 1,122 megawatt LNG-fired generation plant in Eumseong with target completion by the end of 2028, and (iii) Ulsan GPS Co., Ltd., which completed construction of the above-mentioned 1,122 megawatt LNG- and LPG-fired generation plant in Ulsan in December 2024. In 2019, we acquired all of the equity interests held by our joint venture partners in Eumseong Natural Gas Power Co., Ltd. and merged it into us, and divested ourselves of all of the equity interests we held in Ulsan GPS Co., Ltd. We also currently maintain a 34% equity interest in the new Dangjin Eco Power Co., Ltd. following such split-up. See "Business – Independent Power Producer and Community Energy System Projects."

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 in Dangjin and Chuncheon through IPPs located in such areas. We have a 29% equity interest in Seokmoon Energy, which began supplying heat and electricity to the Seokmoon industrial complex and surrounding residential areas in Dangjin starting from January 2017. Seokmoon Energy generated 210 GWh of electricity and sales of Won 51 billion in 2024 and 103 GWh of electricity and sales of Won 25 billion in the first six months of 2025. We also have a 29.9% equity interest in Chuncheon Energy, which commenced operations in June 2017 and provides heat and electricity to the industrial complex and surrounding residential areas in the Chuncheon area. Chuncheon Energy generated 2,363 GWh of electricity and sales of Won 431 billion in 2024 and 1,160 GWh of electricity and sales of Won 191 billion in the first six months of 2025.

In November 2019, we established a new consolidated subsidiary, Paju Eco Energy Co., Ltd., which has been engaged in power generation using fuel cells for agricultural communities with commercial operation from October 2020.

Overseas Activities

We are actively engaged in a number of overseas IPP and resource development projects. Our overseas IPP projects help us apply our operational experience and add new revenue streams, while our overseas resource 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 June 30, 2025.

Project/ Investment	Country	Project Period	Project Description	Invested Capital to June 30, 2025	Equity Interest as of June 30, 2025
JPS	Jamaica	2011~	Oil/LNG-fired	US$287 million	40.0%
SJPC	Jamaica	2017~2039	IPP LNG-fired	US$18.4 million	20.0%
EWPRC	United States	2011~	LNG-fired	US$58.8 million	100.0%
PT Tanjung	Indonesia	2012~2044	IPP coal-fired	US$48.4 million	35.0%
PT Bayan	Indonesia	2016~	Resource development	₩80.5 billion	4.0%
GUP	Guam	2019~	ULSD/LNG-fired	US$1.3 million	40.0%
Columboola Solar Farm	Australia	2022~2056	IPP photovoltaic	A$41.1 million	48.5%
Amaala SCE	Saudi Arabia	2027~2052	IPP photovoltaic ESS development	₩17.9 million	10.0%

IPP Projects

- Jamaica Public Service Co., Ltd. (“JPS”) is an integrated utility firm with oil and LNG-fired power plants as well as renewable energy generation facilities (including solar, wind and hydro power) and the sole distributor of electricity in Jamaica. We provide operation and maintenance services for JPS. As of June 30, 2025, we held a 40.0% equity interest in JPS through EWP (Barbados) 1 SRL, our wholly owned subsidiary.

- South Jamaica Power Company Limited (“SJPC”) owns an LNG-fired power plant with an installed capacity of 194 megawatts in Old Harbour Bay, Jamaica, which commenced its operations in December 2019. As of June 30, 2025, we held a 20.0% equity interest in SJPC.

- EWP Renewable Corporation (“EWPRC”), our wholly owned subsidiary in the United States, owns and operates two LNG-fired generation units in California with a combined installed capacity of 94 megawatts.

- PT Tanjung Power Indonesia (“PT Tanjung”) owns the Kalsel-1 coal-fired power plant in Tanjung, Indonesia with an installed capacity of 200 megawatts. The Kalsel-1 power plant, to which we provide operation and maintenance service, commenced commercial operations in December 2019. As of June 30, 2025, we held a 35.0% equity interest in PT. Tanjung.

- Guam Ukudu Power LLC, which is a joint venture established by us and KEPCO in October 2019 with ownership interest of 40% and 60%, respectively, is constructing a new ultra-low sulfur diesel/natural gas dual-fired power plant with an expected aggregate installed capacity of 198 megawatts in Guam. The construction for such unit, which will be operated by Guam Ukudu Power LLC for 25 years upon completion, commenced in May 2022 and is targeted for completion by the end of 2025.

- Columboola Solar Farm has constructed a photovoltaic solar power generation farm in the Columboola region of Queensland, Australia with an aggregate installed capacity of 202 megawatts. Such project, which is expected to lead to an estimated carbon dioxide reduction of 32 million tons per year, commenced operations in November 2023 and will be operated by us until 2056. As of June 30, 2025, we held a 48.5% equity interest (including a 66.7% equity interest in terms of common shares) in Columboola Solar Farm.

- Amaala Sustainable Company for Energy LLC (''Amaala SCE''), a joint venture established by a consortium led by Électricité de France SA and the Abu Dhabi Future Energy Company (Masdar) in which we are also participating, is constructing a photovoltaic solar power generation farm and energy storage system in Saudi Arabia with an expected power generation capacity of 248 megawatts and storage capacity of 777 megawatts. The commercial operation of such project is targeted to commence in January 2027. As of June 30, 2025, we held a 10.0% equity interest in Amaala SCE.

Resource Development Projects

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

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, nitrogen oxides 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 12 units at our Dangjin, Ulsan and Donghae power plant complexes to reduce sulfur oxide emissions. We have installed Electrostatic Precipitation systems in 12 units at our Dangjin and Donghae power plant complexes to reduce dust emissions and minimize the unintended dispersion of powderized coal. We have also installed Selective Catalytic Reduction systems or Selective Non-Catalytic Reduction systems, which in both cases reduce NOx emissions, in 26 units at our power plant complexes at our Dangjin, Ulsan, Donghae and Ilsan power plant complexes. In addition, we have installed DeNOx systems, such as the Low NOx Burner and Over Fired Air systems, in 18 units at our Dangjin, Ulsan, Donghae and Ilsan 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. Our currently budgeted amount for facilities related to compliance with environmental regulation is Won 58 billion in aggregate up to 2026.

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 biomass power, 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 2024, 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 June 30, 2025, there were 13 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 2022, 2023 and 2024 and the first six months of 2024 and 2025, 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.

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 MOTIE 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.

We incurred R&D expenses of Won 42 billion, Won 44 billion, Won 37 billion and Won 15 billion, constituting 0.6%, 0.8%, 0.7% and 0.7% of our revenue, in 2022, 2023, 2024 and the first six months of 2025, respectively. In 2025, we expect to incur a similar amount of R&D expenses compared to 2024 and plan to undertake R&D projects involving the improvement of technologies relating to domestic production of parts and components for coal- and LNG-fired power generation units, new energy businesses (such as hydrogen power), carbon capture and storage, and energy storage systems for renewable energy, among others.

Patents, Utility and Trademark

As of June 30, 2025, we owned 311 patents, including co-owned patents, two utility model rights, four design rights and 11 trademarks in Korea, as well as 13 patents outside of Korea, and we had 16 patent applications pending in Korea. Most of the patents and utility model rights relate to generation processes and generator maintenance tools. We believe that our patents and utility model rights are vital to our power generation and R&D activities.

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 maintain general commercial insurance policies with an aggregate comprehensive risk coverage of Won 14,793 billion with respect to our facilities and an aggregate machinery damage coverage of Won 3,613 billion with respect to our machinery. We also maintain marine cargo insurance in respect of imported fuel and procurement with insurance coverage of Won 3,087 billion, as well as general vehicle insurance, directors' and officers' liability insurance and environmental 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 June 30, 2025, the net book value of our property, plant and equipment was Won 7,377 billion, including right-of-use assets (net of amortization) of Won 437 billion relating to properties that we lease from third parties.

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 Ulsan in 2014.

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.

In July 2017, the bankruptcy administrator for Keangnam Enterprises filed a Won 11 billion claim against us seeking compensation for increased costs due to damages allegedly caused by us in connection with the installation of certain new boilers by Keangnam Enterprises in our Dangjin power generation complex. In November 2024, the trial court ordered us to pay an aggregate amount of Won 12 billion (comprising Won 8 billion in claims and Won 4 billion in statutory default interest) to the plaintiff, which decision was appealed by both parties. In April 2025, the appellate court rendered a compulsory mediation decision requiring us to pay Won 10.7 billion to the plaintiff, which decision was accepted by, and became final and binding on, both parties. As of June 30, 2025, we have paid such awarded amount in full.

In August 2023, Hyundai Heavy Industries Power Systems Co., Ltd., a former member of the consortium of contractors engaged for the Dangjin Environmental Facilities Construction, filed a request for arbitration against us at the Korea Commercial Arbitration Board, seeking compensation for contract price adjustment and additional construction costs in the amount of approximately Won 15 billion. This arbitration case is currently pending.

In February 2024, KC Cottrell Co., Ltd., which was also a member of the consortium for the Dangjin Environmental Facilities Construction, filed a request for arbitration against us at the Korea Commercial Arbitration Board, seeking compensation for increased equipment costs in the amount of approximately Won 23.5 billion. This arbitration case is currently pending.

In June 2025, Hanwha Solutions Corporation, a contractor involved in the construction of our Daeho Lake (located in Seosan, Korea) floating solar farm project, filed a request for arbitration against us at the Korea Commercial Arbitration Board, seeking compensation for additional construction costs in the amount of approximately Won 16.2 billion. This arbitration case is currently pending.

The outcome of the pending arbitration proceedings described above cannot presently be determined. We cannot presently assure you that there will not be further legal proceedings in relation to aforementioned matter or that the amount of provisions that we set aside, if any, will be sufficient to cover any compensation or damages arising from the present or future litigation. However, management believes that the ultimate disposition of these and other legal proceedings currently pending or threatened against us will not have a materially adverse impact on our results of operations or financial position.

Employees

As of June 30, 2025, we had 2,610 regular employees in Korea, which include full-time and part-time employees, and 12 temporary employees. The following table sets forth the number of our regular employees at our various work locations as of June 30, 2025.

Location	Number of Regular Employees
Head office in Ulsan	353
Dangjin Power Plant Complex	946
Donghae Power Plant Complex	264
Ulsan Power Plant Complex	384
Ilsan Power Plant Complex	197
Others	466
Total	2,610

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 3.0% on a year-on-year basis for 2025. 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 1.4% in 2022, 1.7% in 2023 and 2.5% in 2024 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 4.5% of each employee's salary, and with respect to medical insurance, we match our employees' contributions in the amount of 3.545% of each employee's salary. In addition, we provide other benefits such as company housing, low-interest housing loans and high-school and university tuition support.

As of June 30, 2025, approximately 88.8% of our employees were members of the Korea East-West Power Labor Union, which membership comprises entirely of our employees, and approximately 9.3% 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 Korea East-West Power Labor Union. The current collective bargaining agreement with the Korea East-West Power Labor Union was entered into in December 2023. Pursuant to applicable Korean law, an Employee-Employer Cooperation Committee, which is currently composed of five representatives of management and five 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. In February 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 in April 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 June 30, 2025, we had a 7.1% ownership of KPX, which represents our capital contribution to KPX in the amount of Won 9 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 40 to our audited annual financial statements as of and for the years ended December 31, 2023 and 2022, Note 40 to our audited annual financial statements as of and for the years ended December 31, 2024 and 2023, and Note 39 to our unaudited interim financial statements as of and for the six months ended June 30, 2025 and 2024.

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 25.2 billion as of June 30, 2025.

Share Ownership

The following table sets forth certain information relating to our shareholder as of June 30, 2025 and as of the date hereof:

Title of Class	Identity of Person or Group	Shares Owned	Percentage
Common stock	Korea Electric Power Corporation	57,932,221	100.0%

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

MANAGEMENT

Directors and Senior Management

Under our articles of incorporation, our board of directors, consisting of not less than three and not more than fifteen 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, which includes the president. The standing directors also presently constitute our executive officers.

The representative director, who acts as our president and a standing director, 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 MOTIE. The standing directors 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 MOEF. The non-standing directors are appointed by the Minister of the MOEF 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. Furthermore, at least one non-standing director must be an employee who (i) has worked for us for at least three years, and (ii) either (x) has been recommended by a representative of the labor union (if there is a labor union organized by a majority of employees), or (y) has obtained consent from a majority of employees. 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 reelected, the management contract with the Minister of MOTIE set forth in article 35-3 of our articles of incorporation must be re-executed, but the discussion of the officer recommendation committee on the terms and conditions of such management contract is not required.

The presence at board meetings of a majority of the board of directors constitutes a voting quorum and resolutions can be passed by a majority of the board of directors. The names, titles, and outside occupations, if any, of our current board of directors and the respective dates on which they took office are set forth below.

Name	Year of Birth	Title	Outside Occupation	Position Held Since
Kwon, Myung Ho	1961	President and CEO	–	October 2024
Lee, Chul Won	1963	Standing Director and Member of Audit Committee	–	September 2024
Nam, Suk Youl	1967	Standing Director	–	March 2025
Kim, Bong Bin	1967	Standing Director	–	March 2025
Lee, Se Woo.	1965	Non-Standing Director, Chairman of Board of Directors and Member of Audit Committee	Adjunct Professor, Chung-Ang University	April 2023
Kim, Hoe Gu	1964	Non-Standing Director	–	November 2022
Lee, Gil Jong	1959	Non-Standing Director and Member of Audit Committee	–	April 2023
Hyun, Chang Un	1972	Non-Standing Director	–	June 2023
Shin, Kwon Cheol	1973	Non-Standing Director	–	November 2024

Myung Ho Kwon has served as our president and CEO since October 2024. Mr. Kwon received a bachelor's degree in English language and literature and a master's degree in public administration from the University of Ulsan. Prior to joining us, he served as a member of the 21st National Assembly.

Chul Won Lee has served as our standing director and a member of our audit committee since September 2024. Mr. Lee received a bachelor's degree in Korean language and literature from the Korea Military Academy and a master's degree in political science from Kookmin University. Prior to joining us, he served as a director of Defense Cooperation at the Office of the Minister of Foreign Affairs.

Suk Youl Nam has served as our standing director since March 2025. Mr. Nam received a bachelor's degree in law from Kookmin University. He is currently the head of our Planning and Management Group and was previously the head of our Ulsan Power Complex.

Bong Bin Kim has served as our standing director since March 2025. Mr. Kim received a bachelor's degree in precision mechanical engineering from Jeonbuk National University, a master's degree in mechanical engineering from Yonsei University and a master's degree in business administration from Aalto University. He is currently the head of our Safety and Engineering Group and was previously the head of our Power Generation Division.

Se Woo Lee has served as our non-standing director and a member of our audit committee since April 2023, and the chairman of our board of directors since May 2024. Mr. Lee received a bachelor's degree in business administration from Sejong University, a master's degree in business administration from Hong-Ik University and a doctoral degree in business administration from Chung-Ang University. He is currently an adjunct professor of business administration at Chung-Ang University.

Hoe Gu Kim has been our non-standing director since November 2022. Mr. Kim received a bachelors' degree and a master's degree in political science and diplomacy, and a doctoral degree in political science, from Sungkyunkwan University. He was previously a standing auditor of Korea Securities Finance Corporation.

Gil Jong Lee has served as our non-standing director since April 2023 and a member of our audit committee since May 2024. Mr. Lee graduated from Geoje Fisheries High School. He was previously a member of the provincial council of Gyeongsangnam-do.

Chang Un Hyun has been our non-standing director since June 2023. Mr. Hyun received a bachelor's degree in electrical engineering from the University of Ulsan. He previously served as the senior vice chairman of our labor union.

Kwon Cheol Shin has been our non-standing director since November 2024. Mr. Shin received a bachelor's degree in business administration from Yeungnam University and a master's degree in public administration from the University of Ulsan. He previously served as the president of the Gyeongnam-Ulsan district of the Korea Junior Chamber.

Board Committees and 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. 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 article 37(2) of the Enforcement Decree of the Korean Commercial Act. Currently, other than the audit committee and the officer recommendation committee, we maintain an environmental, social and governance committee consisting of three non-standing directors and two external advisors.

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. Retiring standing directors receive an average month's worth of salary for every year served as a standing director.

Compensation of Directors and Executive Officers

For the year ended December 31, 2024 and the six months ended June 30, 2025, the aggregate amounts of remuneration paid and accrued to the directors and executive officers, as a group, were Won 648 million and 267 million, respectively. The aggregate amounts we set aside or accrued during 2024 and the six months ended June 30, 2025 to provide retirement and severance benefits for directors and executive officers were Won 124 million and 39 million, respectively.

TERMS AND CONDITIONS OF THE NOTES

The following is a summary of the terms and conditions of the Notes to be issued by us under the Fiscal Agency Agreement (as defined below). The following statements do not purport to be a complete description of the Notes and the Fiscal Agency Agreement and are qualified in their entirety by reference to the provisions of the Notes and the Fiscal Agency Agreement.

In acting under the Fiscal Agency Agreement the agents appointed by the Company (the "Agents" and each an "Agent") thereunder are acting solely as agents for the Company and do not assume any obligation or relationship of agency or trust for or with the Noteholders except as specifically described in the Fiscal Agency Agreement or below.

1. General

(a) The Notes are being issued by the Company pursuant to a Fiscal Agency Agreement, dated as of November 4, 2025 (as amended from time to time, the "Fiscal Agency Agreement"), among the Company, Citicorp International Limited, as fiscal agent and registrar (such bank and its successors as such fiscal agent being hereinafter called the "Fiscal Agent" and "Registrar"), and Citibank, N.A., London Branch as the paying agent and transfer agent, the terms of which are hereby incorporated by reference. Copies of the Fiscal Agency Agreement are on file and available for inspection at the corporate trust office of the Fiscal Agent (the "Corporate Trust Office"), and reference thereto is made for a description of the rights and limitations of rights thereunder of the Holders of the Notes and the duties and immunities of the Fiscal Agent. In acting under the Fiscal Agency Agreement, the agents appointed by the Company thereunder are acting solely as agents for the Company and do not assume any obligation or relationship of agency or trust for or with the Holder of this Note except as specifically described below or in the Fiscal Agency Agreement with respect to the Fiscal Agent. The Holders of Notes will be entitled to the benefits of, and be bound by and deemed to have notice of, all of the provisions of the Fiscal Agency Agreement. As used herein, the term "Holder" means the person in whose name a Note is registered in the Note Register.

(b) The Notes are issuable only as fully registered Notes without coupons in denominations of US$200,000 and any integral multiple of US$1,000 in excess of US$200,000 and shall not be divided into Notes with denominations of less than US$200,000 until the date on which all of the Notes have become due and payable.

(c) The Company covenants that until the earlier to occur of the date on which all of the Notes shall have been delivered to the Registrar for cancellation and the date on which all of the Notes have become due and payable and moneys sufficient to pay the principal of and interest on all of the Notes shall have been made available for payment and either paid or returned to the Company as provided herein, the Company will at all times maintain a Fiscal Agent (which in each case shall be a bank or trust company having a combined capital and surplus of at least US$50,000,000, legally qualified to act as Fiscal Agent and having an established place of business in Hong Kong or London). Subject to the foregoing, the Company reserves the right at any time to vary or terminate the appointment of any of the Fiscal Agent and such additional agents as the Company may determine.

2. Payments

(a) Payments of principal of and interest on this Note will be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

(b) Payment of the principal of this Note shall be made, upon presentation and surrender hereof, by check drawn on the account of the Paying Agent, at the option of the person to whom interest is payable as provided below, either (i) at the Corporate Trust Office of the Paying

Agent or (ii) subject to any laws or regulations applicable thereto and to the right of the Company to terminate the appointment of any such paying agency, at such other paying agencies as the Company may designate.

(c) Payments of interest on this Note shall be made by a wire transfer in same day funds to the registered account of each Holder or if it does not have a registered account, by check drawn on the account of the Paying Agent mailed to the address of the person entitled thereto as such address shall appear on the Note Register. The interest so payable on any Interest Payment Date will be paid to the person in whose name this Note is registered at the close of business on the fifteenth day preceding such Interest Payment Date (each, a ''Record Date''), whether or not a business day, notwithstanding the cancellation, transfer or exchange of this Note subsequent to the Record Date and on or prior to such Interest Payment Date, and no interest otherwise so payable on any Interest Payment Date shall be paid on this Note if the name of its Holder was entered as such on the Note Register after the close of business on the Record Date next preceding such Interest Payment Date, except if and to the extent the Company shall default in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall (unless paid together with principal of this Note in full other than on an Interest Payment Date) be paid to the person in whose name this Note is registered at the close of business on a subsequent record date (which shall be not less than five business days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Company to the Holders of Notes not less than 15 days preceding such subsequent record date. If interest is paid together with principal in full on a date that is not an Interest Payment Date, such interest shall be paid upon presentation and surrender of this Note to the Paying Agent.

(d) In any case where the date for the payment of any principal of or interest on any Note is not a day on which banking institutions at each of London, New York, Seoul and the city where the specified office of the Paying Agent is located (which, for the avoidance of doubt, is London as of the date of the Fiscal Agency Agreement) are open for business (a ''Business Day''), then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date for such payment of principal or interest, and no interest shall accrue for the period after such date.

(e) Any moneys paid by the Company to the Paying Agent for the payment of the principal of or interest on any Notes and remaining unclaimed at the end of two years after such principal or interest shall have become due and payable and shall have been paid to the Paying Agent by the Company shall then be repaid to the Company, and upon such repayment, all liability of the Paying Agent with respect to such moneys shall thereupon cease and the Holder of any Note representing a claim therefor shall thereafter look only to the Company for payment thereof.

3. Calculation of Interest

Interest on the Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

4. Optional Redemption

(a) Due to Changes in Tax Treatment. The Notes may be redeemed at the option of the Company, in whole, but not in part, upon not less than 30 nor more than 60 days' notice, at any time at a redemption price equal to the principal amount thereof plus accrued interest to (but excluding) the date fixed for redemption if, as a result of any change in, expiration of or amendment to the laws of the Republic (or of any political subdivision or taxing authority thereof or therein) or any regulations or rulings promulgated thereunder or any change in the official interpretation or official application of such laws, regulations or rulings, or any

change in the official application or interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which the Republic (or such political subdivision or taxing authority) is a party, which change, amendment, expiration or treaty becomes effective on or after October 27, 2025, the Company is or would be obligated on the next succeeding due date for a payment with respect to the Notes to pay Additional Amounts (as described in Condition 6 below) with respect to the Notes, and such obligation cannot be avoided by the use of reasonable measures available to the Company; provided, however, that (i) no such notice of redemption may be given earlier than 60 days prior to the earliest date on which the Company would be obligated to pay such Additional Amounts, and (ii) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect. Before giving any notice of such redemption, the Company shall deliver to the Fiscal Agent a certificate of the Company stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of redemption have occurred.

5. Purchase

The Company may at any time purchase Notes by tender (available to all Noteholders alike) or in the open market at any price. If the Company shall acquire any Notes, such acquisition shall not operate as or be deemed for any purpose to be a satisfaction of the indebtedness represented by such Notes unless and until such Notes are delivered to the Registrar for cancellation and are cancelled and retired by the Registrar. The Company will not sell, and will cause its ''affiliates'' (as defined in paragraph (a)(1) of Rule 144 under the Securities Act) not to sell, any Note as to which it or they hold or acquire any beneficial interest; provided that affiliates of the Company may sell Notes to the Company or to other such affiliates.

6. Taxation

All payments of principal of and interest on the Notes shall be made by the Company without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic or by or within any political subdivision thereof or any authority therein having power to tax (''Korean Tax''), unless deduction or withholding of such Korean Tax is required by law. In the event that the deduction or withholding of Korean Tax is required by law, the Company will pay such additional amounts (''Additional Amounts'') as will result in the payment to the Holder of this Note of the amounts which would otherwise have been receivable in respect of principal and interest in the absence of such deduction or withholding, except that no such Additional Amount shall be payable in respect of this Note:

(a) to or on behalf of a Holder who is subject to such Korean Tax in respect of such Note by reason of such Holder being or having been connected with the Republic (or any political subdivision thereof) otherwise than merely by holding such Note or receiving principal or interest in respect thereof; or

(b) to 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 Company to make such a declaration or claim, such Holder fails to do so within 30 days; or

(c) to or on behalf of a Holder who presents a Note (where presentation is required) more than 30 days after the relevant date except to the extent that the Holder thereof would have been entitled to such Additional Amounts on presenting a Note for payment on the last day of such 30-day period; for this purpose the ''relevant date'' in relation to any payments of interest on, or principal of, any Note means: (i) the due date for payment thereof; or (ii) if the full amount of the monies payable on such date has not been received by the Paying

Agent on or prior to such due date, the date on which, the full amount of such monies having been so received; notice to that effect is duly given to Holders of the Notes in accordance with, the Fiscal Agency Agreement; or

(d) to or on behalf of a Holder who would have been able to avoid the withholding or deduction by the presentation (where presentation is required) of the relevant Note to, or otherwise accepting payment from, another paying agent in a member state of the European Union; or

(e) any combination of (a), (b), (c) or (d) above.

The obligation of the Company to pay such Additional Amounts in respect of taxes, duties, assessments and governmental charges shall not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge or (b) any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal or interest on this Note; provided that, except as otherwise set forth in this Note and in the Fiscal Agency Agreement, the Company shall pay all stamp and other duties, if any, which may be imposed by the Republic or any respective political subdivision thereof or any taxing authority of or in the foregoing, with respect to the Fiscal Agency Agreement or as a consequence of the initial issuance of this Note.

References to principal or interest in respect of this Note shall be deemed also to refer to any additional amounts which may be payable as set forth in the Note.

7. Transfer, Exchange and Replacement

(a) The transfer of this Note is registrable (upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement and subject to the reasonable requirements of the Company and the Registrar) on the Note Register upon surrender of this Note for registration at the Corporate Trust Office of the Registrar, duly endorsed by, or accompanied by a written instrument of transfer in a form approved by the Company and the Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing.

(b) In the manner and subject to the limitations and upon payment of the charges (if any) provided in the Fiscal Agency Agreement, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations or for a beneficial interest in a Global Note.

(c) No service charge shall be made for any exchange or registration of transfer provided for in Conditions 7(a) and 7(b) hereof, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

(d) No registrations of transfers or exchanges of Notes shall be made after notice of redemption of the Notes has been given.

(e) All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits, as the Notes surrendered upon such registration of transfer or exchange. Any new Note delivered pursuant to this Condition 7 shall be so dated that neither gain nor loss of interest shall result from such transfer or exchange.

(f) If any Note shall at any time become mutilated or destroyed or stolen or lost, then, provided that such Note, or evidence of the destruction, theft or loss thereof (together with the indemnity hereinafter referred to and such other documents or proof as may be required in the premises) shall be delivered to the Corporate Trust Office of the Registrar, a replacement Note of like tenor and principal amount will be issued by the Company and, at its request,

authenticated by the Registrar and delivered by the Registrar at its Corporate Trust Office, in exchange for the Note so mutilated, or in lieu of the Note so destroyed or stolen or lost; provided further, that, in the case of destroyed, stolen or lost Notes, (i) neither the Company nor the Registrar shall have notice that such Notes have been acquired by a bona fide purchaser, and (ii) the Company and the Registrar shall have received evidence satisfactory to them that such Notes were destroyed, stolen or lost, and the Company and the Registrar shall have received an indemnity satisfactory to each of them. All expenses and reasonable charges associated with procuring such indemnity, and the cost of the preparation and issue of a replacement for any Note mutilated, destroyed, stolen or lost, shall be paid by the Holder of such Note. In case such mutilated, destroyed, stolen or lost Note has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Note, pay or cause to be paid such Note. Every new Note issued pursuant to this Paragraph (f) in exchange for or in lieu of any mutilated, destroyed, stolen or lost Note, shall constitute an additional original contractual obligation of the Company, whether or not the mutilated, destroyed, stolen or lost Note shall be at any time enforceable by anyone. Any new Note delivered pursuant to this Paragraph (f) shall be so dated that neither gain nor loss of interest shall result from such replacement. To the extent permitted by law, the provisions of this Paragraph (f) are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, stolen or lost Notes.

(g) The Company and the Registrar may deem and treat the registered Holder hereof as the absolute owner hereof (notwithstanding any notice of ownership or other writing hereon) for the purposes of receiving payment hereon or on account hereof and for all other purposes, whether or not this Note shall be overdue.

(h) The Company has appointed the Corporate Trust Office of the Registrar as its agent for transfers, and for exchanges and replacements, of Notes and has agreed to cause to be kept at the office of the Registrar a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for such registration and registration of transfers.

(i) All Notes issued as a result of any transfer, exchange or replacement of Notes shall be delivered to the Holder at the Corporate Trust Office of the Registrar or (at the risk of the Holder) sent by mail to such address as is specified by the Holder in the request for transfer, exchange or replacement.

8. Covenants of the Company

(a) Limitation on Liens. So long as any of the Notes are outstanding, the Company will not itself, and will not permit any Restricted Subsidiary to create, incur, issue or assume or guarantee any External Indebtedness secured by any Security Interest on any Principal Property owned by the Company or any Restricted Subsidiary or on any shares of stock or External Indebtedness of any Restricted Subsidiary (such shares of stock or External Indebtedness of any Restricted Subsidiary being called "Restricted Securities") without in any such case effectively providing that the Notes (together with, if the Company shall so determine, any other indebtedness of the Company or any Restricted Subsidiary then existing or thereafter created which is not subordinate to the Notes) shall be secured equally and ratably with or prior to such secured External Indebtedness unless, after giving effect thereto, the aggregate principal amount of all such secured External Indebtedness, plus Attributable Debt of the Company and its Restricted Subsidiaries in respect of sale and leaseback transactions (as described in Condition 8(b) below) involving Principal Properties would not exceed 10% of Consolidated Net Tangible Assets; provided that nothing contained in this

Condition 8(a) shall prevent, restrict or apply to, and there shall be excluded from secured External Indebtedness in any computation under this Condition 8(a), External Indebtedness secured by:

(1) Security Interests existing as of the date of the Fiscal Agency Agreement;

(2) Security Interests on any property, shares of stock or indebtedness of any corporation existing at the time such corporation becomes a Restricted Subsidiary or arising thereafter pursuant to contractual commitments entered into prior to and not in contemplation of such corporation becoming a Restricted Subsidiary;

(3) Security Interests on any property, shares of stock or indebtedness existing at the time of acquisition thereof (including acquisition through merger or consolidation) or arising thereafter pursuant to contractual commitments entered into prior to and not in contemplation of the acquisition of such property, shares of stock or indebtedness;

(4) Security Interests on any Principal Property or Restricted Securities securing the payment of all or any part of the purchase price or cost of construction or improvement of any Principal Property or securing any indebtedness incurred prior to, at the time of or within 12 months after the acquisition of such Principal Property or the completion of any such construction or improvement, whichever is later, for the purpose of financing all or any part of the purchase price or cost of construction or improvement thereof (provided that such Security Interests are limited to such Principal Property or Restricted Securities, improvements on such Principal Property and any other property or assets not constituting a Principal Property or Restricted Securities prior to such construction or improvement);

(5) Security Interests which secure indebtedness owing to the Company or to a Restricted Subsidiary;

(6) Security Interests securing External Indebtedness incurred with respect to the improvement of Principal Property after the date of the Fiscal Agency Agreement in connection with environmental law obligations; provided that such External Indebtedness does not exceed 3% of Consolidated Net Tangible Assets; and

(7) any extension, renewal, alteration or replacement (or successive, extensions, renewals, alterations or replacements) in whole or in part, of any Security Interest referred to in the foregoing paragraphs (1) through (6) inclusive or any refinancing of External Indebtedness, or a portion thereof, secured by a Security Interest referred to in the foregoing paragraphs (1) through (6) inclusive, which External Indebtedness, or portion thereof, was paid, extinguished or satisfied not more than 90 days prior to the date of such refinancing; provided that the principal amount of External Indebtedness secured thereby shall not exceed the principal amount of External Indebtedness so secured at the time of such extension, renewal, alteration or replacement or the principal amount of External Indebtedness being refinanced, and that such extension, renewal, alteration, replacement or refinancing shall be limited to all or a part of the property (plus improvements on such property) which secured the Security Interest so extended, renewed, altered or replaced or relating to the External Indebtedness so refinanced.

For the purposes of this Condition 8(a) and Condition 8(b), the giving of a guarantee which is secured by a Security Interest on a Principal Property or Restricted Securities, and the creation of a Security Interest on a Principal Property or Restricted Securities to secure External Indebtedness which existed prior to the creation of such Security Interest, shall be deemed to involve the creation of indebtedness in an amount equal to the principal amount guaranteed or secured by such Security Interest; but the amount of indebtedness secured by

Security Interests on Principal Properties and Restricted Securities shall be computed without cumulating the underlying indebtedness with any guarantee thereof or Security Interest securing the same.

(b) Limitation on Sale and Leaseback Transactions. So long as any of the Notes are outstanding, the Company will not itself, and will not permit any Restricted Subsidiary to, enter into any arrangement after the date of the Fiscal Agency Agreement with any Person (other than the Company or another Restricted Subsidiary) providing for the leasing by the Company or any Restricted Subsidiary of any Principal Property (except a lease for a temporary period not to exceed three years by the end of which it is intended that the use of such Principal Property by the lessee will be discontinued), which was or is owned by the Company or a Restricted Subsidiary and which has been or is to be sold or transferred to such Person or to any other Person to whom funds are advanced by such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such Principal Property (herein referred to as a "sale and leaseback transaction") unless either:

(1) the Attributable Debt of the Company and its Restricted Subsidiaries in respect of such sale and leaseback transaction and all other sale and leaseback transactions entered into after the date of the Fiscal Agency Agreement (other than such sale and leaseback transactions as are permitted by paragraph (2) below), plus the aggregate principal amount of External Indebtedness secured by Security Interests on Principal Properties and Restricted Securities then outstanding (excluding any such External Indebtedness secured by Security Interests described in paragraphs (1) through (7) of Condition 8(a)) without equally and ratably securing the Notes, would not exceed 10% of Consolidated Net Tangible Assets; or

(2) the Company, within 12 months after the sale or transfer, applies or causes a Restricted Subsidiary to apply an amount equal to the greater of (i) the net proceeds of such sale or transfer or (ii) the fair market value of the Principal Property so sold and leased back at the time of entering into such sale and leaseback transaction (in each case as determined in good faith by two directors or other executive officers who are authorized to represent the Company) to the retirement of External Indebtedness of the Company or a Restricted Subsidiary which is not subordinate to the Notes; provided that the amount to be so applied shall be reduced by (i) the principal amount of Notes delivered within 12 months after such sale or transfer to the Fiscal Agent for retirement and cancelation, and (ii) the principal amount of External Indebtedness of the Company or a Restricted Subsidiary, other than Notes, voluntarily retired by the Company or a Restricted Subsidiary within 12 months after such sale or transfer. Notwithstanding the foregoing, no retirement referred to in this paragraph (2) may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or any mandatory prepayment provision.

Notwithstanding the foregoing, where the Company or any Subsidiary is the lessee in any sale and leaseback transaction, Attributable Debt shall not include any External Indebtedness resulting from the guarantee by the Company or any other Subsidiary of the lessee's obligation thereunder.

(c) Certain Definitions. The following terms (except as otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of the Fiscal Agency Agreement and the Notes shall have the respective meanings specified in this Condition. All accounting terms used herein and not expressly defined shall have the meanings given to them in accordance with K-IFRS, and the term "K-IFRS" shall mean the International Financial Reporting Standards as adopted by the Republic at the date or time of any computation.

"Attributable Debt" means, as to any lease, at the date of determination, the total net amount of rent required to be paid under such lease during the remaining term thereof including renewal terms at the option of the lessor (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges and contingent rents), discounted from their respective due dates at the rate of interest borne by the Notes compounded annually.

"Consolidated Net Tangible Assets" means the total amount of assets of the Company and its consolidated Subsidiaries, including investments in unconsolidated Subsidiaries, after deducting therefrom (i) all current liabilities (excluding any current liabilities constituting Long-term Debt by reason of their being renewable or extendible at the option of the Company) and (ii) all goodwill, industrial rights, usable and profitable donation assets and software and other like intangible assets, all as set forth on the most recent statement of financial position of the Company and its consolidated Subsidiaries and computed in accordance with K-IFRS.

"External Indebtedness" means any obligation for the payment or repayment of money borrowed which is denominated in a currency other than the currency of the Republic and which has a final maturity of one year or more from its date of incurrence or issuance.

"Long-term Debt" means any note, bond, debenture or other indebtedness for money borrowed having a maturity of more than one year from the date such indebtedness was incurred or having a maturity of less than one year but by its terms being renewable or extendible, at the option of the borrower, beyond one year from the date such evidence of indebtedness was incurred.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Principal Property" means any generation facility located in the Republic, whether currently owned or hereafter acquired, including any land, buildings, structures or machinery and other fixtures that constitute any such facility, or portion thereof, other than any such facility, or portion thereof, reasonably determined by the Board of Directors of the Company not to be of material importance to the total business conducted by the Company and its Subsidiaries as a whole.

"Restricted Subsidiary" means any Subsidiary that owns a Principal Property.

"Security Interest" means any mortgage, pledge, lien, fixed or floating charge or other encumbrance.

"Subsidiary" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned by the Company.

(d) Provision of Information to Holders. The Company covenants that for so long as this Note is a "restricted security" within the meaning of Rule 144 under the U.S. Securities Act of 1933, as amended (the "Securities Act"), the Company shall, at any time when it is not subject to either the periodic reporting requirements of Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, or the requirements of Rule 12g3-2(b) thereunder, provide to any Holder of this Note or prospective purchaser of this Note designated by such Holder, upon the request of such Holder or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

9. Merger and Consolidation

Nothing contained in the Fiscal Agency Agreement or in the Notes shall prevent any consolidation of the Company with, or merger of the Company into, any other corporation or corporations (whether or not affiliated with the Company), or successive consolidations or mergers to which the Company or its successor or successors shall be a party or parties, or shall prevent any sale, transfer, lease or conveyance of the property of the Company as an entirety or substantially as an entirety; provided that (a) in case the Company shall consolidate with or merge into another corporation, or sell, transfer, lease or convey its property as an entirety or substantially as an entirety to any corporation, the corporation formed by such consolidation or into which the Company is merged or the corporation which acquires by sale, transfer, lease or conveyance the property of the Company as an entirety or substantially as an entirety shall be a corporation organized under the laws of the Republic and shall expressly assume, by an agreement supplemental to the Fiscal Agency Agreement executed and delivered to, and in form reasonably satisfactory to, the Fiscal Agent, the due and punctual payment of the principal of and interest (including all Additional Amounts, if any, payable pursuant to Condition 6) on the Notes, and the due and punctual performance and observance of all of the covenants and conditions to the Fiscal Agency Agreement and the Notes on the part of the Company to be performed or observed; (b) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company as a result of such transaction as having been incurred by the Company at the time of such transaction, no Event of Default (as defined below), and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; (c) if, as a result of any such consolidation or merger or such sale, transfer, lease or conveyance, properties or assets of the Company or a Restricted Subsidiary would become subject to a Security Interest which would not be permitted by the Notes, the Company or such successor corporation, as the case may be, shall take such steps as shall be necessary effectively to secure the Notes (together with, if the Company shall so determine, any other indebtedness of the Company or such Restricted Subsidiary then existing or thereafter created which is not subordinate to the Notes) equally and ratably with (or prior to) all indebtedness secured thereby; and (d) the Company has delivered to the Fiscal Agent a certificate signed by an authorized officer of the Company and an opinion of counsel as to matters of law stating that such consolidation, merger, sale, transfer, lease or conveyance and, if a supplemental agreement is required in connection with such transaction, such supplemental agreement comply with the Fiscal Agency Agreement and the Notes and that all conditions precedent herein provided for relating to such transaction have been complied with.

10. Events of Default

In case one or more of the following "Events of Default" shall have occurred and be continuing, that is to say:

(a) default in the payment of any installment of interest upon any of the Notes when it becomes due and continuance of such default for a period of 30 days; or

(b) default in the payment of all or any part of the principal of (or premium, if any, on) any of the Notes as and when the same shall become due and payable, whether at maturity, upon redemption or otherwise and continuance of such default for a period of seven days; or

(c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company contained in the Notes or the Fiscal Agency Agreement for a period of 60 days after the date on which written notice specifying such failure, stating that such notice is a "Notice of Default" hereunder and demanding that the Company remedy the same, shall have been given by registered or certified mail, return receipt requested, to the Company by the Holders of at least 10% in aggregate principal amount of the Notes at the time outstanding; or

(d) any External Indebtedness of the Company in the aggregate outstanding principal amount of US$15,000,000 or more either (i) becoming due and payable by reason of acceleration thereof following default by the Company or (ii) not being repaid at, and remaining unpaid after, maturity as extended by the period of grace, if any, applicable thereto, or any guarantee given by the Company in respect of External Indebtedness of any other Person not being honored when, and remaining dishonored after becoming, due and called; provided that, in the case of (i) above, if any such default under any such External Indebtedness shall be cured or waived, then the default hereunder by reason thereof shall be deemed to have been cured and waived; or

(e) a court or administrative or other governmental agency or body having jurisdiction in the premises shall enter a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency, reorganization, compulsory composition or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property or ordering the winding up, dissolution or liquidation of its affairs, or shall otherwise adjudicate or find the Company to be bankrupt or insolvent and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(f) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency, reorganization, compulsory composition or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or for any substantial part of its property, or cease to carry on the whole or substantially the whole of its business or make any general assignment for the benefit of creditors, or enter into any composition with its creditors, or take corporate action in furtherance of any such action;

then if such Event of Default is continuing, the Holders of 25% or more in aggregate outstanding principal amount of the Notes may, by written demand to the Company at the office of the Fiscal Agent, declare the Notes immediately due and payable. Upon such declaration, the Fiscal Agent shall give notice thereof to the Company and to the Holders of the Notes, by mail and publication. If, after any such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Company pays or deposits with the Fiscal Agent all amounts then due with respect to the Notes (other than amounts due solely because of such declaration) and cures all other Events of Default with respect to the Notes, such defaults may be waived and such declaration may be annulled and rescinded by the Holders of more than 50% in aggregate outstanding principal amount of the Notes by written notice thereof to the Company at the office of the Fiscal Agent.

11. Meetings of Holders; Modifications and Amendments

(a) The Company at any time may, and at any time after the Notes shall have become immediately due and payable due to a default upon a request in writing made by Holders holding not less than 10% of the aggregate outstanding principal amount of the Notes the Fiscal Agent shall, convene a meeting of Holders of the Notes. Any such request in writing by the Holders shall be delivered to the Fiscal Agent. Further provisions concerning meetings of the Holders are set forth in the Fiscal Agency Agreement.

(b) Modifications and amendments to the Fiscal Agency Agreement or the Notes requiring consent of Holders may be made, and future compliance therewith or past defaults by the Company may be waived, with the consent of the Company and the Holders of more than 50% in aggregate principal amount of the Notes at the time outstanding, or of such lesser percentage as may act at a meeting of Holders held in accordance with the provisions of the Fiscal Agency Agreement; provided that no such modification, amendment or waiver of the Fiscal Agency Agreement or any Note may, without the consent of each Holder affected

thereby, (i) change the stated maturity of the principal of or interest on any such Note; (ii) reduce the principal of or interest on any such Note; (iii) change the currency of payment of the principal of or interest on any such Note; or (iv) reduce the above-stated percentage of aggregate principal amount of Notes outstanding or reduce the quorum requirements or the percentage of votes required for the taking of any action. Any modifications, amendments or waivers consented to or approved at a meeting will be conclusive and binding on all Holders of Notes whether or not they have given such consent or were present at such meeting, and on all future Holders of Notes whether or not notation of such modifications, amendments or waivers is made upon the Notes. Any instrument given by or on behalf of any Holder of a Note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Holders of such Note.

(c) At a meeting of the Holders of the Notes called for any of the above purposes, persons entitled to vote a majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum. In the absence of a quorum at any such meeting, the meeting may be adjourned for a period of not less than ten days; in the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than ten days; at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to vote 25% in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution to modify or amend, or to waive compliance with, any of the covenants or conditions referred to above (other than those set forth in Clauses (i)-(iv) of Condition 11(b) hereof) shall be effectively passed if passed by the persons entitled to vote the lesser of (i) a majority in aggregate principal amount of Notes then outstanding or (ii) 75% in aggregate principal amount of the Notes represented and voting at the meeting.

(d) The Fiscal Agency Agreement and the terms and conditions of the Notes may be modified, supplemented or amended by the Company and the Fiscal Agent, without the consent of the Holder of any Note, for the purpose of adding to the covenants of the Company for the benefit of the Holders, surrendering any right or power conferred upon the Company, securing the Notes, adding co-obligor(s) with respect to the Notes, curing any ambiguity, correcting or supplementing any defective provision therein, implementing the provisions of this Condition 11 or in any other manner which the Company and the Fiscal Agent may mutually deem necessary or desirable and which shall not adversely affect the interests of the Holders of the Notes in any material respect, to all of which each Holder of any Note shall, by acceptance thereof, consent.

12. Notices to Holders

Except as otherwise expressly provided herein, whenever the Fiscal Agency Agreement or this Note requires that the Company or the Fiscal Agent give notice to the Holder hereof, the Company or the Fiscal Agent will cause such notice to be mailed to the Holders of Notes at their respective addresses as they appear on the Note Register. If by reason of the suspension of regular mail service, or by reason of any other cause, it shall be impracticable to give notice to the Holders of Notes in the manner prescribed herein, then such notification in lieu thereof as shall be made by the Company or by the Fiscal Agent on behalf of and at the instruction of the Company shall constitute sufficient provision of such notice, if such notification shall, so far as may be practicable, approximate the terms and conditions of the notice in lieu of which it is given. Neither the failure to give notice nor any defect in any notice given to any particular Holder of a Note shall affect the sufficiency of any notice with respect to other Notes.

13. Valid Obligations

The Company hereby certifies and declares that all acts, conditions and things required to be done and performed and to have happened precedent to the creation and issuance of this Note, and to constitute the same the valid and legally binding obligation of the Company enforceable in accordance with its terms, have been done and performed and have happened in due and strict compliance with the applicable laws of the State of New York.

Notwithstanding the foregoing, so long as any Note is represented by a Global Note and the Global Note is held by or on behalf of the clearing systems, notice to holders of any such Note may be given by delivery of the relevant notice to the clearing systems or their successors for communication by them to entitled accountholders in accordance with the applicable procedures of the relevant clearing systems in substitution for notification as required by the foregoing sentence.

14. Governing Law and Submission to Jurisdiction

(a) Governing law. THIS NOTE SHALL BE GOVERNED BY, AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) Submission to jurisdiction. The Company agrees that any suit, action or proceeding against the Company brought by any Holder arising out of or based upon the Fiscal Agency Agreement or the Notes may be instituted in any State or U.S. federal court in The City of New York and County of New York, and waives any objection which it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any suit, action or proceeding. The Company has appointed Cogency Global Inc., presently located at 122 East 42nd Street, 18th Floor, New York, NY10168, United States, as its authorized agent (the "Authorized Agent," which expression shall include any replacement authorized agent) upon whom process may be served in any suit, action or proceeding arising out of or based upon the Fiscal Agency Agreement or the Notes that may be instituted in any State or U.S. federal court in The City of New York and County of New York, by any Holder and expressly accepts the non-exclusive jurisdiction of any such court in respect of any such suit, action or proceeding. The Company agrees to take any and all action, including the filing of any and all documents that may be necessary to continue such appointment in full force and effect as aforesaid. If for any reason the appointment of the Authorized Agent shall cease to be in force the Company shall forthwith appoint a new agent to be the Authorized Agent and shall give notice thereof to the Fiscal Agent in any manner permitted by applicable law and the Holders in accordance with Condition 12. Service of process upon the Authorized Agent in any manner permitted by applicable law shall be deemed, in every respect, effective service of process upon the Company. Notwithstanding the foregoing, any action arising out of or based upon the Notes may be instituted in any court of competent jurisdiction in Korea or any other jurisdiction. The Company hereby waives any right to trial by jury in any action, proceeding or counterclaim arising out of or relating to the Fiscal Agency Agreement or the Notes.

(c) Waiver of immunity. The Company hereby irrevocably and unconditionally waives with respect to the Notes any right to claim sovereign or other immunity from jurisdiction or execution and any similar defense and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any proceedings.

THE GLOBAL NOTE

Capitalized terms used in this section and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Notes."

The Notes will initially be represented by the Global Note. The Global Note will be deposited with and registered in the name of a nominee of the Common Depositary, and Euroclear and Clearstream will credit their respective account holders with the respective principal amounts of the individual interests represented by such Global Note. Such accounts will be designated initially by or on behalf of the representative of the Joint Lead Managers. Ownership of beneficial interests in the Global Note will be limited to persons who have accounts with Euroclear or Clearstream or persons who hold interests through such account holders. Ownership of beneficial interests in the Global Note will be shown on, and the transfer of that ownership will be effected only through, the records maintained by Euroclear and Clearstream (with respect to interests of their respective account holders) and the records of such account holders (with respect to interests of persons other than such account holders).

Each Global Note (and any Notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein and described under "Subscription and Sale." Except in the limited circumstances described in the terms and conditions of the Notes, owners of beneficial interests in the Global Note will not be entitled to receive physical delivery of definitive certificates representing their Notes.

Payments in respect of the Notes represented by the Global Note will be made to the Common Depositary or its nominee as the registered owner thereof. None of the Company, the Fiscal Agent, the Common Depositary, the Registrar, any Paying Agent, any Transfer Agent or any other Agent will have any responsibility or liability for the accuracy of any of the records relating to, or payments made on account of, beneficial interests in the Global Note or for any notice permitted or required to be given to persons with beneficial interests in the Global Note or any consent given or actions taken by such persons. The Company expects that the Common Depositary, upon receipt of any payment in respect of any Notes represented by the Global Note held by it or its nominee, will promptly credit the accounts of the participants of Euroclear and Clearstream with payments proportionate to their respective interests in the principal amount of the Notes represented by the Global Note as shown on its records.

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear and Clearstream and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream and their respective direct and indirect participants.

Although Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Note among participants and account holders of Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Company, the Fiscal Agent, the Common Depositary, the Registrar, any Paying Agent, any Transfer Agent or any other Agent will have any responsibility for the performance by Euroclear, Clearstream or their respective participants, indirect participants or account holders, of their respective obligations under the rules and procedures governing their operations.

Euroclear and Clearstream each holds the Notes for participating organizations and facilitates the clearance and settlement of Note transactions between its respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Participants of Euroclear and Clearstream are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other

organizations. Indirect access to Euroclear and Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a participant of Euroclear or Clearstream, either directly or indirectly.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Global Note is exchanged for definitive Notes in certificated form, we 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 a Global Note is exchanged for definitive Notes in certificated form, an announcement of such exchange will be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes in certificated form, including details of the paying agent in Singapore.

TAXATION

Korean Taxation

The information provided below does not purport to be a complete summary of Korean tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.

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 tax (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 resided in Korea 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 relevant 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. 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 advisers 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 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.

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.

SUBSCRIPTION AND SALE

Under the terms and conditions contained in a purchase agreement dated October 27, 2025 (the "Purchase Agreement"), we have agreed to sell to Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and Merrill Lynch International (together, the "Joint Lead Managers"), the following principal amount of Notes.

Joint Lead Managers	Principal Amount of the Notes
Citigroup Global Markets Limited	US$ 100,000,000
The Hongkong and Shanghai Banking Corporation Limited	100,000,000
Merrill Lynch International	100,000,000
Total	US$ 300,000,000

The Purchase Agreement provides that the Joint Lead Managers are obligated to purchase all of the Notes, if any are purchased. The Purchase Agreement also provides that if a Joint Lead Manager defaults, the purchase commitments of non-defaulting Joint Lead Managers may be increased or the offering may be terminated. Each of the Joint Lead Managers proposes to offer the Notes initially at the offering price on the cover page of this Offering Circular. After the initial offering, the offering price may be changed.

We have agreed to indemnify each of the Joint Lead Managers against certain liabilities, including liabilities under the Securities Act, or to contribute the Joint Lead Managers may be required to make in respect of those liabilities.

The Joint Lead Managers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the Purchase Agreement, such as the receipt by the Joint Lead Managers of officer's certificates and legal opinions. The Joint Lead Managers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

If you purchase Notes in this Offering, you will be deemed to have made representations and agreements as described under "Transfer Restrictions."

Commissions and Discounts

The purchase price for the Notes will be the offering price set forth on the cover page of this Offering Circular net of a combined management and underwriting commission. After the initial offering, the offering price or any other term of the offering may be changed.

New Issue of Notes

The Notes are a new issue of securities with no established trading market. The Joint Lead Managers have advised that they presently intend to make a market in the Notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Settlement

Delivery of the Notes is expected on or about November 4, 2025.

No Sales of Similar Securities

For a period of thirty (30) days after the date hereof, we will not, without the prior written consent of the Joint Lead Managers, (i) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any debt securities (other than those denominated in Korean Won) issued or guaranteed by us and having a maturity of more than one year from the date of issue, (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Notes, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Notes or such other securities, in cash or otherwise or (iii) publicly disclose the intention to make any transaction described in clause (i) or (ii) above. We will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or the safe harbor of Regulation S to cease to be applicable to the offer and sale of the Notes.

Short Positions

In connection with the offering, the Joint Lead Managers may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the Joint Lead Managers of a greater principal amount of Notes than they are required to purchase in the offering. The Joint Lead Managers must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the Joint Lead Managers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the Joint Lead Managers' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

None of us and the Joint Lead Managers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, none of us and the Joint Lead Managers make any representation that the Joint Lead Managers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Important Notice to CMIs (including private banks)

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 this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are our directors, employees or major shareholders, a CMI or its group companies would be considered under the SFC Code as having an Association with us, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with us or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for this 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 set out elsewhere in this Offering Circular.

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 inquire 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 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 Company. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

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 Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, whether 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 Joint Lead Managers (if any) to categorize it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

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: DCM.Omnibus@citi.com; hk_syndicate_omnibus@hsbc.com.hk; bofa_dcm_syndicate_pb_orders@bofa.com.

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 us, 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 this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The relevant Joint Lead Managers 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 Joint Lead Manager with such evidence within the timeline requested.

Selling Restrictions

General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Circular or any amendment or supplement to this Offering Circular, in any country or jurisdiction where action for any such purposes is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with applicable laws and regulations.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S. Each Joint Lead Manager has represented and agreed that it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells the Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(i) 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 the Notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

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 the SIX Swiss Exchange 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 Swiss Exchange 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, us 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, and investors in the Notes will not benefit from protection or supervision by such authority.

Korea

Each Joint Lead Manager severally represents and agrees that the Notes have not been and will not be offered, delivered or sold directly or indirectly in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Act of Korea and the regulations thereunder), or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea, except as otherwise permitted under applicable Korean laws and regulations.

In addition, each Joint Lead Manager has confirmed that (i) during the first year after the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean QIB, as defined in the Regulation on the Issuance of Securities and Public Disclosure, Etc. of Korea) who is registered with the KOFIA for Korean QIB bond trading and (ii) the Notes acquired by all Korean QIBs at the time of issuance must be no more than 20% of the aggregate principal amount of the Notes.

Each Joint Lead Manager undertakes to use commercially reasonable best measures as a Joint Lead Manager in the ordinary course of its business so that any securities dealer to which it sells the Notes confirms that it is purchasing such Notes as principal and agrees with such Joint Lead Manager that it will comply with the restrictions described above.

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 Joint Lead Manager has represented and agreed 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 Joint Lead Manager severally represents, warrants and agrees that:

(i) 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") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) 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 Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed 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).

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 – *Prospectus Exemptions or subsection* 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Other Relationships

Some of the Joint Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

The Joint Lead Managers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. The Joint Lead Managers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to Notes and/or our other securities at the same time as the offer and sale of 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 Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of Notes). We have been advised by the Joint Lead Managers that they may offer and sell Notes to or through any of their respective affiliates and any such affiliate may offer and sell Notes purchased by it to or through any Joint Lead Manager.

In addition, in the ordinary course of their business activities, the Joint Lead Managers 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. Such investments and securities activities may involve securities and/or instruments of ours and our affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of 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.

TRANSFER RESTRICTIONS

Because of the following restrictions, investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes offered pursuant to this Offering Circular.

Transfer Restrictions under U.S. Securities Laws

The Notes have not been and will not be registered under the Securities Act. The Notes may not be offered or sold to any person in the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Except in certain limited circumstances, interests in the Notes may only be held through interests in the Global Note. Such interests in the Global Note will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their respective direct and indirect participants. See "Terms and Conditions of the Notes" and "The Global Note."

Each purchaser of the Notes, by accepting delivery of this Offering Circular, will be deemed to have acknowledged and represented and agreed as follows:

1. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer.

2. Until forty (40) days after the commencement of offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

3. Such purchaser will not offer, sell, pledge or otherwise transfer any interest in the Notes except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

4. The Notes will bear legends to the following effect, unless the Company determines otherwise in compliance with applicable law, and such purchaser will observe the restrictions contained therein:

THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON UNTIL 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE DATE OF ORIGINAL ISSUANCE OF THE NOTES, EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

Transfer Restrictions Under Korean Law

Each purchaser of the Notes, by accepting delivery of this Offering Circular, will be deemed to have acknowledged and represented and agreed as follows:

THE NOTES HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. ACCORDINGLY, THE NOTES HAVE NOT BEEN AND WILL NOT BE OFFERED, DELIVERED, OR SOLD DIRECTLY OR INDIRECTLY IN KOREA OR TO, OR FOR

THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS ACT OF KOREA AND THE REGULATIONS THEREUNDER) OR TO OTHERS FOR RE-OFFERING OR RESALE DIRECTLY OR INDIRECTLY IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE KOREAN LAWS AND REGULATIONS.

IN ADDITION, WITHIN ONE YEAR FOLLOWING THE ISSUANCE OF THE NOTES, THE NOTES MAY NOT BE TRANSFERRED TO ANY RESIDENT OF KOREA OTHER THAN A QUALIFIED INSTITUTIONAL BUYER (OR A "KOREAN QIB," AS DEFINED IN THE REGULATION ON THE ISSUANCE OF SECURITIES AND PUBLIC DISCLOSURE, ETC. OF KOREA) REGISTERED WITH THE KOREA FINANCIAL INVESTMENT ASSOCIATION 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.

Transfer Restrictions under Singapore Law

Where the Notes are initially subscribed or purchased by (i) an institutional investor (as defined in Section 4A of 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, the Notes may only be sold or transferred: (a) at any time, to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (b) at any time, 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, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

LEGAL MATTERS

Cleary Gottlieb Steen & Hamilton LLP, U.S. counsel to the Joint Lead Managers, will pass upon certain legal matters as to United States 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 New York law.

INDEPENDENT AUDITORS

With respect to our unaudited interim condensed consolidated financial statements as of June 30, 2025 and for the six-month period ended June 30, 2025 included in this Offering Circular, 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 contains an emphasis-of-matter paragraph regarding the basis of preparation related to the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, 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.

Our audited consolidated financial statements as of and for the years ended December 31, 2022, 2023 and 2024 have been audited by Hanul LLC, independent auditors, as stated in their respective reports included elsewhere in this Offering Circular.

Our unaudited consolidated interim financial information as of and for the six-month period ended June 30, 2024 has been reviewed by Hanul LLC as stated in their report included elsewhere in this Offering Circular.

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Independent Auditors' Review Report

To the Board of Directors and Shareholder of

Korea East-West Power Co., Ltd.

Reviewed Consolidated Financial Statements

We have reviewed the accompanying condensed consolidated interim financial statements of Korea East-West Power Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated interim statement of financial position as of June 30, 2025, the consolidated interim statements of comprehensive loss for the three-month and six-month periods ended June 30, 2025, the consolidated interim statements of changes in equity and cash flows for the six-month period ended June 30, 2025, and notes, comprising of material accounting policy information and other explanatory information.

Management's Responsibility

Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with 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 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 review.

We conducted our review 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 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 review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements referred to above do not present fairly, in all material respects, in accordance with Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

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 has prepared its consolidated interim financial statements 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 Accounting Standards ("K-IFRS") where specific accounting treatments are not prescribed by the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. There are no accounts of which accounting treatment is materially different compared to K-IFRS in order for the Group to be in full compliance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. Our conclusion is not modified in respect of this matter.

Other Matters

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.

The consolidated interim statements of comprehensive loss for the three-month and six-month periods ended June 30, 2024, and the consolidated interim statements of changes in equity and cash flows for the six-month period ended June 30, 2024, presented for comparative purposes, have been reviewed by another auditor. Their review report dated August 13, 2024, stated that nothing had come to their attention that caused them to believe that those consolidated interim financial statements did not present fairly, in all material respects, in accordance with Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

The consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, have been audited by another auditor in accordance with Korean Standards on Auditing and their report thereon, dated March 11, 2025, expressed an unqualified opinion. The accompanying consolidated statement of financial position of the Group as of December 31, 2024, presented for comparative purposes, is not different from that audited by another auditor from which it was derived in all material respects.

KPMG Samjong Accounting Corp.

Seoul, Korea

August 14, 2025

This report is effective as of August 14, 2025, 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.

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Independent auditors' review report

To the Shareholder and the Board of Directors of
Korea East-West Power Co., Ltd.

Report on the Interim Condensed Consolidated Financial Statements

We have reviewed the accompanying interim condensed consolidated financial statements of Korea East-West Power Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the interim condensed consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2024, the interim condensed consolidated statements of changes in equity and the interim condensed consolidated statements of cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory information.

Management's Responsibility for the Interim Condensed Consolidated Financial Statements

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Public Corporation and Quasi-Governmental Institution Accounting Regulations and Standards, and for such internal control as management determines is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Accountants' Responsibility

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the review standards for interim financial statements in 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 Auditing Standards ("KGAAS") 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.

Review Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with Public Corporation and Quasi-Governmental Institution Accounting Regulations and Standards.

Hanul LLC is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Hanul LLC and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Hanul LLC.
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Other Matters

This review report is issued based on the review report dated August 13, 2024, in which we expressed our conclusion on the Company's interim condensed consolidated financial statements for the reporting period ended June 30, 2024, in accordance with the review standards for interim financial statements in the Republic of Korea.

Hanul LLC

Seoul, the Republic of Korea
August 13, 2024

Korea East-West Power Co., Ltd. and its subsidiaries
Interim consolidated statements of financial position
As of June 30, 2025 and December 31, 2024 (Unaudited)

(Korean Won)

	Notes	June 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	5,6,37,38,41	₩ 113,824,864,360	₩ 169,451,420,382
Current financial assets	7,10,11,37,38,39,41	106,403,724,345	303,338,134,757
Trade and other receivables	8,37,38,39,41	862,614,285,521	686,932,317,996
Inventories	12	253,451,708,844	220,376,546,100
Current income tax receivables		23,829,785	57,069,719
Current non-financial assets	13	69,060,183,873	52,434,898,217
		1,405,378,596,728	1,432,590,387,171
Non-current assets			
Non-current financial assets	6,7,9,10,11,37,38,39,40,41	2,296,619,867,632	2,573,988,309,199
Long-term trade and other receivables	8,37,38,39	13,442,622,038	15,465,882,063
Property, plant and equipment, net	15,19,23,41	7,376,843,071,306	7,267,101,085,967
Goodwill	16	104,701,499,835	105,480,942,947
Intangible assets excluding goodwill	17	234,872,760,500	242,547,001,873
Investments in associates and joint ventures	4,14,39	1,182,318,844,370	1,227,070,579,582
Deferred tax assets		3,807,137,915	2,583,779,292
Non-current non-financial assets	13	28,517,857,966	27,404,733,850
		11,241,123,661,562	11,461,642,314,773
Total assets		**₩ 12,646,502,258,290**	**₩ 12,894,232,701,944**
Liabilities			
Current liabilities			
Trade and other payables	18,19,37,38,39,40	₩ 421,290,790,309	₩ 445,848,511,556
Current financial liabilities	7,20,37,38,39,40	1,180,931,622,900	1,749,969,739,647
Current non-financial liabilities	24	36,670,119,508	27,540,615,483
Current portion of provisions	22,38,39	46,543,768,726	48,811,752,800
Current income tax liabilities		57,665,739,303	69,992,769,041
		1,743,102,040,746	2,342,163,388,527
Non-current liabilities			
Non-current trade and other payables	18,19,37,38,40	290,106,137,429	330,030,865,070
Non-current financial liabilities	20,37,38,40	2,960,436,687,561	2,166,107,578,039
Non-current non-financial liabilities	24	20,712,052,580	20,745,513,993
Employee benefit obligation	21,38	45,802,977,383	34,416,971,492
Deferred tax liabilities		754,325,440,931	850,823,060,321
Provisions	22,39	8,252,111,334	8,423,907,227
		4,079,635,407,218	3,410,547,896,142
Total liabilities		**5,822,737,447,964**	**5,752,711,284,669**
Equity			
Issued capital	1,25	2,218,598,774,310	2,218,598,774,310
Retained earnings	26	2,926,924,686,541	3,006,643,652,362
Other components of equity	7,9,14,27,37	1,645,691,085,484	1,882,096,957,855
Equity attributable to owners of the Company		6,791,214,546,335	7,107,339,384,527
Non-controlling interests		32,550,263,991	34,182,032,748
Total equity		**6,823,764,810,326**	**7,141,521,417,275**
Total liabilities and equity		**₩ 12,646,502,258,290**	**₩ 12,894,232,701,944**

The accompanying notes are an integral part of the interim consolidated financial statements.

Korea East-West Power Co., Ltd. and its subsidiaries
Interim consolidated statements of comprehensive loss
For the three and six months ended June 30, 2025 and 2024 (Unaudited)

(Korean Won)

	Notes	2025		2024	
		3 Months	6 Months	3 Months	6 Months
Sale of goods		₩ 1,009,181,371,970	₩ 2,275,099,583,893	₩ 1,064,446,658,108	₩ 2,408,600,470,170
Rendering of services		786,547,661	786,547,661	132,960,000	132,960,000
Revenue	4,28,39	**1,009,967,919,631**	**2,275,886,131,554**	**1,064,579,618,108**	**2,408,733,430,170**
Cost of sales	21,35,39	869,556,370,620	1,906,163,857,055	921,066,954,651	2,184,440,162,094
Gross profit		**140,411,549,011**	**369,722,274,499**	**143,512,663,457**	**224,293,268,076**
Selling and administrative expenses	4,15,17,19,21,23,29,35,39	44,694,614,992	83,181,093,756	45,633,709,668	82,440,050,698
Operating profit	4	**95,716,934,019**	**286,541,180,743**	**97,878,953,789**	**141,853,217,378**
Other income	30,39	8,591,679,356	18,290,185,540	4,530,294,346	11,766,278,059
Other expenses	30	457,479,880	6,062,048,887	2,606,440,482	3,680,590,804
Other profit or loss	31,37,38	(3,825,852,630)	(6,913,244,482)	(15,623,019,556)	(25,173,976,977)
Finance income	7,32,37,38,39	158,059,231,487	174,859,175,707	73,155,381,859	163,507,704,136
Finance costs	7,19,33,37,38	152,811,646,050	189,572,513,546	98,828,781,108	220,796,805,647
Gain on investments in associates and joint ventures	14	16,258,508,747	42,606,364,716	24,194,560,061	41,148,943,132
Profit for the period before tax		**121,531,375,049**	**319,749,099,791**	**82,700,948,909**	**108,624,769,277**
Income tax expense (benefit)	34	(4,550,247,743)	88,904,553,223	13,954,049,805	(18,616,967,580)
Profit for the period		**126,081,622,792**	**230,844,546,568**	**68,746,899,104**	**127,241,736,857**

(Continues)

Korea East-West Power Co., Ltd. and its subsidiaries
Interim consolidated statements of comprehensive loss (cont'd)
For the three and six months ended June 30, 2025 and 2024 (Unaudited)

(Korean Won)

	Notes	2025		2024	
		3 Months	6 months	3 Months	6 months
Other comprehensive income(loss)					
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:					
Re-measurement loss on defined benefit plans	21,26	(1,359,454,725)	(5,416,053,117)	(4,153,153,464)	(15,723,382,525)
Loss on valuation of equity instruments at FVOCI	9,37	(118,793,104,295)	(191,043,747,177)	(283,645,321,545)	(335,472,287,048)
Share of other comprehensive income(loss) of associates and joint ventures in equity method	14	-	-	(347,106,480)	(347,106,480)
Other comprehensive income(loss) to be reclassified to profit or loss in subsequent periods:					
Net gain(loss) on cash flow hedges	7,37	(4,559,896,705)	5,920,301,629	403,620,928	(1,069,105,272)
Share of other comprehensive income (loss) of associates and joint ventures in equity method	14	(46,006,991,755)	(43,491,522,825)	20,149,906,647	43,786,737,147
Exchange differences on translation of foreign operations		(4,168,238,560)	(7,790,903,998)	2,834,945,487	6,352,107,346
Other comprehensive loss for the period		**(174,887,686,040)**	**(241,821,925,488)**	**(264,757,108,427)**	**(302,473,036,832)**
Total comprehensive loss for the period		**₩ (48,806,063,248)**	**₩ (10,977,378,920)**	**₩ (196,010,209,323)**	**₩ (175,231,299,975)**
Profits for the period, attributable to:					
Owners of the Company		₩ 126,275,473,598	₩ 229,520,676,191	₩ 68,495,011,937	₩ 125,929,324,374
Non-controlling interests		(193,850,806)	1,323,870,377	251,887,167	1,312,412,483
		₩ 126,081,622,792	**₩ 230,844,546,568**	**₩ 68,746,899,104**	**₩ 127,241,736,857**
Total comprehensive loss for the period, attributable to:					
Owners of the Company		₩ (48,612,212,442)	₩ (12,301,249,297)	₩ (196,262,096,490)	₩ (176,543,712,458)
Non-controlling interests		(193,850,806)	1,323,870,377	251,887,167	1,312,412,483
		₩ (48,806,063,248)	**₩ (10,977,378,920)**	**₩ (196,010,209,323)**	**₩ (175,231,299,975)**
Earnings per share:	36				
Basic earnings per share		₩ 2,180	₩ 3,962	₩ 1,182	₩ 2,174
Diluted earnings per share		₩ 2,180	₩ 3,962	₩ 1,182	₩ 2,174

The accompanying notes are an integral part of the interim consolidated financial statements.

Korea East-West Power Co., Ltd. and its subsidiaries
Interim consolidated statements of changes in equity
For the six months ended June 30, 2025 and 2024 (Unaudited)

(Korean Won)

	Attributable to owners of the Company					
	Issued capital	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity
As of January 1, 2024	**₩ 2,218,598,774,310**	**₩ 2,504,613,080,536**	**₩ 1,621,387,720,875**	**₩ 6,344,599,575,721**	**₩ 30,668,061,620**	**₩ 6,375,267,637,341**
Profit for the period	-	125,929,324,374	-	125,929,324,374	1,312,412,483	127,241,736,857
Changes in other comprehensive income(loss):						
Loss on valuation of financial assets at FVOCI	-	-	(335,472,287,048)	(335,472,287,048)	-	(335,472,287,048)
Net loss on cash flow hedges	-	-	(1,069,105,272)	(1,069,105,272)	-	(1,069,105,272)
Re-measurement gain on defined benefit plans	-	(15,723,382,525)	-	(15,723,382,525)	--	(15,723,382,525)
Share of other comprehensive income of associates and joint ventures in equity method	-	(347,106,480)	43,786,737,147	43,439,630,667	-	43,439,630,667
Exchange differences on translation of foreign operations	-	-	6,352,107,346	6,352,107,346		6,352,107,346
Total comprehensive income(loss)	-	109,858,835,369	(286,402,547,827)	(176,543,712,458)	1,312,412,483	(175,231,299,975)
As of June 30, 2024	**₩ 2,218,598,774,310**	**₩ 2,614,471,915,905**	**₩ 1,334,985,173,048**	**₩ 6,168,055,863,263**	**₩ 31,980,474,103**	**₩ 6,200,036,337,366**
As of January 1, 2025	**₩ 2,218,598,774,310**	**₩ 3,006,643,652,362**	**₩ 1,882,096,957,855**	**₩ 7,107,339,384,527**	**₩ 34,182,032,748**	**₩ 7,141,521,417,275**
Profit for the period	-	229,520,676,191		229,520,676,191	1,323,870,377	230,844,546,568
Changes in other comprehensive income(loss):						
Loss on valuation of financial assets at FVOCI	-	-	(191,043,747,177)	(191,043,747,177)	-	(191,043,747,177)
Net gain on cash flow hedges	-	-	5,920,301,629	5,920,301,629	-	5,920,301,629
Re-measurement loss on defined benefit plans	-	(5,416,053,117)	-	(5,416,053,117)	-	(5,416,053,117)
Share of other comprehensive income of associates and joint ventures in equity method	-	-	(43,491,522,825)	(43,491,522,825)	-	(43,491,522,825)
Exchange differences on translation of foreign operations	-	-	(7,790,903,998)	(7,790,903,998)	-	(7,790,903,998)
Total comprehensive income(loss)	-	224,104,623,074	(236,405,872,371)	(12,301,249,297)	1,323,870,377	(10,977,378,920)
Transaction with owners directly recognized in equity:						
Dividends (Note 26)	-	(304,086,228,029)	-	(304,086,228,029)	-	(304,086,228,029)
Paid-in capital reduction of subsidiaries	-	262,639,134	-	262,639,134	(2,955,639,134)	(2,693,000,000)
As of June 30, 2025	**₩ 2,218,598,774,310**	**₩ 2,926,924,686,541**	**₩ 1,645,691,085,484**	**₩ 6,791,214,546,335**	**₩ 32,550,263,991**	**₩ 6,823,764,810,326**

The accompanying notes are an integral part of the interim consolidated financial statements.

Korea East-West Power Co., Ltd. and its subsidiaries
Interim consolidated statements of cash flows
For the six months ended June 30, 2025 and 2024 (Unaudited)

(Korean Won)

	June 30, 2025	June 30, 2024
Operating activities		
Profit for the period	₩ 230,844,546,568	₩ 127,241,736,857
Adjustments to reconcile profit for the period to net cash flows provided by operating activities:		
Pension benefit	7,633,730,772	11,748,598,410
Depreciation	336,338,738,124	345,301,685,450
Amortization	8,529,404,323	8,368,930,590
Income tax expense(benefit)	88,904,553,223	(18,616,967,580)
Loss on disposal of property, plant and equipment	17,201,891	-
Loss on write-off of property, plant and equipment	2,052,823,811	12,931,242,659
Interest expenses	56,477,867,033	57,561,503,109
Gain on disposal of property, plant and equipment	(456,553,646)	(3,014,659,980)
Reversal of impairment loss on intangible assets	(39,750,000)	-
Interest income	(8,945,186,668)	(9,039,923,211)
Loss(gain) on foreign currency translation, net	(63,929,756,731)	161,720,877,992
Gain on foreign currency transaction, net	(43,391,281,028)	(359,899,898)
Loss(gain) on valuation of financial assets at FVTPL	(1,593,407,394)	40,780,274
Loss(gain) on disposal of financial assets at FVTPL	1,975,114,080	(85,417,029)
Loss(gain) on derivative instruments, net	73,627,830,836	(149,809,508,645)
Gain on valuation of investments in associates and joint ventures, net	(38,786,467,583)	(41,148,943,132)
Loss on disposal of investments in associates and joint ventures, net	(3,819,897,133)	-
Increase in provisions, net	26,513,261,252	17,385,465,802
Others	(1,984,735,714)	(2,549,139,200)
Changes in operating assets and liabilities:		
Trade receivables	103,903,222,522	(1,765,388,494)
Accrued income	50,698,763,097	11,565,329,452
Other receivables	(45,722,581,392)	52,317,230,277
Advance payments	(703,297,717)	(1,109,508,920)
Prepaid expenses	(290,833,712,692)	(178,879,068,661)
Other current assets	(11,348,309,898)	5,170,080,238
Inventories	(33,266,530,881)	(60,121,254,540)
Trade payables	(75,346,997,851)	73,023,838,685
Other payables	82,472,480,245	(26,673,455,153)
Accrued expenses	(43,331,223)	735,824,883
Unearned revenue	609,560,224	476,348,557
Withholdings	4,268,628,701	3,959,255,392
Other current liabilities	4,658,015,105	4,142,444,366
Other non-current liabilities	(12,011,831)	(11,351,994)
Payment of provisions	(21,326,284,720)	(25,982,901,600)
Pension benefits paid	(2,406,801,069)	(8,149,026,321)
Increase in plan assets	(711,672,936)	(812,743,334)
Settlement of derivative instruments	(692,794,593)	-
	434,164,379,107	365,562,015,301
Dividends received	48,439,604,726	18,089,569,471
Interest paid	(73,166,678,690)	(55,957,508,284)
Interest received	10,615,283,337	8,277,923,452
Income tax received(paid)	(140,811,204,723)	2,005,615,833
Net cash flows provided by operating activities	**₩ 279,241,383,757**	**₩ 337,977,615,773**

(Continues)

Korea East-West Power Co., Ltd. and its subsidiaries
Interim consolidated statements of cash flows (cont'd)
For the six months ended June 30, 2025 and 2024 (Unaudited)

(Korean Won)

	June 30, 2025	June 30, 2024
Investing activities		
Collection of loans	₩ 10,794,579,990	₩ 2,029,316,694
Collection of deposits	2,358,000,000	8,995,180,000
Decrease in financial assets at amortized cost	3,505,480,000	4,003,600,000
Proceeds from disposal of land	70,345,729	22,091,130
Proceeds from disposal of buildings	274,002,587	74,268,870
Proceeds from disposal of machinery	290,949,377	2,958,936,387
Proceeds from disposal of vehicles	-	15,001,000
Proceeds from disposal of intangible assets	104,750,000	-
Proceeds from disposal of tools and equipment	-	3,232,728
Decrease in investment in joint ventures	10,345,462,610	-
Net decrease(increase) in financial assets at FVTPL	(28,500,000,000)	140,125,294,651
Increase in financial assets at amortized cost	(10,010,900,000)	(4,022,380,000)
Increase in investment in associates	(3,690,000,000)	-
Increase in investment in joint ventures	-	(1,470,331,038)
Increase in loans	(8,472,176,970)	(1,062,966,010)
Payment of deposits	(6,249,802,519)	(5,551,639,053)
Acquisition of land	-	(1,766,600)
Acquisition of machinery	(9,555,881,181)	(5,015,049,752)
Acquisition of furniture and fixtures	(23,996,717)	(22,556,727)
Acquisition of tools and equipment	(24,482,972)	-
Acquisition of construction-in-progress	(438,363,597,782)	(446,559,760,263)
Acquisition of intangible assets	(256,080,000)	-
Acquisition of other investment assets	(13,396,645,664)	(20,503,372,638)
Net cash flows used in investing activities	**₩ (490,799,993,512)**	**₩ (325,982,900,621)**
Financing activities		
Net proceeds from short-term borrowings	₩ 610,000,000,000	₩ 200,000,000,000
Proceeds from long-term borrowings and bonds	1,276,575,578,800	258,949,008,400
Repayment of long-term borrowings and bonds	(1,581,466,800,000)	(343,690,646,666)
Settlement of derivative instruments	193,198,135,982	13,301,992,827
Lease payments	(31,143,935,026)	(30,775,034,771)
Dividends	(304,086,228,029)	(299,888,192,581)
Changes in ownership interest in subsidiaries	(2,693,000,000)	-
Net cash flows provided by (used in) financing activities	**₩ 160,383,751,727**	**₩ (202,102,872,791)**
Net foreign exchange difference	(4,451,697,994)	4,501,570,618
Net decrease in cash and cash equivalents	(55,626,556,022)	(185,606,587,021)
Cash and cash equivalents as of January 1	169,451,420,382	318,621,809,707
Cash and cash equivalents as of June 30	**₩ 113,824,864,360**	**₩ 133,015,222,686**

The accompanying notes are an integral part of the interim consolidated financial statements.

1. Corporate information

Korea East-West Power Co., Ltd. (the "Company") was incorporated on April 2, 2001, for the purpose of developing and producing electric power in the Republic of Korea. The Company and its subsidiaries (collectively referred to as the "Group") were established through the spin-off of the power generation division of Korea Electric Power Corporation ("KEPCO") pursuant to the Electric Power Industry Restructuring Promotion Act and designated as market-type public institution in August 2010 in accordance with Article 5 of the *Act on Management of Public Institutions (the "Act")* and the Article 3 of the Addendum to the Act. As of June 30, 2025, the Group's power generating capacity amounts 9,676.4MW and the Group owns and operates four power plants, including the Dangjin Thermal Power Plant.

As of June 30, 2025, KEPCO wholly owns the Company's issued and outstanding shares, with par value of share capital amounting to KRW 289,661 million.

The Group's consolidated subsidiaries as of June 30, 2025 and December 31, 2024 are as follows:

			Equity interest and voting rights (%)	
	Principal Activities	Country of domicile	Jun. 30, 2025	Dec. 31, 2024
EWP America, Inc.	Overseas investment	USA	100.0	100.0
EWP Renewable Corporation	Overseas investment	USA	100.0	100.0
EWP ESS Holdings LLC.	Overseas investment	USA	100.0	100.0
Fairhaven ESS LLC.	Overseas investment	USA	100.0	100.0
California Power Holdings, LLC	Power plants operation	USA	100.0	100.0
EWP (Barbados) 1 SRL	Overseas investment	Barbados	100.0	100.0
PT. EWP Indonesia	Overseas investment	Indonesia	99.9	99.9
Gyeongju Wind Power Co., Ltd.	Renewable energy wind power generation	Republic of Korea	70.0	70.0
EWP Bylong Pty Ltd.	Overseas investment	Australia	100.0	100.0
EWP Service Co., Ltd.	Service rendering	Republic of Korea	100.0	100.0
Paju Eco Energy Co., Ltd.(*)	Renewable energy power generation	Republic of Korea	93.7	89.0
Yeongdeok Sunrise Wind Power Co., Ltd.	Renewable energy wind power generation	Republic of Korea	70.0	70.0
EWP Australia Pty Ltd.	Overseas investment	Australia	100.0	100.0

(*) The equity ratio changed during the interim period due to a disproportionate capital reduction.

1. Corporate information (cont'd)

The condensed financial information of the consolidated subsidiaries as of June 30, 2025 and December 31, 2024 and for the period then ended is as follows (Korean won):

	Jun. 30, 2025			
	Total assets	Total liabilities	Sales	Profit(loss) for the period
EWP America, Inc.(*)	₩ 51,755,949,388	₩ 4,167,833,053	₩ 11,958,915,708	₩ 5,161,107,441
EWP (Barbados) 1 SRL	450,786,018,354	1,301,413,655	-	14,621,991,236
Gyeongju Wind Power Co., Ltd.	87,526,092,237	38,177,884,982	9,468,619,945	2,885,221,383
PT. EWP Indonesia	94,929,139,882	70,688,786	-	3,784,825,594
EWP Bylong Pty Ltd.	14,488,289	13,097,996	-	
EWP Service Co., Ltd.	5,489,002,953	3,384,506,073	13,885,641,000	638,147,885
Paju Eco Energy Co., Ltd.	58,829,184,097	2,349,947,899	7,044,806,554	(28,805,032)
Yeongdeok Sunrise Wind Power Co., Ltd.	113,711,814,709	86,775,310,368	6,838,620,642	790,984,218
EWP Australia Pty Ltd.	59,490,658,841	401,609,833	-	(6,434,219,460)

(*) The condensed financial information of EWP America Inc. includes EWP Renewable Corporation and 3 other subsidiaries.

	Dec.31, 2024			
	Total assets	Total liabilities	Sales	Profit for the year
EWP America, Inc.(*)	₩ 49,381,028,612	₩ 3,120,481,515	₩ 14,887,646,147	₩ 332,493,139
EWP (Barbados) 1 SRL	469,387,033,053	1,462,733,905	-	28,937,410,035
Gyeongju Wind Power Co., Ltd.	87,987,492,418	41,546,816,017	18,550,459,634	5,816,565,596
PT. EWP Indonesia	101,014,939,620	84,059,010	-	6,114,866,920
EWP Bylong Pty Ltd.	14,930,646	13,497,904	-	1,748,900
EWP Service Co., Ltd.	5,291,274,433	3,851,426,110	27,101,425,000	27,466,977
Paju Eco Energy Co., Ltd.	61,835,931,525	2,634,890,295	16,306,456,741	697,080,573
Yeongdeok Sunrise Wind Power Co., Ltd.	112,862,501,567	87,437,431,333	7,716,946,553	3,554,663,453
EWP Australia Pty Ltd.	67,755,898,050	357,595,932	-	12,457,114,642

(*) The condensed financial information of EWP America Inc. includes EWP Renewable Corporation and 3 other subsidiaries.

Restrictions on ability to use the assets and settle the liabilities of the Group:

Subsidiary	Restrictions
Gyeongju Wind Power Co., Ltd.	Dividends, payment for renewable energy supply certification and O&M settlement are permitted only upon satisfaction of all conditions set forth in the loan agreement, and with prior written consent from the financial institution.
Yeongdeok Sunrise Wind Power Co., Ltd.	Dividend payments are permitted only upon satisfaction of all conditions set forth in the loan agreement between Yeongdeok Sunrise Wind Power Co., Ltd. and the financial institution.

2. Basis of preparation of financial statements and summary of significant accounting policies

2.1 Basis of preparation

The Group prepares interim consolidated financial statements in the Korean language in accordance with Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions further mandates application of Korean International Financial Reporting Standards (K-IFRS) as enacted by the Act on External Audit of Stock Companies where specific accounting treatments are not prescribed by Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

The Group prepares interim consolidated financial statements in accordance with K-IFRS 1034 *Interim Financial Reporting* enacted by the *Act on External Audit of Stock Companies*. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of and for the year ended December 31, 2024. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as of and for the year ended December 31, 2024.

The interim consolidated financial statements are presented in Korean won, except when otherwise indicated.

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2024, except for the adoption of new standards and interpretations effective as of January 1, 2025. Changes to the accounting policies described below will also be applied in the annual consolidated financial statements for the year ended December 31, 2025.

2.2.1. New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing January 1, 2025. These amendments do not have a significant impact on the interim consolidated financial statements.

Amendments to K-IFRS 1021 Effects of Changes in Foreign Exchange Rates and 1101 First-time Adoption of Korean International Financial Reporting Standards – Lack of Exchangeability

The amendments to K-IFRS 1021 Effects of Changes in Foreign Exchange Rates and K-IFRS 1101 First-time Adoption of Korean International Financial Reporting Standards introduce guidance on assessing the lack of exchangeability between currencies and require the estimation of a spot exchange rate in such cases. Additional disclosures regarding the impacts of exchangeability constraints are also mandated to help financial statement users better understand the risks and implications arising from the lack of exchangeability between currencies.

2.2 Significant accounting policies (cont'd)

2.2.2. Standards issued but not yet effective

The following standards and interpretations have been issued but are not yet effective for annual periods beginning on or after January 1, 2025, and have not been early adopted by the Group. The Group intends to adopt these standards, if applicable, when they become effective.

1) Amendments to K-IFRS 1109 'Financial Instruments' and K-IFRS 1107 'Financial Instruments: Disclosures'

Amendments have been made to K-IFRS 1109, 'Financial Instruments,' and K-IFRS 1107, 'Financial Instruments: Disclosures,' to address issues raised in practice and to include new requirements.

These amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The Group does not expect these amendments to materially affect its consolidated financial statements.

- Permitting a financial liability to be derecognized (settled) before the settlement date if it is settled through an electronic payment system and certain criteria are met.
- Clarifying and adding further guidance on how to assess whether a financial asset meets the criteria of being solely payments of principal and interest (SPPI).
- Requiring disclosure, for each class of financial instrument, of the effects on the entity of contractual terms that could change the timing or amount of the contractual cash flows, and the extent to which the entity is exposed to such changes.
- Additional disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

2) K-IFRS Annual Improvements Volume 11

K-IFRS Annual Improvements Volume 11 is effective for annual periods beginning on or after January 1, 2026, with early application permitted. The Group does not expect these amendments to have a material impact on its consolidated financial statements.

- K-IFRS 1101 'First-time Adoption of K-IFRS': Applying hedge accounting upon initial adoption of K-IFRS.
- K-IFRS 1107 'Financial Instruments: Disclosures': Gains and losses on derecognition; practical application guidance.
- K-IFRS 1109 'Financial Instruments': Derecognition accounting for lease liabilities and the definition of transaction price.
- K-IFRS 1110 'Consolidated Financial Statements': Determining a de facto agent.
- K-IFRS 1007 'Statement of Cash Flows': Cost method.

3. Significant accounting estimate and assumptions

The K-IFRS requires the use of estimates and assumptions based on management's best judgment regarding the application of accounting policies and the matters affecting the reported amounts of assets, liabilities and revenue and expenses as of the end of the interim reporting period in preparing interim consolidated financial statements. If estimates and assumptions based on management's best judgment as of the end of the interim reporting period differ from actual circumstances, these estimates and actual results may differ.

The application of accounting policies of the Group and the estimates by management's judgment used in the interim consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended December 31, 2024.

4. Operating segment information

The Group is organized for management purposes as a single business unit based on the nature of goods and services provided and details of operating revenue and assets required in its operations are presented below.

The following table presents revenue and operating profit from the single reportable segment for the six months ended June 30, 2025 and 2024, respectively (Korean won):

	For the 6 months ended Jun. 30, 2025	For the 6 months ended Jun. 30, 2024
Sales	₩ 2,275,886,131,554	₩ 2,408,733,430,170
Sales from external customers	2,275,886,131,554	2,408,733,430,170
Operating profit	286,541,180,743	141,853,217,378
Depreciation and amortization	344,868,142,447	353,670,616,040

The following table presents assets and liabilities for the single reportable segment as of June 30, 2025 and December 31, 2024, respectively (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Total assets	₩ 12,646,502,258,290	₩ 12,894,232,701,944
Investment in associates	391,480,634,145	387,139,878,055
Investment in joint ventures	790,838,210,225	839,930,701,527
Acquisition of non-current assets(*)	438,665,410,757	1,027,053,396,029
Total liabilities	5,822,737,447,964	5,752,711,284,669

(*) Financial assets and deferred tax assets are excluded.

The Group operates its principal business, the production and sale of electricity, in the Republic of Korea. Geographical information for the six months ended June 30, 2025 and 2024 of external customers and non-current assets as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Revenue from external customers		Non-current assets(*)	
	For the 6 months ended Jun. 30, 2025	For the 6 months ended Jun. 30, 2024	Jun. 30, 2025	Dec. 31, 2024
Domestic	₩ 2,263,140,668,185	₩ 2,401,785,880,520	₩ 8,314,283,172,667	₩ 8,196,791,999,285
Americas	11,958,915,708	6,814,589,650	30,592,613,186	34,253,374,050
Barbados	-	-	434,820,455,575	461,377,755,909
Indonesia	786,547,661	-	90,359,054,648	100,661,861,790
Australia	-	-	57,180,846,901	65,439,689,465
Others	-	132,960,000	17,891,000	11,079,663,720
	₩ 2,275,886,131,554	₩ 2,408,733,430,170	₩ 8,927,254,033,977	₩ 8,869,604,344,219

(*) Financial assets and deferred tax assets are excluded.

Revenue from KEPCO, a single source representing 10% or more of the Group's total revenue, amounts to KRW 2,187,090,669,023 and KRW 2,310,928,589,451 for the periods ended June 30, 2025 and 2024, respectively. There are no other customers having sales representing 10% or more of the Group's total revenue.

5. Cash and cash equivalents

Details of cash and cash equivalents as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Other demand deposits	₩ 78,824,864,360	₩ 126,451,420,382
Short-term investment assets classified as cash equivalents	35,000,000,000	43,000,000,000
Total	₩ 113,824,864,360	₩ 169,451,420,382

6. Financial assets restricted for use

Financial assets restricted for use as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Other demand deposits(*)	₩ 13,397,414,600	₩ 7,947,956,898
Short-term financial instruments(*)	-	3,500,000,000
Long-term financial instruments(*)	6,500,000,000	6,500,000,000
Total	₩ 19,897,414,600	₩ 17,947,956,898

(*) They are pledged as collateral for the Group's borrowing. (Note 41)

7. Financial assets and liabilities at fair value through profit or loss (including derivative assets and liabilities)

Details of financial assets and liabilities at fair value through profit or loss as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Financial assets at FVTPL:				
Beneficiary certificates	₩ -	₩ 1,529,458,879	₩ -	₩ 1,529,458,879
Contributions	-	20,037,200	-	20,037,200
Debt securities	75,541,126,026	-	47,422,832,712	-
Derivative assets	222,670,000	-	1,856,699,307	-
	₩ 75,763,796,026	₩ 1,549,496,079	₩ 49,279,532,019	₩ 1,549,496,079
Financial liabilities at FVTPL:				
Derivative liabilities	₩ 136,008,607	₩ -	₩ 5,500,000	₩ -

Details of derivative instruments as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Derivative assets:				
Currency forwards	₩ 222,670,000	₩ -	₩ 1,856,699,307	₩ -
Currency swaps	-	22,244,902,485	221,141,296,266	57,773,538,803
	₩ 222,670,000	₩ 22,244,902,485	₩ 222,997,995,573	₩ 57,773,538,803
Derivative liabilities:				
Currency forwards	₩ 136,008,607	₩ -	₩ 5,500,000	₩ -

7. Financial assets and liabilities at fair value through profit or loss (including derivative assets and liabilities) (cont'd)

Details of currency swaps as of June 30, 2025 are as follows (Korean won and USD):

		Contract amount		Contract interest rate (%)		
Counterparty	Contract term	Sell (KRW)	Purchase (USD)	Sell	Purchase	Contract exchange rate
Cash flow hedge:						
Woori Bank	2023.07~2028.07	259,000,000,000	200,000,000	3.83	4.88	₩ 1,295.00
KDB Bank	2023.07~2028.07	129,500,000,000	100,000,000	3.85	4.88	1,295.00
BofA	2023.07~2028.07	64,750,000,000	50,000,000	3.85	4.88	1,295.00

There is an economic relationship between the hedging item and the hedging instruments because the terms of the currency swap contracts are consistent with the terms of the expected transaction (repayment of foreign currency bonds). At the end of the reporting period, the Group established a hedging relationship through currency swap contracts for the full repayment of foreign currency bonds. The hedging instruments (currency swap) avoid the risk of the hedging item (repayment of foreign currency bond) at the end of the reporting period.

7. Financial assets and liabilities at fair value through profit or loss (including derivative assets and liabilities) (cont'd)

Details of currency forwards as of June 30, 2025 are as follows (Korean won and USD):

Counterparty	Contract date	Maturity date	Contract amount		Contract exchange rate
			Sell(KRW)	Purchase(USD)	
Trading:					
Woori Bank	2025-06-04	2025-08-18	₩ 3,282,240,200	$ 2,398,247	₩ 1,368.60
SC	2025-06-04	2025-08-18	4,099,200,000	3,000,000	1,366.40
JP Morgan	2025-06-04	2025-08-18	4,091,250,000	3,000,000	1,363.75
MUFG	2025-06-04	2025-08-29	5,423,000,000	4,000,000	1,355.75
Hana Bank	2025-06-09	2025-08-29	8,082,600,000	6,000,000	1,347.10
Shinhan Bank	2025-06-12	2025-07-24	4,070,940,000	3,000,000	1,356.98
BofA	2025-06-12	2025-07-24	2,712,400,000	2,000,000	1,356.20
Woori Bank	2025-06-16	2025-08-04	5,431,600,000	4,000,000	1,357.90
HSBC	2025-06-16	2025-08-04	4,071,900,000	3,000,000	1,357.30
Shinhan Bank	2025-06-20	2025-08-08	4,091,160,000	3,000,000	1,363.72
BofA	2025-06-24	2025-08-14	2,727,300,000	2,000,000	1,363.65
HSBC	2025-06-24	2025-08-20	2,720,600,000	2,000,000	1,360.30
Woori Bank	2025-06-26	2025-08-07	4,059,000,000	3,000,000	1,353.00
Busan Bank	2025-06-26	2025-08-07	2,706,900,000	2,000,000	1,353.45
Busan Bank	2025-06-26	2025-08-20	2,699,400,000	2,000,000	1,349.70
Hana Bank	2025-06-26	2025-08-20	2,697,000,000	2,000,000	1,348.50
SC	2025-06-30	2025-08-20	2,704,800,000	2,000,000	1,352.40
Shinhan Bank	2025-06-30	2025-08-20	4,056,390,000	3,000,000	1,352.13
HSBC	2025-06-30	2025-08-20	4,035,900,000	3,000,000	1,345.30
BofA	2025-06-30	2025-08-20	4,036,500,000	3,000,000	1,345.50
Hana Bank	2025-06-30	2025-09-30	2,681,040,000	2,000,000	1,340.52

Details of gain and loss on valuation and settlement of derivative instruments for the three and six months ended June 30, 2025 and 2024, respectively are as follows (Korean won):

	For the 3 and 6 months ended Jun.30, 2025					
	Gain(loss) on valuation		Loss on settlement		Other comprehensive income(*)	
	3 months	6 months	3 months	6 months	3 months	6 months
Currency forwards	₩ (740,427,505)	₩ 86,661,393	₩ (1,404,339,314)	₩ (2,543,993,900)	₩ -	₩ -
Currency swaps	(34,618,631,632)	(39,328,472,266)	(35,567,215,154)	(31,842,026,063)	(5,929,644,613)	7,698,701,727
Total	₩ (35,359,059,137)	₩ (39,241,810,873)	₩ (36,971,554,468)	₩ (34,386,019,963)	₩ (5,929,644,613)	₩ 7,698,701,727

(*) As of June 30, 2025, gain on valuation of derivative instruments amounting to KRW 5,920,301,629 recognized in accumulated other comprehensive income are presented excluding tax effect which is directly charged to equity.

	For the 3 and 6 months ended Jun.30, 2024					
	Gain (loss) on valuation		Gain on settlement		Other comprehensive income(*)	
	3 months	6 months	3 months	6 months	3 months	6 months
Currency forwards	₩ 927,780,008	₩ 1,841,702,400	₩ 3,706,158,147	₩ 5,048,755,783	₩ -	₩ -
Currency swaps	56,988,815,268	134,009,563,486	6,483,358,616	8,909,486,976	524,864,666	(1,390,253,931)
Total	₩ 57,916,595,276	₩ 135,851,265,886	₩ 10,189,516,763	₩ 13,958,242,759	₩ 524,864,666	₩ (1,390,253,931)

(*) As of June 30, 2024, loss on valuation of derivative instruments amounting to KRW 1,069,105,272 recognized in accumulated other comprehensive income are presented excluding tax effect which is directly charged to equity.

8. Trade and other receivables

Details of trade and other receivables as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		
	Gross amounts	Present value discounts	Book value
Current assets:			
Trade receivables	₩ 360,837,183,040	₩ -	₩ 360,837,183,040
Other receivables	502,129,288,670	(352,186,189)	501,777,102,481
	862,966,471,710	(352,186,189)	862,614,285,521
Non-current assets:			
Other receivables	13,816,190,168	(373,568,130)	13,442,622,038
Total	₩ 876,782,661,878	₩ (725,754,319)	₩ 876,056,907,559

	Dec. 31, 2024		
	Gross amounts	Present value discounts	Book value
Current assets:			
Trade receivables	₩ 464,702,452,054	₩ -	₩ 464,702,452,054
Other receivables	222,251,328,381	(21,462,439)	222,229,865,942
	686,953,780,435	(21,462,439)	686,932,317,996
Non-current assets:			
Other receivables	15,579,912,659	(114,030,596)	15,465,882,063
Total	₩ 702,533,693,094	₩ (135,493,035)	₩ 702,398,200,059

Details of other receivables as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		
	Gross amounts	Present value discounts	Book value
Current assets:			
Accounts receivable	₩ 286,861,475,921	₩ -	₩ 286,861,475,921
Accrued income	193,690,797,302	-	193,690,797,302
Deposits	21,577,015,447	(352,186,189)	21,224,829,258
	502,129,288,670	(352,186,189)	501,777,102,481
Non-current assets:			
Deposits	13,299,224,448	(373,568,130)	12,925,656,318
Others	516,965,720	-	516,965,720
	13,816,190,168	(373,568,130)	13,442,622,038
Total	₩ 515,945,478,838	₩ (725,754,319)	₩ 515,219,724,519

	Dec. 31, 2024		
	Gross amounts	Present value discounts	Book value
Current assets:			
Accounts receivable	₩ 56,020,187,598	₩ -	₩ 56,020,187,598
Accrued income	150,274,354,313	-	150,274,354,313
Deposits	15,956,786,470	(21,462,439)	15,935,324,031
	222,251,328,381	(21,462,439)	222,229,865,942
Non-current assets:			
Deposits	15,062,946,959	(114,030,596)	14,948,916,363
Others	516,965,700	-	516,965,700
	15,579,912,659	(114,030,596)	15,465,882,063
Total	₩ 237,831,241,040	₩ (135,493,035)	₩ 237,695,748,005

There are no trade and other receivables that have been overdue or impaired as of June 30, 2025.

9. Financial assets at fair value through other comprehensive income

Details of financial assets at fair value through other comprehensive income as of June 30, 2025 are as follows (Korean won):

	Jun. 30, 2025				
	Equity ratio (%)	Number of shares held	Acquisition	Book value	Fair value
Quoted securities:					
PT. Bayan Resources TBK	4.00	1,333,333,400	₩ 80,533,337,360	₩ 2,209,680,110,484	₩ 2,209,680,110,484
HD-Marine Engine CO., Ltd. (formerly, STX Heavy Industry)	0.18	61,455	430,185,000	3,091,186,500	3,091,186,500
			80,963,522,360	2,212,771,296,984	2,212,771,296,984
Unquoted securities:					
Korea Power Exchange	7.14	1,826,275	9,131,374,714	15,508,748,425	15,508,748,425
HeeMang Sunlight Power	8.33	78,600	393,000,000	393,000,000	393,000,000
KEPCO Bylong Australia Pty Ltd.	2.00	3,537,032	6,134,697,340	-	-
			15,659,072,054	15,901,748,425	15,901,748,425
			₩ 96,622,594,414	₩ 2,228,673,045,409	₩ 2,228,673,045,409

Details of financial assets at fair value through other comprehensive income as of December 31, 2024 are as follows (Korean won):

	Dec. 31, 2024				
	Equity ratio (%)	Number of shares held	Acquisition	Book value	Fair value
Quoted securities:					
PT. Bayan Resources TBK	4.00	1,333,333,400	₩ 80,533,337,360	₩ 2,459,700,122,985	₩ 2,459,700,122,985
HD-Marine Engine CO.,Ltd. (formerly, STX Heavy Industry)(*)	0.18	61,455	430,185,000	1,502,574,750	1,502,574,750
			80,963,522,360	2,461,202,697,735	2,461,202,697,735
Unquoted securities:					
Korea Power Exchange	7.14	1,826,275	9,131,374,714	15,508,748,425	15,508,748,425
HeeMang Sunlight Power	8.33	78,600	393,000,000	393,000,000	393,000,000
KEPCO Bylong Australia Pty Ltd.	2.00	3,537,032	6,134,697,340	-	-
			15,659,072,054	15,901,748,425	15,901,748,425
			₩ 96,622,594,414	₩ 2,477,104,446,160	₩ 2,477,104,446,160

(*) The equity ratio changed due to a third-party allotment paid-in capital increase in 2024.

9. Financial assets at fair value through other comprehensive income (cont'd)

Changes in financial assets at fair value through other comprehensive income for the six months ended June 30, 2025 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025		
	Jan. 1, 2025	Valuation(*)	Jun. 30, 2025
Quoted equity shares	₩ 2,461,202,697,735	₩ (248,431,400,751)	₩ 2,212,771,296,984
Unquoted equity shares	15,901,748,425	-	15,901,748,425
	₩ 2,477,104,446,160	₩ (248,431,400,751)	₩ 2,228,673,045,409
Current financial assets at FVOCI	₩ -	₩ -	₩ -
Non-current financial assets at FVOCI	2,477,104,446,160	(248,431,400,751)	2,228,673,045,409

(*) As of June 30, 2025, valuation changes amounting to KRW (-)191,043,747,177 recognized in accumulated other comprehensive income are presented excluding tax effect which is directly charged to equity.

Changes in financial assets at fair value through other comprehensive income for the year ended December 31, 2024 are as follows (Korean won):

	For the year ended Dec. 31, 2024		
	Jan. 1	Valuation (*)	Dec. 31
Quoted equity shares	₩ 2,218,905,801,076	₩ 242,296,896,659	₩ 2,461,202,697,735
Unquoted equity shares	17,329,317,167	(1,427,568,742)	15,901,748,425
	₩ 2,236,235,118,243	₩ 240,869,327,917	₩ 2,477,104,446,160
Current financial assets at FVOCI	₩ -	₩ -	₩ -
Non-current financial assets at FVOCI	2,236,235,118,243	240,869,327,917	2,477,104,446,160

(*) As of December 31, 2024, valuation changes amounting to KRW 185,228,513,168 recognized in accumulated other comprehensive income are presented excluding tax effect which is directly charged to equity.

10. Financial assets at amortized cost

Changes in financial assets at amortized cost for the six months ended June 30, 2025 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025				
	Jan.1	Acquisition	Disposal	Others	Jun. 30
Public bonds	₩ 157,900,000	₩ 10,900,000	₩ (5,480,000)	₩ -	₩ 163,320,000
Others	29,000,000,000	10,000,000,000	(3,500,000,000)	-	35,500,000,000
	₩ 29,157,900,000	₩ 10,010,900,000	₩ (3,505,480,000)	₩ -	₩ 35,663,320,000
Current financial assets at amortized cost	₩ 22,518,560,000	₩ 10,000,000,000	₩ (3,505,480,000)	₩ 20,350,000	₩ 29,033,430,000
Non-current financial assets at amortized cost	6,639,340,000	10,900,000	-	(20,350,000)	6,629,890,000

Changes in financial assets at amortized cost for the year ended December 31, 2024 are as follows (Korean won):

	For the year ended Dec. 31, 2024				
	Jan.1	Acquisition	Disposal	Others	Dec. 31
Public bonds	₩ 139,120,000	₩ 22,380,000	₩ (3,600,000)	₩ -	₩ 157,900,000
Others	27,500,000,000	8,500,000,000	(7,000,000,000)	-	29,000,000,000
	₩ 27,639,120,000	₩ 8,522,380,000	₩ (7,003,600,000)	₩ -	₩ 29,157,900,000
Current financial assets at amortized cost	₩ 21,003,600,000	₩ 8,500,000,000	₩ (7,003,600,000)	₩ 18,560,000	₩ 22,518,560,000
Non-current financial assets at amortized cost	6,635,520,000	22,380,000	-	(18,560,000)	6,639,340,000

11. Loans

Details of loans as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Tuition loans(*1)	₩ 878,272,624	₩ 15,474,978,733	₩ 1,213,369,384	₩ 15,955,287,427
Home loans(*2)	833,065,752	7,975,370,022	873,406,032	8,401,720,308
Loans to related party	-	16,293,028,752	8,420,307,000	8,913,028,752
Present value discount	(104,840,057)	(2,220,843,848)	(108,335,944)	(2,348,548,330)
Total	₩ 1,606,498,319	₩ 37,522,533,659	₩ 10,398,746,472	₩ 30,921,488,157

(*1) The Group provides student loans to employees for their children without any interests, and these student loans are repaid in installments from the quarterly paid out bonuses.
(*2) The Group also provides loans for purchasing property to employees with COFIX rate to support employees in securing residence. The loan is payable in 15 years for lease and in 20 years for purchase.

12. Inventories

Details of inventories as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		
	Gross amounts	Valuation allowance	Book value
Raw materials	₩ 157,145,304,747	₩ -	₩ 157,145,304,747
Supplies	25,788,433,121	-	25,788,433,121
Goods in transit	70,517,970,976	-	70,517,970,976
Total	₩ 253,451,708,844	₩ -	₩ 253,451,708,844

	Dec. 31, 2024		
	Gross amounts	Valuation allowance	Book value
Raw materials	₩ 54,540,637,025	₩ -	₩ 54,540,637,025
Supplies	24,250,426,212	-	24,250,426,212
Goods in transit	141,585,482,863	-	141,585,482,863
Total	₩ 220,376,546,100	₩ -	₩ 220,376,546,100

13. Non-financial assets

Details of non-financial assets as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Advance payments	₩ 343,284,500	₩ 3,320,976,652	₩ 45,500	₩ 2,960,917,935
Prepaid expenses	11,930,130,717	25,196,881,314	20,385,770,359	24,443,815,915
Others	56,786,768,656	-	32,049,082,358	-
Total	₩ 69,060,183,873	₩ 28,517,857,966	₩ 52,434,898,217	₩ 27,404,733,850

14. Investments in associates and joint ventures

Details of investments in associates and joint ventures as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	Jun.30, 2025	
				Cost	Book value
<Associates>					
Korea Offshore Wind Power Co., Ltd. (*1)	Power plants operation	Republic of Korea	12.50	₩ 26,600,000,000	₩ 26,381,469,985
KEPCO Solar Co., Ltd. (*1)	Resource development for solar energy	Republic of Korea	8.33	16,650,000,000	17,654,566,247
KEPCO ES Co., Ltd. (*1)	Investment in facilities for energy efficiency	Republic of Korea	8.33	25,000,000,000	25,650,027,495
GS Donghae Electric Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	204,000,000,000	277,926,756,701
Guam Ukudu Power LLC	Power plants operation	U.S.A(Guam)	40.00	1,579,620,097	-
KPE Green Energy Co., Ltd.	Power plants operation	Republic of Korea	25.36	3,910,000,000	8,891,172,469
Taebaek Gadeoksan Wind Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	12,570,000,000	23,190,734,322
Goheungsin Energy Co., Ltd.(*1)	Power plants operation	Republic of Korea	14.10	3,959,280,000	5,265,701,911
Yanggu Floating Solar Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	903,700,000	876,448,666
Hoenggye Renewable Energy Co., Ltd.(*5)	Power plants operation	Republic of Korea	36.12	2,374,782,880	2,374,782,880
Amaala Sustainable Company for Energy LLC(*1)	Power plants operation	Saudi Arabia	10.00	17,891,000	17,891,000
Jeju Bukchon BESS Power Plant Co., Ltd.(*7)	Power plants operation	Republic of Korea	41.00	3,690,000,000	3,251,082,469
Subtotal				301,255,273,977	391,480,634,145
<Joint ventures>					
Busan Shinho Solar Power Co., Ltd.	Power plants operation	Republic of Korea	25.00	2,100,000,000	6,093,774,464
Honam Wind Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,480,000,000	4,759,502,987
Dangjin Eco Power Corporation	Power plants operation	Republic of Korea	34.00	25,661,385,206	27,044,181,332
Seokmun Energy Co., Ltd.	Power plants operation	Republic of Korea	29.00	15,370,000,000	14,780,691,491
Chuncheon Energy Co., Ltd.(*6)	Power plants operation	Republic of Korea	29.90	52,699,945,000	35,625,902,732
Yeonggwangbaeksu Wind Power Co., Ltd. (*2)	Power plants operation	Republic of Korea	15.00	3,000,000,000	3,752,002,448
Yeonggwang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	46.00	17,475,000,000	27,415,221,560
Yangyang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	50.00	12,000,000,000	14,807,262,865
Jamaica Public Service Company Limited	Power plants operation	Jamaica	40.00	301,909,577,842	387,872,216,561
South Jamaica Power Company Limited	Power plants operation	Jamaica	20.00	20,430,019,000	46,948,239,014
PT.Tanjung Power Indonesia	Power plants operation	Indonesia	35.00	57,039,359,594	90,287,071,856
Daesan Green Energy Co., Ltd.	Power plants operation	Republic of Korea	35.00	17,850,000,000	26,387,581,674
Busan Industry Solar Co., Ltd.	Power plants operation	Republic of Korea	28.02	510,000,000	1,241,492,598
Light Solar Energy Co., Ltd.	Power plants operation	Republic of Korea	27.10	352,300,000	-
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity (*3)	Power plants operation	Republic of Korea	90.00	14,915,781,000	15,496,025,710
Cheongju Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	5,858,000,000	10,822,378,854

14. Investments in associates and joint ventures (cont'd)

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	Jun.30, 2025	
				Cost	Book value
Columboola Solar Farm Hold Co Pty., Ltd.(*4)	Power plants operation	Australia	48.51	₩ 38,538,334,153	₩ 57,179,163,459
Seokmun Green Energy Co., Ltd.	Power plants operation	Republic of Korea	33.00	8,972,700,000	14,144,094,068
Geumyang Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,663,000,000	6,181,406,552
Fairhaven Energy Storage, LLC	Power plants operation	U.S.A	35.00	1,505,424,479	-
Subtotal				603,330,826,274	790,838,210,225
Total				₩ 904,586,100,251	₩ 1,182,318,844,370

(*1) Although the Group holds less than 20% of the equity shares in the investee, it has been classified as an associate because it can exercise voting rights on the investee's Board of Directors.
(*2) Although the Group holds less than 20% of the equity shares in the investee, it has been classified as a joint venture based on the judgment that joint control exists.
(*3) Although the Group holds 90% of the equity shares in the investee, it has been classified as a joint venture based on the judgment that joint control exists.
(*4) The Group's interests consist of 66.67% of common shares, 24% of cumulative non-participating preferred shares without voting rights, and 48.51% of the total common and preferred shares. Although the ownership interest in common shares is 66.67%, the investee has been classified as a joint venture due to restrictions on exercising voting rights at the board of directors, indicating joint control.
(*5) It is a cumulative, non-participating preferred stock with voting rights, with a 78.35% share of preferred stock. The total ownership percentage, including both preferred and common shares, is 36.12%.
(*6) An impairment loss of KRW 248,141,456 was recognized on the equity interest in Chuncheon Energy Co., Ltd. in the previous year.
(*7) Newly acquired in 2025.

14. Investments in associates and joint ventures (cont'd)

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	Dec.31, 2024	
				Cost	Book value
<Associates>					
Korea Offshore Wind Power Co., Ltd. (*1)	Power plants operation	Republic of Korea	12.50	₩ 26,600,000,000	₩ 24,862,903,825
KEPCO Solar Co., Ltd. (*1)	Resource development for solar energy	Republic of Korea	8.33	16,650,000,000	17,591,986,418
KEPCO ES Co., Ltd. (*1)	Investment in facilities for energy efficiency	Republic of Korea	8.33	25,000,000,000	26,058,687,158
GS Donghae Electric Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	204,000,000,000	279,432,019,874
Guam Ukudu Power LLC	Power plants operation	U.S.A(Guam)	40.00	1,579,620,097	-
KPE Green Energy Co., Ltd.	Power plants operation	Republic of Korea	25.36	3,910,000,000	8,229,844,886
Taebaek Gadeoksan Wind Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	12,570,000,000	22,908,062,403
Goheungsin Energy Co., Ltd.(*1)	Power plants operation	Republic of Korea	14.10	3,959,280,000	4,817,594,346
Yanggu Floating Solar Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	903,700,000	846,105,265
Hoenggye Renewable Energy Co., Ltd.(*5)	Power plants operation	Republic of Korea	36.12	2,374,782,880	2,374,782,880
Amaala Sustainable Company for Energy LLC(*1)(*7)	Power plants operation	Saudi Arabia	10.00	17,891,000	17,891,000
Subtotal				297,565,273,977	387,139,878,055
<Joint ventures>					
Busan Shinho Solar Power Co., Ltd.	Power plants operation	Republic of Korea	25.00	2,100,000,000	6,993,042,983
Honam Wind Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,480,000,000	4,833,222,781
Dangjin Eco Power Corporation	Power plants operation	Republic of Korea	34.00	25,661,385,206	26,867,391,908
Seokmun Energy Co., Ltd.	Power plants operation	Republic of Korea	29.00	15,370,000,000	15,455,862,082
Chuncheon Energy Co., Ltd.(*6)	Power plants operation	Republic of Korea	29.90	52,699,945,000	36,598,612,439
Yeonggwangbaeksu Wind Power Co., Ltd. (*2)	Power plants operation	Republic of Korea	15.00	3,000,000,000	3,729,607,830
Yeonggwang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	46.00	17,475,000,000	26,146,093,646
Yangyang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	50.00	12,000,000,000	11,639,622,321
Jamaica Public Service Company Limited	Power plants operation	Jamaica	40.00	301,909,577,842	412,616,416,779
South Jamaica Power Company Limited	Power plants operation	Jamaica	20.00	20,430,019,000	48,761,339,130
PT.Tanjung Power Indonesia	Power plants operation	Indonesia	35.00	57,039,359,594	100,579,334,520
DE Energia SpA	Power plants operation	Chile	49.00	8,363,732,090	11,061,772,720
Daesan Green Energy Co., Ltd.	Power plants operation	Republic of Korea	35.00	17,850,000,000	25,330,883,475
Busan Industry Solar Co., Ltd.	Power plants operation	Republic of Korea	28.02	510,000,000	1,159,740,445
Light Solar Energy Co., Ltd.	Power plants operation	Republic of Korea	27.10	352,300,000	-
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity (*3)	Power plants operation	Republic of Korea	90.00	14,847,741,000	15,495,832,901
Cheongju Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	5,858,000,000	10,636,229,347

14. Investments in associates and joint ventures (cont'd)

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	Dec.31, 2024	
				Cost	Book value
Columboola Solar Farm Hold Co Pty., Ltd.(*4)	Power plants operation	Australia	48.51	₩ 38,538,334,153	₩ 65,439,689,465
Seokmun Green Energy Co., Ltd.	Power plants operation	Republic of Korea	33.00	8,972,700,000	12,744,712,892
Geumyang Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,663,000,000	3,841,293,863
Fairhaven Energy Storage, LLC	Power plants operation	U.S.A	35.00	1,505,424,479	-
Subtotal				611,626,518,364	839,930,701,527
Total				₩ 909,191,792,341	₩ 1,227,070,579,582

(*1) Although the Group holds less than 20% of the equity shares in the investee, it has been classified as an associate because it can exercise voting rights on the investee's Board of Directors.
(*2) Although the Group holds less than 20% of the equity shares in the investee, it has been classified as a joint venture based on the judgment that joint control exists.
(*3) Although the Group holds 90% of the equity shares in the investee, it has been classified as a joint venture based on the judgment that joint control exists.
(*4) The Group's interests consist of 66.67% of common shares, 24% of cumulative non-participating preferred shares without voting rights, and 48.51% of the total common and preferred shares. Although the ownership interest in common shares is 66.67%, the investee has been classified as a joint venture due to restrictions on exercising voting rights at the board of directors, indicating joint control.
(*5) It is a cumulative, non-participating preferred stock with voting rights, with a 78.35% share of preferred stock. The total ownership percentage, including both preferred and common shares, is 36.12%.
(*6) An impairment loss of KRW 248,141,456 was recognized on the equity interest in Chuncheon Energy Co., Ltd. in the previous year.
(*7) Newly acquired in 2024.

As of June 30, 2025, the Group has no associates and joint ventures that were listed on the stock market.

14. Investments in associates and joint ventures (cont'd)

Changes in investments in associates and joint ventures for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun.30, 2025							
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Jun. 30
<Associates>								
Korea Offshore Wind Power Co., Ltd.	₩ 24,862,903,825	₩ -	₩ -	₩ -	₩ 1,518,566,160	₩ -	₩ -	₩ 26,381,469,985
KEPCO Solar Co., Ltd.	17,591,986,418	-	-	(336,080,250)	398,660,079	-	-	17,654,566,247
KEPCO ES Co., Ltd.	26,058,687,158	-	-	(508,333,333)	99,673,670	-	-	25,650,027,495
GS Donghae Electric Power Co., Ltd.	279,432,019,874	-	-	(12,028,520,000)	10,523,256,827	-	-	277,926,756,701
Guam Ukudu Power LLC	-	-	-	-	-	-	-	-
KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd)	8,229,844,886	-	-	-	661,327,583	-	-	8,891,172,469
Taebaek Gadeoksan Wind Power Co., Ltd.	22,908,062,403	-	-	(2,890,000,000)	3,172,686,633	-	(14,714)	23,190,734,322
Goheungsin Energy Co., Ltd.	4,817,594,346	-	-	-	448,107,565	-	-	5,265,701,911
Yanggu Floating Power Co., Ltd.	846,105,265	-	-	-	30,343,401	-	-	876,448,666
Hoenggye Renewable Energy Co., Ltd.	2,374,782,880	-	-	-	-	-	-	2,374,782,880
Amaala Sustainable Company for Energy LLC	17,891,000	-	-	-	-	-	-	17,891,000
Jeju Bukchon BES Power Plant Co., Ltd.	-	3,690,000,000	-	-	(391,626,503)	(47,291,028)		3,251,082,469
Subtotal	387,139,878,055	3,690,000,000	-	(15,762,933,583)	16,460,995,415	(47,291,028)	(14,714)	391,480,634,145
<Joint ventures>								
Busan Shinho Solar Power Co., Ltd.	6,993,042,983	-	-	(1,250,000,000)	350,731,481	-	-	6,093,774,464
Honam Wind Power Co., Ltd.	4,833,222,781	-	-	(435,000,000)	361,280,206	-	-	4,759,502,987
Dangjin Eco Power Corporation	26,867,391,908	-	-	-	176,614,028	175,396	-	27,044,181,332
Seokmun Energy Co., Ltd.	15,455,862,082	-	-	-	(675,170,591)	-	-	14,780,691,491
Chuncheon Energy Co., Ltd.	36,598,612,439	-	-	-	(972,709,707)	-	-	35,625,902,732
Yeonggwangbaeksu Wind Power Co., Ltd.	3,729,607,830	-	-	-	22,394,618	-	-	3,752,002,448
Yeonggwang Wind Power Co., Ltd.	26,146,093,646	-	-	-	1,269,127,914	-	-	27,415,221,560
Yangyang Wind Power Co., Ltd.	11,639,622,321	-	-	-	3,167,640,544	-	-	14,807,262,865
Jamaica Public Service Company Limited	412,616,416,779	-	-	(9,699,648,000)	12,907,527,389	(27,952,079,607)	-	387,872,216,561
South Jamaica Power Company Limited	48,761,339,130	-	-	(166,689,180)	2,220,161,112	(3,866,572,048)	-	46,948,239,014
PT.Tanjung Power Indonesia	100,579,334,520	-	-	(4,784,850,000)	3,961,239,786	(9,821,587,068)	352,934,618	90,287,071,856
DE Energia SpA(*)	11,061,772,720	-	(9,408,825,639)	(1,652,947,081)	-	-	-	-
Daesan Green Energy Co., Ltd.	25,330,883,475	-	-	-	1,056,698,199	-	-	26,387,581,674
Busan Industry Solar Co., Ltd.	1,159,740,445	-	-	-	81,752,153	-	-	1,241,492,598
Light Solar Energy Co., Ltd.	-	-	-	-	-	-	-	-
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	15,495,832,901	-		(454,066,991)	454,259,800	-	-	15,496,025,710
Cheongju Eco Park Co., Ltd.	10,636,229,347	-	-	-	186,149,507	-	-	10,822,378,854

14. Investments in associates and joint ventures (cont'd)

	For the 6 months ended Jun.30, 2025							
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Jun. 30
Columboola Solar Farm Hold Co Pty., Ltd.	₩ 65,439,689,465	₩ -	₩ -	₩ (474,639,400)	₩ (5,981,718,136)	₩ (1,804,168,470)	₩ -	₩ 57,179,163,459
Seokmun Green Energy Co., Ltd.	12,744,712,892	-	-	-	1,399,381,176	-	-	14,144,094,068
Geumyang Eco Park Co., Ltd	3,841,293,863	-	-	-	2,340,112,689	-	-	6,181,406,552
Fairhaven Energy Storage, LLC	-	-	-	-	-	-	-	-
Subtotal	839,930,701,527	-	(9,408,825,639)	(18,917,840,652)	22,325,472,168	(43,444,231,797)	352,934,618	790,838,210,225
Total	₩ 1,227,070,579,582	₩ 3,690,000,000	₩ (9,408,825,639)	₩ (34,680,774,235)	₩ 38,786,467,583	₩ (43,491,522,825)	₩ 352,919,904	₩ 1,182,318,844,370

(*) The investee was liquidated during the current half-year. Upon liquidation, the Group recovered its initial investment, and the cumulative exchange differences were recognized as a gain or loss on the disposal of its investment in the joint venture.

14. Investments in associates and joint ventures (cont'd)

	For the year ended Dec.31, 2024							
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Dec. 31
<Associates>								
Korea Offshore Wind Power Co., Ltd.	₩ 23,827,130,726	₩ -	₩ -	₩ -	₩ 1,035,773,099	₩ -	₩ -	₩ 24,862,903,825
KEPCO Solar Co., Ltd.	17,494,689,133	-	-	(417,956,625)	517,022,623	-	(1,768,713)	17,591,986,418
KEPCO ES Co., Ltd.	25,596,767,802	-	-	(265,000,000)	729,828,306	-	(2,908,950)	26,058,687,158
GS Donghae Electric Power Co., Ltd.	259,084,468,646	-	-	-	20,323,918,837	-	23,632,391	279,432,019,874
Guam Ukudu Power LLC.	11,617,054,536	-	-	-	(12,288,994,917)	671,940,381	-	-
KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd)	7,779,068,750	-	-	-	450,776,136	-	-	8,229,844,886
Taebaek Gadeoksan Wind Power Co., Ltd.	19,426,119,441	-	-	(1,767,320,000)	5,249,262,962	-	-	22,908,062,403
Goheungsin Energy Co., Ltd.	4,807,772,820	-	-	-	9,821,526	-	-	4,817,594,346
Yanggu Floating Power Co., Ltd.	760,252,652	-	-	-	85,852,613	-	-	846,105,265
Hoenggye Renewable Energy Co., Ltd.	2,374,782,880	-	-	-	-	-	-	2,374,782,880
Amaala Sustainable Company for Energy LLC(*1)	-	17,891,000	-	-	-	-	-	17,891,000
Subtotal	372,768,107,386	17,891,000	-	(2,450,276,625)	16,113,261,185	671,940,381	18,954,728	387,139,878,055
<Joint ventures>								
Busan Shinho Solar Power Co., Ltd.	6,668,763,776	-	-	(666,500,000)	990,779,207	-	-	6,993,042,983
Honam Wind Power Co., Ltd.	4,743,246,037	-	-	(435,000,000)	524,976,744	-	-	4,833,222,781
Dangjin Eco Power Corporation	26,752,974,981	-	-	-	252,727,614	(138,493,201)	182,514	26,867,391,908
Seokmun Energy Co., Ltd.	16,591,138,243	-	-	-	(1,135,276,161)	-	-	15,455,862,082
Chuncheon Energy Co., Ltd.	35,082,660,917	-	-	-	1,515,951,522	-	-	36,598,612,439
Yeonggwangbaeksu Wind Power Co., Ltd.	3,443,287,949	-	-	-	286,319,881	-	-	3,729,607,830
Yeonggwang Wind Power Co., Ltd.	23,379,901,376	-	-	-	2,766,192,270	-	-	26,146,093,646
Yangyang Wind Power Co., Ltd.	10,435,038,488	-	-	-	1,208,651,674	-	(4,067,841)	11,639,622,321
Jamaica Public Service Company Limited	349,866,454,796	-	-	(15,214,920,000)	28,849,444,211	49,462,544,252	(347,106,480)	412,616,416,779
South Jamaica Power Company Limited	43,109,358,625	-	-	(2,894,546,983)	2,703,681,156	5,842,846,332	-	48,761,339,130
PT.Tanjung Power Indonesia	90,151,067,479	-	-	(8,348,865,000)	6,137,866,353	14,121,704,463	(1,482,438,775)	100,579,334,520
DE Energia SpA	9,702,754,929	-	-	-	-	1,359,017,791	-	11,061,772,720
Daesan Green Energy Co., Ltd.	22,190,747,324	-	-	-	3,144,325,383	-	(4,189,232)	25,330,883,475
Busan Industry Solar Co., Ltd.	1,058,069,975	-	-	-	101,670,470	-	-	1,159,740,445
Light Solar Energy Co., Ltd.(*2)	352,300,000	-	-	-	-	-	(352,300,000)	-
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity (*3)	15,486,773,181	-	(68,040,000)	(86,859,759)	163,959,479	-	-	15,495,832,901
Cheongju Eco Park Co., Ltd.	9,071,574,986	-	-	-	1,564,654,361	-	-	10,636,229,347

14. Investments in associates and joint ventures (cont'd)

	2024							
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Dec. 31
Columboola Solar Farm Hold Co Pty., Ltd.	₩ 50,854,266,875	₩ -	₩ -	₩ (457,184,838)	₩ 12,916,944,755	₩ 2,125,662,673	₩ -	₩ 65,439,689,465
Seokmun Green Energy Co., Ltd.	9,756,877,607	-	-	-	2,987,835,285	-	-	12,744,712,892
Geumyang Eco Park Co., Ltd	3,663,000,000	-	-	-	178,293,863	-	-	3,841,293,863
Fairhaven Energy Storage, LLC(*4)	-	1,505,424,479	-	-	(854,639,874)	29,426,833	(680,211,438)	-
Subtotal	732,360,257,544	1,505,424,479	(68,040,000)	(28,103,876,580)	64,304,358,193	72,802,709,143	(2,870,131,252)	839,930,701,527
Total	₩ 1,105,128,364,930	₩ 1,523,315,479	₩ (68,040,000)	₩ (30,554,153,205)	₩ 80,417,619,378	₩ 73,474,649,524	₩ (2,851,176,524)	₩ 1,227,070,579,582

(*1) Newly acquired in 2024.
(*2) Due to indications of impairment in the equity interest of Light Solar Energy Co., Ltd. resulting from continuous losses, an impairment test was conducted during the current period in accordance with K-IFRS 1036. As a result, the entire carrying amount was recognized as an impairment loss. The impairment loss is presented under 'Others'.
(*3) A portion of the principal was settled in 2024.
(*4) Due to indications of impairment in the equity interest of Fairhaven Energy Storage, LLC resulting from continuous losses, an impairment test was conducted during the current period in accordance with K-IFRS 1036. As a result, the entire carrying amount was recognized as an impairment loss. The impairment loss is presented under 'Others'.

14. Investments in associates and joint ventures (cont'd)

The summary of associates and joint ventures' financial information as of June 30, 2025 and December 31, 2024 and for the periods then ended, is as follows (Korean won):

	Jun. 30, 2025			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 342,417,879,052	₩ 131,366,119,175	₩ 24,403,795,664	₩ 5,827,300,450
KEPCO Solar Co., Ltd.	240,696,611,277	28,629,749,462	12,821,294,671	4,788,709,654
KEPCO ES Co., Ltd.	313,802,126,214	6,001,796,268	3,665,946,474	1,196,084,043
GS Donghae Electric Power Co., Ltd.	1,862,235,432,723	1,044,803,795,368	249,800,001,401	30,950,755,372
Guam Ukudu Power LLC.	844,019,847,505	885,001,427,432	21,601,044,401	(14,692,082,613)
KPE Green Energy Co., Ltd.	133,454,432,389	98,562,342,898	20,159,491,511	2,585,744,267
Taebaek Gadeoksan Wind Power Co., Ltd.	183,425,908,176	115,218,213,336	17,584,014,026	12,785,555,745
Goheungsin Energy Co., Ltd..	170,659,573,235	135,663,021,388	13,829,440,653	2,818,855,728
Yanggu Floating Power Co., Ltd.	15,187,347,162	12,165,117,071	1,051,705,351	104,739,282
Hoenggye Renewable Energy Co., Ltd.	75,507,319,953	72,786,066,563	-	(61,757,195)
Amaala Sustainable Company for Energy LLC	643,462,785,158	643,282,194,800	-	-
Jeju Bukchon BES Power Plant Co., Ltd.	23,665,378,039	16,725,908,603	-	(779,874,382)
<Joint ventures>				
Busan Shinho Solar Power Co., Ltd.	25,684,801,118	1,309,703,262	3,549,841,888	1,402,925,924
Honam Wind Power Co., Ltd.	27,028,600,816	10,727,161,440	3,648,576,606	1,245,793,815
Dangjin Eco Power Corporation	90,797,932,086	12,260,087,257	1,935,210,427	512,760,178
Seokmun Energy Co., Ltd.	190,043,912,653	139,076,010,961	24,739,614,521	(2,289,726,885)
Chuncheon Energy Co., Ltd.	530,614,415,103	410,646,016,549	190,758,903,244	(3,277,266,989)
Yeonggwangbaeksu Wind Power Co., Ltd.	66,652,732,861	41,676,896,705	5,720,994,474	449,327,145
Yeonggwang Wind Power Co., Ltd.	214,060,193,305	155,531,772,597	15,755,791,706	3,658,692,053
Yangyang Wind Power Co., Ltd.	149,654,140,990	120,125,869,084	12,180,926,155	5,404,415,573
Jamaica Public Service Company Limited(*)	2,455,619,567,758	1,521,543,709,846	777,707,529,840	35,288,681,220
South Jamaica Power Company Limited	497,884,253,200	263,129,378,836	144,848,805,660	11,100,805,560
PT.Tanjung Power Indonesia	677,238,696,261	419,275,632,070	53,174,315,131	11,256,743,748
Daesan Green Energy Co., Ltd.	219,952,821,140	144,559,730,645	54,794,611,893	4,668,673,953
Busan Industry Solar Co., Ltd.	18,221,231,419	14,826,864,213	1,051,002,211	150,859,574
Light Solar Energy Co., Ltd.	67,301,514,185	72,440,009,184	5,030,368,080	838,676,609
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	17,771,667,300	553,860,957	529,046,731	504,733,111
Cheongju Eco Park Co., Ltd.	144,735,264,991	108,089,477,038	19,066,847,428	641,894,853
Columboola Solar Farm Hold Co Pty., Ltd.	331,870,325,094	225,333,194,769	9,032,956,487	(8,350,991,799)
Seokmun Green Energy Co., Ltd.	140,298,520,549	97,437,629,436	24,930,112,675	4,240,549,017
Geumyang Eco Park Co., Ltd.	145,584,144,042	124,463,626,802	20,932,896,389	3,740,812,501
Fairhaven Energy Storage, LLC	1,930,157,200	-	-	-

(*) The summarized financial information reflected the fair value adjustments made at the acquisition date.

14. Investments in associates and joint ventures (cont'd)

	Dec. 31, 2024			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 330,372,783,935	₩ 131,469,553,335	₩ 41,489,481,439	₩ 8,286,184,790
KEPCO Solar Co., Ltd.	240,555,040,002	29,239,887,841	20,788,126,390	6,210,481,961
KEPCO ES Co., Ltd.	318,639,949,909	5,935,704,006	6,384,070,630	8,757,939,670
GS Donghae Electric Power Co., Ltd.	1,910,960,371,511	1,089,101,489,528	535,012,368,243	59,776,231,873
Guam Ukudu Power LLC.	940,136,959,935	960,811,769,751	112,782,130,653	(39,279,899,335)
KPE Green Energy Co., Ltd.	135,307,368,022	103,023,378,613	41,288,598,719	2,131,060,728
Taebaek Gadeoksan Wind Power Co., Ltd.	187,927,529,900	120,551,218,823	32,533,786,293	15,535,979,921
Goheungsin Energy Co., Ltd..	174,255,493,678	142,437,009,663	28,058,987,858	2,190,362,419
Yanggu Floating Power Co., Ltd.	15,299,344,042	12,381,746,138	2,258,815,918	210,274,769
Hoenggye Renewable Energy Co., Ltd.	43,205,676,799	43,941,792,822	-	(62,113,617)
Amaala Sustainable Company for Energy LLC	697,353,505,000	697,157,790,000	-	-
<Joint ventures>				
Busan Shinho Solar Power Co., Ltd.	28,836,895,864	864,723,932	8,451,557,205	3,963,116,829
Honam Wind Power Co., Ltd.	29,174,067,114	12,618,421,553	6,507,923,976	1,810,264,636
Dangjin Eco Power Corporation	90,750,303,001	12,732,427,067	3,644,932,017	743,316,510
Seokmun Energy Co., Ltd.	192,082,645,292	138,786,569,148	51,232,983,142	(4,558,209,683)
Chuncheon Energy Co., Ltd.	533,210,305,791	409,988,697,516	430,678,952,597	4,889,848,832
Yeonggwangbaeksu Wind Power Co., Ltd.	69,248,871,018	44,422,332,314	12,636,448,244	2,156,143,019
Yeonggwang Wind Power Co., Ltd.	217,987,863,572	162,218,416,589	32,114,087,276	7,970,568,240
Yangyang Wind Power Co., Ltd.	146,697,138,881	123,504,148,063	11,947,850,326	2,333,668,682
Jamaica Public Service Company Limited(*)	2,649,022,161,975	1,656,067,735,035	1,490,606,447,280	76,610,664,660
South Jamaica Power Company Limited	532,322,280,000	288,500,730,000	250,519,478,640	14,459,551,980
PT.Tanjung Power Indonesia	754,513,973,640	467,144,442,450	106,080,505,553	17,705,160,122
DE Energia SpA	32,262,852,930	24,852,850,470	-	3,162,745,920
Daesan Green Energy Co., Ltd.	225,764,730,764	153,390,777,980	110,001,943,575	5,959,941,747
Busan Industry Solar Co., Ltd.	18,235,654,625	15,133,030,393	2,262,222,794	191,113,694
Light Solar Energy Co., Ltd.	68,249,563,007	74,213,083,579	8,300,459,691	(389,772,443)
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	17,250,980,416	33,388,304	227,134,527	182,177,199
Cheongju Eco Park Co., Ltd.	145,162,059,202	109,158,166,102	37,392,262,481	2,415,077,074
Columboola Solar Farm Hold Co Pty., Ltd.	342,602,782,359	222,480,057,281	8,349,215,834	20,621,670,710
Seokmun Green Energy Co., Ltd.	142,213,518,588	103,593,176,492	46,711,965,970	9,026,407,404
Geumyang Eco Park Co., Ltd.	125,961,492,810	112,910,329,671	3,168,690,433	614,806,424
Fairhaven Energy Storage, LLC	2,071,230,000	82,320,000	-	(13,639,800)

(*) The summarized financial information reflected the fair value adjustments made at the acquisition date.

The investor's share of losses from associates and joint ventures that has not been recognized due to the discontinuation of the equity method as of June 30, 2025 and December 31, 2024 is as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
<Associates>				
Guam Ukudu Power LLC	₩ 9,223,918,403	₩ 16,897,395,164	₩ 7,673,476,761	₩ 7,673,476,761

14. Investments in associates and joint ventures (cont'd)

The agreement that has occurred but are not recognized regarding the investments in associates and joint ventures as of June 30, 2025 are as follows:

	Agreements
Yeonggwang Wind Power Co., Ltd.	If the Group decides to acquire all or a portion of the shares in Yeonggwang Wind Power Co., Ltd. that are owned by Daehan Green Energy Co., Ltd., a shareholder other than the Group, Daehan Green Energy Co., Ltd. shall evaluate the shares at fair value first and then transfer them to the Group.
Columboola Solar Farm Hold Co Pty., Ltd.	The Group holds a call option to purchase the shares held by other shareholders at 80% of the fair value of the shares, in the event of non-compliance with obligations specified in the shareholder agreement.
Seokmun Green Energy Co., Ltd.	The Group has the right to demand the sale of ownership interest owned by other shareholders to the Group according to the special conditions of the REC purchase agreement, or the other shareholders may obtain prior written consent from the financial institution to acquire new ownership interests through a capital increase of Seokmun Green Energy Co., Ltd. or to modify business documents. If other shareholders sell their ownership interests to the Group, they have the right to demand that the Group sell the sold interests if certain conditions are met.

14. Investments in associates and joint ventures (cont'd)

As of June 30, 2025, following significant restrictions are posed on transfer funds to investors or to repay or return borrowings or advances to investors by associates or joint ventures:

	Significant restrictions
Korea Offshore Wind Power Co., Ltd.	Repayment of subordinated loans or dividends and payments for renewable energy supply certification to stakeholders are permitted only if all the conditions in the loan agreement between Korea Offshore Wind Power Co., Ltd. and a financial institution are met and with prior written consent from the financial institution.
GS Donghae Electric Power Co., Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between GS Donghae Electric Power Co., Ltd. and a financial institution are met, or with prior written consent from the financial institution.
Honam Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Honam Wind Power Co., Ltd. and a financial institution are met.
Seokmun Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Seokmun Energy Co., Ltd. and a financial institution are met. Repayment of principal and interest on subordinated loans is not permitted without prior written consent from the financial institution.
Chuncheon Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only when all the conditions in the loan agreement between Chuncheon Energy Co., Ltd. and financial institution are met. Also, repayment of subordinated loans is not permitted before all secured debts are fully repaid.
Yeonggwangbaeksu Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Yeonggwangbaeksu Wind Power Co., Ltd. and a financial institution are met and with prior written consent from the financial institution. Repayment of subordinated loans is not permitted without prior written consent from the financial institution.
Yeonggwang Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Yeonggwang Wind Power Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
Daesan Green Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Daesan Green Energy Co., Ltd. and a financial institution are met and with prior written consent from the financial institution.
KPE Green Energy Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between KPE Green Energy Co., Ltd. and a financial institution are met or with prior written consent from the financial institution.
Taebaek Gadeoksan Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Taebaek Gadeoksan Wind Power Co., Ltd. and a financial institution are met or with prior written consent from the financial institution. Repayment of subordinated loans is not permitted without prior written consent from the financial institution
Yangyang Wind Power Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Yangyang Wind Power Co., Ltd. and a financial institution are met or with prior written consent from the financial institution.
Busan Industry Solar Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Busan Industry Solar Co., Ltd. and a financial institution are met or with prior written consent from the financial institution.
Light Solar Energy Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Light Solar Energy Co., Ltd. and a financial institution are met.

14. Investments in associates and joint ventures (cont'd)

	Significant restrictions
Jamaica Public Service Company Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between Jamaica Public Service Company Ltd. and a financial institution are met and with a prior written consent from the financial institution.
South Jamaica Power Company Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between South Jamaica Power Company Ltd. and a financial institution are met and with a prior written consent from the financial institution.
PT.Tanjung Power Indonesia	Dividends to shareholders are permitted only if all conditions in the loan agreement between PT.Tanjung Power Indonesia and a financial institution are met.
Cheongju Eco Park Co., Ltd	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all the conditions in the loan agreement between Cheongju Eco Park Co., Ltd. and a financial institution are met, other financial related contracts are permitted, or with a prior written consent from the financial institution
Goheungsin Energy Co., Ltd.	Repayment of subordinated loans or dividends to stakeholders are permitted only if all the conditions in the loan agreement between Goheungsin Energy Co., Ltd. and a financial institution are met and with prior written consent from the financial institution.
Columboola Solar Farm Hold Co Pty., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Columboola Solar Farm Hold Co Pty., Ltd. and a financial institution are met.
Seokmun Green Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Seokmun Green Energy Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Geumyang Eco Park Co., Ltd.	Dividends or unpaid REC payments arising from REC settlement differences may only be made if all conditions specified in the loan agreement between Geumyang Eco Park Co., Ltd. and a financial institution are met or with prior written consent from the financial institution.
Yanggu Floating Solar Power Co., Ltd.	Repayment of subordinated loans or dividends to shareholders are permitted only if all the conditions in the loan agreement between Yanggu Floating Solar Power Co., Ltd. and a financial institution are met and with prior written consent from the financial institution.
Hoenggye Renewable Energy Co., Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between Hoenggye Renewable Energy Co., Ltd. and a financial institution are met or with prior written consent from the financial institution.
Guam Ukudu Power LLC.	Dividends to shareholders are permitted only if all conditions in the loan agreement between Guam Ukudu Power LLC. and a financial institution are met.
Amaala Sustainable Company for Energy LLC	Dividends to shareholders are permitted only if all conditions in the loan agreement between Amaala Sustainable Company for Energy LLC and a financial institution are met.

15. Property, plant and equipment

The acquisition cost and net book value of property, plant and equipment as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 871,098,266,701	₩ -	₩ -	₩ 871,098,266,701
Buildings	1,435,416,908,254	(131,142,916)	(789,959,579,613)	645,326,185,725
Structures	1,400,836,664,682	-	(855,657,271,033)	545,179,393,649
Machinery	9,061,096,411,365	(3,789,466,112)	(5,871,061,562,584)	3,186,245,382,669
Vehicles	18,211,912,172	-	(15,733,568,971)	2,478,343,201
Furniture and fixtures	176,901,483,847	-	(154,054,437,063)	22,847,046,784
Tools and equipment	22,963,233,172	-	(21,960,442,478)	1,002,790,694
Construction-in-progress	1,665,523,655,984	-	-	1,665,523,655,984
Right-of-use assets	1,087,261,883,707	-	(650,119,877,808)	437,142,005,899
Total	₩ 15,739,310,419,884	₩ (3,920,609,028)	₩ (8,358,546,739,550)	₩ 7,376,843,071,306

	Dec. 31, 2024			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 870,642,306,442	₩ -	₩ -	₩ 870,642,306,442
Buildings	1,420,725,267,098	(135,178,083)	(766,790,778,631)	653,799,310,384
Structures	1,398,683,424,960	-	(837,656,778,836)	561,026,646,124
Machinery	8,853,736,201,842	(3,989,021,364)	(5,679,297,036,607)	3,170,450,143,871
Vehicles	16,234,238,111	-	(15,276,862,554)	957,375,557
Furniture and fixtures	175,989,133,094	-	(149,957,869,265)	26,031,263,829
Tools and equipment	23,413,635,401	-	(22,151,448,561)	1,262,186,840
Construction-in-progress	1,610,619,595,556	-	-	1,610,619,595,556
Right-of-use assets	988,637,131,022	-	(616,324,873,658)	372,312,257,364
Total	₩ 15,358,680,933,526	₩ (4,124,199,447)	₩ (8,087,455,648,112)	₩ 7,267,101,085,967

15. Property, plant and equipment (cont'd)

Changes in the net book value of property, plant and equipment for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025							
						Others(*)		
	Jan. 1	Addition	Retirement	Disuse	Depreciation	Transfer	Others	Jun. 30
Land	₩ 870,642,306,442	₩ -	₩ (34,846,313)	₩ -	₩ -	₩ 543,531,286	₩ (52,724,714)	₩ 871,098,266,701
Buildings	653,934,488,467	-	(160,260,274)	(126,385)	(23,194,632,462)	14,970,538,497	(92,679,202)	645,457,328,641
(Government grant)	(135,178,083)	-	-	-	4,035,167	-	-	(131,142,916)
Structures	561,026,646,124	-	-	(204,563,826)	(18,239,719,044)	2,618,231,591	(21,201,196)	545,179,393,649
Machinery	3,174,439,165,235	9,555,881,181	(839,351)	(1,835,456,129)	(255,056,455,810)	264,463,766,928	(1,531,213,273)	3,190,034,848,781
(Government grant)	(3,989,021,364)	-	-	-	199,555,252	-	-	(3,789,466,112)
Vehicles	957,375,557	-	-	-	(450,390,589)	1,971,681,590	(323,357)	2,478,343,201
Furniture and fixtures	26,031,263,829	23,996,718	-	(12,644,604)	(5,103,817,065)	1,908,670,929	(423,023)	22,847,046,784
Tools and equipment	1,262,186,840	24,482,972	-	(32,867)	(246,252,316)	(36,803,622)	(790,313)	1,002,790,694
Construction-in-progress	1,610,619,595,556	413,349,367,268	-	-	-	(374,530,452,814)	16,085,145,974	1,665,523,655,984
Right-of-use asset	372,312,257,364	11,765,602,618	-	-	(34,251,061,257)	87,426,857,087	(111,649,913)	437,142,005,899
Total	₩ 7,267,101,085,967	₩ 434,719,330,757	₩ (195,945,938)	₩ (2,052,823,811)	₩ (336,338,738,124)	₩ (663,978,528)	₩ 14,274,140,983	₩ 7,376,843,071,306

(*) It includes transfer from construction-in-progress and effects from the changes in exchange rates.

	For the year ended Dec. 31, 2024							
						Others (*)		
	Jan. 1	Addition	Retirement	Disuse	Depreciation	Transfer	Others	Dec. 31
Land	₩ 864,753,454,929	₩ 25,427,428	₩ (96,395,373)	₩ -	₩ -	₩ 5,875,998,302	₩ 83,821,156	₩ 870,642,306,442
Buildings	680,561,881,451	-	(283,936,459)	(1,986,731)	(45,894,639,122)	19,397,825,974	155,343,354	653,934,488,467
(Government grant)	(143,248,416)	-	-	-	8,070,333	-	-	(135,178,083)
Structures	577,374,649,884	-	-	(38,677,985)	(36,435,003,337)	20,091,709,246	33,968,316	561,026,646,124
Machinery	3,339,740,400,435	9,241,251,105	(20,804)	(2,717,310,171)	(538,144,544,267)	360,696,543,871	5,622,845,066	3,174,439,165,235
(Government grant)	(4,405,464,627)	-	-	16,318,920	400,124,343	-	-	(3,989,021,364)
Vehicles	1,954,748,023	-	(1,000)	-	(1,139,985,746)	139,849,527	2,764,753	957,375,557
Furniture and fixtures	33,076,716,424	41,799,278	-	(2,478,915)	(13,932,166,703)	6,846,742,830	650,915	26,031,263,829
Tools and equipment	2,015,984,862	-	(1,000)	(36,333)	(709,751,157)	(46,575,744)	2,566,212	1,262,186,840
Construction-in-progress	979,035,864,162	1,008,213,673,982	-	-	-	(419,721,915,821)	43,091,973,233	1,610,619,595,556
Right-of-use asset	433,855,157,493	7,884,575,857	-	-	(70,205,656,807)	521,379,165	256,801,656	372,312,257,364
Total	₩ 6,907,820,144,620	₩ 1,025,406,727,650	₩ (380,354,636)	₩ (2,744,171,215)	₩ (706,053,552,463)	₩ (6,198,442,650)	₩ 49,250,734,661	₩ 7,267,101,085,967

(*) It includes transfer from construction-in-progress and effects from the changes in exchange rates.

16. Goodwill

Details of goodwill as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Acquisition cost	₩ 104,701,499,835	₩ 105,480,942,947
Accumulated impairment loss	-	-
Book value	₩ 104,701,499,835	₩ 105,480,942,947

Changes in goodwill for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025	For the year ended Dec. 31, 2024
Jan. 1	₩ 105,480,942,947	₩ 104,241,793,070
Effect on exchange rates change	(779,443,112)	1,239,149,877
Jun. 30, 2025/Dec. 31, 2024	₩ 104,701,499,835	₩ 105,480,942,947

17. Intangible assets excluding goodwill

Intangible assets as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Software	₩ 80,947,129,377	₩ (68,440,695,552)	₩ -	₩ 12,506,433,825
Industrial property rights	100,212,971	(97,175,502)	-	3,037,469
Intangible assets under development	55,512,000	-	-	55,512,000
Usable and profitable donated assets	225,429,427,625	(225,429,427,625)	-	-
Others	302,906,748,249	(80,481,035,243)	(117,935,800)	222,307,777,206
Total	₩ 609,439,030,222	₩ (374,448,333,922)	₩ (117,935,800)	₩ 234,872,760,500

	Dec. 31, 2024			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Software	₩ 80,358,642,208	₩ (65,585,603,208)	₩ -	₩ 14,773,039,000
Industrial property rights	100,212,971	(96,197,536)	-	4,015,435
Usable and profitable donated assets	225,429,427,625	(225,429,427,625)	-	-
Others	302,758,547,749	(74,827,785,011)	(160,815,300)	227,769,947,438
Total	₩ 608,646,830,553	₩ (365,939,013,380)	₩ (160,815,300)	₩ 242,547,001,873

17. Intangible assets excluding goodwill (cont'd)

Changes in the net book value of intangible assets for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025		
	Jan. 1	Acquisition	Disposal
Software	₩ 14,773,039,000	₩ -	₩ -
Industrial property rights	4,015,435	-	-
Intangible assets under development	-	-	-
Others	227,769,947,438	256,080,000	(65,000,000)
Total	₩ 242,547,001,873	₩ 256,080,000	₩ (65,000,000)

	For the 6 months ended Jun. 30, 2025		
	Amortization	Others(*)	Jun.30
Software	₩ (2,875,176,125)	₩ 608,570,950	₩ 12,506,433,825
Industrial property rights	(977,966)	-	3,037,469
Intangible assets under development	-	55,512,000	55,512,000
Others	(5,653,250,232)	-	222,307,777,206
Total	₩ (8,529,404,323)	₩ 664,082,950	₩ 234,872,760,500

(*) It is account transfer from construction-in-progress.

	For the year ended Dec. 31,2024		
	Jan. 1	Acquisition	Disposal
Software	₩ 14,020,903,893	₩ -	₩ -
Industrial property rights	5,971,369	-	-
Others	238,979,095,001	123,352,900	(26,000,000)
Total	₩ 253,005,970,263	₩ 123,352,900	₩ (26,000,000)

	For the year ended Dec. 31,2024		
	Amortization	Others(*)	Dec.31
Software	₩ (5,446,307,543)	₩ 6,198,442,650	₩ 14,773,039,000
Industrial property rights	(1,955,934)	-	4,015,435
Others	(11,306,500,463)	-	227,769,947,438
Total	₩ (16,754,763,940)	₩ 6,198,442,650	₩ 242,547,001,873

(*) It is account transfer from construction-in-progress.

Key intangible assets as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		
	Contents	Amount	Residual amortization period
Other intangible assets	Right to use public water surface	₩ 62,683,189,741	11 years and 7 months
	Emission rights	17,809,359,597	-
	Business operation rights	140,342,116,667	24 years and 5 months

	Dec. 31, 2024		
	Contents	Amount	Residual amortization period
Other intangible assets	Right to use public water surface	₩ 65,388,938,938	12 years and 1 month
	Emission rights	17,553,279,597	-
	Business operation rights	143,216,016,667	24 years and 11 months

18. Trade and other payables

Details of trade and other payables as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Trade payables	₩ 158,382,971,999	₩ -	₩ 234,601,071,205	₩ -
Non-trade payables	152,426,570,028	-	91,374,953,974	-
Accrued expenses	50,923,960,589	-	55,265,866,960	-
Leasehold deposits received	13,012,610	-	13,012,610	-
Other deposits	2,907,107,829	-	2,754,226,259	-
Lease liabilities	56,637,167,254	290,106,137,429	61,839,380,548	330,030,865,070
Total	₩ 421,290,790,309	₩ 290,106,137,429	₩ 445,848,511,556	₩ 330,030,865,070

19. Lease

Details of right-of-use assets as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		
	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 4,940,706,166	₩ (1,064,734,622)	₩ 3,875,971,544
Buildings	12,414,640,967	(4,304,753,404)	8,109,887,563
Vessels	540,763,723,755	(303,708,233,739)	237,055,490,016
Power transmission facilities	487,690,277,476	(332,163,648,400)	155,526,629,076
Vehicles	677,344,499	(395,186,413)	282,158,086
Other right-of-use assets	40,775,190,844	(8,483,321,230)	32,291,869,614
Total	₩ 1,087,261,883,707	₩ (650,119,877,808)	₩ 437,142,005,899

	Dec. 31, 2024		
	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 4,805,844,629	₩ (955,376,387)	₩ 3,850,468,242
Buildings	12,380,670,914	(3,927,699,345)	8,452,971,569
Vessels	531,075,962,713	(280,897,124,541)	250,178,838,172
Power transmission facilities	399,866,182,525	(322,135,720,754)	77,730,461,771
Vehicles	464,108,499	(355,876,357)	108,232,142
Other right-of-use assets	40,044,361,742	(8,053,076,274)	31,991,285,468
Total	₩ 988,637,131,022	₩ (616,324,873,658)	₩ 372,312,257,364

19. Lease (cont'd)

Changes in the right-of-use assets for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025				
	Jan. 1	Acquisition	Depreciation	Others(*)	Jun.30
Land	₩ 3,850,468,242	₩ 231,150,827	₩ (130,517,022)	₩ (75,130,503)	₩ 3,875,971,544
Buildings	8,452,971,569	317,256,275	(639,785,531)	(20,554,750)	8,109,887,563
Vessels	250,178,838,172	9,687,761,042	(22,811,109,198)	-	237,055,490,016
Power transmission facilities	77,730,461,771	-	(9,615,773,255)	87,411,940,560	155,526,629,076
Vehicles	108,232,142	244,275,667	(65,229,202)	(5,120,521)	282,158,086
Other right-of-use assets	31,991,285,468	1,285,158,805	(988,647,049)	4,072,390	32,291,869,614
	₩ 372,312,257,364	₩ 11,765,602,616	₩ (34,251,061,257)	₩ 87,315,207,176	₩ 437,142,005,899

(*) It includes transfer from construction-in-progress and effects from the changes in exchange rates.

	For the year ended Dec. 31, 2024				
	Jan. 1	Acquisition	Depreciation	Others(*)	Dec.31
Land	₩ 3,958,736,821	₩ -	₩ (235,213,480)	₩ 126,944,901	₩ 3,850,468,242
Buildings	9,156,649,257	541,895,368	(1,258,306,103)	12,733,047	8,452,971,569
Vessels	297,238,256,474	-	(47,059,418,302)	-	250,178,838,172
Power transmission facilities	96,915,955,226	-	(19,733,713,448)	548,219,993	77,730,461,771
Vehicles	151,669,799	67,475,470	(109,890,658)	(1,022,469)	108,232,142
Other right-of-use assets	26,433,889,916	7,275,205,019	(1,809,114,816)	91,305,349	31,991,285,468
	₩ 433,855,157,493	₩ 7,884,575,857	₩ (70,205,656,807)	₩ 778,180,821	₩ 372,312,257,364

(*) It includes transfer from construction-in-progress and effects from the changes in exchange rates.

19. Lease (cont'd)

The table below summarizes the maturity profile of lease liabilities as of June 30, 2025 and December 31, 2024 based on the contract as of June 30, 2025 (Korean won):

		Jun. 30, 2025		Dec. 31, 2024
Less than 1 year	₩	57,404,714,093	₩	62,625,046,448
1 to 5 years		183,881,937,491		208,626,882,921
Over 5 years		144,112,880,549		165,162,861,759
Total undiscounted lease payments		385,399,532,133		436,414,791,128
Adjustments (discount, etc.)		(38,656,227,450)		(44,544,545,510)
Total discounted lease payments	₩	346,743,304,683	₩	391,870,245,618

Details of the lease liabilities by category as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

		Jun. 30, 2025		Dec. 31, 2024
Current	₩	56,637,167,254	₩	61,839,380,548
Non-current		290,106,137,429		330,030,865,070
	₩	346,743,304,683	₩	391,870,245,618

Changes in the lease liabilities for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

		For the 6 months ended Jun. 30, 2025
Jan. 1, 2025	₩	391,870,245,618
Increases		11,746,589,863
Payments		(37,100,252,849)
Interest expenses		5,956,317,823
Fluctuation of exchange rates		(25,729,595,772)
Jun. 30, 2025	₩	346,743,304,683

		For the year ended Dec. 31, 2024
Jan. 1, 2024	₩	396,055,530,472
Increases		7,884,575,857
Payments		(64,513,388,983)
Interest expenses		8,867,195,563
Fluctuation of exchange rates		43,506,427,019
Others		69,905,690
Dec. 31, 2024	₩	391,870,245,618

The amounts recognized in the Consolidated statements of comprehensive income for the six months ended June 30, 2025 and 2024 related to leases are as follows (Korean won):

		For the 6 months ended Jun. 30, 2025		For the 6 months ended Jun. 30, 2024
Depreciation of right-of-use assets	₩	34,251,061,257	₩	34,859,645,838
Interest expenses of lease liabilities		5,956,317,823		4,481,966,725
Loss(gain) on foreign currency translation of long-term consecutive voyage charter		(25,618,952,304)		26,210,720,013
	₩	14,588,426,776	₩	65,552,332,576

Total cash outflow for lease payments of KRW 37,100,252,849 and KRW 30,775,034,771 are recognized in the interim consolidated statements of cash flows for the six months ended June 30, 2025 and 2024, respectively.

20. Borrowings and bonds payable

Details of borrowings and bonds payable as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Current liabilities:		
Short-term borrowings	₩ 690,000,000,000	₩ 80,000,000,000
Current portion of long-term borrowings	11,377,700,000	11,230,560,000
Current portion of bonds payable	480,000,000,000	1,660,000,000,000
Less: discount on current portion of bonds payable	(582,085,707)	(1,266,320,353)
	1,180,795,614,293	1,749,964,239,647
Non-current liabilities:		
Long-term borrowings	101,769,950,000	106,783,890,000
Less: discount on long-term borrowings	(133,221,886)	(148,895,048)
Bonds payable	2,868,940,000,000	2,068,700,000,000
Less: discount on bonds payable	(10,140,040,553)	(9,227,416,913)
	2,960,436,687,561	2,166,107,578,039
	₩ 4,141,232,301,854	₩ 3,916,071,817,686

Details of short-term borrowings as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

Financial institution	Annual interest rate (%)	Maturity	Jun 30, 2025	Dec 31, 2024
<Short-term borrowings denominated in Korean won>				
IM Securities	3.71	2025.02.13	₩ -	₩ 10,000,000,000
KB Securities	3.71	2025.02.13	-	10,000,000,000
Hanyang Securities	3.71	2025.02.13	-	10,000,000,000
SK Securities	3.98	2025.01.23	-	50,000,000,000
Bookook Securities	2.65	2025.08.14	30,000,000,000	-
Bookook Securities	2.65	2025.08.14	20,000,000,000	-
Hyundai Motor Securities	2.65	2025.08.14	30,000,000,000	-
Bookook Securities	2.71	2025.08.25	20,000,000,000	-
KB Securities	2.71	2025.08.25	20,000,000,000	-
Daol Securities	2.71	2025.08.25	70,000,000,000	-
Bookook Securities	2.71	2025.08.25	30,000,000,000	-
Eugene Securities	2.71	2025.09.15	20,000,000,000	-
NH Securities	2.71	2025.09.15	60,000,000,000	-
Bookook Securities	2.71	2025.09.15	10,000,000,000	-
Daol Securities	2.71	2025.09.15	30,000,000,000	-
SK Securities	2.71	2025.09.15	30,000,000,000	-
KB Securities	2.71	2025.09.15	20,000,000,000	-
DS Securities	2.71	2025.09.15	30,000,000,000	-
Bookook Securities	2.71	2025.09.15	10,000,000,000	-
NH Securities	2.75	2025.09.24	20,000,000,000	-
Yuanta Securities	2.75	2025.09.24	100,000,000,000	-
SK Securities	2.75	2025.09.24	100,000,000,000	-
IM Securities	2.75	2025.09.24	10,000,000,000	-
Bookook Securities	2.75	2025.09.24	30,000,000,000	-
			₩ 690,000,000,000	₩ 80,000,000,000

20. Borrowings and bonds payable (cont'd)

Details of long-term borrowings as of June 30, 2025 and December 31, 2024 are as follows (Koreanwon):

Financial institution	Description	Annual interest rate (%)	Maturity	Jun. 30, 2025	Dec 31, 2024
<Long-term borrowings denominated in Korean won>					
Korea Energy Agency	Renewable energy funds	1.75	2028.09.15	₩ 1,674,010,000	₩ 1,931,550,000
Korea Energy Agency	Renewable energy funds	1.75	2028.09.15	682,110,000	787,050,000
KDB Bank	Facility funds	Non-guaranteed bond rate+0.9	2029.09.30	8,487,250,000	9,485,750,000
Shinhan Bank	Facility funds	Non-guaranteed bond rate+0.9	2029.09.30	5,940,650,000	6,639,550,000
NH Property & Casualty Insurance Co., Ltd.	Facility funds	3.30	2029.09.30	16,973,650,000	18,970,550,000
KDB Bank	Project financing	4.94	2042.06.23	39,694,990,000	40,100,000,000
Woori Bank	Project financing	3M CD+1.9	2042.06.23	39,694,990,000	40,100,000,000
				113,147,650,000	118,014,450,000
Less: current portion				(11,377,700,000)	(11,230,560,000)
Less: discount on PV				(133,221,886)	(148,895,048)
				₩ 101,636,728,114	₩ 106,634,994,952

20. Borrowings and bonds payable (cont'd)

Details of bonds payable denominated in Korean won as of June 30, 2025 and December 31, 2024 are as follows (Korean won and USD):

Financial institution	Annual interest rate (%)	Maturity	Jun. 30, 2025		Dec. 31, 2024	
			USD	KRW	USD	KRW
Corporate bond #11-4	4.27	2026.11.08	$ -	₩ 110,000,000,000	$ -	₩ 110,000,000,000
Corporate bond #17-3	2.45	2027.04.28	-	50,000,000,000	-	50,000,000,000
Corporate bond #17-5	2.74	2027.11.10	-	80,000,000,000	-	80,000,000,000
Corporate bond #18-2	2.30	2038.11.05	-	30,000,000,000	-	30,000,000,000
Corporate bond #18-3	2.23	2048.11.05	-	40,000,000,000	-	40,000,000,000
Corporate bond #19-1	2.18	2039.03.07	-	40,000,000,000	-	40,000,000,000
Corporate bond #19-2	2.16	2049.03.07	-	40,000,000,000	-	40,000,000,000
Corporate bond #19-3	1.47	2039.10.07	-	70,000,000,000	-	70,000,000,000
Corporate bond #19-4	1.42	2049.10.07	-	80,000,000,000	-	80,000,000,000
Corporate bond #20-1	1.35	2025.07.16	-	40,000,000,000	-	40,000,000,000
Corporate bond #20-2	1.70	2040.07.16	-	90,000,000,000	-	90,000,000,000
Corporate bond #20-3	1.70	2050.07.16	-	80,000,000,000	-	80,000,000,000
Corporate bond #20-5	1.78	2040.11.24	-	40,000,000,000	-	40,000,000,000
Corporate bond #21-3	1.89	2026.06.10	-	130,000,000,000	-	130,000,000,000
Corporate bond #21-4	2.19	2031.06.10	-	30,000,000,000	-	30,000,000,000
Corporate bond #21-5	1.98	2026.07.13	-	90,000,000,000	-	90,000,000,000
Corporate bond #21-6	2.10	2031.07.13	-	10,000,000,000	-	10,000,000,000
Corporate bond #21-8	2.76	2026.11.03	-	100,000,000,000	-	100,000,000,000
Corporate bond #21-9	2.62	2041.11.03	-	10,000,000,000	-	10,000,000,000
Corporate bond #21-11	2.58	2026.11.20	-	10,000,000,000	-	10,000,000,000
Corporate bond #21-12	2.56	2041.11.22	-	40,000,000,000	-	40,000,000,000
Corporate bond #21-13	2.52	2051.11.22	-	40,000,000,000	-	40,000,000,000
Corporate bond #22-1	3.75	2025.04.22	-	-	-	60,000,000,000
Corporate bond #22-2	3.82	2025.06.05	-	-	-	90,000,000,000
Corporate bond #22-3	4.02	2027.06.07	-	30,000,000,000	-	30,000,000,000
Corporate bond #23-2	4.09	2026.06.26	-	60,000,000,000	-	60,000,000,000
Corporate bond #24-1	3.62	2027.04.08	-	30,000,000,000	-	30,000,000,000
Corporate bond #24-2	3.67	2029.04.06	-	50,000,000,000	-	50,000,000,000
Corporate bond #24-3	3.65	2026.04.30	-	70,000,000,000	-	70,000,000,000
Corporate bond #24-4	3.71	2027.05.03	-	70,000,000,000	-	70,000,000,000
Corporate bond #24-5	3.78	2029.05.03	-	30,000,000,000	-	30,000,000,000
Corporate bond #25-1	2.86	2027.03.05	-	170,000,000,000	-	-
Corporate bond #25-2	2.89	2028.03.07	-	60,000,000,000	-	-
Corporate bond #25-3	2.99	2030.03.07	-	40,000,000,000	-	-
Corporate bond #25-4	2.87	2027.03.19	-	170,000,000,000	-	-
Corporate bond #25-5	2.92	2028.03.21	-	50,000,000,000	-	-
Corporate bond #25-6	2.99	2030.03.21	-	10,000,000,000	-	-
Corporate bond #25-7	2.52	2026.04.17	-	180,000,000,000	-	-
Corporate bond #25-8	2.70	2028.04.17	-	100,000,000,000	-	-
Corporate bond #25-9	2.79	2030.04.17	-	70,000,000,000	-	-
Corporate bond #25-10	2.61	2027.04.28	-	160,000,000,000	-	-
Corporate bond #25-11	2.69	2028.04.28	-	100,000,000,000	-	-
Corporate bond #25-12	2.64	2027.06.23	-	90,000,000,000	-	-
Corporate bond #25-13	2.70	2028.06.23	-	40,000,000,000	-	-
Corporate bond #25-14	2.93	2030.06.21	-	40,000,000,000	-	-
Foreign currency corporate bonds #20-1	1.75	2025.05.06	-	-	500,000,000	735,000,000,000
Foreign currency corporate bonds #22-1	3.60	2025.05.06	-	-	500,000,000	735,000,000,000
Foreign currency corporate bonds #23-1	4.88	2028.07.12	350,000,000	474,740,000,000	350,000,000	514,500,000,000
Yeongdeok Sunrise #1[t] registered unsecured bonds	10.00	2043.12.20	-	4,200,000,000	-	4,200,000,000
			$ 350,000,000	₩ 3,348,940,000,000	$ 1,350,000,000	₩ 3,728,700,000,000

20. Borrowings and bonds payable (cont'd)

Financial institution	Annual interest rate (%)	Maturity	Jun. 30, 2025		Dec. 31, 2024	
			USD	KRW	USD	KRW
Less: discount on bonds				(10,722,126,260)		(10,493,737,266)
Less: current portion				(480,000,000,000)		(1,660,000,000,000)
Add: discount on current portion of bonds				582,085,707		1,266,320,353
				₩ 2,858,799,959,447		₩ 2,059,472,583,087

The table below summarizes the maturity profile of borrowings and bonds payable based on the contractual undiscounted repayment schedules as of June 30, 2025 (Korean won):

	Borrowings	Bonds payable	Total
Within the next 12 months	₩ 701,377,700,000	₩ 480,000,000,000	₩ 1,181,377,700,000
Between 1 and 5 years	40,136,250,000	2,224,740,000,000	2,264,876,250,000
Over 5 years	61,633,700,000	644,200,000,000	705,833,700,000
Total	₩ 803,147,650,000	₩ 3,348,940,000,000	₩ 4,152,087,650,000

21. Pension benefits

The Group operates a defined contribution plan which is subject to the employees' option. 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's sole obligation to this retirement benefit plan is to pay the prescribed contribution. The amount recognized in profit or loss and construction in progress during the period represents contributions made by the Group to the retirement benefit plan at the rates stipulated by the retirement benefit plan.

Costs related to the defined contribution plan were recognized in profit or loss as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Cost of sales	₩ 1,982,111,913	₩ 4,042,874,794
Selling and administrative expenses and others	340,453,419	2,279,723,697
Total	₩ 2,322,565,332	₩ 6,322,598,491

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Cost of sales	₩ 1,997,150,805	₩ 3,424,861,817
Selling and administrative expenses and others	1,573,836,993	2,497,244,055
Total	₩ 3,570,987,798	₩ 5,922,105,872

The components of the defined benefit liabilities as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Present value of defined benefit obligation	₩ 164,050,619,535	₩ 157,210,078,922
Fair value of plan assets	(118,247,642,152)	(122,793,107,430)
	₩ 45,802,977,383	₩ 34,416,971,492

21. Pension benefits (cont'd)

Changes in the present value of the defined benefit obligation for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025	For the year ended Dec. 31, 2024
Jan. 1	₩ 157,210,078,922	₩ 131,057,569,770
Current service costs	7,108,878,656	12,963,654,912
Interest costs	2,541,159,418	5,647,975,884
Benefits paid	(9,992,930,210)	(13,577,592,170)
Re-measurement of the defined benefit obligation	7,183,432,749	21,118,470,526
Jun. 30, 2025/Dec. 31, 2024	₩ 164,050,619,535	₩ 157,210,078,922

Changes in the fair value of plan assets for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025	For the year ended Dec. 31, 2024
Jan. 1	₩ 122,793,107,430	₩ 119,980,910,796
Interest income on plan assets	2,016,307,302	4,898,809,591
Re-measurement of plan assets	140,805,059	(114,091,657)
Contribution by employer	711,672,936	6,729,844,856
Benefits paid	(7,414,250,575)	(8,702,366,156)
Jun. 30, 2025/Dec. 31, 2024	₩ 118,247,642,152	₩ 122,793,107,430

As of June 30, 2025 and 2024, re-measurements of the defined benefit liability of KRW (-)5,416,053,117 and KRW (-)15,723,382,525 recorded in accumulated other comprehensive income are presented before tax effect which is directly charged to equity

Details of plan assets and fair value as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Debt instruments	₩ 27,256,692,461	₩ 27,296,279,383
Deposit	61,694,324,483	66,559,677,392
Others	29,296,625,208	28,937,150,655
Total	₩ 118,247,642,152	₩ 122,793,107,430

21. Pension benefits (cont'd)

Details of costs related to the defined benefit plan recognized in profit or loss for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Current service costs	₩ 3,589,966,224	₩ 7,108,878,656
Interest costs	283,054,077	524,852,116
Total	₩ 3,873,020,301	₩ 7,633,730,772

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Current service costs	₩ 3,346,270,678	₩ 6,326,892,181
Interest costs	219,086,696	361,799,939
Total	₩ 3,565,357,374	₩ 6,688,692,120

Costs related to the defined benefit plan were recognized as follows (Korean won):

	For the 6 months ended Jun. 30, 2025	For the 6 months ended Jun. 30, 2024
Cost of sales	₩ 5,373,161,598	₩ 5,413,495,504
Selling and administrative expenses and others	2,260,569,174	1,275,196,616
Total	₩ 7,633,730,772	₩ 6,688,692,120

Details of change in re-measurement gain(loss) in other comprehensive income for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Actuarial gains and losses from changes in financial assumptions	₩ 4,290,116,577	₩ 13,710,529,734
Return on plan assets	(140,805,059)	114,091,657
Experience adjustments and others	2,893,316,172	7,407,676,682
Actuarial gains and losses from changes in demographic assumptions	-	264,110
Total	₩ 7,042,627,690	₩ 21,232,562,183

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below (Percentages in units):

	Jun. 30, 2025	Dec. 31, 2024
Discount rate	3.15 ~ 4.60	3.38 ~ 4.19
Future salary increases	2.00 ~ 6.45	2.00 ~ 6.45

22. Provisions

Details of provisions as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Provision for employee bonuses	₩ 41,133,855,412	₩ -	₩ 40,658,911,823	₩ -
Provision for financial guarantees	826,364,323	1,024,987,085	1,716,198,888	1,301,098,322
Provision for lawsuit	400,000,000	-	400,000,000	-
Provision for decommissioning cost (*1)(*2)	-	7,227,124,249	-	7,122,808,905
Provision for emission obligation	4,183,548,991	-	6,036,642,089	-
	₩ 46,543,768,726	₩ 8,252,111,334	₩ 48,811,752,800	₩ 8,423,907,227

(*1) Related to the land leased from GYEONGJU-SI where wind power generation facilities are, the Group estimated the decommissioning cost to occur at the end of the lease term by reflecting 2.1% annual inflation rate and 5% market uncertainty premium. The Group discounted the estimate of decommissioning cost at a discount rate on government bonds and recognized it as a provision.

(*2) Considering the obligation to restore and return the project site upon the termination of commercial operation of the wind power facilities constructed by Yeongdeok Wind Power Co., Ltd., the estimated restoration costs at that time were projected, taking into account inflation rates. These estimated costs were then discounted using the government bond discount rate.

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22. Provisions (cont'd)

Changes in provisions for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the six months ended Jun. 30, 2025				
	Jan. 1	Addition	Utilization	Reversal	Jun. 30
Provision for employee bonuses	₩ 40,658,911,823	₩ 21,772,228,309	₩ (21,297,284,720)	₩ -	₩ 41,133,855,412
Provision for financial guarantees	3,017,297,210	-	-	(1,165,945,802)	1,851,351,408
Provision for lawsuit	400,000,000	-	-	-	400,000,000
Provision for decommissioning cost	7,122,808,905	104,315,344	-	-	7,227,124,249
Provision for emission obligations	6,036,642,089	-	-	(1,853,093,098)	4,183,548,991
	₩ 57,235,660,027	₩ 21,876,543,653	₩ (21,297,284,720)	₩ (3,019,038,900)	₩ 54,795,880,060

	For the year ended Dec. 31, 2024						
	Jan. 1	Recognition	Accrual	Utilization	Reversal	Others(*)	Dec. 31
Provision for employee bonuses	₩ 45,482,832,739	₩ -	₩ 43,252,053,694	₩ (48,075,974,610)	₩ -	₩ -	₩ 40,658,911,823
Provision for financial guarantees	409,218,469	-	3,466,410,275	-	(858,331,534)	-	3,017,297,210
Provision for tax	5,673,309,000	-	-	(5,673,309,000)	-	-	-
Provision for litigation	-	-	400,000,000	-	-	-	400,000,000
Provision for decommissioning cost	4,005,720,080	3,011,577,383	105,511,442	-	-	-	7,122,808,905
Provision for emission obligations	4,569,732,507	-	6,036,642,089	-	(1,191,759,905)	(3,377,972,602)	6,036,642,089
	₩ 60,140,812,795	₩ 3,011,577,383	₩ 53,260,617,500	₩ (53,749,283,610)	₩ (2,050,091,439)	₩ (3,377,972,602)	₩ 57,235,660,027

(*) Represents the fluctuation resulting from the settlement of greenhouse gas emission offset liabilities.

22. Provisions (cont'd)

The Group is allocated emission allowances free of charge by the government in accordance with the Act on Allocation and Trading of Emission Allowances in the Republic of Korea. The emission allowances are allocated to the Group annually for the planned periods, and the Group is to deliver the equivalent quantity of emission allowances for actual emission to the government.

Details of annual emission allowances allocated as of June 30, 2025 are as follows (tCO2-eq in unit):

	2021	2022	2023	2024	2025	2021-2025 Total
Allocated emissions	27,928,404	22,777,410	25,473,095	19,820,781	20,437,118	116,436,808

The quantity of greenhouse gas emission estimated by the Group in 2024 is 25,977,335 tCO2-eq, which exceeds the allocated emission allowances as of June 30, 2025. Therefore, the Group recognized the best estimate of expenditure in performing emission obligations as a provision.

Changes in quantities and book values of emission allowances for the six months ended June 30, 2025 are as follows (tCO2-eq in unit, KRW):

	The 3rd planned period					
	2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balances & free allocation(*)	23,217,720	₩ 41,783,403,648	19,939,118	₩ 6,872,500,000	43,156,838	₩ 48,655,903,648
Purchase(sell)	1,510,859	13,652,725,664	-	-	1,510,859	13,652,725,664
Ending balances	24,728,579	₩ 55,436,129,312	19,939,118	₩ 6,872,500,000	44,667,697	₩ 62,308,629,312

(*) It includes the allocation and cancellation of free share allotment during the first half of 2025.

22. Provisions (cont'd)

Changes in quantities and book values of emission allowances for the year ended December 31, 2024 are as follows (tCO2-eq in unit, KRW):

	The 3rd planned period							
	2023		2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balances & free allocation(*)	25,678,784	₩ 14,922,482,077	19,689,118	₩ -	19,939,118	₩ 6,872,500,000	65,307,020	₩ 21,794,982,077
Purchase(sell)	3,667,008	32,419,380,209	5,747,450	59,243,837,149	-	-	9,414,458	91,663,217,358
Deliver to the government	(25,839,804)	(11,075,155,545)	(5,724,836)	(53,727,140,242)	-	-	(31,564,640)	(64,802,295,787)
Borrowing (carrying forward)	(3,505,988)	(36,266,706,741)	3,505,988	36,266,706,741	-	-	-	-
Ending balances	-	₩ -	23,217,720	₩ 41,783,403,648	19,939,118	₩ 6,872,500,000	43,156,838	₩ 48,655,903,648

(*) It includes the allocation and cancellation of free share allotment during 2024.

There are no emission allowances of the Group provided as collateral or held for short-term trading gains as of June 30, 2025.

23. Government grants

Details of government grants as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Buildings	₩ 131,142,916	₩ 135,178,083
Machinery	3,789,466,112	3,989,021,364
Total	₩ 3,920,609,028	₩ 4,124,199,447

Changes in government grants for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025			
	Jan. 1	Depreciation	Disuse	Jun. 30
Buildings	₩ 135,178,083	₩ (4,035,167)	₩ -	₩ 131,142,916
Machinery	3,989,021,364	(199,555,252)	-	3,789,466,112
Total	₩ 4,124,199,447	₩ (203,590,419)	₩ -	₩ 3,920,609,028

	For the year eneded Dec. 31, 2024			
	Jan. 1	Depreciation	Disuse	Dec. 31
Buildings	₩ 143,248,416	₩ (8,070,333)	₩ -	₩ 135,178,083
Machinery	4,405,464,627	(400,124,343)	(16,318,920)	3,989,021,364
Total	₩ 4,548,713,043	₩ (408,194,676)	₩ (16,318,920)	₩ 4,124,199,447

24. Non-financial liabilities

Details of non-financial liabilities as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Unearned revenue	₩ 1,547,832,919	₩ -	₩ 938,272,695	₩ -
Withholdings	8,187,995,082	-	3,969,154,322	-
Others	26,934,291,507	20,712,052,580	22,633,188,466	20,745,513,993
Total	₩ 36,670,119,508	₩ 20,712,052,580	₩ 27,540,615,483	₩ 20,745,513,993

25. Issued capital

Details of issued capital as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

				Jun. 30, 2025		
				Owned by		
Share class	Number of shares authorized	Number of shares issued	Par value	Government	Non-government	Total
Ordinary shares	100,000,000	57,932,221	₩ 5,000	₩ -	₩ 289,661,105,000	₩ 289,661,105,000

				Dec. 31, 2024		
				Owned by		
Share class	Number of shares authorized	Number of shares issued	Par value	Government	Non-government	Total
Ordinary shares	100,000,000	57,932,221	₩ 5,000	₩ -	₩ 289,661,105,000	₩ 289,661,105,000

There are no changes in the number of shares outstanding for the six months ended June 30, 2025 and the year ended December 31, 2024.

Details of share premium as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Share premium	₩ 1,928,937,669,310	₩ 1,928,937,669,310

26. Retained earnings and dividends

Details of retained earnings as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Legal reserves (*)	₩ 131,784,482,040	₩ 101,374,482,040
Voluntary reserves	1,396,679,902,111	1,263,290,987,767
Unappropriated retained earnings	1,398,460,302,390	1,641,978,182,555
	₩ 2,926,924,686,541	₩ 3,006,643,652,362

(*) In accordance with the *Commercial Law*, an amount equal to at least 10% of the cash dividend for each accounting period is required to be appropriated as a legal reserve until the reserve equals 50% of issued capital. The legal reserve cannot be used as a source for cash dividends and may be used to offset an accumulated deficit.

Details of voluntary reserves as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Reserve for business expansion	₩ 1,396,679,902,111	₩ 1,263,290,987,767

Changes in retained earnings for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025	For the year ended Dec. 31, 2024
Jan. 1	₩ 3,006,643,652,362	₩ 2,504,613,080,536
Profit for the period attributable to owners of the Company	229,520,676,191	518,837,811,222
Re-measurement loss on defined benefit plans	(5,416,053,117)	(16,484,670,855)
Changes in retained earnings in equity method	-	(322,568,541)
Dividend paid	(304,086,228,029)	-
Paid-in capital reduction of a subsidiary	262,639,134	-
Jun. 30, 2025/Dec. 31, 2024	₩ 2,926,924,686,541	₩ 3,006,643,652,362

26. Retained earnings and dividends (cont'd)

Details of cash dividends paid by the Group for the year ended December 31, 2024 are as follows. (Korean won in unit, except for shares):

For the year ended Dec. 31, 2024					
Share class	Number of shares issued	Dividends per share		Total dividends	
Ordinary shares	57,932,221	₩	5,249	₩	304,086,228,029

Changes in re-measurement of the net defined benefit liability for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025		For the year ended Dec. 31, 2024	
Jan. 1	₩	(6,137,047,632)	₩	10,347,623,223
Changes for the period		(7,042,627,690)		(21,222,353,391)
Tax effect		1,626,574,573		4,737,682,536
Others		164,328		-
Jun. 30, 2025/Dec. 31, 2024	₩	(11,552,936,421)	₩	(6,137,047,632)

27. Other components of equity

Details of other components of equity as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
Accumulated other comprehensive income	₩	1,727,926,602,047	₩	1,964,332,474,418
Other equity		(82,235,516,563)		(82,235,516,563)
	₩	1,645,691,085,484	₩	1,882,096,957,855

Details of accumulated other comprehensive income as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
Reserve for valuation on financial instruments at FVOCI	₩	1,630,319,976,114	₩	1,821,363,723,291
Reserve for valuation of derivative instruments designated to cash flow hedge		832,042,148		(5,088,259,481)
Share of the other comprehensive income of associates and joint ventures under the equity method		101,048,803,425		144,540,326,250
Translation of foreign operations		(4,274,219,640)		3,516,684,358
	₩	1,727,926,602,047	₩	1,964,332,474,418

Details of other equity as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
Loss on capital reduction (*)	₩	(82,235,516,563)	₩	(82,235,516,563)

(*) Other equity represents loss on capital reduction due to spin-off of the hydroelectric power operations before 2011.

28. Revenue

Details of revenue for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025			
	Domestic		Overseas	
	3 months	6 months	3 months	6 months
Revenue from goods sales:				
Electricity sales	₩ 828,086,534,206	₩ 1,904,473,464,915	₩ 6,049,539,294	₩ 11,958,915,708
Other electricity sales	160,218,819,419	301,802,438,309	-	-
Heat sales	8,082,812,541	42,025,404,223	-	-
Revenue from ancillary business	6,743,666,510	14,839,360,738	-	-
	1,003,131,832,676	2,263,140,668,185	6,049,539,294	11,958,915,708
Revenue from rendering of services:				
Overseas business	-	-	786,547,661	786,547,661
Total	₩ 1,003,131,832,676	₩ 2,263,140,668,185	₩ 6,836,086,955	₩ 12,745,463,369

	For the 3 and 6 months ended Jun. 30, 2024			
	Domestic		Overseas	
	3 months	6 months	3 months	6 months
Revenue from goods sales:				
Electricity sales	₩ 954,964,235,362	₩ 2,168,729,810,442	₩ 3,254,372,584	₩ 6,814,589,650
Other electricity sales	90,555,687,162	167,530,742,416	-	-
Heat sales	7,969,819,131	50,781,838,537	-	-
Revenue from ancillary business	7,702,543,869	14,743,489,125	-	-
	1,061,192,285,524	2,401,785,880,520	3,254,372,584	6,814,589,650
Revenue from rendering of services:				
Overseas business	-	-	132,960,000	132,960,000
Total	₩ 1,061,192,285,524	₩ 2,401,785,880,520	₩ 3,387,332,584	₩ 6,947,549,650

29. Selling and administrative expenses

Details of selling and administrative expenses for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Salaries	₩ 11,122,070,881	₩ 22,142,665,572
Pension benefits	1,253,226,384	3,288,797,927
Employee welfare benefits	1,959,072,194	3,447,712,631
Insurance	1,631,269,466	2,306,387,105
Depreciation	3,624,257,704	7,205,969,303
Amortization	2,948,915,319	5,665,747,708
Commissions and fees	3,846,295,785	7,271,735,737
Advertising	378,919,568	651,061,596
Education and training	34,834,424	58,106,188
Vehicle maintenance	11,585,762	35,280,590
Publication	19,574,537	38,971,320
Business promotion	49,338,028	112,872,029
Rental fees	214,047,403	1,069,091,395
Communication	408,991,657	783,678,624
Tax and dues	1,910,366,981	2,062,643,298
Supplies	95,868,872	183,905,900
Utilities	197,411,285	428,006,143
Repairs and maintenance	5,385,828,438	10,476,615,901
Research and development	7,824,777,010	12,777,532,291
Travel	302,727,867	632,862,193
Uniform	88,823,300	88,823,300
Investigation and analysis	14,964,098	29,195,368
Others	1,371,448,029	2,423,431,637
Total	₩ 44,694,614,992	₩ 83,181,093,756

29. Selling and administrative expenses (cont'd)

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Salaries	₩ 11,086,153,144	₩ 22,034,345,372
Pension benefits	1,783,094,655	2,910,241,089
Employee welfare benefits	1,568,160,893	2,874,275,707
Insurance	1,919,791,269	2,404,343,893
Depreciation	4,119,594,304	8,260,140,300
Amortization	2,862,239,988	5,511,120,971
Commissions and fees	3,110,864,792	6,445,957,854
Advertising	360,685,524	676,133,992
Education and training	30,366,682	68,351,095
Vehicle maintenance	5,557,966	27,842,227
Publication	16,632,487	33,924,126
Business promotion	35,330,118	70,781,546
Rental fees	237,589,659	558,030,630
Communication	302,035,737	603,859,231
Tax and dues	1,923,716,429	2,071,377,556
Supplies	65,791,438	150,281,485
Utilities	174,018,227	392,872,852
Repairs and maintenance	4,817,060,854	9,436,614,651
Research and development	9,941,324,952	15,752,746,912
Travel	203,939,453	518,711,869
Uniform	339,982,674	339,982,674
Investigation and analysis	28,505,840	40,588,613
Others	701,272,583	1,257,526,053
Total	₩ 45,633,709,668	₩ 82,440,050,698

Details of other selling and administrative expenses for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Awards expense	₩ 11,567,092	₩ 17,227,529
Legal expense	110,039,944	198,827,694
Miscellaneous salaries	276,130,681	613,720,072
Association fees	78,379,539	140,507,691
Overseas business expenses	594,880,348	964,076,056
Miscellaneous expenses	300,450,425	489,072,595
	₩ 1,371,448,029	₩ 2,423,431,637

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Awards expense	₩ 8,004,000	₩ 13,698,235
Legal expense	130,910,804	236,208,522
Miscellaneous salaries	323,314,474	488,843,123
Association fees	34,895,949	56,929,046
Miscellaneous expenses	204,147,356	461,847,127
	₩ 701,272,583	₩ 1,257,526,053

30. Other income and expenses

Details of other income for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Income from compensation and indemnity	₩ 4,229,193,735	₩ 10,422,940,218
Rental revenue	978,029,714	2,219,654,046
Others	3,384,455,907	5,647,591,276
Total	₩ 8,591,679,356	₩ 18,290,185,540

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Income from compensation and indemnity	₩ 1,848,202,072	₩ 3,221,022,739
Rental revenue	1,067,439,122	2,050,916,154
Others	1,614,653,152	6,494,339,166
Total	₩ 4,530,294,346	₩ 11,766,278,059

Details of others in other income for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Refunded tax income	₩ -	₩ 69,987,590
Port usage fee	556,608,106	933,722,902
Commission income	84,275,453	96,798,243
Miscellaneous revenues - others	2,743,572,348	4,547,082,541
Total	₩ 3,384,455,907	₩ 5,647,591,276

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Refunded tax income	₩ 573,593,120	₩ 573,593,120
Port usage fee	260,661,952	819,177,582
Engineering service income	137,396,137	149,782,561
Miscellaneous revenues - others	643,001,943	4,951,785,903
Total	₩ 1,614,653,152	₩ 6,494,339,166

30. Other income and expenses (cont'd)

Details of other expenses for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Donations	₩ 457,479,880	₩ 1,072,021,753
Others	-	4,990,027,134
Total	₩ 457,479,880	₩ 6,062,048,887

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Donations	₩ 815,034,858	₩ 1,254,105,268
Others	1,791,405,624	2,426,485,536
Total	₩ 2,606,440,482	₩ 3,680,590,804

Details of others in other expenses for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Other commissions and fees	₩ -	₩ 221,832,596
Miscellaneous loss	-	4,768,194,538
Total	₩ -	₩ 4,990,027,134

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Other commissions and fees	₩ 40,563,644	₩ 141,271,250
Miscellaneous loss	1,750,841,980	2,285,214,286
Total	₩ 1,791,405,624	₩ 2,426,485,536

31. Other profit or loss

Details of other profit and loss for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Gain on disposal of property, plant and equipment	₩ 319,778,838	₩ 456,553,646
Reversal of impairment loss on intangible assets	39,750,000	39,750,000
Gain on foreign currency translation(*)	1,550,679,961	836,202,709
Gain on foreign currency transaction(*)	3,615,854,902	7,875,655,963
Other gains	5,562,058,167	14,338,029,695
Loss on disposal of property, plant and equipment	-	(17,201,891)
Loss on foreign currency translation(*)	-	(123,555,971)
Loss on foreign currency transaction(*)	(1,374,964,048)	(3,001,188,485)
Other losses	(13,539,010,450)	(27,317,490,148)
Total	₩ (3,825,852,630)	₩ (6,913,244,482)

(*) related to operating activities

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Gain on disposal of property, plant and equipment	₩ 1,295,322,965	₩ 3,014,659,980
Gain on foreign currency translation(*)	21,022,797	40,610,126
Gain on foreign currency transaction(*)	3,820,888,553	7,500,205,692
Other gains	534,997,092	3,929,339,698
Loss on foreign currency translation(*)	(1,776,267,989)	(2,478,128,259)
Loss on foreign currency transaction(*)	(6,724,936,028)	(12,299,912,086)
Other losses	(12,794,046,946)	(24,880,752,128)
Total	₩ (15,623,019,556)	₩ (25,173,976,977)

(*) related to operating activities

31. Other profit or loss (cont'd)

Details of other gain for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Gain on disposal of inventories	₩ 4,997,629,855	₩ 12,745,912,181
Gain on disposal of scrapped equipment	69,011,712	98,664,610
Miscellaneous revenues-other	495,416,600	1,493,452,904
Total	₩ 5,562,058,167	₩ 14,338,029,695

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Gain on disposal of inventories	₩ 2,115,919,642	₩ 3,780,959,333
Gain on disposal of scrapped equipment	(1,582,457,397)	97,013,694
Miscellaneous revenues-other	1,534,847	51,366,671
Total	₩ 534,997,092	₩ 3,929,339,698

Details of other loss for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Loss on write-off of property, plant and equipment	₩ 11,786,034,155	₩ 25,549,425,658
Others	1,752,976,295	1,768,064,490
Total	₩ 13,539,010,450	₩ 27,317,490,148

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Loss on write-off of property, plant and equipment	₩ 11,741,439,282	₩ 24,052,775,050
Others	1,052,607,664	827,977,078
Total	₩ 12,794,046,946	₩ 24,880,752,128

32. Finance income

Details of finance income for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Interest income	₩ 6,218,740,227	₩ 8,945,186,668
Gain on valuation of financial assets at FVTPL	41,126,026	1,593,407,394
Gain on valuation of derivative instruments	-	222,670,000
Gain on transaction of derivative instruments	8,710,431,291	14,378,697,673
Gain on foreign currency translation(*)	59,488,847,442	64,995,102,255
Gain on foreign currency transaction(*)	83,291,281,028	83,491,930,017
Other finance income	308,805,473	1,232,181,700
Total	₩ 158,059,231,487	₩ 174,859,175,707

(*) related to financing activities.

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Interest income	₩ 5,483,465,144	₩ 9,039,923,211
Gain on valuation of financial assets at FVTPL	(1,675,548,139)	-
Gain on disposal of financial assets at FVTPL	-	85,417,029
Gain on valuation of derivative instruments	57,916,595,276	135,851,265,886
Gain on transaction of derivative instruments	10,919,594,433	15,914,921,215
Gain on foreign currency translation(*)	329,366,226	854,139,025
Gain on foreign currency transaction(*)	3,690	1,423,321,052
Other finance income	181,905,229	338,716,718
Total	₩ 73,155,381,859	₩ 163,507,704,136

(*) related to financing activities.

Details of interest income included in finance income for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Cash and cash equivalents	₩ 1,359,724,656	₩ 2,571,552,343
Financial assets at FVTPL	3,852,093,251	4,716,711,379
Financial assets at amortized cost	83,549,851	85,006,684
Loans	281,862,785	848,365,130
Trade and other receivables	641,509,684	723,551,132
Total	₩ 6,218,740,227	₩ 8,945,186,668

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Cash and cash equivalents	₩ 535,140,308	₩ 1,272,704,266
Financial assets at FVTPL	4,506,750,401	6,842,376,737
Financial assets at amortized cost	44,861,114	50,277,261
Loans	304,638,270	665,775,257
Trade and other receivables	92,075,051	208,789,690
Total	₩ 5,483,465,144	₩ 9,039,923,211

33. Finance costs

Details of finance costs for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Interest expenses	₩ 30,139,299,271	₩ 56,477,867,033
Loss on disposal of financial assets at FVTPL	1,552,281,368	1,975,114,080
Loss on valuation of derivative instruments	35,359,059,137	39,464,480,873
Loss on transaction of derivative instruments	45,681,985,759	48,764,717,636
Loss on foreign currency translation(*)	320,783,044	1,777,992,262
Loss on foreign currency transaction(*)	39,481,560,895	39,662,739,032
Other finance costs	276,676,576	1,449,602,630
Total	₩ 152,811,646,050	₩ 189,572,513,546

(*) related to financing activities.

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Interest expenses	₩ 29,906,749,493	₩ 57,561,503,109
Loss on valuation of financial assets at FVTPL	40,780,274	40,780,274
Loss on transaction of derivative instruments	730,077,670	1,956,678,456
Loss on foreign currency translation(*)	67,564,338,322	160,137,498,884
Loss on foreign currency transaction(*)	549,615,148	961,317,794
Other finance costs	37,220,201	139,027,130
Total	₩ 98,828,781,108	₩ 220,796,805,647

(*) related to financing activities.

Details of interest expense included in finance costs for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Short-term borrowings	₩ 5,866,936,969	₩ 5,866,936,969
Long-term borrowings	1,402,984,479	2,762,554,312
Bonds payables	27,621,466,043	57,169,442,095
Lease liabilities	2,677,283,598	5,956,317,823
Others	23,548	64,566
	37,568,694,637	71,755,315,765
Less: capitalized borrowing costs	(7,429,395,366)	(15,277,448,732)
Total	₩ 30,139,299,271	₩ 56,477,867,033

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Short-term borrowings	₩ 589,534,244	₩ 589,534,244
Long-term borrowings	448,158,610	872,291,099
Bonds payables	29,685,978,091	57,977,738,521
Lease liabilities	2,231,699,043	4,481,966,725
Others	21,202	38,012
	32,955,391,190	63,921,568,601
Less: capitalized borrowing costs	(3,048,641,697)	(6,360,065,492)
Total	₩ 29,906,749,493	₩ 57,561,503,109

The effective interest rates used for capitalizing borrowing costs for the six months ended June 30, 2025 and 2024 are 2.65% and 2.67%, respectively.

34. Income tax

Income tax expense (benefit) was calculated by adjusting the current tax expense for: adjustments recognized in the current half-year related to prior periods' income tax, changes in deferred tax due to the origination and reversal of temporary differences and the income tax effect of items recognized outside of profit or loss.

The average effective tax rate for the current half-year is 27.8%. For the prior half-year, an income tax benefit was recognized, and therefore, the average effective tax rate was not computed.

35. Classification based on nature of expense

Details of expenses based on nature of expense for the six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025		
	Selling and administrative expenses	Cost of sales	Total
Raw material in use	₩ -	₩1,296,996,795,311	₩1,296,996,795,311
Power costs purchased	-	30,764,037,843	30,764,037,843
Salaries	22,142,665,572	96,682,197,153	118,824,862,725
Retirement benefit	3,288,797,927	9,416,036,392	12,704,834,319
Employee welfare benefits	3,447,712,631	9,574,993,914	13,022,706,545
Insurance	2,306,387,105	4,358,131,967	6,664,519,072
Depreciation of property, plant and equipment	7,205,969,303	329,132,768,821	336,338,738,124
Amortization of intangible assets	5,665,747,708	2,863,656,615	8,529,404,323
Provisions	-	4,746,040,015	4,746,040,015
Commissions and fees	7,271,735,737	4,188,367,789	11,460,103,526
Advertising	651,061,596	91,577,328	742,638,924
Education and training	58,106,188	334,024,355	392,130,543
Vehicle maintenance	35,280,590	42,916,039	78,196,629
Publication	38,971,320	15,487,479	54,458,799
Business promotion	112,872,029	59,554,502	172,426,531
Rental fees	1,069,091,395	7,562,916,922	8,632,008,317
Communications	783,678,624	156,873,568	940,552,192
Transport	-	1,597,000	1,597,000
Taxes and dues	2,062,643,298	21,708,662,256	23,771,305,554
Supplies	183,905,900	488,692,641	672,598,541
Utilities	428,006,143	359,704,115	787,710,258
Repairs and maintenance	10,476,615,901	82,979,276,634	93,455,892,535
Research and development	12,777,532,291	2,017,997,365	14,795,529,656
Travel	632,862,193	429,109,322	1,061,971,515
Uniform	88,823,300	-	88,823,300
Investigation and analysis	29,195,368	96,012,419	125,207,787
Others	2,423,431,637	1,096,429,290	3,519,860,927
Total	₩ 83,181,093,756	₩1,906,163,857,055	₩1,989,344,950,811

35. Classification based on nature of expense (cont'd)

	For the 6 months ended Jun. 30, 2024		
	Selling and administrative expenses	Cost of sales	Total
Raw material in use	₩ -	₩1,588,608,558,853	₩1,588,608,558,853
Power costs purchased	-	16,306,757,862	16,306,757,862
Salaries	22,034,345,372	102,032,101,277	124,066,446,649
Retirement benefit	2,910,241,089	8,838,357,321	11,748,598,410
Employee welfare benefits	2,874,275,707	9,719,292,931	12,593,568,638
Insurance	2,404,343,893	4,474,297,160	6,878,641,053
Depreciation of property, plant and equipment	8,260,140,300	337,041,545,150	345,301,685,450
Amortization of intangible assets	5,511,120,971	2,857,809,619	8,368,930,590
Provisions	-	(6,791,291,715)	(6,791,291,715)
Commissions and fees	6,445,957,854	4,973,619,611	11,419,577,465
Advertising	676,133,992	108,759,631	784,893,623
Education and training	68,351,095	180,385,070	248,736,165
Vehicle maintenance	27,842,227	49,341,540	77,183,767
Publication	33,924,126	17,568,145	51,492,271
Business promotion	70,781,546	59,707,352	130,488,898
Rental fees	558,030,630	7,740,747,606	8,298,778,236
Communications	603,859,231	106,919,308	710,778,539
Transport	-	2,483,610	2,483,610
Taxes and dues	2,071,377,556	19,719,409,099	21,790,786,655
Supplies	150,281,485	425,707,909	575,989,394
Utilities	392,872,852	406,064,611	798,937,463
Repairs and maintenance	9,436,614,651	84,375,390,394	93,812,005,045
Research and development	15,752,746,912	1,391,713,743	17,144,460,655
Travel	518,711,869	500,119,428	1,018,831,297
Uniform	339,982,674	-	339,982,674
Investigation and analysis	40,588,613	77,554,044	118,142,657
Others	1,257,526,053	1,217,242,535	2,474,768,588
Total	₩ 82,440,050,698	₩2,184,440,162,094	₩2,266,880,212,792

36. Earnings per share (EPS)

Earnings per share for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Basic earnings per share	₩ 2,180	₩ 3,962

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Basic earnings per share	₩ 1,182	₩ 2,174

Profit and weighted average number of ordinary shares outstanding for the three and six months ended June 30, 2025 and 2024 are as follows (Korean won and share in units):

	For the 3 and 6 months ended Jun. 30, 2025	
	3 months	6 months
Profit for the period attributable to owners of the Company	₩ 126,275,473,598	₩ 229,520,676,191
Profit for the period attributable to ordinary shares of owners of the Company	126,275,473,598	229,520,676,191
Weighted-average number of ordinary shares	57,932,221	57,932,221

	For the 3 and 6 months ended Jun. 30, 2024	
	3 months	6 months
Profit for the period attributable to owners of the Company	₩ 68,495,011,937	₩ 125,929,324,374
Profit for the period attributable to ordinary shares of owners of the Company	68,495,011,937	125,929,324,374
Weighted-average number of ordinary shares	57,932,221	57,932,221

Diluted EPS is the same as basic EPS since the Group has no potentially dilutive ordinary shares outstanding as of the end of the reporting period.

37. Financial instruments by category

Details of the net book value of financial assets by category as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025				
	Financial assets at FVTPL	Financial assets at amortized cost	Financial assets at FVOCI	Derivatives designated as hedging instruments	Total
Current:					
Cash and cash equivalents	₩ -	₩ 113,824,864,360	₩ -	₩ -	₩ 113,824,864,360
Financial assets at FVTPL	75,541,126,026	-	-	-	75,541,126,026
Financial assets at amortized cost	-	29,033,430,000	-	-	29,033,430,000
Derivative instruments	222,670,000	-	-	-	222,670,000
Loans	-	1,606,498,319	-	-	1,606,498,319
Trade and other receivables	-	862,614,285,521	-	-	862,614,285,521
	75,763,796,026	1,007,079,078,200	-	-	1,082,842,874,226
Non-current:					
Financial assets at FVTPL	1,549,496,079	-	-	-	1,549,496,079
Financial assets at FVOCI	-	-	2,228,673,045,409	-	2,228,673,045,409
Financial assets at amortized cost	-	6,629,890,000	-	-	6,629,890,000
Derivative instruments	-	-	-	22,244,902,485	22,244,902,485
Loans	-	37,522,533,659	-	-	37,522,533,659
Trade and other receivables	-	13,442,622,038	-	-	13,442,622,038
	1,549,496,079	57,595,045,697	2,228,673,045,409	22,244,902,485	2,310,062,489,670
	₩ 77,313,292,105	₩ 1,064,674,123,897	₩ 2,228,673,045,409	₩ 22,244,902,485	₩ 3,392,905,363,896

37. Financial instruments by category (cont'd)

	Dec. 31, 2024				
	Financial assets at FVTPL	Financial assets at amortized cost	Financial assets at FVOCI	Derivatives designated as hedging instruments	Total
Current:					
Cash and cash equivalents	₩ -	₩ 169,451,420,382	₩ -	₩ -	₩ 169,451,420,382
Financial assets at FVTPL	47,422,832,712	-	-	-	47,422,832,712
Financial assets at amortized cost	-	22,518,560,000	-	-	22,518,560,000
Derivative instruments	1,856,699,307	-	-	221,141,296,266	222,997,995,573
Loans	-	10,398,746,472	-	-	10,398,746,472
Trade and other receivables	-	686,932,317,996	-	-	686,932,317,996
	49,279,532,019	889,301,044,850	-	221,141,296,266	1,159,721,873,135
Non-current:					
Financial assets at FVTPL	1,549,496,079	-	-	-	1,549,496,079
Financial assets at FVOCI	-	-	2,477,104,446,160	-	2,477,104,446,160
Financial assets at amortized cost	-	6,639,340,000	-	-	6,639,340,000
Derivative instruments	-	-	-	57,773,538,803	57,773,538,803
Loans	-	30,921,488,157	-	-	30,921,488,157
Trade and other receivables	-	15,465,882,063	-	-	15,465,882,063
	1,549,496,079	53,026,710,220	2,477,104,446,160	57,773,538,803	2,589,454,191,262
	₩ 50,829,028,098	₩ 942,327,755,070	₩ 2,477,104,446,160	₩ 278,914,835,069	₩ 3,749,176,064,397

37. Financial instruments by category (cont'd)

Details of the net book value of financial liabilities by category as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		
	Financial liabilities at FVTPL	Financial liabilities with amortized cost	Total
Current financial liabilities:			
Short-term borrowings	₩ -	₩ 690,000,000,000	₩ 690,000,000,000
Long-term borrowings	-	11,377,700,000	11,377,700,000
Bonds payable	-	479,417,914,293	479,417,914,293
Derivative liabilities	136,008,607	-	136,008,607
Trade and other payables	-	421,290,790,309	421,290,790,309
	136,008,607	1,602,086,404,602	1,602,222,413,209
Non-current financial liabilities:			
Long-term borrowings	-	101,636,728,114	101,636,728,114
Bonds payable	-	2,858,799,959,447	2,858,799,959,447
Trade and other payables	-	290,106,137,429	290,106,137,429
	-	3,250,542,824,990	3,250,542,824,990
	₩ 136,008,607	₩ 4,852,629,229,592	4,852,765,238,199

	Dec. 31, 2024		
	Financial liabilities at FVTPL	Financial liabilities with amortized cost	Total
Current financial liabilities:			
Short-term borrowings	₩ -	₩ 80,000,000,000	₩ 80,000,000,000
Long-term borrowings	-	11,230,560,000	11,230,560,000
Bonds payable	-	1,658,733,679,647	1,658,733,679,647
Derivative liabilities	5,500,000	-	5,500,000
Trade and other payables	-	445,848,511,556	445,848,511,556
	5,500,000	2,195,812,751,203	2,195,818,251,203
Non-current financial liabilities:			
Long-term borrowings	-	106,634,994,952	106,634,994,952
Bonds payable	-	2,059,472,583,087	2,059,472,583,087
Trade and other payables	-	330,030,865,070	330,030,865,070
	-	2,496,138,443,109	2,496,138,443,109
	₩ 5,500,000	₩ 4,691,951,194,312	₩ 4,691,956,694,312

37. Financial instruments by category (cont'd)

Details of profit(loss) from financial instruments by category for the six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025
Cash and cash equivalents	
Interest income	₩ 2,571,552,343
Loss on foreign exchange	(1,722,068,397)
Financial assets at FVTPL	
Interest income	4,716,711,379
Gain on valuation of financial instruments	1,593,407,394
Loss on disposal of financial instruments	(1,975,114,080)
Gain on valuation of derivative instruments	222,670,000
Gain on settlement of derivative instruments	3,280,561,691
Financial assets at amortized cost	
Interest income	85,006,684
Financial assets at FVOCI	
Loss on valuation of financial assets at FVOCI (recognized in equity before tax)	(248,431,400,751)
Loans	
Interest income	848,365,130
Trade and other receivables	
Interest income	723,551,132
Loss on foreign exchange	(131,796,428)
Derivatives designated as hedging instruments	
Loss on valuation of derivatives (recognized in profit or loss)	(39,328,472,266)
Gain on valuation of derivatives (recognized in equity before tax)	7,698,701,727
Loss on settlement of derivative contracts	(31,842,026,063)
Financial liabilities at FVTPL	
Loss on valuation of derivative instruments	(136,008,607)
Loss on settlement of derivative instruments	(5,824,555,591)
Financial liabilities at amortized cost	
Gain on foreign exchange	65,783,621,556
Interest expenses on borrowings and bonds payable	(50,521,484,644)
Interest expenses on trade and other liabilities	(5,956,382,389)

37. Financial instruments by category (cont'd)

	For the 6 months ended Jun. 30, 2024
Cash and cash equivalents	
Interest income	₩ 1,272,704,266
Gain on foreign exchange	97,143,524
Financial assets at FVTPL	
Interest income	6,842,376,737
Loss on valuation of financial instruments	(40,780,274)
Gain on disposal of financial instruments	85,417,029
Gain on valuation of derivative instruments	1,841,702,400
Gain on settlement of derivative instruments	7,005,434,239
Financial assets at amortized cost	
Interest income	50,277,261
Financial assets at FVOCI	
Loss on valuation of financial assets at FVOCI (recognized in equity before tax)	(436,244,846,616)
Loans	
Interest income	665,775,257
Gain on foreign exchange	571,664,380
Trade and other receivables	
Interest income	208,789,690
Loss on foreign exchange	(67,344,899,681)
Derivatives designated as hedging instruments	
Gain on valuation of derivatives (recognized in profit or loss)	134,009,563,486
Loss on valuation of derivatives (recognized in equity before tax)	(1,390,253,931)
Gain on settlement of derivative contracts	8,909,486,976
Financial liabilities at FVTPL	
Loss on settlement of derivative instruments	(1,956,678,456)
Financial liabilities at amortized cost	
Loss on foreign exchange	(95,044,786,215)
Interest expenses on borrowings and bonds payable	(53,079,498,372)
Interest expenses on trade and other liabilities	(4,482,004,737)

38. Risk management

38.1 Risk management policies

The Group manages various risks that can be occurred by each business line, and main subjects are credit risk, market risk, interest rate risk, and liquidity risk and so on. These risks are identified, measured, controlled and reported according to the basic strategy set by the Group.

38.2 Capital risk management

The objective of the Group's capital management is to maintain the optimum capital structure to protect the ability of maximizing returns to shareholders and reduce capital costs.

The Group adjusts dividend payment to the shareholder to maintain and adjust the capital structure, returns investment, issues new stocks and disposes assets to reduce liabilities.

The Group manages its capital based on the gearing ratio. The gearing ratio is calculated by dividing net borrowings and debentures by total capital. Net borrowings and debentures amount total borrowings (short and long-term borrowings in the statement of financial position) less cash and cash equivalent, and total capital means equity in the statement of financial position plus net borrowings and debentures.

Details of the Group's capital management account as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Total borrowings and bonds payable (A)	₩ 4,141,232,301,854	₩ 3,916,071,817,686
Cash and cash equivalents (B)	113,824,864,360	169,451,420,382
Net borrowings and bonds payable (A-B=C)	4,027,407,437,494	3,746,620,397,304
Total equity (D)	6,823,764,810,326	7,141,521,417,275
Total capital (C+D=E)	10,851,172,247,820	10,888,141,814,579
Gearing ratio (C/E)	37.11%	34.41%
Debt to equity ratio (C/D)	59.02%	52.46%

38.3 Financial risk management

The Group is exposed to various risks related to its financial instruments, such as market risk (foreign currency risk, interest rate risk and price risk) and credit risk. The Group monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by the degree and magnitude of risks. The Group uses derivative financial instruments for certain hedge risk exposures. The Group's overall financial risk management strategy remained unchanged from the prior period.

38.3.1 Credit risk

Credit risk is the risk of a financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's sales activities, loans and receivables, derivative instruments. In addition, credit risk exposure may exist within financial guarantees and unused lines of credit. The Group transacts with banks and financial institutions with excellent credit ratings, so the credit risk from financial institutions is limited. In the case of ordinary customers, the Group evaluates the customers' credit worthiness considering their financial statements, past experience and other factors.

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 the majority of the Group's accounts receivables are due from governmental entities (KEPCO and so on), 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's working capital (i.e., cash) is deposited in financial institutions with healthy-credit ratings.

38. Risk management (cont'd)

Impairment and allowance account

In accordance with the Group's policies, financial assets that are individually significant are assessed on a regular basis. Trade receivables that are assessed individually are, in addition, assessed for impairment through assessing whether impairment loss occurred on an individual basis at the end of the reporting period, and it applies to all of the significant trade receivables. These assessments include securities acquired relating to an individual account (including reassessment of feasibility) and expected receipts.

The carrying value of financial assets represents maximum exposure to credit risk. The Group's maximum exposure to credit risk as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Cash and cash equivalents	₩ 113,824,864,360	₩ 169,451,420,382
Financial assets at FVTPL	77,090,622,105	48,972,328,791
Derivatives held for trading	222,670,000	1,856,699,307
Financial assets at FVOCI	2,228,673,045,409	2,477,104,446,160
Financial assets at amortized cost	35,663,320,000	29,157,900,000
Loans	39,129,031,978	41,320,234,629
Derivatives designated as hedging instruments	22,244,902,485	278,914,835,069
Trade and other receivables	876,056,907,559	702,398,200,059
Financial guarantee contract(*)	203,163,800,219	220,178,993,160

(*) These are amounts of maximum guarantee to be paid in case of being requested by the principal debtor.

Details of financial guarantee contracts as of June 30, 2025 and December 31, 2024 are as follows (USD):

		Total guarantee amount (USD)	
	Company name	Jun.30, 2025	Dec.31, 2024
Joint venture	South Jamaica Power Company Limited (*1)	$ 6,750,000	$ 6,750,000
Joint venture	South Jamaica Power Company Limited (*1)	7,650,000	7,650,000
Associate	Guam Ukudu Power LLC (*2)	59,836,801	59,836,801
Associate	Guam Ukudu Power LLC (*3)	31,328,000	31,328,000
Associate	Amaala Sustainable Company for Energy LLC (*4)	33,853,628	33,853,628
Associate	Amaala Sustainable Company for Energy LLC (*4)	4,200,000	4,200,000

(*1) It is the payment guarantee related to the promotion of the gas combined cycle power project undertaken by South Jamaica Power Company Limited, a joint venture.
(*2) It is the financial guarantee contract under which the Group provides guarantee to Guam Ukudu Power LLC which is an associate of the Group.
(*3) It is the payment guarantee for the issuance of L/C for performance bond for electricity sales contract provided by the Group to Guam Ukudu Power LLC which is an associate of the Group.
(*4) The EBL payment and EBL hedging guarantee for Amaala Sustainable Company for Energy LLC which is an associate of the Group.

There are no collateral rights exercised, or other credit guarantees pledged on any financial or non-financial assets as of June 30, 2025.

38. Risk management (cont'd)

38.3.2 Liquidity risk

The Group has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term 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 forecasted and actual cash flows; 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 minimizes the liquidity risk by matching maturities through using internally reserved cash or utilizing long-term borrowings.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities based on the contractual undiscounted payments (Korean won):

	Jun. 30, 2025				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Borrowings and bonds payable	₩ 1,271,316,281,014	₩ 1,161,013,452,348	₩ 1,262,648,332,389	₩ 898,913,134,051	₩ 4,593,891,199,802
Trade and other payables	364,653,623,055	-	-	-	364,653,623,055
Lease liabilities	57,404,714,093	59,677,770,007	124,204,167,484	144,112,880,549	385,399,532,133
Financial guarantee liabilities	151,547,859,200	-	51,615,941,019	-	203,163,800,219
Total	₩ 1,844,922,477,362	₩ 1,220,691,222,355	₩ 1,438,468,440,892	₩ 1,043,026,014,600	₩ 5,547,108,155,209

	Dec. 31, 2024				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Borrowings and bonds payable	₩ 1,815,316,520,696	₩ 630,567,467,070	₩ 962,605,435,449	₩ 907,976,349,214	₩ 4,316,465,772,429
Trade and other payables	384,009,131,008	-	-	-	384,009,131,008
Lease liabilities	62,625,046,448	58,731,993,902	149,894,889,019	165,162,861,759	436,414,791,128
Financial guarantee liabilities	118,188,000,000	46,052,160,000	55,938,833,160	-	220,178,993,160
Total	₩ 2,380,138,698,152	₩ 735,351,620,972	₩ 1,168,439,157,628	₩ 1,073,139,210,973	₩ 5,357,068,687,725

As the Group manages its liquidity based on net assets and net liability balances, in order to understand the Group's liquidity risk management, non-derivative financial assets should be included.

The maturity profile of the Group's non-derivative financial assets based on the contractual undiscounted receipts as of June 30, 2025 and December 31, 2024 as follows (Korean won):

	Jun. 30, 2025				
	Less than 1 year	1 to 5 years	Over 5 years	Others	Total
Cash and cash equivalents	₩ 113,824,864,360	₩ -	₩ -	₩ -	₩ 113,824,864,360
Financial assets at FVTPL	75,541,126,026	1,254,458,879	-	295,037,200	77,090,622,105
Financial assets at FVOCI	-	-	-	2,228,673,045,409	2,228,673,045,409
Financial assets at amortized cost	29,033,430,000	6,629,890,000	-	-	35,663,320,000
Loans	1,709,758,387	6,845,353,504	25,518,024,003	7,380,000,000	41,453,135,894
Trade and other receivables	862,966,471,710	13,816,190,168	-	-	876,782,661,878
Total	₩ 1,083,075,650,483	₩ 28,545,892,551	₩ 25,518,024,003	₩ 2,236,348,082,609	₩ 3,373,487,649,646

38. Risk management (cont'd)

	Dec. 31, 2024				
	Less than 1 year	1 to 5 years	Over 5 years	Others	Total
Cash and cash equivalents	₩ 169,451,420,382	₩ -	₩ -	₩ -	₩ 169,451,420,382
Financial assets at FVTPL	47,422,832,712	1,254,458,879	-	295,037,200	48,972,328,791
Financial assets at FVOCI	-	-	-	2,477,104,446,160	2,477,104,446,160
Financial assets at amortized cost	22,518,560,000	139,340,000	-	6,500,000,000	29,157,900,000
Loans	10,507,082,416	8,347,101,664	24,922,934,823	-	43,777,118,903
Trade and other receivables	686,953,780,435	15,579,912,659	-	-	702,533,693,094
Total	₩ 936,853,675,945	₩ 25,320,813,202	₩ 24,922,934,823	₩ 2,483,899,483,360	₩ 3,470,996,907,330

The table below summarizes the maturity profile of the Group's derivative financial instruments based on the contractual undiscounted receipt schedules (Korean won):

	Jun.30, 2025				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Derivative financial assets					
- Held for trading	₩ 222,670,000	₩ -	₩ -	₩ -	₩ 222,670,000
- Risk averse	-	-	22,244,902,485	-	22,244,902,485
	₩ 222,670,000	₩ -	₩ 22,244,902,485	₩ -	₩ 22,467,572,485
Derivative financial liabilities					
- Held for trading	₩ 136,008,607	₩ -	₩ -	₩ -	₩ 136,008,607

	Dec.31, 2024				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Derivative financial assets					
- Held for trading	₩ 1,856,699,307	₩ -	₩ -	₩ -	₩ 1,856,699,307
- Risk averse	221,141,296,266	-	57,773,538,803	-	278,914,835,069
	₩ 222,997,995,573	₩ -	₩ 57,773,538,803	₩ -	₩ 280,771,534,376
Derivative financial liabilities					
- Held for trading	₩ 5,500,000	₩ -	₩ -	₩ -	₩ 5,500,000

38.3.3 Market risk

The Group is exposed to market risk that its fair value of the financial instruments or future cash flows is affected by the changes in market price. Market risk consists of interest rate risk, currency risk and other price risk.

38.3.4 Sensitivity analysis

Major assets and liabilities with uncertainties in underlying assumptions

Defined benefit obligation
A sensitivity analysis on the Group's defined benefit obligation assuming a 1%-point increase and decrease in various assumptions as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
	1% increase	1% decrease	1% increase	1% decrease
Future salary increase rate	₩ 12,958,014,073	₩ (11,520,194,822)	₩ 11,791,340,493	₩ (10,518,052,160)
Discount rate	(11,443,261,390)	13,186,254,386	(11,089,121,098)	12,745,558,341

38. Risk management (cont'd)

Effect on the overall financial statements by the management assumptions

Foreign currency risk
The Group conducts transactions denominated in foreign currencies; consequently, exposure to currency exchange rate fluctuations may arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows (USD,EUR,JPY, IDR, and GBP):

	Foreign currency assets		Foreign currency liabilities	
	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2025	Dec. 31, 2024
USD	13,488,515	58,583,620	645,902,973	1,675,475,490
EUR	-	-	683	-
JPY	5,299,000	5,299,000	-	-
IDR	-	-	15,000,000	-
GBP	6,877	6,876	-	-

The following table illustrates the sensitivity of the Group's profit before tax and equity to a fluctuation of 10% in the foreign exchange rate (Korean won):

	For the 6 months ended Jun. 30, 2025		For the year ended Dec. 31, 2024	
	10% increase	10% decrease	10% increase	10% decrease
Effect on profit before tax	₩ (85,774,675,309)	₩ 85,774,675,309	₩ (237,676,874,779)	₩ 237,676,874,779
Effect on shareholder's equity(*)	(85,774,675,309)	85,774,675,309	(237,676,874,779)	237,676,874,779

(*) represents amounts before income tax effects.

The sensitivity analysis was made for monetary assets and liabilities denominated in foreign currencies except functional currency and the Group measures the risk of exchange rate fluctuations before reflecting the hedge effect of derivatives. Furthermore, The Group has a policy to enter into currency swap contracts in order to avoid the risk of volatility in foreign exchange rates related to the payment of foreign currency denominated long-term borrowings. In addition, the Group enters into currency forward contracts in order to manage the foreign exchange risk of expected purchases.

Interest rate risk
The Group is exposed to interest rate risk due to its borrowings with floating interest rates. The effect of a change of 1% is used for a sensitivity analysis when reporting interest rate risk internally to key management personnel that represents management's assessment of a reasonably possible change in interest rates.

The Group's long-term borrowings and bonds payable with floating interest rates as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025	Dec. 31, 2024
Long-term borrowings	₩ 56,479,010,000	₩ 58,943,900,000

A sensitivity analysis on the Group's borrowings and bonds payable assuming a 1%-point increase and decrease in interest rates as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025		Dec. 31, 2024	
	1% increase	1% decrease	1% increase	1% decrease
Effect on profit before tax	₩ (282,395,050)	₩ 282,395,050	₩ (589,439,000)	₩ 589,439,000
Effect on shareholder's equity(*)	(282,395,050)	282,395,050	(589,439,000)	589,439,000

(*) represents amounts before income tax effects.

To manage its interest rate risks, the Group maintains an appropriate balance of fixed and floating rate loans and enters into interest rate swap agreements. The analysis above presents the interest rates effect not reflecting hedge transactions on the Group's consolidated financial statements.

38. Risk management (cont'd)

38.4 Fair value measurement

The fair value of the Group's actively traded financial instruments (i.e., held for trading and available-for-sale financial assets) is based on the traded market price as at the end of the reporting periods. The fair value of the Group's financial assets is the asking price for purchase.

38.4.1 Fair and book value

The Group's book and fair values of financial assets and liabilities as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30. 2025		Dec. 31. 2024	
	Book value	Fair value	Book value	Fair value
Assets (fair value):				
Financial assets at FVTPL	₩ 77,090,622,105	₩ 77,090,622,105	₩ 48,972,328,791	₩ 48,972,328,791
Financial assets at FVOCI	2,228,673,045,409	2,228,673,045,409	2,477,104,446,160	2,477,104,446,160
Derivatives held for trading	222,670,000	222,670,000	1,856,699,307	1,856,699,307
Derivatives designated as hedging instruments	22,244,902,485	22,244,902,485	278,914,835,069	278,914,835,069
	₩ 2,328,231,239,999	₩ 2,328,231,239,999	₩ 2,806,848,309,327	₩ 2,806,848,309,327
Assets (amortized cost):				
Financial assets at amortized cost	₩ 35,663,320,000	₩ 35,663,320,000	₩ 29,157,900,000	₩ 29,157,900,000
Loans	39,129,031,978	39,129,031,978	41,320,234,629	41,320,234,629
Trade and other receivables	876,056,907,559	876,056,907,559	702,398,200,059	702,398,200,059
Cash and cash equivalents	113,824,864,360	113,824,864,360	169,451,420,382	169,451,420,382
	₩ 1,064,674,123,897	₩ 1,064,674,123,897	₩ 942,327,755,070	₩ 942,327,755,070
Liabilities (fair value):				
Derivative held for trading	₩ 136,008,607	₩ 136,008,607	₩ 5,500,000	₩ 5,500,000
Liabilities (amortized cost):				
Secured borrowings	₩ 110,658,308,114	₩ 110,658,308,114	₩ 115,146,954,952	₩ 115,146,954,952
Unsecured bonds payable	3,338,217,873,740	3,296,166,513,327	3,718,206,262,734	3,654,865,194,183
Unsecured borrowings	692,356,120,000	692,356,120,000	82,718,600,000	82,718,600,000
Trade and other payables	364,653,623,055	364,653,623,055	384,009,131,008	384,009,131,008
Lease liabilities	346,743,304,683	346,743,304,683	391,870,245,618	391,870,245,618
	₩ 4,852,629,229,592	₩ 4,810,577,869,179	₩ 4,691,951,194,312	₩ 4,628,610,125,761

38.4.2 Discount rate used for calculating fair value

The discount rate used for calculating fair value is derived from interest rates that are market-observable, such as government bond interest rates, after considering credit spread.

38.4.3 Hierarchy for determining and disclosing the fair value

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique. The level of hierarchy of fair value is as follows:

	The significance of input variables
Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2	Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3	Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

38. Risk management (cont'd)

As of June 30, 2025 and December 31, 2024, the Group held the following financial instruments carried at fair value in the statement of financial position (Korean won):

	Jun. 30, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI	₩ 2,212,771,296,984	₩ -	₩ 15,901,748,425	₩ 2,228,673,045,409
Financial assets at FVTPL	-	77,090,622,105	-	77,090,622,105
Derivative assets	-	22,467,572,485	-	22,467,572,485
Derivative liabilities	-	(136,008,607)	-	(136,008,607)
Total	₩ 2,212,771,296,984	₩ 99,422,185,983	₩ 15,901,748,425	₩ 2,328,095,231,392

	Dec. 31, 2024			
	Level 1	Level 2	Level 3	Total
Equity instruments at FVOCI	₩ 2,461,202,697,735	₩ -	₩ 15,901,748,425	₩ 2,477,104,446,160
Financial assets at FVTPL	-	48,972,328,791	-	48,972,328,791
Derivative assets	-	280,771,534,376	-	280,771,534,376
Derivative liabilities	-	(5,500,000)	-	(5,500,000)
Total	₩ 2,461,202,697,735	₩ 329,738,363,167	₩ 15,901,748,425	₩ 2,806,842,809,327

The fair value of financial instruments not traded in active markets is determined using valuation techniques. The Group determined the fair value of financial assets measured at fair value through profit or loss (FVTPL) and financial assets measured at fair value through other comprehensive income (FVOCI) using a discounted cash flow method.

Derivative instruments
The fair value of derivative instruments is primarily measured based on forward exchange rates quoted in the market as of the reporting period-end for periods matching the remaining maturity of the derivatives.

If forward exchange rates for periods matching the remaining maturity of the derivatives are not quoted in the market, fair value is determined by interpolating forward exchange rates for available periods in the market to estimate forward exchange rates for periods similar to the remaining maturity of the derivatives.

As the inputs used in the fair value measurement of derivatives, such as forward exchange rates, are observable in the market as of the reporting period-end, the Group classifies the fair value measurement of derivatives as Level 2 in the fair value hierarchy.

Unlisted equity securities
The fair value of unlisted equity securities is measured using a discounted cash flow model. The estimation of future cash flows involves certain assumptions or estimates, such as sales growth rates, pre-tax operating profit margins, and weighted average cost of capital, which are based on business plans and industry circumstances and are not derived from observable market prices or ratios.

The weighted average cost of capital used to discount future cash flows is calculated by applying the Capital Asset Pricing Model (CAPM) based on data from comparable listed companies.

Given that the key assumptions and estimates mentioned above have a significant impact on the fair value of unlisted equity securities, the Group classifies the fair value measurement of unlisted equity securities as Level 3 in the fair value hierarchy.

38. Risk management (cont'd)

Changes in Level 3 financial assets for the 6 months ended June 30, 2025 and for the year ended December 31, 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025	
	Jan. 1	Jun. 30
Financial assets at FVOCI:		
Unlisted equity securities	₩ 15,901,748,425	₩ 15,901,748,425

	For the year ended Dec. 31, 2024		
	Jan. 1	Valuation	Dec. 31
Financial assets at FVOCI:			
Unlisted equity securities	₩ 17,329,317,167	₩ (1,427,568,742)	₩ 15,901,748,425

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy for the six months ended June 30, 2025.

39. Related party disclosures

The related parties of the Group and nature of their relationship with the Group as of June 30, 2025 are as follows:

Relationship	Related party
Ultimate parent Group	Korean Government
Parent Group	KEPCO
Associates	Korea Offshore Wind Power Co., Ltd
	KEPCO Solar Co., Ltd.
	KEPCO ES Co., Ltd.
	GS Donghae Electric Power Co., Ltd.
	Guam Ukudu Power LLC
	KPE Green Energy Co., Ltd.
	Taebaek Gadeoksan Wind Power Co., Ltd.
	Goheungsin Energy Co., Ltd
	Yanggu Floating Solar Power Co., Ltd.
	Hoenggye Renewable Energy Co., Ltd.
	Amaala Sustainable Company for Energy LLC
	Jeju Bukchon BESS Power Plant Co., Ltd.
Joint ventures	Busan Shinho Solar Power Co., Ltd.
	Honam Wind Power Co., Ltd.
	Dangjin Eco Power Corporation
	Seokmun Energy Co., Ltd.
	Chuncheon Energy Co., Ltd.
	Yeonggwang Wind Power Co., Ltd.
	Yeonggwangbaeksu Wind Power Co., Ltd.
	Daesan Green Energy Co., Ltd.
	DE Energia SpA
	Yangyang Wind Power Co., Ltd.
	Jamaica Public Service Company Limited
	PT. Tanjung Power Indonesia
	South Jamaica Power Company Limited
	Busan Industry Solar Co., Ltd.
	Light Solar Energy Co., Ltd.
	Cheongju Eco Park Co., Ltd.
	Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity
	Columboola Solar Farm Hold Co Pty., Ltd.
	Seokmun Green Energy Co., Ltd.
	Geumyang Eco Park Co., Ltd.
	Fairhaven Energy Storage, LLC
Others	Korea South-East Power Co., Ltd.
	Korea Western Power Co., Ltd.
	Korea Midland Power Co., Ltd.
	Korea Southern Power Co., Ltd.
	KEPCO Data Network Co., Ltd.
	Korea Gas Corporation
	Korea Electric Power Industrial Development Co., Ltd.
	Korea Power Exchange
	KEPCO Plant Service & Engineering Co., Ltd.
	KEPCO Engineering & Construction Company, Inc.
	Korea Hydro & Nuclear Power Co., Ltd.
	KEPCO Bylong Australia Pty Ltd, etc.
	KDB Bank
	South Jamaica Energy Holdings Ltd.
	Caribbean Blue Skies Energy Ltd.
	Columboola Solar Farm Fin Co Pty Ltd.
	Columboola Solar Farm Op Trust
	Columboola Solar Farm Nominees Pty Ltd., etc.

39. Related party disclosures (cont'd)

Significant transactions with related parties above for the six months ended June 30, 2025 and 2024 are as follows (Korean won):

		Sales		Purchases	
Related party	Transaction	For the 6 months ended Jun. 30, 2025	For the 6 months ended Jun. 30, 2024	For the 6 months ended Jun. 30, 2025	For the 6 months ended Jun. 30, 2024
KEPCO	Sales and purchase of electricity and others	₩ 2,433,261,676,100	₩ 2,506,777,856,017	₩ 73,562,043,909	₩ 34,547,335,142
	Other income/Dividend payment	754,695,058	1,102,370,735	304,086,228,029	298,988,192,581
Korea Offshore Wind Power Co., Ltd.	Engineering service income/Purchase of REC	127,406,710	184,478,650	3,552,649,000	2,875,452,000
KEPCO ES Co., Ltd.	Dividend income	544,569,453	265,000,000	-	-
KEPCO Solar Co., Ltd.	Dividend income / Purchase of REC	336,080,250	417,956,625	133,418,593	83,078,985
GS Donghae Electric Power Co., Ltd.	Rental income and engineering income	12,077,948,571	43,777,702	-	67,296,603
Guam Ukudu Power LLC	Other finance income	906,835,938	112,588,983	-	-
Taebaek Gadeoksan Wind Power Co., Ltd.	Dividend income / Purchase of REC	3,133,430,366	1,920,869,117	5,174,729,335	5,212,578,391
Goheungsin Energy Co., Ltd	Purchase of REC	-	-	1,740,609,361	1,441,895,105
KPE Green Energy Co., Ltd.	Royalty income/Purchase of REC	95,103,610	94,727,434	12,225,408,666	11,775,605,065
Yanggu Floating Solar Power Co., Ltd.	Purchase of REC	-	-	328,683,142	266,552,430
Amaala Sustainable Company for Energy LLC	Other finance income	259,109,864	-	-	-
Dangjin Eco Power Corporation	Purchase of REC	-	-	876,590,398	928,483,171
Seokmun Energy Co., Ltd.	Royalty income/Purchase of REC	564,804,144	283,852,288	16,472,160,670	12,425,022,312
Busan Shinho Solar Power Co., Ltd.	Dividend income/ Purchase of REC	1,250,000,000	666,500,000	2,486,004,000	2,330,484,000
Honam Wind Power Co., Ltd.	Dividend income/ Purchase of REC	435,000,000	435,000,000	1,742,339,539	998,356,104
Chuncheon Energy Co., Ltd.	Engineering service income	300,000,000	304,840,950	-	-
Yeonggwang Wind Power Co., Ltd.	Engineering service income/Purchase of REC	413,152,818	383,652,267	7,312,067,825	4,698,080,443
Yeonggwangbaeksu Wind Power Co., Ltd.	Engineering service income/Purchase of REC	953,383,342	932,700,348	2,864,292,048	1,955,770,440
DE Energia SpA	Interest income and others	-	12,745,010	-	-
South Jamaica Power Company Limited	O&M sales and dividend income	66,171,291	1,886,171,387	-	-
Jamaica Public Service Company Limited	O&M sales, dividend income /Other expenses	9,699,648,000	1,289,400,000	57,471,158	122,625,938
PT. Tanjung Power Indonesia	O&M sales and dividend income	-	8,487,785,000	-	-
Daesan Green Energy Co., Ltd.	Interest income/Purchase of REC	56,827,773	55,146,478	32,272,997,350	30,839,813,145

39. Related party disclosures (cont'd)

Related party	Transaction	Sales		Purchases	
		For the 6 months ended Jun. 30, 2025	For the 6 months ended Jun. 30, 2024	For the 6 months ended Jun. 30, 2025	For the 6 months ended Jun. 30, 2024
Light Solar Energy Co., Ltd.	Interest income/Purchase of REC	₩ 130,090,960	₩ 110,481,280	₩ 2,242,064,811	₩ 1,882,112,036
Busan Industry Solar Co., Ltd.	Purchase of REC	-	-	233,188,024	329,385,990
Yangyang Wind Power Co., Ltd.	Interest income/Purchase of REC	73,463,072	74,694,296	4,806,943,243	154,236,969
Cheongju Eco Park Co., Ltd.	Engineering service income/Purchase of REC	82,847,685	85,970,200	11,515,534,989	522,847,716
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	Dividend income	454,066,991	-	-	-
Seokmun Green Energy Co., Ltd.	Engineering service income/Purchase of REC	30,119,920	47,735,698	14,883,417,887	12,962,905,483
Korea Gas Corporation	Heat sales /Purchase of LNG	91,840,701	178,697,000	413,877,380,219	572,482,031,006
KEPCO Plant Service & Engineering Co., Ltd.	Rental income/Repairs and others	284,088,783	365,902,342	35,537,831,701	35,852,158,785
Korea Electric Power Industrial Development Co., Ltd.	Rental income/Repairs and others	113,054,619	115,873,088	40,445,629,781	37,708,606,027
KEPCO Engineering & Construction Company, Inc.	Other expenses	-	-	2,448,826,600	403,191,000
Korea Hydro & Nuclear Power Co., Ltd.	Purchase of REC and others	-	-	52,046,180	46,496,310
Korea Southern Power Co., Ltd.	Other income/Other investments	12,395,917	14,198,795	6,282,930	4,587,525
Korea Western Power Co., Ltd.	Other income/Other investments	21,038,347	14,198,795	14,881,540	1,813,000
Korea South-East Power Co., Ltd.	Other income/Other investments	-	14,198,795	5,455,334	148,192,670
Korea Midland Power Co., Ltd.	Other income	21,038,347	14,198,795	-	-
KEPCO Data Network Co., Ltd.	Commission	-	-	5,929,934,001	6,268,047,044
Korea Power Exchange	Other income/Electric power transaction commission	11,178,136,100	939,612,686	1,770,044,755	218,802,398
		₩ 2,477,728,024,730	₩ 2,527,633,180,761	₩ 998,657,155,018	₩ 1,078,542,035,814

39. Related party disclosures (cont'd)

Outstanding balances of receivables and payables with related parties above as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

Related party	Transaction	Receivables		Payables	
		Jun. 30, 2025`	Dec. 31, 2024	Jun. 30, 2025`	Dec. 31, 2024
KEPCO	Trade receivables /Trade payables,	₩ 350,327,929,950	₩ 444,388,915,978	₩ 2,846,335,496	₩ 891,740,254
	Other receivables, Accrued income/Other payables	390,107,721,465	177,211,372,310	3,836,881,044	3,419,421,735
Korea Offshore Wind Power Co., Ltd.	Other receivables	142,532,720	242,775,810	-	-
KEPCO ES Co., Ltd.	Other receivables	27,068,350	-	-	-
GS Donghae Electric Power Co., Ltd.	Other payables, Unearned revenue	10,916,033,260	-	34,859,939	-
Taebaek Gadeoksan Wind Power Co., Ltd.	Other receivables	81,042,914	24,380,055	-	-
Guam Ukudu Power LLC	Other receivables	-	1,193,684,522	-	-
Goheungsin Energy Co., Ltd	Other receivables	-	8,292,940	-	-
KPE Green Energy Co., Ltd.	Trade receivables	104,613,971	129,651,694	-	-
Amaala Sustainable Company for Energy LLC	Other receivables	-	522,514,366	-	-
Jeju Bukchon BES Power Plant Co., Ltd.	Other receivables	7,380,000,000	-	-	-
Dangjin Eco Power Corporation	Other payables	-	-	-	180,688,311
Seokmun Energy Co., Ltd.	Other receivables	1,401,022,074	862,237,516	-	-
Chuncheon Energy Co., Ltd.	Other receivables	165,000,000	-	-	-
Yeonggwang Wind Power Co., Ltd.	Other receivables	59,631,000	57,860,000	-	-
Yeonggwangbaeksu Wind Power Co., Ltd.	Trade receivables	173,470,000	178,248,794	-	-
DE Energia SpA	Loans and others	-	11,590,263,510	-	-
South Jamaica Power Company Limited	Trade receivables	1,980,603,807	90,703,470	-	-
Jamaica Public Service Company Limited	Trade receivables/Other payables	81,874,584	1,941,027,340	545,162,273	531,656,244
Columboola Solar Farm Hold Co Pty, Ltd.	Other receivables	-	858,251,603	-	-
Daesan Green Energy Co., Ltd.	Loans and others	2,586,380,328	2,702,007,811	-	-
Light Solar Energy Co., Ltd.	Loans and others	3,770,206,883	3,609,633,280	-	-
Yangyang Wind Power Co., Ltd.	Loans and others	3,492,484,727	3,419,021,655	-	-
Cheongju Eco Park Co., Ltd.	Other receivables/Other payables	13,899,202,947	13,461,278,381	-	2,853,302,811

39. Related party disclosures (cont'd)

Related party	Transaction	Receivables		Payables	
		Jun. 30, 2025`	Dec. 31, 2024	Jun. 30, 2025`	Dec. 31, 2024
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	Other receivables	₩ 384,140,691	₩ -	₩ -	₩ -
Seokmun Green Energy Co., Ltd.	Other receivables	33,131,912	34,132,074	-	-
Korea Gas Corporation	Trade payables	-	-	40,377,023,734	69,619,527,220
KEPCO Plant Service & Engineering Co., Ltd.	Other payables	-	-	10,903,372,808	18,520,866,575
Korea Electric Power Industrial Development Co., Ltd.	Trade payables	-	-	56,352,311	1,290,811,068
KEPCO Engineering & Construction Company, Inc.	Other payables	-	-	2,693,709,260	1,426,104,790
Korea Southern Power Co., Ltd.	Other receivables/ Other payables	12,262,557,475	350,271,139	949,038,196	-
Korea Western Power Co., Ltd.	Other receivables/ Other payables	-	339,142,823	-	2,112,000
Korea South-East Power Co., Ltd.	Other receivables/ Other payables	-	332,589,580	1,305,272	35,381
Korea Midland Power Co., Ltd.	Other receivables	-	726,480,434	-	-
Korea Power Exchange	Other payables	-	-	54,364	-
KDB Bank	Borrowings	-	-	48,182,240,000	49,585,750,000
		₩ 799,376,649,058	₩ 664,274,737,085	₩ 110,426,334,697	₩ 148,322,016,389

Details of changes in loans for related parties above for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

	Company name	For the 6 months ended Jun. 30, 2025			
		Jan. 1	Loan	Collection	Jun. 30
Joint venture	Jeju Bukchon BESS Power Plant Co., Ltd. (*1)	₩ -	₩ 7,380,000,000	₩ -	₩ 7,380,000,000
Joint venture	DE Energia SpA (*2)	8,420,307,000	-	(8,420,307,000)	-
Joint venture	Light Solar Energy Co., Ltd. (*3)	3,165,280,000	-	-	3,165,280,000
Joint venture	Daesan Green Energy Co., Ltd.(*4)	2,491,248,752	-	-	2,491,248,752
Joint venture	Yeonggwang Wind Power Co., Ltd.(*5)	3,256,500,000	-	-	3,256,500,000
		₩ 17,333,335,752	₩ 7,380,000,000	₩ (8,420,307,000)	₩ 16,293,028,752

(*1) During the current half-year, a loan for operating funds was extended to Jeju Bukchon BESI Power Plant Co., Ltd. at an interest rate of 7.0%.
(*2) During the current half-year, the investee was liquidated, and the loan was recovered.
(*3) The Group loaned operating funds to Light Solar Energy Co., Ltd., a joint venture, with interest rate of 7.0%.
(*4) The Group loaned operating funds to Daesan Green Energy Co., Ltd. a joint venture, with an interest rate of 4.6%.
(*5) The Group provided equipment investment funds to Yangyang Wind Power Co., Ltd., a joint venture, and the interest rate applied to this loan is based on the current account loan interest rate specified in Article 52, Paragraph 2 of the Corporate Tax Law.

39. Related party disclosures (cont'd)

		Dec. 31, 2024				
	Company name	Jan. 1	Loan	Collection	Foreign currency translation loss	Dec. 31
Joint venture	DE Energia SpA (*1)	₩ 7,385,812,140	₩ -	₩ -	₩ 1,034,494,860	₩ 8,420,307,000
Joint venture	Light Solar Energy Co., Ltd. (*2)	3,165,280,000	-	-	-	3,165,280,000
Joint venture	Daesan Green Energy Co., Ltd.(*3)	2,410,847,000	80,401,752	-	-	2,491,248,752
Joint venture	Yeonggwang Wind Power Co., Ltd.(*4)	3,256,500,000	-	-	-	3,256,500,000
		₩ 16,218,439,140	₩ 80,401,752	₩ -	₩ 1,034,494,860	₩ 17,333,335,752

(*1) The Group loaned operating funds to DE Energia SpA, a joint venture, with interest rate of 7.0%.
(*2) The Group loaned operating funds to Light Solar Energy Co., Ltd., a joint venture, with an interest rate of 7.0%.
(*3) The Group loaned operating funds to Daesan Green Energy Co., Ltd. a joint venture, with an interest rate of 4.6%.
(*4) The Group provided equipment investment funds to Yangyang Wind Power Co., Ltd., a joint venture, and the interest rate applied to this loan is based on the current account loan interest rate specified in Article 52, Paragraph 2 of the Corporate Tax Law.

Derivative transactions with related parties above for the six months ended June 30, 2025 is as follows (Korean won and USD):

			For the 6 months ended Jun. 30, 2025				
	Company name	Contract period	Sale price	Purchase price	Sale interest rate (%)	Purchase interest rate (%)	Contract exchange rate
Cash flow hedge	KDB Bank	2023.07 ~ 2028.07	₩ 129,500,000,000	$ 100,000,000	3.85	4.88	₩ 1,295.0

Borrowings arising from related-party transactions as of June 30, 2025 are as follows (Korean won):

	Company name	Jan.1	Repaymnet	Jun. 30
Other related party:	KDB Bank(*)	₩ 49,585,750,000	₩ (1,403,510,000)	₩ 48,182,240,000

(*) The Group has borrowed facility funds and other loans from Korea Development Bank (KDB). The interest rates on these borrowings are Unsecured Corporate Bond Rate + 0.9% and 4.94%

Borrowings arising from related-party transactions as of December 31, 2024 are as follows (Korean won):

	Company name	Jan.1	Borrowing	Repayment	Dec. 31
Other related party	KDB Bank(*)	₩ 45,231,700,000	₩ 4,853,300,000	₩ (499,250,000)	₩ 49,585,750,000

(*) The Group has borrowed facility funds and other loans from Korea Development Bank (KDB). The interest rates on these borrowings are Unsecured Corporate Bond Rate + 0.9% and 4.94%.

The changes in investments in related parties for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Note 14) (Korean won):

		For the 6 months ended Jun. 30, 2025		
	Company name	Investment	Dividend	Liquidation
Associate	Jeju Bukchon BES Power Plant Co., Ltd.	₩ 3,690,000,000	₩ -	₩ -
Joint venture	DE Energia SpA(*)	-	(1,652,947,081)	(9,408,825,639)
		₩ 3,690,000,000	₩ (1,652,947,081)	₩ (9,408,825,639)

(*) The investee was liquidated during the current half-year. Upon liquidation, the Group recovered its initial investment, and the cumulative exchange differences were recognized as a gain or loss on the disposal of its investment in the joint venture.

39. Related party disclosures (cont'd)

		For the year ended Dec. 31, 2024	
	Company name	Investment	Termination
Related party	Amaala Sustainable Company for Energy LLC	₩ 17,891,000	₩ -
Joint venture	Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	-	(68,040,000)
Joint venture	Fairhaven Energy Storage, LLC	1,505,424,479	-
		₩ 1,523,315,479	₩ (68,040,000)

Details of guarantees provided to related parties above as of June 30, 2025 are as follows (USD):

Provider	Provided	Description	Credit limit	Financial institution
Korea East-West Power Co., Ltd.	PT.Tanjung Power Indonesia (*1)	Water change cost payment guarantee	$ 3,150,000	PT Adaro Indonesia
	South Jamaica Power Company Limited (*2)	PPA L/C	6,750,000	Hana Bank
	South Jamaica Power Company Limited (*2)	GSA L/C	7,650,000	Hana Bank
	Guam Ukudu Power LLC (*3)	Guarantee for payment of capital-linked borrowings	66,000,000	KDB Bank
	Guam Ukudu Power LLC (*4)	PPA L/C	31,328,000	ANZ
	Amaala Sustainable Company for Energy LLC (*5)	Guarantee for payment of capital-linked borrowings	33,853,628	FAB
	Amaala Sustainable Company for Energy LLC (*5)	Guarantee for payment of capital-linked borrowings	4,200,000	FAB

(*1) The Group guarantees the payment of water change cost of PT. Tanjung Power Indonesia. Payment guarantee for water change costs has not been implemented yet.
(*2) It is a payment guarantee related to the promotion of the gas combined cycle power project of South Jamaica Power Company Limited, a joint venture of the Group.
(*3) The Group guarantees the payment of capital-linked borrowings of Guam Ukudu Power LLC, an associate of the Group.
(*4) It is an L / C opening guarantee for the execution related to the power sales contract of Guam Ukudu Power LLC, an associate of the Group.
(*5) It is an EBL payment and hedging guarantee provided for Amaala Sustainable Company for Energy LLC, an associate of the Group.

Salary and other compensation to the key members of management for the six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025	For the 6 months ended Jun. 30, 2024
Short-term salaries	₩ 315,111,274	₩ 324,106,544
Retirement benefits expenses	4,157,845	20,174,933
	₩ 319,269,119	₩ 344,281,477

39. Related party disclosures (cont'd)

As of June 30, 2025, the Group pledged its shares in investees as collateral on behalf of borrowings for related parties above (Korean won):

Lender	Borrower	Collateral	Total collateral limit
Shinhan Bank and others	Honam Wind Power Co., Ltd.	Shares in Honam Wind Power Co., Ltd.	₩ 4,759,502,987
Shinhan Bank and others	Busan Industry Solar Co., Ltd.	Shares in Busan Industry Solar Co., Ltd.	1,241,492,598
Hana Bank and others	Yangyang Wind Power Co., Ltd.	Shares in Yangyang Wind Power Co., Ltd.	14,807,262,865
Hana Bank and others	Daewon Green Energy Co., Ltd.	Shares in Daewon Green Energy Co., Ltd.	8,891,172,469
KDB Bank and others	GS Donghae Electric Power Co., Ltd.	Shares in GS Donghae Electric Power Co., Ltd.	277,926,756,701
Kookmin Bank and others	Yeonggwangbaeksu Wind Power Co., Ltd.	Shares in Yeonggwangbaeksu Wind Power Co., Ltd.	3,752,002,448
Kookmin Bank and others	Chuncheon Energy Co., Ltd.	Shares in Chuncheon Energy Co., Ltd.	35,625,902,732
Kookmin Bank and others	Seokmun Energy Co., Ltd.	Shares in Seokmun Energy Co., Ltd.	14,780,691,491
KDB Capital Corp. and others	Yeonggwang Wind Power Co., Ltd.	Shares in Yeonggwang Wind Power Co., Ltd.	27,415,221,560
Woori Bank and others	Korea Offshore Wind Power Co., Ltd.	Shares in Korea Offshore Wind Power Co., Ltd.	26,381,469,985
IBK Bank	Daesan Green Energy Co., Ltd.	Shares in Daesan Green Energy Co., Ltd.	26,387,581,674
Samsung Fire and Marine Insurance and others	Taebaek Gadeoksan Wind Power Co., Ltd.	Shares in Taebaek Gadeoksan Wind Power Co., Ltd.	23,190,734,322
Kyobo Life Insurance and others	Cheongju Eco Park Co., Ltd.	Shares in Cheongju Eco Park Co., Ltd.	10,822,378,854
Woori Bank and others	Goheungsin Energy Co., Ltd.	Shares in Goheungsin Energy Co., Ltd.	5,265,701,911
MUFG Bank Ltd. and others	PT.Tanjung Power Indonesia	Shares in PT.Tanjung Power Indonesia	90,287,071,856
JCSD Trustee Services Ltd. and others	South Jamaica Power Company Limited	Shares in South Jamaica Power Company Limited	46,948,239,014
ANZ and others	Columboola Solar Farm Hold Co Pty., Ltd.	Shares in Columboola Solar Farm Hold Co Pty., Ltd.	57,179,163,459
Hana Bank and others	Seokmun Green Energy Co., Ltd.	Shares in Seokmun Green Energy Co., Ltd.	14,144,094,068
KDB Ban	Yanggu Floating Solar Power Co., Ltd.	Shares in Yanggu Floating Solar Power Co., Ltd.	876,448,666
Woori Bank and others	Geumyang Eco Park Co., Ltd.	Shares in Geumyang Eco park Co., Ltd.	6,181,406,552
IBK Bank	Hoenggye Renewable Energy Co., Ltd.	Shares in Hoenggye Renewable Energy Co., Ltd.	2,374,782,880
First Abu Dhabi Bank PJSC	Amaala Sustainable Company for Energy LLC	Shares in ASCE	17,891,000

As of June 30, 2025, the details of the funding agreement provided to a related party of the Company are as follows:

1) The Group has an obligation to fund expenses of settlement through the execution of subordinated loans or deferred payment in accordance with settlement procedure agreement when net operating cash inflow under the loan agreement with Daesan Green Energy Co., Ltd., an associate of the Group, does not meet the risk sharing standard and the cash flow at the end of the quarter of Daesan Green Energy Co., Ltd. is expected to be negative.

Regarding the above fund replenishment agreement, the Group has lent loans of KRW 2,491,248,752 to Daesan Green Energy Co., Ltd. as of June 30, 2025.

39. Related party disclosures (cont'd)

2) Chuncheon Energy Co., Ltd., a joint venture of the Group, has entered into a loan agreement with the 1st Newstar Chuncheon Co., Ltd. Related to this agreement, the Company has obligation to purchase the underlying asset or replenish funds (total collateral limit of ₩90,800,000,000) if Chuncheon Energy Co., Ltd. cannot pay the interest and proceeds of the loan agreed in advance for the underlying assets (subordinated loan and fund beneficiary certificates) or new securitization securities (commercial paper or short-term bonds) issued by 1st Newstar Chuncheon Co., Ltd. are not refinanced.

In addition to the above, the details of the funding agreements provided by the Group to related parties above as of June 30, 2025 are as follows:

	Funding arrangements
Hoenggye Renewable Energy Co., Ltd	Investors in Hoenggye Renewable Energy Co., Ltd. should provide funding through additional investment or subordinated loans in case of the need for procurement of excess business expenses until completion of overall construction.
Geumyang Eco Park Co., Ltd.	Investors in Geumyang Eco Park Co., Ltd. should provide funding through additional investment or subordinated loans in case of the need for procurement of excess business expenses until completion of overall construction.
Seokmun Energy Co., Ltd.	Investors other than the controlling company of Seokmun Energy Co., Ltd., a joint venture, should make additional investment in the form of additional equity capital injection or subordinated loan when operating expenses or loan principal repayment funds are insufficient. In case there are investors who cannot fulfill this obligation, the Group shall fulfill the obligation on behalf.
Yangyang Wind Power Co., Ltd	When excess costs occur due to reasons such as an increase in construction costs during the construction or before its completion, investors in Yangyang Wind Power Co., Ltd., a joint venture, should fund the costs in the form of additional equity capital injection or subordinated loan.
PT.Tanjung Power Indonesia	When total required investment costs increase due to an increase in construction costs for instance, investors of PT.Tanjung Power Indonesia, a joint venture, should fund excess costs in a form of additional equity capital injection or subordinated loan.
Columboola Solar Farm Hold Co Pty., Ltd.	When a default occurs on the loan agreement obligations as specified in the loan agreement, the investors of Columboola Solar Farm Hold Co Pty., Ltd., a joint venture, may provide funds as additional capital investment.
Amaala Sustainable Company for Energy LLC	Investors of Amaala Sustainable Company for Energy LLC, an associate of the consolidated entity, are required to provide funding through shareholder loans or other means if additional project costs need to be covered until the final completion or if approved funding or emergency funding needs to be supplemented in accordance with the conditions set forth in the shareholders' agreement.

40. Supplementary cash flow information

Significant transactions not involving cash flows for the six months ended June 30, 2025 and 2024 are as follows (Korean won):

	For the 6 months ended Jun. 30, 2025	For the 6 months ended Jun. 30, 2024
Transfer from construction-in-progress to depreciable assets	₩ 375,502,839,860	₩ 85,842,573,027
Transfer from bonds and long-term borrowings to current portion of those	264,781,057,706	1,540,717,414,950
Effect of increase in right-of-use asset	11,765,602,831	1,904,008,014

40. Supplementary cash flow information (cont'd)

Details of changes in liabilities arising from financial activities for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows (Korean won):

<For the 6 months ended Jun.30, 2025>

			Non-cash change			
	Jan. 1, 2025	Cash flow	Exchange rate fluctuation	Changes in fair value	Other	Jun. 30, 2025
Short-term borrowings	₩ 80,000,000,000	₩ 610,000,000,000	₩ -	₩ -	₩ -	₩ 690,000,000,000
Long-term borrowings	117,865,554,952	(4,866,800,000)	-	-	15,673,162	113,014,428,114
Bonds	3,718,206,262,734	(300,024,421,200)	(82,728,472,266)	-	2,764,504,472	3,338,217,873,740
Lease liabilities	391,870,245,618	(31,143,935,026)	(25,729,595,772)	-	11,746,589,863	346,743,304,683
Assets held in order to hedge exchange rate risk of foreign currency bonds	(278,914,835,069)	193,198,135,982	-	31,629,770,539	31,842,026,063	(22,244,902,485)
Total liabilities from financing activities	₩ 4,029,027,228,235	₩ 467,162,979,756	₩ (108,458,068,038)	₩ 31,629,770,539	₩ 46,368,793,560	₩ 4,465,730,704,052

<For the year ended Dec.31, 2024>

			Non-cash change			
	Jan. 1, 2024	Cash flow	Exchange rate fluctuation	Changes in fair value	Other	Dec. 31, 2024
Short-term borrowings	₩ -	₩ 80,000,000,000	₩ -	₩ -	₩ -	₩ 80,000,000,000
Long-term borrowings	115,691,968,627	2,142,240,001	-	-	31,346,324	117,865,554,952
Bonds	3,629,863,672,390	(160,757,591,600)	242,857,342,453	-	6,242,839,491	3,718,206,262,734
Lease liabilities	396,055,530,472	(64,513,388,983)	43,506,427,019	-	16,821,677,110	391,870,245,618
Assets held in order to hedge exchange rate risk of foreign currency bonds	(34,788,778,236)	18,691,078,433	-	(244,126,056,833)	(18,691,078,433)	(278,914,835,069)
Total liabilities from financing activities	₩ 4,106,822,393,253	₩ (124,437,662,149)	₩ 286,363,769,472	₩ (244,126,056,833)	₩ 4,404,784,492	₩ 4,029,027,228,235

41. Commitments and contingencies

Details of significant pending lawsuits and total claims against the Group as of June 30, 2025 and December 31, 2024 are as follows (Korean won):

	Jun. 30, 2025 (*)		Dec. 31, 2024	
	Litigation in progress	Litigation values	Litigation in progress	Litigation values
Pending lawsuits	16 cases	₩ 58,420,137,123	18 cases	₩ 65,515,385,848

(*) The details of major lawsuits (appeals) under way as of June 30, 2025 are as follows (Korean won):

Court	Complainant	The accused	Contents	Litigation values	Status
Supreme Court	Glory ENC Co., Ltd	The Company	Trade payables	₩ 400,000,000	Third trial
Busan High Court	DOUZONE BIZON CO., LTD.	The Company	Qualification limit for bidding participation	50,000,000	Second trial
Daejeon High Court	Eoh xx	The Company	Compensation for losses (related to LNG power plant land compensation)	66,577,500	Second trial
Daejeon District Court, Hongseong Branch	Jeong xx and 125 others	The Company	Claim for damages due to discrimination	159,736,934	First trial
Ulsan District Court	Lee xx and 185 others	The Company	Loss compensation	429,284,230	First trial
Suwon High Court	Vitzro Tech Co., LTD.	The Company	Damages sought	1,805,031,010	Second trial
Ulsan District Court	Ahn xx and other	The Company	Wage claim	195,811,222	First trial
Seoul High Court	Cardinal Infotech.	The Company	Loss compensation	50,000,000	Second trial
Busan High Court	Herb Co., Ltd.	The Company	Claim for invalidity of a bid and related Matters	85,753,800	Second trial
Ulsan District	Oh xx	The Company	Trade payables	137,600,000	First trial
Suwon District Court, Anyang Branch	Baek xx	The Company	Loss compensation	100,000,000	First trial
Gwangju District Court	Lee xx	The Company	Claim for construction costs	78,870,000	First trial
Ulsan District Court	Herb Co. Ltd.	The Company	Claim for invalidity of a bid and related Matters	100,000,000	First trial
KCAB	HPS	The Company	Claim for additional construction costs	15,000,000,000	Arbitration
KCAB	KC Cottrell	The Company	Claim for additional construction costs	23,535,011,000	Arbitration
KCAB	Hanhwa Solution	The Company	Claim for construction costs	16,226,461,427	Arbitration

As of June 30, 2025, the Group has recognized a litigation provision of KRW 400,000,000 in connection with the aforementioned lawsuit. While the outcomes of lawsuits other than those for which litigation provisions have been established cannot be predicted with certainty, the Group's management anticipates that the results of such lawsuits are unlikely to have a significant impact on the Group's operations or financial condition.

As of June 30, 2025, the Group has no debt guarantee agreements other than those provided to related parties.

41. Commitments and contingencies (cont'd)

The Group has key purchase agreements for raw materials and details as of June 30, 2025 are as follows:

Raw material	Supply source	Contract period	Annual contract quantity (Tons in thousand)
Bituminous coal	Australia	2009-2027	4,080
	Indonesia	2019-2027	4,130
	Russia	2015-2027	3,575
	U.S.A	2021-2026	1,100
	Colombia	2017-2027	2,560
	South Africa	2023~2026	1,350
	Canada	2025~2027	250
LNG.(*)	U.S.A, Russia, etc.	2025-2040	300

(*) Expected period of LNG supply for contracts signed in 2021.

41. Commitments and contingencies (cont'd)

As of June 30, 2025, the Group maintains lines of credit with various financial institutions, and the details are as follows (Korean won and USD):

	Financial institution	Executed amount		Credit limit	
Payment guarantee for L/C	Shinhan Bank	USD	14,132,851	USD	80,000,000
	Kookmin Bank	USD	4,240,000	USD	145,000,000
	Hana Bank	USD	-	USD	53,250,000
Commitments on bank-overdraft	Hana Bank	KRW	-	KRW	20,000,000,000
Loan limit	NH Bank	USD	-	USD	25,000,000
	Shinhan Bank	USD	-	USD	20,000,000
	DBS	USD	-	USD	10,000,000
	KDB Bank	KRW	8,487,250,000	KRW	10,000,000,000
	Shinhan Bank	KRW	5,940,650,000	KRW	7,000,000,000
	NH Property & Casualty Insurance Co., Ltd.	KRW	16,973,650,000	KRW	20,000,000,000
	KDB Bank	KRW	39,694,990,000	KRW	40,100,000,000
	Woori Bank	KRW	39,694,990,000	KRW	40,100,000,000
Loan limit secured by bonds(*)	Shinhan Bank	KRW	-	KRW	5,000,000,000
	Woori Bank	KRW	-	KRW	1,000,000,000
	Kookmin Bank	KRW	-	KRW	5,000,000,000
	NH Bank	KRW	-	KRW	5,000,000,000
	IBK Bank	KRW	-	KRW	5,000,000,000
	Hana Bank	KRW	-	KRW	10,000,000,000
Energy use rationalization loan	Hana Bank	KRW	1,674,010,000	KRW	5,151,000,000
	Hana Bank	KRW	682,110,000	KRW	2,099,000,000
Others	Shinhan Bank	USD	5,920,000	USD	6,990,000
	Australia and New Zealand Banking	USD	31,328,000	USD	31,388,000
	MUFG UNION BANK N.A.	USD	59,836,801	USD	66,000,000
	Hana Bank	USD	14,400,000	USD	14,400,000
	First Abudhabi Bank PJSC	USD	38,053,628	USD	38,053,628

(*) In relation to the mutual cooperation agreement allowing cooperative companies of the Group to pledge accounts receivable to the Group and execute loans from financial institutions, the limit refers to the loan amount cooperative companies of the Group can obtain from financial institutions based on this agreement.

For the steady supply of raw materials, the Group holds long-term contracts for bituminous coal shipments and details are as follows:

Company	Ship	Contract period
NYK Bulkship Korea	ORIENTAL FRONTIER	2025.01–2027.03
H-Line Shipping Co., Ltd.	HL.Dangjin	2011.09–2029.08
NYK Bulkship Korea	ORIENTAL LEADER	2013.03–2028.02
Hansung Line Co., Ltd.	OCEAN CARRIER	2013.05–2028.04
NYK Bulkship Korea	Frontier Discovery	2018.01–2032.12
Pan Ocean Co., Ltd.	Pan Dangjin	2018.09–2036.08
Polaris Shipping Co., Ltd.	Solar Legend	2019.02–2034.01

In accordance with the 'Basic Plan for the Establishment of KEPCO Technology University (July 2019),' Korea Institute of Energy Technology (KENTECH) was established in April 2020. Under the Korea Institute of Energy Technology Act, the nation, local governments, and public institutions, including the Group, may provide contributions. The Group determines contributions through board resolutions after consulting with relevant institutions, considering its financial situation each year.

41. Commitments and contingencies (cont'd)

As of June 30, 2025, the Group has pledged following assets as collateral for its borrowings (Korean won):

Pledgor	Secured Party	Collaterals	Book value	Collateral limit	Objective
Gyeongju Wind Power Co., Ltd.	Shinhan Bank and others	Deposits pledged	₩ 15,593,562,551	₩ 68,400,000,000	Financing to invest for construction and operation of wind power plant
		Accounts receivable pledged by means of transfer	7,889,670,528		
		Factory foundation under comprehensive mortgage	60,086,336,843		
			83,569,569,922	68,400,000,000	
Yeongdeok Sunrise Wind Power Co., Ltd.	KDB Bank and others	Deposits pledged	4,303,852,049		Project financing
		Land	2,296,324,283		
		Machinery, equipment and others	98,409,876,501	96,240,000,000	
		Trade receivables	804,088,322		
			105,814,141,155	96,240,000,000	
			₩ 189,383,711,077	₩ 164,640,000,000	

The Group is obliged to supply a certain portion of its total annual power generation using renewable energy sources in accordance with the 'New and Renewable Energy Development, Utilization, and Deployment Promotion Act.'

Under this Act, obligated suppliers can fulfill their requirements either by utilizing their own power generation facilities or by purchasing Renewable Energy Certificates (hereinafter 'REC'). The costs incurred for compliance are reimbursed by Korea Electric Power Corporation (KEPCO) in accordance with relevant regulations.

To meet its obligations, the Group has entered into contracts with multiple counterparties to purchase 'SMP (System Marginal Price per kWh) + REC 1 unit' at a fixed price for a specified period. The purchase amounts paid to counterparties are reimbursable by KEPCO over the contract period.

As of June 30, 2025, the Group's total contracted capacity under fixed-price REC contracts amounts to 2,748,488 kW for solar power, 67,200 kW for wind power, and 6,000 kW for other sources.

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Independent auditors' report

Based on a report originally issued in Korean

To the Shareholder and the Board of Directors of
Korea East-West Power Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Korea East-West Power Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including information of 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards.

Basis for opinion

We conducted our audits in accordance with Korean Standards on Auditing. 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 in the Republic of Korea that are relevant to our audit of the consolidated financial statements, 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, users of this audit report need to pay attention to the following matter. As explained in Note 2 to the consolidated financial statements, for those matters not specified in Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards, the accompanying consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards.

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 Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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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 Korean Standards on Auditing 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 Korean Standards on Auditing, 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 in the preparation of the consolidated financial statements 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 audit of the Group. 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.

Other matter

Auditing standards and their application in practice vary among countries. The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

Hanul LLC

Seoul, Korea
March 11, 2025

This audit report is effective as of the date of this audit report. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the audit report date to the time this audit report is read. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Korea East-West Power Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of December 31, 2024 and 2023

(Korean Won)

	Notes		2024		2023
Assets					
Current assets					
Cash and cash equivalents	5,6,38,39,42	₩	169,451,420,382	₩	318,621,809,707
Current financial assets	6,7,10,11,38,39,40,42		303,338,134,757		185,216,732,209
Trade and other receivables	8,38,39,40		686,932,317,996		635,365,144,516
Inventories	12		220,376,546,100		212,812,720,388
Current income tax receivables			57,069,719		23,334,799
Current non-financial assets	13		52,434,898,217		55,480,427,601
			1,432,590,387,171		1,407,520,169,220
Non-current assets					
Non-current financial assets	6,7,9,10,11,38,39,40,42		2,573,988,309,199		2,319,549,327,342
Long-term trade and other receivables	8,38,39,40		15,465,882,063		17,263,249,462
Property, plant and equipment, net	15,19,23		7,267,101,085,967		6,907,820,144,620
Goodwill	16		105,480,942,947		104,241,793,070
Intangible assets excluding goodwill	17		242,547,001,873		253,005,970,263
Investments in associates and joint ventures	4,14,40		1,227,070,579,582		1,105,128,364,930
Deferred tax assets	35		2,583,779,292		386,099,657
Non-current non-financial assets	13		27,404,733,850		24,224,305,683
			11,461,642,314,773		10,731,619,255,027
Total assets		**₩**	**12,894,232,701,944**	**₩**	**12,139,139,424,247**
Liabilities					
Current liabilities					
Trade and other payables	18,19,38,39,40,41	₩	445,848,511,556	₩	769,320,760,121
Current financial liabilities	7,20,38,39,41		1,749,969,739,647		417,986,308,164
Current non-financial liabilities	24		27,540,615,483		25,925,158,683
Current portion of provisions	22,39,40,42		48,811,752,800		56,135,092,715
Current income tax liabilities			69,992,769,041		24,079,938,208
			2,342,163,388,527		1,293,447,257,891
Non-current liabilities					
Non-current trade and other payables	18,19,38,39,41		330,030,865,070		333,459,385,389
Non-current financial liabilities	20,38,39,41		2,166,107,578,039		3,328,302,914,145
Non-current non-financial liabilities	24		20,745,513,993		44,158,141,834
Employee benefit obligation	21,39		34,416,971,492		11,076,658,974
Deferred tax liabilities	35		850,823,060,321		749,421,708,593
Provisions	22,39,40		8,423,907,227		4,005,720,080
			3,410,547,896,142		4,470,424,529,015
Total liabilities			**5,752,711,284,669**		**5,763,871,786,906**
Equity					
Issued capital	1,25		2,218,598,774,310		2,218,598,774,310
Retained earnings	26,27		3,006,643,652,362		2,504,613,080,536
Other components of equity	7,9,14,28,38		1,882,096,957,855		1,621,387,720,875
Equity attributable to owners of the Company			7,107,339,384,527		6,344,599,575,721
Non-controlling interests			34,182,032,748		30,668,061,620
Total equity			**7,141,521,417,275**		**6,375,267,637,341**
Total liabilities and equity		**₩**	**12,894,232,701,944**	**₩**	**12,139,139,424,247**

The accompanying notes are an integral part of the consolidated financial statements.

Korea East-West Power Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for the years ended December 31, 2024 and 2023

(Korean Won)

	Notes	2024	2023
Sale of goods		₩ 5,370,113,026,169	₩ 5,618,899,092,340
Rendering of services		8,895,952,881	3,302,360,517
Revenue	4,29,40	**5,379,008,979,050**	**5,622,201,452,857**
Cost of sales	36,40	4,580,352,951,626	5,290,042,397,644
Gross profit		**798,656,027,424**	**332,159,055,213**
Selling and administrative expenses	4,15,17,19,21, 23,30,36,40	177,553,414,507	179,426,021,854
Operating profit	4	**621,102,612,917**	**152,733,033,359**
Other income	31,40	23,314,091,547	14,205,575,102
Other expenses	31	33,508,506,071	16,310,658,718
Other profit or loss	32,38,39	(18,225,182,002)	(33,494,744,212)
Finance income	7,33,38,39,40	346,688,263,683	185,893,158,995
Finance costs	7,19,34,38,39	388,787,762,004	182,646,489,234
Gain on investments in associates and joint ventures	14	79,385,107,940	99,367,445,868
Profit for the year before tax		**629,968,626,010**	**219,747,321,160**
Income tax expense	35	107,606,634,868	42,791,991,074
Profit for the year		**522,361,991,142**	**176,955,330,086**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans	21,26	(16,494,879,647)	(7,535,610,507)
Gain (loss) on valuation of financial assets at FVOCI	9,38	185,228,513,168	(34,335,404,865)
Share of other comprehensive loss of associates and joint ventures in equity method	14	(322,568,541)	(7,431,179,080)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net gain on cash flow hedges	7,38	975,641,357	6,248,217
Share of other comprehensive income of associates and joint ventures in equity method	14	73,474,649,524	10,459,340,391
Exchange differences on translation of foreign		1,030,432,931	819,080,755
Other comprehensive income (loss) for the year, net of tax		**243,891,788,792**	**(38,017,525,089)**
Total comprehensive income for the year, net of tax		**₩ 766,253,779,934**	**₩ 138,937,804,997**
Profit for the year, attributable to:			
Owners of the parent		₩ 518,837,811,222	₩ 175,094,796,288
Non-controlling interests		3,524,179,920	1,860,533,798
		₩ 522,361,991,142	**₩ 176,955,330,086**
Total comprehensive income for the year, attributable to:			
Owners of the parent		₩ 762,739,808,806	₩ 137,081,541,156
Non-controlling interests		3,513,971,128	1,856,263,841
		₩ 766,253,779,934	**₩ 138,937,804,997**
Earnings per share:	37		
Basic earnings per share		₩ 8,956	₩ 3,022
Diluted earnings per share		₩ 8,956	₩ 3,022

The accompanying notes are an integral part of the consolidated financial statements.

Korea East-West Power Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the years ended December 31, 2024 and 2023

(Korean Won)

	Attributable to owners of the Company					
	Issued capital	Retained earnings	Other components of equity	Total	Non-controlling interest	Total equity
As of January 1, 2023	₩ **2,218,598,774,310**	₩ **2,644,917,301,984**	₩ **1,644,438,456,377**	₩ **6,507,954,532,671**	₩ **31,511,797,779**	₩ **6,539,466,330,450**
Profit for the year	-	175,094,796,288	-	175,094,796,288	1,860,533,798	176,955,330,086
Changes in other comprehensive income:						
Loss on valuation of financial assets at FVOCI	-	-	(34,335,404,865)	(34,335,404,865)	-	(34,335,404,865)
Net gain on cash flow hedges	-	-	6,248,217	6,248,217	-	6,248,217
Re-measurement loss on defined benefit plans	-	(7,531,340,550)	-	(7,531,340,550)	(4,269,957)	(7,535,610,507)
Share of other comprehensive income (loss) of associates and joint ventures in equity method	-	(7,431,179,080)	10,459,340,391	3,028,161,311	-	3,028,161,311
Exchange differences on translation of foreign operations	-	-	819,080,755	819,080,755	-	819,080,755
Total comprehensive income (loss)	-	160,132,276,658	(23,050,735,502)	137,081,541,156	1,856,263,841	138,937,804,997
Transaction with owner directly reflected in equity:						
Dividends (Note 26)	-	(300,436,498,106)	-	(300,436,498,106)	(2,700,000,000)	(303,136,498,106)
As of December 31, 2023	₩ **2,218,598,774,310**	₩ **2,504,613,080,536**	₩ **1,621,387,720,875**	₩ **6,344,599,575,721**	₩ **30,668,061,620**	₩ **6,375,267,637,341**
As of January 1, 2024	₩ **2,218,598,774,310**	₩ **2,504,613,080,536**	₩ **1,621,387,720,875**	₩ **6,344,599,575,721**	₩ **30,668,061,620**	₩ **6,375,267,637,341**
Profit for the year	-	518,837,811,222	-	518,837,811,222	3,524,179,920	522,361,991,142
Changes in other comprehensive income:						
Gain on valuation of financial assets at FVOCI	-	-	185,228,513,168	185,228,513,168	-	185,228,513,168
Net gain on cash flow hedges	-	-	975,641,357	975,641,357	-	975,641,357
Re-measurement loss on defined benefit plans	-	(16,484,670,855)	-	(16,484,670,855)	(10,208,792)	(16,494,879,647)
Share of other comprehensive income (loss) of associates and joint ventures in equity method	-	(322,568,541)	73,474,649,524	73,152,080,983	-	73,152,080,983
Exchange differences on translation of foreign operations	-	-	1,030,432,931	1,030,432,931	-	1,030,432,931
Total comprehensive income	-	502,030,571,826	260,709,236,980	762,739,808,806	3,513,971,128	766,253,779,934
Transaction with owner directly reflected in equity:	-	-	-	-	-	-
As of December 31, 2024	₩ **2,218,598,774,310**	₩ **3,006,643,652,362**	₩ **1,882,096,957,855**	₩ **7,107,339,384,527**	₩ **34,182,032,748**	₩ **7,141,521,417,275**

The accompanying notes are an integral part of the consolidated financial statements.

Korea East-West Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for the years ended December 31, 2024 and 2023

(Korean Won)

	2024	2023
Operating activities		
Profit for the year	₩ 522,361,991,142	₩ 176,955,330,086
Adjustments to reconcile profit for the year to net cash flows provided by operating activities:		
Pension benefit	22,771,446,422	21,499,816,712
Depreciation	706,053,552,463	736,850,051,451
Amortization	16,754,763,940	16,948,067,400
Income tax expense	107,606,634,868	42,791,991,074
Loss on disposal of property, plant, and equipment	15,546,356	274,725,102
Loss on write-off of property, plant, and equipment	2,744,171,215	13,862,726,797
Loss on write-off of intangible assets	-	3,000
Interest expenses	92,299,506,326	112,438,959,049
Gain on disposal of property, plant, and equipment	(3,491,900,458)	(996,897,220)
Gain on disposal of intangible assets	(16,009,090)	-
Interest income	(16,457,364,677)	(15,545,414,055)
Dividend income	(33,508,801,676)	(68,829,603,442)
Loss on foreign currency translation, net	286,880,854,514	28,135,426,045
Gain on foreign currency transaction, net	(11,487,845,434)	(3,470,992,423)
Gain on valuation of financial assets at FVTPL	(40,155,034)	(3,281,194,459)
Gain on disposal of financial assets at FVTPL	(85,417,029)	(3,638,580,737)
Gain on derivative instruments, net	(273,341,801,763)	(50,554,885,596)
Gain on valuation of investments in associates and joint ventures, net	(80,417,619,378)	(99,367,464,824)
Loss on impairment of investments in associates and joint ventures	1,032,511,438	-
Loss on disposal of investments in associates and joint ventures, net	-	18,956
(Reversal of) Allowance for provisions, net	104,110,447,407	16,640,555,723
Others	(3,994,580,045)	(1,518,910,717)
Changes in operating assets and liabilities:		
Trade receivables	(61,091,838,117)	385,179,604,781
Accrued income	(25,307,112,556)	(112,614,040,001)
Other receivables	51,545,381,382	173,147,325,369
Advance payments	(2,812,528,626)	(144,618,971)
Prepaid expenses	(7,168,597,270)	(7,807,698,017)
Other current assets	23,959,937,894	5,631,252,585
Inventories	(7,251,059,622)	187,196,471,839
Other non-current assets	-	(5,477,985)
Trade payables	16,702,619,757	(230,723,987,913)
Other payables	(45,361,304,200)	55,230,653,795
Accrued expenses	1,467,020,020	11,846,064,779
Unearned revenue	532,491,065	27,595,703
Withholdings	(209,310,561)	203,276,277
Other current liabilities	(491,782,249)	1,353,833,509
Other non-current liabilities	682,918,258	(21,961,865)
Payment of provisions	(53,749,283,610)	(48,768,303,998)
Pension benefits paid	(15,727,404,814)	(16,545,997,757)
Increase in plan assets	(6,729,844,856)	(23,356,035,121)
Settlement of derivative instruments	9,285,931,636	-
	1,318,066,165,038	1,299,021,684,931
Dividends received	49,791,292,140	133,847,508,385
Interest paid	(115,361,801,472)	(117,335,215,651)
Interest received	14,031,257,442	13,779,102,208
Income tax paid	(11,823,814,665)	(30,209,903,964)
Net cash flows provided by operating activities	**₩ 1,254,703,098,483**	**₩ 1,299,103,175,909**

(Continues)

Korea East-West Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows (cont'd)
for the years ended December 31, 2024 and 2023

(Korean Won)

		2024		2023
Investing activities				
Collection of loans	₩	4,316,539,918	₩	6,540,481,838
Collection of deposits		9,681,397,649		7,042,526,005
Decrease in financial assets at amortized cost		7,003,600,000		116,560,000
Proceeds from disposal of land		242,075,745		354,527,548
Proceeds from disposal of buildings		594,136,786		999,092,310
Proceeds from disposal of machinery		3,002,339,479		236,735,091
Proceeds from disposal of vehicles		15,001,000		70,912,000
Proceeds from disposal of tools and equipment		3,155,728		-
Decrease in investment in joint ventures		68,040,000		96,300,000
Proceeds from disposal of other investment assets		-		32,456,424
Net decrease (increase) in financial assets at FVTPL		114,625,894,651		(74,496,030,442)
Increase in financial assets at amortized cost		(8,522,380,000)		(12,538,120,000)
Increase in investment in associates		(17,891,000)		(2,374,782,880)
Increase in investment in joint ventures		(1,505,424,479)		(3,663,000,000)
Increase in loans		(2,073,366,982)		(5,721,707,230)
Payment of deposits		(6,459,731,184)		(12,138,454,358)
Acquisition of land		(25,427,428)		(237,082,512)
Acquisition of buildings		-		(49,292,000)
Acquisition of machinery		(9,241,251,105)		(20,461,948,957)
Acquisition of vehicles		-		(35,567,009)
Acquisition of furniture and fixtures		(41,799,278)		(37,252,231)
Acquisition of tools and equipment		-		(1,421,591)
Acquisition of construction-in-progress		(1,009,213,399,795)		(788,348,905,745)
Acquisition of other investment assets		(91,661,114,858)		(45,622,752,185)
Net cash flows used in investing activities	₩	**(989,209,605,153)**	₩	**(950,236,725,924)**
Financing activities				
Proceeds from (repayment of) short-term borrowings, net		80,000,000,000		(100,000,000,000)
Proceeds from borrowings and bonds		258,949,008,400		667,711,347,908
Repayment of borrowings and bonds		(417,564,359,999)		(698,181,293,332)
Settlement of derivative instruments		18,691,078,433		91,191,090,966
Lease payments		(64,513,388,983)		(63,629,011,640)
Dividends		(299,888,192,581)		(3,248,305,525)
Net cash flows used in financing activities	₩	**(424,325,854,730)**	₩	**(106,156,171,623)**
Net foreign exchange difference		9,661,972,075		(1,878,222,353)
Net increase in cash and cash equivalents		(149,170,389,325)		240,832,056,009
Cash and cash equivalents as of January 1		318,621,809,707		77,789,753,698
Cash and cash equivalents as of December 31	₩	**169,451,420,382**	₩	**318,621,809,707**

The accompanying notes are an integral part of the consolidated financial statements.

1. Corporate information

Korea East-West Power Co., Ltd. (the "Company") was incorporated on April 2, 2001, for the purpose of developing and producing electric power in the Republic of Korea. The Company and its subsidiaries (collectively referred to as the "Group") were established through the spin-off of the power generation division of Korea Electric Power Corporation ("KEPCO") and designated as market-type public institution in August 2010 in accordance with Article 5 of the *Act on Management of Public Institutions (the "Act")* and the Article 3 of the Addendum to the Act. As at December 31, 2024, the Group's power generating capacity is 9,675.3MW and the Group owns and operates four power plants, including the Dangjin Thermal Power Plant.

As of December 31, 2024 and 2023, KEPCO wholly owns the Group's issued and outstanding shares, and issued capital amounting to ₩289,661 million.

The Group's consolidated subsidiaries as of December 31, 2024 and 2023 are as follows:

			Equity interest and voting rights (%)	
	Principal activity	Country of domicile	Dec. 31, 2024	Dec. 31, 2023
EWP America, Inc.	Overseas investment	USA	100.0	100.0
EWP Renewable Corporation	Overseas investment	USA	100.0	100.0
EWP ESS Holdings LLC	Overseas investment	USA	100.0	100.0
Fairhaven ESS LLC	Overseas investment	USA	100.0	100.0
California Power Holdings, LLC	Power plants operation	USA	100.0	100.0
EWP (Barbados) 1 SRL	Overseas investment	Barbados	100.0	100.0
PT. EWP Indonesia	Overseas investment	Indonesia	99.9	99.9
Gyeongju Wind Power Co., Ltd.	Renewable energy wind power generation	Republic of Korea	70.0	70.0
EWP Bylong Pty Ltd.	Overseas investment	Australia	100.0	100.0
EWP Service Co., Ltd.	Service rendering	Republic of Korea	100.0	100.0
Paju Eco Energy Co., Ltd.	Renewable energy power generation	Republic of Korea	89.0	89.0
Yeongdeok Sunrise Wind Power Co., Ltd.	Renewable energy wind power generation	Republic of Korea	70.0	70.0
EWP Australia Pty Ltd.	Overseas investment	Australia	100.0	100.0

1. Corporate information (cont'd)

The summarized financial information of the consolidated subsidiaries as of December 31, 2024 and 2023 and for the years then ended is as follows (Korean won):

	2024			
	Total assets	Total liabilities	Sales	Profit for the year
EWP America, Inc. (*)	₩ 49,381,028,612	₩ 3,120,481,515	₩ 14,887,646,147	₩ 332,493,139
EWP (Barbados) 1 SRL	469,387,033,053	1,462,733,905	-	28,937,410,035
Gyeongju Wind Power Co., Ltd.	87,987,492,418	41,546,816,017	18,550,459,634	5,816,565,596
PT. EWP Indonesia	101,014,939,620	84,059,010	-	6,114,866,920
EWP Bylong Pty Ltd.	14,930,646	13,497,904	-	1,748,900
EWP Service Co., Ltd.	5,291,274,433	3,851,426,110	27,101,425,000	27,466,977
Paju Eco Energy Co., Ltd.	61,835,931,525	2,634,890,295	16,306,456,741	697,080,573
Yeongdeok Sunrise Wind Power Co., Ltd.	112,862,501,567	87,437,431,333	7,716,946,553	3,554,663,453
EWP Australia Pty Ltd.	67,755,898,050	357,595,932	-	12,457,114,642

(*) The summarized financial information of EWP America Inc. includes EWP Renewable Corporation and 3 other subsidiaries.

	2023			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
EWP America, Inc. (*)	₩ 46,954,194,517	₩ 4,032,333,825	₩ 14,548,729,728	₩ 895,040,138
EWP (Barbados) 1 SRL	434,690,410,385	14,216,517,634	2,447,643,750	36,565,816,294
Gyeongju Wind Power Co., Ltd.	90,616,263,196	49,982,170,876	19,807,196,511	6,715,927,972
PT. EWP Indonesia	90,649,545,652	131,832,124	-	9,590,087,520
EWP Bylong Pty Ltd.	12,670,424	13,001,246	-	45,878,704
EWP Service Co., Ltd.	5,487,454,859	3,790,449,426	26,766,876,336	176,301,474
Paju Eco Energy Co., Ltd.	60,652,549,160	2,145,930,092	15,351,314,477	(357,410,996)
Yeongdeok Sunrise Wind Power Co., Ltd.	94,615,321,253	74,842,282,569	-	(383,097,945)
EWP Australia Pty Ltd.	52,733,588,818	88,008	325,233,750	336,657,937

(*) The summarized financial information of EWP America Inc. includes EWP Renewable Corporation and 3 other subsidiaries.

Restrictions on ability to use the assets and settle the liabilities of the Group:

Subsidiary	Restrictions
Gyeongju Wind Power Co., Ltd.	Dividends, payment for renewable energy supply certification and O&M settlement can only be paid by the Group when all conditions in the loan agreement between Gyeongju Wind Power Co., Ltd. and the financial institution are met, or with a prior written consent from the relevant financial institution.
Yeongdeok Sunrise Wind Power Co., Ltd.	Dividends can only be paid by the Group when all conditions in the loan agreement between Yeongdeok Sunrise Wind Power Co., Ltd. and the financial institution are met.

2. Basis of preparation of the consolidated financial statements and summary of material accounting policies

2.1 Basis of preparation

The Group prepares statutory consolidated financial statements in the Korean language in accordance with Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards in the Republic of Korea. Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards further mandates application of Korean International Financial Reporting Standards (K-IFRS) as enacted by the *Act on External Audit of Stock Companies* where specific accounting treatments are not prescribed by Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards.

The accompanying consolidated financial statements have been condensed, restructured, and translated into English (with certain expanded descriptions) from the Korean language financial statements. In the event of any differences in interpreting the consolidated financial statements or the independent auditors' report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements are presented in Korean won, except when otherwise indicated.

2.2 Standards issued but not yet effective

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group. The Group does not expect that these amendments will have a significant impact on the consolidated financial statements.

1) *Amendments to K-IFRS 1021 Effects of Changes in Foreign Exchange Rates and 1101 First-time Adoption of Korean International Financial Reporting Standards – Lack of Exchangeability*

   The amendments require assessing the exchangeability with another currency, estimating the spot exchange rate if exchange with another currency is not possible, and disclosing the impact on the entity's financial performance, financial position and cash flows. These amendments are effective for the beginning on or after January 1, 2025, with early application permitted. The Group is reviewing the impact of these amendments on financial statements.

2) *Amendments to K-IFRS 1109 Financial Instruments and K-IFRS 1107 Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments*

   A new provision has been introduced allowing financial liabilities to be considered settled through electronic payment systems before the settlement date if certain conditions are met. Additionally, the rules related to assessing the contractual cash flow characteristics have been clarified to ensure that cash flows consist solely payments of principal and interest on the principal amount outstanding. Furthermore, new disclosure requirements have been added for fair value changes and realized gains or losses by type of equity investments measured at fair value through other comprehensive income. These amendments are effective for the beginning on or after January 1, 2026, with early application permitted. The Group is reviewing the impact of these amendments on financial statements.

2.2 Standards issued but not yet effective (cont'd)

3) *Annual Improvements to K-IFRS*

These annual improvements to K-IFRS are effective for the beginning on or after January 1, 2026, with early application permitted. The Group anticipates that these amendments will have no material impact on financial statements.

- *K-IFRS 1101 'First-time Adoption of International Financial Reporting Standards': Revision of unclear expressions and inconsistent terms in K-IFRSs*
- *K-IFRS 1107 'Financial Instruments: Disclosures': Revision to ensure consistency of terms and contents in K-IFRSs*
- *K-IFRS 1109 'Financial Instruments': Recognition the profit or loss in accordance with K-IFRS 1109 on derecognition of lease liabilities*
- *K-IFRS 1110 'Consolidated Financial Statements': Clarifying that 'de facto agent' is judgmental matter*
- *K-IFRS 1007 'Statement of Cash Flows': Replacement the term 'cost method' with 'at cost'*

2.3 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2024. Except as described below, other accounting policies have been applied consistently to the consolidated financial statements for the current period and accompanying comparative periods. The new and amended standards do not have a material impact on the consolidated financial statements.

- *Amendment to K-IFRS 1001 'Presentation of financial statements': Classification of liabilities as current or non-current, non-current liabilities with covenants*
- *Amendment to K-IFRS 1001 'Presentation of financial statements': Disclosures of crypto assets*
- *Amendments to K-IFRS 1007 'Statement of Cash Flows' and K-IFRS 1107 'Financial Instruments: Disclosures': Disclosures about supplier finance arrangements*
- *Amendments to K-IFRS 1116 'Leases': Lease liability in a sale and leaseback*

2.4 Summary of material accounting policies

The material accounting policies under K-IFRS followed by the Group in the preparation of its consolidated financial statements are summarized below. Unless stated in Note 2.3, these accounting policies have been applied consistently to the consolidated financial statements for the current period and accompanying comparative periods.

The consolidated financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for assets. The Group's material accounting policies are as follows.

2.4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special-purpose entities) controlled by the Company (or its subsidiaries). Control is achieved where an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Gain and loss on subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The carrying amounts of non-controlling interests are the amount to be reflected of the changes in their relative interests in the subsidiary. Total comprehensive income of subsidiaries is attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that the Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation for the years ended December 31, 2024 and 2023.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Company loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed the relevant assets (i.e., reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is recognized as the fair value on initial recognition for subsequent accounting under K-IFRS 1039 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2.4.2 Cash and cash equivalents

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

2.4 Summary of material accounting policies (cont'd)

2.4.3 Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with K-IFRS 1012 *Income Taxes* and K-IFRS 1019 *Employee Benefits* respectively;
- the acquirer shall measure a liability or an equity instrument related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the acquirer in accordance with the method in K-IFRS 1102 *Share-based Payment* at the acquisition date.
- assets (or disposal groups) that are classified as held for sale in accordance with K-IFRS 1105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interest that is present on acquisition day and if it entiltes the holder to a proportionate share of the entity's net assets in an event of a liquidation, the non-controlling interest may be initially measured either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement can be elected on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in other K-IFRSs

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with K-IFRS 1109 *Financial Instruments* or K-IFRS 1037 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

2.4 Summary of material accounting policies (cont'd)

2.4.3 Business combination (cont'd)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

2.4.4 Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways: ① representation on the Board of Directors or equivalent governing body of the investee; ② participation in policy-making processes, including participation in decisions about dividends or other distributions; ③ material transactions between the entity and its investee; ④ interchange of managerial personnel; or ⑤ provision of essential technical information.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with K-IFRS 1105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities, and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The requirements of K-IFRS 1028 *Investments in Associates and Joint Ventures* are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with K-IFRS 1036 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with K-IFRS 1036 to the extent that the recoverable amount of investment subsequently increases.

When the Group transacts with its associate, incomes and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2.4 Summary of material accounting policies (cont'd)

2.4.5 Investments in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control). Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

When the Group performs the economic activities according to the joint arrangement, its share of any liabilities incurred jointly by the Group and other joint ventures is recognized in the financial statement of the relevant entity and classified by nature. Any liabilities and expenses incurred jointly by the Group and other joint ventures are accounted for by accrual principle. Among the output of the joint venture, revenue from sales and use of interests of the Group and interests in expenses occurred by joint venture is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The Group reports its interests in jointly controlled entities using the equity method, except when the investment is classified as held for sale, in which case it is accounted for in accordance with K-IFRS 1105 *Non-current Assets Held for Sale and Discontinued Operations*.

When the Group transacts with its jointly controlled entity, income and loss resulting from jointly controlled entities are recognized in the Group's consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

2.4.6 Goodwill

Goodwill generated by business combinations is measured at cost at acquisition date less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying value, an impairment loss is recognized to goodwill and then other assets proportionately. Impairment losses related to goodwill cannot be reversed in the future periods.

When disposing of CGUs, the related goodwill amount is considered in determining gain or loss from disposal.

2.4.7 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets (or disposal groups) classified as held for sale are not amortized, and if the fair value less costs to sell decreases, the impairment loss is recognized immediately in profit or loss. If the fair value less costs to sell increases, income up to the amount of accumulated impairment losses recognized in the past periods is recognized.

2.4 Summary of material accounting policies (cont'd)

2.4.8 Revenue from contracts with customers

The Group recognizes revenue by applying a five-step revenue recognition model a five-step revenue recognition model is applied to all types of contracts (① Identifying the contract → ② Identifying performance obligation→ ③ Determining the transaction price → ④ Allocating the transaction price to performance obligations→ ⑤ Recognizing recognition when satisfying a performance obligation).

Identify the performance obligations in the contract
The electricity supply in the Korea Power Exchange pursuant to the Electricity Market Rule is identified as a series of distinct goods or services as a single performance obligation. In addition to power supply, the Group is engaged in contracts with customers to provide power generation byproducts, power generation related services, and heat supply, and identifies distinct performance obligations for each contract.

The performance obligations over time
The Group provides customers with power supply, plant operation and management service, power generation operation system and technical service over time. The Group recognizes revenues according to the progress depicted the Group's performance in transferring control of goods or services on a reasonable basis.

Customers are required to make and use assets that are controlled by the customer at the same time as the Group performs the benefits provided by the performance of the Group, If the entity does not have a substitute purpose and the entitlement to be paid for the portion that has been completed up to now is recognized by the entity, the entity can recognize the profit by applying the progress criteria.

Variable consideration
An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties, or other similar items. Transfer price consists of fixed and variable consideration when variable consideration is included in and the Group estimates an amount of variable consideration by using either of the expected value or the most likely amount. The Group shall include in the transaction price some or all of an amount of variable consideration estimated 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. The amount of consideration received (or receivable) for which the Group does not expect to be entitled shall be recognized as a refund liability.

Allocating the transaction price

The Group allocates the transaction price to each performance obligation identified in a contract on a relative stand-alone selling price basis. The Group will use the ' Adjusted market assessment approach' to estimate the stand-alone selling price of each performance obligation and will use the 'Expected cost plus a margin approach', which forecasts its expected costs of satisfying a performance obligation and then adds an appropriate margin for that good or service exceptionally for some transaction.

2.4 Summary of material accounting policies (cont'd)

2.4.9 Lease

A lease is a contract in which the lessee transfers control over the use of the assets identified in exchange for consideration to the lessee for a period of time. An entity shall assess whether the contract is, or contains, a lease at inception of a contract.

For a contract that is, or contains a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract. As a practical expedient, the Group may elect, by class of the underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single component.

The Group recognizes a right-of-use asset that represents the right to use the underlying asset at the commencement of the lease and a lease liability that represents the obligation to pay the lease fee. However, the Group selected an exception that does not apply the regulations for the recognition, measurement, and presentation of the lessee for short-term leases and leases of low-value assets.

The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the Group. Otherwise, the Group shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is classified as property, plant, and equipment in the consolidated statement of financial position

At the commencement date, the Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

After the commencement date, the Group shall measure the lease liability by:
(a) increasing the carrying amount to reflect interest on the lease liability;
(b) reducing the carrying amount to reflect the lease payments made; and
(c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group shall remeasure the lease liability by discounting the revised lease payments, if either:
(a) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments
(b) there is a change in the amounts expected to be payable under a residual value guarantee
(c) there is a change in determining the lease term if the contract contains options to extend or terminate the lease

For short-term leases (leases with a lease term of 12 months or less at the commencement of the lease term) and leases of low-value assets, the Group selects the exception to recognize the cost of the lease on a straight-line method basis over the lease term.

2.4 Summary of material accounting policies (cont'd)

2.4.10 Foreign currencies

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Korean won which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The date of the transaction for determining the exchange rate to apply to the initial recognition of the related asset, liability, expense, or income (or part thereof) is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability through advance payment or receipt of consideration. In the case of multiple advance payments or receipts, the Group determines the transaction date for the advance payment or receipt of consideration, respectively.

Differences arising on settlement or translation of monetary items are recognized in profit or loss except for:

(a) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
(b) exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
(c) exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Korean won using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognized, but they are not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in equity.

2.4 Summary of material accounting policies (cont'd)

2.4.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.4.12 Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to the grants and that the receipt of the grants are probable.

A benefit from a government loan at a below-market interest rate is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants, which are conditional to the Group purchasing, constructing, or otherwise acquiring non-current assets, are recognized as deductions for related assets in the consolidated statements of financial position and transferred to profit or loss over the estimated useful lives of the related assets.

Government grants are recognized in the consolidated statement of profit or loss and comprehensive income over the periods in which the Group recognizes the related costs based on systematic criteria, for which the grants are intended to compensate as expense. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

2.4.13 Pension benefit obligation

For defined contribution plans, payments to defined contribution plan are recognized as costs when the employees provide with the service to the Group.

For defined benefit pension plans, employee benefit liability is actuarially determined using the projected unit credit method performed by the independent actuarial company at the end of each reporting period. The present value of the pension obligation is discounted expected future cash flows, and discount rate is the market rate of high-grade corporate bonds with similar maturity of the time when pension obligation will be paid. When there is no market with a wide spectrum for such corporate bonds, the market rate of public bond is used as at reporting date.

Re-measurements, comprising of actuarial gains and losses, which are occurred by change in actuarial assumption, and difference of actuarial assumption from actual result, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in profit or loss immediately or amortized on a straight-line basis over the average remaining period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

2.4 Summary of material accounting policies (cont'd)

2.4.14 Income tax

Income tax consists of current tax and deferred tax.

Current tax
The tax currently payable is based on taxable income for the year. Taxable income differs from income as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year
Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.4 Summary of material accounting policies (cont'd)

2.4.15 Property, plant, and equipment

Property, plant, and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Such cost comprises its purchasing price and construction cost including the cost 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 the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are recognized in carrying amount of a separate asset or as an asset if it is probable that future economic benefits associated with the assets will flow into the Group and the cost of an asset can be measured reliably and carrying value of replaced part is removed. Routine maintenance and repairs are expensed as incurred.

Property, plant, and equipment, except for land, is depreciated using the straight-line method based on the estimated useful years of the assets as follows:

	Years
Buildings	10 ~ 34
Structures	5 ~ 30
Machinery	2 ~ 24
Vehicles	3 ~ 5
Right-of-use asset	1 ~ 63
Others	3 ~ 30

If the cost of a part of property, plant and equipment is significant compared to the overall total cost of the property, plant and equipment, the cost of the part is separately depreciated from the related property, plant, and equipment.

The Group reviews the depreciation method, the estimated useful lives and residual values of property, plant, and equipment at the end of each annual reporting period. If expectation differs from previous estimates, the changes were accounted for as a change in an accounting estimate.

Property, plant, and equipment is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of property, plant, and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

2.4.16 Intangible assets

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Amortization of intangible assets is provided using the straight-line method over the estimated useful life of the assets as follows:

	Years
Industrial property rights	5 ~ 30
Usable and profitable donated assets	10, 20
Software	5 ~ 30
Others	15 ~ 30

2.4 Summary of material accounting policies (cont'd)

2.4.17 Intangible assets (cont'd)

Internally-generated intangible assets - research and development expenditure
Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the fact that result of development plan is for development of a new product or substantial upgrade of product function;
- the technical and commercial feasibility of completing the intangible asset so that it will be available for use or sale;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. When the development expenditure does not meet the criteria listed above, an internally generated intangible asset cannot be recognized and the expenditure is recognized in profit or loss in the period in which it is incurred.

Internally-generated intangible assets are presented at cost less accumulated amortization and accumulated impairment losses.

Intangible assets acquired in a business combination
Intangible assets that are acquired in a business combination are recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets
An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

2.4.17 Impairment of property, plant, equipment, and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with definite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The Group estimates the recoverable amount by an individual asset and where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually regardless of an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.4 Summary of material accounting policies (cont'd)

2.4.18 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories, except for those in transit, are measured under the weighted average method and consists of the purchase price, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The carrying amount of inventories sold in the period and the amount of any write-down of inventories to net realizable value and all losses of inventories in the period are recognized as an expense during the period. Also, the amount of any reversal in the period of any write-down of the inventories, arising from an increase in net realizable value, is recognized as deduction of expense during the period.

2.4.19 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, a provision is measured at the present value of the expected future cash flows. The discount rate is pretax interest rate reflecting risks specific to the liability and the current market assessment of the time value of money. Increase in provision pursuant to passage of time is recognized as finance cost at the time of occurrence in the statements of comprehensive income.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

At the end of each reporting period, the remaining provision balance is reviewed and assessed to determine if the current best estimate is being recognized. If the existence of an obligation to transfer economic benefit is no longer probable, the related provision is reversed during the period.

Employee bonus
The Group pays bonuses to its employee based on the result of performance evaluation of the Group from the Ministry of Strategy and Finance. The Group reasonably estimates the amount of bonuses and accounts for provision for employee bonuses in accordance with K-IFRS 1037.

Provision for Renewable Portfolio Standard (RPS)
The Group is obligated to produce and supply certain amount of energies from renewable energy sources such as solar, wind and biomass in accordance with the *Act on the Promotion of the Development and Use of New and Renewable Sources of Energy*. As of December 31, 2024, the Group recognized provision for RPS for the amount not executed.

2.4 Summary of material accounting policies (cont'd)

2.4.19 Provisions (cont'd)

Emission rights and emission liabilities
The Group is allocated emission allowances free of charge by the government in accordance with the *Act on Allocation and Trading of Emission Allowances* in the Republic of Korea. The emission allowances are allocated to the Group annually for the planned periods, and the Group is to deliver the equivalent quantity of emission allowances for actual emission to the government.

The Group measures the emission allowances that it receives from the government free of charge at nil and measures any purchased emission allowances at cost.

In addition, emission allowances are derecognized in the consolidated financial statements when they are delivered to the government or sold.

Where any unused allocated emission allowances after their delivery to the government, are sold, a gain or loss on disposal of the allocated emission allowances is subtracted from the cost of emissions; where emission allowances purchased are sold, the gain or loss on disposal is classified as non-operating income or expense; where the allocated emission allowances are sold when it is uncertain whether to achieve a reduction of emissions through the use of emission trading scheme, a difference between the book value and net sales price is recognized as deferred revenue which is offset against the cost of emissions over the period in which the allocated emission allowances pertain to.

A liability (emission obligation) is recognized only where actual emissions exceed the allocated emission allowances, and the cost of emissions is recognized as an operating cost. The liability is measured by adding the following (1) and (2).

(1) The book value of emission allowances for the year to be delivered to the government
(2) The best estimate of expenditures, as at the end of a reporting period, in performing emission obligations exceeding the above emission allowances

Where the Group borrows a part of the allocated emission allowances for any of future periods to deliver to the government, it recognizes the borrowed portion as deferred revenue when derecognizing the liability and offsets the deferred revenue against the actual cost of emission, as it purchases the emission allowances to fill any shortfall in the period which the borrowed emission allowances belong to.

2.4.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under K-IFRS 1115.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

2.4 Summary of material accounting policies (cont'd)

2.4.20 Financial instruments – initial recognition and subsequent measurement (cont'd)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

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

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

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

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

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

2.4 Summary of material accounting policies (cont'd)

2.4.20 Financial instruments – initial recognition and subsequent measurement (cont'd)

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under K-IFRS 1032 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

This category includes derivatives and equity instruments that do not make an irrevocable choice to treat changes in fair value in other comprehensive income. Dividends on equity instruments are recognized in profit or loss at the time the rights are established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at amortized cost, a financial asset at fair value through other comprehensive income or a financial asset at fair value through profit or loss.

2.4 Summary of material accounting policies (cont'd)

2.4.20 Financial instruments – initial recognition and subsequent measurement (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

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

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

Impairment of financial assets

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

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

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

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

2.4 Summary of material accounting policies (cont'd)

2.4.20 Financial instruments – initial recognition and subsequent measurement (cont'd)

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the good credit rating agency and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the good credit rating agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by K-IFRS 1109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in K-IFRS 1109 are satisfied. The Group has not designated any financial liability at fair value through profit or loss.

2.4 Summary of material accounting policies (cont'd)

2.4.20 Financial instruments – initial recognition and subsequent measurement (cont'd)

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

3) Offsetting of financial instruments

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

2.4.21 Derivative financial instruments and Hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

2.4 Summary of material accounting policies (cont'd)

2.4.21 Derivative financial instruments (cont'd)

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging derivative is recognized in the statement of profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit or loss.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expense and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will

2.4 Summary of material accounting policies (cont'd)

2.4.21 Derivative financial instruments (cont'd)

not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss.

2.4.22 Issued capital

Ordinary shares are classified as capital, and incremental costs arising directly due to capital transactions are deducted from equity as a net amount reflecting the tax effect.

2.4.23 Earnings per share

The Group calculates basic earnings per share and diluted earnings per share for income from continuing operations and net income and discloses it in the consolidated statement of comprehensive income. Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

3. Significant accounting estimate and assumptions

The Group makes assumptions and estimations concerning the future. Assumptions and estimations are verified continuously based on past experience and reasonably expected future events. This accounting estimation, however, could be different from actual results. Assumptions and estimations for significant risks which may cause adjustment to the carrying amounts of assets and liabilities are as follows:

3.1 Corporate taxes

The Group recognized expected corporate tax effect as current corporate tax expense and deferred corporate taxes using best estimation. Final corporate tax burden in the future, however, may not correspond with related assets or liabilities, which may cause changes in assets or liabilities at the time of confirmation of corporate tax effect.

3.2 Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The Group selects various valuation methods and makes a judgment about assumptions based on key market circumstances as at the end of the reporting period.

3.3 Provisions

The Group recognizes provisions for financial guarantees and obligations for emission and so on. This provision is determined based on the historical experience and additional disclosures are described in Notes 2.4.19 and 22.

3.4 Pension benefits

The present value of the defined benefit pension can change depending on various factors determined using actuarial valuations. Assumptions to determine pension cost (income) include discount rate, where changes in assumptions will result in changes in present value of the defined benefit pension. The Group has determined the discount rate every year-end which is defined as interest rate used to decide present value of expected future cash outflow. The Group determines discount rate considering discount rate of outstanding corporate bonds which have similar maturity with pension obligations. Other assumptions related with pension obligations are based on market circumstances. Additional disclosures are described in Note 21.

3.5 Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. The Group performs an impairment test for goodwill and intangible assets with infinite useful lives at the end of each reporting period or when there is an indication of impairment of an asset. It is required to conduct an impairment test for other non-financial assets when there is an indication that carrying values go below recoverable amount. To calculate value in use, management needs to estimate the future expected cash flows from related assets or CGUs and choose proper rate to discount future expected cash flows.

4. Operating segment information

The Group is organized for management purposes as a single business unit based on the nature of goods and services provided and details of operating revenue and assets required in its operations are presented below.

The following table presents revenue and operating profit from the sole reportable segment for the years ended December 31, 2024 and 2023, respectively (Korean won):

	2024	2023
Sales	₩5,379,008,979,050	₩5,622,201,452,857
Sales from external customers	5,379,008,979,050	5,622,201,452,857
Operating profit	621,102,612,917	152,733,033,359
Depreciation and amortization	722,808,316,403	753,798,118,851

The following table presents assets and liabilities for the sole reportable segment as of December 31, 2024 and 2023, respectively (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Total assets	₩ 12,894,232,701,944	₩ 12,139,139,424,247
Investment in associates	387,139,878,055	372,768,107,386
Investment in joint ventures	839,930,701,527	732,360,257,544
Acquisition of non-current assets (*)	1,027,053,396,029	835,310,652,100
Total liabilities	5,752,711,284,669	5,763,871,786,906

(*) Financial assets and deferred tax assets are excluded.

The Group operates its principal business, the production and sale of electricity, in the Republic of Korea. Geographical information for the years ended December 31, 2024 and 2023 of external customers and non-current assets as of December 31, 2024 and 2023 are as follows (Korean won):

	Revenue from external customers		Non-current assets (*)	
	2024	2023	Dec. 31, 2024	Dec. 31, 2023
Domestic	₩ 5,355,225,380,022	₩ 5,604,350,362,612	₩ 8,196,791,999,285	₩ 7,806,600,968,798
Americas	14,887,646,147	14,548,729,728	34,253,374,050	32,379,405,064
Barbados	-	2,447,643,750	461,377,755,909	392,975,813,421
Indonesia	8,895,952,881	-	100,661,861,790	90,290,314,943
Australia	-	325,233,750	65,439,689,465	50,854,266,875
Others	-	529,483,017	11,079,663,720	21,319,809,465
	₩ 5,379,008,979,050	₩ 5,622,201,452,857	₩ 8,869,604,344,219	₩ 8,394,420,578,566

(*) Financial assets and deferred tax assets are excluded.

Revenue from KEPCO, a single source representing 10% or more of the Group's total revenue, amounts to ₩5,175,665,288,437 and ₩5,414,317,918,113 for the years ended December 31, 2024 and 2023, respectively. There are no other customers having sales representing 10% or more of the Group's total revenue.

5. Cash and cash equivalents

Details of cash and cash equivalents as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Other demand deposits	₩ 126,451,420,382	₩ 184,854,057,229
Short-term investment assets classified as cash equivalents	43,000,000,000	133,767,752,478
	₩ 169,451,420,382	₩ 318,621,809,707

6. Financial assets restricted for use

Financial assets restricted for use as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Other demand deposits (*)	₩ 7,947,956,898	₩ 2,457,774,869
Short-term financial instruments(*)	3,500,000,000	4,000,000,000
Long-term financial instruments(*)	6,500,000,000	6,500,000,000
	₩ 17,947,956,898	₩ 12,957,774,869

(*) defined as collateral for the Group's borrowing. (Note 42.7)

7. Financial assets and liabilities at fair value through profit or loss (including derivative assets and liabilities)

Details of financial assets and liabilities at fair value through profit or loss as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		Dec. 31, 2023	
	Current	Non-current	Current	Non-current
Financial assets at FVTPL:				
Beneficiary certificates	₩ -	₩ 1,529,458,879	₩ -	₩ 1,637,025,724
Contributions	-	20,037,200	-	20,637,200
Debt securities	47,422,832,712	-	161,814,988,455	-
Derivative assets	1,856,699,307	-	77,331,360	-
	₩ 49,279,532,019	₩ 1,549,496,079	₩ 161,892,319,815	₩ 1,657,662,924
Financial liabilities at FVTPL:				
Derivative liabilities	₩ 5,500,000	₩ -	₩ 733,581,292	₩ -

Details of derivative instruments as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec.31, 2024		Dec.31, 2023	
	Current	Non-current	Current	Non-current
Derivative assets:				
Currency forwards	₩ 1,856,699,307	₩ -	₩ 77,331,360	₩ -
Currency swaps	221,141,296,266	57,773,538,803	-	34,788,778,236
	₩ 222,997,995,573	₩ 57,773,538,803	₩ 77,331,360	₩ 34,788,778,236
Derivative liabilities:				
Currency forwards	₩ 5,500,000	₩ -	₩ 733,581,292	₩ -

7. Financial assets and liabilities at fair value through profit or loss (including derivative assets and liabilities) (cont'd)

Details of currency swaps as of December 31, 2024 are as follows (Korean won and USD):

		Contract amount		Contract interest rate (%)		
Counterparty	Contract term	Sell (KRW)	Purchase (USD)	Sell	Purchase	Contract exchange rate
Cash flow hedge:						
Woori Bank	2020.05~2025.05	245,560,000,000	200,000,000	0.93	1.75	1,227.80
Hana Bank	2020.05~2025.05	245,560,000,000	200,000,000	0.93	1.75	1,227.80
KDB Bank	2020.05~2025.05	122,780,000,000	100,000,000	0.93	1.75	1,227.80
JP Morgan	2022.05~2025.05	126,180,000,000	100,000,000	2.80	3.60	1,261.80
Hana Bank	2022.05~2025.05	126,180,000,000	100,000,000	2.80	3.60	1,261.80
KDB Bank	2022.05~2025.05	252,360,000,000	200,000,000	2.83	3.60	1,261.80
Woori Bank	2022.05~2025.05	126,180,000,000	100,000,000	2.85	3.60	1,261.80
Woori Bank	2023.07~2028.07	259,000,000,000	200,000,000	3.83	4.88	1,295.00
KDB Bank	2023.07~2028.07	129,500,000,000	100,000,000	3.85	4.88	1,295.00
B of A	2023.07~2028.07	64,750,000,000	50,000,000	3.85	4.88	1,295.00

There is an economic relationship between the hedging item and the hedging instrument because the terms of the currency swap contract are consistent with the terms of the expected transaction (repayment of foreign currency bonds). At the end of the reporting period, the Group established a hedging relationship through currency swap contracts for the full repayment of foreign currency bonds. The hedging instrument (currency swap) avoids the risk of the hedging item (repayment of foreign currency bonds) at the end of the reporting period.

Details of currency forwards as of December 31, 2024 are as follows (Korean won and USD):

			Contract amount		
Counterparty	Contract date	Maturity date	Sell(KRW)	Purchase(USD)	Contract exchange rate
Trading:					
Woori Bank	2024-11-28	2025-02-03	4,619,499,538	3,316,938	1,392.70
SC	2024-11-28	2025-02-03	6,964,000,000	5,000,000	1,392.80
Busan Bank	2024-11-28	2025-02-03	6,964,500,000	5,000,000	1,392.90
JP Morgan	2024-11-28	2025-02-03	6,964,500,000	5,000,000	1,392.90
HSBC	2024-12-20	2025-02-26	10,111,500,000	7,000,000	1,444.50
B of A	2024-12-20	2025-02-26	8,667,300,000	6,000,000	1,444.55
Shinhan Bank	2024-12-27	2025-03-05	8,797,920,000	6,000,000	1,466.32
Hana Bank	2024-12-27	2025-03-05	10,263,750,000	7,000,000	1,466.25
Woori Bank	2024-12-30	2025-03-05	7,355,500,000	5,000,000	1,471.10
Hana Bank	2024-12-30	2025-03-05	8,797,080,000	6,000,000	1,466.18
Shinhan Bank	2024-12-30	2025-03-05	7,324,600,000	5,000,000	1,464.92
Busan Bank	2024-12-30	2025-03-05	4,394,550,000	3,000,000	1,464.85

7. Financial assets and liabilities at fair value through profit or loss (including derivative assets and liabilities) (cont'd)

Details of gain and loss on valuation and settlement of derivative instruments for the years ended December 31, 2024 and 2023, respectively are as follows (Korean won):

	Gain (loss) on valuation		Gain on settlement		Other comprehensive income (*)	
	2024	2023	2024	2023	2024	2023
Currency forwards	₩ 1,851,199,307	₩ (656,249,932)	₩ 9,942,181,568	₩ 8,059,610,120	₩ -	₩ -
Currency swaps	242,857,342,455	20,090,514,444	18,691,078,433	23,061,010,964	1,268,714,378	18,403,194
Total	₩ 244,708,541,762	₩ 19,434,264,512	₩ 28,633,260,001	₩ 31,120,621,084	₩ 1,268,714,378	₩ 18,403,194

(*) As of December 31, 2024, loss on valuation of derivative instruments amounting to ₩975,641,357 recognized in accumulated other comprehensive income are presented excluding tax effect which is directly charged to equity.

8. Trade and other receivables

Details of trade and other receivables as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		
	Gross amounts	Present value discounts	Book value
Current assets:			
Trade receivables	₩ 464,702,452,054	₩ -	₩ 464,702,452,054
Other receivables	222,251,328,381	(21,462,439)	222,229,865,942
	686,953,780,435	(21,462,439)	686,932,317,996
Non-current assets:			
Other receivables	15,579,912,659	(114,030,596)	15,465,882,063
	₩ 702,533,693,094	₩ (135,493,035)	₩ 702,398,200,059

	Dec. 31, 2023		
	Gross amounts	Present value discounts	Book value
Current assets:			
Trade receivables	₩ 402,961,201,448	₩ -	₩ 402,961,201,448
Other receivables	232,767,328,462	(363,385,394)	232,403,943,068
	635,728,529,910	(363,385,394)	635,365,144,516
Non-current assets:			
Other receivables	17,328,251,972	(65,002,510)	17,263,249,462
	₩ 653,056,781,882	₩ (428,387,904)	₩ 652,628,393,978

Details of other receivables as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		
	Gross amounts	Present value discounts	Book value
Current assets:			
Accounts receivable	₩ 56,020,187,598	₩ -	₩ 56,020,187,598
Accrued income	150,274,354,313	-	150,274,354,313
Deposits	15,956,786,470	(21,462,439)	15,935,324,031
	222,251,328,381	(21,462,439)	222,229,865,942
Non-current assets:			
Deposits	15,062,946,959	(114,030,596)	14,948,916,363
Others	516,965,700	-	516,965,700
	15,579,912,659	(114,030,596)	15,465,882,063
Total	₩ 237,831,241,040	₩ (135,493,035)	₩ 237,695,748,005

8. Trade and other receivables (cont'd)

	Dec. 31, 2023		
	Gross amounts	Present value discounts	Book value
Current assets:			
Accounts receivable	₩ 59,080,287,126	₩ -	₩ 59,080,287,126
Accrued income	154,374,715,948	-	154,374,715,948
Deposits	19,312,325,388	(363,385,394)	18,948,939,994
	232,767,328,462	(363,385,394)	232,403,943,068
Non-current assets:			
Accrued income	2,388,887,225	-	2,388,887,225
Deposits	14,436,558,862	(65,002,510)	14,371,556,352
Others	502,805,885	-	502,805,885
	17,328,251,972	(65,002,510)	17,263,249,462
Total	₩ 250,095,580,434	₩ (428,387,904)	₩ 249,667,192,530

There are no trade and other receivables that have been past due or impaired as of December 31, 2024.

9. Financial assets at fair value through other comprehensive income

Details of financial assets at fair value through other comprehensive income as of December 31, 2024 are as follows (Korean won):

	Dec. 31, 2024				
	Equity ratio (%)	Number of shares held	Acquisition	Book value	Fair value
Quoted securities:					
PT. Bayan Resources TBK	4.00	1,333,333,400	₩ 80,533,337,360	₩ 2,459,700,122,985	₩ 2,459,700,122,985
HD Hyundai Marine (formerly, STX Heavy Industry) (*)	0.18	61,455	430,185,000	1,502,574,750	1,502,574,750
			80,963,522,360	2,461,202,697,735	2,461,202,697,735
Unquoted securities:					
Korea Power Exchange	7.14	1,826,275	9,131,374,714	15,508,748,425	15,508,748,425
HeeMang Sunlight Power	8.33	78,600	393,000,000	393,000,000	393,000,000
KEPCO Bylong Australia Pty Ltd.	2.00	3,537,032	6,134,697,340	-	-
			15,659,072,054	15,901,748,425	15,901,748,425
			₩ 96,622,594,414	₩ 2,477,104,446,160	₩ 2,477,104,446,160

(*) The equity ratio has changed due to a third-party allocated paid-in capital increase that occurred for the year ended December 31, 2024.

9. Financial assets at fair value through other comprehensive income (cont'd)

Details of financial assets at fair value through other comprehensive income as of December 31, 2023 are as follows (Korean won):

	Dec. 31, 2023				
	Equity ratio (%)	Number of shares held	Acquisition	Book value	Fair value
Quoted securities:					
PT. Bayan Resources TBK	4.00	1,333,333,400	₩ 80,533,337,360	₩ 2,218,186,777,576	₩ 2,218,186,777,576
HD Hyundai Marine (formerly, STX Heavy Industry)	0.22	61,455	430,185,000	719,023,500	719,023,500
			80,963,522,360	2,218,905,801,076	2,218,905,801,076
Unquoted securities:					
Korea Power Exchange	7.14	1,826,275	9,131,374,714	16,936,317,167	16,936,317,167
HeeMang Sunlight Power	8.33	78,600	393,000,000	393,000,000	393,000,000
KEPCO Bylong Australia Pty Ltd.	2.00	3,537,032	6,134,697,340	-	-
			15,659,072,054	17,329,317,167	17,329,317,167
			₩ 96,622,594,414	₩ 2,236,235,118,243	₩ 2,236,235,118,243

Changes in financial assets at fair value through other comprehensive income for the year ended December 31, 2024 are as follows (Korean won):

	2024		
	Jan. 1	Valuation (*)	Dec. 31
Quoted equity shares	₩ 2,218,905,801,076	₩ 242,296,896,659	₩ 2,461,202,697,735
Unquoted equity shares	17,329,317,167	(1,427,568,742)	15,901,748,425
	₩ 2,236,235,118,243	₩ 240,869,327,917	₩ 2,477,104,446,160
Current financial assets at FVOCI	₩ -	₩ -	₩ -
Non-current financial assets at FVOCI	2,236,235,118,243	240,869,327,917	2,477,104,446,160

(*) As of December 31, 2024, valuation changes amounting to ₩185,228,513,168 recognized in accumulated other comprehensive income are presented excluding tax effect which is directly charged to equity.

Changes in financial assets at fair value through other comprehensive income for the year ended December 31, 2023 are as follows (Korean won):

	2023				
	Jan.1	Acquisition	Disposal	Valuation (*)	Dec. 31
Quoted equity shares	₩ 2,265,200,113,260	₩ 430,185,000	₩ -	₩ (46,724,497,184)	₩ 2,218,905,801,076
Unquoted equity shares	18,098,123,334	-	(14,198,304)	(754,607,863)	17,329,317,167
	₩ 2,283,298,236,594	₩ 430,185,000	₩ (14,198,304)	₩ (47,479,105,047)	₩ 2,236,235,118,243
Current financial assets at FVOCI	₩ -	₩ -	₩ -	₩ -	₩ -
Non-current financial assets at FVOCI	2,283,298,236,594	430,185,000	(14,198,304)	(47,479,105,047)	2,236,235,118,243

(*) As of December 31, 2023, valuation changes amounting to ₩(-)34,335,404,865 recognized in accumulated other comprehensive income are presented excluding tax effect which is directly charged to equity.

10. Financial assets at amortized cost

Changes in financial assets at amortized cost for the year ended December 31, 2024 are as follows (Korean won):

	2024				
	Jan.1	Acquisition	Disposal	Others	Dec. 31
Public bonds	₩ 139,120,000	₩ 22,380,000	₩ (3,600,000)	₩ -	₩ 157,900,000
Others	27,500,000,000	8,500,000,000	(7,000,000,000)	-	29,000,000,000
	₩ 27,639,120,000	₩ 8,522,380,000	₩ (7,003,600,000)	₩ -	₩ 29,157,900,000
Current financial assets at amortized cost	₩ 21,003,600,000	₩ 8,500,000,000	₩ (7,003,600,000)	₩ 18,560,000	₩ 22,518,560,000
Non-current financial assets at amortized cost	6,635,520,000	22,380,000	-	(18,560,000)	6,639,340,000

Changes in financial assets at amortized cost for the year ended December 31, 2023 are as follows (Korean won):

	2023				
	Jan.1	Acquisition	Disposal	Others	Dec. 31
Public bonds	₩ 217,560,000	₩ 38,120,000	₩ (116,560,000)	₩ -	₩ 139,120,000
Others	15,000,000,000	12,500,000,000	-	-	27,500,000,000
	₩ 15,217,560,000	₩ 12,538,120,000	₩ (116,560,000)	₩ -	₩ 27,639,120,000
Current financial assets at amortized cost	₩ 15,116,560,000	₩ 6,000,000,000	₩ (116,560,000)	₩ 3,600,000	₩ 21,003,600,000
Non-current financial assets at amortized cost	101,000,000	6,538,120,000	-	(3,600,000)	6,635,520,000

11. Loans

Details of loans as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		Dec. 31, 2023	
	Current	Non-current	Current	Non-current
Tuition loans(*1)	₩ 1,213,369,384	₩ 15,955,287,427	₩ 1,485,765,104	₩ 16,441,170,131
Home loans(*2)	873,406,032	8,401,720,308	943,708,272	9,896,714,332
Loans to related party	8,420,307,000	8,913,028,752	-	16,218,439,140
Present value discount	(108,335,944)	(2,348,548,330)	(108,660,982)	(2,324,075,664)
	₩ 10,398,746,472	₩ 30,921,488,157	₩ 2,320,812,394	₩ 40,232,247,939

(*1) The Group provides student loans to employees for their children without any interests, and these student loans are repaid in installments from the quarterly paid out bonuses.
(*2) The Group also provides loans for purchasing property to employees with COFIX rate to support employees in securing residence. The loan is payable in 15 years for lease and in 20 years for purchase.

12. Inventories

Details of inventories as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		
	Gross amounts	Valuation allowance	Book value
Raw materials	₩ 54,540,637,025	₩ -	₩ 54,540,637,025
Supplies	24,250,426,212	-	24,250,426,212
Goods in transit	141,585,482,863	-	141,585,482,863
Total	₩ 220,376,546,100	₩ -	₩ 220,376,546,100

	Dec. 31, 2023		
	Gross amounts	Valuation allowance	Book value
Raw materials	₩ 94,828,597,641	₩ -	₩ 94,828,597,641
Supplies	27,118,661,021	-	27,118,661,021
Goods in transit	90,865,461,726	-	90,865,461,726
Total	₩ 212,812,720,388	₩ -	₩ 212,812,720,388

13. Non-financial assets

Details of non-financial assets as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		Dec. 31, 2023	
	Current	Non-current	Current	Non-current
Advance payments	₩ 45,500	₩ 2,960,917,935	₩ 10,819,600	₩ 144,762,940
Prepaid expenses	20,385,770,359	24,443,815,915	22,194,110,908	24,079,542,743
Others	32,049,082,358	-	33,275,497,093	-
Total	₩ 52,434,898,217	₩ 27,404,733,850	₩ 55,480,427,601	₩ 24,224,305,683

Details of other non-financial assets as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		Dec. 31, 2023	
	Current	Non-current	Current	Non-current
Emission rights	₩ 31,102,624,051	₩ -	₩ 4,365,055,380	₩ -
Non-refunded value added tax	410,863,690	-	28,463,593,044	-
Other quick assets	535,594,617	-	446,848,669	-
Total	₩ 32,049,082,358	₩ -	₩ 33,275,497,093	₩ -

14. Investments in associates and joint ventures

Details of investments in associates and joint ventures as of December 31, 2024 are as follows (Korean won):

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2024	
				Acquisition cost	Book value
<Associates>					
Korea Offshore Wind Power Co., Ltd. (*1)	Power plants operation	Republic of Korea	12.50	₩ 26,600,000,000	₩ 24,862,903,825
KEPCO Solar Co., Ltd. (*1)	Resource development for solar energy	Republic of Korea	8.33	16,650,000,000	17,591,986,418
KEPCO ES Co., Ltd. (*1)	Investment in facilities for energy efficiency	Republic of Korea	8.33	25,000,000,000	26,058,687,158
GS Donghae Electric Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	204,000,000,000	279,432,019,874
Guam Ukudu Power LLC	Power plants operation	U.S.A(Guam)	40.00	1,579,620,097	-
KPE Green Energy Co., Ltd.	Power plants operation	Republic of Korea	25.36	3,910,000,000	8,229,844,886
Taebaek Gadeoksan Wind Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	12,570,000,000	22,908,062,403
Goheungsin Energy Co., Ltd.(*1)	Power plants operation	Republic of Korea	14.10	3,959,280,000	4,817,594,346
Yanggu Floating Solar Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	903,700,000	846,105,265
Hoenggye Renewable Energy Co., Ltd.(*5)	Power plants operation	Republic of Korea	36.12	2,374,782,880	2,374,782,880
Amaala Sustainable Company for Energy LLC(*1)(*7)	Power plants operation	Saudi Arabia	10.00	17,891,000	17,891,000
Subtotal				297,565,273,977	387,139,878,055
<Joint ventures>					
Busan Shinho Solar Power Co., Ltd.	Power plants operation	Republic of Korea	25.00	2,100,000,000	6,993,042,983
Honam Wind Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,480,000,000	4,833,222,781
Dangjin Eco Power Corporation	Power plants operation	Republic of Korea	34.00	25,661,385,206	26,867,391,908
Seokmun Energy Co., Ltd.	Power plants operation	Republic of Korea	29.00	15,370,000,000	15,455,862,082
Chuncheon Energy Co., Ltd.(*6)	Power plants operation	Republic of Korea	29.90	52,699,945,000	36,598,612,439
Yeonggwangbaeksu Wind Power Co., Ltd. (*2)	Power plants operation	Republic of Korea	15.00	3,000,000,000	3,729,607,830
Yeonggwang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	46.00	17,475,000,000	26,146,093,646
Yangyang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	50.00	12,000,000,000	11,639,622,321
Jamaica Public Service Company Limited	Power plants operation	Jamaica	40.00	301,909,577,842	412,616,416,779
South Jamaica Power Company Limited	Power plants operation	Jamaica	20.00	20,430,019,000	48,761,339,130
PT.Tanjung Power Indonesia	Power plants operation	Indonesia	35.00	57,039,359,594	100,579,334,520
DE Energia SpA	Power plants operation	Chile	49.00	8,363,732,090	11,061,772,720
Daesan Green Energy Co., Ltd.	Power plants operation	Republic of Korea	35.00	17,850,000,000	25,330,883,475
Busan Industry Solar Co., Ltd.	Power plants operation	Republic of Korea	28.02	510,000,000	1,159,740,445
Light Solar Energy Co., Ltd.	Power plants operation	Republic of Korea	27.10	352,300,000	-
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity (*3)	Power plants operation	Republic of Korea	90.00	14,847,741,000	15,495,832,901
Cheongju Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	5,858,000,000	10,636,229,347

14. Investments in associates and joint ventures (cont'd)

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2024	
				Acquisition cost	Book value
Columboola Solar Farm Hold Co Pty., Ltd.(*4)	Power plants operation	Australia	48.51	₩ 38,538,334,153	₩ 65,439,689,465
Seokmun Green Energy Co., Ltd.	Power plants operation	Republic of Korea	33.00	8,972,700,000	12,744,712,892
Geumyang Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,663,000,000	3,841,293,863
Fairhaven Energy Storage, LLC	Power plants operation	U.S.A	35.00	1,505,424,479	-
Subtotal				611,626,518,364	839,930,701,527
Total				₩ 909,191,792,341	₩ 1,227,070,579,582

(*1) Although the Group holds less than 20% equity interest in the investee, the investee has been classified as an associate because they can exercise voting rights on the investee's Board of Directors.
(*2) Although the Group holds less than 20% equity shares in the investee, the investee has been classified as a joint venture based on the judgement of having a joint control.
(*3) Although the Group holds 90% equity shares in the investee, the investee has been classified as a joint venture based on the judgement of having a joint control.
(*4) Interests of the Group are 66.67% of common shares, 24% of cumulative non-participating preferred shares without voting rights, and 48.51% of total common and preferred shares. Although the ownership interest for common shares is 66.67%, the investee has been classified as a joint venture based on the judgement of having a joint control due to restrictions on exercising voting rights at the board of directors.
(*5) These are voting cumulative, non-participating preferred shares with a preferred share ownership percentage of 78.35%. The total ownership percentage, including both preferred and common shares, is 36.12%.
(*6) An impairment loss of ₩ 248,141,456 was recognized on the investment in Chuncheon Energy Co., Ltd. prior to the previous year.
(*7) Newly acquired in 2024.

14. Investments in associates and joint ventures (cont'd)

Details of investments in associates and joint ventures as of December 31, 2023 are as follows (Korean won):

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2024	
				Acquisition cost	Book value
<Associates>					
Korea Offshore Wind Power Co., Ltd. (*1)	Power plants operation	Republic of Korea	12.50	₩ 26,600,000,000	₩ 23,827,130,726
KEPCO Solar Co., Ltd. (*1)	Resource development for solar energy	Republic of Korea	8.33	16,650,000,000	17,494,689,133
KEPCO ES Co., Ltd. (*1)	Investment in facilities for energy efficiency	Republic of Korea	8.33	25,000,000,000	25,596,767,802
GS Donghae Electric Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	204,000,000,000	259,084,468,646
Guam Ukudu Power LLC	Power plants operation	U.S.A(Guam)	40.00	1,579,620,097	11,617,054,536
KPE Green Energy Co., Ltd.	Power plants operation	Republic of Korea	25.36	3,910,000,000	7,779,068,750
Taebaek Gadeoksan Wind Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	12,570,000,000	19,426,119,441
Goheungsin Energy Co., Ltd.(*1)	Power plants operation	Republic of Korea	14.10	3,959,280,000	4,807,772,820
Yanggu Floating Solar Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	903,700,000	760,252,652
Hoenggye Renewable Energy Co., Ltd.(*5)	Power plants operation	Republic of Korea	36.12	2,374,782,880	2,374,782,880
Subtotal				297,547,382,977	372,768,107,386
<Joint ventures>					
Busan Shinho Solar Power Co., Ltd.	Power plants operation	Republic of Korea	25.00	2,100,000,000	6,668,763,776
Honam Wind Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,480,000,000	4,743,246,037
Dangjin Eco Power Corporation	Power plants operation	Republic of Korea	34.00	25,661,385,206	26,752,974,981
Seokmun Energy Co., Ltd.	Power plants operation	Republic of Korea	29.00	15,370,000,000	16,591,138,243
Chuncheon Energy Co., Ltd.(*6)	Power plants operation	Republic of Korea	29.90	52,699,945,000	35,082,660,917
Yeonggwangbaeksu Wind Power Co., Ltd. (*2)	Power plants operation	Republic of Korea	15.00	3,000,000,000	3,443,287,949
Yeonggwang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	46.00	17,475,000,000	23,379,901,376
Yangyang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	50.00	12,000,000,000	10,435,038,488
Jamaica Public Service Company Limited	Power plants operation	Jamaica	40.00	301,909,577,842	349,866,454,796
South Jamaica Power Company Limited	Power plants operation	Jamaica	20.00	20,430,019,000	43,109,358,625
PT.Tanjung Power Indonesia	Power plants operation	Indonesia	35.00	57,039,359,594	90,151,067,479
DE Energia SpA	Power plants operation	Chile	49.00	8,363,732,090	9,702,754,929
Daesan Green Energy Co., Ltd.	Power plants operation	Republic of Korea	35.00	17,850,000,000	22,190,747,324
Busan Industry Solar Co., Ltd.	Power plants operation	Republic of Korea	28.02	510,000,000	1,058,069,975
Light Solar Energy Co., Ltd.	Power plants operation	Republic of Korea	27.10	352,300,000	352,300,000
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity (*3)	Power plants operation	Republic of Korea	90.00	14,915,781,000	15,486,773,181
Cheongju Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	5,858,000,000	9,071,574,986

14. Investments in associates and joint ventures (cont'd)

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2024	
				Acquisition cost	Book value
Columboola Solar Farm Hold Co Pty., Ltd.(*4)	Power plants operation	Australia	48.51	₩ 38,538,334,153	₩ 50,854,266,875
Seokmun Green Energy Co., Ltd.	Power plants operation	Republic of Korea	33.00	8,972,700,000	9,756,877,607
Geumyang Eco Park Co., Ltd.(*7)	Power plants operation	Republic of Korea	29.00	3,663,000,000	3,663,000,000
Fairhaven Energy Storage, LLC(*8)	Power plants operation	U.S.A	35.00	-	-
Subtotal				610,189,133,885	732,360,257,544
Total				₩ 907,736,516,862	₩ 1,105,128,364,930

(*1) Although the Group holds less than 20% equity interest in the investee, the investee has been classified as an associate because they can exercise voting rights on the investee's Board of Directors.
(*2) Although the Group holds less than 20% equity shares in the investee, the investee has been classified as a joint venture based on the judgement of having a joint control.
(*3) Although the Group holds 90% equity shares in the investee, the investee has been classified as a joint venture based on the judgement of having a joint control.
(*4) Interests of the Group are 66.67% of common shares, 24% of cumulative non-participating preferred shares without voting rights, and 48.51% of total common and preferred shares. Although the ownership interest for common shares is 66.67%, the investee has been classified as a joint venture based on the judgement of having a joint control due to restrictions on exercising voting rights at the board of directors.
(*5) Newly acquired in 2023. These are voting cumulative, non-participating preferred shares with a preferred share ownership percentage of 78.35%. The total ownership percentage, including both preferred and common shares, is 36.12%.
(*6) An impairment loss of ₩ 248,141,456 was recognized on the investment in Chuncheon Energy Co., Ltd. prior to the previous year.
(*7) Newly acquired in 2023.
(*8) Prior to the capital contribution, but 35% of the capital contribution is committed in the future.

As of December 31, 2024 and 2023, the Group has no associates and joint ventures listed on any stock market.

14. Investments in associates and joint ventures (cont'd)

Changes in investments in associates and joint ventures for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024								
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Impairment loss	Changes in equity adjustments in equity method	Others	Dec. 31
<Associates>									
Korea Offshore Wind Power Co., Ltd.	₩ 23,827,130,726	₩ -	₩ -	₩ -	₩ 1,035,773,099	₩ -	₩ -	₩ -	₩ 24,862,903,825
KEPCO Solar Co., Ltd.	17,494,689,133	-	-	(417,956,625)	517,022,623	-	-	(1,768,713)	17,591,986,418
KEPCO ES Co., Ltd.	25,596,767,802	-	-	(265,000,000)	729,828,306	-	-	(2,908,950)	26,058,687,158
GS Donghae Electric Power Co., Ltd.	259,084,468,646	-	-	-	20,323,918,837	-	-	23,632,391	279,432,019,874
Guam Ukudu Power LLC.	11,617,054,536	-	-	-	(12,288,994,917)	-	671,940,381	-	-
KPE Green Energy Co., Ltd.	7,779,068,750	-	-	-	450,776,136	-	-	-	8,229,844,886
Taebaek Gadeoksan Wind Power Co., Ltd.	19,426,119,441	-	-	(1,767,320,000)	5,249,262,962	-	-	-	22,908,062,403
Goheungsin Energy Co., Ltd.	4,807,772,820	-	-	-	9,821,526	-	-	-	4,817,594,346
Yanggu Floating Power Co., Ltd.	760,252,652	-	-	-	85,852,613	-	-	-	846,105,265
Hoenggye Renewable Energy Co., Ltd.	2,374,782,880	-	-	-	-	-	-	-	2,374,782,880
Amaala Sustainable Company for Energy LLC(*1)	-	17,891,000	-	-	-	-	-	-	17,891,000
Subtotal	372,768,107,386	17,891,000	-	(2,450,276,625)	16,113,261,185	-	671,940,381	18,954,728	387,139,878,055
<Joint ventures>									
Busan Shinho Solar Power Co., Ltd.	6,668,763,776	-	-	(666,500,000)	990,779,207	-	-	-	6,993,042,983
Honam Wind Power Co., Ltd.	4,743,246,037	-	-	(435,000,000)	524,976,744	-	-	-	4,833,222,781
Dangjin Eco Power Corporation	26,752,974,981	-	-	-	252,727,614	-	(138,493,201)	182,514	26,867,391,908
Seokmun Energy Co., Ltd.	16,591,138,243	-	-	-	(1,135,276,161)	-	-	-	15,455,862,082
Chuncheon Energy Co., Ltd.	35,082,660,917	-	-	-	1,515,951,522	-	-	-	36,598,612,439
Yeonggwangbaeksu Wind Power Co., Ltd.	3,443,287,949	-	-	-	286,319,881	-	-	-	3,729,607,830
Yeonggwang Wind Power Co., Ltd.	23,379,901,376	-	-	-	2,766,192,270	-	-	-	26,146,093,646
Yangyang Wind Power Co., Ltd.	10,435,038,488	-	-	-	1,208,651,674	-	-	(4,067,841)	11,639,622,321
Jamaica Public Service Company Limited	349,866,454,796	-	-	(15,214,920,000)	28,849,444,211	-	49,462,544,252	(347,106,480)	412,616,416,779
South Jamaica Power Company Limited	43,109,358,625	-	-	(2,894,546,983)	2,703,681,156	-	5,842,846,332	-	48,761,339,130
PT.Tanjung Power Indonesia	90,151,067,479	-	-	(8,348,865,000)	6,137,866,353	-	14,121,704,463	(1,482,438,775)	100,579,334,520
DE Energia SpA	9,702,754,929	-	-	-	-	-	1,359,017,791	-	11,061,772,720
Daesan Green Energy Co., Ltd.	22,190,747,324	-	-	-	3,144,325,383	-	-	(4,189,232)	25,330,883,475
Busan Industry Solar Co., Ltd.	1,058,069,975	-	-	-	101,670,470	-	-	-	1,159,740,445
Light Solar Energy Co., Ltd.(*2)	352,300,000	-	-	-	-	(352,300,000)	-	-	-
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity (*3)	15,486,773,181	-	(68,040,000)	(86,859,759)	163,959,479	-	-	-	15,495,832,901
Cheongju Eco Park Co., Ltd.	9,071,574,986	-	-	-	1,564,654,361	-	-	-	10,636,229,347

14. Investments in associates and joint ventures (cont'd)

	2024								
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Impairment loss	Changes in equity adjustments in equity method	Others	Dec. 31
Columboola Solar Farm Hold Co Pty., Ltd.	₩ 50,854,266,875	₩ -	₩ -	₩ (457,184,838)	₩ 12,916,944,755	₩ -	₩ 2,125,662,673	₩ -	₩ 65,439,689,465
Seokmun Green Energy Co., Ltd.	9,756,877,607	-	-	-	2,987,835,285	-	-	-	12,744,712,892
Geumyang Eco Park Co., Ltd	3,663,000,000	-	-	-	178,293,863	-	-	-	3,841,293,863
Fairhaven Energy Storage, LLC(*4)	-	1,505,424,479	-	-	(854,639,874)	(680,211,438)	29,426,833	-	-
Subtotal	732,360,257,544	1,505,424,479	(68,040,000)	(28,103,876,580)	64,304,358,193	(1,032,511,438)	72,802,709,143	(1,837,619,814)	839,930,701,527
Total	₩ 1,105,128,364,930	₩ 1,523,315,479	₩ (68,040,000)	₩ (30,554,153,205)	₩ 80,417,619,378	₩ (1,032,511,438)	₩ 73,474,649,524	₩ (1,818,665,086)	₩ 1,227,070,579,582

(*1) Newly acquired in 2024.
(*2) Due to continuous losses for the year ended December 31, 2024, there are indications of impairment in the investment in Light Solar Energy Co., Ltd. As a result, an impairment test was conducted in accordance with K-IFRS 1036, and the full carrying amount was recognized as an impairment loss.
(*3) Part of the original investment has been terminated in 2024.
(*4) Due to continuous losses for the year ended December 31, 2024, there are indications of impairment in the investment in Fairhaven Energy Storage, LLC. As a result, an impairment test was conducted in accordance with K-IFRS 1036, and the full carrying amount was recognized as an impairment loss.

	2023							
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Dec. 31
<Associates>								
Korea Offshore Wind Power Co., Ltd.	₩ 23,106,223,387	₩ -	₩ -	₩ -	₩ 720,907,339	₩ -	₩ -	₩ 23,827,130,726
KEPCO Solar Co., Ltd.	18,133,216,179	-	-	(1,333,914,750)	696,585,168	-	(1,197,464)	17,494,689,133
KEPCO ES Co., Ltd.	26,071,006,646	-	-	(790,000,000)	314,756,953	-	1,004,203	25,596,767,802
GS Donghae Electric Power Co., Ltd.	260,144,625,308	-	-	(21,846,020,000)	21,240,227,676	-	(454,364,338)	259,084,468,646
Guam Ukudu Power LLC.	-	-	-	-	11,185,507,291	431,547,245	-	11,617,054,536
KPE Green Energy Co., Ltd.	4,484,640,256	-	-	-	3,294,428,494	-	-	7,779,068,750
Taebaek Gadeoksan Wind Power Co., Ltd.	20,039,532,100	-	-	(3,723,000,000)	3,109,606,297	-	(18,956)	19,426,119,441
Goheungsin Energy Co., Ltd.	3,614,948,067	-	-	-	1,192,824,753	-	-	4,807,772,820
Yanggu Floating Power Co., Ltd.	903,700,036	-	-	-	(143,447,384)	-	-	760,252,652
Hoenggye Renewable Energy Co., Ltd.	-	2,374,782,880	-	-	-	-	-	2,374,782,880
Subtotal	356,497,891,979	2,374,782,880	-	(27,692,934,750)	41,611,396,587	431,547,245	(454,576,555)	372,768,107,386

14. Investments in associates and joint ventures (cont'd)

	2023							
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Dec. 31
<Joint ventures>								
Busan Shinho Solar Power Co., Ltd.	₩ 6,719,334,961	₩ -	₩ -	₩ (1,168,750,000)	₩ 1,118,178,815	₩ -	₩ -	₩ 6,668,763,776
Honam Wind Power Co., Ltd.	4,818,699,499	-	-	(522,000,000)	446,546,538	-	-	4,743,246,037
Dangjin Eco Power Corporation	26,858,974,152	-	-	-	211,565,644	(317,362,454)	(202,361)	26,752,974,981
Seokmun Energy Co., Ltd.	17,335,707,012	-	-	-	(744,568,769)	-	-	16,591,138,243
Chuncheon Energy Co., Ltd.	32,044,297,590	-	-	-	3,038,363,327	-	-	35,082,660,917
Yeonggwangbaeksu Wind Power Co., Ltd.	3,151,477,629	-	-	-	291,810,320	-	-	3,443,287,949
Yeonggwang Wind Power Co., Ltd.	20,713,042,958	-	-	(2,688,307,373)	5,355,165,791	-	-	23,379,901,376
Yangyang Wind Power Co., Ltd.	10,864,047,797	-	-	-	(429,009,309)	-	-	10,435,038,488
Jamaica Public Service Company Limited	331,406,530,834	-	-	(15,714,520,000)	32,861,515,480	7,959,156,602	(6,646,228,120)	349,866,454,796
South Jamaica Power Company Limited	46,437,080,804	-	-	(7,667,005,320)	3,708,669,810	630,613,331	-	43,109,358,625
PT.Tanjung Power Indonesia	92,906,894,065	-	-	(12,641,317,500)	9,678,615,206	337,655,653	(130,779,945)	90,151,067,479
DE Energia SpA	9,536,452,087	-	-	-	-	166,302,842	-	9,702,754,929
Daesan Green Energy Co., Ltd.	19,217,577,897	-	-	-	2,977,413,577	-	(4,244,150)	22,190,747,324
Busan Industry Solar Co., Ltd.	1,168,328,489	-	-	-	(110,258,514)	-	-	1,058,069,975
Light Solar Energy Co., Ltd.	352,300,000	-	-	-	-	-	-	352,300,000
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	15,587,053,765	-	(96,300,000)	-	(3,980,584)	-	-	15,486,773,181
Cheongju Eco Park Co., Ltd.	10,490,155,416	-	-	-	(1,418,580,430)	-	-	9,071,574,986
Columboola Solar Farm Hold Co Pty., Ltd.	49,890,453,191	-	-	(360,406,872)	72,793,384	1,251,427,172	-	50,854,266,875
Seokmun Green Energy Co., Ltd.	9,055,049,656	-		-	701,827,951	-	-	9,756,877,607
Geumyang Eco Park Co., Ltd	-	3,663,000,000	-	-	-	-	-	3,663,000,000
Fairhaven Energy Storage, LLC(*)	-	-	-	-	-	-	-	-
Subtotal	708,553,457,802	3,663,000,000	(96,300,000)	(40,762,307,065)	57,756,068,237	10,027,793,146	(6,781,454,576)	732,360,257,544
Total	₩ 1,065,051,349,781	₩ 6,037,782,880	₩ (96,300,000)	₩ (68,455,241,815)	₩ 99,367,464,824	₩ 10,459,340,391	₩ (7,236,031,131)	₩ 1,105,128,364,930

(*) Equity method has not been applied as the capital contribution according to the agreement has not been completed as of December 31, 2023.

14. Investments in associates and joint ventures (cont'd)

The summary of associates and joint ventures' financial information as of December 31, 2024 and 2023 and for the years then ended, is as follows (Korean won):

	Dec. 31, 2024			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 330,372,783,935	₩ 131,469,553,335	₩ 41,489,481,439	₩ 8,286,184,790
KEPCO Solar Co., Ltd.	240,555,040,002	29,239,887,841	20,788,126,390	6,210,481,961
KEPCO ES Co., Ltd.	318,639,949,909	5,935,704,006	6,384,070,630	8,757,939,670
GS Donghae Electric Power Co., Ltd.	1,910,960,371,511	1,089,101,489,528	535,012,368,243	59,776,231,873
Guam Ukudu Power LLC.	940,136,959,935	960,811,769,751	112,782,130,653	(39,279,899,335)
KPE Green Energy Co., Ltd.	135,307,368,022	103,023,378,613	41,288,598,719	2,131,060,728
Taebaek Gadeoksan Wind Power Co., Ltd.	187,927,529,900	120,551,218,823	32,533,786,293	15,535,979,921
Goheungsin Energy Co., Ltd..	174,255,493,678	142,437,009,663	28,058,987,858	2,190,362,419
Yanggu Floating Power Co., Ltd.	15,299,344,042	12,381,746,138	2,258,815,918	210,274,769
Hoenggye Renewable Energy Co., Ltd.	43,205,676,799	43,941,792,822	-	(62,113,617)
Amaala Sustainable Company for Energy LLC	697,353,505,000	697,157,790,000	-	-
<Joint ventures>				
Busan Shinho Solar Power Co., Ltd.	28,836,895,864	864,723,932	8,451,557,205	3,963,116,829
Honam Wind Power Co., Ltd.	29,174,067,114	12,618,421,553	6,507,923,976	1,810,264,636
Dangjin Eco Power Corporation	90,750,303,001	12,732,427,067	3,644,932,017	743,316,510
Seokmun Energy Co., Ltd.	192,082,645,292	138,786,569,148	51,232,983,142	(4,558,209,683)
Chuncheon Energy Co., Ltd.	533,210,305,791	409,988,697,516	430,678,952,597	4,889,848,832
Yeonggwangbaeksu Wind Power Co., Ltd.	69,248,871,018	44,422,332,314	12,636,448,244	2,156,143,019
Yeonggwang Wind Power Co., Ltd.	217,987,863,572	162,218,416,589	32,114,087,276	7,970,568,240
Yangyang Wind Power Co., Ltd.	146,697,138,881	123,504,148,063	11,947,850,326	2,333,668,682
Jamaica Public Service Company Limited (*)	2,649,022,161,975	1,656,067,735,035	1,490,606,447,280	76,610,664,660
South Jamaica Power Company Limited	532,322,280,000	288,500,730,000	250,519,478,640	14,459,551,980
PT.Tanjung Power Indonesia	754,513,973,640	467,144,442,450	106,080,505,553	17,705,160,122
DE Energia SpA	32,262,852,930	24,852,850,470	-	3,162,745,920
Daesan Green Energy Co., Ltd.	225,764,730,764	153,390,777,980	110,001,943,575	5,959,941,747
Busan Industry Solar Co., Ltd.	18,235,654,625	15,133,030,393	2,262,222,794	191,113,694
Light Solar Energy Co., Ltd.	68,249,563,007	74,213,083,579	8,300,459,691	(389,772,443)
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	17,250,980,416	33,388,304	227,134,527	182,177,199
Cheongju Eco Park Co., Ltd.	145,162,059,202	109,158,166,102	37,392,262,481	2,415,077,074
Columboola Solar Farm Hold Co Pty., Ltd.	342,602,782,359	222,480,057,281	8,349,215,834	20,621,670,710
Seokmun Green Energy Co., Ltd.	142,213,518,588	103,593,176,492	46,711,965,970	9,026,407,404
Geumyang Eco Park Co., Ltd.	125,961,492,810	112,910,329,671	3,168,690,433	614,806,424
Fairhaven Energy Storage, LLC	2,071,230,000	82,320,000	-	(13,639,800)

(*) The summarized financial information reflected the fair value adjustments made at the acquisition date.

14. Investments in associates and joint ventures (cont'd)

	Dec. 31, 2023			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 334,443,733,926	₩ 143,826,688,116	₩ 40,313,431,590	₩ 6,497,079,436
KEPCO Solar Co., Ltd.	246,273,134,874	36,126,718,869	23,233,968,885	8,367,389,406
KEPCO ES Co., Ltd.	322,528,550,343	15,367,336,713	14,150,933,382	5,383,784,061
GS Donghae Electric Power Co., Ltd.	1,932,098,583,071	1,170,085,439,993	876,826,348,934	62,471,257,872
Guam Ukudu Power LLC.	749,837,168,750	720,794,532,396	-	(19,904,314,937)
KPE Green Energy Co., Ltd.	143,157,615,303	112,651,367,077	58,423,206,165	13,406,555,434
Taebaek Gadeoksan Wind Power Co., Ltd.	196,809,886,127	139,674,531,619	34,999,891,920	13,138,049,794
Goheungsin Energy Co., Ltd..	177,924,142,430	146,175,314,628	29,245,796,425	8,459,750,022
Yanggu Floating Power Co., Ltd.	17,091,647,021	14,470,091,954	135,163,828	(494,645,057)
Hoenggye Renewable Energy Co., Ltd.	24,702,811,859	25,730,320,931	-	(4,864,047,429)
<Joint ventures>				
Busan Shinho Solar Power Co., Ltd.	31,863,168,341	5,188,113,238	9,196,583,372	4,472,715,258
Honam Wind Power Co., Ltd.	31,183,377,097	14,937,996,172	6,570,153,694	1,539,815,648
Dangjin Eco Power Corporation	96,980,001,204	19,298,645,642	3,789,128,804	589,331,918
Seokmun Energy Co., Ltd.	201,776,108,067	144,565,286,539	54,575,467,279	(1,580,608,129)
Chuncheon Energy Co., Ltd.	565,971,968,556	447,820,432,261	502,888,551,631	10,435,062,099
Yeonggwangbaeksu Wind Power Co., Ltd.	73,853,450,228	50,935,710,728	13,523,043,837	1,944,182,220
Yeonggwang Wind Power Co., Ltd.	225,285,757,789	175,529,772,264	36,326,191,433	11,671,570,879
Yangyang Wind Power Co., Ltd.	124,550,099,244	103,766,276,092	210,900,952	(858,018,617)
Jamaica Public Service Company Limited (*)	2,332,019,139,083	1,491,198,975,655	1,400,582,221,460	87,307,126,210
South Jamaica Power Company Limited	482,866,116,600	267,306,790,506	240,664,082,190	18,833,150,070
PT.Tanjung Power Indonesia	704,274,789,032	446,700,311,072	111,138,303,463	21,853,833,564
DE Energia SpA	28,016,619,590	21,415,636,864	5,005,600,280	21,117,708,949
Daesan Green Energy Co., Ltd.	237,662,980,522	174,260,845,312	111,225,108,724	11,479,550,662
Busan Industry Solar Co., Ltd.	18,635,411,917	15,895,611,715	2,377,620,101	105,851,819
Light Solar Energy Co., Ltd.	73,435,546,392	79,367,091,517	8,249,037,330	(1,124,743,740)
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	17,229,217,173	21,691,416	38,288,040	(3,428,967)
Cheongju Eco Park Co., Ltd.	145,955,906,503	115,347,373,268	38,907,103,783	(4,891,656,656)
Columboola Solar Farm Hold Co Pty., Ltd.	311,258,583,636	213,821,674,026	10,071,778,571	3,217,193,105
Seokmun Green Energy Co., Ltd.	144,600,550,205	115,034,254,425	10,878,867,529	2,126,765,169
Geumyang Eco Park Co., Ltd.	13,831,356,715	1,395,000,000	-	(71,255,787)

(*) The summarized financial information reflected the fair value adjustments made at the acquisition date.

The unrecognized share of losses from associates and joint ventures due to the discontinuation of the equity method as of December 31, 2024 and 2023 is as follows:

	Dec. 31, 2024		Dec. 31, 2023	
	Unrecognized loss	Accumulated unrecognized loss	Unrecognized loss	Accumulated unrecognized loss
<Associates>				
Guam Ukudu Power LLC	₩ 7,673,476,761	₩ 7,673,476,761	₩ -	₩ -

14. Investments in associates and joint ventures (cont'd)

The agreements that have occurred but are not recognized regarding the investments in associates and joint ventures as of December 31, 2024 are as follows:

	Agreements
Yeonggwang Wind Power Co., Ltd.	If the Group decides to acquire all or a portion of the shares in Yeonggwang Wind Power Co., Ltd. that are owned by Daehan Green Energy Co., Ltd., a shareholder other than the Group, Daehan Green Energy Co., Ltd. shall evaluate the shares at fair value first and then transfer them to the Group.
Columboola Solar Farm Hold Co Pty., Ltd.	The Group holds a call option to purchase the shares held by other shareholders at 80% of the fair value of the shares, in the event of non-compliance with obligations specified in the shareholder agreement.
Seokmun Green Energy Co., Ltd.	The Group has the right to demand the sale of ownership interest owned by other shareholders to the Group according to the special conditions of the REC purchase agreement, or the other shareholders may obtain prior written consent from the financial institution to acquire new ownership interests through a capital increase of Seokmun Green Energy Co., Ltd. or to modify business documents. If other shareholders sell their ownership interests to the Group, they have the right to demand that the Group sell the sold interests if certain conditions are met.

14. Investments in associates and joint ventures (cont'd)

As of December 31, 2024, following significant restrictions are posed on transfer funds to investors or to repay or return borrowings or advances to investors by associates or joint ventures:

	Significant restrictions
Korea Offshore Wind Power Co., Ltd.	Repayment of subordinated loans or dividends and payments for renewable energy supply certification to stakeholders are permitted only if all the conditions in the loan agreement between Korea Offshore Wind Power Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
GS Donghae Electric Power Co., Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between GS Donghae Electric Power Co., Ltd. and a financial institution are met, or with a prior written consent from the financial institution.
Honam Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Honam Wind Power Co., Ltd. and a financial institution are met.
Seokmun Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Seokmun Energy Co., Ltd. and a financial institution are met. Repayment of principal and interest on subordinated loans is not permitted without prior written consent from the financial institution.
Chuncheon Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only when all the conditions in the loan agreement between Chuncheon Energy Co., Ltd. and financial institution are met. Also, repayment of subordinated loans is not permitted before all secured debts are fully repaid.
Yeonggwangbaeksu Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Yeonggwangbaeksu Wind Power Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution. Repayment of subordinated loans is not permitted without prior written consent from the financial institution.
Yeonggwang Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Yeonggwang Wind Power Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
Daesan Green Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Daesan Green Energy Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
KPE Green Energy Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between KPE Green Energy Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Taebaek Gadeoksan Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Taebaek Gadeoksan Wind Power Co., Ltd. and a financial institution are met and with prior written consent from the financial institution. Repayment of subordinated loans is not permitted without a prior written consent from the financial institution
Yangyang Wind Power Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Yangyang Wind Power Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Busan Industry Solar Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Busan Industry Solar Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Light Solar Energy Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Light Solar Energy Co., Ltd. and a financial institution are met.

14. Investments in associates and joint ventures (cont'd)

	Significant restrictions
DE Energia SpA	Dividends to stakeholders are permitted only if all conditions in the loan agreement between DE Energia SpA and a financial institution are met.
Jamaica Public Service Company Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between Jamaica Public Service Company Ltd. and a financial institution are met and with a prior written consent from the financial institution.
South Jamaica Power Company Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between South Jamaica Power Company Ltd. and a financial institution are met and with a prior written consent from the financial institution.
PT.Tanjung Power Indonesia	Dividends to shareholders are permitted only if all conditions in the loan agreement between PT.Tanjung Power Indonesia and a financial institution are met.
Cheongju Eco Park Co., Ltd	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all the conditions in the loan agreement between Cheongju Eco Park Co., Ltd. and a financial institution are met, other financial related contracts are permitted, or with a prior written consent from the financial institution
Goheungsin Energy Co., Ltd.	Repayment of subordinated loans or dividends to stakeholders are permitted only if all the conditions in the loan agreement between Goheungsin Energy Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
Columboola Solar Farm Hold Co Pty., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Columboola Solar Farm Hold Co Pty., Ltd. and a financial institution are met.
Seokmun Green Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Seokmun Green Energy Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Geumyang Eco Park Co., Ltd.	Dividends or payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Geumyang Eco Park Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Yanggu Floating Solar Power Co., Ltd.	Repayment of subordinated loans or dividends to shareholders are permitted only if all the conditions in the loan agreement between Yanggu Floating Solar Power Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
Hoenggye Renewable Energy Co., Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between Hoenggye Renewable Energy Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Guam Ukudu Power LLC.	Dividends to shareholders are permitted only if all conditions in the loan agreement between Guam Ukudu Power LLC. and a financial institution are met.
Amaala Sustainable Company for Energy LLC	Dividends to shareholders are permitted only if all conditions in the loan agreement between Amaala Sustainable Company for Energy LLC and a financial institution are met.

15. Property, plant, and equipment

The acquisition cost and net book value of property, plant, and equipment as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 870,642,306,442	₩ -	₩ -	₩ 870,642,306,442
Buildings	1,420,725,267,098	(135,178,083)	(766,790,778,631)	653,799,310,384
Structures	1,398,683,424,960	-	(837,656,778,836)	561,026,646,124
Machinery	8,853,736,201,842	(3,989,021,364)	(5,679,297,036,607)	3,170,450,143,871
Vehicles	16,234,238,111	-	(15,276,862,554)	957,375,557
Furniture and fixtures	175,989,133,094	-	(149,957,869,265)	26,031,263,829
Tools and equipment	23,413,635,401	-	(22,151,448,561)	1,262,186,840
Construction-in-progress	1,610,619,595,556	-	-	1,610,619,595,556
Right-of-use assets	988,637,131,022	-	(616,324,873,658)	372,312,257,364
	₩ 15,358,680,933,526	₩ (4,124,199,447)	₩ (8,087,455,648,112)	₩ 7,267,101,085,967

	Dec. 31, 2023			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 864,753,454,929	₩ -	₩ -	₩ 864,753,454,929
Buildings	1,402,034,121,446	(143,248,416)	(721,472,239,995)	680,418,633,035
Structures	1,389,011,002,079	-	(811,636,352,195)	577,374,649,884
Machinery	8,566,914,254,665	(4,405,464,627)	(5,227,173,854,230)	3,335,334,935,808
Vehicles	16,109,297,142	-	(14,154,549,119)	1,954,748,023
Furniture and fixtures	169,656,513,981	-	(136,579,797,557)	33,076,716,424
Tools and equipment	23,917,567,902	-	(21,901,583,040)	2,015,984,862
Construction-in-progress	979,035,864,162	-	-	979,035,864,162
Right-of-use assets	979,925,693,368	-	(546,070,535,875)	433,855,157,493
	₩ 14,391,357,769,674	₩ (4,548,713,043)	₩ (7,478,988,912,011)	₩ 6,907,820,144,620

15. Property, plant and equipment (cont'd)

Changes in the net book value of property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024							
	Jan. 1	Addition	Disposal	Disuse	Depreciation	Others (*)		Dec. 31
						Transfer	Others	
Land	₩ 864,753,454,929	₩ 25,427,428	₩ (96,395,373)	₩ -	₩ -	₩ 5,875,998,302	₩ 83,821,156	₩ 870,642,306,442
Buildings	680,561,881,451	-	(283,936,459)	(1,986,731)	(45,894,639,122)	19,397,825,974	155,343,354	653,934,488,467
(Government grant)	(143,248,416)	-	-	-	8,070,333	-	--	(135,178,083)
Structures	577,374,649,884	-	-	(38,677,985)	(36,435,003,337)	20,091,709,246	33,968,316	561,026,646,124
Machinery	3,339,740,400,435	9,241,251,105	(20,804)	(2,717,310,171)	(538,144,544,267)	360,696,543,871	5,622,845,066	3,174,439,165,235
(Government grant)	(4,405,464,627)	-	-	16,318,920	400,124,343	-	-	(3,989,021,364)
Vehicles	1,954,748,023	-	(1,000)	-	(1,139,985,746)	139,849,527	2,764,753	957,375,557
Furniture and fixtures	33,076,716,424	41,799,278	-	(2,478,915)	(13,932,166,703)	6,846,742,830	650,915	26,031,263,829
Tools and equipment	2,015,984,862	-	(1,000)	(36,333)	(709,751,157)	(46,575,744)	2,566,212	1,262,186,840
Construction-in-progress	979,035,864,162	1,008,213,673,982	-	-	-	(419,721,915,821)	43,091,973,233	1,610,619,595,556
Right-of-use asset	433,855,157,493	7,884,575,857	-	-	(70,205,656,807)	521,379,165	256,801,656	372,312,257,364
	₩ 6,907,820,144,620	₩ 1,025,406,727,650	₩ (380,354,636)	₩ (2,744,171,215)	₩ (706,053,552,463)	₩ (6,198,442,650)	₩ 49,250,734,661	₩ 7,267,101,085,967

(*) Others consist of amounts from construction-in-progress and changes in exchange rates, etc.

	2023							
	Jan. 1	Addition	Disposal	Disuse	Depreciation	Others (*)		Dec. 31
						Transfer	Others	
Land	₩ 861,107,740,674	₩ 237,082,512	₩ (132,268,883)	₩ -	₩ -	₩ 3,531,562,884	₩ 9,337,742	₩ 864,753,454,929
Buildings	695,181,185,961	49,292,000	(354,603,836)	(887,904)	(45,801,674,783)	31,466,450,490	22,119,523	680,561,881,451
(Government grant)	(151,318,749)	-	-	-	8,070,333	-	-	(143,248,416)
Structures	614,309,530,787	-	-	-	(47,109,908,742)	10,170,768,973	4,258,866	577,374,649,884
Machinery	3,448,911,032,910	20,461,948,957	(452,219,112)	(12,350,393,057)	(554,754,288,976)	436,499,977,654	1,424,342,059	3,339,740,400,435
(Government grant)	(4,806,373,236)	-	-	-	400,862,182	46,427	-	(4,405,464,627)
Vehicles	2,862,546,814	35,567,009	(3,000)	(2,000)	(1,471,679,350)	519,249,636	9,068,914	1,954,748,023
Furniture and fixtures	40,189,187,748	37,252,231	-	(555,500)	(18,247,863,851)	11,098,381,855	313,941	33,076,716,424
Tools and equipment	2,802,898,252	1,421,591	-	(61,000)	(1,880,139,721)	1,090,738,542	1,127,198	2,015,984,862
Construction-in-progress	683,381,297,859	799,966,727,315	-	(1,510,827,336)	-	(512,633,480,430)	9,832,146,754	979,035,864,162
Right-of-use asset	488,667,706,853	3,869,526,055	-	-	(67,993,428,543)	9,272,411,765	38,941,363	433,855,157,493
	₩ 6,832,455,435,873	₩ 824,658,817,670	₩ (939,094,831)	₩ (13,862,726,797)	₩ (736,850,051,451)	₩ (8,983,892,204)	₩ 11,341,656,360	₩ 6,907,820,144,620

(*) Others consist of amounts from construction-in-progress and changes in exchange rates, etc.

15. Property, plant and equipment (cont'd)

During the year, the Group recognized in profit or loss revenue of ₩4,803,915,238 from the sale of goods and cost of sales of ₩517,223,708 related to those goods. These amounts pertain to goods produced and sold before the intended use of the property, plant and equipment by management.

16. Goodwill

Details of goodwill as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Acquisition cost	₩ 105,480,942,947	₩ 104,241,793,070
Accumulated impairment loss	-	-
Book value	₩ 105,480,942,947	₩ 104,241,793,070

Changes in goodwill for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Jan. 1	₩ 104,241,793,070	₩ 104,090,158,451
Effect on exchange rates change	1,239,149,877	151,634,619
Dec. 31	₩ 105,480,942,947	₩ 104,241,793,070

Goodwill was recognized from the acquisition of California Power Holdings, LLC ("CPH") in 2011 and the acquisition and merger of Eumseong Natural Gas Power Co., Ltd. in 2019.

CPH is considered as a separate CGU in the Group. Recoverable value was calculated based on the cash flows from the financial budget for 11 years approved by management in 2024. Management believes that the total carrying amount of the CGU will not exceed the total recoverable amount due to reasonably possible changes in the key assumptions used to estimate the recoverable amount.

Additionally, the Group acquired 100% shares in Eumseong Natural Gas Power Plant Co., Ltd., to secure stable power supply and generate income through diversification of power generations and decided to merge on December 23, 2019. The goodwill is a separate CGU of the Group, and the recoverable amount of the CGU is measured at value in use calculated by applying the cash flows estimated based on the financial budget for 30 years after the completion of construction approved by management. Management believes that the total carrying amount of the CGU will not exceed the total recoverable amount due to reasonably possible changes in the key assumptions used to estimate the recoverable amount.

17. Intangible assets excluding goodwill

Intangible assets as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024				
	Acquisition cost	Government grant	Accumulated amortization	Accumulated impairment loss	Book value
Software	₩ 80,358,642,208	₩ -	₩ (65,585,603,208)	₩ -	₩ 14,773,039,000
Industrial property rights	100,212,971	-	(96,197,536)	-	4,015,435
Usable and profitable donated assets	225,429,427,625	-	(225,429,427,625)	-	-
Others	302,758,547,749	-	(74,827,785,011)	(160,815,300)	227,769,947,438
	₩ 608,646,830,553	₩ -	₩ (365,939,013,380)	₩ (160,815,300)	₩ 242,547,001,873

	Dec. 31, 2023				
	Acquisition cost	Government grant	Accumulated amortization	Accumulated impairment loss	Book value
Software	₩ 74,152,542,775	₩ -	₩ (60,131,638,882)	₩ -	₩ 14,020,903,893
Industrial property rights	100,212,971	-	(94,241,602)	-	5,971,369
Usable and profitable donated assets	225,429,427,625	-	(225,429,427,625)	-	-
Others	302,678,346,649	-	(63,521,284,548)	(177,967,100)	238,979,095,001
	₩ 602,360,530,020	₩ -	₩ (349,176,592,657)	₩ (177,967,100)	₩ 253,005,970,263

17. Intangible assets excluding goodwill (cont'd)

Changes in the net book value of intangible assets for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024		
	Jan. 1	Acquisition	Disposal
Software	₩ 14,020,903,893	₩ -	₩ -
Industrial property rights	5,971,369	-	-
Others	238,979,095,001	123,352,900	(26,000,000)
	₩ 253,005,970,263	₩ 123,352,900	₩ (26,000,000)

	2024		
	Amortization	Others (*)	Dec.31
Software	₩ (5,446,307,543)	₩ 6,198,442,650	₩ 14,773,039,000
Industrial property rights	(1,955,934)	-	4,015,435
Others	(11,306,500,463)	-	227,769,947,438
	₩ (16,754,763,940)	₩ 6,198,442,650	₩ 242,547,001,873

(*) reclassification from construction-in-progress.

	2023		
	Jan. 1	Acquisition	Disposal
Software	₩ 13,426,256,013	₩ -	₩ (3,000)
Industrial property rights	7,927,301	-	-
Others	245,105,169,470	4,614,051,550	-
	₩ 258,539,352,784	₩ 4,614,051,550	₩ (3,000)

	2023		
	Amortization	Others (*)	Dec.31
Software	₩ (5,640,199,437)	₩ 6,234,850,317	₩ 14,020,903,893
Industrial property rights	(1,955,932)	-	5,971,369
Others	(11,305,912,031)	565,786,012	238,979,095,001
	₩ (16,948,067,400)	₩ 6,800,636,329	₩ 253,005,970,263

(*) includes ₩6,276,341,379 from construction-in-progress and ₩524,294,950 from emission rights

17. Intangible assets excluding goodwill (cont'd)

Key intangible assets as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		
	Contents	Amount	Residual amortization period
Other intangible assets	Right to use public water surface	₩ 65,388,938,938	12 years and 1 month
	Emission rights	17,553,279,597	-
	Business operation rights	143,216,016,667	24 years and 11 months

	Dec. 31, 2023		
	Contents	Amount	Residual amortization period
Other intangible assets	Right to use public water surface	₩ 70,800,437,332	13 years and 1 month
	Emission rights	17,429,926,697	-
	Business operation rights	148,963,816,667	25 years and 11 months

18. Trade and other payables

Details of trade and other payables as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		Dec. 31, 2023	
	Current	Non-current	Current	Non-current
Trade payables	₩ 234,601,071,205	₩ -	₩ 215,009,901,175	₩ -
Non-trade payables	91,374,953,974	-	137,380,598,595	-
Accrued expenses	55,265,866,960	-	51,786,932,315	-
Leasehold deposits received	13,012,610	-	8,743,810	-
Other deposits	2,754,226,259	-	2,650,246,562	-
Lease liabilities	61,839,380,548	330,030,865,070	62,596,145,083	333,459,385,389
Dividend payables	-	-	299,888,192,581	-
	₩ 445,848,511,556	₩ 330,030,865,070	₩ 769,320,760,121	₩ 333,459,385,389

19. Lease

Details of right-of-use assets as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		
	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 4,805,844,629	₩ (955,376,387)	₩ 3,850,468,242
Buildings	12,380,670,914	(3,927,699,345)	8,452,971,569
Vessels	531,075,962,713	(280,897,124,541)	250,178,838,172
Power transmission facilities	399,866,182,525	(322,135,720,754)	77,730,461,771
Vehicles	464,108,499	(355,876,357)	108,232,142
Other right-of-use assets	40,044,361,742	(8,053,076,274)	31,991,285,468
	₩ 988,637,131,022	₩ (616,324,873,658)	₩ 372,312,257,364

	Dec. 31, 2023		
	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 4,652,764,999	₩ (694,028,178)	₩ 3,958,736,821
Buildings	11,781,071,205	(2,624,421,948)	9,156,649,257
Vessels	531,075,962,713	(233,837,706,239)	297,238,256,474
Power transmission facilities	399,261,727,360	(302,345,772,134)	96,915,955,226
Vehicles	412,519,861	(260,850,062)	151,669,799
Other right-of-use assets	32,741,647,230	(6,307,757,314)	26,433,889,916
	₩ 979,925,693,368	₩ (546,070,535,875)	₩ 433,855,157,493

Changes in right-of-use assets for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	
	Jan. 1	Acquisition
Land	₩ 3,958,736,821	₩ -
Buildings	9,156,649,257	541,895,368
Vessels	297,238,256,474	-
Power transmission facilities	96,915,955,226	-
Vehicles	151,669,799	67,475,470
Other right-of-use assets	26,433,889,916	7,275,205,019
	₩ 433,855,157,493	₩ 7,884,575,857

	2024		
	Depreciation	Others(*)	Dec.31
Land	₩ (235,213,480)	₩ 126,944,901	₩ 3,850,468,242
Buildings	(1,258,306,103)	12,733,047	8,452,971,569
Vessels	(47,059,418,302)	-	250,178,838,172
Power transmission facilities	(19,733,713,448)	548,219,993	77,730,461,771
Vehicles	(109,890,658)	(1,022,469)	108,232,142
Other right-of-use assets	(1,809,114,816)	91,305,349	31,991,285,468
	₩ (70,205,656,807)	₩ 778,180,821	₩ 372,312,257,364

(*) It includes the reclassification from construction-in-progress and effects from the changes in exchange rates.

19. Lease (cont'd)

	2023	
	Jan. 1	Acquisition
Land	₩ 3,455,890,404	₩ 694,125,158
Buildings	5,382,833,073	1,547,695,303
Vessels	344,169,097,129	-
Power transmission facilities	109,092,333,376	-
Vehicles	289,258,872	15,999,105
Other right-of-use assets	26,278,293,999	1,611,706,489
	₩ 488,667,706,853	₩ 3,869,526,055

	2023		
	Depreciation	Others(*)	Dec.31
Land	₩ (222,437,137)	₩ 31,158,396	₩ 3,958,736,821
Buildings	(1,122,218,359)	3,348,339,240	9,156,649,257
Vessels	(46,930,840,655)	-	297,238,256,474
Power transmission facilities	(18,091,042,218)	5,914,664,068	96,915,955,226
Vehicles	(120,004,070)	(33,584,108)	151,669,799
Other right-of-use assets	(1,506,886,104)	50,775,532	26,433,889,916
	₩ (67,993,428,543)	₩ 9,311,353,128	₩ 433,855,157,493

(*) It includes the reclassification from construction-in-progress and effects from the changes in exchange rates.

The table below summarizes the maturity profile of lease liabilities as of December 31, 2024 and 203 based on the contract as of December 31, 2024 (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Less than 1 year	₩ 62,625,046,448	₩ 63,397,305,485
1 to 5 years	208,626,882,921	199,066,787,797
Over 5 years	165,162,861,759	179,291,065,354
Total undiscounted lease payments	436,414,791,128	441,755,158,636
Adjustments (discount, etc.)	(44,544,545,510)	(45,699,628,164)
Total discounted lease payments	₩ 391,870,245,618	₩ 396,055,530,472

Details of lease liabilities by category as of December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Current	₩ 61,839,380,548	₩ 62,596,145,083
Non-current	330,030,865,070	333,459,385,389
	₩ 391,870,245,618	₩ 396,055,530,472

19. Lease (cont'd)

Changes in lease liabilities for the years ended December 31, 2024 and 2023 are as follows (Korean won):

		Dec. 31, 2024
Jan. 1, 2024	₩	396,055,530,472
Increases		7,884,575,857
Payments		(64,513,388,983)
Interest expenses		8,867,195,563
Fluctuation of exchange rates		43,506,427,019
Others		69,905,690
Dec. 31, 2024	₩	391,870,245,618

		Dec. 31, 2023
Jan. 1, 2023	₩	440,101,400,111
Increases		3,869,526,055
Payments		(63,629,011,640)
Interest expenses		9,473,609,626
Fluctuation of exchange rates		6,216,435,335
Others		23,570,985
Dec. 31, 2023	₩	396,055,530,472

The amounts recognized in the consolidated statements of comprehensive income for the years ended December 31, 2024 and 2023 related to leases are as follows (Korean won):

		2024		2023
Depreciation of right-of-use assets	₩	70,205,656,807	₩	67,993,428,543
Interest expenses of lease liabilities		8,867,195,563		9,473,609,626
Expenses related to the leases applying exemption for short-term leases		375,781,089		188,838,030
Expenses related to the leases applying exemption for leases of low-value assets		112,221,508		1,643,172,124
Loss on foreign currency translation of long-term consecutive voyage charter		43,506,427,019		6,216,435,335
	₩	123,067,281,986	₩	85,515,483,658

Total cash outflow for lease payments of ₩65,001,391,580 (₩65,461,021,794 in 2023) is recognized in the consolidated statements of cash flows for the year ended December 31, 2024.

20. Borrowings and bonds payable

Details of borrowings and bonds payable as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Current liabilities:		
Short-term borrowings	₩ 80,000,000,000	₩ -
Current portion of long-term borrowings	11,230,560,000	7,564,359,999
Current portion of bonds payable	1,660,000,000,000	410,000,000,000
Less: discount on current portion of bonds payable	(1,266,320,353)	(311,633,127)
	1,749,964,239,647	417,252,726,872
Non-current liabilities:		
Long-term borrowings	106,783,890,000	108,127,608,628
Less: discount on long-term borrowings	(148,895,048)	-
Bonds payable	2,068,700,000,000	3,234,890,000,000
Less: discount on bonds payable	(9,227,416,913)	(14,714,694,483)
	2,166,107,578,039	3,328,302,914,145
	₩ 3,916,071,817,686	₩ 3,745,555,641,017

Details of short-term borrowings as of December 31, 2024 and 2023 are as follows (Korean Won):

Financial institution	Annual interest rate (%)	Maturity	Dec 31, 2024	Dec 31, 2023
IM Securities	3.71	2025.02.13	₩ 10,000,000,000	₩ -
KB Securities	3.71	2025.02.13	10,000,000,000	-
Hanyang Securities	3.71	2025.02.13	10,000,000,000	-
SK Securities	3.98	2025.01.23	50,000,000,000	-
			₩ 80,000,000,000	₩ -

Details of long-term borrowings as of December 31, 2024 and 2023 are as follows (Korean Won):

Financial institution	Description	Annual interest rate (%)	Maturity	Dec 31, 2024	Dec 31, 2023
<Long-term borrowings denominated in Korean won>					
Korea Energy Agency	Renewable energy funds	1.75	2028.09.15	₩ 1,931,550,000	₩ 2,446,630,000
Korea Energy Agency	Renewable energy funds	1.75	2028.09.15	787,050,000	996,930,000
Industrial & Commercial Bank of China	Facility funds	2.80	2024.09.30	-	4,812,008,627
KDB Bank	Facility funds	Non-guaranteed bond rate+0.9	2029.09.30	9,485,750,000	9,985,000,000
Shinhan Bank	Facility funds	Non-guaranteed bond rate+0.9	2029.09.30	6,639,550,000	6,989,000,000
NH Property & Casualty Insurance Co., Ltd.	Facility funds	3.30	2029.09.30	18,970,550,000	19,969,000,000
KDB Bank	Project financing	4.94	2042.06.23	40,100,000,000	35,246,700,000
Woori Bank	Project financing	3M CD+1.9	2042.06.23	40,100,000,000	35,246,700,000
				118,014,450,000	115,691,968,627
Less: current portion (₩)				(11,230,560,000)	(7,564,359,999)
Less: discount				(148,895,048)	-
				₩ 106,634,994,952	₩ 108,127,608,628

20. Borrowings and bonds payable (cont'd)

Details of bonds payable denominated in Korean won as of December 31, 2024 and 2023 are as follows (Korean won and USD):

Financial institution	Annual interest rate (%)	Maturity	Dec. 31, 2024		Dec. 31, 2023	
			USD	KRW	USD	KRW
Corporate bond #11-4	4.27	2026.11.08	$ -	₩ 110,000,000,000	$ -	₩ 110,000,000,000
Corporate bond #17-2	2.33	2024.04.28	-	-	-	50,000,000,000
Corporate bond #17-3	2.45	2027.04.28	-	50,000,000,000	-	50,000,000,000
Corporate bond #17-5	2.74	2027.11.10	-	80,000,000,000	-	80,000,000,000
Corporate bond #18-2	2.30	2038.11.05	-	30,000,000,000	-	30,000,000,000
Corporate bond #18-3	2.23	2048.11.05	-	40,000,000,000	-	40,000,000,000
Corporate bond #19-1	2.18	2039.03.07	-	40,000,000,000	-	40,000,000,000
Corporate bond #19-2	2.16	2049.03.07	-	40,000,000,000	-	40,000,000,000
Corporate bond #19-3	1.47	2039.10.07	-	70,000,000,000	-	70,000,000,000
Corporate bond #19-4	1.42	2049.10.07	-	80,000,000,000	-	80,000,000,000
Corporate bond #20-1	1.35	2025.07.16	-	40,000,000,000	-	40,000,000,000
Corporate bond #20-2	1.70	2040.07.16	-	90,000,000,000	-	90,000,000,000
Corporate bond #20-3	1.70	2050.07.16	-	80,000,000,000	-	80,000,000,000
Corporate bond #20-5	1.78	2040.11.24	-	40,000,000,000	-	40,000,000,000
Corporate bond #21-1	1.41	2024.05.03	-	-	-	80,000,000,000
Corporate bond #21-2	1.39	2024.06.10	-	-	-	100,000,000,000
Corporate bond #21-3	1.89	2026.06.10	-	130,000,000,000	-	130,000,000,000
Corporate bond #21-4	2.19	2031.06.10	-	30,000,000,000	-	30,000,000,000
Corporate bond #21-5	1.98	2026.07.13	-	90,000,000,000	-	90,000,000,000
Corporate bond #21-6	2.10	2031.07.13	-	10,000,000,000	-	10,000,000,000
Corporate bond #21-7	2.53	2024.11.03	-	-	-	40,000,000,000
Corporate bond #21-8	2.76	2026.11.03	-	100,000,000,000	-	100,000,000,000
Corporate bond #21-9	2.62	2041.11.03	-	10,000,000,000	-	10,000,000,000
Corporate bond #21-10	2.41	2024.11.22	-	-	-	30,000,000,000
Corporate bond #21-11	2.58	2026.11.20	-	10,000,000,000	-	10,000,000,000
Corporate bond #21-12	2.56	2041.11.22	-	40,000,000,000	-	40,000,000,000
Corporate bond #21-13	2.52	2051.11.22	-	40,000,000,000	-	40,000,000,000
Corporate bond #22-1	3.75	2025.04.22	-	60,000,000,000	-	60,000,000,000
Corporate bond #22-2	3.82	2025.06.05	-	90,000,000,000	-	90,000,000,000
Corporate bond #22-3	4.02	2027.06.07	-	30,000,000,000	-	30,000,000,000
Corporate bond #23-1	3.81	2024.06.27	-	-	-	110,000,000,000
Corporate bond #23-2	4.09	2026.06.26	-	60,000,000,000	-	60,000,000,000
Corporate bond #24-1	3.62	2027.04.08	-	30,000,000,000	-	-
Corporate bond #24-2	3.67	2029.04.06	-	50,000,000,000	-	-
Corporate bond #24-3	3.65	2026.04.30	-	70,000,000,000	-	-
Corporate bond #24-4	3.71	2027.05.03	-	70,000,000,000	-	-
Corporate bond #24-5	3.78	2029.05.03	-	30,000,000,000	-	-
Foreign currency corporate bonds #20-1	1.75	2025.05.06	500,000,000	735,000,000,000	500,000,000	644,700,000,000
Foreign currency corporate bonds #22-1	3.60	2025.05.06	500,000,000	735,000,000,000	500,000,000	644,700,000,000
Foreign currency corporate bonds #23-1	4.88	2028.07.12	350,000,000	514,500,000,000	350,000,000	451,290,000,000
Yeongdeok Sunrise #1[t] registered non-guaranteed bonds	10.00	2043.12.20	-	4,200,000,000	-	4,200,000,000
			$ 1,350,000,000	₩ 3,728,700,000,000	$ 1,350,000,000	₩ 3,644,890,000,000
Less: discount on bonds				(10,493,737,266)		(15,026,327,610)
Less: current portion				(1,660,000,000,000)		(410,000,000,000)
Add: discount on current portion of bonds				1,266,320,353		311,633,127
				₩ 2,059,472,583,087		₩ 3,220,175,305,517

20. Borrowings and bonds payable (cont'd)

The table below summarizes the maturity profile of borrowings and bonds payable based on the contractual undiscounted repayment schedules as of December 31, 2024 (Korean won).

	Borrowings	Bonds payable	Total
Within 12 months	₩ 91,230,560,000	₩ 1,660,000,000,000	₩ 1,751,230,560,000
Between 1 and 5 years	43,900,890,000	1,424,500,000,000	1,468,400,890,000
Exceeding 5 years	62,883,000,000	644,200,000,000	707,083,000,000
Total	₩ 198,014,450,000	₩ 3,728,700,000,000	₩ 3,926,714,450,000

21. Pension benefits

The Group operates a defined contribution plan which is subject to the employees' option. 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's sole obligation to this retirement benefit plan is to pay the prescribed contribution. The amount recognized in profit or loss and construction in progress during the year represents contributions made by the Group to the retirement benefit plan at the rates stipulated by the retirement benefit plan.

Costs related to the defined contribution plan were recognized in profit or loss as follows (Korean won):

	2024	2023
Cost of sales	₩ 5,429,489,941	₩ 4,929,018,705
Selling and administrative expenses and others	5,422,688,859	6,033,280,822
Total	₩ 10,852,178,800	₩ 10,962,299,527

The components of the defined benefits liabilities as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Present value of defined benefit obligation	₩ 157,210,078,922	₩ 131,057,569,770
Fair value of plan assets	(122,793,107,430)	(119,980,910,796)
	₩ 34,416,971,492	₩ 11,076,658,974

Changes in the present value of the defined benefit obligation for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Jan. 1	₩ 131,057,569,770	₩ 121,755,468,649
Current service costs	12,963,654,912	11,566,021,241
Interest costs	5,647,975,884	5,932,906,648
Benefits paid	(13,577,592,170)	(16,743,127,225)
Re-measurement of the defined benefit obligation	21,118,470,526	8,795,099,338
Others	-	(248,798,881)
Dec. 31	₩ 157,210,078,922	₩ 131,057,569,770

21. Pension benefits (cont'd)

Changes in the fair value of plan assets for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Jan. 1	₩ 119,980,910,796	₩ 103,590,244,810
Interest income on plan assets	4,898,809,591	5,470,362,994
Re-measurement of plan assets	(114,091,657)	(1,276,303,134)
Contribution by employer	6,729,844,856	23,356,035,121
Benefits paid	(8,702,366,156)	(11,159,428,995)
Dec. 31	₩ 122,793,107,430	₩ 119,980,910,796

As of December 31, 2024 and 2023, re-measurements of the defined benefit liability of ₩(-)16,494,879,647 and ₩(-)7,535,610,507 respectively recorded in accumulated other comprehensive income are presented before tax effect which is directly charged to equity.

Details of plan assets and fair value as of December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Debt instruments	₩ 27,296,279,383	₩ 36,991,924,625
Deposit	66,559,677,392	52,853,786,841
Others	28,937,150,655	30,135,199,330
Total	₩122,793,107,430	₩ 119,980,910,796

Details of costs related to the defined benefit plan recognized in profit or loss for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Current service costs	₩ 12,963,654,912	₩ 11,566,021,241
Interest costs	749,166,293	462,543,654
Total	₩ 13,712,821,205	₩ 12,028,564,895

Costs related to the defined benefit plan were recognized as follows (Korean won):

	2024	2023
Cost of sales	₩ 12,032,429,326	₩ 10,894,415,420
Selling and administrative expenses and others	1,680,391,879	1,134,149,475
Total	₩ 13,712,821,205	₩ 12,028,564,895

Details of change in re-measurement gain or loss in other comprehensive income for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Actuarial gains and losses from changes in financial assumptions	₩ 7,407,676,682	₩ 14,275,003,831
Return on plan assets	114,091,657	1,276,303,134
Experience adjustments and others	13,710,529,734	(5,317,116,389)
Actuarial gains and losses from changes in demographic assumptions	264,110	(162,788,104)
Total	₩ 21,232,562,183	₩ 10,071,402,472

21. Pension benefits (cont'd)

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below (Percentages in units):

	2024	2023
Discount rate	3.38 ~ 4.19	4.06 ~ 4.66
Future salary increases	2.00 ~ 6.45	2.00 ~ 6.45

22. Provisions

Details of provisions as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	
	Current	Non-current
Provision for employee bonuses	₩ 40,658,911,823	₩ -
Provision for financial guarantees	1,716,198,888	1,301,098,322
Provision for tax	-	-
Provision for lawsuit	400,000,000	-
Provision for decommissioning cost (*1)(*2)	-	7,122,808,905
Provision for emission obligation	6,036,642,089	-
	₩ 48,811,752,800	₩ 8,423,907,227

	Dec. 31, 2023	
	Current	Non-current
Provision for employee bonuses	₩ 45,482,832,739	₩ -
Provision for financial guarantees	409,218,469	-
Provision for tax	5,673,309,000	-
Provision for lawsuit	-	-
Provision for decommissioning cost (*1)(*2)	-	4,005,720,080
Provision for emission obligation	4,569,732,507	-
	₩ 56,135,092,715	₩ 4,005,720,080

(*1) Related to the land leased by Gyeongju Wind Power Co., Ltd. from Gyeongju City where wind power generation facilities exist, the Group estimated the decommissioning cost to occur at the end of the lease term by reflecting 2.1% annual inflation rate and 5% market uncertainty premium. The Group discounted the estimate of decommissioning cost at a discount rate on government bonds and recognized it as a provision.

(*2) Related to the wind power generation constructed by Yeongdeok Sunrise Wind Power Co., Ltd., as the Group has an obligation to restore and return the land of the business site, the Group estimated the decommissioning cost to occur at the end of the termination term of commercial operation by taking account into annual inflation rate. The Group discounted the estimate of decommissioning cost at a discount rate on government bonds and recognized it as a provision.

22. Provisions (cont'd)

Changes in provisions for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024						
	Jan. 1	Recognition	Accrual	Utilization	Reversal	Others(*)	Dec. 31
Provision for employee bonuses	₩ 45,482,832,739	₩ -	₩ 43,252,053,694	₩ (48,075,974,610)	₩ -	₩ -	₩ 40,658,911,823
Provision for financial guarantees	409,218,469	-	3,466,410,275	-	(858,331,534)	-	3,017,297,210
Provision for tax	5,673,309,000	-	-	(5,673,309,000)	-	-	-
Provision for lawsuit	-	-	400,000,000	-	-	-	400,000,000
Provision for decommissioning cost	4,005,720,080	3,011,577,383	105,511,442	-	-	-	7,122,808,905
Provision for emission obligations	4,569,732,507	-	6,036,642,089	-	(1,191,759,905)	(3,377,972,602)	6,036,642,089
	₩ 60,140,812,795	₩ 3,011,577,383	₩ 53,260,617,500	₩ (53,749,283,610)	₩ (2,050,091,439)	₩ (3,377,972,602)	₩ 57,235,660,027

(*) represents the fluctuation resulting from the settlement of greenhouse gas emission offset liabilities.

	2023					
	Jan. 1	Accrual	Utilization	Reversal	Others(*)	Dec. 31
Provision for employee bonuses	₩ 45,131,414,285	₩ 49,119,722,452	₩ (48,768,303,998)	₩ -	₩ -	₩ 45,482,832,739
Provision for financial guarantees	674,744,748	204,265,195	-	(469,791,474)	-	409,218,469
Provision for tax	-	5,673,309,000	-	-	-	5,673,309,000
Provision for decommissioning cost	3,902,961,540	102,758,540	-	-	-	4,005,720,080
Provision for emission obligations	105,589,412,043	4,569,732,507	-	(16,489,580,042)	(89,099,832,001)	4,569,732,507
	₩ 155,298,532,616	₩ 59,669,787,694	₩ (48,768,303,998)	₩ (16,959,371,516)	₩ (89,099,832,001)	₩ 60,140,812,795

(*) represents the fluctuation resulting from the settlement of greenhouse gas emission offset liabilities.

The Group is allocated emission allowances free of charge by the government in accordance with the Act on Allocation and Trading of Emission Allowances in the Republic of Korea. The emission allowances are allocated to the Group annually for the planned periods, and the Group is to deliver the equivalent quantity of emission allowances for actual emission to the government.

Details of annual emission allowances allocated as of December 31, 2024 are as follows (tCO2-eq in unit):

						2021-2025
	2021	2022	2023	2024	2025	Total
Allocated emissions	27,928,404	22,777,410	25,473,095	20,437,118	20,437,118	117,053,145

The quantity of greenhouse gas emission by the Group for the year ended December 31, 2024 is 26,127,135 tCO2-eq, which exceeds the allocated emission allowances as of December 31, 2024. Therefore, the Group recognized the best estimate of expenditures in performing emission obligations as a provision.

22. Provisions (cont'd)

Changes in quantities and book values of emission allowances for the year ended December 31, 2024 are as follows (tCO2-eq in unit, KRW):

	The 3rd planned period							
	2023		2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balances & free allocation(*)	25,678,784	₩ 14,922,482,077	19,689,118	₩ -	19,939,118	₩ 6,872,500,000	65,307,020	₩ 21,794,982,077
Purchase(sell)	3,667,008	32,419,380,209	5,747,450	59,243,837,149	-	-	9,414,458	91,663,217,358
Deliver to the government	(25,839,804)	(11,075,155,545)	(5,724,836)	(53,727,140,242)	-	-	(31,564,640)	(64,802,295,787)
Borrowing (carrying forward)	(3,505,988)	(36,266,706,741)	3,505,988	36,266,706,741	-	-	-	-
Ending balances	-	₩ -	23,217,720	₩ 41,783,403,648	19,939,118	₩ 6,872,500,000	43,156,838	₩ 48,655,903,648

(*) Allocated emissions cancelled for the year ended December 31, 2024 are included.

22. Provisions (cont'd)

Changes in quantities and book values of emission allowances for the year ended December 31, 2023 are as follows (tCO2-eq in unit, KRW):

	The 3rd planned period					
	2022		2023		2024	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balances & free allocation(*)	25,224,810	₩ 75,127,467,767	24,457,001	₩ -	19,689,118	₩ -
Purchase(selling)	2,821,292	25,078,511,680	1,657,700	16,359,212,555	-	-
Delivery to the Government	(27,434,413)	(89,648,552,750)	(1,335,700)	(11,994,157,175)	-	-
Borrowing (carrying forward)	(611,689)	(10,557,426,697)	611,689	10,557,426,697	-	-
Ending balances	-	₩ -	25,390,690	₩ 14,922,482,077	19,689,118	₩ -

	The 3rd planned period			
	2025		Total	
	Quantity	Amount	Quantity	Amount
Beginning balances & free allocation(*)	19,939,118	₩ 6,872,500,000	89,310,047	₩ 81,999,967,767
Purchase(selling)	-	-	4,478,992	41,437,724,235
Delivery to the Government	-	-	(28,770,113)	(101,642,709,925)
Borrowing (carrying forward)	-	-	-	-
Ending balances	19,939,118	₩ 6,872,500,000	65,018,926	₩ 21,794,982,077

(*) Allocated emissions cancelled for the year ended December 31, 2023 are included.

There are no emission allowances of the Group provided as collateral or held for short-term trading gains as of December 31, 2024.

23. Government grants

Details of government grants as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Buildings	₩ 135,178,083	₩ 143,248,416
Machinery	3,989,021,364	4,405,464,627
Total	₩ 4,124,199,447	₩ 4,548,713,043

Changes in government grants for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024			
	Jan. 1	Amortization	Others	Dec. 31
Buildings	₩ 143,248,416	₩ (8,070,333)	₩ -	₩ 135,178,083
Machinery	4,405,464,627	(400,124,343)	(16,318,920)	3,989,021,364
Total	₩ 4,548,713,043	₩ (408,194,676)	₩ (16,318,920)	₩ 4,124,199,447

	2023			
	Jan. 1	Amortization	Others(*)	Dec. 31
Buildings	₩ 151,318,749	₩ (8,070,333)	₩ -	₩ 143,248,416
Machinery	4,806,373,236	(400,862,182)	(46,427)	4,405,464,627
Total	₩ 4,957,691,985	₩ (408,932,515)	₩ (46,427)	₩ 4,548,713,043

(*) Government-subsidized machinery of ₩46,427 has been transferred to supplies.

24. Non-financial liabilities

Details of non-financial liabilities as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		Dec. 31, 2023	
	Current	Non-current	Current	Non-current
Unearned revenue	₩ 938,272,695	₩ -	₩ 405,781,630	₩ -
Withholdings	3,969,154,322	-	4,078,636,454	-
Others	22,633,188,466	20,745,513,993	21,440,740,599	44,158,141,834
Total	₩ 27,540,615,483	₩ 20,745,513,993	₩ 25,925,158,683	₩ 44,158,141,834

25. Issued capital

Details of issued capital as of December 31, 2024 and 2023 are as follows (Korean won):

Share class	Number of shares authorized	Number of shares issued	Par value	Dec. 31, 2024 Owned by Government	Dec. 31, 2024 Owned by Non-government	Dec. 31, 2024 Total
Ordinary shares	100,000,000	57,932,221	₩ 5,000	₩ -	₩ 289,661,105,000	₩ 289,661,105,000

Share class	Number of shares authorized	Number of shares issued	Par value	Dec. 31, 2023 Owned by Government	Dec. 31, 2023 Owned by Non-government	Dec. 31, 2023 Total
Ordinary shares	100,000,000	57,932,221	₩ 5,000	₩ -	₩ 289,661,105,000	₩ 289,661,105,000

There are no changes in the number of shares outstanding for the years ended December 31, 2024 and 2023.

Details of share premium as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Share premium	₩ 1,928,937,669,310	₩ 1,928,937,669,310

26. Retained earnings and dividends

Details of retained earnings as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Legal reserves (*)	₩ 101,374,482,040	₩ 70,574,482,040
Voluntary reserves	1,263,290,987,767	1,453,165,890,530
Unappropriated retained earnings	1,641,978,182,555	980,872,707,966
	₩ 3,006,643,652,362	₩ 2,504,613,080,536

(*) In accordance with the *Commercial Law*, an amount equal to at least 10% of the cash dividend for each accounting period is required to be appropriated as a legal reserve until the reserve equals 50% of issued capital. The legal reserve cannot be used as a source for cash dividends and may be used to offset an accumulated deficit.

Details of voluntary reserves as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Reserve for business expansion	₩ 1,263,290,987,767	₩ 1,453,165,890,530

26. Retained earnings and dividends (cont'd)

Changes in retained earnings for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Jan. 1	₩ 2,504,613,080,536	₩ 2,644,917,301,984
Profit for the year	518,837,811,222	175,094,796,288
Re-measurement gain (loss) on defined benefit plans	(16,484,670,855)	(7,531,340,550)
Changes in retained earnings in equity method	(322,568,541)	(7,431,179,080)
Dividend paid	-	(1,448,305,525)
Interim dividend	-	(298,988,192,581)
Dec. 31	₩ 3,006,643,652,362	₩ 2,504,613,080,536

Details of cash dividends paid by the Company in 2023 are as follows (Korean won in unit, except for shares and dividend per share):

	2023		
Share class	Number of shares issued	Dividends per share	Total dividends
Ordinary shares	57,932,221	₩ 5,186	₩ 300,436,498,106

Changes in re-measurement of the net defined benefit liability for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Jan. 1	₩ 10,347,623,223	₩ 17,878,963,773
Changes for the year	(21,222,353,391)	(10,067,132,515)
Tax effect	4,737,682,536	2,535,791,965
Dec. 31	₩ (6,137,047,632)	₩ 10,347,623,223

27. Statements of appropriation of retained earnings

For the year ended December 31, 2024, the Company's retained earnings are expected to be appropriated on March 28, 2025. For the year ended December 31, 2023, the Company's retained earnings were appropriated on March 29, 2024.

Details on the appropriation of retained earnings for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Retained earnings before appropriations	₩ 1,376,153,471,418	₩ 764,060,311,522
Unappropriated retained earnings carried forward from the prior year	924,035,214,285	932,376,188,827
Interim dividend	-	(298,988,192,581)
Profit for the year	467,885,142,373	139,013,289,818
Re-measurement loss on defined benefit plans	(15,766,885,240)	(8,340,974,542)
Transfer from other reserves	-	298,988,192,581
	1,376,153,471,418	1,063,048,504,103
Appropriations:	(467,885,142,373)	(139,013,289,818)
Legal reserve	(30,410,000,000)	(29,900,000,000)
Cash dividends	(133,388,914,344)	-
Reserve for business expansion	(304,086,228,029)	(109,113,289,818)
Unappropriated retained earnings to be carried forward to the next year	₩ 908,268,329,045	₩ 924,035,214,285

28. Other components of equity

Details of other components of equity as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Accumulated other comprehensive income	₩ 1,964,332,474,418	₩ 1,703,623,237,438
Other equity	(82,235,516,563)	(82,235,516,563)
	₩ 1,882,096,957,855	₩ 1,621,387,720,875

Details of accumulated other comprehensive income as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Reserve for valuation on financial instruments at FVOCI	₩ 1,821,363,723,291	₩ 1,636,135,210,123
Reserve for valuation of derivative instruments designated to cash flow hedge	(5,088,259,481)	(6,063,900,838)
Share of the other comprehensive income of associates and joint ventures under the equity method	144,540,326,250	71,065,676,726
Translation of foreign operations	3,516,684,358	2,486,251,427
	₩ 1,964,332,474,418	₩ 1,703,623,237,438

Details of other equity as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Loss on capital reduction (*)	₩ (82,235,516,563)	₩ (82,235,516,563)

(*) Other equity represents loss on capital reduction due to spin-off of the hydroelectric power operations in 2011.

29. Revenue

Details of revenue for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024		2023	
	Domestic	Overseas	Domestic	Overseas
Revenue from goods sales:				
Electricity sales	₩ 4,857,404,486,205	₩ 14,887,646,147	₩ 5,178,792,512,750	₩ 14,548,729,728
Other electricity sales	400,245,393,763	-	298,947,428,633	-
Heat sales	66,118,016,903	-	96,903,679,799	-
Revenue from business incidental	31,457,483,151	-	29,706,741,430	-
	5,355,225,380,022	14,887,646,147	5,604,350,362,612	14,548,729,728
Revenue from rendering of services:				
Overseas business	-	8,895,952,881	-	3,302,360,517
Total	₩ 5,355,225,380,022	₩ 23,783,599,028	₩ 5,604,350,362,612	₩ 17,851,090,245

30. Selling and administrative expenses

Details of selling and administrative expenses for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Salaries	₩ 45,002,979,672	₩ 44,425,620,797
Pension benefits	5,309,527,155	5,676,382,587
Employee welfare benefits	5,808,233,968	6,048,570,284
Employee welfare fund	791,079,258	-
Insurance	4,891,643,139	4,044,450,071
Depreciation	15,678,033,875	19,334,057,136
Amortization	11,041,176,835	10,869,959,162
Commissions and fees	19,344,821,122	35,024,037,272
Advertising	1,128,202,097	1,369,023,341
Education and training	143,917,645	162,048,457
Vehicle maintenance	51,049,274	50,598,968
Publication	122,998,736	136,909,254
Business promotion	218,111,425	148,479,811
Rental fees	1,476,749,780	1,392,285,378
Communication	1,263,945,333	1,188,628,136
Tax and dues	2,655,527,789	2,655,876,788
Supplies	293,677,517	304,244,609
Utilities	853,807,399	911,523,944
Repairs and maintenance	20,210,561,292	2,282,162,936
Research and development	35,945,566,170	38,792,293,323
Travel	989,657,914	927,459,320
Uniform	698,539,458	62,115,925
Investigation and analysis	112,697,549	119,609,712
Others	3,520,910,105	3,499,684,643
Total	₩ 177,553,414,507	₩ 179,426,021,854

Details of other selling and administrative expenses for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Awards expense	₩ 33,335,049	₩ 50,523,609
Legal expense	512,547,166	597,078,374
Miscellaneous salaries	1,799,622,104	1,976,852,299
Association fees	191,993,220	160,087,909
Miscellaneous expenses	983,412,566	715,142,452
Total	₩ 3,520,910,105	₩ 3,499,684,643

31. Other income and expenses

Details of other income for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Revenue from compensation and indemnity	₩ 6,702,243,239	₩ 4,496,048,791
Rental revenue	3,861,540,066	4,007,317,607
Others	12,750,308,242	5,702,208,704
Total	₩ 23,314,091,547	₩ 14,205,575,102

Details of others in other income for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Refunded tax income	₩ 677,730,130	₩ 402,774,770
Port usage fee	1,793,208,360	2,126,005,704
Commission income	407,104,099	421,738,270
Miscellaneous revenues - others	9,872,265,653	2,751,689,960
Total	₩ 12,750,308,242	₩ 5,702,208,704

Details of other expenses for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Donations	₩ 11,692,178,432	₩ 7,810,998,370
Others	21,816,327,639	8,499,660,348
Total	₩ 33,508,506,071	₩ 16,310,658,718

Details of others in other expenses for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Deemed rent	₩ -	₩ 10
Other commission fee	328,834,618	335,210,799
Miscellaneous loss	21,487,493,021	8,164,449,539
Total	₩ 21,816,327,639	₩ 8,499,660,348

32. Other profit or loss

Details of other profit and loss for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Gain on disposal of property, plant, and equipment	₩ 3,491,900,458	₩ 996,897,220
Gain on disposal of intangible assets	16,009,090	-
Gain on foreign currency translations (*)	592,367,809	1,916,689,990
Gain on foreign currency transactions (*)	9,260,443,366	11,865,510,446
Other gains	13,123,645,302	7,573,345,657
Loss on disposal of property, plant, and equipment	(15,546,356)	(274,725,102)
Loss on foreign currency translations (*)	(2,852,444,937)	(722,466,954)
Loss on foreign currency transactions (*)	(17,413,931,497)	(19,765,675,059)
Other losses	(24,427,625,237)	(35,084,320,410)
Total	₩ (18,225,182,002)	₩ (33,494,744,212)

(*) related to operating activities

32. Other profit or loss (cont'd)

Details of other gain for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Gain on disposal of inventories	₩ 12,285,509,656	₩ 4,476,833,308
Gain on disposal of scrapped equipment	704,117,980	1,921,563,849
Miscellaneous revenues-other	134,017,666	1,174,948,500
Total	₩ 13,123,645,302	₩ 7,573,345,657

Details of other loss for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Loss on write-off of property, plant, and equipment	₩ 24,562,929,048	₩ 33,475,558,663
Others	(135,303,811)	1,608,761,747
Total	₩ 24,427,625,237	₩ 35,084,320,410

33. Finance income

Details of finance income for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Interest income	₩ 16,457,364,677	₩ 15,545,414,055
Dividend income	33,508,801,676	68,829,603,442
Gain on valuation of financial assets at FVTPL	67,433,155	3,281,194,459
Gain on disposal of financial assets at FVTPL	85,417,029	3,638,580,737
Gain on valuation of derivative instruments	244,714,041,762	20,167,845,804
Gain on transaction of derivative instruments	34,819,792,369	69,172,592,625
Gain on foreign currency translation (*1)	2,798,443,811	710,659,530
Gain on foreign currency transaction (*1)(*2)	13,248,649,855	3,774,312,264
Other finance income	988,319,349	772,956,079
Total	₩ 346,688,263,683	₩ 185,893,158,995

(*1) related to financing activities
(*2) The amount includes foreign exchange gains of ₩405,094,075 from the capital reduction of the subsidiary EWP America, Inc. and ₩11,082,751,361 from the capital reduction of the subsidiary EWP (Barbados) 1 SRL for the year ended December 31, 2024, and ₩618,700,449 from the capital reduction of the subsidiary EWP America, Inc. for the year ended December 31, 2023.

Details of interest income included in finance income for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Cash and cash equivalents	₩ 5,117,473,258	₩ 12,411,172,631
Financial assets at FVTPL	8,598,851,098	513,369,275
Financial assets at amortized cost	601,812,939	122,779,681
Loans	1,749,393,792	1,845,081,064
Trade and other receivables	389,833,590	653,011,404
Total	₩ 16,457,364,677	₩ 15,545,414,055

34. Finance costs

Details of finance costs for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Interest expenses	₩ 92,299,506,326	₩ 112,438,959,049
Loss on valuation of financial assets at FVTPL	27,278,121	-
Loss on valuation of derivative instruments	5,500,000	733,581,292
Loss on transaction of derivative instruments	6,186,532,368	38,051,971,541
Loss on foreign currency translation (*)	287,419,221,197	30,040,308,611
Loss on foreign currency transaction (*)	2,447,055,831	1,381,648,900
Other finance costs	402,668,161	19,841
Total	₩ 388,787,762,004	₩ 182,646,489,234

(*) related to financing activities

Details of interest expense included in finance costs for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Short-term borrowings	₩ 2,222,320,540	₩ 1,704,109
Long-term borrowings	5,645,725,313	1,961,997,531
Bonds payable	116,957,763,272	109,330,396,464
Lease liabilities	8,867,195,563	9,473,609,626
Others	85,590	37,899
	133,693,090,278	120,767,745,629
Less: capitalized borrowing costs	(41,393,583,952)	(8,328,786,580)
Total	₩ 92,299,506,326	₩ 112,438,959,049

The effective interest rates used for capitalizing borrowing costs for the years ended December 31, 2024 and 2023 are 2.73%~5.47% and 2.34%, respectively.

35. Income tax

The major components of income tax expense for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Current income tax:	₩ 8,402,962,775	₩ 56,079,042,274
Current income tax expense	87,844,673,821	43,960,865,247
Adjustments to prior year current income tax expense	(28,245,505,812)	(3,563,358,446)
Recognized directly in equity	(51,196,205,234)	15,681,535,473
Deferred tax:	99,203,672,093	(13,287,051,200)
Changes in deferred tax arising from temporary differences	100,763,112,751	(22,658,978,158)
Effect of recognizing deferred tax assets on tax loss, tax credit and temporary differences not recognized in the past	(1,559,440,658)	9,371,926,958
Income tax expense	₩ 107,606,634,868	₩ 42,791,991,074

35. Income tax (cont'd)

A reconciliation between income tax expense and the product of accounting profit multiplied by Korea's domestic tax rate for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Profit for the year before tax	₩ 629,968,626,010	₩ 219,747,321,160
Tax at the statutory income tax rate	₩ 162,869,664,919	₩ 50,761,631,188
Adjustments:		
Effect of applying progressive tax rate	(10,428,000,000)	(721,847,457)
Effect of expenses not deductible for tax purposes	(2,885,298,664)	9,125,064,803
Effect from deferred tax assets not recognized by tax loss carry forwards	(1,559,440,658)	9,371,926,958
Effect of tax deduction and exemption	(15,416,465,477)	(10,837,987,951)
Deferred income tax effect from consolidation	3,553,575,872	(6,262,785,884)
Adjustment of corporate income taxes for previous reporting periods	(28,245,505,812)	(3,563,358,446)
Effect of change in tax rate on changes in deferred tax	-	(3,265,395,815)
Others	(281,895,312)	(1,815,256,322)
	(55,263,030,051)	(7,969,640,114)
Income tax expense	₩ 107,606,634,868	₩ 42,791,991,074
Effective tax rate	17.08%	19.47%

The tax effects relating to the components of other comprehensive income or loss for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Amounts arising from items recognized in other comprehensive income or loss:		
Gain (loss) on valuation of financial assets at FVOCI	₩ (55,640,814,749)	₩ 13,157,898,486
Loss on valuation of cash flow hedges	(293,073,021)	(12,154,978)
Re-measurement gain on defined benefit plans	4,737,682,536	2,535,791,965
	₩ (51,196,205,234)	₩ 15,681,535,473

35. Income tax (cont'd)

Details of deferred tax assets and liabilities recognized in the consolidated statements of financial position as of December 31, 2024 and 2023 are as follows (Korean won):

	2024			
	Jan. 1	Income tax expenses	Recognized directly in equity	Dec. 31
Deferred tax liabilities, net of temporary differences:				
Long-term employee benefits	₩ 2,662,485,074	₩ 617,936,377	₩ 4,737,682,536	₩ 8,018,103,987
Cash flow hedge	(8,036,207,772)	(56,100,046,108)	(293,073,021)	(64,429,326,901)
Associates and joint ventures	(4,185,046,296)	(190,306,739)	-	(4,375,353,035)
Subsidiaries	2,965,627,068	(15,548,388,745)	-	(12,582,761,677)
Property, plant, and equipment	(303,139,576,197)	20,138,061,361	-	(283,001,514,836)
Intangible assets	(30,806,241,174)	1,225,717,093	-	(29,580,524,081)
Financial assets at FVTPL	(592,926,216)	171,600,422	-	(421,325,794)
Financial assets at FVOCI	(495,173,290,720)	-	(55,640,814,749)	(550,814,105,469)
Provisions	2,746,306,570	1,603,398,286	-	4,349,704,856
Other financial liabilities	4,733,699,293	(675,147,008)	-	4,058,552,285
Others	78,828,876,307	1,148,542,392	-	79,977,418,699
	(749,996,294,063)	(47,608,632,669)	(51,196,205,234)	(848,801,131,966)
Deferred tax assets from tax credit	960,685,127	(398,834,190)	-	561,850,937
	₩ (749,035,608,936)	₩ (48,007,466,859)	₩ (51,196,205,234)	₩ (848,239,281,029)

	2023			
	Jan. 1	Income tax expenses	Recognized directly in equity	Dec. 31
Deferred tax liabilities, net of temporary differences:				
Long-term employee benefits	₩ 4,485,051,624	₩ (4,358,358,515)	₩ 2,535,791,965	₩ 2,662,485,074
Cash flow hedge	(64,251,534,816)	56,227,482,022	(12,154,978)	(8,036,207,772)
Associates and joint ventures	(471,107,462)	(3,713,938,834)	-	(4,185,046,296)
Subsidiaries	3,756,725,313	(791,098,245)	-	2,965,627,068
Property, plant, and equipment	(337,296,984,572)	34,157,408,375	-	(303,139,576,197)
Intangible assets	(33,412,320,032)	2,606,078,858	-	(30,806,241,174)
Financial assets at FVTPL	2,647,284,566	(3,240,210,782)	-	(592,926,216)
Financial assets at FVOCI	(498,728,239,685)	(9,602,949,521)	13,157,898,486	(495,173,290,720)
Provisions	34,290,761,839	(31,544,455,269)	-	2,746,306,570
Other financial liabilities	13,422,099,602	(8,688,400,309)	-	4,733,699,293
Others	112,751,242,966	(33,922,366,659)	-	78,828,876,307
	(762,807,020,657)	(2,870,808,879)	15,681,535,473	(749,996,294,063)
Deferred tax assets from tax credit	484,360,521	476,324,606	-	960,685,127
	₩ (762,322,660,136)	₩ (2,394,484,273)	₩ 15,681,535,473	₩ (749,035,608,936)

Details of deferred tax assets and liabilities presented in the consolidated statements of financial position are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Deferred tax assets	₩ 96,965,630,764	₩ 92,897,679,439
Deferred tax liabilities	(945,204,911,793)	(841,933,288,375)
	₩ (848,239,281,029)	₩ (749,035,608,936)

Deductible temporary differences not recognized as deferred tax assets as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Deductible temporary differences	₩ 191,632,367,341	₩ 317,117,442,321

36. Classification based on nature of expense

Details of expenses based on nature of expense for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024		
	Selling and administrative expenses	Cost of sales	Total
Raw material in use	₩ -	₩ 3,301,718,883,117	₩ 3,301,718,883,117
Power costs purchased	-	32,167,866,744	32,167,866,744
Salaries	45,002,979,672	204,637,965,802	249,640,945,474
Retirement benefit	5,309,527,155	17,461,919,267	22,771,446,422
Employee welfare fund	791,079,258	2,745,260,742	3,536,340,000
Employee welfare benefits	5,808,233,968	20,031,072,333	25,839,306,301
Insurance	4,891,643,139	8,407,097,225	13,298,740,364
Depreciation of property, plant and equipment	15,678,033,875	690,375,518,588	706,053,552,463
Amortization of intangible assets	11,041,176,835	5,713,587,105	16,754,763,940
Commissions and fees	19,344,821,122	12,790,747,420	32,135,568,542
Provisions	-	60,477,271,924	60,477,271,924
Advertising	1,128,202,097	265,579,707	1,393,781,804
Education and training	143,917,645	783,426,600	927,344,245
Vehicle maintenance	51,049,274	100,166,903	151,216,177
Publication	122,998,736	53,814,814	176,813,550
Business promotion	218,111,425	138,615,782	356,727,207
Rental fees	1,476,749,780	14,950,035,370	16,426,785,150
Communications	1,263,945,333	206,826,047	1,470,771,380
Transport	-	6,949,796	6,949,796
Taxes and dues	2,655,527,789	33,519,967,655	36,175,495,444
Supplies	293,677,517	1,088,104,869	1,381,782,386
Utilities	853,807,399	751,330,267	1,605,137,666
Repairs and maintenance	20,210,561,292	166,202,917,254	186,413,478,546
Research and development	35,945,566,170	1,554,398,318	37,499,964,488
Travel	989,657,914	750,051,800	1,739,709,714
Uniform	698,539,458	-	698,539,458
Investigation and analysis	112,697,549	282,090,608	394,788,157
Others	3,520,910,105	3,171,485,569	6,692,395,674
Total	₩ 177,553,414,507	₩ 4,580,352,951,626	₩ 4,757,906,366,133

36. Classification based on nature of expense (cont'd)

	2023		
	Selling and administrative expenses	Cost of sales	Total
Raw material in use	₩ -	₩ 4,097,521,048,221	₩ 4,097,521,048,221
Power costs purchased	-	32,697,479,525	32,697,479,525
Salaries	44,425,620,797	204,604,920,286	249,030,541,083
Retirement benefit	5,676,382,587	15,823,434,125	21,499,816,712
Employee welfare benefits	6,048,570,284	20,591,846,404	26,640,416,688
Insurance	4,044,450,071	8,040,387,279	12,084,837,350
Depreciation of property, plant and equipment	19,334,057,136	717,515,994,315	736,850,051,451
Amortization of intangible assets	10,869,959,162	6,078,108,238	16,948,067,400
Commissions and fees	35,024,037,272	7,848,643,765	42,872,681,037
Provisions	-	(38,336,056,313)	(38,336,056,313)
Advertising	1,369,023,341	280,110,969	1,649,134,310
Education and training	162,048,457	780,135,082	942,183,539
Vehicle maintenance	50,598,968	96,339,997	146,938,965
Publication	136,909,254	31,539,434	168,448,688
Business promotion	148,479,811	129,990,822	278,470,633
Rental fees	1,392,285,378	13,950,587,189	15,342,872,567
Communications	1,188,628,136	242,401,455	1,431,029,591
Transport	-	11,621,618	11,621,618
Taxes and dues	2,655,876,788	23,756,860,771	26,412,737,559
Supplies	304,244,609	996,340,548	1,300,585,157
Utilities	911,523,944	707,141,397	1,618,665,341
Repairs and maintenance	2,282,162,936	165,064,532,885	167,346,695,821
Research and development	38,792,293,323	5,268,611,460	44,060,904,783
Travel	927,459,320	887,478,732	1,814,938,052
Uniform	62,115,925	-	62,115,925
Investigation and analysis	119,609,712	168,308,385	287,918,097
Others	3,499,684,643	5,284,591,055	8,784,275,698
Total	₩ 179,426,021,854	₩ 5,290,042,397,644	₩ 5,469,468,419,498

37. Earnings per share

Earnings per share for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Basic earnings per share	₩ 8,956	₩ 3,022

Profit and weighted-average number of ordinary shares outstanding for the years ended December 31, 2024 and 2023 are as follows (Korean won and share in units):

	2024	2023
Profit for the year attributable to owners of the Company	₩ 518,837,811,222	₩ 175,094,796,288
Profit for the year attributable to ordinary shares of owners of the Company	518,837,811,222	175,094,796,288
Weighted-average number of ordinary shares	57,932,221	57,932,221

Diluted EPS is the same as basic EPS since no dilutive securities are issued as of the end of the reporting period.

38. Financial instruments by category

Details of the net book value of financial assets by category as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024				
	Financial assets at FVTPL	Financial assets at amortized cost	Financial assets at FVOCI	Derivatives designated as hedging instruments	Total
Current:					
Cash and cash equivalents	₩ -	₩ 169,451,420,382	₩ -	₩ -	₩ 169,451,420,382
Financial assets at FVTPL	47,422,832,712	-	-	-	47,422,832,712
Financial assets at amortized cost	-	22,518,560,000	-	-	22,518,560,000
Derivative instruments	1,856,699,307	-	-	221,141,296,266	222,997,995,573
Loans	-	10,398,746,472	-	-	10,398,746,472
Trade and other receivables	-	686,932,317,996	-	-	686,932,317,996
	49,279,532,019	889,301,044,850	-	221,141,296,266-	1,159,721,873,135
Non-current:					
Financial assets at FVTPL	1,549,496,079	-	-	-	1,549,496,079
Financial assets at FVOCI	-	-	2,477,104,446,160	-	2,477,104,446,160
Financial assets at amortized cost	-	6,639,340,000	-	-	6,639,340,000
Derivative instruments	-	-	-	57,773,538,803	57,773,538,803
Loans	-	30,921,488,157	-	-	30,921,488,157
Trade and other receivables	-	15,465,882,063	-	-	15,465,882,063
	1,549,496,079	53,026,710,220	2,477,104,446,160	57,773,538,803	2,589,454,191,262
Total	₩ 50,829,028,098	₩ 942,327,755,070	₩ 2,477,104,446,160	₩ 278,914,835,069	₩ 3,749,176,064,397

	Dec. 31, 2023				
	Financial assets at FVTPL	Financial assets at amortized cost	Financial assets at FVOCI	Derivatives designated as hedging instruments	Total
Current:					
Cash and cash equivalents	₩ -	₩ 318,621,809,707	₩ -	₩ -	₩ 318,621,809,707
Financial assets at FVTPL	161,814,988,455	-	-	-	161,814,988,455
Financial assets at amortized cost	-	21,003,600,000	-	-	21,003,600,000
Derivative instruments	77,331,360	-	-	-	77,331,360
Loans	-	2,320,812,394	-	-	2,320,812,394
Trade and other receivables	-	635,365,144,516	-	-	635,365,144,516
	161,892,319,815	977,311,366,617	-	-	1,139,203,686,432
Non-current:					
Financial assets at FVTPL	1,657,662,924	-	-	-	1,657,662,924
Financial assets at FVOCI	-	-	2,236,235,118,243	-	2,236,235,118,243
Financial assets at amortized cost	-	6,635,520,000	-	-	6,635,520,000
Derivative instruments	-	-	-	34,788,778,236	34,788,778,236
Loans	-	40,232,247,939	-	-	40,232,247,939
Trade and other receivables	-	17,263,249,462	-	-	17,263,249,462
	1,657,662,924	64,131,017,401	2,236,235,118,243	34,788,778,236	2,336,812,576,804
Total	₩ 163,549,982,739	₩ 1,041,442,384,018	₩ 2,236,235,118,243	₩ 34,788,778,236	₩ 3,476,016,263,236

38. Financial instruments by category (cont'd)

Details of the net book value of financial liabilities by category in 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		
	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Short-term borrowings	₩ -	₩ 80,000,000,000	₩ 80,000,000,000
Long-term borrowings	-	11,230,560,000	11,230,560,000
Bonds payable	-	1,658,733,679,647	1,658,733,679,647
Derivative liabilities	5,500,000	-	5,500,000
Trade and other payables	-	445,848,511,556	445,848,511,556
	5,500,000	2,195,812,751,203	2,195,818,251,203
Non-current financial liabilities:			
Long-term borrowings	-	106,634,994,952	106,634,994,952
Bonds payable	-	2,059,472,583,087	2,059,472,583,087
Trade and other payables	-	330,030,865,070	330,030,865,070
	-	2,496,138,443,109	2,496,138,443,109
Total	₩ 5,500,000	₩ 4,691,951,194,312	₩ 4,691,956,694,312

	Dec. 31, 2023		
	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Long-term borrowings	₩ -	₩ 7,564,359,999	₩ 7,564,359,999
Bonds payable	-	409,688,366,873	409,688,366,873
Derivative liabilities	733,581,292	-	733,581,292
Trade and other payables	-	769,320,760,121	769,320,760,121
	733,581,292	1,186,573,486,993	1,187,307,068,285
Non-current financial liabilities:			
Long-term borrowings	-	108,127,608,628	108,127,608,628
Bonds payable	-	3,220,175,305,517	3,220,175,305,517
Trade and other payables	-	333,459,385,389	333,459,385,389
	-	3,661,762,299,534	3,661,762,299,534
Total	₩ 733,581,292	₩ 4,848,335,786,527	₩ 4,849,069,367,819

38. Financial instruments by category (cont'd)

Details of profit (loss) from financial instruments by category for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024
Cash and cash equivalents	
Interest income	₩ 5,117,473,258
Gain on fluctuation of exchange rates	200,857,822
Financial assets at FVTPL	
Interest income	8,598,851,098
Gain on valuation of financial instruments	40,155,034
Gain on disposal of financial instruments	85,417,029
Gain on valuation of derivative instruments	1,856,699,307
Gain on settlement of derivative instruments	16,128,713,936
Financial assets at amortized cost	
Interest income	601,812,939
Financial assets at FVOCI	
Gain on valuation of financial assets at FVOCI (recognized in equity before tax)	240,869,327,917
Dividend income	33,508,801,676
Loans and receivables	
Interest income	1,749,393,792
Gain on fluctuation of exchange rates	1,034,494,860
Trade and other receivables	
Interest income	389,833,590
Gain on fluctuation of exchange rates	963,021,258
Derivatives designated as hedging instruments	
Gain on valuation of derivatives (recognized in profit or loss)	242,857,342,455
Gain on valuation of derivatives (recognized in equity before tax)	1,268,714,378
Gain on settlement of derivative contracts	18,691,078,433
Financial liabilities at FVTPL	
Loss on valuation of derivative instruments	(5,500,000)
Loss on settlement of derivative instruments	(6,186,532,368)
Financial liabilities at amortized cost	
Loss on fluctuation of exchange rates	(289,079,228,454)
Interest expenses on borrowings and bonds payable	(83,432,225,173)
Interest expenses on trade and other liabilities	(8,867,281,153)

	2023
Cash and cash equivalents	
Interest income	₩ 12,411,172,631
Loss on fluctuation of exchange rates	(3,049,797,654)
Financial assets at FVTPL	
Interest income	513,369,275
Gain on valuation of financial instruments	3,281,194,459
Gain on disposal of financial instruments	3,638,580,737
Gain on valuation of derivative instruments	77,331,360
Gain on settlement of derivative instruments	22,879,348,316
Financial assets at amortized cost	
Interest income	122,779,681
Financial assets at FVOCI	
Loss on valuation of financial assets at FVOCI (recognized in equity before tax)	(47,479,105,047)
Dividend income	68,829,603,442
Loans and receivables	
Interest income	1,845,081,064
Gain on fluctuation of exchange rates	126,591,010
Trade and other receivables	
Interest income	653,011,404
Loss on fluctuation of exchange rates	(95,306,127)
Derivatives designated as hedging instruments	
Gain on valuation of derivatives (recognized in profit or loss)	20,090,514,444
Gain on valuation of derivatives (recognized in equity before tax)	18,403,194
Gain on settlement of derivative contracts	23,061,010,964
Financial liabilities at FVTPL	
Loss on valuation of derivative instruments	(733,581,292)
Loss on settlement of derivative instruments	(14,819,738,196)
Financial liabilities at amortized cost	
Loss on fluctuation of exchange rates	(25,116,913,274)
Interest expenses on borrowings and bonds payable	(102,965,311,524)
Interest expenses on trade and other liabilities	(9,473,647,525)

39. Risk management

39.1 Risk management policies

The Group manages various risks that can be occurred by each business line, and main subjects are credit risk, market risk, interest rate risk, and liquidity risk and so on. These risks are identified, measured, controlled, and reported according to the basic strategy set by the Group.

39.2 Capital risk management

The objective of the Group's capital management is to maintain the optimum capital structure to protect the ability of maximizing returns to shareholders and reduce capital costs. The Group adjusts dividend payment to the shareholder to maintain and adjust the capital structure, returns investment, issues new stocks, and disposes assets to reduce liabilities

The Group manages its capital based on the gearing ratio. The gearing ratio is calculated by dividing net borrowings and debentures by total capital. Net borrowings and debentures amount total borrowings (short and long-term borrowings in the statement of financial position) less cash and cash equivalent, and total capital means equity in the statement of financial position plus net borrowings and debentures.

Details of the Group's capital management account as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Total borrowings and bonds payable (A)	₩ 3,916,071,817,686	₩ 3,745,555,641,017
Cash and cash equivalents (B)	169,451,420,382	318,621,809,707
Net borrowings and bonds payable (A-B=C)	3,746,620,397,304	3,426,933,831,310
Total equity (D)	7,141,521,417,275	6,375,267,637,341
Total capital (C+D=E)	10,888,141,814,579	9,802,201,468,651
Gearing ratio (C/E)	34.41%	34.96%
Debt to equity ratio (C/D)	52.46%	53.75%

39.3 Financial risk management

The Group is exposed to various risks related to its financial instruments, such as market risk (foreign currency risk, interest rate risk and price risk) and credit risk. The Group monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by the degree and magnitude of risks. The Group uses derivative financial instruments for certain hedge risk exposures. The Group's overall financial risk management strategy remained unchanged from the prior period.

39.3.1 Credit risk

Credit risk is the risk of a financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's sales activities, loans and receivables, derivative instruments. In addition, credit risk exposure may exist within financial guarantees and unused lines of credit. The Group transacts with banks and financial institutions with excellent credit ratings, so the credit risk from financial institutions is limited. In the case of ordinary customers, the Group evaluates the customers' credit worthiness considering their financial statements, past experience and other factors.

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 the majority of the Group's accounts receivables are due from governmental entities (KEPCO and so on), 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's working capital (i.e., cash) is deposited in financial institutions with healthy-credit ratings.

39. Risk management (cont'd)

39.3.1 Credit risk (cont'd)

Impairment and allowance account

In accordance with the Group's policies, financial assets that are individually significant are assessed on a regular basis. Trade receivables that are assessed individually are, in addition, assessed for impairment through assessing whether impairment loss occurred on an individual basis at the end of the reporting period and it applies to all of the significant trade receivables. These assessments include securities acquired relating to an individual account (including reassessment of feasibility) and expected receipts.

The carrying value of financial assets represents maximum exposure to credit risk. The Group's maximum exposure to credit risk as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Cash and cash equivalents	₩ 169,451,420,382	₩ 318,621,809,707
Financial assets at FVTPL	48,972,328,791	163,472,651,379
Derivatives held for trading	1,856,699,307	77,331,360
Financial assets at FVOCI	2,477,104,446,160	2,236,235,118,243
Financial assets at amortized cost	29,157,900,000	27,639,120,000
Loans	41,320,234,629	42,553,060,333
Derivatives designated as hedging instruments	278,914,835,069	34,788,778,236
Trade and other receivables	702,398,200,059	652,628,393,978
Financial guarantee contract (*)	220,178,993,160	145,299,091,010

(*) These are the amounts of maximum guarantee to be paid in case of being requested by the principal debtor.

Details of financial guarantee contracts as of December 31, 2024 and 2023 are as follows (USD):

		Total guarantee amount (USD)	
	Group name	2024	2023
Joint venture	South Jamaica Power Company Limited (*1)	$ 6,750,000	$ 6,750,000
Joint venture	South Jamaica Power Company Limited (*1)	7,650,000	7,650,000
Joint venture	DE Energia SpA (*2)	-	959,367
Associate	Guam Ukudu Power LLC (*3)	59,836,801	59,836,801
Associate	Guam Ukudu Power LLC (*4)	31,328,000	31,328,000
Associate	Amaala Sustainable Company for Energy LLC (*5)	33,853,628	-
Associate	Amaala Sustainable Company for Energy LLC (*5)	4,200,000	-

(*1) It is a payment guarantee related to the promotion of the gas combined fire power project for South Jamaica Power Company Limited, a joint venture of the Group.
(*2) It is a payment guarantee contract under which the Group provides a guarantee about the opening of DSRA L/C to DE Energia SpA which is a joint venture of the Group.
(*3) It is a financial guarantee contract under which the Group provides guarantee to Guam Ukudu Power LLC which is an associate of the Group.
(*4) It is a payment guarantee related to the opening of L/C for performance bond for electricity sales contract provided by the Group to Guam Ukudu Power LLC which is an associate of the Group.
(*5) It is EBL payment and EBL hedging guarantee for Amaala Sustainable Company for Energy LLC which is an associate of the Group.

There are no collateral rights exercised or other credit guarantees pledged on any financial or non-financial assets as of December 31, 2024.

39. Risk management (cont'd)

39.3.2 Liquidity risk

The Group has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term, 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 forecasted and actual cash flows; 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 minimizes the liquidity risk by matching maturities through using internally reserved cash or utilizing long-term borrowings.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities based on the contractual undiscounted payments (Korean won):

	Dec. 31, 2024				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Borrowings and bonds payable	₩ 1,815,316,520,696	₩ 630,567,467,070	₩ 962,605,435,449	₩ 907,976,349,214	₩ 4,316,465,772,429
Trade and other payables	384,009,131,008	-	-	-	384,009,131,008
Lease liabilities	62,625,046,448	58,731,993,902	149,894,889,019	165,162,861,759	436,414,791,128
Financial guarantee liabilities	118,188,000,000	46,052,160,000	55,938,833,160	-	220,178,993,160
Total	₩ 2,380,138,698,152	₩ 735,351,620,972	₩ 1,168,439,157,628	₩ 1,073,139,210,973	₩ 5,357,068,687,725

	Dec. 31, 2023				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Borrowings and bonds payable	₩ 485,342,728,121	₩ 1,543,411,146,254	₩ 1,235,080,500,030	₩ 923,122,967,714	₩ 4,186,957,342,119
Trade and other payables	706,724,615,038	-	-	-	706,724,615,038
Lease liabilities	63,397,305,485	54,778,544,725	144,288,243,072	179,291,065,354	441,755,158,636
Financial guarantee liabilities	60,198,691,010	85,100,400,000	-	-	145,299,091,010
Total	₩ 1,315,663,339,654	₩ 1,683,290,090,979	₩ 1,379,368,743,102	₩ 1,102,414,033,068	₩ 5,480,736,206,803

As the Group manages its liquidity based on net assets and net liability balances, in order to understand the Group's liquidity risk management, non-derivative financial assets should be included.

The maturity profile of the Group's non-derivative financial assets based on the contractual undiscounted receipts as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024				
	Less than 1 year	1 to 5 years	Over 5 years	Others	Total
Cash and cash equivalents	₩ 169,451,420,382	₩ -	₩ -	₩ -	₩ 169,451,420,382
Financial assets at FVTPL	47,422,832,712	1,254,458,879	-	295,037,200	48,972,328,791
Financial assets at FVOCI	-	-	-	2,477,104,446,160	2,477,104,446,160
Financial assets at amortized cost	22,518,560,000	139,340,000	-	6,500,000,000	29,157,900,000
Loans	10,507,082,416	8,347,101,664	24,922,934,823	-	43,777,118,903
Trade and other receivables	686,953,780,435	15,579,912,659	-	-	702,533,693,094
Total	₩ 936,853,675,945	₩ 25,320,813,202	₩ 24,922,934,823	₩ 2,483,899,483,360	₩ 3,470,996,907,330

39. Risk management (cont'd)

39.3.2 Liquidity risk (cont'd)

	Dec. 31, 2023				
	Less than 1 year	1 to 5 years	Over 5 years	Others	Total
Cash and cash equivalents	₩ 318,621,809,707	₩ -	₩ -	₩ -	₩ 318,621,809,707
Financial assets at FVTPL	161,814,988,455	1,187,025,724	-	470,637,200	163,472,651,379
Financial assets at FVOCI	-	-	-	2,236,235,118,243	2,236,235,118,243
Financial assets at amortized cost	21,003,600,000	135,520,000	-	6,500,000,000	27,639,120,000
Loans	2,429,473,376	9,714,384,131	35,230,826,697	-	47,374,684,204
Trade and other receivables	635,728,529,910	17,328,251,972	-	-	653,056,781,882
Total	₩ 1,139,598,401,448	₩ 28,365,181,827	₩ 35,230,826,697	₩ 2,243,205,755,443	₩ 3,446,400,165,415

The table below summarizes the maturity profile of the Group's derivative financial instruments based on the contractual undiscounted cash flow schedules (Korean won):

	Dec.31, 2024				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Derivative financial assets					
- Held for trading	₩ 1,856,699,307	₩ -	₩ -	₩ -	₩ 1,856,699,307
- Risk averse	221,141,296,266	-	57,773,538,803	-	278,914,835,069
	₩ 222,997,995,573	₩ -	₩ 57,773,538,803	₩ -	₩ 280,771,534,376
Derivative financial liabilities					
- Held for trading	₩ 5,500,000	₩ -	₩ -	₩ -	₩ 5,500,000

	Dec.31, 2023				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Derivative financial assets					
- Held for trading	₩ 77,331,360	₩ -	₩ -	₩ -	₩ 77,331,360
- Risk averse	-	33,885,301,060	903,477,176	-	34,788,778,236
	₩ 77,331,360	₩ 33,885,301,060	₩ 903,477,176	₩ -	₩ 34,866,109,596
Derivative financial liabilities					
- Held for trading	₩ 733,581,292	₩ -	₩ -	₩ -	₩ 733,581,292

39.3.3 Market risk

The Group is exposed to market risk that its fair value of the financial instruments or future cash flows is affected by the changes in market price. Market risk consists of interest rate risk, currency risk and other price risk.

39. Risk management (cont'd)

39.3.4 Sensitivity analysis

Major assets and liabilities with uncertainties in underlying assumptions

Defined benefit obligation
A sensitivity analysis on the Group's defined benefit obligation assuming a 1%-point increase and decrease in various assumptions as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		Dec. 31, 2023	
	1% inc.	1% dec.	1% inc.	1% dec.
Future salary increase rate	₩ 11,791,340,493	₩ (10,518,052,160)	₩ 10,107,638,215	₩ (8,977,957,850)
Discount rate	(11,089,121,098)	12,745,558,341	(9,430,527,219)	10,840,634,170

Effect on the overall financial statements by the management assumptions

Foreign currency risk
The Group conducts transactions denominated in foreign currencies; consequently, exposure to currency exchange rate fluctuations may arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows (USD, EUR, PHP, JPY, AUD and GBP):

	Foreign currency assets		Foreign currency liabilities	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
USD	58,583,620	26,695,827	1,675,475,490	1,685,068,191
EUR	-	3,308	-	-
PHP	-	38,789,071	-	-
JPY	5,299,000	-	-	-
AUD	-	746	-	-
GBP	6,876.00	10,591	-	-

The following table illustrates the sensitivity of the Group's profit before tax and equity to a fluctuation of 10% in the foreign exchange rate (Korean won):

	2024		2023	
	10% inc.	10% dec.	10% inc.	10% dec.
Effect on profit before tax	₩ (237,676,874,779)	₩ 237,676,874,779	₩ (213,738,304,380)	₩ 213,738,304,380
Effect on shareholder's equity (*)	(237,676,874,779)	237,676,874,779	(213,738,304,380)	213,738,304,380

(*) represents amounts before income tax effects.

The sensitivity analysis was made for monetary assets and liabilities denominated in foreign currencies except functional currency and the Group measures the risk of exchange rate fluctuations before reflecting the hedge effect of derivatives. Furthermore, The Group has a policy to enter into currency swap contracts in order to avoid the risk of volatility in foreign exchange rates related to the payment of foreign currency denominated long-term borrowings. In addition, the Group enters into currency forward contracts in order to manage the foreign exchange risk of expected purchases.

39. Risk management (cont'd)

39.3.4 Sensitivity analysis (cont'd)

Interest rate risk

The Group is exposed to interest rate risk due to its borrowings with floating interest rates. The effect of a change of 1% is used for a sensitivity analysis when reporting interest rate risk internally to key management personnel that represents management's assessment of a reasonably possible change in interest rates.

The Group's long-term borrowings and bonds payable with floating interest rates as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024	Dec. 31, 2023
Long-term borrowings	₩ 58,943,900,000	₩ 55,664,260,000

A sensitivity analysis on the Group's borrowings and bonds payable assuming a 1%-point increase and decrease in interest rates as of December 31, 2024 and 2023 are as follows (Korean won):

	2024		2023	
	1% inc.	1% dec.	1% inc.	1% dec.
Effect on profit before tax	₩ (589,439,000)	₩ 589,439,000	₩ (556,642,600)	₩ 556,642,600
Effect on shareholder's equity (*)	(589,439,000)	589,439,000	(556,642,600)	556,642,600

(*) Represents amounts before income tax effects.

To manage its interest rate risks, the Group maintains an appropriate balance of fixed and floating rate loans and enters into interest rate swap agreements. The analysis above presents the interest rates effect not reflecting hedge transactions on the Group's consolidated financial statements.

39. Risk management (cont'd)

39.4 Fair value measurement

The fair value of the Group's actively traded financial instruments (i.e., held for trading and available-for-sale financial assets) is based on the traded market price as at the end of the reporting periods. The fair value of the Group's financial assets is the asking price for purchase.

39.4.1 Fair and book value

The Group's book and fair values of financial assets and liabilities as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31. 2024		Dec. 31. 2023	
	Book value	Fair value	Book value	Fair value
Assets (fair value):				
Financial assets at FVTPL	₩ 48,972,328,791	₩ 48,972,328,791	₩ 163,472,651,379	₩ 163,472,651,379
Financial assets at FVOCI	2,477,104,446,160	2,477,104,446,160	2,236,235,118,243	2,236,235,118,243
Derivatives held for trading	1,856,699,307	1,856,699,307	77,331,360	77,331,360
Derivatives designated as hedging instruments	278,914,835,069	278,914,835,069	34,788,778,236	34,788,778,236
	₩ 2,806,848,309,327	₩ 2,806,848,309,327	₩ 2,434,573,879,218	₩ 2,434,573,879,218
Assets (amortized cost):				
Financial assets at amortized cost	₩ 29,157,900,000	₩ 29,157,900,000	₩ 27,639,120,000	₩ 27,639,120,000
Loans	41,320,234,629	41,320,234,629	42,553,060,333	42,553,060,333
Trade and other receivables	702,398,200,059	702,398,200,059	652,628,393,978	652,628,393,978
Cash and cash equivalents	169,451,420,382	169,451,420,382	318,621,809,707	318,621,809,707
	₩ 942,327,755,070	₩ 942,327,755,070	₩ 1,041,442,384,018	₩ 1,041,442,384,018
Liabilities (fair value):				
Derivative held for trading	₩ 5,500,000	₩ 5,500,000	₩ 733,581,292	₩ 733,581,292
Liabilities (amortized cost):				
Secured borrowings	₩ 115,146,954,952	₩ 115,146,954,952	₩ 112,248,408,627	₩ 112,248,408,627
Unsecured bonds payable	3,718,206,262,734	3,654,865,194,183	3,629,863,672,390	3,500,666,497,466
Unsecured borrowings	82,718,600,000	82,718,600,000	3,443,560,000	3,443,560,000
Trade and other payables	384,009,131,008	384,009,131,008	706,724,615,038	706,724,615,038
Lease liabilities	391,870,245,618	391,870,245,618	396,055,530,472	396,055,530,472
	₩ 4,691,951,194,312	₩ 4,628,610,125,761	₩ 4,848,335,786,527	₩ 4,719,138,611,603

39.4.2 Discount rate used for calculating fair value

The discount rate used for calculating fair value is derived from interest rates that are market-observable, such as government bond interest rates, after considering credit spread.

39. Risk management (cont'd)

39.4.3 Hierarchy for determining and disclosing the fair value

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique. The level of hierarchy of fair value is as follows:

	The significance of input variables
Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2	Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3	Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

As of December 31, 2024 and 2023, the Group held the following financial instruments carried at fair value in the statement of financial position (Korean won):

	Dec. 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI	₩ 2,461,202,697,735	₩ -	₩ 15,901,748,425	₩ 2,477,104,446,160
Financial assets at FVTPL	-	48,972,328,791	-	48,972,328,791
Derivative assets	-	280,771,534,376	-	280,771,534,376
Derivative liabilities	-	(5,500,000)	-	(5,500,000)
Total	₩ 2,461,202,697,735	₩ 329,738,363,167	₩ 15,901,748,425	₩ 2,806,842,809,327

	Dec. 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI	₩ 2,218,905,801,076	₩ -	₩ 17,329,317,167	₩ 2,236,235,118,243
Financial assets at FVTPL	-	163,472,651,379	-	163,472,651,379
Derivative assets	-	34,866,109,596	-	34,866,109,596
Derivative liabilities	-	(733,581,292)	-	(733,581,292)
Total	₩ 2,218,905,801,076	₩ 197,605,179,683	₩ 17,329,317,167	₩ 2,433,840,297,926

The fair value of financial instruments not traded in active markets is determined using valuation techniques. The Group determined the fair value of financial assets measured at fair value through profit or loss (FVTPL) and financial assets measured at fair value through other comprehensive income (FVOCI) using a discounted cash flow method.

Derivatives
The fair value of derivatives is principally measured based on the forward exchange rates publicly quoted in the market as of the end of the reporting period for periods matching the remaining maturity of the derivative instruments being measured.

If forward exchange rates for periods matching the remaining maturity of derivatives are not publicly quoted in the market, the fair value is measured by estimating forward exchange rates for periods similar to the remaining maturity using interpolation based on forward exchange rates available in the market for different periods.

Since the input factors used to measure the fair value of derivatives, such as observable forward exchange rates, are derived from market data as of the end of the reporting period, the Group classifies the fair value measurement of derivatives as Level 2 within the fair value hierarchy.

Unlisted equity securities
The fair value of unlisted equity securities is measured using the discounted cash flow model. Certain assumptions or estimates not based on observable market prices or ratios, such as revenue growth rates, operating profit margins before tax, and weighted average cost of capital, are used to estimate future cash flows based on business plans and industry conditions.

The weighted average cost of capital used to discount future cash flows is calculated by applying the Capital Asset Pricing Model (CAPM) based on data from comparable listed companies.

39. Risk management (cont'd)

39.4.3 Hierarchy for determining and disclosing the fair value (cont'd)

The Group has determined that the significant impact of the above key assumptions and estimates on the fair value of unlisted equity securities justifies classifying their fair value measurement as Level 3 within the fair value hierarchy.

Changes in Level 3 financial assets for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024		
	Jan. 1	Valuation	Dec. 31
Financial assets at FVOCI:			
Unlisted equity securities	₩ 17,329,317,167	₩ (1,427,568,742)	₩ 15,901,748,425

	Dec. 31, 2023			
	Jan. 1	Disposal	Valuation	Dec. 31
Financial assets at FVOCI:				
Unlisted equity securities	₩ 18,098,123,334	₩ (14,198,304)	₩ (754,607,863)	₩ 17,329,317,167

There were no significant movements between Level 1 and Level 2 of the fair value hierarchy for the year ended December 31, 2024.

40. Related party disclosures

The related parties of the Group and nature of their relationship with the Group as of December 31, 2024 are as follows:

Relationship	Related party
Ultimate parent Group	Korean Government
Parent Group	KEPCO
Associates	Korea Offshore Wind Power Co., Ltd
	KEPCO Solar Co., Ltd.
	KEPCO ES Co., Ltd.
	GS Donghae Electric Power Co., Ltd
	Guam Ukudu Power LLC
	KPE Green Energy Co., Ltd..
	Taebaek Gadeoksan Wind Power Co., Ltd.
	Goheungsin Energy Co., Ltd
	Yanggu Floating Solar Power Co., Ltd.
	Hoenggye Renewable Energy Co., Ltd.
	Amaala Sustainable Company for Energy LLC
Joint ventures	Busan Shinho Solar Power Co., Ltd.
	Honam Wind Power. Co., Ltd.
	Dangjin Eco Power Corporation
	Seokmun Energy Co., Ltd.
	Chuncheon Energy Co., Ltd.
	Yeonggwang Wind Power Co., Ltd.
	Yeonggwangbaeksu Wind Power Co., Ltd.
	Daesan Green Energy Co., Ltd.
	DE Energia SpA
	Yangyang Wind Power Co., Ltd.
	Jamaica Public Service Company Limited
	PT.Tanjung Power Indonesia
	South Jamaica Power Company Limited
	Busan Industry Solar Co., Ltd.
	Light Solar Energy Co., Ltd.
	Cheongju Eco Park Co., Ltd.
	Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity
	Columboola Solar Farm Hold Co Pty., Ltd.
	Seokmun Green Energy Co., Ltd.
	Geumyang Eco Park Co., Ltd.
	Fairhaven Energy Storage, LLC
Others	Korea South-East Power Co., Ltd.
	Korea Western Power Co., Ltd.
	Korea Midland Power Co., Ltd.
	Korea Southern Power Co., Ltd.
	KEPCO Data Network Co., Ltd.
	Korea Gas Corporation
	Korea Electronic Power Industrial Development Co., Ltd.
	Korea Power Exchange
	KEPCO Plant Service & Engineering Co., Ltd.
	KEPCO Engineering & Construction Company, Inc.
	Korea Hydro & Nuclear Power Co., Ltd.
	KEPCO Bylong Australia Pty Ltd, etc.
	KDB Bank
	South Jamaica Energy Holdings Ltd.
	Caribbean Blue Skies Energy Ltd.
	Columboola Solar Farm Fin Co Pty Ltd.
	Columboola Solar Farm Op Trust
	Columboola Solar Farm Nominees Pty Ltd., etc.

40. Related party disclosures (cont'd)

Significant transactions with related parties above for the years ended December 31, 2024 and 2023 are as follows (Korean won):

Related party	Transaction	Sales		Purchases	
		2024	2023	2024	2023
KEPCO	Sales and purchase of electricity	₩ 5,578,352,682,177	₩ 5,754,970,607,825	₩ 62,855,356,716	₩ 47,408,152,561
	Other income/Dividend payment	1,813,484,597	1,560,709,122	-	300,436,498,106
Korea Offshore Wind Power Co., Ltd.	Engineering service income/Purchase of REC	402,725,360	384,088,300	3,713,470,622	3,336,598,664
KEPCO ES Co., Ltd.	Dividend income	265,000,000	790,000,000	-	-
KEPCO Solar Co., Ltd.	Dividend income / Purchase of REC	417,956,625	1,333,914,750	167,637,231	37,749,055
GS Donghae Electric Power Co., Ltd.	Dividend income and others/Raw material	78,313,800	21,873,694,204	67,296,603	1,935,913,584
Taebaek Gadeoksan Wind Power Co., Ltd.	Dividend income and others / Purchase of REC	2,033,060,271	3,997,897,892	13,409,916,084	12,186,679,582
Guam Ukudu Power LLC	Other income	544,961,820	451,593,175	-	-
Goheungsin Energy Co., Ltd	Engineering service income and others/Purchase of REC	-	8,225,354	3,028,082,667	1,579,213,521
KPE Green Energy Co., Ltd.	Engineering service income/Purchase of REC	212,592,613	147,995,074	22,438,345,856	30,010,914,802
Yanggu Floating Solar Power Co., Ltd.	Miscellaneous income/Purchase of REC	6,424,095	-	561,701,109	-
Amaala Sustainable Company for Energy LLC	Other income	8,766,538,417	-	-	-
Dangjin Eco Power Corporation	Purchase of REC	-	-	1,840,323,228	1,389,195,004
Seokmun Energy Co., Ltd.	Engineering service income/Purchase of REC	917,704,576	999,158,598	25,708,944,255	20,182,978,174
Busan Shinho Solar Power Co., Ltd.	Dividend income/ Purchase of REC	666,500,000	1,168,750,000	5,081,700,000	5,202,444,000
Honam Wind Power Co., Ltd.	Dividend income/ Purchase of REC	435,000,000	522,000,000	3,440,358,915	2,268,680,904
Chuncheon Energy Co., Ltd.	Engineering service income	595,159,050	664,360,070	-	-
Yeonggwang Wind Power Co., Ltd.	O&M sales/Purchase of REC	707,288,311	3,366,880,162	15,951,478,060	13,702,705,239
Yeonggwangbaeksu Wind Power Co., Ltd.	O&M sales/Purchase of REC	1,910,378,506	1,850,955,019	5,506,082,136	4,628,363,642
DE Energia SpA	Interest income and others	419,621,275	544,100,271	-	-
South Jamaica Power Company Limited	O&M sales, dividend income	3,024,534,799	7,791,071,486	-	-
Jamaica Public Service Company Limited	O&M sales, dividend income /Other expenses	15,237,159,626	18,162,163,750	203,467,229	186,845,797
PT. Tanjung Power Indonesia	O&M sales, dividend income and others	8,778,904,167	12,778,287,694	-	-
Columboola Solar Farm Hold Co Pty., Ltd.	Dividend income	457,184,838	360,406,872	-	-
Daesan Green Energy Co., Ltd.	Engineering service income and others/Purchase of REC	377,243,264	513,090,647	44,664,589,748	38,075,174,377

40. Related party disclosures (cont'd)

Related party	Transaction	Sales		Purchases	
		2024	2023	2024	2023
Light Solar Energy Co., Ltd.	Interest income/Purchase of REC	₩ 334,527,550	₩ 221,569,600	₩ 4,186,895,212	₩ 3,389,488,994
Busan Industry Solar Co., Ltd.	Purchase of REC	-	-	745,742,928	453,593,641
Yangyang Wind Power Co., Ltd.	Interest income and others/Purchase of REC	220,665,162	12,722,655	3,599,269,828	9,831,952
Cheongju Eco Park Co., Ltd.	Engineering service income/Purchase of REC	296,401,483	6,377,139,667	16,116,590,677	28,799,323,838
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	Dividend income and others	86,859,759	-	-	-
Seokmun Green Energy Co., Ltd.	Engineering service income/Purchase of REC and others	78,764,857	-	25,725,462,912	-
Korea Gas Corporation	Rental income/Purchase of LNG	178,697,000	173,265,000	1,068,309,710,774	1,378,816,881,087
KEPCO Plant Service & Engineering Co., Ltd.	Rental income/Repairs and other expenses	649,749,891	607,199,630	79,632,222,433	79,458,950,107
Korea Electric Power Industrial Development Co., Ltd.	Rental income/Repairs and other expenses	232,127,418	255,056,085	77,680,009,009	73,841,551,910
KEPCO Engineering & Construction Company, Inc.	Investment and others	-	-	3,395,373,900	13,844,660,322
Korea Hydro & Nuclear Power Co., Ltd.	Commission income/Purchase of REC and others	-	1,350,000,000	92,207,270	67,232,670
Korea Southern Power Co., Ltd.	Other income/Other expenses	61,297,795	1,060,302,630	23,726,525	19,042,620
Korea Western Power Co., Ltd.	Other income/Other expenses	14,198,795	-	29,101,500	1,920,000
Korea South-East Power Co., Ltd.	Other income/Other expenses	14,198,795	-	148,192,670	-
Korea Midland Power Co., Ltd.	Other income	14,198,795	500,050,000	-	-
KEPCO Data Network Co., Ltd.	Commission	-	-	14,909,811,461	14,999,852,897
Korea Power Exchange	Other income/Electric power transaction commission	61,496,693,196	44,340,529,780	757,865,374	341,761,711
		₩ 5,690,098,798,683	₩ 5,889,137,785,312	₩ 1,503,990,932,932	₩ 2,076,612,198,761

40. Related party disclosures (cont'd)

Outstanding balances of receivables and payables with related parties above as of December 31, 2024 and 2023 are as follows (Korean won):

Related party	Transaction	Receivables		Payables	
		Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
KEPCO	Trade receivables /payables	₩ 444,388,915,978	₩ 360,832,506,805	₩ 891,740,254	₩ 769,059,498
	Other receivables, accrued income/Other payables, dividend payables	177,211,372,310	183,016,695,331	3,419,421,735	300,818,869,343
Korea Offshore Wind Power Co., Ltd.	Other receivables	242,775,810	263,517,390	-	-
KEPCO ES Co., Ltd	Other receivables	-	790,000,000	-	-
KEPCO Solar Co., Ltd.	Other receivables	-	869,130,000	-	-
GS Donghae Electric Power Co., Ltd.	Other payables	-	-	-	73,179,270
Taebaek Gadeoksan Wind Power Co., Ltd.	Other receivables	24,380,055	1,473,070,182	-	-
Guam Ukudu Power LLC	Other receivables	1,193,684,522	-	-	-
Goheungsin Energy Co., Ltd	Other receivables	8,292,940	-	-	-
KPE Green Energy Co., Ltd.	Trade receivables	129,651,694	-	-	-
Amaala Sustainable Company for Energy LLC	Other receivables	522,514,366	-	-	-
Dangjin Eco Power Corporation	Other payables	-	-	180,688,311	175,901,708
Seokmun Energy Co., Ltd.	Other receivables	862,237,516	199,142,998	-	-
Chuncheon Energy Co., Ltd.	Other receivables	-	165,000,000	-	-
Yeonggwang Wind Power Co., Ltd	Other receivables	57,860,000	56,149,500	-	-
Yeonggwangbaeksu Wind Power Co., Ltd.	Trade receivables	178,248,794	-	-	-
DE Energia SpA	Loans and others	11,590,263,510	9,778,208,738	-	-
South Jamaica Power Company Limited	Trade receivables	90,703,470	79,559,892	-	-
Jamaica Public Service Company Limited	Trade receivables/Other payables	1,941,027,340	1,506,163,755	531,656,244	295,020,077
Columboola Solar Farm Hold Co Pty, Ltd.	Other receivables	858,251,603	-	-	-
Daesan Green Energy Co., Ltd.	Loans and others	2,702,007,811	2,580,632,142	-	-
Light Solar Energy Co., Ltd.	Loans and others	3,609,633,280	3,166,514,080	-	-
Yangyang Wind Power Co., Ltd.	Loans and others	3,419,021,655	3,269,222,655	-	-
Cheongju Eco Park Co., Ltd	Other receivables/Other payables	13,461,278,381	6,898,804,785	2,853,302,811	-
Seokmun Green Energy Co., Ltd.	Other receivables	34,132,074	-	-	-
Korea Gas Corporation	Trade payables	-	-	69,619,527,220	118,196,946,260
KEPCO Plant Service & Engineering Co., Ltd.	Other payables	-	-	18,520,866,575	21,923,198,520

40. Related party disclosures (cont'd)

Related party	Transaction	Receivables		Payables	
		Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Korea Electric Power Industrial Development Co., Ltd.	Trade payables	₩ -	₩ -	₩ 1,290,811,068	₩ 2,021,041,000
KEPCO Engineering & Construction Company, Inc.	Other payables	-	-	1,426,104,790	-
Korea Southern Power Co., Ltd.	Other receivables/ Other payables	350,271,139	-	-	277,700,557
Korea Western Power Co., Ltd.	Other receivables/ Other payables	339,142,823	-	2,112,000	2,112,000
Korea South-East Power Co., Ltd.	Other receivables/ Other payables	332,589,580	1,408,923	35,381	47,387
Korea Midland Power Co., Ltd.	Other receivables	726,480,434	-	-	-
KEPCO Data Network Co., Ltd.	Other payables	-	-	-	973,976,070
Korea Power Exchange	Other payables	-	-	-	393,282
KDB Bank	Borrowings	-	-	49,585,750,000	45,231,700,000
		₩ 664,274,737,085	₩ 574,945,727,176	₩ 148,322,016,389	₩ 490,759,144,972

Details of changes in loans for related parties above for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	Company name	2024				
		Jan. 1	Loan	Collection	Foreign currency translation loss	Dec. 31
Joint venture	DE Energia SpA (*1)	₩ 7,385,812,140	₩ -	₩ -	₩ 1,034,494,860	₩ 8,420,307,000
Joint venture	Light Solar Energy Co., Ltd. (*2)	3,165,280,000	-	-	-	3,165,280,000
Joint venture	Daesan Green Energy Co., Ltd.(*3)	2,410,847,000	80,401,752	-	-	2,491,248,752
Joint venture	Yandyang Wind Power Co., Ltd.(*4)	3,256,500,000	-	-	-	3,256,500,000
		₩ 16,218,439,140	₩ 80,401,752	₩ -	₩ 1,034,494,860	₩ 17,333,335,752

(*1) The Group loaned operating funds to DE Energia SpA, a joint venture, with an interest rate of 7.0%
(*2) The Group loaned operating funds to Light Solar Energy Co., Ltd., a joint venture, with an interest rate of 7.0%.
(*3) The Group loaned operating funds Daesan Green Energy Co., Ltd. a joint venture, with an interest rate of 4.6%.
(*4) The Group provided equipment investment funds to Yangyang Wind Power Co., Ltd., a joint venture, and the interest rate applied to this loan is based on the current account loan interest rate specified in Article 52, Paragraph 2 of the Corporate Tax Law.

	Group name	2023				
		Jan. 1	Loan	Collection	Foreign currency translation loss	Dec. 31
Joint venture	DE Energia SpA (*1)	₩ 7,259,221,130	₩ -	₩	₩ 126,591,010	₩ 7,385,812,140
Joint venture	Light Solar Energy Co., Ltd. (*2)	3,165,280,000	-	-	-	3,165,280,000
Joint venture	Daesan Green Energy Co., Ltd.(*3)	3,513,755,000	190,351,102	(1,293,259,102)	-	2,410,847,000
Joint venture	Yangyang Wind Power Co., Ltd.(*4)	-	3,256,500,000	-	-	3,256,500,000
		₩ 13,938,256,130	₩ 3,446,851,102	₩ (1,293,259,102)	₩ 126,591,010	₩ 16,218,439,140

(*1) The Group loaned operating funds to DE Energia SpA, a joint venture, with an interest rate of 7.0%
(*2) The Group loaned operating funds to Light Solar Energy Co., Ltd., a joint venture, with an interest rate of 7.0%.
(*3) The Group loaned operating funds Daesan Green Energy Co., Ltd. a joint venture, with an interest rate of 4.6%.
(*4) The Group provided equipment investment funds to Yangyang Wind Power Co., Ltd., a joint venture, and the interest rate applied to this loan is based on the current account loan interest rate specified in Article 52, Paragraph 2 of the Corporate Tax Law.

40. Related party disclosures (cont'd)

Derivatives transactions with related parties above for the year ended December 31, 2024 are as follows (Korean won and USD):

			2024				
	Company name	Contract period	Sale price	Purchase price	Sale interest rate (%)	Purchase interest rate (%)	Contract exchange rate
Cash flow hedge	KDB Bank	2020.05 ~ 2025.05	₩ 122,780,000,000	$ 100,000,000	0.93	1.75	1,227.8
	KDB Bank	2022.05 ~ 2025.05	252,360,000,000	200,000,000	2.83	3.60	1,261.8
	KDB Bank	2023.07 ~ 2028.07	129,500,000,000	100,000,000	3.85	4.88	1,295.0

Borrowings arising from related-party transactions as of December 31, 2024 are as follows (Korean won):

	Company name	Jan.1	Borrowing	Repayment	Dec. 31
Other related party	KDB Bank(*)	₩ 45,231,700,000	₩ 4,853,300,000	₩ (499,250,000)	₩ 49,585,750,000

(*) The Group has borrowed facility funds and other loans from KDB Bank. The interest rates on these borrowings are Unsecured Corporate Bond Rate+0.9% and 4.94%.

Borrowings arisen from related-party transactions as of December 31, 2023 are as follows (Korean won):

	Company name	Jan.1	Borrowing	Dec. 31
Other related party	KDB Bank(*)	₩ 20,961,700,000	₩ 24,270,000,000	₩ 45,231,700,000

(*) The Group has borrowed facility funds and other loans from KDB Bank. The interest rates on these borrowings are Unsecured Corporate Bond Rate+0.9% and 4.94%.

The changes in investments in related parties for the years ended December 31, 2024 and 2023 are as follows (Note 14) (Korean won):

	2024		
	Company name	Capital contribution	Termination
Associate	Amaala Sustainable Company for Energy LLC	₩ 17,891,000	₩ -
Joint venture	Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	-	(68,040,000)
Joint venture	Fairhaven Energy Storage, LLC	1,505,424,479	-
		₩ 1,523,315,479	₩ (68,040,000)

	2023		
	Company name	Capital contribution	Termination
Associate	Hoenggye Renewable Energy Co., Ltd.	₩ 2,374,782,880	₩ -
Joint venture	Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	-	(96,300,000)
Joint venture	Geumyang Eco Park Co., Ltd.	3,663,000,000	-
		₩ 6,037,782,880	₩ (96,300,000)

40. Related party disclosures (cont'd)

Details of guarantees provided to related parties above as of December 31, 2024 are as follows (USD):

Provider	Provided	Description	Credit limit	Financial institution
Korea East-West Power Co., Ltd.	PT.Tanjung Power Indonesia (*1)	Water change cost payment guarantee	$ 3,150,000	PT Adaro Indonesia
	South Jamaica Power Company Limited (*2)	PPA L/C	6,750,000	Hana Bank
	South Jamaica Power Company Limited (*2)	GSA L/C	7,650,000	Hana Bank
	Guam Ukudu Power LLC (*3)	Guarantee for payment of capital-linked borrowings	66,000,000	KDB Bank
	Guam Ukudu Power LLC (*4)	PPA L/C	31,328,000	ANZ Bank
	Amaala Sustainable Company for Energy LLC (*5)	Guarantee for payment of capital-linked borrowings	33,853,628	FAB
	Amaala Sustainable Company for Energy LLC (*5)	Guarantee for payment of capital-linked borrowings	4,200,000	FAB

(*1) The Group guarantees the payment of borrowings and water change cost of PT. Tanjung Power Indonesia. Payment guarantee for water change cost has not been implemented yet.
(*2) It is an L/C opening guarantee for the execution of each contract in connection with the power sales contract and gas supply contract of South Jamaica Power Company Limited, a joint venture of the Group.
(*3) The Group guarantees the payment of capital-linked borrowings of Guam Ukudu Power LLC, an associate of the Group.
(*4) It is an L/C opening guarantee for the execution in connection with the power sales contract of Guam Ukudu Power LLC, an associate of the Group.
(*5) It is EBL payment and hedging guarantee provided for Amaala Sustainable Company for Energy LLC, an associate of the Group.

Salary and other compensation to the key members of management for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Short-term salaries	₩ 561,575,036	₩ 647,007,852
Retirement benefits expenses	39,753,631	30,992,884
	₩ 601,328,667	₩ 678,000,736

40. Related party disclosures (cont'd)

As of December 31, 2024, the Group pledged its shares in investees as collateral on behalf of borrowings for related parties above as follows (Korean won):

Lender	Borrower	Collateral	Total collateral limit
Shinhan Bank and others	Honam Wind Power Co., Ltd	Shares in Honam Wind Power Co., Ltd.	₩ 4,833,222,781
Shinhan Bank and others	Busan Industry Solar Co., Ltd.	Shares in Busan Industry Solar Co., Ltd.	1,159,740,445
Hana Bank and others	Yangyang Wind Power Co., Ltd	Shares in Yangyang Wind Power Co., Ltd	11,639,622,321
Hana Bank and others	KPE Green Energy Co., Ltd.	Shares in KPE Green Energy Co., Ltd.	8,229,844,886
KDB Bank and others	GS Donghae Electric Power Co., Ltd.	Shares in GS Donghae Electric Power Co., Ltd.	279,432,019,874
Kookmin Bank and others	Yeonggwangbaeksu Wind Power Co., Ltd.	Shares in Yeonggwangbaeksu Wind Power Co., Ltd.	3,729,607,830
Kookmin Bank and others	Chuncheon Energy Co., Ltd.	Shares in Chuncheon Energy Co., Ltd.	36,598,612,439
Kookmin Bank and others	Seokmun Energy Co., Ltd.	Shares in Seokmun Energy Co., Ltd.	15,455,862,082
KDB Capital Corp. and others	Yeonggwang Wind Power Co., Ltd.	Shares in Yeonggwang Wind Power Co., Ltd.	26,146,093,646
Woori Bank and others	Korea Offshore Wind Power Co., Ltd	Shares in Korea Offshore Wind Power Co., Ltd	24,862,903,825
IBK Bank	Daesan Green Energy Co., Ltd.	Shares in Daesan Green Energy Co., Ltd.	25,330,883,475
Hana Bank and others	Taebaek Gadeoksan Wind Power Co., Ltd.	Shares in Taebaek Gadeoksan Wind Power Co., Ltd.	22,908,062,403
Mirae Asset Life Insurance and others	Light Solar Energy Co., Ltd.	Shares in Light Solar Energy Co., Ltd.	-
Kyobo Life Insurance and others	Cheongju Eco Park Co., Ltd.	Shares in Cheongju Eco Park Co., Ltd.	10,636,229,347
Woori Bank and others	Goheungsin Energy Co., Ltd	Shares in Goheungsin Energy Co., Ltd	4,817,594,346
MUFG Bank Ltd. and others	PT.Tanjung Power Indonesia	Shares in PT.Tanjung Power Indonesia	100,579,334,520
JCSD Trustee Services Ltd. and others	South Jamaica Power Company Limited	Shares in South Jamaica Power Company Limited	48,761,339,130
ANZ and others	Columboola Solar Farm Hold Co Pty., Ltd.	Shares in Columboola Solar Farm Hold Co Pty., Ltd.	65,439,689,465
Hana Bank and others	Seokmun Green Energy Co., Ltd.	Shares in Seokmun Green Energy Co., Ltd.	12,744,712,892
KDB Bank	Yanggu Floating Solar Power Co., Ltd..	Shares in Yanggu Floating Solar Power Co., Ltd..	846,105,265
Woori Bank and others	Geumyang Eco Park Co., Ltd.	Shares in Geumyang Eco park Co., Ltd.	3,841,293,863
IBK Bank	Hoenggye Renewable Energy Co., Ltd	Shares in Hoenggye Renewable Energy Co., Ltd	2,374,782,880
MUFG Union Bank N.A.	Guam Ukudu Power LLC	Shares in Guam Ukudu Power LLC	-
First Abu Dhabi Bank PJSC	Amaala Sustainable Company for Energy LLC	Shares in ASCE	17,891,000

As of December 31, 2024, the details of the funding agreement provided to a related party of the Group are as follows:

1) The Group has an obligation to fund expenses of settlement through the execution of subordinated loans or deferred payment in accordance with settlement procedure agreement when net operating cash inflow under the loan agreement with Daesan Green Energy Co., Ltd., an associate of the Group, does not meet the risk sharing standard and the cash flow at the end of the quarter of Daesan Green Energy Co., Ltd. is expected to be negative.

Regarding the above fund replenishment agreement, the Group has lent loans of ₩2,491,248,752 to Daesan Green Energy Co., Ltd. as of December 31, 2024.

40. Related party disclosures (cont'd)

2) Chuncheon Energy Co., Ltd., a joint venture of the Group, has entered into a loan agreement with the 1st Newstar Chuncheon Co., Ltd. Related to this agreement, the Group has obligation to purchase the underlying asset or replenish funds (total collateral limit of ₩90,800,000,000) if Chuncheon Energy Co., Ltd. cannot pay the interest and proceeds of the loan agreed in advance for the underlying assets (subordinated loan and fund beneficiary certificates) or new securitization securities (commercial paper or short-term bonds) issued by 1st Newstar Chuncheon Co., Ltd. are not refinanced.

In addition to the above, the details of the funding agreements provided by the Group to related parties above as of December 31, 2024 are as follows:

	Funding arrangements
Hoenggye Renewable Energy Co., Ltd	Investors in Hoenggye Renewable Energy Co., Ltd. should provide funding through additional investment or subordinated loans in case of the need for procurement of excess business expenses until completion of overall construction.
Geumyang Eco Park Co., Ltd.	Investors in Geumyang Eco Park Co., Ltd. should provide funding through additional investment or subordinated loans in case of the need for procurement of excess business expenses until completion of overall construction.
Seokmun Energy Co., Ltd.	Investors other than the controlling company of Seokmun Energy Co., Ltd., a joint venture, should make additional investment in a form of additional equity capital injection or subordinated loan when operating expenses or loan principal repayment funds are insufficient. In case there are investors who cannot fulfill this obligation, the Group shall fulfill the obligation on behalf.
Yangyang Wind Power Co., Ltd	When excess cost occurs due to reasons such as an increase in construction costs during the construction or before its completion, investors in Yangyang Wind Power Co., Ltd., a joint venture, should fund the costs in a form of additional equity capital injection or subordinated loan.
PT.Tanjung Power Indonesia	When total required investment costs increase due to an increase in construction costs for instance, investors of PT.Tanjung Power Indonesia, a joint venture, should fund excess costs in a form of additional equity capital injection or subordinated loan.
Columboola Solar Farm Hold Co Pty., Ltd.	When a default occurs on the loan agreement obligations as specified in the loan agreement, the investors of Columboola Solar Farm Hold Co Pty., Ltd., a joint venture, may provide funds as additional capital investment.
Amaala Sustainable Company for Energy LLC	Investors of Amaala Sustainable Company for Energy LLC, an associate of the Group, are required to provide funding through shareholder loans or other means if additional project costs need to be covered until the final completion or if approved funding or emergency funding needs to be supplemented in accordance with the conditions set forth in the shareholders' agreement.

40. Related party disclosures (cont'd)

Details of non-monetary transactions with related parties above for the years ended December 31, 2024 and 2023 are as follows (Korean won):

Related party	Transaction	Lending, etc.		Borrowing, etc.	
		2024	2023	2024	2023
Korea South-East Power Co., Ltd.	Bituminous coal swap	₩ 23,861,301,048	₩ -	₩ 26,602,804,639	₩ -
Korea Western Power Co., Ltd.		8,020,092,849	-	9,364,204,915	-
Korea Southern Power Co., Ltd..		17,256,895,454	10,874,931,750	17,339,114,883	9,067,302,340
GS Donghae Electric Power Co., Ltd.		3,071,963,510	11,830,267,146	3,463,038,240	-
		₩ 52,210,252,861	₩ 22,705,198,896	₩ 56,769,162,677	₩ 9,067,302,340

41. Supplementary cash flow information

Significant transactions not involving cash flows for the years ended December 31, 2024 and 2023 are as follows (Korean won):

	2024	2023
Transfer from construction-in-progress to depreciable assets	₩ 420,488,625,935	₩ 513,017,875,768
Transfer from bonds and long-term borrowings to current portion of those	1,487,492,633,237	305,408,126,639
Effect of increase in right-of-use asset	7,884,575,857	3,869,526,055
Recognition of provision for decommissioning cost	3,011,577,383	-

41. Supplementary cash flow information (cont'd)

Details of changes in liabilities arising from financial activities for the years ended December 31, 2024 and 2023 are as follows (Korean won):

<2024>

	Jan. 1, 2024	Cash flow	Non-cash change			Dec. 31, 2024
			Exchange rate fluctuation	Changes in fair value	Other	
Short-term borrowings	₩ -	₩ 80,000,000,000	₩ -	₩ -	₩ -	₩ 80,000,000,000
Long-term borrowings	115,691,968,627	2,142,240,001	-	-	31,346,324	117,865,554,952
Bonds	3,629,863,672,390	(160,757,591,600)	242,857,342,453	-	6,242,839,491	3,718,206,262,734
Lease liabilities	396,055,530,472	(64,513,388,983)	43,506,427,019	-	16,821,677,110	391,870,245,618
Assets held in order to hedge exchange rate risk of foreign currency bonds	(34,788,778,236)	18,691,078,433	-	(244,126,056,833)	(18,691,078,433)	(278,914,835,069)
Total liabilities from financing activities	₩ 4,106,822,393,253	₩ (124,437,662,149)	₩ 286,363,769,472	₩ (244,126,056,833)	₩ 4,404,784,492	₩ 4,029,027,228,235

<2023>

	Jan. 1, 2023	Cash flow	Non-cash change			Dec. 31, 2023
			Exchange rate fluctuation	Changes in fair value	Other	
Short-term borrowings	₩ 100,000,000,000	₩ (100,000,000,000)	₩ -	₩ -	₩ -	₩ -
Long-term borrowings	74,501,915,635	41,158,706,668	-	-	31,346,324	115,691,968,627
Bonds	3,678,439,780,263	(71,628,652,092)	17,238,222,475	-	5,814,321,744	3,629,863,672,390
Lease liabilities	440,101,400,111	(63,629,011,640)	6,216,435,335	-	13,366,706,666	396,055,530,472
Assets held in order to hedge exchange rate risk of foreign currency bonds	(83,764,385,920)	92,145,536,282	-	(20,090,514,444)	(23,079,414,154)	(34,788,778,236)
Total liabilities from financing activities	₩ 4,209,278,710,089	₩ (101,953,420,782)	₩ 23,454,657,810	₩ (20,090,514,444)	₩ (3,867,039,420)	₩ 4,106,822,393,253

42. Commitments and contingencies

Legal contingencies

Details of significant pending lawsuits and total claims against the Group as of December 31, 2024 and 2023 are as follows (Korean won):

	Dec. 31, 2024 (*)			Dec. 31, 2023		
	Litigation in progress	Litigation values		Litigation in progress	Litigation values	
Pending lawsuits	18 cases	₩	65,515,385,848	19 cases	₩	38,751,076,436

(*) Details of major pending lawsuits (appeals) as of December 31, 2024 are as follows. (Korean won):

Court	Complainant	The accused	Contents	Litigation values		Status
Seoul High Court	Kyeongnam enterprise's manager Lee xx	The Company	Construction price, etc. (*).	₩	9,430,021,034	Second trial
Supreme Court	Glory ENC Co., Ltd	The Company	Trade payables		400,000,000	Third trial
Busan High Court	Thezon Bizon	The Company	Qualification limit for bidding participation		50,000,000	Second trial
Ulsan District Court	Jiseung Tech. Wooyang	The Company	Qualification limit for bidding participation		50,000,000	First trial
Daejeon High Court	Eoh xx	The Company	Compensation for losses (related to LNG power plant land compensation)		66,577,500	Second trial
Daejeon District Court	Jeong xx and 125 others	The Company	Claim for damages due to discrimination		159,736,934	First trial
Seoul Central District Court	C&G High-tech.	The Company	Loss compensation		4,812,219,688	First trial
Ulsan District Court	Lee xx and 185 others	The Company	Loss compensation		429,284,230	First trial
Suwon District Court	Bitro Tech.	The Company	Damages sought		1,805,031,010	First trial
Ulsan District Court	Ahn xx and other	The Company	Wage claim		195,811,222	First trial
Seoul Central District Court	Cardinal Infotech.	The Company	Loss compensation		50,000,000	First trial
Ulsan District Court	Choi xx	The Company	Debt recovery lawsuit		29,276,219	First trial
Busan High Court	Herb Co., Ltd.	The Company	Claim for invalidity of a bid and related Matters		85,753,800	Second trial
Ulsan District Court	Oh xx	The Company	Trade payables		137,600,000	First trial
KCAB	HPS	The Company	Claim for additional construction costs		15,000,000,000	Arbitration
KCAB	KC Cottrell	The Company	Claim for additional construction costs		1,000,000,000	Arbitration
KCAB	HJ Heavy Industry	The Company	Claim for construction costs		31,714,074,211	Arbitration
Suwon District Court	Baek xx	The Company	Loss compensation		100,000,000	First trial

(*) As the first-instance lawsuit was concluded, a portion of the litigation amount was paid for the year ended December 31, 2024.

As of December 31, 2024, the Group has recognized a litigation provision of ₩400,000,000 in connection with the aforementioned lawsuit. While the outcomes of lawsuits other than those for which litigation provisions have been established cannot be predicted with certainty, the Group's management anticipates that the results of such lawsuits are unlikely to have a significant impact on the Group's operations or financial condition.

Guarantees

The Group has no debt guarantee agreement provided other than related parties as of December 31, 2024.

42. Commitments and contingencies (cont'd)

Purchase agreements

The Group has key purchase agreements for raw materials and details as of December 31, 2024 are as follows:

Raw material	Supply source	Contract period	Annual contract quantity (Tons in thousand)
Bituminous coal	Australia	2009-2027	4,080
	Indonesia	2022-2027	4,130
	Russia	2015-2026	2,295
	U.S.A	2010-2026	2,575
	Colombia	2017-2026	2,060
	South Africa	2023-2026	150
LNG	U.S.A, Russia, etc.(*)	2025-2040	300

(*) Expected period of LNG supply for contracts signed in 2021.

42. Commitments and contingencies (cont'd)

As of December 31, 2024, the Group maintains lines of credit with various financial institutions, and the details are as follows (Korean won and USD):

	Financial institution	Executed amount		Credit limit	
Certification of payment on L/C	Shinhan Bank	USD	14,705,703	USD	80,000,000
	Kookmin Bank	USD	20,860,052	USD	145,000,000
	Woori Bank	USD	-	USD	27,000,000
	Hana Bank	USD	139,918	USD	53,250,000
Commitments on bank-overdraft	Hana Bank	KRW	-	KRW	20,000,000,000
Loan limit	Shinhan Bank	USD	-	USD	20,000,000
	DBS	USD	-	USD	10,000,000
	Industrial & Commercial Bank of China	KRW	-	KRW	20,000,000,000
	KDB Bank	KRW	9,485,750,000	KRW	10,000,000,000
	Shinhan Bank	KRW	6,639,550,000	KRW	7,000,000,000
	NH Property & Casualty Insurance Co., Ltd.	KRW	18,970,550,000	KRW	20,000,000,000
Loan limit secured by bonds(*)	KDB Bank	KRW	40,100,000,000	KRW	40,100,000,000
	Woori Bank	KRW	40,100,000,000	KRW	40,100,000,000
	Shinhan Bank	KRW	-	KRW	5,000,000,000
	Woori Bank	KRW	-	KRW	1,000,000,000
	Kookmin Bank	KRW	-	KRW	5,000,000,000
	NH Bank	KRW	-	KRW	5,000,000,000
	IBK Bank	KRW	-	KRW	5,000,000,000
	Hana Bank	KRW	-	KRW	10,000,000,000
Energy use rationalization loan	Hana Bank	KRW	1,931,550,000	KRW	5,151,000,000
	Hana Bank	KRW	787,050,000	KRW	2,099,000,000
Others	Australia and New Zealand Banking	USD	31,328,000	USD	31,388,000
	Hana Bank	USD	14,400,000	USD	14,400,000
	MUFG UNION BANK N.A.	USD	59,836,801	USD	66,000,000
	First Abu Dhabi Bank PJSC	USD	38,053,628	USD	38,053,628

(*) In relation to the mutual cooperation agreement allowing cooperative companies of the Group to pledge accounts receivable to the Group and execute loans from financial institutions, the limit refers to the loan amount cooperative companies of the Group can obtain from financial institutions based on this agreement.

For the steady supply of raw materials, the Group holds long-term contracts for bituminous coal shipments and details are as follows:

Company	Ship	Contract period
NYK Line Co., Ltd.	OCEAN PROMETHEUS	2007.06–2025.05
NYK Bulk ship Korea	ORIENTAL NAVIGATOR	2010.02–2025.01
H-Line Shipping Co., Ltd.	HL.Dangjin	2011.09–2029.08
NYK Bulk ship Korea	ORIENTAL LEADER	2013.03–2028.02
Hansung Line Co., Ltd.	OCEAN CARRIER	2013.05–2028.04
NYK Bulk ship Korea	Frontier Discovery	2018.01–2032.12
Pan Ocean Co., Ltd.	Pan Dangjin	2018.09–2036.08
Polaris Shipping Co., Ltd.	Solar Legend	2019.02–2034.01

In accordance with the 'Basic Plan for the Establishment of KEPCO Technology University (July 2019)', Korea Institute of Energy Technology (KENTECH) was established in April 2020. Under the Korea Institute of Energy Technology Act, the nation, local governments and public institutions, including the Group, may provide contributions. The Group determines contributions through board resolutions after consulting with relevant institutions, considering its financial situation each year.

42. Commitments and contingencies (cont'd)

As of December 31, 2024, the Group has pledged the following assets as collateral for its borrowings (Korean won):

Pledger	Secured Party	Collaterals	Book value	Collateral limit	Objective
Gyeongju Wind Power Co., Ltd.	Shinhan Bank and others	Deposits pledged	₩ 14,174,406,208	₩ 68,400,000,000	Financing to invest for construction and operation of wind power plant
		Accounts receivable pledged by means of transfer	7,881,165,929		
		Facilities pledged by means of transfer	62,825,096,472		
			84,880,668,609	68,400,000,000	
Yeongdeok Sunrise Wind Power Co., Ltd.	KDB and others	Deposits pledged	3,773,550,690	96,240,000,000	Project financing
		Land	2,296,324,283		
		Machinery, etc.	100,915,232,792		
			106,985,107,765	96,240,000,000	
		Total	₩ 191,865,776,374	₩ 164,640,000,000	

The Group is obligated to supply a certain portion of its total annual power generation using renewable energy sources in accordance with the 'New and Renewable Energy Development, Utilization and Deployment Promotion Act.'

Under this Act, obligated suppliers can fulfill their requirements either by utilizing their own power generation facilities or by purchasing Renewable Energy Certificates (hereinafter 'REC'). The costs incurred for compliance are reimbursed by Korea Electric Power Corporation (KEPCO) in accordance with relevant regulations.

To meet its obligations, the Group has entered into contracts with multiple counterparties to purchase 'SMP (System Marginal Price per kWh) + REC 1 unit' at a fixed price for a specified period. The purchase amounts paid to counterparties are reimbursable by KEPCO over the contract period.

As of December 31, 2024, the Group's total contracted capacity under fixed-price REC contracts amounts to 2,479,199 kW for solar power, 67,200 kW for wind power, and 318,240 kW for other sources.

43. Subsequent events

Lease

The Group entered into the following long-term contracts for bituminous coal shipments after the reporting period.

Company	Ship	Contract period
NYK Bulk ship Korea	ORIENTAL FRONTIER	2025.01–2027.03

Corporate bond payables

The Group issued the following bonds after the reporting period (Korean won):

Issuance	Maturity	Annual interest rate (%)	Amount
2025.03.07	2027.03.05	2.860	₩ 170,000,000,000
2025.03.07	2028.03.07	2.894	60,000,000,000
2025.03.07	2030.03.07	2.994	40,000,000,000
			₩ 270,000,000,000

44. The approval of the financial statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2024 are scheduled to be approved at the shareholder's meeting to be held on March 28, 2025.

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Independent auditors' report

Based on a report originally issued in Korean

To the Shareholder and the Board of Directors of
Korea East-West Power Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Korea East-West Power Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including information of 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards.

Basis for opinion

We conducted our audits in accordance with Korean Standards on Auditing. 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 in the Republic of Korea that are relevant to our audit of the consolidated financial statements, 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, users of this audit report need to pay attention to the following matter. As explained in Note 2 to the consolidated financial statements, for those matters not specified in Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards, the accompanying consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards.

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 Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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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 Korean Standards on Auditing 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 Korean Standards on Auditing, 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 in the preparation of the consolidated financial statements 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 audit of the Group. 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.

Other matter
Auditing standards and their application in practice vary among countries. The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

Hanul LLC

Seoul, Korea
March 8, 2024

This audit report is effective as of the date of this audit report. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the audit report date to the time this audit report is read. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Korea East-West Power Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of December 31, 2023 and 2022

(Korean Won)

	Notes		2023		2022
Assets					
Current assets					
Cash and cash equivalents	5,6,38,39,42	₩	318,621,809,707	₩	77,789,753,698
Current financial assets	6,7,10,11,38,39,40		185,216,732,209		171,978,187,113
Trade and other receivables	8,38,39,40		635,365,144,516		1,040,271,005,863
Inventories	12		212,812,720,388		401,057,284,572
Current income tax receivables			23,334,799		82,657,464
Current non-financial assets	13		55,480,427,601		115,598,437,048
			1,407,520,169,220		1,806,777,325,758
Non-current assets					
Non-current financial assets	6,7,9,10,11,38,39,40		2,319,549,327,342		2,339,504,285,827
Long-term trade and other receivables	8,38,39,40		17,263,249,462		17,509,342,869
Property, plant and equipment, net	15,19,23		6,907,820,144,620		6,832,455,435,873
Goodwill	16		104,241,793,070		104,090,158,451
Intangible assets excluding goodwill	17		253,005,970,263		258,539,352,784
Investments in associates and joint ventures	14,40		1,105,128,364,930		1,065,051,349,781
Deferred tax assets	35		386,099,657		625,581,532
Non-current non-financial assets	13		24,224,305,683		23,751,533,727
			10,731,619,255,027		10,641,527,040,844
Total assets		**₩**	**12,139,139,424,247**	**₩**	**12,448,304,366,602**
Liabilities and equity					
Current liabilities					
Trade and other payables	18,19,38,39,40,41	₩	769,320,760,121	₩	633,117,066,341
Current financial liabilities	7,20,38,39,40,41		417,986,308,164		809,250,022,922
Current non-financial liabilities	24		25,925,158,683		19,506,438,670
Current portion of provisions	22,39,40		56,135,092,715		150,999,097,617
Current income tax liabilities			24,079,938,208		13,636,433,459
			1,293,447,257,891		1,626,509,059,009
Non-current liabilities					
Long-term trade and other payables	18,19,38,39,41		333,459,385,389		377,638,990,806
Non-current financial liabilities	7,20,38,39,40,41		3,328,302,914,145		3,056,673,446,927
Non-current non-financial liabilities	24		44,158,141,834		62,603,638,904
Defined benefit obligation	21,39		11,076,658,974		18,165,223,839
Deferred tax liabilities	35		749,421,708,593		762,948,241,668
Provisions	22,39,40		4,005,720,080		4,299,434,999
			4,470,424,529,015		4,282,328,977,143
Total liabilities			**5,763,871,786,906**		**5,908,838,036,152**
Equity					
Issued capital	1,25		2,218,598,774,310		2,218,598,774,310
Retained earnings	26,27		2,504,613,080,536		2,644,917,301,984
Other components of equity	7,9,14,28,38		1,621,387,720,875		1,644,438,456,377
Equity attributable to owners of the parent			6,344,599,575,721		6,507,954,532,671
Non-controlling interests			30,668,061,620		31,511,797,779
Total equity			**6,375,267,637,341**		**6,539,466,330,450**
Total liabilities and equity		**₩**	**12,139,139,424,247**	**₩**	**12,448,304,366,602**

The accompanying notes are an integral part of the consolidated financial statements.

Korea East-West Power Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for the years ended December 31, 2023 and 2022

(Korean Won)

	Notes	2023	2022
Sale of goods		₩ 5,618,899,092,340	₩ 6,989,628,907,688
Rendering of services		3,302,360,517	3,874,561,625
Revenue	4,29,40	**5,622,201,452,857**	**6,993,503,469,313**
Cost of sales	36,40	5,290,042,397,644	6,797,843,831,529
Gross profit		**332,159,055,213**	**195,659,637,784**
Selling and administrative expenses	15,17,19,20, 21,30,36,40	179,426,021,854	185,463,647,338
Operating profit		**152,733,033,359**	**10,195,990,446**
Other income	31,40	14,205,575,102	29,485,888,585
Other expenses	31	(16,310,658,718)	(11,671,711,774)
Other profit or loss	32,38,39	(33,494,744,212)	(21,439,017,225)
Finance income	7,33,38,39, 40	185,893,158,995	315,055,657,899
Finance costs	7,19,34,38, 39	(182,646,489,234)	(320,262,369,717)
Gain on investments in associates and joint ventures	14	99,367,445,868	97,847,322,829
Profit for the year before tax		**219,747,321,160**	**99,211,761,043**
Income tax expense(benefit)	35	42,791,991,074	(6,449,778,530)
Profit for the year		**176,955,330,086**	**105,661,539,573**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain (loss) on defined benefit plans	21,26	(7,535,610,507)	24,436,995,852
Gain (loss) on valuation of financial assets at FVOCI	9,38	(34,335,404,865)	1,511,976,926,203
Share of other comprehensive loss of associates and joint ventures in equity method	14	(7,431,179,080)	(2,875,580,605)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net gain (loss) on cash flow hedges	7,38	6,248,217	(5,445,397,454)
Share of other comprehensive income of associates and joint ventures in equity method	14	10,459,340,391	37,494,018,990
Exchange differences on translation of foreign operations		819,080,755	2,095,237,479
Other comprehensive income(loss) for the year, net of tax		**(38,017,525,089)**	**1,567,682,200,465**
Total comprehensive income for the year, net of tax		**₩ 138,937,804,997**	**₩ 1,673,343,740,038**
Profit for the year, attributable to:			
Owners of the parent		₩ 175,094,796,288	₩ 102,496,208,008
Non-controlling interests		1,860,533,798	3,165,331,565
		₩ 176,955,330,086	**₩ 105,661,539,573**
Total comprehensive income for the year, attributable to:			
Owners of the parent		₩ 137,081,541,156	₩ 1,670,182,041,035
Non-controlling interests		1,856,263,841	3,161,699,003
		₩ 138,937,804,997	**₩ 1,673,343,740,038**
Earnings per share:	37		
Basic earnings per share		₩ 3,022	₩ 1,769
Diluted earnings per share		₩ 3,022	₩ 1,769

The accompanying notes are an integral part of the consolidated financial statements.

Korea East-West Power Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for the years ended December 31, 2023 and 2022

(Korean Won)

	Attributable to owners of the Company					
	Issued capital	Retained earnings	Other components of equity	Total	Non-controlling interest	Total equity
As of January 1, 2022	₩ **2,218,598,774,310**	₩ **2,525,722,352,731**	₩ **98,317,671,159**	₩ **4,842,638,798,200**	₩ **29,250,098,776**	₩ **4,871,888,896,976**
Profit for the year	-	102,496,208,008	-	102,496,208,008	3,165,331,565	105,661,539,573
Changes in comprehensive income:						
Gain on valuation of financial assets at FVOCI	-	-	1,511,976,926,203	1,511,976,926,203	-	1,511,976,926,203
Net loss on cash flow hedges	-	-	(5,445,397,454)	(5,445,397,454)	-	(5,445,397,454)
Re-measurement gain on defined benefit plans	-	24,440,628,414	-	24,440,628,414	(3,632,562)	24,436,995,852
Share of other comprehensive income (loss) of associates and joint ventures in equity method	-	(2,875,580,605)	37,494,018,990	34,618,438,385	-	34,618,438,385
Exchange differences on translation of foreign operations	-	-	2,095,237,479	2,095,237,479	-	2,095,237,479
Total comprehensive income	-	124,061,255,817	1,546,120,785,218	1,670,182,041,035	3,161,699,003	1,673,343,740,038
Transaction with owner directly reflected in equity:						
Dividends (Note 26)	-	(4,866,306,564)	-	(4,866,306,564)	(900,000,000)	(5,766,306,564)
As of December 31, 2022	₩ **2,218,598,774,310**	₩ **2,644,917,301,984**	₩ **1,644,438,456,377**	₩ **6,507,954,532,671**	₩ **31,511,797,779**	₩ **6,539,466,330,450**
As of January 1, 2023	₩ **2,218,598,774,310**	₩ **2,644,917,301,984**	₩ **1,644,438,456,377**	₩ **6,507,954,532,671**	₩ **31,511,797,779**	₩ **6,539,466,330,450**
Profit for the year	-	175,094,796,288	-	175,094,796,288	1,860,533,798	176,955,330,086
Changes in comprehensive income:						
Loss on valuation of financial assets at FVOCI	-	-	(34,335,404,865)	(34,335,404,865)	-	(34,335,404,865)
Net gain on cash flow hedges	-	-	6,248,217	6,248,217	-	6,248,217
Re-measurement loss on defined benefit plans	-	(7,531,340,550)	-	(7,531,340,550)	(4,269,957)	(7,535,610,507)
Share of other comprehensive income (loss) of associates and joint ventures in equity method	-	(7,431,179,080)	10,459,340,391	3,028,161,311	-	3,028,161,311
Exchange differences on translation of foreign operations	-	-	819,080,755	819,080,755	-	819,080,755
Total comprehensive income (loss)	-	160,132,276,658	(23,050,735,502)	137,081,541,156	1,856,263,841	138,937,804,997
Transaction with owner directly reflected in equity:						
Dividends (Note 26)	-	(300,436,498,106)	-	(300,436,498,106)	(2,700,000,000)	(303,136,498,106)
As of December 31, 2023	₩ **2,218,598,774,310**	₩ **2,504,613,080,536**	₩ **1,621,387,720,875**	₩ **6,344,599,575,721**	₩ **30,668,061,620**	₩ **6,375,267,637,341**

The accompanying notes are an integral part of the consolidated financial statements.

Korea East-West Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for the years ended December 31, 2023 and 2022

(Korean Won)

	2023	2022
Operating activities		
Profit for the year	₩ 176,955,330,086	₩ 105,661,539,573
Adjustments to reconcile profit (loss) for the year to net cash flows provided by operating activities:		
Pension benefit	21,499,816,712	31,122,195,443
Depreciation	736,850,051,451	717,039,787,230
Amortization	16,948,067,400	17,350,409,197
Income tax expense (benefit)	42,791,991,074	(6,449,778,530)
Loss on disposal of property, plant, and equipment	274,725,102	477,035,742
Loss on write-off of property, plant, and equipment	13,862,726,797	14,819,636,067
Loss on write-off of intangible assets	3,000	-
Interest expenses	112,438,959,049	113,281,724,112
Gain on disposal of property, plant, and equipment	(996,897,220)	(1,920,418,176)
Interest income	(15,545,414,055)	(11,587,140,772)
Dividend income	(68,829,603,442)	(103,448,005,172)
Loss on foreign currency translation	28,135,426,045	106,987,014,777
Gain on foreign currency transaction	(3,470,992,423)	(3,603,699,104)
Loss on valuation of financial assets at FVTPL	(3,281,194,459)	6,498,055,668
Loss on disposal of financial assets at FVTPL	(3,638,580,737)	-
Gain on derivative instruments, net	(50,554,885,596)	(156,443,395,839)
Gain on valuation of investments in associates and joint ventures, net	(99,367,464,824)	(98,162,071,250)
Loss on disposal of investments in associates and joint ventures, net	18,956	314,748,421
Net transfer of provisions	16,640,555,723	152,935,194,103
Others	(1,518,910,717)	(1,824,978,966)
Changes in operating assets and liabilities:		
Trade receivables	385,179,604,781	(257,739,015,161)
Accrued income	(112,614,040,001)	79,597,369,914
Other receivables	173,147,325,369	94,344,256,997
Prepayments	(144,618,971)	(18,134,134)
Prepaid expenses	(7,807,698,017)	90,998,308,652
Other current assets	5,631,252,585	(180,477,034)
Inventories	187,196,471,839	(169,079,811,203)
Other non-current assets	(5,477,985)	-
Trade payables	(230,723,987,913)	165,854,725,948
Other payables	55,230,653,795	(19,042,641,194)
Accrued expenses	11,846,064,779	8,823,210,844
Unearned revenue	27,595,703	6,361,346
Withholdings	203,276,277	(7,737,068)
Other current liabilities	1,353,833,509	(85,741,249)
Other non-current liabilities	(21,961,865)	(21,735,767)
Payment of provision	(48,768,303,998)	(51,734,667,278)
Pension benefits paid	(16,545,997,757)	(22,866,771,839)
Increase in plan assets	(23,356,035,121)	(30,536,729,830)
	1,299,021,684,931	771,358,624,468
Dividends received	133,847,508,385	67,639,480,361
Interest paid	(117,335,215,651)	(111,421,372,966)
Interest received	13,779,102,208	9,947,095,512
Income tax paid	(30,209,903,964)	(26,933,281,974)
Net cash flows provided by operating activities	₩ **1,299,103,175,909**	₩ **710,590,545,401**

(Continues)

Korea East-West Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows (cont'd)
for the years ended December 31, 2023 and 2022

(Korean Won)

		2023		2022
Investing activities				
Collection of loans	₩	6,540,481,838	₩	5,278,487,388
Collection of deposits		7,042,526,005		1,488,603,422
Decrease in financial assets at amortized cost		116,560,000		1,326,145,000
Proceeds from disposal of land		354,527,548		404,811,244
Proceeds from disposal of buildings		999,092,310		2,873,632,171
Proceeds from disposal of machinery		236,735,091		9,695,137,492
Proceeds from disposal of vehicles		70,912,000		586,803,141
Proceeds from disposal of tools and equipment		-		14,211,450
Decrease in investments in joint ventures		96,300,000		686,619,000
Proceeds from disposal of other investment assets		32,456,424		-
Net changes in financial assets at FVTPL		(74,496,030,442)		57,591,597,126
Increase in financial assets at amortized cost		(12,538,120,000)		(1,058,490,000)
Increase in investment in associates		(2,374,782,880)		(1,382,500,000)
Increase in investments in joint ventures		(3,663,000,000)		(77,658,324,953)
Increase in loans		(5,721,707,230)		(5,636,378,413)
Payment of deposits		(12,138,454,358)		(14,370,139,870)
Purchase of land		(237,082,512)		(2,065,319,753)
Purchase of buildings		(49,292,000)		(15,823,095)
Purchase of machinery		(20,461,948,957)		(33,810,282,370)
Purchase of vehicles		(35,567,009)		(99,583,902)
Purchase of furniture and fixtures		(37,252,231)		(96,662,355)
Purchase of tools and equipment		(1,421,591)		(86,431,906)
Purchase of construction-in-progress		(788,348,905,745)		(660,289,220,306)
Purchase of intangible assets		-		(9,090,909)
Increase in other investment assets		(45,622,752,185)		(115,302,764,873)
Net cash flows used in investing activities	₩	**(950,236,725,924)**	₩	**(831,934,965,271)**
Financing activities				
Proceeds from short-term borrowings, net		(100,000,000,000)		100,000,000,000
Proceeds from borrowings and bonds		667,711,347,908		826,869,642,163
Repayment of borrowings and bonds		(698,181,293,332)		(850,131,293,332)
Settlement of derivative instruments		91,191,090,966		107,399,817,994
Lease payments		(63,629,011,640)		(59,063,260,781)
Dividends		(3,248,305,525)		(5,766,306,564)
Net cash flows provided by financing activities	₩	**(106,156,171,623)**	₩	**119,308,599,480**
Net foreign exchange difference		(1,878,222,353)		4,346,819,834
Net increase in cash and cash equivalents		240,832,056,009		2,310,999,444
Cash and cash equivalents at January 1		77,789,753,698		75,478,754,254
Cash and cash equivalents at December 31	₩	**318,621,809,707**	₩	**77,789,753,698**

The accompanying notes are an integral part of the consolidated financial statements.

1. Corporate information

Korea East-West Power Co., Ltd. (the "Company") was incorporated on April 2, 2001, for the purpose of developing and producing electric power in the Republic of Korea. The Company and its subsidiaries (collectively referred to as the "Group") were established through the spin-off of the power generation division of Korea Electric Power Corporation ("KEPCO") and designated as market-type public institution in August 2010 in accordance with Article 5 of the *Act on Management of Public Institutions (the "Act")* and Article 3 of the Addendum to the Act. As at December 31, 2023, the Group's power generating capacity is 9,578.8MW and the Group owns and operates four power plants, including the Dangjin Thermal Power Plant.

As of December 31, 2023 and 2022, KEPCO wholly owns the Group's issued and outstanding shares, and issued capital amounting to ₩289,661 million.

The Company's consolidated subsidiaries as of December 31, 2023 and 2022 are as follows:

			Equity interest and voting rights (%)	
	Principal activity	Country of domicile	Dec. 31, 2023	Dec. 31, 2022
EWP America, Inc.	Overseas investment	USA	100.0	100.0
EWP Renewable Corporation	Overseas investment	USA	100.0	100.0
EWP ESS Holdings LLC(*)	Overseas investment	USA	100.0	-
Fairhaven ESS LLC(*)	Overseas investment	USA	100.0	-
California Power Holdings, LLC	Power plants operation	USA	100.0	100.0
EWP (Barbados) 1 SRL	Overseas investment	Barbados	100.0	100.0
PT. EWP Indonesia	Overseas investment	Indonesia	99.9	99.9
Gyeongju Wind Power Co., Ltd.	Renewable energy power plants operation	Republic of Korea	70.0	70.0
EWP Bylong Pty Ltd.	Overseas investment	Australia	100.0	100.0
EWP Service Co., Ltd.	Service rendering	Republic of Korea	100.0	100.0
Paju Eco Energy Co., Ltd.	Power plants operation	Republic of Korea	89.0	89.0
Yeongdeok Wind Power Co., Ltd.	Power plants operation	Republic of Korea	70.0	70.0
EWP Australia Pty Ltd.	Overseas investment	Australia	100.0	100.0

(*) They have been newly established and subsequently included as subsidiaries.

1. Corporate information (cont'd)

The summarized financial information of the consolidated subsidiaries as of December 31, 2023 and 2022 and for the years then ended is as follows (Korean won):

	2023			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
EWP America, Inc. (*)	₩ 46,954,194,517	₩ 4,032,333,825	₩ 14,548,729,728	₩ 895,040,138
EWP (Barbados) 1 SRL	434,690,410,385	14,216,517,634	2,447,643,750	36,565,816,294
Gyeongju Wind Power Co., Ltd.	90,616,263,196	49,982,170,876	19,807,196,511	6,715,927,972
PT. EWP Indonesia	90,649,545,652	131,832,124	-	9,590,087,520
EWP Bylong Pty Ltd.	12,670,424	13,001,246	-	45,878,704
EWP Service Co., Ltd.	5,487,454,859	3,790,449,426	26,766,876,336	176,301,474
Paju Eco Energy Co., Ltd.	60,652,549,160	2,145,930,092	15,351,314,477	(357,410,996)
Yeongdeok Wind Power Co., Ltd.	94,615,321,253	74,842,282,569	-	(383,097,945)
EWP Australia Pty Ltd.	52,733,588,818	88,008	325,233,750	336,657,937

(*) The summarized financial information of EWP America Inc. includes EWP Renewable Corporation and 3 other subsidiaries.

	2022			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
EWP America, Inc. (*)	₩ 47,774,892,158	₩ 2,594,595,680	₩ 21,717,259,758	₩ 4,336,931,965
EWP (Barbados) 1 SRL	395,067,174,292	901,077,538	3,229,875,000	34,259,789,825
Gyeongju Wind Power Co., Ltd.	98,513,216,668	55,578,797,236	24,887,520,724	9,711,499,687
PT. EWP Indonesia	93,389,978,687	4,853,759	-	4,099,681,630
EWP Bylong Pty Ltd.	8,361,926	54,093,565	-	719,030
EWP Service Co., Ltd.	3,755,719,823	2,506,711,615	24,525,691,969	581,091,587
Paju Eco Energy Co., Ltd.	61,928,687,743	3,064,920,579	20,718,375,527	1,289,779,407
Yeongdeok Wind Power Co., Ltd.	42,187,169,022	22,031,032,393	-	(328,338,766)
EWP Australia Pty Ltd.	51,105,180,366	428,347	-	15,203,187,464

(*) The summarized financial information of EWP America Inc. includes EWP Renewable Corporation and 1 other subsidiary.

Changes in scope for consolidation for the year ended December 31, 2023 are as follows:

Subsidiary	Changes	Reason for Adjustment
EWP ESS Holdings LLC	Included in the consolidation	Acquisition of control through new establishment
Fairhaven ESS LLC	Included in the consolidation	Acquisition of control through new establishment

Restrictions on ability to use the assets and settle the liabilities of the Group are as follows:

Subsidiary	Restrictions
Gyeongju Wind Power Co., Ltd.	Dividends, payment for renewable energy supply certification and O&M settlement can only be paid by the Group when all conditions in the loan agreement between Gyeongju Wind Power Co., Ltd. and the financial institution are met, or with a prior written consent from the relevant financial institution.
Yeongdeok Wind Power Co., Ltd.	Dividends can only be paid by the Group when all conditions in the loan agreement between Yeongdeok Wind Power Co., Ltd. and the financial institution are met.

2. Basis of preparation of the consolidated financial statements and summary of material accounting policies

2.1 Basis of preparation

The Group prepares statutory consolidated financial statements in the Korean language in accordance with Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards in the Republic of Korea. Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards further mandates application of Korean International Financial Reporting Standards (K-IFRS) as enacted by the *Act on External Audit of Stock Companies* where specific accounting treatments are not prescribed by Public Corporation and Quasi-governmental Institution Accounting Regulations and Standards.

The accompanying consolidated financial statements have been condensed, restructured, and translated into English (with certain expanded descriptions) from the Korean language financial statements. In the event of any differences in interpreting the consolidated financial statements or the independent auditors' report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements are presented in Korean won, except when otherwise indicated.

2.2 Standards issued but not yet effective

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Group. The Group does not expect that these amendments will have a significant impact on the consolidated financial statements.

1) *Amendments to K-IFRS 1001 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

2) *Amendments to K-IFRS 1001 Presentation of Financial Statements – Disclosure of Crypto Assets*

3) *Amendments to K-IFRS 1007 and 1107 Statement of Cash Flows and Financial Instruments - Disclosure of Supplier Finance Arrangements*

4) *Amendments to K-IFRS 1116 Lease – Lease Liability in a Sale and Leaseback*

2.3 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2023. Except as described below, other accounting policies have been applied consistently to the consolidated financial statements for the current period and accompanying comparative periods. The new and amended standards do not have a material impact on the consolidated financial statements.

1) Amendments to K-IFRS 1001 Presentation of Financial Statements: Disclosure of Material Accounting Policies

2) Amendments to K-IFRS 1001 Presentation of Financial Statements: Disclosure of Financial Liabilities with Refixing Conditions

3) Amendments to K-IFRS 1008 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

4) Amendments to K-IFRS 1012 Income taxes: Addition of Requirement for the Exception of First Recognition of Deferred Tax

5) Amendments to K-IFRS 1012 Income taxes: International Tax Reform – Addition of Pillar 2 Best Rules

6) Enactment of K-IFRS 1117 Insurance Contracts: Replace of K-IFRS 1104 Insurance Contracts

2.4 Summary of material accounting policies

The material accounting policies under K-IFRS followed by the Group in the preparation of its consolidated financial statements are summarized below. Unless stated in Note 2.3, these accounting policies have been applied consistently to the consolidated financial statements for the current period and accompanying comparative periods.

The consolidated financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for assets. The Group's material accounting policies are as follows.

2.4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special-purpose entities) controlled by the Company (or its subsidiaries). Control is achieved where an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Gain and loss on subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The carrying amounts of non-controlling interests are the amount to be reflected of the changes in their relative interests in the subsidiary. Total comprehensive income of subsidiaries is attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that the Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation for the years ended December 31, 2023 and 2022.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Company loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed the relevant assets (i.e., reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is recognized as the fair value on initial recognition for subsequent accounting under K-IFRS 1039 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2.4.2 Cash and cash equivalents

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

2.4 Summary of material accounting policies (cont'd)

2.4.3 Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with K-IFRS 1012 *Income Taxes* and K-IFRS *1019 Employee Benefits* respectively;
- the acquirer shall measure a liability or an equity instrument related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the acquirer in accordance with the method in K-IFRS 1102 *Share-based Payment* at the acquisition date.
- assets (or disposal groups) that are classified as held for sale in accordance with K-IFRS 1105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interest that is present on acquisition day and if it entitles the holder to a proportionate share of the entity's net assets in an event of a liquidation, the non-controlling interest may be initially measured either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement can be elected on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in other K-IFRSs.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with K-IFRS 1109 *Financial Instruments* or K-IFRS 1037 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

2.4 Summary of material accounting policies (cont'd)

2.4.3 Business combination (cont'd)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

2.4.4 Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways: ① representation on the Board of Directors or equivalent governing body of the investee; ② participation in policy-making processes, including participation in decisions about dividends or other distributions; ③ material transactions between the entity and its investee; ④ interchange of managerial personnel; or ⑤ provision of essential technical information.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with K-IFRS 1105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities, and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The requirements of K-IFRS 1028 *Investments in Associates and Joint Ventures* are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with K-IFRS 1036 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with K-IFRS 1036 to the extent that the recoverable amount of the investment subsequently increases.

When the Group transacts with its associate, incomes and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2.4 Summary of material accounting policies (cont'd)

2.4.5 Investments in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control). Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

When the Group performs the economic activities according to the joint arrangement, its share of any liabilities incurred jointly by the Group and other joint ventures is recognized in the financial statement of the relevant entity and classified by nature. Any liabilities and expenses incurred jointly by the Group and other joint ventures are accounted for by accrual principle. Among the output of the joint venture, revenue from sales and use of interests of the Group and interests in expenses occurred by joint venture is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The Group reports its interests in jointly controlled entities using the equity method, except when the investment is classified as held for sale, in which case it is accounted for in accordance with K-IFRS 1105 *Non-current Assets Held for Sale and Discontinued Operations*.

When the Group transacts with its jointly controlled entity, income and loss resulting from jointly controlled entities are recognized in the Group's consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

2.4.6 Goodwill

Goodwill generated by business combinations is measured at cost at acquisition date less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying value, an impairment loss is recognized to goodwill and then other assets proportionately. Impairment losses related to goodwill cannot be reversed in the future periods.

When disposing of CGUs, the related goodwill amount is considered in determining gain or loss from disposal.

2.4.7 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets (or disposal groups) classified as held for sale are not amortized, and if the fair value less costs to sell decreases, the impairment loss is recognized immediately in profit or loss. If the fair value less costs to sell increases, income up to the amount of accumulated impairment losses recognized in the past periods is recognized.

2.4 Summary of material accounting policies (cont'd)

2.4.8 Revenue from contracts with customers

The Group recognizes revenue by applying a five-step revenue recognition model a five-step revenue recognition model is applied to all types of contracts (① Identifying the contract → ② Identifying performance obligation→ ③ Determining the transaction price → ④ Allocating the transaction price to performance obligations→ ⑤ Recognizing recognition when satisfying a performance obligation).

Identify the performance obligations in the contract
The electricity supply in the Korea Power Exchange pursuant to the Electricity Market Rule is identified as a series of distinct goods or services as a single performance obligation. In addition to power supply, the Group is engaged in contracts with customers to provide power generation byproducts, power generation related services, and heat supply, and identifies distinct performance obligations for each contract.

The performance obligations over time
The Group provides customers with power supply, plant operation and management service, power generation operation system and technical service over time. The Group recognizes revenues according to the progress depicted the Group's performance in transferring control of goods or services on a reasonable basis.

Customers are required to make and use assets that are controlled by the customer at the same time as the Group performs the benefits provided by the performance of the Group, If the entity does not have a substitute purpose and the entitlement to be paid for the portion that has been completed up to now is recognized by the entity, the entity can recognize the profit by applying the progress criteria.

Variable consideration
An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties, or other similar items. Transfer price consists of fixed and variable consideration when variable consideration is included in and the Group estimates an amount of variable consideration by using either of the expected value or the most likely amount. The Group shall include in the transaction price some or all of an amount of variable consideration estimated 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. The amount of consideration received (or receivable) for which the Group does not expect to be entitled shall be recognized as a refund liability.

Allocating the transaction price

The Group allocates the transaction price to each performance obligation identified in a contract on a relative stand-alone selling price basis. The Group will use the ' Adjusted market assessment approach' to estimate the stand-alone selling price of each performance obligation and will use the 'Expected cost plus a margin approach', which forecasts its expected costs of satisfying a performance obligation and then adds an appropriate margin for that good or service exceptionally for some transaction.

2.4 Summary of material accounting policies (cont'd)

2.4.9 Lease

A lease is a contract in which the lessee transfers control over the use of the assets identified in exchange for consideration to the lessee for a period of time. An entity shall assess whether the contract is, or contains, a lease at inception of a contract.

For a contract that is, or contains a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract. As a practical expedient, the Group may elect, by class of the underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single component.

The Group recognizes a right-of-use asset that represents the right to use the underlying asset at the commencement of the lease and a lease liability that represents the obligation to pay the lease fee. However, the Group selected an exception that does not apply the regulations for the recognition, measurement, and presentation of the lessee for short-term leases and leases of low-value assets.

The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the Group. Otherwise, the Group shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is classified as property, plant, and equipment in the consolidated statement of financial position

At the commencement date, the Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

After the commencement date, the Group shall measure the lease liability by:
(a) increasing the carrying amount to reflect interest on the lease liability;
(b) reducing the carrying amount to reflect the lease payments made; and
(c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group shall remeasure the lease liability by discounting the revised lease payments, if either:
(a) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments
(b) there is a change in the amounts expected to be payable under a residual value guarantee
(c) there is a change in determining the lease term if the contract contains options to extend or terminate the lease

For short-term leases (leases with a lease term of 12 months or less at the commencement of the lease term) and leases of low-value assets, the Group selects the exception to recognize the cost of the lease on a straight-line method basis over the lease term.

2.4 Summary of material accounting policies (cont'd)

2.4.10 Foreign currencies

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Korean won which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The date of the transaction for determining the exchange rate to apply to the initial recognition of the related asset, liability, expense, or income (or part thereof) is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability through advance payment or receipt of consideration. In the case of multiple advance payments or receipts, the Group determines the transaction date for the advance payment or receipt of consideration, respectively.

Differences arising on settlement or translation of monetary items are recognized in profit or loss except for:

(a) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
(b) exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
(c) exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Korean won using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognized, but they are not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in equity.

2.4 Summary of material accounting policies (cont'd)

2.4.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.4.12 Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to the grants and that the receipt of the grants are probable.

A benefit from a government loan at a below-market interest rate is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants, which are conditional to the Group purchasing, constructing, or otherwise acquiring non-current assets, are recognized as deductions for related assets in the consolidated statements of financial position and transferred to profit or loss over the estimated useful lives of the related assets.

Government grants are recognized in the consolidated statement of profit or loss and comprehensive income over the periods in which the Group recognizes the related costs based on systematic criteria, for which the grants are intended to compensate as expense. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

2.4.13 Pension benefit obligation

For defined contribution plans, payments to defined contribution plan are recognized as costs when the employees provide with the service to the Group.

For defined benefit pension plans, employee benefit liability is actuarially determined using the projected unit credit method performed by the independent actuarial company at the end of each reporting period. The present value of the pension obligation is discounted expected future cash flows, and discount rate is the market rate of high-grade corporate bonds with similar maturity of the time when pension obligation will be paid. When there is no market with a wide spectrum for such corporate bonds, the market rate of public bond is used as at reporting date.

Re-measurements, comprising of actuarial gains and losses, which are occurred by change in actuarial assumption, and difference of actuarial assumption from actual result, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in profit or loss immediately or amortized on a straight-line basis over the average remaining period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

2.4 Summary of material accounting policies (cont'd)

2.4.14 Income tax

Income tax consists of current tax and deferred tax.

Current tax
The tax currently payable is based on taxable income for the year. Taxable income differs from income as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year
Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.4 Summary of material accounting policies (cont'd)

2.4.15 Property, plant, and equipment

Property, plant, and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Such cost comprises its purchasing price and construction cost including the cost 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 the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are recognized in carrying amount of a separate asset or as an asset if it is probable that future economic benefits associated with the assets will flow into the Group and the cost of an asset can be measured reliably and carrying value of replaced part is removed. Routine maintenance and repairs are expensed as incurred.

Property, plant, and equipment, except for land, is depreciated using the straight-line method based on the estimated useful years of the assets as follows:

	Years
Buildings	12 ~ 34
Structures	22 ~ 30
Machinery	6 ~ 24
Vehicles	3 ~ 8
Right-of-use asset	1 ~ 30
Others	4 ~ 5

If the cost of a part of property, plant and equipment is significant compared to the overall total cost of the property, plant and equipment, the cost of the part is separately depreciated from the related property, plant, and equipment.

The Group reviews the depreciation method, the estimated useful lives and residual values of property, plant, and equipment at the end of each annual reporting period. If expectation differs from previous estimates, the changes were accounted for as a change in an accounting estimate.

Property, plant, and equipment is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of property, plant, and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

2.4.16 Intangible assets

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Amortization of intangible assets is provided using the straight-line method over the estimated useful life of the assets as follows:

	Years
Industrial property rights	10
Usable and profitable donated assets	10, 20
Software	5
Others	20, 30

2.4 Summary of material accounting policies (cont'd)

2.4.16 Intangible assets (cont'd)

Internally-generated intangible assets - research and development expenditure
Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the fact that result of development plan is for development of a new product or substantial upgrade of product function;
- the technical and commercial feasibility of completing the intangible asset so that it will be available for use or sale;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. When the development expenditure does not meet the criteria listed above, an internally-generated intangible asset cannot be recognized and the expenditure is recognized in profit or loss in the period in which it is incurred.

Internally-generated intangible assets are presented at cost less accumulated amortization and accumulated impairment losses.

Intangible assets acquired in a business combination
Intangible assets that are acquired in a business combination are recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets
An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

2.4.17 Impairment of property, plant, equipment, and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with definite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The Group estimates the recoverable amount by an individual asset and where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually regardless of an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.4 Summary of material accounting policies (cont'd)

2.4.18 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories, except for those in transit, are measured under the weighted average method and consists of the purchase price, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The carrying amount of inventories sold in the period and the amount of any write-down of inventories to net realizable value and all losses of inventories in the period are recognized as an expense during the period. Also, the amount of any reversal in the period of any write-down of the inventories, arising from an increase in net realizable value, is recognized as deduction of expense during the period.

2.4.19 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, a provision is measured at the present value of the expected future cash flows. The discount rate is pretax interest rate reflecting risks specific to the liability and the current market assessment of the time value of money. Increase in provision pursuant to passage of time is recognized as finance cost at the time of occurrence in the statements of comprehensive income.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

At the end of each reporting period, the remaining provision balance is reviewed and assessed to determine if the current best estimate is being recognized. If the existence of an obligation to transfer economic benefit is no longer probable, the related provision is reversed during the period.

Employee bonus
The Group pays bonuses to its employee based on the result of performance evaluation of the Group from the Ministry of Strategy and Finance. The Group reasonably estimates the amount of bonuses and accounts for provision for employee bonuses in accordance with K-IFRS 1037.

Provision for Renewable Portfolio Standard (RPS)
The Group is obligated to produce and supply certain amount of energies from renewable energy sources such as solar, wind and biomass in accordance with the *Act on the Promotion of the Development and Use of New and Renewable Sources of Energy*. As at December 31, 2023, the Group recognized provision for RPS for the amount not executed.

2.4 Summary of material accounting policies (cont'd)

2.4.19 Provisions (cont'd)

Emission rights and emission liabilities
The Group is allocated emission allowances free of charge by the government in accordance with the *Act on Allocation and Trading of Emission Allowances* in the Republic of Korea. The emission allowances are allocated to the Group annually for the planned periods, and the Group is to deliver the equivalent quantity of emission allowances for actual emission to the government.

The Group measures the emission allowances that it receives from the government free of charge at nil, and measures any purchased emission allowances at cost.

In addition, emission allowances are derecognized in the consolidated financial statements when they are delivered to the government or sold.

Where any unused allocated emission allowances after their delivery to the government, are sold, a gain or loss on disposal of the allocated emission allowances is subtracted from the cost of emissions; where emission allowances purchased are sold, the gain or loss on disposal is classified as non-operating income or expense; where the allocated emission allowances are sold when it is uncertain whether to achieve a reduction of emissions through the use of emission trading scheme, a difference between the book value and net sales price is recognized as deferred revenue which is offset against the cost of emissions over the period in which the allocated emission allowances pertain to.

A liability (emission obligation) is recognized only where actual emissions exceed the allocated emission allowances, and the cost of emissions is recognized as an operating cost. The liability is measured by adding the following (1) and (2).

(1) The book value of emission allowances for the year to be delivered to the government
(2) The best estimate of expenditures, as at the end of a reporting period, in performing emission obligations exceeding the above emission allowances

Where the Group borrows a part of the allocated emission allowances for any of future periods to deliver to the government, it recognizes the borrowed portion as deferred revenue when derecognizing the liability, and offsets the deferred revenue against the actual cost of emission, as it purchases the emission allowances to fill any shortfall in the period which the borrowed emission allowances belong to.

2.4.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under K-IFRS 1115.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

2.4 Summary of material accounting policies (cont'd)

2.4.20 Financial instruments – initial recognition and subsequent measurement (cont'd)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

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

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

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

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

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

2.4 Summary of material accounting policies (cont'd)

2.4.20 Financial instruments – initial recognition and subsequent measurement (cont'd)

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under K-IFRS 1032 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

This category includes derivatives and equity instruments that do not make an irrevocable choice to treat changes in fair value in other comprehensive income. Dividends on equity instruments are recognized in profit or loss at the time the rights are established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at amortized cost, a financial asset at fair value through other comprehensive income or a financial asset at fair value through profit or loss.

2.4 Summary of material accounting policies (cont'd)

2.4.20 Financial instruments – initial recognition and subsequent measurement (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

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

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

Impairment of financial assets

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

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

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

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

2.4 Summary of material accounting policies (cont'd)

2.4.20 Financial instruments – initial recognition and subsequent measurement (cont'd)

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the good credit rating agency and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the good credit rating agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by K-IFRS 1109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in K-IFRS 1109 are satisfied. The Group has not designated any financial liability at fair value through profit or loss.

2.4 Summary of material accounting policies (cont'd)

2.4.20 Financial instruments – initial recognition and subsequent measurement (cont'd)

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

3) Offsetting of financial instruments

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

2.4.21 Derivative financial instruments and Hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

2.4 Summary of material accounting policies (cont'd)

2.4.21 Derivative financial instruments (cont'd)

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging derivative is recognized in the statement of profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit or loss.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expense and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will

2.4 Summary of material accounting policies (cont'd)

2.4.21 Derivative financial instruments (cont'd)

not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss.

2.4.22 Issued capital

Ordinary shares are classified as capital, and incremental costs arising directly due to capital transactions are deducted from equity as a net amount reflecting the tax effect.

2.4.23 Earnings per share

The Group calculates basic earnings per share and diluted earnings per share for income from continuing operations and net income and discloses it in the consolidated statement of comprehensive income. Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

3. Significant accounting estimate and assumptions

The Group makes assumptions and estimations concerning the future. Assumptions and estimations are verified continuously based on past experience and reasonably expected future events. This accounting estimation, however, could be different from actual results. Assumptions and estimations for significant risks which may cause adjustment to the carrying amounts of assets and liabilities are as follows:

3.1 Corporate taxes

The Group recognized expected corporate tax effect as current corporate tax expense and deferred corporate taxes using best estimation. Final corporate tax burden in the future, however, may not correspond with related assets or liabilities, which may cause changes in assets or liabilities at the time of confirmation of corporate tax effect.

3.2 Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The Group selects various valuation methods and makes a judgment about assumptions based on key market circumstances as at the end of the reporting period.

3.3 Provisions

The Group recognizes provisions for financial guarantees and obligations for emission and so on. This provision is determined based on the historical experience and additional disclosures are described in Notes 2.4.19 and 22.

3.4 Pension benefits

The present value of the defined benefit pension can change depending on various factors determined using actuarial valuations. Assumptions to determine pension cost (income) include discount rate, where changes in assumptions will result in changes in present value of the defined benefit pension. The Group has determined the discount rate every year-end which is defined as interest rate used to decide present value of expected future cash outflow. The Group determines discount rate considering discount rate of outstanding corporate bonds which have similar maturity with pension obligations. Other assumptions related with pension obligations are based on market circumstances. Additional disclosures are described in Note 21.

3.5 Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. The Group performs an impairment test for goodwill and intangible assets with infinite useful lives at the end of each reporting period or when there is an indication of impairment of an asset. It is required to conduct an impairment test for other non-financial assets when there is an indication that carrying values go below recoverable amount. To calculate value in use, management needs to estimate the future expected cash flows from related assets or CGUs and choose proper rate to discount future expected cash flows.

4. Operating segment information

The Group is organized for management purposes as a single business unit based on the nature of goods and services provided and details of operating revenue and assets required in its operations are presented below.

The following table presents revenue and operating profit from the sole reportable segment for the years ended December 31, 2023 and 2022 (Korean won):

	2023	2022
Sales	₩5,622,201,452,857	₩6,993,503,469,313
Sales from external customers	5,622,201,452,857	6,993,503,469,313
Operating profit	152,733,033,359	10,195,990,446
Depreciation and amortization	753,798,118,851	734,390,196,427

The following table presents assets and liabilities for the sole reportable segment as of December 31, 2023 and 2022, respectively (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Total assets	₩ 12,139,139,424,247	₩ 12,448,304,366,602
Investment in associates	372,768,107,386	356,497,891,979
Investment in joint ventures	732,360,257,544	708,553,457,802
Acquisition of non-current assets (*)	835,310,652,100	848,642,962,828
Total liabilities	5,763,871,786,906	5,908,838,036,152

(*) Financial assets and deferred tax assets excluded.

The Group operates its principal business, the production and sale of electricity, in the Republic of Korea. Geographical information of external customers and non-current assets for the years ended December 31, 2023 and 2022 and as of December 31, 2023 and 2022 are as follows (Korean won):

	Revenue from external customers		Non-current assets (*)	
	2023	2022	Dec. 31, 2023	Dec. 31, 2022
Domestic	₩ 5,604,350,362,612	₩ 6,967,911,647,930	₩ 7,806,600,968,798	₩ 7,721,473,977,737
Americas	14,548,729,728	21,717,259,758	32,379,405,064	32,236,441,898
Barbados	2,447,643,750	3,229,875,000	392,975,813,421	377,843,611,638
Indonesia	-	-	90,290,314,943	92,906,894,065
Australia	325,233,750	-	50,854,266,875	49,890,453,191
Others	529,483,017	644,686,625	21,319,809,465	9,536,452,087
	₩ 5,622,201,452,857	₩ 6,993,503,469,313	₩ 8,394,420,578,566	₩ 8,283,887,830,616

(*) Financial assets and deferred tax assets excluded.

Revenue from KEPCO, a single source representing 10% or more of the Group's total revenue, amounts to ₩5,402,899,870,674 and ₩6,772,682,574,806 for the years ended December 31, 2023 and 2022, respectively. There are no other customers having sales representing 10% or more of the total revenue of the Group.

5. Cash and cash equivalents

Details of cash and cash equivalents as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Other demand deposits	₩ 184,854,057,229	₩ 75,525,970,778
Short-term investment assets classified as cash equivalents	133,767,752,478	2,263,782,920
	₩ 318,621,809,707	₩ 77,789,753,698

6. Financial assets restricted for use

Financial assets restricted for use as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Other demand deposits (*)	₩ 2,457,774,869	₩ 13,965,440,866
Short-term financial instruments(*)	4,000,000,000	-
Long-term financial instruments(*)	6,500,000,000	-
	₩ 12,957,774,869	₩ 13,965,440,866

(*) They are defined as collateral for the Group's borrowing. (Note 42)

7. Financial assets and liabilities at fair value through profit or loss (including derivative assets and liabilities)

Details of financial assets and liabilities at fair value through profit or loss as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		Dec. 31, 2022	
	Current	Non-current	Current	Non-current
Financial assets at FVTPL:				
Beneficiary certificates	₩ -	₩ 1,637,025,724	₩ -	₩ 1,578,861,350
Contributions	-	20,637,200	-	20,637,200
Debt securities	161,814,988,455	-	80,457,347,191	-
Derivative assets	77,331,360	-	2,000,000	-
	₩ 161,892,319,815	₩ 1,657,662,924	₩ 80,459,347,191	₩ 1,599,498,550
Financial liabilities at FVTPL:				
Derivative liabilities	₩ 733,581,292	₩ -	₩ 9,016,055,436	₩ -

Details of derivative instruments as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec.31, 2023		Dec.31, 2022	
	Current	Non-current	Current	Non-current
Derivative assets:				
Currency forwards	₩ 77,331,360	₩ -	₩ 2,000,000	₩ -
Currency swaps	-	34,788,778,236	74,482,387,991	13,247,716,444
	₩ 77,331,360	₩ 34,788,778,236	₩ 74,484,387,991	₩ 13,247,716,444
Derivative liabilities:				
Currency forwards	₩ 733,581,292	₩ -	₩ 9,016,055,436	₩ -
Currency swaps	-	-	-	3,965,718,515
	₩ 733,581,292	₩ -	₩ 9,016,055,436	₩ 3,965,718,515

7. Financial assets and liabilities at fair value through profit or loss (including derivative assets and liabilities) (cont'd)

Details of currency swaps as of December 31, 2023 are as follows (Korean won and USD):

		Contract amount		Contract interest rate (%)		
Counterparty	Contract term	Sell (KRW)	Purchase (USD)	Sell	Purchase	Contract exchange rate
Cash flow hedge:						
Woori Bank	2020.05~2025.05	245,560,000,000	200,000,000	0.93	1.75	1,227,80
Hana Bank	2020.05~2025.05	245,560,000,000	200,000,000	0.93	1.75	1,227,80
KDB Bank	2020.05~2025.05	122,780,000,000	100,000,000	0.93	1.75	1,227,80
JP Morgan	2022.05~2025.05	126,180,000,000	100,000,000	2,80	3.60	1,261.80
Hana Bank	2022.05~2025.05	126,180,000,000	100,000,000	2,80	3.60	1,261.80
KDB Bank	2022.05~2025.05	252,360,000,000	200,000,000	2,83	3.60	1,261.80
Woori Bank	2022.05~2025.05	126,180,000,000	100,000,000	2.85	3.60	1,261.80
Woori Bank	2023.07~2028.07	259,000,000,000	200,000,000	3.83	4.88	1,295.00
KDB Bank	2023.07~2028.07	129,500,000,000	100,000,000	3.85	4.88	1,295.00
BofA	2023.07~2028.07	64,750,000,000	50,000,000	3.85	4.88	1,295.00

There is an economic relationship between the hedging item and the hedging instrument because the terms of the currency swap contract are consistent with the terms of the expected transaction (repayment of foreign currency bonds). As of the end of the reporting period, the consolidation entity established the hedging relationship through currency swap contracts for the full repayment of foreign currency bonds. The hedging instrument (currency swap) avoids the risk of the hedging item (repayment of foreign currency bonds) at the end of the reporting period.

Details of currency forwards as of December 31, 2023 are as follows (Korean won and USD):

			Contract amount		
Counterparty	Contract date	Maturity date	Sell(KRW)	Purchase(USD)	Contract exchange rate
Trading:					
JP Morgan	2023-11-02	2024-01-26	8,405,932,715	6,286,220	1,337.20
HSBC	2023-11-27	2024-03-08	6,481,500,000	5,000,000	1,296.30
HSBC	2023-11-27	2024-03-08	6,476,000,000	5,000,000	1,295.20
Shinhan Bank	2023-12-08	2024-03-08	13,033,800,000	10,000,000	1,303.38
Shinhan Bank	2023-12-15	2024-03-08	3,864,660,000	3,000,000	1,288.22
Shinhan Bank	2023-12-28	2024-04-23	2,160,177,152	1,684,480	1,282.40
Woori Bank	2023-12-28	2024-04-23	10,253,200,000	8,000,000	1,281.65

7. Financial assets and liabilities at fair value through profit or loss (including derivative assets and liabilities) (cont'd)

Details of gain and loss on valuation and settlement of derivative instruments for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	Gain (loss) on valuation		Gain on settlement		Other comprehensive income (*)	
	2023	2022	2023	2022	2023	2022
Currency forwards	₩ (656,249,932)	₩ (8,858,490,735)	₩ 8,059,610,120	₩ 7,451,182,793	₩ -	₩ -
Currency swaps	20,090,514,444	84,245,704,505	23,061,010,964	73,604,999,276	18,403,194	(7,079,629,395)
Total	₩ 19,434,264,512	₩ 75,387,213,770	₩ 31,120,621,084	₩ 81,056,182,069	₩ 18,403,194	₩ (7,079,629,395)

(*) As of December 31, 2023, loss on valuation of derivative instruments amounting to ₩6,248,217 recognized in accumulated other comprehensive income are presented excluding tax effect which is directly charged to equity.

8. Trade and other receivables

Details of trade and other receivables as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		
	Gross amounts	Present value discounts	Book value
Current assets:			
Trade receivables	₩ 402,961,201,448	₩ -	₩ 402,961,201,448
Other receivables	232,767,328,462	(363,385,394)	232,403,943,068
	635,728,529,910	(363,385,394)	635,365,144,516
Non-current assets:			
Other receivables	17,328,251,972	(65,002,510)	17,263,249,462
	₩ 653,056,781,882	₩ (428,387,904)	₩ 652,628,393,978

	Dec. 31, 2022		
	Gross amounts	Present value discounts	Book value
Current assets:			
Trade receivables	₩ 788,586,377,499	₩ -	₩ 788,586,377,499
Other receivables	251,807,675,774	(123,047,410)	251,684,628,364
	1,040,394,053,273	(123,047,410)	1,040,271,005,863
Non-current assets:			
Other receivables	17,895,759,398	(386,416,529)	17,509,342,869
	₩ 1,058,289,812,671	₩ (509,463,939)	₩ 1,057,780,348,732

Details of other receivables as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		
	Gross amounts	Present value discounts	Book value
Current assets:			
Accounts receivable	₩ 59,080,287,126	₩ -	₩ 59,080,287,126
Accrued income	154,374,715,948	-	154,374,715,948
Deposits	19,312,325,388	(363,385,394)	18,948,939,994
	232,767,328,462	(363,385,394)	232,403,943,068
Non-current assets:			
Accrued income	2,388,887,225	-	2,388,887,225
Deposits	14,436,558,862	(65,002,510)	14,371,556,352
Others	502,805,885	-	502,805,885
	17,328,251,972	(65,002,510)	17,263,249,462
Total	₩ 250,095,580,434	₩ (428,387,904)	₩ 249,667,192,530

8. Trade and other receivables (cont'd)

	Dec. 31, 2022		
	Gross amounts	Present value discounts	Book value
Current assets:			
Accounts receivable	₩ 185,358,225,596	₩ -	₩ 185,358,225,596
Accrued income	54,570,641,666	-	54,570,641,666
Deposits	11,878,808,512	(123,047,410)	11,755,761,102
	251,807,675,774	(123,047,410)	251,684,628,364
Non-current assets:			
Accrued income	1,843,246,027	-	1,843,246,027
Deposits	15,555,185,471	(386,416,529)	15,168,768,942
Others	497,327,900	-	497,327,900
	17,895,759,398	(386,416,529)	17,509,342,869
Total	₩ 269,703,435,172	₩ (509,463,939)	₩ 269,193,971,233

There are no trade and other receivables that have been past due or impaired as of December 31, 2023.

9. Financial assets at fair value through other comprehensive income

Details of financial assets at fair value through other comprehensive income as of December 31, 2023 are as follows (Korean won):

	Dec. 31, 2023				
	Equity ratio (%)	Number of shares held	Acquisition	Book value	Fair value
Quoted securities:					
PT. Bayan Resources TBK	4.00	1,333,333,400	₩ 80,533,337,360	₩ 2,218,186,777,576	₩ 2,218,186,777,576
STX Heavy Industry	0.22	61,455	430,185,000	719,023,500	719,023,500
			80,963,522,360	2,218,905,801,076	2,218,905,801,076
Unquoted securities:					
Korea Power Exchange	7.14	1,826,275	9,131,374,714	16,936,317,167	16,936,317,167
HeeMang Sunlight Power	8.33	78,600	393,000,000	393,000,000	393,000,000
KEPCO Bylong Australia Pty Ltd.	2.00	3,537,032	6,134,697,340	-	-
			15,659,072,054	17,329,317,167	17,329,317,167
			₩ 96,622,594,414	₩ 2,236,235,118,243	₩ 2,236,235,118,243

9. Financial assets at fair value through other comprehensive income (cont'd)

Details of financial assets at fair value through other comprehensive income as of December 31, 2022 are as follows (Korean won):

	Dec. 31, 2022				
	Equity ratio (%)	Number of shares held	Acquisition	Book value	Fair value
Quoted securities:					
PT. Bayan Resources TBK(*)	4.00	1,333,333,400	₩ 80,533,337,360	₩ 2,265,200,113,260	₩ 2,265,200,113,260
Unquoted securities:					
Korea Power Exchange	7.14	1,826,275	9,131,374,714	17,690,925,030	17,690,925,030
KEPCO-Uhde Inc.	2.40	103,230	516,150,000	14,198,304	14,198,304
HeeMang Sunlight Power	8.33	78,600	393,000,000	393,000,000	393,000,000
KEPCO Bylong Australia Pty Ltd.	2.00	3,537,032	6,134,697,340	-	-
			16,175,222,054	18,098,123,334	18,098,123,334
			₩ 96,708,559,414	₩ 2,283,298,236,594	₩ 2,283,298,236,594

(*) Stock split occurred in 2022, resulting in an increase in the number of shares outstanding.

Changes in financial assets at fair value through other comprehensive income for the year ended December 31, 2023 are as follows (Korean won):

	2023				
	Jan.1	Acquisition	Disposal	Valuation (*)	Dec. 31
Quoted equity shares	₩ 2,265,200,113,260	₩ 430,185,000	₩ -	₩ (46,724,497,184)	₩ 2,218,905,801,076
Unquoted equity shares	18,098,123,334	-	(14,198,304)	(754,607,863)	17,329,317,167
	₩ 2,283,298,236,594	₩ 430,185,000	₩ (14,198,304)	₩ (47,479,105,047)	₩ 2,236,235,118,243
Current financial assets at FVOCI	₩ -	₩ -	₩ -	₩ -	₩ -
Non-current financial assets at FVOCI	2,283,298,236,594	430,185,000	(14,198,304)	(47,479,105,047)	2,236,235,118,243

(*) As of December 31, 2023, valuation changes amounting to ₩(-)34,335,404,865 recognized in accumulated other comprehensive income are presented excluding tax effect which is directly charged to equity.

Changes in financial assets at fair value through other comprehensive income for the year ended December 31, 2022 are as follows (Korean won):

	2022		
	Jan. 1	Valuation (*)	Dec. 31
Quoted equity shares	₩ 299,160,014,958	₩ 1,966,040,098,302	₩ 2,265,200,113,260
Unquoted equity shares	18,297,229,432	(199,106,098)	18,098,123,334
	₩ 317,457,244,390	₩ 1,965,840,992,204	₩ 2,283,298,236,594
Current financial assets at FVOCI	₩ -	₩ -	₩ -
Non-current financial assets at FVOCI	317,457,244,390	1,965,840,992,204	2,283,298,236,594

(*) As of December 31, 2022, valuation changes amounting to ₩1,511,976,926,203 recognized in accumulated other comprehensive income are presented excluding tax effect which is directly charged to equity.

10. Financial assets at amortized cost

Changes in financial assets at amortized cost for the year ended December 31, 2023 are as follows (Korean won):

	2023				
	Jan.1	Acquisition	Disposal	Others	Dec. 31
Public bonds	₩ 217,560,000	₩ 38,120,000	₩ (116,560,000)	₩ -	₩ 139,120,000
Others	15,000,000,000	12,500,000,000	-	-	27,500,000,000
	₩ 15,217,560,000	₩ 12,538,120,000	₩ (116,560,000)	₩ -	₩ 27,639,120,000
Current financial assets at amortized cost	₩ 15,116,560,000	₩ 6,000,000,000	₩ (116,560,000)	₩ 3,600,000	₩ 21,003,600,000
Non-current financial assets at amortized cost	101,000,000	6,538,120,000	-	(3,600,000)	6,635,520,000

Changes in financial assets at amortized cost for the year ended December 31, 2022 are as follows (Korean won):

	2022				
	Jan.1	Acquisition	Disposal	Others	Dec. 31
Public bonds	₩ 385,215,000	₩ 58,490,000	₩ (226,145,000)	₩ -	₩ 217,560,000
Others	15,100,000,000	1,000,000,000	(1,100,000,000)	-	15,000,000,000
	₩ 15,485,215,000	₩ 1,058,490,000	₩ (1,326,145,000)	₩ -	₩ 15,217,560,000
Current financial assets at amortized cost	₩ 14,226,145,000	₩ 1,000,000,000	₩ (226,145,000)	₩ 116,560,000	₩ 15,116,560,000
Non-current financial assets at amortized cost	1,259,070,000	58,490,000	(1,100,000,000)	(116,560,000)	101,000,000

11. Loans

Details of loans as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		Dec. 31, 2022	
	Current	Non-current	Current	Non-current
Tuition loans(*1)	₩ 1,485,765,104	₩ 16,441,170,131	₩ 1,004,709,180	₩ 17,922,638,750
Home loans(*2)	943,708,272	9,896,714,332	1,024,041,432	11,589,154,653
Loans to related parties	-	16,218,439,140	-	13,938,256,130
Present value discount	(108,660,982)	(2,324,075,664)	(108,858,681)	(2,192,215,294)
	₩ 2,320,812,394	₩ 40,232,247,939	₩ 1,919,891,931	₩ 41,257,834,239

(*1) The Group provides student loans to employees for their children without any interests, and these student loans are repaid in installments from the quarterly paid out bonuses.
(*2) The Group also provides loans for purchasing property to employees with COFIX rate to support employees in securing residence. The loan is repayable in installments for 15 years for lease and in installments for 20 years for purchase.

12. Inventories

Details of inventories as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		
	Gross amounts	Valuation allowance	Book value
Raw materials	₩ 94,828,597,641	₩ -	₩ 94,828,597,641
Supplies	27,118,661,021	-	27,118,661,021
Goods in transit	90,865,461,726	-	90,865,461,726
	₩ 212,812,720,388	₩ -	₩ 212,812,720,388

	Dec. 31, 2022		
	Gross amounts	Valuation allowance	Book value
Raw materials	₩ 64,608,933,444	₩ -	₩ 64,608,933,444
Supplies	30,325,049,949	-	30,325,049,949
Goods in transit	306,123,301,179	-	306,123,301,179
	₩ 401,057,284,572	₩ -	₩ 401,057,284,572

13. Non-financial assets

Details of non-financial assets as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		Dec. 31, 2022	
	Current	Non-current	Current	Non-current
Advance payments	₩ 10,819,600	₩ 144,762,940	₩ 17,651,488	₩ -
Prepaid expenses	22,194,110,908	24,079,542,743	14,052,418,698	23,751,533,727
Others	33,275,497,093	-	101,528,366,862	-
	₩ 55,480,427,601	₩ 24,224,305,683	₩ 115,598,437,048	₩ 23,751,533,727

Details of other non-financial assets as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		Dec. 31, 2022	
	Current	Non-current	Current	Non-current
Emission rights	₩ 4,365,055,380	₩ -	₩ 69,708,387,568	₩ -
Non-refunded value added tax	28,463,593,044	-	31,610,518,027	-
Other quick assets	446,848,669	-	209,461,267	-
	₩ 33,275,497,093	₩ -	₩ 101,528,366,862	₩ -

14. Investments in associates and joint ventures

Details of investments in associates and joint ventures as of December 31, 2023 are as follows (Korean won):

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2023	
				Cost	Book value
<Associates>					
Korea Offshore Wind Power Co., Ltd. (*1)	Power plants operation	Republic of Korea	12.50	₩ 26,600,000,000	₩ 23,827,130,726
KEPCO Solar Co., Ltd. (*1)	Resource development for solar energy	Republic of Korea	8.33	16,650,000,000	17,494,689,133
KEPCO ES Co., Ltd. (*1)	Investment in facilities for energy efficiency	Republic of Korea	8.33	25,000,000,000	25,596,767,802
GS Donghae Electric Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	204,000,000,000	259,084,468,646
Guam Ukudu Power LLC	Power plants operation	U.S.A(Guam)	40.00	1,579,620,097	11,617,054,536
KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd)	Power plants operation	Republic of Korea	25.36	3,910,000,000	7,779,068,750
Taebaek Gadeoksan Wind Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	12,570,000,000	19,426,119,441
Goheungsin Energy Co., Ltd.(*1)	Power plants operation	Republic of Korea	14.10	3,959,280,000	4,807,772,820
Yanggu Floating Solar Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	903,700,000	760,252,652
Hoenggye Renewable Energy Co., Ltd.(*5)	Power plants operation	Republic of Korea	36.12	2,374,782,880	2,374,782,880
Subtotal				297,547,382,977	372,768,107,386
<Joint ventures>					
Busan Shinho Solar Power Co., Ltd.	Power plants operation	Republic of Korea	25.00	2,100,000,000	6,668,763,776
Honam Wind Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,480,000,000	4,743,246,037
Dangjin Eco Power Corporation	Power plants operation	Republic of Korea	34.00	25,661,385,206	26,752,974,981
Seokmun Energy Co., Ltd.	Power plants operation	Republic of Korea	29.00	15,370,000,000	16,591,138,243
Chuncheon Energy Co., Ltd.	Power plants operation	Republic of Korea	29.90	52,699,945,000	35,082,660,917
Yeonggwangbaeksu Wind Power Co., Ltd. (*2)	Power plants operation	Republic of Korea	15.00	3,000,000,000	3,443,287,949
Yeonggwang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	46.00	17,475,000,000	23,379,901,376
Yangyang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	50.00	12,000,000,000	10,435,038,488
Jamaica Public Service Company Limited	Power plants operation	Jamaica	40.00	301,909,577,842	349,866,454,796
South Jamaica Power Company Limited	Power plants operation	Jamaica	20.00	20,430,019,000	43,109,358,625
PT.Tanjung Power Indonesia	Power plants operation	Indonesia	35.00	57,039,359,594	90,151,067,479
DE Energia SpA	Power plants operation	Chile	49.00	8,363,732,090	9,702,754,929
Daesan Green Energy Co., Ltd.	Power plants operation	Republic of Korea	35.00	17,850,000,000	22,190,747,324
Busan Industry Solar Co., Ltd.	Power plants operation	Republic of Korea	28.02	510,000,000	1,058,069,975
Light Solar Energy Co., Ltd.	Power plants operation	Republic of Korea	27.10	352,300,000	352,300,000
Shinhan BNPP East&West Sunlight Dream Special asset investment trust for professional investment type private equity(*3)	Power plants operation	Republic of Korea	90.00	14,915,781,000	15,486,773,181
Cheongju Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	5,858,000,000	9,071,574,986

14. Investments in associates and joint ventures (cont'd)

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2023	
				Cost	Book value
Columboola Solar Farm Hold Co Pty., Ltd.(*4)	Power plants operation	Australia	48.51	₩ 38,538,334,153	₩ 50,854,266,875
Seokmun Green Energy Co., Ltd.	Power plants operation	Republic of Korea	33.00	8,972,700,000	9,756,877,607
Geumyang Eco Park Co., Ltd.(*6)	Power plants operation	Republic of Korea	29.00	3,663,000,000	3,663,000,000
Fairhaven Energy Storage, LLC(*7)	Power plants operation	U.S.A	35.00	-	-
Subtotal				610,189,133,885	732,360,257,544
Total				₩ 907,736,516,862	₩ 1,105,128,364,930

(*1) Although the Group holds less than 20% equity interest in the investee, the investee has been classified as an associate because they can exercise voting rights on the investee's Board of Directors.
(*2) Although the Group holds less than 20% equity shares in the investee, the investee has been classified as a joint venture based on the judgement of having a joint control.
(*3) Although the Group holds 90% equity shares in the investee, the investee has been classified as a joint venture based on the judgement of having a joint control.
(*4) Interests of the Group are 66.67% of common shares, 24% of cumulative non-participating preferred shares without voting rights, and 48.51% of total common and preferred shares. Although the ownership interest for common shares is 66.67%, the investee has been classified as a joint venture based on the judgement of having a joint control due to restrictions on exercising voting rights at the board of directors.
(*5) Newly acquired in 2023. It is a cumulative, non-participating preffered stock with voting rights, with a 78.35% share of preferred stock. The total ownership percentage, including both preferred and common shares, is 36.12%.
(*6) Newly acquired in 2023.
(*7) Prior to the capital contribution, but 35% of the capital contribution is committed in the future.

Details of investments in associates and joint ventures as of December 31, 2022 are as follows (Korean won):

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2022	
				Cost	Book value
<Associates>					
Korea Offshore Wind Power Co., Ltd. (*1)	Power plants operation	Republic of Korea	12.50	₩ 26,600,000,000	₩ 23,106,223,387
KEPCO Solar Co., Ltd. (*1)	Resource development for solar energy	Republic of Korea	8.33	16,650,000,000	18,133,216,179
KEPCO ES Co., Ltd. (*1)	Investment in facilities for energy efficiency	Republic of Korea	8.33	25,000,000,000	26,071,006,646
GS Donghae Electric Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	204,000,000,000	260,144,625,308
Guam Ukudu Power LLC	Power plants operation	U.S.A (Guam)	40.00	1,579,620,097	-
Daewon Green Energy Co., Ltd.	Power plants operation	Republic of Korea	25.36	3,910,000,000	4,484,640,256
Taebaek Gadeoksan Wind Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	12,570,000,000	20,039,532,100
Goheungsin Energy Co., Ltd.(*1)	Power plants operation	Republic of Korea	14.10	3,959,280,000	3,614,948,067
Yanggu Floating Solar Power Co., Ltd.(*4)	Power plants operation	Republic of Korea	29.00	903,700,000	903,700,036
Subtotal				295,172,600,097	356,497,891,979
<Joint ventures>					
Busan Shinho Solar Power Co., Ltd.	Power plants operation	Republic of Korea	25.00	2,100,000,000	6,719,334,961
Honam Wind Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,480,000,000	4,818,699,499
Dangjin Eco Power Corporation	Power plants operation	Republic of Korea	34.00	25,661,385,206	26,858,974,152
Seokmun Energy Co., Ltd.	Power plants operation	Republic of Korea	29.00	15,370,000,000	17,335,707,012
Chuncheon Energy Co., Ltd.	Power plants operation	Republic of Korea	29.90	52,699,945,000	32,044,297,590
Yeonggwangbaeksu Wind Power Co., Ltd. (*2)	Power plants operation	Republic of Korea	15.00	3,000,000,000	3,151,477,629
Yeonggwang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	46.00	17,475,000,000	20,713,042,958
Yangyang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	50.00	12,000,000,000	10,864,047,797

14. Investments in associates and joint ventures (cont'd)

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2022	
				Cost	Book value
Jamaica Public Service Company Limited	Power plants operation	Jamaica	40.00	₩ 301,909,577,842	₩ 331,406,530,834
South Jamaica Power Company Limited	Power plants operation	Jamaica	20.00	20,430,019,000	46,437,080,804
PT.Tanjung Power Indonesia	Power plants operation	Indonesia	35.00	57,039,359,594	92,906,894,065
DE Energia SpA	Power plants operation	Chile	49.00	8,363,732,090	9,536,452,087
Daesan Green Energy Co., Ltd.	Power plants operation	Republic of Korea	35.00	17,850,000,000	19,217,577,897
Busan Industry Solar Co., Ltd.	Power plants operation	Republic of Korea	28.02	510,000,000	1,168,328,489
Light Solar Energy Co., Ltd.	Power plants operation	Republic of Korea	27.10	352,300,000	352,300,000
Shinhan BNPP East&West Sunlight Dream Special asset investment trust for professional investment type private equity(*3)	Power plants operation	Republic of Korea	90.00	15,012,081,000	15,587,053,765
Cheongju Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	5,858,000,000	10,490,155,416
Columboola Solar Farm Hold Co Pty., Ltd.(*4),(*5)	Power plants operation	Australia	48.51	38,538,334,153	49,890,453,191
Seokmun Green Energy Co., Ltd.(*4)	Power plants operation	Republic of Korea	33.00	8,972,700,000	9,055,049,656
Subtotal				606,622,433,885	708,553,457,802
Total				₩ 901,795,033,982	₩ 1,065,051,349,781

(*1) Although the Group holds less than 20% equity interest in the investee, the investee has been classified as an associate because they can exercise voting rights on the investee's Board of Directors.
(*2) Although the Group holds less than 20% equity shares in the investee, the investee has been classified as a joint venture based on the judgement of having a joint control.
(*3) Although the Group holds 90% equity shares in the investee, the investee has been classified as a joint venture based on the judgement of having a joint control.
(*4) Newly acquired in 2022.
(*5) Interests of the Group are 66.67% of common shares, 24% of cumulative non-participating preferred shares without voting rights, and 48.51% of total common and preferred shares. Although the ownership interest for common shares is 66.67%, the investee has been classified as a joint venture based on the judgement of having a joint control due to restrictions on exercising voting rights at the board of directors.

There are no associates or joint ventures for which published market prices exist as of December 31, 2023.

14. Investments in associates and joint ventures (cont'd)

Changes in investments in associates and joint ventures for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023							
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Dec. 31
<Associates>								
Korea Offshore Wind Power Co., Ltd.	₩ 23,106,223,387	₩ -	₩ -	₩ -	₩ 720,907,339	₩ -	₩ -	₩ 23,827,130,726
KEPCO Solar Co., Ltd.	18,133,216,179	-	-	(1,333,914,750)	696,585,168	-	(1,197,464)	17,494,689,133
KEPCO ES Co., Ltd.	26,071,006,646	-	-	(790,000,000)	314,756,953	-	1,004,203	25,596,767,802
GS Donghae Electric Power Co., Ltd.	260,144,625,308	-	-	(21,846,020,000)	21,240,227,676	-	(454,364,338)	259,084,468,646
Guam Ukudu Power LLC.	-	-	-	-	11,185,507,291	431,547,245	-	11,617,054,536
KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd)	4,484,640,256	-	-	-	3,294,428,494	-	-	7,779,068,750
Taebaek Gadeoksan Wind Power Co., Ltd.	20,039,532,100	-	-	(3,723,000,000)	3,109,606,297	-	(18,956)	19,426,119,441
Goheungsin Energy Co., Ltd.	3,614,948,067	-	-	-	1,192,824,753	-	-	4,807,772,820
Yanggu Floating Power Co., Ltd.	903,700,036	-	-	-	(143,447,384)	-	-	760,252,652
Hoenggye Renewable Energy Co., Ltd.	-	2,374,782,880	-	-	-	-	-	2,374,782,880
Subtotal	356,497,891,979	2,374,782,880	-	(27,692,934,750)	41,611,396,587	431,547,245	(454,576,555)	372,768,107,386
<Joint ventures>								
Busan Shinho Solar Power Co., Ltd.	6,719,334,961	-	-	(1,168,750,000)	1,118,178,815	-	-	6,668,763,776
Honam Wind Power Co., Ltd.	4,818,699,499	-	-	(522,000,000)	446,546,538	-	-	4,743,246,037
Dangjin Eco Power Corporation	26,858,974,152	-	-	-	211,565,644	(317,362,454)	(202,361)	26,752,974,981
Seokmun Energy Co., Ltd.	17,335,707,012	-	-	-	(744,568,769)	-	-	16,591,138,243
Chuncheon Energy Co., Ltd.	32,044,297,590	-	-	-	3,038,363,327	-	-	35,082,660,917
Yeonggwangbaeksu Wind Power Co., Ltd.	3,151,477,629	-	-	-	291,810,320	-	-	3,443,287,949
Yeonggwang Wind Power Co., Ltd.	20,713,042,958	-	-	(2,688,307,373)	5,355,165,791	-	-	23,379,901,376
Yangyang Wind Power Co., Ltd.	10,864,047,797	-	-	-	(429,009,309)	-	-	10,435,038,488
Jamaica Public Service Company Limited	331,406,530,834	-	-	(15,714,520,000)	32,861,515,480	7,959,156,602	(6,646,228,120)	349,866,454,796
South Jamaica Power Company Limited	46,437,080,804	-	-	(7,667,005,320)	3,708,669,810	630,613,331	-	43,109,358,625
PT.Tanjung Power Indonesia	92,906,894,065	-	-	(12,641,317,500)	9,678,615,206	337,655,653	(130,779,945)	90,151,067,479
DE Energia SpA	9,536,452,087	-	-	-	-	166,302,842	-	9,702,754,929
Daesan Green Energy Co., Ltd.	19,217,577,897	-	-	-	2,977,413,577	-	(4,244,150)	22,190,747,324
Busan Industry Solar Co., Ltd.	1,168,328,489	-	-	-	(110,258,514)	-	-	1,058,069,975
Light Solar Energy Co., Ltd.	352,300,000	-	-	-	-	-	-	352,300,000
Shinhan BNPP East&West Sunlight Dream Special asset investment trust for professional investment type private equity	15,587,053,765	-	(96,300,000)	-	(3,980,584)	-	-	15,486,773,181
Cheongju Eco Park Co., Ltd.	10,490,155,416	-	-	-	(1,418,580,430)	-	-	9,071,574,986

14. Investments in associates and joint ventures (cont'd)

	2023							
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Dec. 31
<Associates>								
Columboola Solar Farm Hold Co Pty., Ltd.	₩ 49,890,453,191	₩ -	₩ -	₩ (360,406,872)	₩ 72,793,384	₩ 1,251,427,172	₩ -	₩ 50,854,266,875
Seokmun Green Energy Co., Ltd.	9,055,049,656	-		-	701,827,951	-	-	9,756,877,607
Geumyang Eco Park Co., Ltd	-	3,663,000,000	-	-	-	-	-	3,663,000,000
Fairhaven Energy Storage, LLC(*)	-	-	-	-	-	-	-	-
Subtotal	708,553,457,802	3,663,000,000	(96,300,000)	(40,762,307,065)	57,756,068,237	10,027,793,146	(6,781,454,576)	732,360,257,544
Total	₩ 1,065,051,349,781	₩ 6,037,782,880	₩ (96,300,000)	₩ (68,455,241,815)	₩ 99,367,464,824	₩ 10,459,340,391	₩ (7,236,031,131)	₩ 1,105,128,364,930

(*) Equity method has not been applied as the capital contribution according to the agreement has not been completed as of December 31, 2023.

	2022							
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Dec. 31
<Associates>								
Korea Offshore Wind Power Co., Ltd.	₩ 21,435,927,072	₩ -	₩ -	₩ -	₩ 1,670,296,315	₩ -	₩ -	₩ 23,106,223,387
KEPCO Solar Co., Ltd.	17,447,137,080	-	-	(117,299,250)	800,400,065	-	2,978,284	18,133,216,179
KEPCO ES Co., Ltd.	26,073,922,830	-	-	(142,290,000)	131,387,647	-	7,986,169	26,071,006,646
GS Donghae Electric Power Co., Ltd.	243,772,154,277	-	-	-	15,716,712,495	-	655,758,536	260,144,625,308
Guam Ukudu Power LLC.	-	478,800,000	-	-	(478,800,000)	-	-	-
Daewon Green Energy Co., Ltd.	3,877,018,122	-	-	-	607,622,134	-	-	4,484,640,256
Taebaek Gadeoksan Wind Power Co., Ltd.(*)	16,494,865,572	-	-	(1,784,250,000)	5,643,664,949	-	(314,748,421)	20,039,532,100
Goheungsin Energy Co., Ltd.	3,577,038,047	-	-	-	37,910,020	-	-	3,614,948,067
Yanggu Floating Power Co., Ltd.	-	903,700,000	-	-	36	-	-	903,700,036
Subtotal	332,678,063,000	1,382,500,000	-	(2,043,839,250)	24,129,193,661	-	351,974,568	356,497,891,979
<Joint ventures>								
Busan Shinho Solar Power Co., Ltd.	5,840,815,648	-	-	(477,500,000)	1,356,019,313	-	-	6,719,334,961
Honam Wind Power Co., Ltd.	4,040,607,200	-	-	(174,000,000)	952,092,299	-	-	4,818,699,499
Dangjin Eco Power Corporation	26,108,739,777	-	-	-	232,952,671	513,547,304	3,734,400	26,858,974,152
Seokmun Energy Co., Ltd.	13,842,402,164	-	-	-	3,493,304,848	-	-	17,335,707,012
Chuncheon Energy Co., Ltd.	25,895,925,269	-	-	-	6,148,372,321	-	-	32,044,297,590
Yeonggwangbaeksu Wind Power Co., Ltd.	2,728,010,194	-	-	-	423,467,435	-	-	3,151,477,629
Yeonggwang Wind Power Co., Ltd.	17,646,237,769	-	-	-	3,066,805,189	-	-	20,713,042,958
Yangyang Wind Power Co., Ltd.	11,190,568,582	-	-	-	(326,482,847)	-	(37,938)	10,864,047,797
Jamaica Public Service Company Limited	294,648,737,523	-	-	(7,751,700,000)	28,540,892,571	19,493,803,540	(3,525,202,800)	331,406,530,834

14. Investments in associates and joint ventures (cont'd)

	2022							
	Jan. 1	Additions	Disposal	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Dec. 31
South Jamaica Power Company Limited	₩ 37,360,240,586	₩ -	₩ -	₩ -	₩ 6,625,377,990	₩ 2,451,462,228	₩ -	₩ 46,437,080,804
PT.Tanjung Power Indonesia	46,545,764,880	30,147,290,800	-	(6,104,438,557)	4,644,980,133	18,323,446,921	(650,150,112)	92,906,894,065
DE Energia SpA	8,920,905,823	-	-	-	-	615,546,264	-	9,536,452,087
Daesan Green Energy Co., Ltd.	21,243,900,330	-	-	-	(2,030,692,631)	-	4,370,198	19,217,577,897
Busan Industry Solar Co., Ltd.	611,527,293	-	-	-	556,801,196	-	-	1,168,328,489
Light Solar Energy Co., Ltd.	352,300,000	-	-	-	-	-	-	352,300,000
Shinhan BNPP East&West Sunlight Dream Special asset investment trust for professional investment type private equity	16,287,976,472	-	(686,619,000)	-	(14,303,707)	-	-	15,587,053,765
Cheongju Eco Park Co., Ltd.	5,465,120,569	-	-	-	5,025,034,847	-	-	10,490,155,416
Columboola Solar Farm Hold Co Pty., Ltd.	-	38,538,334,153	-	-	15,216,997,028	(3,864,877,990)	-	49,890,453,191
Seokmun Green Energy Co., Ltd.	-	8,972,700,000		-	121,258,933	(38,909,277)	-	9,055,049,656
Subtotal	538,729,780,079	77,658,324,953	(686,619,000)	(14,507,638,557)	74,032,877,589	37,494,018,990	(4,167,286,252)	708,553,457,802
Total	₩ 871,407,843,079	₩ 79,040,824,953	₩ (686,619,000)	₩ (16,551,477,807)	₩ 98,162,071,250	₩ 37,494,018,990	₩ (3,815,311,684)	₩ 1,065,051,349,781

(*) For the year ended December 31, 2022, a decrease in net assets of ₩(-)314,748,421 due to a decrease in the shares of Taebaek Gadeoksan Wind Power Co., Ltd. was recognized as a loss on disposal of investments in associates.

14. Investments in associates and joint ventures (cont'd)

The summary of associates and joint ventures' financial information as of December 31, 2023 and 2022 and for the years then ended, is as follows (Korean won):

	Dec. 31, 2023			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 334,443,733,926	₩ 143,826,688,116	₩ 40,313,431,590	₩ 6,497,079,436
KEPCO Solar Co., Ltd.	246,273,134,874	36,126,718,869	23,233,968,885	8,367,389,406
KEPCO ES Co., Ltd.	322,528,550,343	15,367,336,713	14,150,933,382	5,383,784,061
GS Donghae Electric Power Co., Ltd.	1,932,098,583,071	1,170,085,439,993	876,826,348,934	62,471,257,872
Guam Ukudu Power LLC.	749,837,168,750	720,794,532,396	-	(19,904,314,937)
KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd.)	143,157,615,303	112,651,367,077	58,423,206,165	13,406,555,434
Taebaek Gadeoksan Wind Power Co., Ltd.	196,809,886,127	139,674,531,619	34,999,891,920	13,138,049,794
Goheungsin Energy Co., Ltd..	177,924,142,430	146,175,314,628	29,245,796,425	8,459,750,022
Yanggu Floating Power Co., Ltd.	17,091,647,021	14,470,091,954	135,163,828	(494,645,057)
Hoenggye Renewable Energy Co., Ltd.	24,702,811,859	25,730,320,931	-	(4,864,047,429)
<Joint ventures>				
Busan Shinho Solar Power Co., Ltd.	31,863,168,341	5,188,113,238	9,196,583,372	4,472,715,258
Honam Wind Power Co., Ltd.	31,183,377,097	14,937,996,172	6,570,153,694	1,539,815,648
Dangjin Eco Power Corporation	96,980,001,204	19,298,645,642	3,789,128,804	589,331,918
Seokmun Energy Co., Ltd.	201,776,108,067	144,565,286,539	54,575,467,279	(1,580,608,129)
Chuncheon Energy Co., Ltd.	565,971,968,556	447,820,432,261	502,888,551,631	10,435,062,099
Yeonggwangbaeksu Wind Power Co., Ltd.	73,853,450,228	50,935,710,728	13,523,043,837	1,944,182,220
Yeonggwang Wind Power Co., Ltd.	225,285,757,789	175,529,772,264	36,326,191,433	11,671,570,879
Yangyang Wind Power Co., Ltd.	124,550,099,244	103,766,276,092	210,900,952	(858,018,617)
Jamaica Public Service Company Limited(*)	2,332,019,139,083	1,491,198,975,655	1,400,582,221,460	87,307,126,210
South Jamaica Power Company Limited	482,866,116,600	267,306,790,506	240,664,082,190	18,833,150,070
PT.Tanjung Power Indonesia	704,274,789,032	446,700,311,072	111,138,303,463	21,853,833,564
DE Energia SpA	28,016,619,590	21,415,636,864	5,005,600,280	21,117,708,949
Daesan Green Energy Co., Ltd.	237,662,980,522	174,260,845,312	111,225,108,724	11,479,550,662
Busan Industry Solar Co., Ltd.	18,635,411,917	15,895,611,715	2,377,620,101	105,851,819
Light Solar Energy Co., Ltd.	73,435,546,392	79,367,091,517	8,249,037,330	(1,124,743,740)
Shinhan BNPP East&West Sunlight Dream Special asset investment trust for professional investment type private equity	17,229,217,173	21,691,416	38,288,040	(3,428,967)
Cheongju Eco Park Co., Ltd.	145,955,906,503	115,347,373,268	38,907,103,783	(4,891,656,656)
Columboola Solar Farm Hold Co Pty., Ltd.	311,258,583,636	213,821,674,026	10,071,778,571	3,217,193,105
Seokmun Green Energy Co., Ltd.	144,600,550,205	115,034,254,425	10,878,867,529	2,126,765,169
Geumyang Eco Park Co., Ltd.	13,831,356,715	1,395,000,000	-	(71,255,787)

(*) The summary financial information reflected the fair value adjustments made at the acquisition date.

14. Investments in associates and joint ventures (cont'd)

	Dec. 31, 2022			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 376,284,938,853	₩ 191,435,151,758	₩ 52,560,142,105	₩ 13,819,223,877
KEPCO Solar Co., Ltd.	243,221,291,464	25,404,880,914	24,778,333,756	9,305,064,371
KEPCO ES Co., Ltd.	318,954,586,836	6,102,507,080	33,638,200,283	1,725,395,360
GS Donghae Electric Power Co., Ltd.	2,130,287,498,382	1,365,156,247,475	1,053,111,794,593	46,225,624,986
Guam Ukudu Power LLC.	293,422,267,334	323,292,403,612	-	(31,409,942,055)
Daewon Green Energy Co., Ltd	141,974,289,476	124,460,390,964	45,095,488,602	4,036,839,450
Taebaek Gadeoksan Wind Power Co., Ltd.	197,943,902,253	139,004,402,051	31,533,699,309	19,405,561,459
Goheungsin Energy Co., Ltd.	136,681,712,289	113,392,634,509	-	(1,591,207,180)
Yanggu Floating Power Co., Ltd.	3,116,200,124	-	-	98
<Joint ventures>				
Busan Shinho Solar Power Co., Ltd.	36,867,894,972	9,990,555,127	10,542,805,007	5,424,077,254
Honam Wind Power Co., Ltd.	34,027,560,768	17,521,995,491	8,780,562,591	3,283,076,893
Dangjin Eco Power Corporation	98,713,895,130	20,720,777,302	4,185,326,934	699,784,130
Seokmun Energy Co., Ltd.	212,509,181,673	152,730,881,630	61,512,992,262	12,064,199,727
Chuncheon Energy Co., Ltd.	629,201,324,594	521,211,538,557	585,640,698,025	19,939,831,656
Yeonggwangbaeksu Wind Power Co., Ltd.	80,042,233,805	59,069,896,436	14,150,376,345	2,764,301,714
Yeonggwang Wind Power Co., Ltd.	233,695,356,387	189,736,889,160	31,220,833,542	6,699,888,614
Yangyang Wind Power Co., Ltd.	107,471,081,205	85,829,239,436	-	(633,783,344)
Jamaica Public Service Company Ltd.(*)	2,310,611,166,052	1,515,360,700,666	1,499,897,104,200	69,457,815,900
South Jamaica Power Company Ltd.	521,557,315,000	289,358,794,427	314,064,001,350	33,347,813,400
PT.Tanjung Power Indonesia	730,239,527,829	464,791,258,890	99,168,976,091	13,618,775,689
DE Energia SpA	48,350,305,871	62,481,363,669	5,958,531,534	(1,108,947,866)
Daesan Green Energy Co., Ltd.	245,825,856,104	190,918,490,685	101,689,152,216	(6,640,859,511)
Busan Industry Solar Co., Ltd.	21,149,414,179	18,016,142,420	3,190,245,086	900,886,285
Light Solar Energy Co., Ltd.	78,778,910,471	83,323,573,357	9,556,931,706	260,910,822
Shinhan BNPP East&West Sunlight Dream Special asset investment trust for professional investment type private equity	17,340,856,935	21,908,307	38,055,322	(9,755,828)
Cheongju Eco Park Co., Ltd.	152,138,715,192	116,638,525,301	66,259,729,923	17,318,706,369
Columboola Solar Farm Hold Co Pty., Ltd.	310,271,309,045	214,792,181,141	2,227,660,604	2,883,960,650
Seokmun Green Energy Co., Ltd.	46,282,554,982	18,843,010,571	-	367,451,311

(*) The summary financial information reflected the fair value adjustments made at the acquisition date.

The agreements that have occurred regarding the investments in associates and joint ventures but are not recognized as of December 31, 2023 are as follows:

	Agreements
Yeonggwang Wind Power Co., Ltd.	If the Group decides to acquire all or a portion of the shares in Yeonggwang Wind Power Co., Ltd. that are owned by Daehan Green Energy Co., Ltd., a shareholder other than the Group, Daehan Green Energy Co., Ltd. shall evaluate the shares at fair value first and then transfer them to the Group.
Columboola Solar Farm Hold Co Pty., Ltd.	The Group holds a call option to purchase the shares held by other shareholders at 80% of the fair value of the shares, in the event of non-compliance with obligations specified in the shareholder agreement.
Seokmun Green Energy Co., Ltd.	The Group has the right to demand the sale of ownership interest owned by other shareholders to the Group according to the special conditions of the REC purchase agreement, or the other shareholders may obtain prior written consent from the financial institution to acquire new ownership interests through a capital increase of Seokmun Green Energy Co., Ltd. or to modify business documents. If other shareholders sell their ownership interests to the Group, they have the right to demand that the Group sell the sold interests if certain conditions are met.

14. Investments in associates and joint ventures (cont'd)

As of December 31, 2023, following significant restrictions are posed on transfer of funds to investors or to repay or return borrowings or advances to investors by associates or joint ventures:

	Significant restrictions
Korea Offshore Wind Power Co., Ltd.	Repayment of subordinated loans or dividends and payments for renewable energy supply certification to stakeholders are permitted only if all the conditions in the loan agreement between Korea Offshore Wind Power Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
GS Donghae Electric Power Co., Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between GS Donghae Electric Power Co., Ltd. and a financial institution are met, or with a prior written consent from the financial institution.
Busan Shinho Solar Power Co., Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between Busan Shinho Solar Power Co., Ltd. and a financial institution are met.
Honam Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Honam Wind Power Co., Ltd. and a financial institution are met.
Seokmun Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Seokmun Energy Co., Ltd. and a financial institution are met. Repayment of principal and interest on subordinated loans is not permitted without prior written consent from the financial institution.
Chuncheon Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only when all the conditions in the loan agreement between Chuncheon Energy Co., Ltd. and financial institution are met. Also, repayment of subordinated loans is not permitted before all secured debts are fully repaid.
Yeonggwangbaeksu Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Yeonggwangbaeksu Wind Power Co., Ltd. and a financial institution are met and with prior written consent from the financial institution. Repayment of subordinated loans is not permitted without a prior written consent from the financial institution.
Yeonggwang Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Yeonggwang Wind Power Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
Daesan Green Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Daesan Green Energy Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd.)	Dividends to stakeholders are permitted only if all conditions in the loan agreement between KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd.) and a financial institution are met or with a prior written consent from the financial institution.
Taebaek Gadeoksan Wind Power Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Taebaek Gadeoksan Wind Power Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution. Repayment of subordinated loans is not permitted without prior written consent from the financial institution
Yangyang Wind Power Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Yangyang Wind Power Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Busan Industry Solar Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Busan Industry Solar Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Light Solar Energy Co., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Light Solar Energy Co., Ltd. and a financial institution are met.

14. Investments in associates and joint ventures (cont'd)

	Significant restrictions
DE Energia SpA	Dividends to stakeholders are permitted only if all conditions in the loan agreement between DE Energia SpA and a financial institution are met.
Jamaica Public Service Company Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between Jamaica Public Service Company Ltd. and a financial institution are met and with a prior written consent from the financial institution.
South Jamaica Power Company Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between South Jamaica Power Company Ltd. and a financial institution are met and with a prior written consent from the financial institution.
PT.Tanjung Power Indonesia	Dividends to shareholders are permitted only if all conditions in the loan agreement between PT.Tanjung Power Indonesia and a financial institution are met.
Cheongju Eco Park Co., Ltd	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all the conditions in the loan agreement between Cheongju Eco Park Co., Ltd. and a financial institution are met, other financial related contracts are permitted, or with a prior written consent from the financial institution
Goheungsin Energy Co., Ltd.	Repayment of subordinated loans or dividends to stakeholders are permitted only if all the conditions in the loan agreement between Goheungsin Energy Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
Columboola Solar Farm Hold Co Pty., Ltd.	Dividends to stakeholders are permitted only if all conditions in the loan agreement between Columboola Solar Farm Hold Co Pty., Ltd. and a financial institution are met.
Seokmun Green Energy Co., Ltd.	Dividends and payments for renewable energy supply certification to stakeholders are permitted only if all conditions in the loan agreement between Seokmun Green Energy Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Yanggu Floating Solar Power Co., Ltd.	Repayment of subordinated loans or dividends to shareholders are permitted only if all the conditions in the loan agreement between Yanggu Floating Solar Power Co., Ltd. and a financial institution are met and with a prior written consent from the financial institution.
Hoenggye Renewable Energy Co., Ltd.	Dividends to shareholders are permitted only if all conditions in the loan agreement between Hoenggye Renewable Energy Co., Ltd. and a financial institution are met or with a prior written consent from the financial institution.
Guam Ukudu Power LLC.	Dividends to shareholders are permitted only if all conditions in the loan agreement between Guam Ukudu Power LLC. and a financial institution are met.

As of December 31, 2023 and 2022, unrecognized equity interest in investments in associates and joint ventures whose book value has been reduced to zero due to accumulated losses are as follows (Korean won):

	Dec. 31, 2023		Dec. 31, 2022	
	Unrecognized equity interest	Accumulated unrecognized equity interest	Unrecognized equity interest	Accumulated unrecognized equity interest
Associates				
Guam Ukudu Power LLC	₩ -	₩ -	₩ 12,047,242,299	₩ 12,165,242,095

15. Property, plant, and equipment

The acquisition cost and net book value of property, plant, and equipment as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 864,753,454,929	₩ -	₩ -	₩ 864,753,454,929
Buildings	1,402,034,121,446	(143,248,416)	(721,472,239,995)	680,418,633,035
Structures	1,389,011,002,079	-	(811,636,352,195)	577,374,649,884
Machinery	8,566,914,254,665	(4,405,464,627)	(5,227,173,854,230)	3,335,334,935,808
Vehicles	16,109,297,142	-	(14,154,549,119)	1,954,748,023
Furniture and fixtures	169,656,513,981	-	(136,579,797,557)	33,076,716,424
Tools and equipment	23,917,567,902	-	(21,901,583,040)	2,015,984,862
Construction-in-progress	979,035,864,162	-	-	979,035,864,162
Right-of-use assets	979,925,693,368	-	(546,070,535,875)	433,855,157,493
	₩ 14,391,357,769,674	₩ (4,548,713,043)	₩ (7,478,988,912,011)	₩ 6,907,820,144,620

	Dec. 31, 2022			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 861,107,740,674	₩ -	₩ -	₩ 861,107,740,674
Buildings	1,371,256,666,861	(151,318,749)	(676,075,480,900)	695,029,867,212
Structures	1,378,648,312,050	-	(764,338,781,263)	614,309,530,787
Machinery	8,128,907,434,160	(4,806,373,236)	(4,679,996,401,250)	3,444,104,659,674
Vehicles	15,695,837,363	-	(12,833,290,549)	2,862,546,814
Furniture and fixtures	164,007,817,356	-	(123,818,629,608)	40,189,187,748
Tools and equipment	24,896,798,447	-	(22,093,900,195)	2,802,898,252
Construction-in-progress	683,381,297,859	-	-	683,381,297,859
Right-of-use assets	966,964,715,551	-	(478,297,008,698)	488,667,706,853
	₩ 13,594,866,620,321	₩ (4,957,691,985)	₩ (6,757,453,492,463)	₩ 6,832,455,435,873

15. Property, plant and equipment (cont'd)

Changes in the net book value of property, plant and equipment for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023							
	Jan. 1	Addition	Disposal	Disuse	Depreciation	Others (*)		Dec. 31
						Transfer	Others	
Land	₩ 861,107,740,674	₩ 237,082,512	₩ (132,268,883)	₩ -	₩ -	₩ 3,531,562,884	₩ 9,337,742	₩ 864,753,454,929
Buildings	695,181,185,961	49,292,000	(354,603,836)	(887,904)	(45,801,674,783)	31,466,450,490	22,119,523	680,561,881,451
(Government grant)	(151,318,749)	-	-	-	8,070,333	-	-	(143,248,416)
Structures	614,309,530,787	-	-	-	(47,109,908,742)	10,170,768,973	4,258,866	577,374,649,884
Machinery	3,448,911,032,910	20,461,948,957	(452,219,112)	(12,350,393,057)	(554,754,288,976)	436,499,977,654	1,424,342,059	3,339,740,400,435
(Government grant)	(4,806,373,236)	-	-	-	400,862,182	46,427	-	(4,405,464,627)
Vehicles	2,862,546,814	35,567,009	(3,000)	(2,000)	(1,471,679,350)	519,249,636	9,068,914	1,954,748,023
Furniture and fixtures	40,189,187,748	37,252,231	-	(555,500)	(18,247,863,851)	11,098,381,855	313,941	33,076,716,424
Tools and equipment	2,802,898,252	1,421,591	-	(61,000)	(1,880,139,721)	1,090,738,542	1,127,198	2,015,984,862
Construction-in-progress	683,381,297,859	799,966,727,315	-	(1,510,827,336)	-	(512,633,480,430)	9,832,146,754	979,035,864,162
Right-of-use asset	488,667,706,853	3,869,526,055	-	-	(67,993,428,543)	9,272,411,765	38,941,363	433,855,157,493
	₩ 6,832,455,435,873	₩ 824,658,817,670	₩ (939,094,831)	₩ (13,862,726,797)	₩ (736,850,051,451)	₩ (8,983,892,204)	₩ 11,341,656,360	₩ 6,907,820,144,620

(*) Represents amounts from construction-in-progress and changes in exchange rates, etc.

	2022							
	Jan. 1	Addition	Disposal	Disuse	Depreciation	Others (*)		Dec. 31
						Transfer	Others	
Land	₩ 847,211,714,530	₩ 2,065,319,753	₩ (117,019,696)	₩ -	₩ -	₩ 11,911,734,087	₩ 35,992,000	₩ 861,107,740,674
Buildings	732,012,950,615	15,823,095	(1,866,360,134)	-	(58,319,020,264)	23,254,190,929	83,601,720	695,181,185,961
(Government grant)	(159,389,082)	-	-	-	8,070,333	-	-	(151,318,749)
Structures	659,819,590,210	-	-	(11,538,576)	(48,341,244,736)	2,826,865,921	15,857,968	614,309,530,787
Machinery	3,617,835,941,826	33,810,282,370	(10,147,824,285)	(9,711,005,345)	(520,718,167,441)	335,879,614,117	1,962,191,668	3,448,911,032,910
(Government grant)	(5,224,493,375)	-	-	-	401,335,701	16,784,438	-	(4,806,373,236)
Vehicles	4,094,714,921	99,583,902	(9,000)	-	(1,593,688,358)	263,044,641	(1,099,292)	2,862,546,814
Furniture and fixtures	45,910,970,006	96,662,355	-	(104,853,288)	(17,730,736,133)	12,016,304,462	840,346	40,189,187,748
Tools and equipment	3,227,029,746	86,431,906	-	(51,000)	(1,352,190,069)	842,655,979	(978,310)	2,802,898,252
Construction-in-progress	396,865,657,594	674,668,790,884	-	(4,512,469,467)	-	(392,558,453,227)	8,917,772,075	683,381,297,859
Right-of-use asset	543,976,529,245	9,314,843,375	(30,431,128)	-	(69,394,146,263)	4,804,241,214	(3,329,590)	488,667,706,853
	₩ 6,845,571,216,236	₩ 720,157,737,640	₩ (12,161,644,243)	₩ (14,339,917,676)	₩ (717,039,787,230)	₩ (743,017,439)	₩ 11,010,848,585	₩ 6,832,455,435,873

(*) Represents amounts from construction-in-progress and changes in exchange rates, etc.

16. Goodwill

Details of goodwill as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Acquisition cost	₩ 104,241,793,070	₩ 104,090,158,451
Accumulated impairment loss	-	-
Book value	₩ 104,241,793,070	₩ 104,090,158,451

Changes in goodwill for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Jan. 1	₩ 104,090,158,451	₩ 103,528,904,520
Effect on exchange rates change	151,634,619	561,253,931
Dec. 31	₩ 104,241,793,070	₩ 104,090,158,451

Goodwill was recognized from the acquisition of California Power Holdings, LLC ("CPH") in 2011 and the acquisition and merger of Eumseong Natural Gas Power Co., Ltd. in 2019.

CPH is considered as a separate CGU in the Group. Recoverable value was calculated based on the cash flows from the financial budget for 13 years approved by management in 2023. Management believes that the total carrying amount of the CGU will not exceed the total recoverable amount due to reasonably possible changes in the key assumptions used to estimate the recoverable amount.

Additionally, the Group acquired 100% shares in Eumseong Natural Gas Power Plant Co., Ltd., to secure stable power supply and generate income through diversification of power generations, and decided to merge on December 23, 2019. The goodwill is a separate CGU of the Group, and the recoverable amount of the CGU is measured at value in use calculated by applying the cash flows estimated based on the financial budget for 25 years after the completion of construction approved by management. Management believes that the total carrying amount of the CGU will not exceed the total recoverable amount due to reasonably possible changes in the key assumptions used to estimate the recoverable amount.

17. Intangible assets excluding goodwill

Intangible assets as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023				
	Acquisition cost	Government grant	Accumulated amortization	Accumulated impairment loss	Book value
Software	₩ 74,152,542,775	₩ -	₩ (60,131,638,882)	₩ -	₩ 14,020,903,893
Industrial property rights	100,212,971	-	(94,241,602)	-	5,971,369
Usable and profitable donated assets	225,429,427,625	-	(225,429,427,625)	-	-
Others	302,678,346,649	-	(63,521,284,548)	(177,967,100)	238,979,095,001
	₩ 602,360,530,020	₩ -	₩ (349,176,592,657)	₩ (177,967,100)	₩ 253,005,970,263

	Dec. 31, 2022				
	Acquisition cost	Government grant	Accumulated amortization	Accumulated impairment loss	Book value
Software	₩ 67,879,543,153	₩ -	₩ (54,453,287,140)	₩ -	₩ 13,426,256,013
Industrial property rights	100,212,971	-	(92,285,670)	-	7,927,301
Usable and profitable donated assets	225,429,427,625	-	(225,429,427,625)	-	-
Others	297,498,509,087	-	(52,215,372,517)	(177,967,100)	245,105,169,470
	₩ 590,907,692,836	₩ -	₩ (332,190,372,952)	₩ (177,967,100)	₩ 258,539,352,784

17. Intangible assets excluding goodwill (cont'd)

Changes in the net book value of intangible assets for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023		
	Jan. 1	Acquisition	Disposal
Software	₩ 13,426,256,013	₩ -	₩ (3,000)
Industrial property rights	7,927,301	-	-
Others	245,105,169,470	4,614,051,550	-
	₩ 258,539,352,784	₩ 4,614,051,550	₩ (3,000)

	2023		
	Amortization	Others (*)	Dec.31
Software	₩ (5,640,199,437)	₩ 6,234,850,317	₩ 14,020,903,893
Industrial property rights	(1,955,932)	-	5,971,369
Others	(11,305,912,031)	565,786,012	238,979,095,001
	₩ (16,948,067,400)	₩ 6,800,636,329	₩ 253,005,970,263

(*) includes ₩6,276,341,379 from construction-in-progress and ₩524,294,950 from emission rights.

	2022		
	Jan. 1	Acquisition	Disposal
Software	₩ 15,768,075,414	₩ -	₩ -
Industrial property rights	11,946,695	-	-
Others	251,722,252,099	49,444,400,235	-
	₩ 267,502,274,208	₩ 49,444,400,235	₩ -

	2022		
	Amortization	Others (*)	Dec.31
Software	₩ (6,041,963,894)	₩ 3,700,144,493	₩ 13,426,256,013
Industrial property rights	(4,019,394)	-	7,927,301
Others	(11,304,425,909)	(44,757,056,955)	245,105,169,470
	₩ (17,350,409,197)	₩ (41,056,912,462)	₩ 258,539,352,784

(*) includes software of ₩3,700,144,493 and other intangible assets of ₩945,418,862 from construction-in-progress, emission rights of ₩(-)45,702,475,817 from other current non-financial assets.

17. Intangible assets excluding goodwill (cont'd)

Key intangible assets as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		
	Contents	Amount	Residual amortization period
Other intangible assets	Right to use public water surface	₩ 70,800,437,332	13 years and 1 month
	Emission rights	17,429,926,697	-
	Business operation rights	148,963,816,667	25 years and 11 months

	Dec. 31, 2022		
	Contents	Amount	Residual amortization period
Other intangible assets	Right to use public water surface	₩ 76,211,935,726	14 years and 1 month
	Emission rights	12,291,580,197	-
	Business operation rights	154,711,616,667	26 years and 11 months

18. Trade and other payables

Details of trade and other payables as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		Dec. 31, 2022	
	Current	Non-current	Current	Non-current
Trade payables	₩ 215,009,901,175	₩ -	₩ 445,538,399,034	₩ -
Non-trade payables	137,380,598,595	-	72,700,018,362	-
Accrued expenses	51,786,932,315	-	49,962,650,864	-
Leasehold deposits received	8,743,810	-	-	-
Other deposits	2,650,246,562	-	2,453,588,776	-
Lease liabilities	62,596,145,083	333,459,385,389	62,462,409,305	377,638,990,806
Dividend payable	299,888,192,581	-	-	-
	₩ 769,320,760,121	₩ 333,459,385,389	₩ 633,117,066,341	₩ 377,638,990,806

19. Lease

Details of right-of-use assets as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		
	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 4,652,764,999	₩ (694,028,178)	₩ 3,958,736,821
Buildings	11,781,071,205	(2,624,421,948)	9,156,649,257
Vessels	531,075,962,713	(233,837,706,239)	297,238,256,474
Power transmission facilities	399,261,727,360	(302,345,772,134)	96,915,955,226
Vehicles	412,519,861	(260,850,062)	151,669,799
Other right-of-use assets	32,741,647,230	(6,307,757,314)	26,433,889,916
	₩ 979,925,693,368	₩ (546,070,535,875)	₩ 433,855,157,493

	Dec. 31, 2022		
	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 3,927,157,505	₩ (471,267,101)	₩ 3,455,890,404
Buildings	6,931,002,274	(1,548,169,201)	5,382,833,073
Vessels	531,075,962,713	(186,906,865,584)	344,169,097,129
Power transmission facilities	393,341,397,360	(284,249,063,984)	109,092,333,376
Vehicles	497,339,624	(208,080,752)	289,258,872
Other right-of-use assets	31,191,856,075	(4,913,562,076)	26,278,293,999
	₩ 966,964,715,551	₩ (478,297,008,698)	₩ 488,667,706,853

Changes in right-of-use assets for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	
	Jan. 1	Acquisition
Land	₩ 3,455,890,404	₩ 694,125,158
Buildings	5,382,833,073	1,547,695,303
Vessels	344,169,097,129	-
Power transmission facilities	109,092,333,376	-
Vehicles	289,258,872	15,999,105
Other right-of-use assets	26,278,293,999	1,611,706,489
	₩ 488,667,706,853	₩ 3,869,526,055

	2023		
	Depreciation	Others(*)	Dec.31
Land	₩ (222,437,137)	₩ 31,158,396	₩ 3,958,736,821
Buildings	(1,122,218,359)	3,348,339,240	9,156,649,257
Vessels	(46,930,840,655)	-	297,238,256,474
Power transmission facilities	(18,091,042,218)	5,914,664,068	96,915,955,226
Vehicles	(120,004,070)	(33,584,108)	151,669,799
Other right-of-use assets	(1,506,886,104)	50,775,532	26,433,889,916
	₩ (67,993,428,543)	₩ 9,311,353,128	₩ 433,855,157,493

(*) includes transfer from construction-in-progress and effects from the changes in exchange rates.

19. Lease (cont'd)

	2022		
	Jan. 1	Acquisition	Disposal
Land	₩ 1,913,173,461	₩ 1,349,766,217	₩ -
Buildings	1,947,641,285	427,661,788	(30,431,128)
Vessels	391,099,937,784	-	-
Power transmission facilities	128,324,192,944	-	-
Vehicles	126,334,033	234,133,128	-
Other right-of-use assets	20,565,249,738	7,303,282,242	-
	₩ 543,976,529,245	₩ 9,314,843,375	₩ (30,431,128)

	2022		
	Depreciation	Others(*)	Dec.31
Land	₩ (189,604,122)	₩ 382,554,848	₩ 3,455,890,404
Buildings	(910,585,184)	3,948,546,312	5,382,833,073
Vessels	(46,930,840,655)	-	344,169,097,129
Power transmission facilities	(19,675,598,217)	443,738,649	109,092,333,376
Vehicles	(97,280,104)	26,071,815	289,258,872
Other right-of-use assets	(1,590,237,981)	-	26,278,293,999
	₩ (69,394,146,263)	₩ 4,800,911,624	₩ 488,667,706,853

The table below summarizes the maturity profile of lease liabilities as of December 31, 2023 based on the contract as of December 31, 2023 (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Less than 1 year	₩ 63,397,305,485	₩ 63,265,514,641
1 to 5 years	199,066,787,797	214,775,830,811
Over 5 years	179,291,065,354	214,994,775,189
Sum of undiscounted lease payments	441,755,158,636	493,036,120,641
Adjustments (discount, etc.)	(45,699,628,164)	(52,934,720,530)
Sum of discounted lease payments	₩ 396,055,530,472	₩ 440,101,400,111

Details of lease liabilities by category as of December 31, 2023 are as follows (Korean won):

	2023	2022
Current	₩ 62,596,145,083	₩ 62,462,409,305
Non-current	333,459,385,389	377,638,990,806
	₩ 396,055,530,472	₩ 440,101,400,111

19. Lease (cont'd)

Changes in lease liabilities for the years ended December 31, 2023 and 2022 are as follows (Korean won):

		Dec. 31, 2023
Jan. 1, 2023	₩	440,101,400,111
Increases		3,869,526,055
Payments		(63,629,011,640)
Interest expenses		9,473,609,626
Fluctuation of exchange rates		6,216,435,335
Adjustments (discount, etc.)		23,570,985
Dec. 31, 2023	₩	396,055,530,472

		Dec. 31, 2022
Jan. 1, 2022	₩	452,963,003,530
Increases		9,314,843,375
Decrease		(30,923,905)
Payments		(59,063,260,781)
Interest expenses		10,197,639,249
Fluctuation of exchange rates		26,394,746,333
Adjustments (discount, etc.)		325,352,310
Dec. 31, 2022	₩	440,101,400,111

The amounts recognized in the consolidated statements of comprehensive income for the years ended December 31, 2023 and 2022 related to leases are as follows (Korean won):

		2023		2022
Depreciation of right-of-use assets	₩	67,993,428,543	₩	69,394,146,263
Interest expenses of lease liabilities		9,473,609,626		10,197,639,249
Expenses related to the leases applying exemption for short-term leases		188,838,030		403,208,932
Expenses related to the leases applying exemption for leases of low-value assets		1,643,172,124		386,988,706
Loss on foreign currency translation of long-term consecutive voyage charter		6,216,435,335		26,394,746,333
	₩	85,515,483,658	₩	106,776,729,483

Total cash outflow for lease payments of ₩65,461,021,794 (₩59,853,458,419 in 2022) is recognized in the consolidated statements of cash flows for the year ended December 31, 2023.

20. Borrowings and bonds payable

Details of borrowings and bonds payable as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Current liabilities:		
Short-term borrowings	₩ -	₩ 100,000,000,000
Current-portion of long-term borrowings	7,564,359,999	7,381,293,336
Current-portion of bonds payable	410,000,000,000	693,650,000,000
Less: discount on current portion of bonds payable	(311,633,127)	(797,325,850)
	417,252,726,872	800,233,967,486
Non-current liabilities:		
Long-term borrowings	108,127,608,628	67,120,622,299
Bonds payable	3,234,890,000,000	2,997,300,000,000
Less: discount on bonds payable	(14,714,694,483)	(11,712,893,887)
	3,328,302,914,145	3,052,707,728,412
	₩ 3,745,555,641,017	₩ 3,852,941,695,898

Details of short-term borrowings as of December 31, 2023 and 2022 are as follows (Korean Won):

Financial institution	Annual interest rate (%)	Maturity	Dec 31, 2023	Dec 31, 2022
BNK Securities	4.51	2023.02.16	₩ -	₩ 60,000,000,000
CAPE Investment & Securities Co., Ltd.	4.51	2023.02.16	-	30,000,000,000
Bookook Securities Co., Ltd.	4.51	2023.02.16	-	10,000,000,000
			₩ -	₩ 100,000,000,000

Details of long-term borrowings as of December 31, 2023 and 2022 are as follows (Korean Won):

Financial institution	Description	Annual interest rate (%)	Maturity	Dec 31, 2023	Dec 31, 2022
<Long-term borrowings denominated in Korean won>					
Korea Energy Agency	Renewable energy funds	2.25	2028.09.15	₩ 2,446,630,000	₩ 2,961,710,000
Korea Energy Agency	Renewable energy funds	2.25	2028.09.15	996,930,000	1,206,810,000
Industrial & Commercial Bank of China	Facility funds	2.80	2024.09.30	4,812,008,627	11,436,995,635
KDB Bank	Facility funds	Non-guaranteed bond rate+0.9	2029.09.30	9,985,000,000	9,985,000,000
Shinhan Bank	Facility funds	Non-guaranteed bond rate+0.9	2029.09.30	6,989,000,000	6,989,000,000
NH Property & Casualty Insurance Co., Ltd.	Facility funds	3.30	2029.09.30	19,969,000,000	19,969,000,000
KDB Bank	Project financing	4.94	2042.06.23	35,246,700,000	10,976,700,000
Woori Bank	Project financing	3M CD+1.9	2042.06.23	35,246,700,000	10,976,700,000
				115,691,968,627	74,501,915,635
Less: current portion (₩)				(7,564,359,999)	(7,381,293,336)
				₩ 108,127,608,628	₩ 67,120,622,299

20. Borrowings and bonds payable (cont'd)

Details of bonds payable denominated in Korean won as of December 31, 2023 and 2022 are as follows (Korean won and USD):

Financial institution	Annual interest rate (%)	Maturity	Dec. 31, 2023		Dec. 31, 2022	
			USD	KRW	USD	KRW
Corporate bond #11-4	4.27	2026.11.08	$ -	₩ 110,000,000,000	$ -	₩ 110,000,000,000
Corporate bond #17-2	2.33	2024.04.28	-	50,000,000,000	-	50,000,000,000
Corporate bond #17-3	2.45	2027.04.28	-	50,000,000,000	-	50,000,000,000
Corporate bond #17-5	2.74	2027.11.10	-	80,000,000,000	-	80,000,000,000
Corporate bond #18-2	2.30	2038.11.05	-	30,000,000,000	-	30,000,000,000
Corporate bond #18-3	2.23	2048.11.05	-	40,000,000,000	-	40,000,000,000
Corporate bond #19-1	2.18	2039.03.07	-	40,000,000,000	-	40,000,000,000
Corporate bond #19-2	2.16	2049.03.07	-	40,000,000,000	-	40,000,000,000
Corporate bond #19-3	1.47	2039.10.07	-	70,000,000,000	-	70,000,000,000
Corporate bond #19-4	1.42	2049.10.07	-	80,000,000,000	-	80,000,000,000
Corporate bond #20-1	1.35	2025.07.16	-	40,000,000,000	-	40,000,000,000
Corporate bond #20-2	1.70	2040.07.16	-	90,000,000,000	-	90,000,000,000
Corporate bond #20-3	1.70	2050.07.16	-	80,000,000,000	-	80,000,000,000
Corporate bond #20-4	1.13	2023.11.24	-	-	-	60,000,000,000
Corporate bond #20-5	1.78	2040.11.24	-	40,000,000,000	-	40,000,000,000
Corporate bond #21-1	1.41	2024.05.03	-	80,000,000,000	-	80,000,000,000
Corporate bond #21-2	1.39	2024.06.10	-	100,000,000,000	-	100,000,000,000
Corporate bond #21-3	1.89	2026.06.10	-	130,000,000,000	-	130,000,000,000
Corporate bond #21-4	2.19	2031.06.10	-	30,000,000,000	-	30,000,000,000
Corporate bond #21-5	1.98	2026.07.13	-	90,000,000,000	-	90,000,000,000
Corporate bond #21-6	2.10	2031.07.13	-	10,000,000,000	-	10,000,000,000
Corporate bond #21-7	2.53	2024.11.03	-	40,000,000,000	-	40,000,000,000
Corporate bond #21-8	2.76	2026.11.03	-	100,000,000,000	-	100,000,000,000
Corporate bond #21-9	2.62	2041.11.03	-	10,000,000,000	-	10,000,000,000
Corporate bond #21-10	2.41	2024.11.22	-	30,000,000,000	-	30,000,000,000
Corporate bond #21-11	2.58	2026.11.20	-	10,000,000,000	-	10,000,000,000
Corporate bond #21-12	2.56	2041.11.22	-	40,000,000,000	-	40,000,000,000
Corporate bond #21-13	2.52	2051.11.22	-	40,000,000,000	-	40,000,000,000
Corporate bond #22-1	3.75	2025.04.22	-	60,000,000,000	-	60,000,000,000
Corporate bond #22-2	3.82	2025.06.07	-	90,000,000,000	-	90,000,000,000
Corporate bond #22-3	4.02	2027.06.07	-	30,000,000,000	-	30,000,000,000
Corporate bond #23-1	3.81	2024.06.27		110,000,000,000	-	-
Corporate bond #23-2	4.09	2026.06.26		60,000,000,000	-	-
Foreign currency corporate bonds #18-1	3.88	2023.07.19	-	-	500,000,000	633,650,000,000
Foreign currency corporate bonds #20-1	1.75	2025.05.06	500,000,000	644,700,000,000	500,000,000	633,650,000,000
Foreign currency corporate bonds #22-1	3.60	2025.05.06	500,000,000	644,700,000,000	500,000,000	633,650,000,000
Foreign currency corporate bonds #23-1	4.88	2028.07.12	350,000,000	451,290,000,000	-	-
Yeongdeok Sunrise #1[1] registered non-guaranteed bonds	10.00	2043.12.20	-	4,200,000,000	-	-
			$ 1,350,000,000	₩ 3,644,890,000,000	$ 1,500,000,000	₩ 3,690,950,000,000
Less: discount on bonds				(15,026,327,610)		(12,510,219,737)
Less: current portion				(410,000,000,000)		(693,650,000,000)
Add: discount on current portion of bonds				311,633,127		797,325,850
				₩ 3,220,175,305,517		₩ 2,985,587,106,113

20. Borrowings and bonds payable (cont'd)

The table below summarizes the maturity profile of borrowings and bonds payable based on the contractual undiscounted repayment schedules as of December 31, 2023.

	Borrowings	Bonds payable	Total
Within the next 12 months	₩ 7,564,359,999	₩ 410,000,000,000	₩ 417,564,359,999
Between 1 and 5 years	44,172,285,920	2,590,690,000,000	2,634,862,285,920
Beyond 5 years	63,955,322,708	644,200,000,000	708,155,322,708
	₩ 115,691,968,627	₩ 3,644,890,000,000	₩ 3,760,581,968,627

21. Pension benefits

The Group operates a defined contribution plan which is subject to the employees' option. 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's sole obligation to this retirement benefit plan is to pay the prescribed contribution. The amount recognized in profit or loss and construction in progress during the year represents contributions made by the Group to the retirement benefit plan at the rates stipulated by the retirement benefit plan.

Costs related to the defined contribution plan were recognized in profit or loss as follows (Korean won):

	2023	2022
Cost of sales	₩ 4,929,018,705	₩ 11,435,256,096
Selling and administrative expenses and others	6,033,280,822	4,862,127,733
	₩ 10,962,299,527	₩ 16,297,383,829

The components of the defined benefits liability (assets) as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Present value of defined benefit obligation	₩ 131,057,569,770	₩ 121,755,468,649
Fair value of plan assets	(119,980,910,796)	(103,590,244,810)
	₩ 11,076,658,974	₩ 18,165,223,839

Changes in the present value of the defined benefit obligation for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Jan. 1	₩ 121,755,468,649	₩ 153,377,287,051
Current service costs	11,566,021,241	14,748,962,554
Interest costs	5,932,906,648	3,529,533,221
Benefits paid	(16,743,127,225)	(17,959,920,893)
Re-measurement of the defined benefit obligation	8,795,099,338	(31,668,219,482)
Others	(248,798,881)	(272,173,802)
Dec. 31	₩ 131,057,569,770	₩ 121,755,468,649

22. Pension benefits (cont'd)

Changes in the fair value of plan assets for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Jan. 1	₩ 103,590,244,810	₩ 82,276,078,805
Interest income on plan assets	5,470,362,994	2,181,448,582
Re-measurement of plan assets	(1,276,303,134)	66,072,721
Contribution by employer	23,356,035,121	30,536,729,830
Benefits paid	(11,159,428,995)	(11,390,532,883)
Others	-	(79,552,245)
Dec. 31	₩ 119,980,910,796	₩ 103,590,244,810

As of December 31, 2023 and 2022, re-measurements of the defined benefit liability of ₩(-)7,535,610,507 and ₩24,436,995,852, respectively recorded in accumulated other comprehensive income are presented before tax effect which is directly charged to equity.

Details of plan assets and fair value as of December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Debt instruments	₩ 36,991,924,625	₩ 42,871,934,738
Deposit	52,853,786,841	58,858,400,620
Others	30,135,199,330	1,859,909,452
	₩ 119,980,910,796	₩ 103,590,244,810

Details of costs related to the defined benefit plan recognized in profit or loss for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Current service costs	₩ 11,566,021,241	₩ 14,748,962,554
Interest costs	462,543,654	1,348,084,639
	₩ 12,028,564,895	₩ 16,097,047,193

Costs related to the defined benefit plan were recognized as follows (Korean won):

	2023	2022
Cost of sales	₩ 10,894,415,420	₩ 13,729,356,599
Selling and administrative expenses and others	1,134,149,475	1,467,306,934
Construction-in-progress	-	900,383,660
	₩ 12,028,564,895	₩ 16,097,047,193

Details of change in re-measurement gain (loss) in other comprehensive income for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Actuarial gains and losses from changes in financial assumptions	₩ 14,275,003,831	₩ (31,473,235,035)
Return on plan assets	1,276,303,134	(66,072,721)
Experience adjustments and others	(5,317,116,389)	(194,984,447)
Actuarial gains and losses from changes in demographic assumptions	(162,788,104)	-
	₩ 10,071,402,472	₩ (31,734,292,203)

22. Pension benefits (cont'd)

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below (Percentages in units):

	2023	2022
Discount rate	4.06 ~ 4.66	5.17 ~ 5.38
Future salary increases	2.00 ~ 6.45	2.00 ~ 5.75

23. Provisions

Details of provisions as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	
	Current	Non-current
Provision for employee bonuses	₩ 45,482,832,739	₩ -
Provision for financial guarantees	409,218,469	-
Provision for tax	5,673,309,000	-
Provision for decommissioning cost (*)	-	4,005,720,080
Provision for emission obligation	4,569,732,507	-
	₩ 56,135,092,715	₩ 4,005,720,080

	Dec. 31, 2022	
	Current	Non-current
Provision for employee bonuses	₩ 45,131,414,285	₩ -
Provision for financial guarantees	278,271,289	396,473,459
Provision for decommissioning cost (*)	-	3,902,961,540
Provision for emission obligation	105,589,412,043	-
	₩ 150,999,097,617	₩ 4,299,434,999

(*) Related to the land leased from GYEONGJU-SI where wind power generation facilities exist, the Group estimated the decommissioning cost to occur at the end of the lease term by reflecting 1% annual inflation rate and 5% market uncertainty premium. The Group discounted the estimate of decommissioning cost at a discount rate on government bonds and recognized it as a provision.

23. Provisions (cont'd)

Changes in provisions for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023					
	Jan. 1	Addition	Utilization	Reversal	Others(*)	Dec. 31
Provision for employee bonuses	₩ 45,131,414,285	₩ 49,119,722,452	₩ (48,768,303,998)	₩ -	₩ -	₩ 45,482,832,739
Provision for financial guarantees	674,744,748	204,265,195	-	(469,791,474)	-	409,218,469
Provision for tax	-	5,673,309,000	-	-	-	5,673,309,000
Provision for decommissioning cost	3,902,961,540	102,758,540	-	-	-	4,005,720,080
Provision for emission obligations	105,589,412,043	4,569,732,507	-	(16,489,580,042)	(89,099,832,001)	4,569,732,507
	₩ 155,298,532,616	₩ 59,669,787,694	₩ (48,768,303,998)	₩ (16,959,371,516)	₩ (89,099,832,001)	₩ 60,140,812,795

(*) Represents the fluctuation resulting from the settlement of greenhouse gas emission offset liabilities.

	2022					
	Jan. 1	Addition	Utilization	Reversal	Others(*)	Dec. 31
Provision for employee bonuses	₩ 44,541,273,121	₩ 52,324,808,442	₩ (51,734,667,278)	₩ -	₩ -	₩ 45,131,414,285
Provision for financial guarantees	154,414,764	1,021,858,506	-	(501,528,522)	-	674,744,748
Provision for decommissioning cost	3,802,882,752	100,078,788	-	-	-	3,902,961,540
Provision for emission obligations	135,140,370,188	105,589,412,043	-	(14,941,106,347)	(120,199,263,841)	105,589,412,043
	₩ 183,638,940,825	₩ 159,036,157,779	₩ (51,734,667,278)	₩ (15,442,634,869)	₩ (120,199,263,841)	₩ 155,298,532,616

(*) Represents the fluctuation resulting from the settlement of greenhouse gas emission offset liabilities.

The Group is allocated emission allowances free of charge by the government in accordance with the Act on Allocation and Trading of Emission Allowances in the Republic of Korea. The emission allowances are allocated to the Group annually for the planned periods, and the Group is to deliver the equivalent quantity of emission allowances for actual emission to the government.

Details of annual emission allowances allocated as of December 31, 2023 are as follows (tCO2-eq in unit):

						2021-2025
	2021	2022	2023	2024	2025	Total
Allocated emissions	27,928,404	22,777,410	25,185,001	20,437,118	20,437,118	116,765,051

The quantity of greenhouse gas emission estimated by the Group in 2023 is 27,267,475 tCO2-eq, which exceeds the allocated emission allowances as of December 31, 2023. Therefore, the Group recognized the best estimate of expenditures in performing emission obligations as a provision.

23. Provisions (cont'd)

Changes in quantities and book values of emission allowances for the year ended December 31, 2023 are as follows (tCO2-eq in unit, KRW):

	The 3rd planned period					
	2022		2023		2024	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balances & free allocation(*)	25,224,810	₩ 75,127,467,767	24,457,001	₩ -	19,689,118	₩ -
Purchase(selling)	2,821,292	25,078,511,680	1,657,700	16,359,212,555	-	-
Delivery to the Government	(27,434,413)	(89,648,552,750)	(1,335,700)	(11,994,157,175)	-	-
Borrowing (carry forward)	(611,689)	(10,557,426,697)	611,689	10,557,426,697	-	-
Ending balances	-	₩ -	25,390,690	₩ 14,922,482,077	19,689,118	₩ -

	The 3rd planned period			
	2025		Total	
	Quantity	Amount	Quantity	Amount
Beginning balances & free allocation(*)	19,939,118	₩ 6,872,500,000	89,310,047	₩ 81,999,967,767
Purchase(selling)	-	-	4,478,992	41,437,724,235
Delivery to the Government	-	-	(28,770,113)	(101,642,709,925)
Borrowing (carry forward)	-	-	-	-
Ending balances	19,939,118	₩ 6,872,500000-	65,018,926	₩ 21,794,982,077

(*) Includes the allocation and cancellation of free share allotment during 2023.

23. Provisions (cont'd)

Changes in quantities and book values of emission allowances for the year ended December 31, 2022 are as follows (tCO2-eq in unit, KRW):

	The 3rd planned period					
	2021		2022		2023	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balances & free allocation(*)	32,195,108	₩ 124,213,054,011	24,770,007	₩ 1,686,246,688	24,457,001	₩ -
Purchase(selling)	613,212	3,347,732,356	4,632,017	112,884,905,359	-	-
Delivery to the Government	(32,808,320)	(127,560,786,367)	(1,721,200)	(39,443,684,280)	-	-
Ending balances	-	₩ -	27,680,824	₩ 75,127,467,767	24,457,001	₩ -

	The 3rd planned period					
	2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balances & free allocation(*)	7,647,001	₩ -	7,897,001	₩ 6,872,500,000	96,966,118	₩ 132,771,800,699
Purchase(selling)	-	-	-	-	5,245,229	116,232,637,715
Delivery to the Government	-	-	-	-	(34,529,520)	(167,004,470,647)
Ending balances	7,647,001	₩ -	7,897,001	₩ 6,872,500,000	67,681,827	₩ 81,999,967,767

(*) Includes the allocation and cancellation of free share allotment during 2022.

There are no emission allowances of the Group provided as collateral as of December 31, 2023.

The Group does not hold emission allowances for short-term trading gains as of December 31, 2023.

23. Government grants

Details of government grants as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Buildings	₩ 143,248,416	₩ 151,318,749
Machinery	4,405,464,627	4,806,373,236
	₩ 4,548,713,043	₩ 4,957,691,985

Changes in government grants for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023			
	Jan. 1	Amortization	Others(*)	Dec. 31
Buildings	₩ 151,318,749	₩ (8,070,333)	₩ -	₩ 143,248,416
Vehicles	4,806,373,236	(400,862,182)	(46,427)	4,405,464,627
	₩ 4,957,691,985	₩ (408,932,515)	₩ (46,427)	₩ 4,548,713,043

(*) Government-subsidized machinery of ₩46,427 has been transferred to supplies.

	2022			
	Jan. 1	Amortization	Others(*)	Dec. 31
Buildings	₩ 159,389,082	₩ (8,070,333)	₩ -	₩ 151,318,749
Machinery	5,224,493,375	(401,335,701)	(16,784,438)	4,806,373,236
Intangible assets before amortization	5,634,618,107	-	(5,634,618,107)	-
	₩ 11,018,500,564	₩ (409,406,034)	₩ (5,651,402,545)	₩ 4,957,691,985

(*) Government-subsidized machinery of ₩16,784,438 has been transferred to supplies. Government grants in the amount of ₩5,634,618,107 for intangible assets before amortization were offset against the acquisition cost of the related assets as there was no obligation to repay the subsidies due to the completion of the related project.

24. Non-financial liabilities

Details of non-financial liabilities as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		Dec. 31, 2022	
	Current	Non-current	Current	Non-current
Unearned revenue	₩ 405,781,630	₩ -	₩ 378,185,927	₩ -
Withholdings	4,078,636,454	-	3,804,672,141	-
Others	21,440,740,599	44,158,141,834	15,323,580,602	62,603,638,904
	₩ 25,925,158,683	₩ 44,158,141,834	₩ 19,506,438,670	₩ 62,603,638,904

25. Issued capital

Details of issued capital as of December 31, 2023 and 2022 are as follows (Korean won):

				Dec. 31, 2023		
				Owned by		
Share class	Number of shares authorized	Number of shares issued	Par value	Government	Non-government	Total
Ordinary stock	100,000,000	57,932,221	₩ 5,000	₩ -	₩ 289,661,105,000	₩ 289,661,105,000

				Dec. 31, 2022		
				Owned by		
Share class	Number of shares authorized	Number of shares issued	Par value	Government	Non-government	Total
Ordinary stock	100,000,000	57,932,221	₩ 5,000	₩ -	₩ 289,661,105,000	₩ 289,661,105,000

There is no change in the number of shares issued and outstanding during 2023 and 2022.

Details of share premium as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Share premium	₩ 1,928,937,669,310	₩ 1,928,937,669,310

26. Retained earnings and dividends

Details of retained earnings as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Legal reserves (*)	₩ 70,574,482,040	₩ 70,124,482,040
Voluntary reserves	1,453,165,890,530	1,451,876,477,025
Unappropriated retained earnings	980,872,707,966	1,122,916,342,919
	₩ 2,504,613,080,536	₩ 2,644,917,301,984

(*) In accordance with the *Commercial Law*, an amount equal to at least 10% of cash dividend for each accounting period is required to be appropriated as a legal reserve until the reserve equals 50% of issued capital. The legal reserve cannot be used as a source for cash dividends but may be used to offset an accumulated deficit.

Details of voluntary reserves as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Reserve for business expansion	₩ 1,453,165,890,530	₩ 1,451,876,477,025

26. Retained earnings and dividends (cont'd)

Changes in retained earnings for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Jan. 1	₩ 2,644,917,301,984	₩ 2,525,722,352,731
Profit for the year	175,094,796,288	102,496,208,008
Re-measurement gain (loss) on defined benefit plans	(7,531,340,550)	24,440,628,414
Changes in retained earnings in equity method	(7,431,179,080)	(2,875,580,605)
Dividend paid	(1,448,305,525)	(4,866,306,564)
Interim dividend	(298,988,192,581)	-
Dec. 31	₩ 2,504,613,080,536	₩ 2,644,917,301,984

Details of cash dividends paid by the Company in 2023 and 2022 are as follows. Interim dividends for 2023 have not been paid as of December 31, 2023 (Korean won in unit, except for shares and dividend per share):

2023			
Share class	Number of shares issued	Dividends per share	Total dividends
Ordinary stock	57,932,221	₩ 5,186	₩ 300,436,498,106

2022			
Share class	Number of shares issued	Dividends per share	Total dividends
Ordinary stock	57,932,221	₩ 84	₩ 4,866,306,564

Changes in re-measurement of the net defined benefit liability for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Jan. 1	₩ 17,878,963,773	₩ (6,549,806,448)
Changes for the year	(10,067,132,515)	31,737,924,765
Tax effect	2,535,791,965	(7,297,296,351)
Others	-	(11,858,193)
Dec. 31	₩ 10,347,623,223	₩ 17,878,963,773

27. Statements of appropriation of retained earnings

For the year ended December 31, 2023, the Company's retained earnings are expected to be appropriated on March 29, 2024. For the year ended December 31, 2022, the Company's retained earnings were appropriated on March 24, 2023.

Details on the appropriation of retained earnings for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Retained earnings before appropriations	₩ 764,060,311,522	₩ 935,263,907,857
Unappropriated retained earnings carried forward from the prior year	932,376,188,827	908,558,795,817
Interim dividend	(298,988,192,581)	-
Profit for the year	139,013,289,818	2,887,719,030
Re-measurement gain (loss) on defined benefit plans	(8,340,974,542)	23,817,393,010
Transfer from other reserves	298,988,192,581	-
	1,063,048,504,103	935,263,907,857
Appropriations:	(139,013,289,818)	(2,887,719,030)
Legal reserve	(29,900,000,000)	(150,000,000)
Cash dividends	-	(1,448,305,525)
Reserve for business expansion	(109,113,289,818)	(1,289,413,505)
Unappropriated retained earnings to be carried forward to the next year	₩ 924,035,214,285	₩ 932,376,188,827

28. Other components of equity

Details of other components of equity as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Accumulated other comprehensive income	₩ 1,703,623,237,438	₩ 1,726,673,972,940
Other equity	(82,235,516,563)	(82,235,516,563)
	₩ 1,621,387,720,875	₩ 1,644,438,456,377

Details of accumulated other comprehensive income as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Reserve for valuation on financial instruments at FVOCI	₩ 1,636,135,210,123	₩ 1,670,470,614,988
Reserve for valuation of derivative instruments designated to cash flow hedge	(6,063,900,838)	(6,070,149,055)
Share of the other comprehensive income of associates and joint ventures under the equity method	71,065,676,726	60,606,336,335
Translation of foreign operations	2,486,251,427	1,667,170,672
	₩ 1,703,623,237,438	₩ 1,726,673,972,940

Details of other equity as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Loss on capital reduction (*)	₩ (82,235,516,563)	₩ (82,235,516,563)

(*) Other equity represents loss on capital reduction due to spin-off of the hydroelectric power operations before 2011.

29. Revenue

Details of revenue for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023		2022	
	Domestic	Overseas	Domestic	Overseas
Revenue from goods sales:				
Electricity sales	₩ 5,178,792,512,750	₩ 14,548,729,728	₩ 6,463,233,594,888	₩ 21,717,259,758
Other electricity sales	298,947,428,633	-	346,546,629,265	-
Heat sales	96,903,679,799	-	132,801,357,155	-
Revenue from business incidental	29,706,741,430	-	25,330,066,622	-
	5,604,350,362,612	14,548,729,728	6,967,911,647,930	21,717,259,758
Revenue from rendering of services:				
Overseas business	-	3,302,360,517	-	3,874,561,625
	₩ 5,604,350,362,612	₩ 17,851,090,245	₩ 6,967,911,647,930	₩ 25,591,821,383

30. Selling and administrative expenses

Details of selling and administrative expenses for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Salaries	₩ 44,425,620,797	₩ 47,421,729,703
Pension benefits	5,676,382,587	5,957,582,748
Employee welfare benefits	6,048,570,284	5,502,214,147
Employee welfare fund	-	5,880,399
Insurance	4,044,450,071	3,953,991,119
Depreciation	19,334,057,136	18,393,960,254
Amortization	10,869,959,162	11,665,732,011
Commissions and fees	35,024,037,272	37,757,404,345
Advertising	1,369,023,341	1,471,582,760
Education and training	162,048,457	110,863,981
Vehicle maintenance	50,598,968	48,347,472
Printing	136,909,254	172,001,153
Business promotion	148,479,811	176,274,169
Rental fees	1,392,285,378	1,155,788,374
Communication	1,188,628,136	1,218,358,887
Tax and dues	2,655,876,788	3,395,976,619
Supplies	304,244,609	279,971,887
Utilities	911,523,944	826,824,911
Repairs and maintenance	2,282,162,936	2,292,135,392
Research and development	38,792,293,323	38,121,301,103
Travel	927,459,320	1,118,011,717
Uniform	62,115,925	884,171,896
Investigation and analysis	119,609,712	101,601,731
Others	3,499,684,643	3,431,940,560
	₩ 179,426,021,854	₩ 185,463,647,338

Details of other selling and administrative expenses for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Awards	₩ 50,523,609	₩ 40,642,341
Legal fees	597,078,374	704,616,433
Miscellaneous salaries	1,976,852,299	1,715,775,220
Association fees	160,087,909	195,878,883
Miscellaneous	715,142,452	775,027,683
	₩ 3,499,684,643	₩ 3,431,940,560

31. Other income and expenses

Details of other income for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Revenue from compensation and indemnity	₩ 4,496,048,791	₩ 4,939,486,903
Rental revenue	4,007,317,607	3,985,999,621
Others	5,702,208,704	20,560,402,061
	₩ 14,205,575,102	₩ 29,485,888,585

Details of others in other income for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Refunded tax income	₩ 402,774,770	₩ 696,498,470
Port usage fee	2,126,005,704	2,079,114,128
Commission income	421,738,270	455,338,412
Miscellaneous revenues - others	2,751,689,960	17,329,451,051
	₩ 5,702,208,704	₩ 20,560,402,061

Details of other expenses for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Donations	₩ 7,810,998,370	₩ 8,617,143,340
Others	8,499,660,348	3,054,568,434
	₩ 16,310,658,718	₩ 11,671,711,774

Details of others in other expenses for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Deemed rent	₩ 10	₩ 2,075
Other commission fee	335,210,799	270,451,783
Miscellaneous loss	8,164,449,539	2,784,114,576
	₩ 8,499,660,348	₩ 3,054,568,434

32. Other profit or loss

Details of other profit and loss for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Gain on disposal of property, plant, and equipment	₩ 996,897,220	₩ 1,920,418,176
Gain on foreign currency translations (*)	1,916,689,990	2,639,020,832
Gain on foreign currency transactions (*)	11,865,510,446	30,062,250,922
Other gains	7,573,345,657	6,032,637,701
Loss on disposal of property, plant, and equipment	(274,725,102)	(477,035,742)
Loss on foreign currency translations (*)	(722,466,954)	(22,631,275)
Loss on foreign currency transactions (*)	(19,765,675,059)	(42,284,719,900)
Other losses	(35,084,320,410)	(19,308,957,939)
	₩ (33,494,744,212)	₩ (21,439,017,225)

(*) Related to operating activities

32. Other profit or loss (cont'd)

Details of other gain for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Gain on disposal of inventories	₩ 4,476,833,308	₩ 3,047,025,979
Gain on disposal of scrapped equipment	1,921,563,849	2,939,662,656
Miscellaneous revenues-other	1,174,948,500	45,949,066
	₩ 7,573,345,657	₩ 6,032,637,701

Details of other loss for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Loss on write-off of property, plant, and equipment	₩ 33,475,558,663	₩ 17,204,079,152
Others	1,608,761,747	2,104,878,787
	₩ 35,084,320,410	₩ 19,308,957,939

33. Finance income

Details of finance income for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Interest income	₩ 15,545,414,055	₩ 11,587,140,772
Dividend income	68,829,603,442	103,448,005,172
Gain on valuation of financial assets at FVTPL	3,281,194,459	-
Gain on disposal of financial assets at FVTPL	3,638,580,737	-
Gain on valuation of derivative instruments	20,167,845,804	84,247,704,505
Gain on transaction of derivative instruments	69,172,592,625	109,676,245,954
Gain on foreign currency translation (*1)	710,659,530	1,156,985,377
Gain on foreign currency transaction (*1),(*2)	3,774,312,264	3,844,842,709
Other finance income	772,956,079	1,094,733,410
	₩ 185,893,158,995	₩ 315,055,657,899

(*1) Related to financing activities
(*2) For the year ended December 31, 2023, gain on foreign currency transaction related to the paid capital deduction of EWP America, Inc. is included amounting to ₩618,700,449. Additionally, for the year ended December 31, 2022, gains on foreign currency transaction related to the paid capital deduction of EWP America, Inc. and EWP Barbados 1 SRL are included amounting to ₩587,060,704 and ₩3,016,638,400, respectively.

Details of interest income included in finance income for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Cash and cash equivalents	₩ 12,411,172,631	₩ 2,961,327,608
Financial assets at FVTPL	513,369,275	6,628,853,777
Financial assets at amortized cost	122,779,681	5,947,020
Loans	1,845,081,064	1,562,040,579
Trade and other receivables	653,011,404	428,971,788
	₩ 15,545,414,055	₩ 11,587,140,772

34. Finance costs

Details of finance costs for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Interest expenses	₩ 112,438,959,049	₩ 113,281,724,112
Loss on valuation of financial assets at FVTPL	-	6,498,055,668
Loss on valuation of derivative instruments	733,581,292	8,860,490,735
Loss on transaction of derivative instruments	38,051,971,541	28,620,063,885
Loss on foreign currency translation (*)	30,040,308,611	110,760,389,711
Loss on foreign currency transaction (*)	1,381,648,900	52,106,001,666
Other finance costs	19,841	135,643,940
	₩ 182,646,489,234	₩ 320,262,369,717

(*) Related to financing activities

Details of interest expense included in finance costs for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Short-term borrowings	₩ 1,704,109	₩ 918,513,552
Long-term borrowings	1,961,997,531	2,017,710,827
Bonds payable	109,330,396,464	107,801,193,224
Lease liabilities	9,473,609,626	10,197,639,249
Others	37,899	34,967
	120,767,745,629	120,935,091,819
Less: capitalized borrowing costs	(8,328,786,580)	(7,653,367,707)
	₩ 112,438,959,049	₩ 113,281,724,112

The effective interest rates used for capitalizing borrowing costs for the years ended December 31, 2023 and 2022 are 2.34% and 2.53%, respectively.

35. Income tax

The major components of income tax expense(benefit) for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Current income tax:	₩ 56,079,042,274	₩ (421,963,102,567)
Current income tax expense	43,960,865,247	34,709,251,314
Adjustments to prior year current income tax expense	(3,563,358,446)	2,854,776,531
Recognized directly in equity	15,681,535,473	(459,527,130,412)
Deferred tax:	(13,287,051,200)	415,513,324,037
Changes in deferred tax arising from temporary differences	(22,658,978,158)	420,477,479,814
Effect of recognizing deferred tax assets on tax loss, tax credit and temporary differences not recognized in the past	9,371,926,958	(4,964,155,777)
Income tax benefit	₩ 42,791,991,074	₩ (6,449,778,530)

35. Income tax (cont'd)

A reconciliation between income tax expense and the product of accounting profit multiplied by Korea's domestic income tax rate for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Profit for the year before tax	₩ 219,747,321,160	₩ 99,211,761,043
Tax at the statutory income tax rate (23.1% for 2023, 24.2% for 2022)	₩ 50,761,631,188	₩ 24,009,246,172
Adjustments:		
Effect of applying progressive tax rate	(721,847,457)	(805,860,226)
Effect of expenses not deductible (income not subject to tax)	9,125,064,803	(269,363,447)
Effect from not recognizing deferred tax assets on deductible temporary difference	9,371,926,958	-
Effect of tax deduction and exemption	(10,837,987,951)	(8,242,562,843)
Deferred income tax effect from consolidation	(6,262,785,884)	(25,127,485,372)
Adjustment of corporate income taxes for previous reporting periods	(3,563,358,446)	2,854,776,531
Effect of change in tax rate on changes in deferred tax	(3,265,395,815)	(14,014,300,514)
Others	(1,815,256,322)	15,145,771,169
	(7,969,640,114)	(30,459,024,702)
Income tax benefits	₩ 42,791,991,074	₩ (6,449,778,530)
Effective tax rate(*)	19.47%	-

(*) The effective tax rate was not calculated as income tax benefit occurred for the years ended December 31, 2022.

The tax effects relating to the components of other comprehensive income or loss for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Gain (loss) on valuation of financial assets at FVOCI	₩ 13,157,898,486	₩(453,864,066,001)
Loss on valuation of cash flow hedges	(12,154,978)	1,634,231,940
Re-measurement gain (loss) on defined benefit plans	2,535,791,965	(7,297,296,351)
	₩ 15,681,535,473	₩(459,527,130,412)

35. Income tax (cont'd)

Details of deferred tax assets and liabilities recognized in the consolidated statements of financial position as of December 31, 2023 and 2022 are as follows (Korean won):

	2023			
	Jan. 1	Income tax expenses	Recognized directly in equity	Dec. 31
Deferred tax liabilities, net of temporary differences:				
Long-term employee benefits	₩ 4,485,051,624	₩ (4,358,358,515)	₩ 2,535,791,965	₩ 2,662,485,074
Cash flow hedge	(64,251,534,816)	56,227,482,022	(12,154,978)	(8,036,207,772)
Associates and joint ventures	(471,107,462)	(3,713,938,834)	-	(4,185,046,296)
Subsidiaries	3,756,725,313	(791,098,245)	-	2,965,627,068
Property, plant, and equipment	(337,296,984,572)	34,157,408,375	-	(303,139,576,197)
Intangible assets	(33,412,320,032)	2,606,078,858	-	(30,806,241,174)
Financial assets at FVTPL	2,647,284,566	(3,240,210,782)	-	(592,926,216)
Financial assets at FVOCI	(498,728,239,685)	(9,602,949,521)	13,157,898,486	(495,173,290,720)
Provisions	34,290,761,839	(31,544,455,269)	-	2,746,306,570
Other financial liabilities	13,422,099,602	(8,688,400,309)	-	4,733,699,293
Others	112,751,242,966	(33,922,366,659)	-	78,828,876,307
	(762,807,020,657)	(2,870,808,879)	15,681,535,473	(749,996,294,063)
Deferred tax assets from tax credit	484,360,521	476,324,606	-	960,685,127
	₩ (762,322,660,136)	₩ (2,394,484,273)	₩ 15,681,535,473	₩ (749,035,608,936)

	2022			
	Jan. 1	Income tax expenses	Recognized directly in equity	Dec. 31
Deferred tax liabilities, net of temporary differences:				
Long-term employee benefits	₩ 17,176,732,500	₩ (5,394,384,525)	₩ (7,297,296,351)	₩ 4,485,051,624
Cash flow hedge	(52,790,148,393)	(13,095,618,363)	1,634,231,940	(64,251,534,816)
Associates and joint ventures	(5,337,728,680)	4,866,621,218	-	(471,107,462)
Subsidiaries	4,520,600,701	(763,875,388)	-	3,756,725,313
Property, plant, and equipment	(380,928,895,523)	43,631,910,951	-	(337,296,984,572)
Intangible assets	(36,655,266,040)	3,242,946,008	-	(33,412,320,032)
Financial assets at FVTPL	(823,072,828)	3,470,357,394	-	2,647,284,566
Financial assets at FVOCI	(44,908,302,517)	44,128,833	(453,864,066,001)	(498,728,239,685)
Provisions	9,820,046,674	24,470,715,165	-	34,290,761,839
Other financial liabilities	13,731,843,948	(309,744,346)	-	13,422,099,602
Others	121,591,795,519	(8,840,552,553)	-	112,751,242,966
	(354,602,394,639)	51,322,504,394	(459,527,130,412)	(762,807,020,657)
Deficit	7,014,497,902	(7,014,497,902)	-	-
Deferred tax assets from tax credit	778,560,638	(294,200,117)	-	484,360,521
	7,793,058,540	(7,308,698,019)	-	484,360,521
	₩ (346,809,336,099)	₩ 44,013,806,375	₩ (459,527,130,412)	₩ (762,322,660,136)

Details of deferred tax assets and liabilities presented in the consolidated statements of financial position are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Deferred tax assets	₩ 92,897,679,439	₩ 171,837,526,431
Deferred tax liabilities	(841,933,288,375)	(934,160,186,567)
	₩ (749,035,608,936)	₩ (762,322,660,136)

Deductible temporary differences not recognized as deferred tax assets as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Deductible temporary differences	₩ 317,117,442,321	₩ 332,377,685,541

36. Classification based on nature of expense

Details of expenses based on nature of expense for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023		
	Selling and administrative expenses	Cost of sales	Total
Raw material in use	₩ -	₩ 4,097,521,048,221	₩ 4,097,521,048,221
Power costs purchased	-	32,697,479,525	32,697,479,525
Salaries	44,425,620,797	204,604,920,286	249,030,541,083
Retirement benefit	5,676,382,587	15,823,434,125	21,499,816,712
Employee welfare benefits	6,048,570,284	20,591,846,404	26,640,416,688
Insurance	4,044,450,071	8,040,387,279	12,084,837,350
Depreciation	19,334,057,136	717,515,994,315	736,850,051,451
Amortization	10,869,959,162	6,078,108,238	16,948,067,400
Commissions and fees	35,024,037,272	7,848,643,765	42,872,681,037
Provisions(reverse)	-	(38,336,056,313)	(38,336,056,313)
Advertising	1,369,023,341	280,110,969	1,649,134,310
Education and training	162,048,457	780,135,082	942,183,539
Vehicle maintenance	50,598,968	96,339,997	146,938,965
Publication	136,909,254	31,539,434	168,448,688
Business promotion	148,479,811	129,990,822	278,470,633
Rental fees	1,392,285,378	13,950,587,189	15,342,872,567
Communications	1,188,628,136	242,401,455	1,431,029,591
Transport	-	11,621,618	11,621,618
Taxes and dues	2,655,876,788	23,756,860,771	26,412,737,559
Supplies	304,244,609	996,340,548	1,300,585,157
Utilities	911,523,944	707,141,397	1,618,665,341
Repairs and maintenance	2,282,162,936	165,064,532,885	167,346,695,821
Research and development	38,792,293,323	5,268,611,460	44,060,904,783
Travel	927,459,320	887,478,732	1,814,938,052
Uniform	62,115,925	-	62,115,925
Investigation and analysis	119,609,712	168,308,385	287,918,097
Others	3,499,684,643	5,284,591,055	8,784,275,698
	₩ 179,426,021,854	₩ 5,290,042,397,644	₩ 5,469,468,419,498

36. Classification based on nature of expense (cont'd)

	2022		
	Selling and administrative expenses	Cost of sales	Total
Raw material in use	₩ -	₩ 5,496,523,107,384	₩ 5,496,523,107,384
Power costs purchased	-	24,291,742,045	24,291,742,045
Salaries	47,421,729,703	204,987,295,534	252,409,025,237
Retirement benefit	5,957,582,748	25,164,612,695	31,122,195,443
Employee welfare benefits	5,502,214,147	19,740,131,606	25,242,345,753
Employee welfare fund	5,880,399	-	5,880,399
Insurance	3,953,991,119	7,604,238,626	11,558,229,745
Depreciation	18,393,960,254	698,645,826,976	717,039,787,230
Amortization	11,665,732,011	5,684,677,186	17,350,409,197
Commissions and fees	37,757,404,345	13,581,165,937	51,338,570,282
Provisions	-	100,761,735,757	100,761,735,757
Advertising	1,471,582,760	352,767,303	1,824,350,063
Education and training	110,863,981	457,282,517	568,146,498
Vehicle maintenance	48,347,472	104,553,855	152,901,327
Publication	172,001,153	39,328,184	211,329,337
Business promotion	176,274,169	181,965,389	358,239,558
Rental fees	1,155,788,374	13,441,115,057	14,596,903,431
Communications	1,218,358,887	190,461,934	1,408,820,821
Transport	-	48,780,142	48,780,142
Taxes and dues	3,395,976,619	23,254,058,469	26,650,035,088
Supplies	279,971,887	1,072,630,098	1,352,601,985
Utilities	826,824,911	668,308,824	1,495,133,735
Repairs and maintenance	2,292,135,392	154,725,870,551	157,018,005,943
Research and development	38,121,301,103	4,191,866,302	42,313,167,405
Travel	1,118,011,717	772,662,160	1,890,673,877
Uniform	884,171,896	-	884,171,896
Investigation and analysis	101,601,731	199,679,648	301,281,379
Others	3,431,940,560	1,157,967,350	4,589,907,910
	₩ 185,463,647,338	₩ 6,797,843,831,529	₩ 6,983,307,478,867

37. Earnings per share

Earnings per share (EPS) for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Basic earnings per share	₩ 3,022	₩ 1,769

Profit for the year and weighted-average number of ordinary shares issued and outstanding for the years ended December 31, 2023 and 2022 are as follows (Korean won and share in units):

	2023	2022
Profit for the year attributable to owners of the Company	₩ 175,094,796,288	₩ 102,496,208,008
Profit for the year attributable to ordinary shares of owners of the Company	175,094,796,288	102,496,208,008
Weighted-average number of ordinary shares	57,932,221	57,932,221

Diluted EPS is the same as basic EPS since no dilutive securities are issued as of the end of the reporting period.

38. Financial instruments by category

Details of the net book value of financial assets by category as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023				
	Financial assets at FVTPL	Financial assets at amortized cost	Financial assets at FVOCI	Derivatives designated as hedging instruments	Total
Current:					
Cash and cash equivalents	₩ -	₩ 318,621,809,707	₩ -	₩ -	₩ 318,621,809,707
Financial assets at FVTPL	161,814,988,455	-	-	-	161,814,988,455
Financial assets at amortized cost	-	21,003,600,000	-	-	21,003,600,000
Derivative instruments	77,331,360	-	-	-	77,331,360
Loans	-	2,320,812,394	-	-	2,320,812,394
Trade and other receivables	-	635,365,144,516	-	-	635,365,144,516
	161,892,319,815	977,311,366,617	-	-	1,139,203,686,432
Non-current:					
Financial assets at FVTPL	1,657,662,924	-	-	-	1,657,662,924
Financial assets at FVOCI	-	-	2,236,235,118,243	-	2,236,235,118,243
Financial assets at amortized cost	-	6,635,520,000	-	-	6,635,520,000
Derivative instruments	-	-	-	34,788,778,236	34,788,778,236
Loans	-	40,232,247,939	-	-	40,232,247,939
Trade and other receivables	-	17,263,249,462	-	-	17,263,249,462
	1,657,662,924	64,131,017,401	2,236,235,118,243	34,788,778,236	2,336,812,576,804
	₩ 163,549,982,739	₩ 1,041,442,384,018	₩ 2,236,235,118,243	₩ 34,788,778,236	₩ 3,476,016,263,236

	Dec. 31, 2022				
	Financial assets at FVTPL	Financial assets at amortized cost	Financial assets at FVOCI	Derivatives designated as hedging instruments	Total
Current:					
Cash and cash equivalents	₩ -	₩ 77,789,753,698	₩ -	₩ -	₩ 77,789,753,698
Financial assets at FVTPL	80,457,347,191	-	-	-	80,457,347,191
Financial assets at amortized cost	-	15,116,560,000	-	-	15,116,560,000
Derivative instruments	2,000,000	-	-	74,482,387,991	74,484,387,991
Loans	-	1,919,891,931	-	-	1,919,891,931
Trade and other receivables	-	1,040,271,005,863	-	-	1,040,271,005,863
	80,459,347,191	1,135,097,211,492	-	74,482,387,991	1,290,038,946,674
Non-current:					
Financial assets at FVTPL	1,599,498,550	-	-	-	1,599,498,550
Financial assets at FVOCI	-	-	2,283,298,236,594	-	2,283,298,236,594
Financial assets at amortized cost	-	101,000,000	-	-	101,000,000
Derivative instruments	-	-	-	13,247,716,444	13,247,716,444
Loans	-	41,257,834,239	-	-	41,257,834,239
Trade and other receivables	-	17,509,342,869	-	-	17,509,342,869
	1,599,498,550	58,868,177,108	2,283,298,236,594	13,247,716,444	2,357,013,628,696
	₩ 82,058,845,741	₩ 1,193,965,388,600	₩ 2,283,298,236,594	₩ 87,730,104,435	₩ 3,647,052,575,370

38. Financial instruments by category (cont'd)

Details of the net book value of financial liabilities by category in 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		
	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Long-term borrowings	₩ -	₩ 7,564,359,999	₩ 7,564,359,999
Bonds payable	-	409,688,366,873	409,688,366,873
Derivative liabilities	733,581,292	-	733,581,292
Trade and other payables	-	769,320,760,121	769,320,760,121
	733,581,292	1,186,573,486,993	1,187,307,068,285
Non-current financial liabilities:			
Long-term borrowings	-	108,127,608,628	108,127,608,628
Bonds payable	-	3,220,175,305,517	3,220,175,305,517
Trade and other payables	-	333,459,385,389	333,459,385,389
	-	3,661,762,299,534	3,661,762,299,534
	₩ 733,581,292	₩ 4,848,335,786,527	₩ 4,849,069,367,819

	Dec. 31, 2022			
	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Hedging derivative	Total
Current financial liabilities:				
Short-term borrowings	₩ -	₩ 100,000,000,000	₩ -	₩ 100,000,000,000
Long-term borrowings	-	7,381,293,336	-	7,381,293,336
Bonds payable	-	692,852,674,150	-	692,852,674,150
Derivative liabilities	9,016,055,436	-	-	9,016,055,436
Trade and other payables	-	633,117,066,341	-	633,117,066,341
	9,016,055,436	1,433,351,033,827	-	1,442,367,089,263
Non-current financial liabilities:				
Long-term borrowings	-	67,120,622,299	-	67,120,622,299
Bonds payable	-	2,985,587,106,113	-	2,985,587,106,113
Derivative liabilities	-	-	3,965,718,515	3,965,718,515
Trade and other payables	-	377,638,990,806	-	377,638,990,806
	-	3,430,346,719,218	3,965,718,515	3,434,312,437,733
	₩ 9,016,055,436	₩ 4,863,697,753,045	₩ 3,965,718,515	₩ 4,876,679,526,996

38. Financial instruments by category (cont'd)

Details of profit (loss) from financial instruments by category for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023
Cash and cash equivalents	
Interest income	₩ 12,411,172,631
Loss on fluctuation of exchange rates	(3,049,797,654)
Financial assets at FVTPL	
Interest income	513,369,275
Gain on valuation of financial instruments	3,281,194,459
Gain on disposal of financial instruments	3,638,580,737
Gain on valuation of derivative instruments	77,331,360
Gain on settlement of derivative instruments	22,879,348,316
Financial assets at amortized cost	
Interest income	122,779,681
Financial assets at FVOCI	
Loss on valuation of financial assets at FVOCI (recognized in equity before tax)	(47,479,105,047)
Dividend income	68,829,603,442
Loans and receivables	
Interest income	1,845,081,064
Gain on fluctuation of exchange rates	126,591,010
Trade and other receivables	
Interest income	653,011,404
Loss on fluctuation of exchange rates	(95,306,127)
Derivatives designated as hedging instruments	
Gain on valuation of derivatives (recognized in profit or loss)	20,090,514,444
Gain on valuation of derivatives (recognized in equity before tax)	18,403,194
Gain on settlement of derivative contracts	23,061,010,964
Financial liabilities at FVTPL	
Loss on valuation of derivative instruments	(733,581,292)
Loss on settlement of derivative instruments	(14,819,738,196)
Financial liabilities at amortized cost	
Loss on fluctuation of exchange rates	(25,116,913,274)
Interest expenses on borrowings and bonds payable	(102,965,311,524)
Interest expenses on trade and other liabilities	(9,473,647,525)

	2022
Cash and cash equivalents	
Interest income	₩ 2,961,327,608
Loss on fluctuation of exchange rates	(116,012,312)
Financial assets at FVTPL	
Interest income	6,628,853,777
Loss on valuation of financial instruments	(6,498,055,668)
Gain on valuation of derivative instruments	2,000,000
Gain on settlement of derivative instruments	36,071,246,678
Financial assets at amortized cost	
Interest income	5,947,020
Financial assets at FVOCI	
Gain on valuation of financial assets at FVOCI (recognized in equity before tax)	1,965,840,992,204
Dividend income	103,448,005,172
Loans and receivables	
Interest income	1,562,040,579
Gain on fluctuation of exchange rates	595,533,087
Trade and other receivables	
Interest income	428,971,788
Gain on fluctuation of exchange rates	535,037,522
Derivatives designated as hedging instruments	
Gain on valuation of derivatives (recognized in profit or loss)	84,245,704,505
Loss on valuation of derivatives (recognized in equity before tax)	(7,079,629,395)
Gain on settlement of derivative contracts	73,604,999,276
Financial liabilities at FVTPL	
Loss on valuation of derivative instruments	(8,860,490,735)
Loss on settlement of derivative instruments	(28,620,063,885)
Financial liabilities at amortized cost	
Loss on fluctuation of exchange rates	(108,001,573,074)
Interest expenses on borrowings and bonds payable	(103,084,049,896)
Interest expenses on trade and other liabilities	(10,197,674,216)

39. Risk management

39.1 Risk management policies

The Group manages various risks that can be occurred by each business line, and main subjects are credit risk, market risk, interest rate risk, and liquidity risk and so on. These risks are identified, measured, controlled, and reported according to basic strategy set by the Group.

39.2 Capital risk management

The objective of the Group's capital management is to maintain the optimum capital structure to protect the ability of maximizing returns to shareholder and reduce capital costs. The Group adjusts dividend payment to the shareholder to maintain and adjust the capital structure, returns investment, issues new stocks, and disposes assets to reduce liabilities

The Group manages its capital based on the gearing ratio. The gearing ratio is calculated by dividing net borrowings and debentures by total capital. Net borrowings and debentures amounts total borrowings (short and long-term borrowings in the consolidated statement of financial position) less cash and cash equivalent, and total capital means equity in the statement of financial position plus net borrowings and debentures.

Details of the Group's capital management account as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Total borrowings and bonds payable (A)	₩ 3,745,555,641,017	₩ 3,852,941,695,898
Cash and cash equivalents (B)	318,621,809,707	77,789,753,698
Net borrowings and bonds payable (A-B=C)	3,426,933,831,310	3,775,151,942,200
Total equity (D)	6,375,267,637,341	6,539,466,330,450
Total capital (C+D=E)	9,802,201,468,651	10,314,618,272,650
Gearing ratio (C/E)	34.96%	36.60%
Debt to equity ratio (C/D)	53.75%	57.73%

39.3 Financial risk management

The Group is exposed to various risks related to its financial instruments, such as market risk (foreign currency risk, interest rate risk and price risk) and credit risk. The Group monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by the degree and magnitude of risks. The Group uses derivative financial instruments for certain hedge risk exposures. The Group's overall financial risk management strategy remained unchanged from the prior period.

39.3.1 Credit risk

Credit risk is the risk of a financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's sales activities, loans and receivables, derivative instruments. In addition, credit risk exposure may exist within financial guarantees and unused line of credits. The Group transacts with banks and financial institutions with excellent credit rating, so the credit risk from financial institutions is limited. In case of ordinary customers, the Group evaluates the customers' credit worthiness considering their financial statements, past experience and other factors.

Credit risk management
The Group uses publicly available information and its own internal data related to accounts receivables to rate its major customers and to measure the credit risk that a counter party will default on a contractual obligation. As the majority of the Group's accounts receivables are due from governmental entities (KEPCO and so on), the Group does not have significant credit risk exposure. Regarding its debt securities, the Group continuously reviews credit ratings issued by credit rating agencies, and the Group's working capital (i.e., cash) is deposited in financial institutions with healthy credit ratings.

39. Risk management (cont'd)

39.3.1 Credit risk (cont'd)

Impairment and allowance account
In accordance with the Group's policies, financial assets that are individually significant are assessed on a regular basis. Trade receivables that are assessed individually are, in addition, assessed for impairment through assessing whether impairment loss is occurred on an individual basis at the end of reporting period and it applies to all of the significant trade receivables. These assessments include securities acquired relating to an individual account (including reassessment of feasibility) and expected receipts.

The carrying value of financial assets represents maximum exposure to the credit risk. The Group's maximum exposure to credit risk as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Cash and cash equivalents	₩ 318,621,809,707	₩ 77,789,753,698
Financial assets at FVTPL	163,472,651,379	82,056,845,741
Derivatives held for trading	77,331,360	2,000,000
Financial assets at FVOCI	2,236,235,118,243	2,283,298,236,594
Financial assets at amortized cost	27,639,120,000	15,217,560,000
Loans	42,553,060,333	43,177,726,170
Derivatives designated as hedging instruments	34,788,778,236	87,730,104,435
Trade and other receivables	652,628,393,978	1,057,780,348,732
Financial guarantee contract (*)	145,299,091,010	134,977,148,647

(*) These are amounts of maximum guarantee to be paid in case of being requested by the principal debtor.

Details of financial guarantee contracts as of December 31, 2023 and 2022 are as follows (USD):

		Total guarantee amount (USD)	
	Group name	2023	2022
Joint venture	South Jamaica Power Company Limited (*1)	$ 6,750,000	$ 6,750,000
Joint venture	South Jamaica Power Company Limited (*1)	7,650,000	7,650,000
Joint venture	DE Energia SpA (*2)	959,367	942,852
Associate	Guam Ukudu Power LLC(*3)	59,836,801	59,836,801
Associate	Guam Ukudu Power LLC(*4)	31,328,000	31,328,000

(*1) The payment guarantee related to the promotion of the gas combined fire power project for South Jamaica Power Company Limited, a joint venture.
(*2) It is a payment guarantee contract under which the Group provides guarantee about opening of DSRA L/C to DE Energia SpA which is a joint venture of the Group.
(*3) It is a financial guarantee contract under which the Group provides guarantee to Guam Ukudu Power LLC which is an associate of the Group.
(*4) It is a payment guarantee related to the opening of L/C for performance bond for electricity sales contract provided by the Group to Guam Ukudu Power LLC which is an associate of the Group.

There are no collateral rights exercised or other credit guarantees pledged on any financial or non-financial assets as of December 31, 2023.

39. Risk management (cont'd)

39.3.2 Liquidity risk

The Group has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term, 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 forecasted and actual cash flows; 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 minimizes the liquidity risk by matching maturities through using internally reserved cash or utilizing long-term borrowings.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities based on the contractual undiscounted payments (Korean won):

	Dec. 31, 2023				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Borrowings and bonds payable	₩ 485,342,728,121	₩ 1,543,411,146,254	₩ 1,235,080,500,030	₩ 923,122,967,714	₩ 4,186,957,342,119
Trade and other payables	706,724,615,038	-	-	-	706,724,615,038
Lease liabilities	63,397,305,485	54,778,544,725	144,288,243,072	179,291,065,354	441,755,158,636
Financial guarantee contracts	60,198,691,010	85,100,400,000	-	-	145,299,091,010
	₩ 1,315,663,339,654	₩ 1,683,290,090,979	₩ 1,379,368,743,102	₩ 1,102,414,033,068	₩ 5,480,736,206,803

	Dec. 31, 2022				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Borrowings and bonds payable	₩ 860,421,146,543	₩ 358,493,371,672	₩ 2,167,155,978,361	₩ 869,775,638,027	₩ 4,255,846,134,603
Trade and other payables	570,654,657,036	-	-	-	570,654,657,036
Lease liabilities	63,265,514,641	62,038,201,179	152,737,629,632	214,994,775,189	493,036,120,641
Financial guarantee contracts	19,443,996,340	39,701,974,400	75,831,177,907	-	134,977,148,647
	₩ 1,513,785,314,560	₩ 460,233,547,251	₩ 2,395,724,785,900	₩ 1,084,770,413,216	₩ 5,454,514,060,927

As the Group manages its liquidity based on net assets and net liability balances, in order to understand the Group's liquidity risk management, non-derivative financial assets should be included.

The maturity profile of the Group's non-derivative financial assets based on the contractual undiscounted cash flow as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023				
	Less than 1 year	1 to 5 years	Over 5 years	Others	Total
Cash and cash equivalents	₩ 318,621,809,707	₩ -	₩ -	₩ -	₩ 318,621,809,707
Financial assets at FVTPL	161,814,988,455	1,187,025,724	-	470,637,200	163,472,651,379
Financial assets at FVOCI	-	-	-	2,236,235,118,243	2,236,235,118,243
Financial assets at amortized cost	21,003,600,000	135,520,000	-	6,500,000,000	27,639,120,000
Loans	2,429,473,376	9,714,384,131	35,230,826,697	-	47,374,684,204
Trade and other receivables	635,728,529,910	17,328,251,972	-	-	653,056,781,882
	₩ 1,139,598,401,448	₩ 28,365,181,827	₩ 35,230,826,697	₩ 2,243,205,755,443	₩ 3,446,400,165,415

39. Risk management (cont'd)

39.3.2 Liquidity risk (cont'd)

	Dec. 31, 2022				
	Less than 1 year	1 to 5 years	Over 5 years	Others	Total
Cash and cash equivalents	₩ 77,789,753,698	₩ -	₩ -	₩ -	₩ 77,789,753,698
Financial assets at FVTPL	80,457,347,191	1,128,861,350	-	470,637,200	82,056,845,741
Financial assets at FVOCI	-	-	-	2,283,298,236,594	2,283,298,236,594
Financial assets at amortized cost	15,116,560,000	101,000,000	-	-	15,217,560,000
Loans	2,028,750,612	8,115,002,448	37,178,293,112	-	47,322,046,172
Trade and other receivables	1,040,394,053,273	17,895,759,398	-	-	1,058,289,812,671
	₩ 1,215,786,464,774	₩ 27,240,623,196	₩ 37,178,293,112	₩ 2,283,768,873,794	₩ 3,563,974,254,876

The table below summarizes the maturity profile of derivative financial instruments of the Group based on the contractual undiscounted cash flow schedules (Korean won):

	Dec.31, 2023				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Derivative financial assets					
- Held for trading	₩ 77,331,360	₩ -	₩ -	₩ -	₩ 77,331,360
- Risk averse	-	33,885,301,060	903,477,176	-	34,788,778,236
	77,331,360	₩ 33,885,301,060	₩ 903,477,176	₩ -	₩ 34,866,109,596
Derivative financial liabilities					
- Held for trading	₩ 733,581,292	₩ -	₩ -	₩ -	₩ 733,581,292

	Dec.31, 2022				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Derivative financial assets					
- Held for trading	₩ 2,000,000	₩ -	₩ -	₩ -	₩ 2,000,000
- Risk averse	74,482,387,991	-	13,247,716,444	-	87,730,104,435
	₩ 74,484,387,991	₩ -	13,247,716,444	₩ -	₩ 87,732,104,435
Derivative financial liabilities					
- Held for trading	₩ 9,016,055,436	₩ -	₩ -	₩ -	₩ 9,016,055,436
- Risk averse	-	-	3,965,718,515	-	3,965,718,515
	₩ 9,016,055,436	₩ -	₩ 3,965,718,515	₩ -	₩ 12,981,773,951

39.3.3 Market risk

The Group is exposed to market risk under which its fair value of the financial instruments or future cash flows is affected by the changes in market price. Market risk consists of interest rate risk, currency risk and other price risk.

39. Risk management (cont'd)

39.3.4 Sensitivity analysis

Major assets and liabilities with uncertainties in underlying assumptions

Defined benefit obligation
A sensitivity analysis on the Group's defined benefit obligation assuming a 1%-point increase and decrease in various assumptions as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023		Dec. 31, 2022	
	1% inc.	1% dec.	1% inc.	1% dec.
Future salary increase rate	₩ 10,107,638,215	₩ (8,977,957,850)	₩ 10,360,045,617	₩ (9,121,095,537)
Discount rate	(9,430,527,219)	10,840,634,170	(9,368,845,015)	10,865,133,578

Effect on the overall financial statements by the management assumptions

Foreign currency risk
The Group conducts transactions denominated in foreign currencies; consequently, exposures to currency exchange rate fluctuations may arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows (USD, EUR, PHP, AUD, and GBP):

	Foreign currency assets		Foreign currency liabilities	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
USD	26,695,827	5,292,598	1,685,068,191	1,893,359,377
EUR	3,308	3,051	-	-
PHP	38,789,071	38,789,071	-	-
AUD	746	-	-	28,617
GBP	10,591	-	-	-

The following table illustrates the sensitivity of the Group's profit before tax and equity to a fluctuation of 10% in the foreign exchange rate (Korean won):

	2023		2022	
	10% inc.	10% dec.	10% inc.	10% dec.
Effect on profit before tax	₩ (213,738,304,380)	₩ 213,738,304,380	₩ (239,188,695,996)	₩ 239,188,695,996
Effect on shareholder's equity (*)	(213,738,304,380)	213,738,304,380	(239,188,695,996)	239,188,695,996

(*) Represents amounts before income tax effects.

The sensitivity analysis was made for monetary assets and liabilities denominated in foreign currencies except functional currency and the Group measures the risk of exchange rate fluctuations before reflecting the hedge effect of derivatives. Furthermore, The Group has a policy to enter into currency swap contracts in order to avoid the risk of volatility in foreign exchange rates related to the payment of foreign currency denominated long-term borrowings. In addition, the Group enters into currency forward contract in order to manage the foreign exchange risk of expected purchases.

39. Risk management (cont'd)

39.3.4 Sensitivity analysis (cont'd)

Interest rate risk
The Group is exposed to interest rate risk due to its borrowings with floating interest rates. The effect of a change of 1% is used for a sensitivity analysis when reporting interest rate risk internally to key management personnel that represents management's assessment of a reasonably possible change in interest rates.

The Group's long-term borrowings and bonds payable with floating interest rates as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023	Dec. 31, 2022
Long-term borrowings	₩ 55,664,260,000	₩ 32,119,220,000

A sensitivity analysis on the Group's borrowings and bonds payable assuming a 1%-point increase and decrease in interest rates as of December 31, 2023 and 2022 are as follows (Korean won):

	2023		2022	
	1% inc.	1% dec.	1% inc.	1% dec.
Effect on profit before tax	₩ (556,642,600)	₩ 556,642,600	₩ (321,192,200)	₩ 321,192,200
Effect on shareholder's equity (*)	(556,642,600)	556,642,600	(321,192,200)	321,192,200

(*) Represents amounts before income tax effects.

To manage its interest rate risks, the Group maintains an appropriate balance of fixed and floating rate loans, and enters into interest rate swap agreements. The analysis above presents the interest rates effect not reflecting hedge transactions on the Group's consolidated financial statements.

39. Risk management (cont'd)

39.4 Fair value measurement

The fair value of the Group's actively traded financial instruments (i.e., held for trading and available-for-sale financial assets) is based on the traded market price as at the end of the reporting periods. The fair value of the Group's financial assets is the asking price for purchase.

39.4.1 Fair and book value

The Group's book and fair values of financial assets and liabilities as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31. 2023		Dec. 31. 2022	
	Book value	Fair value	Book value	Fair value
Assets (fair value):				
Financial assets at FVTPL	₩ 163,472,651,379	₩ 163,472,651,379	₩ 82,056,845,741	₩ 82,056,845,741
Financial assets at FVOCI	2,236,235,118,243	2,236,235,118,243	2,283,298,236,594	2,283,298,236,594
Derivatives held for trading	77,331,360	77,331,360	2,000,000	2,000,000
Derivatives designated as hedging instruments	34,788,778,236	34,788,778,236	87,730,104,435	87,730,104,435
	₩ 2,434,573,879,218	₩ 2,434,573,879,218	₩ 2,453,087,186,770	₩ 2,453,087,186,770
Assets (amortized cost):				
Financial assets at amortized cost	₩ 27,639,120,000	₩ 27,639,120,000	₩ 15,217,560,000	₩ 15,217,560,000
Loans	42,553,060,333	42,553,060,333	43,177,726,170	43,177,726,170
Trade and other receivables	652,628,393,978	652,628,393,978	1,057,780,348,732	1,057,780,348,732
Cash and cash equivalents	318,621,809,707	318,621,809,707	77,789,753,698	77,789,753,698
	₩ 1,041,442,384,018	₩ 1,041,442,384,018	₩ 1,193,965,388,600	₩ 1,193,965,388,600
Liabilities (fair value):				
Derivatives designated as hedging instruments	₩ -	₩ -	₩ 3,965,718,515	₩ 3,965,718,515
Derivative held for trading	733,581,292	733,581,292	9,016,055,436	9,016,055,436
	₩ 733,581,292	₩ 733,581,292	₩ 12,981,773,951	₩ 12,981,773,951
Liabilities (amortized cost):				
Secured borrowings	₩ 112,248,408,627	₩ 112,248,408,627	₩ 48,379,995,635	₩ 48,379,995,635
Unsecured bonds payable	3,629,863,672,390	3,500,666,497,466	3,678,439,780,263	3,377,111,946,850
Unsecured borrowings	3,443,560,000	3,443,560,000	126,121,920,000	126,121,920,000
Trade and other payables	706,724,615,038	706,724,615,038	570,654,657,036	570,654,657,036
Lease liabilities	396,055,530,472	396,055,530,472	440,101,400,111	440,101,400,111
	₩ 4,848,335,786,527	₩ 4,719,138,611,603	₩ 4,863,697,753,045	₩ 4,562,369,919,632

39.4.2 Discount rate used for calculating fair value

The discount rate used for calculating fair value is derived from interest rates that are market-observable, such as government bond interest rates, after considering credit spread.

39. Risk management (cont'd)

39.4.3 Hierarchy for determining and disclosing the fair value

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique. The level of hierarchy of fair value is as follows:

	The significance of input variables
Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2	Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3	Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

As of December 31, 2023 and 2022, the Group held the following financial instruments carried at fair value in the consolidated statement of financial position (Korean won):

	Dec. 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI	₩ 2,218,905,801,076	₩ -	₩ 17,329,317,167	₩ 2,236,235,118,243
Financial assets at FVTPL	-	163,472,651,379	-	163,472,651,379
Derivative assets	-	34,866,109,596	-	34,866,109,596
Derivative liabilities	-	(733,581,292)	-	(733,581,292)
	₩ 2,218,905,801,076	₩ 197,605,179,683	₩ 17,329,317,167	₩ 2,433,840,297,926

	Dec. 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI	₩ 2,265,200,113,260	₩ -	₩ 18,098,123,334	₩ 2,283,298,236,594
Financial assets at FVTPL	-	82,056,845,741	-	82,056,845,741
Derivative assets	-	87,732,104,435	-	87,732,104,435
Derivative liabilities	-	(12,981,773,951)	-	(12,981,773,951)
	₩ 2,265,200,113,260	₩ 156,807,176,225	₩ 18,098,123,334	₩ 2,440,105,412,819

Changes in Level 3 financial assets for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023			
	Jan. 1	Disposal	Valuation	Dec. 31
Financial assets at FVOCI:				
Unlisted equity securities	₩ 18,098,123,334	₩ (14,198,304)	₩ (754,607,863)	₩ 17,329,317,167

	Dec. 31, 2022		
	Jan. 1	Loss on valuation, net	Dec. 31
Financial assets at FVOCI:			
Unlisted equity securities	₩ 18,297,229,432	₩ (199,106,098)	₩ 18,098,123,334

There was no significant movement between Level 1 and Level 2 of the fair value hierarchy for the year ended December 31, 2023.

40. Related party disclosures

The related parties of the Group and nature of their relationship with the Group as of December 31, 2023 are as follows:

Relationship	Related party
Ultimate parent Group	Korean Government
Parent Group	KEPCO
Associates	Korea Offshore Wind Power Co., Ltd
	KEPCO Solar Co., Ltd.
	KEPCO ES Co., Ltd.
	GS Donghae Electric Power Co., Ltd
	Guam Ukudu Power LLC
	KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd).
	Taebaek Gadeoksan Wind Power Co., Ltd.
	Goheungsin Energy Co., Ltd
	Yanggu Floating Solar Power Co., Ltd.
	Hoenggye Renewable Energy Co., Ltd.
Joint ventures	Busan Shinho Solar Power Co., Ltd.
	Honam Wind Power. Co., Ltd.
	Dangjin Eco Power Corporation
	Seokmun Energy Co., Ltd.
	Chuncheon Energy Co., Ltd.
	Yeonggwang Wind Power Co., Ltd.
	Yeonggwangbaeksu Wind Power Co., Ltd.
	Daesan Green Energy Co., Ltd.
	DE Energia SpA
	Yangyang Wind Power Co., Ltd.
	Jamaica Public Service Company Limited
	PT.Tanjung Power Indonesia
	South Jamaica Power Company Limited
	Busan Industry Solar Co., Ltd.
	Light Solar Energy Co., Ltd.
	Cheongju Eco Park Co., Ltd.
	Shinhan BNPP East&West Sunlight Dream Special asset investment trust for professional investment type private equity
	Columboola Solar Farm Hold Co Pty., Ltd.
	Seokmun Green Energy Co., Ltd.
	Geumyang Eco Park Co., Ltd.
	Fairhaven Energy Storage, LLC
Others	Korea South-East Power Co., Ltd.
	Korea Western Power Co., Ltd.
	Korea Midland Power Co., Ltd.
	Korea Southern Power Co., Ltd.
	KEPCO Data Network Co., Ltd.
	Korea Gas Corporation
	Korea Electronic Power Industrial Development Co., Ltd.
	Korea Power Exchange
	KEPCO Plant Service & Engineering Co., Ltd.
	KEPCO Engineering & Construction Company, Inc.
	Korea Hydro & Nuclear Power Co., Ltd.
	KEPCO Bylong Australia Pty Ltd, etc.
	KDB Bank
	South Jamaica Energy Holdings Ltd.
	Caribbean Blue Skies Energy Ltd.
	Columboola Solar Farm Fin Co Pty Ltd.
	Columboola Solar Farm Op Trust
	Columboola Solar Farm Nominees Pty Ltd., etc.

40. Related party disclosures (cont'd)

Significant transactions with related parties for the years ended December 31, 2023 and 2022 are as follows (Korean won):

Related party	Transaction	Sales		Purchases	
		2023	2022	2023	2022
KEPCO	Sales and purchase of electricity and others	₩ 5,743,552,560,386	₩ 7,145,333,494,077	₩ 47,408,152,561	₩ 37,844,761,556
	Other income/Dividend payment	1,560,709,122	1,652,955,341	300,436,498,106	4,866,306,564
Korea Offshore Wind Power Co., Ltd.	Engineering service income/Purchase of REC	384,088,300	133,871,730	3,336,598,664	5,187,701,416
KEPCO ES Co., Ltd.	Engineering service, dividend income and others	790,000,000	142,291,841	-	-
KEPCO Solar Co., Ltd.	Engineering service income /Purchase of REC	1,333,914,750	117,299,250	37,749,055	695,279,934
GS Donghae Electric Power Co., Ltd.	Dividend income and others/Raw material	21,873,694,204	426,238,210	1,935,913,584	258,328,091
Taebaek Gadeoksan Wind Power Co., Ltd.	Engineering service income/Purchase of REC	3,997,897,892	1,951,506,880	12,186,679,582	3,135,462,553
Guam Ukudu Power LLC	Other income and others	451,593,175	12,180,982,028	-	-
Goheungsin Energy Co., Ltd	Engineering service income/Purchase of REC	8,225,354	-	1,579,213,521	-
KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd).	Other income/ Purchase of REC	147,995,074	169,814,604	30,010,914,802	10,449,575,535
Dangjin Eco Power Corporation	Purchase of REC	-	-	1,389,195,004	1,510,454,364
Seokmun Energy Co., Ltd.	Engineering service income/Purchase of REC	999,158,598	1,008,775,004	20,182,978,174	20,973,243,420
Busan Shinho Solar Power Co., Ltd.	Dividend income/ Purchase of REC	1,168,750,000	477,500,000	5,202,444,000	5,555,784,000
Honam Wind Power Co., Ltd.	Dividend income/ Purchase of REC	522,000,000	174,000,000	2,268,680,904	1,287,964,932
Chuncheon Energy Co., Ltd.	Engineering service income	664,360,070	600,000,000	-	-
Yeonggwang Wind Power Co., Ltd.	O&M sales/Purchase of REC	3,366,880,162	658,585,801	13,702,705,239	4,318,464,086
Yeonggwangbaeksu Wind Power Co., Ltd.	O&M sales/Purchase of REC	1,850,955,019	1,815,767,250	4,628,363,642	1,390,659,580
DE Energia SpA	Interest income and others	544,100,271	537,851,358	-	-
South Jamaica Power Company Limited	O&M sales, dividend income	7,791,071,486	122,786,929	-	-
Jamaica Public Service Company Limited	O&M sales, dividend income /Other expenses	18,162,163,750	3,229,875,000	186,845,797	196,194,855
PT. Tanjung Power Indonesia	O&M sales, dividend income and others	12,778,287,694	745,664,531	-	-
Columboola Solar Farm Hold Co Pty., Ltd.	Dividend income	360,406,872	-	-	-
Daesan Green Energy Co., Ltd.	Engineering service income/Purchase of REC	513,090,647	292,395,099	38,075,174,377	28,090,525,096
Light Solar Energy Co., Ltd.	Interest income/Purchase of REC	221,569,600	395,525,130	3,389,488,994	3,472,612,239

40. Related party disclosures (cont'd)

Related party	Transaction	Sales		Purchases	
		2023	2022	2023	2022
Busan Industry Solar Co., Ltd.	Purchase of REC	₩ -	₩ -	₩ 453,593,641	₩ 283,992,626
Yangyang Wind Power Co., Ltd.	Interest income/Purchase of REC	12,722,655	-	9,831,952	-
Cheongju Eco Park Co., Ltd.	Engineering service income/Purchase of REC and others	6,377,139,667	181,341,577	28,799,323,838	28,149,639,694
Korea Gas Corporation	Rent income/Purchase of LNG	173,265,000	167,730,500	1,378,816,881,087	2,054,963,848,071
KEPCO Plant Service & Engineering Co., Ltd.	Rent income/Repairs and other expenses	607,199,630	302,376,490	79,458,950,107	61,191,756,112
Korea Electric Power Industrial Development Co., Ltd.	Rent income/Repairs and other expenses	255,056,085	233,856,495	73,841,551,910	77,187,047,008
KEPCO Engineering & Construction Company, Inc.	Investment and others	-	-	13,844,660,322	8,453,274,300
Korea Hydro & Nuclear Power Co., Ltd.	Commission income/Purchase of REC and others	1,350,000,000	-	67,232,670	67,237,350
Korea Southern Power Co., Ltd.	Other income/Other expenses	1,060,302,630	-	19,042,620	-
Korea Western Power Co., Ltd.	Raw material, repairs, and others	-	-	1,920,000	-
Korea South-East Power Co., Ltd.	Investment	-	-	-	25,510,130
Korea Midland Power Co., Ltd.	Other income/Investment	500,050,000	-	-	399,841,890
KEPCO Data Network Co., Ltd.	Commission	-	-	14,999,852,897	15,415,853,415
Korea Power Exchange	Other income/Electric power transaction commission	44,340,529,780	11,870,195,810	341,761,711	348,442,479
		₩ 5,877,719,737,873	₩ 7,184,922,680,935	₩ 2,076,612,198,761	₩2,375,719,761,296

40. Related party disclosures (cont'd)

Outstanding balances of receivables and payables with related parties above as of December 31, 2023 and 2022 are as follows (Korean won):

Related party	Transaction	Receivables		Payables	
		Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
KEPCO	Trade receivables /payables	₩ 358,181,562,511	₩ 731,028,532,931	₩ 769,059,498	₩ 874,538,329
	Other receivables, accrued income/other payables, dividend payable	177,070,107,925	179,820,961,347	300,818,869,343	21,230,941
Korea Offshore Wind Power Co., Ltd.	Other receivables	263,517,390	-	-	-
KEPCO ES Co., Ltd	Other receivables	790,000,000	-	-	-
KEPCO Solar Co., Ltd.	Other receivables	869,130,000	-	-	-
GS Donghae Electric Power Co., Ltd.	Other receivables/ payables	-	1,150,769,373	73,179,270	-
Taebaek Gadeoksan Wind Power Co., Ltd.	Other receivables	1,473,070,182	96,946,079	-	-
Dangjin Eco Power Corporation	Other payables	-	-	175,901,708	105,093,219
Seokmun Energy Co., Ltd.	Other receivables	199,142,998	113,411,020	-	-
Chuncheon Energy Co., Ltd.	Other receivables	165,000,000	165,000,000	-	-
Yeonggwang Wind Power Co., Ltd	Other receivables	56,149,500	54,494,000	-	-
Yeonggwangbaeksu Wind Power Co., Ltd.	Other receivables	-	166,451,002	-	-
DE Energia SpA	Loans and others	9,778,208,738	9,102,467,157	-	-
South Jamaica Power Company Limited	Trade receivables	79,559,892	78,196,246	-	-
Jamaica Public Service Company Limited	Trade receivables/other payables	1,506,163,755	2,335,040,537	295,020,077	423,498,782
PT. Tanjung Power Indonesia	Loans and others	-	128,660,000	-	-
Daesan Green Energy Co., Ltd.	Loans and others	2,580,632,142	3,731,376,913	-	-
Light Solar Energy Co., Ltd.	Loans and others	3,166,514,080	3,386,849,600	-	-
Yangyang Wind Power Co., Ltd.	Loans and others	3,269,222,655	-	-	-
Cheongju Eco Park Co., Ltd	Other receivables and others	6,898,804,785	-	-	-
Korea Gas Corporation	Trade payables	-	-	118,196,946,260	332,183,064,270
KEPCO Plant Service & Engineering Co., Ltd.	Other payables	-	-	21,923,198,520	4,958,202,700

40. Related party disclosures (cont'd)

Related party	Transaction	Receivables		Payables	
		Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Korea Electric Power Industrial Development Co., Ltd.	Trade payables	₩ -	₩ -	₩ 2,021,041,000	₩ 149,552,055
KEPCO Engineering & Construction Company, Inc.	Other payables	-	-	-	1,568,881,270
Korea Southern Power Co., Ltd.	Other payables	-	-	277,700,557	-
Korea Western Power Co., Ltd.	Other payables	-	-	2,112,000	-
Korea South-East Power Co., Ltd.	Other receivables/ payables	1,408,923	1,275,374	47,387	263,036,013
Korea Midland Power Co., Ltd.	Other payables	-	-	-	1,447,535,517
KEPCO Data Network Co., Ltd.	Other payables	-	-	973,976,070	2,740,789,799
Korea Power Exchange	Other payables	-	-	393,282	-
KDB Bank	Borrowings	-	-	45,231,700,000	20,961,700,000
		₩ 566,348,195,476	₩ 931,360,431,579	₩ 490,759,144,972	₩ 365,697,122,895

Details of changes in loans for related parties above during 2023 and 2022 are as follows (Korean won):

	Company name	2023				
		Jan. 1	Loan	Collection	Foreign currency translation loss	Dec. 31
Joint venture	DE Energia SpA (*1)	₩ 7,259,221,130	₩ -	₩	₩ 126,591,010	₩ 7,385,812,140
Joint venture	Light Solar Energy Co., Ltd. (*2)	3,165,280,000	-	-	-	3,165,280,000
Joint venture	Daesan Green Energy Co., Ltd.(*3)	3,513,755,000	190,351,102	(1,293,259,102)	-	2,410,847,000
Joint venture	Yeonggwang Wind Power Co., Ltd.(*4)	-	3,256,500,000	-	-	3,256,500,000
		₩ 13,938,256,130	₩ 3,446,851,102	₩ (1,293,259,102)	₩ 126,591,010	₩ 16,218,439,140

(*1) The Group loaned operating funds to DE Energia SpA, a joint venture, with interest rate of 7.0%
(*2) The Group loaned operating funds to Light Solar Energy Co., Ltd., a joint venture, with interest rate of 7.0%.
(*3) The Group loaned operating funds Daesan Green Energy Co., Ltd. a joint venture, with interest rate of 4.6%.
(*4) The Group provided equipment investment funds to Yangyang Wind Power Co., Ltd., a joint venture, and the interest rate applied to this loan is based on the current account loan interest rate specified in Article 52, Paragraph 2 of the Corporate Tax Law.

	Group name	2022				
		Jan. 1	Loan	Collection	Foreign currency translation loss	Dec. 31
Joint venture	DE Energia SpA (*1)	₩ 6,790,662,550	₩ -	₩ -	₩ 468,558,580	₩ 7,259,221,130
Joint venture	Light Solar Energy Co., Ltd. (*2)	3,165,280,000	-	-	-	3,165,280,000
Joint venture	Daesan Green Energy Co., Ltd.(*3)	-	3,513,755,000	-	-	3,513,755,000
Joint venture	PT. Tanjung Power Indonesia (*4)	1,090,479,602	-	(1,113,751,752)	23,272,150	-
		₩ 11,046,422,152	3,513,755,000	(1,113,751,752)	491,830,730	₩ 13,938,256,130

(*1) The Group loaned operating funds to DE Energia SpA, a joint venture, with interest rate of 7.0%.
(*2) The Group loaned operating funds to Light Solar Energy Co., Ltd., a joint venture, with interest rate of 7.0%.
(*3) The Group loaned operating funds Daesan Green Energy Co., Ltd. a joint venture, with interest rate of 4.6%.
(*4) The Group collected the loan from PT. Tanjung Power Indonesia, a joint venture in 2023.

40. Related party disclosures (cont'd)

Derivatives transactions with related parties above for the year ended December 31, 2023 are as follows (Korean won, USD):

			2023				
	Company name	Contract period	Sale price	Purchase price	Sale interest (%)	Purchase interest (%)	Contract exchange rate
Cash flow hedge	KDB Bank	2020.05 ~ 2025.05	₩ 122,780,000,000	$ 100,000,000	0.93	1.75	1,227.8
	KDB Bank	2022.05 ~ 2025.05	252,360,000,000	200,000,000	2.83	3.60	1,261.8
	KDB Bank	2023.07 ~ 2028.07	129,500,000,000	100,000,000	3.85	4.88	1,295.0

Borrowings arisen from related-party transactions as of December 31, 2023 are as follows (Korean won):

	Company name	Jan.1	Borrowing	Dec. 31
Other related party	KDB Bank(*)	₩ 20,961,700,000	₩ 24,270,000,000	₩ 45,231,700,000

(*) The Group borrowed operating funds from KDB Bank, and the interest rate on the borrowings is KDB corporate bonds rate+0.9% without guarantee and 4.94%.

Borrowings arisen from related-party transactions as of December 31, 2022 are as follows (Korean won):

	Company name	Jan.1	Borrowing	Dec. 31
Other related party	KDB Bank(*)	₩ 9,985,000,000	₩ 10,976,700,000	₩ 20,961,700,000

(*) The Group borrowed operating funds from KDB Bank, and the interest rate on the borrowings is KDB corporate bonds rate+0.9% without guarantee.

The Group made new investments in Hoenggye Renewable Energy Co., Ltd., and Geumyang Eco Park Co., Ltd. in 2023 (Note 14).

Details of guarantees provided to related parties above as of December 31, 2023 are as follows (USD):

Provider	Provided	Description	Credit limit	Financial institution
Korea East-West Power Co., Ltd.	PT.Tanjung Power Indonesia (*1)	Water change cost payment guarantee	$ 3,150,000	PT Adaro Indonesia
	South Jamaica Power Company Limited (*2)	PPA L/C	6,750,000	Hana Bank
	South Jamaica Power Company Limited (*2)	GSA L/C	7,650,000	Hana Bank
	DE Energia SpA	DSRA L/C	959,367	Hana Bank
	Guam Ukudu Power LLC (*3)	Guarantee for payment of capital-linked borrowings	66,000,000	KDB Bank
	Guam Ukudu Power LLC (*4)	PPA L/C	31,328,000	ANZ

(*1) The Group guarantees the payment of water change cost of PT. Tanjung Power Indonesia. Payment guarantee for water change cost has not been implemented yet.
(*2) It is an L / C opening guarantee for the execution of each contract in connection with the power sales contract and gas supply contract of South Jamaica Power Company Limited, a joint venture of the Group.
(*3) The Group guarantees the payment of capital-linked borrowings of Guam Ukudu Power LLC, an associate of the Group.
(*4) It is an L / C opening guarantee for the execution in connection with the power sales contract of Guam Ukudu Power LLC, an associate of the Group.

Salary and other compensation to the key members of management for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Short-term salaries	₩ 647,007,852	₩ 640,625,907
Retirements benefits expenses	30,992,884	33,211,342
	₩ 678,000,736	₩ 673,837,249

40. Related party disclosures (cont'd)

As of December 31, 2023, the Group pledged its shares in investees as collateral on behalf of borrowings for related parties above as follows (Korean won, USD):

Lender	Borrower	Collateral	Total collateral limit	
KDB Bank and others	Busan Shinho Solar Power Co., Ltd.	Shares in Busan Shinho Solar Power Co., Ltd.	₩	6,668,763,776
Shinhan Bank and others	Honam Wind Power Co., Ltd	Shares in Honam Wind Power Co., Ltd.		4,743,246,037
Shinhan Bank and others	Busan Industry Solar Co., Ltd.	Shares in Busan Industry Solar Co., Ltd.		1,058,069,975
Hana Bank and others	Yangyang Wind Power Co., Ltd	Shares in Yangyang Wind Power Co., Ltd		10,435,038,488
Hana Bank and others	KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd)	Shares in KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd).		7,779,068,750
KDB Bank and others	GS Donghae Electric Power Co., Ltd.	Shares in GS Donghae Electric Power Co., Ltd.		259,084,468,646
Kookmin Bank and others	Yeonggwangbaeksu Wind Power Co., Ltd.	Shares in Yeonggwangbaeksu Wind Power Co., Ltd.		3,443,287,949
Kookmin Bank and others	Chuncheon Energy Co., Ltd.	Shares in Chuncheon Energy Co., Ltd.		35,082,660,917
Kookmin Bank and others	Seokmun Energy Co., Ltd.	Shares in Seokmun Energy Co., Ltd.		16,591,138,243
KDB Capital Corp. and others	Yeonggwang Wind Power Co., Ltd.	Shares in Yeonggwang Wind Power Co., Ltd.		23,379,901,376
Woori Bank and others	Korea Offshore Wind Power Co., Ltd	Shares in Korea Offshore Wind Power Co., Ltd		23,827,130,726
IBK Bank	Daesan Green Energy Co., Ltd.	Shares in Daesan Green Energy Co., Ltd.		22,190,747,324
Hana Bank and others	Taebaek Gadeoksan Wind Power Co., Ltd.	Shares in Taebaek Gadeoksan Wind Power Co., Ltd.		19,426,119,441
Mirae Asset Daewoo Co., Ltd. and others	DE Energia SpA	Shares in DE Energia SpA		9,702,754,929
Mirae Asset Daewoo Co., Ltd. and others	DE Energia SpA	Loans for DE Energia SpA	$	5,728,100
Mirae Asset Life Insurance and others	Light Solar Energy Co., Ltd.	Shares in Light Solar Energy Co., Ltd.	₩	352,300,000
Kyobo Life Insurance and others	Cheongju Eco Park Co., Ltd.	Shares in Cheongju Eco Park Co., Ltd.		9,071,574,986
Woori Bank and others	Goheungsin Energy Co., Ltd	Shares in Goheungsin Energy Co., Ltd		4,807,772,820
MUFG Bank Ltd. and others	PT.Tanjung Power Indonesia	Shares in PT.Tanjung Power Indonesia		90,151,067,479
JCSD Trustee Services Ltd. and others	South Jamaica Power Company Limited	Shares in South Jamaica Power Company Limited		43,109,358,625
ANZ and others	Columboola Solar Farm Hold Co Pty., Ltd.	Shares in Columboola Solar Farm Hold Co Pty., Ltd.		50,854,266,875
Hana Bank and others	Seokmun Green Energy Co., Ltd.	Shares in Seokmun Green Energy Co., Ltd.		9,756,877,607
KDB Ban	Yanggu Floating Solar Power Co., Ltd..	Shares in Yanggu Floating Solar Power Co., Ltd..		760,252,652
IBK Bank	Hoenggye Renewable Energy Co., Ltd	Shares in Hoenggye Renewable Energy Co., Ltd		2,374,782,880
MUFG Union Bank N.A.	Guam Ukudu Power LLC	Shares in Guam Ukudu Power LLC		11,617,054,536

As of December 31, 2023, the details of the funding agreement provided to a related party of the Group are as follows:

1) The Group has an obligation to fund expenses of settlement through the execution of subordinated loans or deferred payment in accordance with settlement procedure agreement when net operating cash inflow under the loan agreement with Daesan Green Energy Co., Ltd., an associate of the Group, does not meet the risk sharing standard and the cash flow at the end of the quarter of Daesan Green Energy Co., Ltd. is expected to be negative.

Regarding the above fund replenishment agreement, the Group has lent loans of ₩2,410,847,000 to Daesan Green Energy Co., Ltd. in 2023.

40. Related party disclosures (cont'd)

2) Chuncheon Energy Co., Ltd., a joint venture of the Group, has entered into a loan agreement with the 1st Newstar Chuncheon Co., Ltd. Related to this agreement, the Group has obligation to purchase the underlying asset or replenish funds (total collateral limit of ₩90,800,000,000) if Chuncheon Energy Co., Ltd. cannot pay the interest and proceeds of the loan agreed in advance for the underlying assets (subordinated loan and fund beneficiary certificates) or new securitization securities (commercial paper or short-term bonds) issued by 1st Newstar Chuncheon Co., Ltd. are not refinanced.

In addition to the above, the details of the funding agreements provided by the Group to related parties above as of December 31, 2023 are as follows:

	Funding arrangements
Hoenggye Renewable Energy Co., Ltd	Investors in Hoenggye Renewable Energy Co., Ltd. should provide funding through additional investment or subordinated loans in case of the need for procurement of excess business expenses until completion of overall construction.
Seokmun Energy Co., Ltd.	Investors other than the controlling company of Seokmun Energy Co., Ltd., a joint venture, should make additional investment in a form of additional equity capital injection or subordinated loan when operating expenses or loan principal repayment funds are insufficient. In case there are investors who cannot fulfill this obligation, the Group shall fulfill the obligation on behalf.
Yangyang Wind Power Co., Ltd	When excess cost occurs due to reasons such as an increase in construction costs during the construction or before its completion, investors in Yangyang Wind Power Co., Ltd., a joint venture, should fund the costs in a form of additional equity capital injection or subordinated loan.
PT.Tanjung Power Indonesia	When total required investment costs increase due to an increase in construction costs for instance, investors of PT.Tanjung Power Indonesia, a joint venture, should fund excess costs in a form of additional equity capital injection or subordinated loan.
Columboola Solar Farm Hold Co Pty., Ltd.	When a default occurs on the loan agreement obligations as specified in the loan agreement, the investors of Columboola Solar Farm Hold Co Pty., Ltd., a joint venture, may provide funds as additional capital investment.
Seokmun Green Energy Co., Ltd.	When necessary costs for general construction increases due to reasons including but not limiting to an increase in construction costs, investors in Seokmun Green Energy Co., Ltd., an associate, should fund excess costs in a form of additional equity capital injection or subordinated loan.

40. Related party disclosures (cont'd)

Details of non-monetary transactions with related parties above for the year ended December 31, 2023 and 2022 are as follows (Korean won):

Related party	Transaction	Lending, etc.		Borrowing, etc.	
		2023	2022	2023	2022
Korea South-East Power Co., Ltd.	Bituminous coal swap	₩ -	₩ 24,544,662,802	₩ -	₩ 29,229,986,610
Korea Southern Power Co., Ltd.		10,874,931,750	-	9,067,302,340	-
Korea Midland Power Co., Ltd.		-	85,237,243,180	-	58,235,856,310
GS Donghae Electric Power Co., Ltd.		11,830,267,146	-	-	13,755,843,746
		₩ 22,705,198,896	₩ 109,781,905,982	₩ 9,067,302,340	₩ 101,221,686,666

41. Supplementary cash flow information

Significant transactions not involving cash flows for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	2023	2022
Transfer from construction-in-progress to depreciable assets	₩ 513,017,875,768	₩ 392,558,453,227
Transfer from bonds and long-term borrowings to current-portion of those	305,408,126,639	659,077,960,514
Effect of increase in right-of-use asset	3,869,526,055	9,314,843,375

41. Supplementary cash flow information (cont'd)

Details of changes in liabilities arising from financial activities during 2023 and 2022 are as follows (Korean won):

<2023>

			Non-cash change			
	Jan. 1, 2023	Cash flow	Exchange rate fluctuation	Changes in fair value	Other	Dec. 31, 2023
Short-term borrowings	₩ 100,000,000,000	₩ (100,000,000,000)	₩ -	₩ -	₩ -	₩ -
Long-term borrowings	74,501,915,635	41,158,706,668	-	-	31,346,324	115,691,968,627
Bonds	3,678,439,780,263	(71,628,652,092)	17,238,222,475	-	5,814,321,744	3,629,863,672,390
Lease liabilities	440,101,400,111	(63,629,011,640)	6,216,435,335	-	13,366,706,666	396,055,530,472
Assets held in order to hedge exchange rate risk of foreign currency bonds	(83,764,385,920)	92,145,536,282	-	(20,090,514,444)	(23,079,414,154)	(34,788,778,236)
Total liabilities from financing activities	₩ 4,209,278,710,089	₩ (101,953,420,782)	₩ 23,454,657,810	₩ (20,090,514,444)	₩ (3,867,039,420)	₩ 4,106,822,393,253

<2022>

			Non-cash change			
	Jan. 1, 2022	Cash flow	Exchange rate fluctuation	Changes in fair value	Other	Dec. 31, 2022
Short-term borrowings	₩ -	₩ 100,000,000,000	₩ -	₩ -	₩ -	₩ 100,000,000,000
Long-term borrowings	59,898,462,643	14,572,106,668	-	-	31,346,324	74,501,915,635
Bonds	3,626,739,841,045	(37,833,757,837)	84,245,704,467	-	5,287,992,588	3,678,439,780,263
Lease liabilities	452,963,003,530	(59,063,260,781)	26,394,746,333	-	19,806,911,029	440,101,400,111
Assets held in order to hedge exchange rate risk of foreign currency bonds	(32,941,946,735)	107,399,817,994	-	(84,245,704,505)	(73,976,552,674)	(83,764,385,920)
Total liabilities from financing activities	₩ 4,106,659,360,483	₩ 125,074,906,044	₩ 110,640,450,800	₩ (84,245,704,505)	₩ (48,850,302,733)	₩ 4,209,278,710,089

42. Commitments and contingencies

Legal contingencies

Details of significant pending lawsuits and total claims against the Group as of December 31, 2023 and 2022 are as follows (Korean won):

	Dec. 31, 2023 (*)		Dec. 31, 2022	
	Litigation in progress	Litigation values	Litigation in progress	Litigation values
Pending lawsuits	19 cases	₩ 38,751,076,436	14 cases	₩ 16,763,753,758

(*) Details of major pending lawsuits (appeals) as of December 31, 2023 are as follows. (Korean won):

Court	Complainant	The accused	Contents	Litigation values	Status
Seoul Northern	Kyeongnam enterprise's manager Lee xx	The Group	Construction price, etc.	₩ 13,615,843,675	First trial
Busan High	Kim xx	The Group	Partition claim	528,915,050	Second trial
Suwon High	Glory ENC Co., Ltd	The Group	Trade payables	400,000,000	Second trial
KCAB	Jiseung Tech..& Wooyang	The Group	Construction price, etc.	1,271,803,505	Arbitration
Ulsan District	Thezon Bizon	The Group	Qualification limit for bidding participation	-	First trial
Ulsan District	Jiseung Tech.	The Group	Qualification limit for bidding participation	50,000,000	First trial
Ulsan District	Wooyang	The Group	Verification of absence of liabilities	90,075,700	First trial
Cheongju District	Eoh xx	The Group	Compensation for losses (related to LNG power plant land compensation)	66,577,500	First trial
Daejeon District	Jeong xx and 125 others	The Group	Claim for damages due to discrimination	170,053,328	First trial
Seoul District	C&G High-tech.	The Group	Loss compensation	4,812,219,688	First trial
Ulsan District	Lee xx and 185 others	The Group	Loss compensation	429,284,230	First trial
Suwon District	Bitro Tech.	The Group	Damages sought	1,805,031,010	First trial
Ulsan District	Ahn xx and other	The Group	Wage claim	202,153,893	First trial
Cheongju District	Choi xx and 17 others	The Group	Confirmation of the right to claim withdrawal of trust funds	107,157,120	First trial
KCAB	HPS	The Group	Claim for additional construction costs	15,000,000,000	Arbitration
Seoul Central District	Cardinal Infotech.	The Group	Loss compensation	50,000,000	First trial
Ulsan District	Kang xx and 18 others	The Group	Claim for delay damages	47,796,648	First trial
Ulsan District	Choi xx	The Group	Debt recovery lawsuit	29,276,219	First trial
Ulsan District	Choi xx and 7 others	The Group	Confirmation of the right to claim withdrawal of trust funds	74,888,870	First trial

Guarantees

As of December 31, 2023, the Group has no debt guarantee agreement other than those provided to related parties.

Purchase agreements

The Group has key purchase agreements for raw materials and details as of December 31, 2023 are as follows:

Raw material	Supply source	Contract period	Annual contract quantity (tones in thousands)
Bituminous coal	Australia	2017-2026	4,140
	Indonesia	2018-2024	2,880
	Russia	2015-2025	3,125
	U.S.A	2016-2024	1,120
	Colombia	2017-2026	1,060
LNG	U.S.A, Russia, etc.	2025-2040(*)	300

(*) Expected period of LNG supply contracts signed in 2021.

42. Commitments and contingencies (cont'd)

As of December 31, 2023, the Group maintains lines of credit with various financial institutions, and details are as follows (Korean won and USD):

	Financial institution	Executed amount		Credit limit	
Certification of payment on L/C	Shinhan Bank	USD	-	USD	80,000,000
	Kookmin Bank	USD	-	USD	45,000,000
	Woori Bank	USD	-	USD	27,000,000
	Hana Bank	USD	1,438,478	USD	53,250,000
Commitments on bank-over draft	Woori Bank	KRW	-	KRW	40,000,000,000
	Hana Bank	KRW	-	KRW	20,000,000,000
Loan limit	Shinhan Bank	USD	-	USD	20,000,000
	DBS	USD	-	USD	10,000,000
	Industrial & Commercial Bank of China	KRW	4,812,008,627	KRW	20,000,000,000
	KDB Bank	KRW	9,985,000,000	KRW	10,000,000,000
	Shinhan Bank	KRW	6,989,000,000	KRW	7,000,000,000
	NH Property & Casualty Insurance Co., Ltd.	KRW	19,969,000,000	KRW	20,000,000,000
	KDB Bank	KRW	35,246,700,000	KRW	40,100,000,000
	Woori Bank	KRW	35,246,700,000	KRW	40,100,000,000
Loan limit secured by bonds(*)	Shinhan Bank	KRW	-	KRW	5,000,000,000
	Woori Bank	KRW	-	KRW	1,000,000,000
	Kookmin Bank	KRW	-	KRW	5,000,000,000
	NH Bank	KRW	-	KRW	5,000,000,000
	IBK Bank	KRW	-	KRW	5,000,000,000
	Hana Bank	KRW	-	KRW	10,000,000,000
Energy use rationalization loan	Hana Bank	KRW	2,446,630,000	KRW	5,151,000,000
	Hana Bank	KRW	996,930,000	KRW	2,099,000,000
Comprehensive credit limit	Kookmin Bank	USD	-	USD	100,000,000
Others	Shinhan Bank	USD	2,620,000	USD	6,990,000
	Australia and New Zealand Banking	USD	31,328,000	USD	31,388,000
	Hana Bank	USD	959,367	USD	959,367
	Hana Bank	USD	14,400,000	USD	14,400,000

(*) In relation to the mutual cooperation agreement allowing cooperative companies of the Group to pledge accounts receivable to the Group and execute loans from financial institutions, the limit refers to the maximum loanable amount for the cooperative companies of the Group from financial institutions based on this agreement.

For the steady supply of raw materials, the Group holds long-term contracts for bituminous coal shipments and details are as follows:

Company	Ship	Contract period
NYK Line Co., Ltd.	OCEAN PROMETHEUS	2007.06–2025.05
NYK Bulkship Korea	ORIENTAL NAVIGATOR	2010.02–2025.01
H-Line Shipping Co., Ltd.	HL.Dangjin	2011.09–2029.08
NYK Bulkship Korea	ORIENTAL LEADER	2013.03–2028.02
Hansung Line Co., Ltd.	OCEAN CARRIER	2013.05–2028.04
NYK Bulkship Korea	Frontier Discovery	2018.01–2032.12
Pan Ocean Co., Ltd.	Pan Dangjin	2018.09–2036.08
Polaris Shipping Co., Ltd.	Solar Legend	2019.02–2034.01

As of December 31, 2023, the Group has pledged following assets as collateral for its borrowings (Korean won):

Lender	Collaterals	Nominal value		Collateral limit		Objective
Shinhan Bank and others	Deposits pledged	₩	12,957,774,869			Financing to invest for construction and operation of wind power plant
	Accounts receivable pledged by means of transfer		10,734,223,765	₩	68,400,000,000	
	Facilities pledged by means of transfer		66,946,422,562			
		₩	90,638,421,196	₩	68,400,000,000	

43. The approval of the financial statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2023 are scheduled to be approved at the shareholder's meeting to be held on March 29, 2024.

REGISTERED AND HEAD OFFICE OF THE COMPANY

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