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, The Korea Development Bank 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$500,000,000 4.750% Transition Notes due 2032

The US$500,000,000 4.750% Transition Notes due 2032 (the "Transition Notes" or the "Notes") of Korea East-West Power Co., Ltd. ("we" or "us") will mature on January 13, 2032 (the "Maturity Date"). The Notes will bear interest at the rate of 4.750% per annum from, and including, July 13, 2026 (the "Issue Date") to, but excluding, the Maturity Date. Interest will be payable in arrears on January 13 and July 13 in each year, commencing January 13, 2027. We may, at our option, redeem all, but not some only, of the Notes at any time at their principal amount plus accrued and unpaid interest in the event of certain changes in tax law as described under "Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Taxation Reasons."

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.

Application will be made to 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: 99.856% per Note plus accrued interest, if any, from July 13, 2026.

Delivery of the Notes in book-entry form will be made on or about July 13, 2026.

Joint Bookrunners and Lead Managers

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

The date of this Offering Circular is July 6, 2026.

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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, THE KOREA DEVELOPMENT BANK 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 March 31, 2026 have been made at the Market Average Exchange Rate in effect on March 31, 2026, which was Won 1,513.4 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, 2023, 2024 and 2025 and our unaudited interim consolidated financial statements as of March 31, 2026 and for the three months ended March 31, 2026 and 2025 included in this Offering Circular have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions 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. 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 among K-IFRS, Government Accounting Standards 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 March 31, 2026, we had a domestic generation capacity of 9,697 megawatts (excluding decommissioned generation units), or approximately 6.1% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). As of March 31, 2026, our generation capacity consisted of 6,440 megawatts, 2,972 megawatts and 285 megawatts attributable to our coal-fired units, LNG-combined cycle units and renewable energy units, respectively.

In 2023, 2024 and 2025, we sold 34,047 GWh, 33,328 GWh and 32,568 GWh, respectively, and in the first three months of 2025 and 2026, we sold 7,357 GWh and 9,541 GWh, respectively, to KEPCO through the KPX. KEPCO is currently the sole electricity transmission and distribution company in Korea. Our revenue amounted to Won 5,622 billion, Won 5,379 billion and Won 5,051 billion in 2023, 2024 and 2025, respectively, and Won 1,266 billion and Won 1,391 billion in the first three months of 2025 and 2026, respectively. We recorded net profit of Won 177 billion, Won 522 billion and Won 443 billion in 2023, 2024 and 2025, respectively, and net profit of Won 105 billion and Won 101 billion in the first three months of 2025 and 2026, respectively.

Total demand for electricity decreased by 0.4% in 2023, increased by 0.7% in 2024 and decreased by 0.1% in 2025, in each case, year on year, according to KEPCO. The consumption of electric power is expected to increase by 2.0% per year from 2024 to 2038, according to the Government's Eleventh Basic Plan of Long-Term Supply and Demand of Electricity (the "Eleventh Basic Plan") announced in March 2025. We plan to continue to make 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$500,000,000 4.750% Transition Notes due 2032
Issue Price	99.856% of principal amount of the Notes.
Issue Date	July 13, 2026
Maturity Date	January 13, 2032
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	The Notes will bear interest at the rate of 4.750% per annum, from, and including, July 13, 2026 to, but excluding, January 13, 2032, payable semi-annually in arrear on January 13 and July 13 in each year, commencing on January 13, 2027. See "Terms and Conditions of the Notes – Interest."
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 – Certain Covenants."
Taxation and Additional Amounts	Payment of principal and interest in respect of the Notes, including payment of any additional amounts, by or on behalf of us, shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction (as defined in Condition 8.2 of the "Terms and Conditions the Notes"), except as required by applicable law. In that event, we will, subject to certain exceptions and limitations, pay to a holder of any Note such additional amounts as may be necessary in order that every net payment by us or a paying agent of the principal of and interest on the Notes and any other amounts payable on the Notes after withholding or deduction for or on account of any present or future tax, duty, assessment or governmental charge imposed or levied by a Relevant Jurisdiction will not be less than the amount provided for in the Notes to be then due and payable thereunder. See "Terms and Conditions Notes – Taxation" and "Taxation – Korean Taxation."

Redemption for Taxation Reasons	Prior to the maturity date applicable to the Notes, the applicable Notes will be redeemable at our option at any time in whole, but not in part, at 100% of their principal amount plus accrued and unpaid interest, if any, to the date fixed for redemption, in the event of certain changes in the tax law of the Relevant Jurisdiction. See "Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Taxation Reasons."
Further Issuances.	We may from time to time, without notice to or the consent of the holders of the Notes, create and issue further debt securities ranking *pari passu* with the Notes in all respects so that such further issue shall be consolidated and form a single series with the outstanding Notes.
Listing and Trading	Application will be made to 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 the Global Note is exchanged for definitive certificates, we will appoint and maintain a paying agent in Singapore, where the definitive certificates may be presented or surrendered for payment or redemption. In addition, in the event that the Global Note is exchanged for definitive certificates, 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 certificates, 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, CMU Lodging and Paying Agent, Transfer Agent and Registrar	Citicorp International Limited
Use of Proceeds	The aggregate net proceeds of the issue of the Transition Notes (after deducting commissions paid to the Joint Lead Managers, but before expenses incurred in connection with the issue of the Transition Notes) are estimated to be US$498,142,500.

	We will allocate an amount equivalent to the net proceeds from the issuance of the Transition Notes to finance or refinance, in whole or in part, our existing future funding for the development and operations of eligible Green and Climate Transition projects, which are expected to contribute to the reduction of greenhouse gas emissions, related to (i) renewable energy, (ii) energy efficiency and (3) decarbonization of power generation ("Eligible Projects") in accordance with the Green and Climate Transition Finance Framework, which is in alignment with the Green Bond Principles 2025 published by the International Capital Markets Association, the Green Loan Principles 2025 published by the Loan Market Association, the Climate Transition Bond Guidelines 2025 published by the International Capital Markets Association and the Climate Transition Finance Handbook 2025 published by the International Capital Markets Association. No net proceeds from the issuance of the Transition Notes shall be allocated to finance or refinance, in whole or in part, any coal-related activities. See "Use of Proceeds."
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.
Form and Settlement	The Notes offered hereby will be issued in registered form, without detachable coupons, in the minimum denomination of US$200,000 and integral multiples of US$1,000 in excess thereof. The Notes may be held and transferred, and will be offered and sold, in the principal amount of US$200,000 and integral multiples of US$1,000 in excess thereof. Notes will be issued in the form of one or more fully registered global notes, registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority (the "HKMA") as operator (the "Operator") of the Central Moneymarkets Unit Service (the "CMU"). Except as described in "Terms and Conditions of Notes," the global notes will not be exchangeable for Notes in definitive registered form and will not be issued in definitive registered form. Any secondary market trading of book-entry interests in the Notes will take place through the CMU (as the case may be) participants. The Notes may not be sold or otherwise transferred except in accordance with the restrictions described under "Transfer Restrictions."
Legal Entity Identifier . . .	988400N0YW2A27V3D553
Common Code and ISIN .	ISIN: HK0001319182 CMU Instrument Number: CILHFN26111 Common Code: 342028594

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, 2023, 2024 and 2025 have been derived from our audited consolidated financial statements and notes thereto included elsewhere in this Offering Circular. The summary financial data as of March 31, 2026 and for the three months ended March 31, 2025 and 2026 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 three months ended March 31, 2026 may not be indicative of our results of operations for the full year 2026.

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
			(in billions of Won)		
Statement of Comprehensive Income (Loss) Data:					
Revenue	₩ 5,622	₩ 5,379	₩ 5,051	₩ 1,266	₩ 1,391
Cost of sales	(5,290)	(4,580)	(4,218)	(1,037)	(1,209)
Gross profit	332	799	833	229	182
Selling and administrative expenses	(179)	(178)	(187)	(38)	(36)
Operating profit	153	621	646	191	146
Other income	14	23	25	10	38
Other expense	(16)	(34)	(12)	(6)	(3)
Other loss, net	(33)	(18)	(14)	(3)	(14)
Finance income	186	347	171	17	66
Finance costs	(183)	(389)	(223)	(37)	(99)
Gain on investments in associates and joint ventures, net	99	79	24	26	6
Profit for the period before tax	220	630	617	198	140
Income tax expense	(43)	(108)	(173)	(93)	(40)
Profit for the period	177	522	444	105	100
Other comprehensive income (loss) for the period, net of tax	(38)	244	(531)	(67)	(268)
Total comprehensive income (loss) for the period, net of tax	₩ 139	₩ 766	₩ (87)	₩ 38	₩ (168)

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(in billions of Won)			
Statement of Financial Position Data:				
Assets:				
Cash and cash equivalents	₩ 319	₩ 169	₩ 217	₩ 138
Trade and other receivables	635	687	883	957
Inventories	213	220	244	232
Other current assets	241	356	55	318
Non-current financial assets	2,320	2,574	1,922	1,561
Property, plant and equipment, net	6,908	7,267	7,372	7,294
Investments in associates and joint ventures	1,105	1,227	1,273	1,315
Other non-current assets	399	393	386	417
Total assets	₩ 12,139	₩ 12,894	₩ 12,352	₩ 12,352
Liabilities and shareholder's equity:				
Trade and other payables	₩ 769	₩ 446	₩ 540	₩ 881
Current financial liabilities	418	1,750	763	1,101
Current income tax liabilities	24	70	72	96
Other current liabilities	82	76	99	87
Non-current financial liabilities	3,328	2,166	3,099	2,809
Long-term trade and other payables	333	330	288	301
Deferred tax liabilities	749	851	705	588
Other non-current liabilities	59	64	39	49
Total liabilities	₩ 5,764	₩ 5,753	₩ 5,605	₩ 5,912
Total equity	₩ 6,375	₩ 7,142	₩ 6,747	₩ 6,319
Total liabilities and equity	₩ 12,139	₩ 12,894	₩ 12,352	₩ 12,231
Net working capital (deficit)[(1)]	₩ 115	₩ (910)	₩ (75)	₩ (519)

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 March 31,	
	2023	2024	2025	2025	2026
	(in billions of Won)				
Other Financial Data:					
Capital expenditures[(1)]	₩ 805	₩ 1,010	₩ 947	₩ 379	₩ 98
Depreciation and amortization	754	723	763	174	196
Net cash flow from operating activities	1,299	1,255	1,112	304	323
Net cash flow used in investing activities	(950)	(989)	(884)	(762)	(394)
Net cash flow provided by (used in) financing activities	(106)	(424)	(177)	398	(14)
Operating data:					
Total power sold (gigawatt hours)	34,047	33,328	32,568	7,357	9,541

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 March 31, 2026, approximately 66% of our total installed capacity was attributable to our coal-fired generation units. As such, the continued implementation of these measures, or the introduction of new and more stringent measures, which may reduce our sales and increase our costs, including capital expenditures, may have a material adverse effect on our business, results of operations and financial condition. See "– Our capacity expansion plans, which are based on Government projections on long-term supply and demand of electricity in Korea, may prove to be inadequate."

Environmental regulations may adversely affect our operations.

We are required to comply with numerous laws and regulations relating to the protection of the environment and land use in Korea. See "Business – Environment." These laws and regulations are constantly changing. While we believe we are in compliance with applicable environmental laws and

regulations in all material respects and that we have obtained all material environmental approvals currently required to own and operate our facilities, we may incur significant costs as a result of these requirements.

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

In addition, in 2015, the Government implemented a carbon emission trading system in order to reduce the emission of greenhouse gases by 37% from 2030 business-as-usual levels in accordance with the Act on Allocation and Trading of Greenhouse Gas Emission Allowances. Furthermore, in 2020, the Government announced its goal to reach net neutrality of greenhouse gas emissions by 2050, and in 2025, the Government raised its target to reduce the emission of greenhouse gases by 53% to 61% from 2018 levels by 2035 compared to 2018, in consideration of the recommendations from the Intergovernmental Panel on Climate Change ("IPCC") and the conditions of the industry. Under the Government's emission trading system, the Government allocates emission allowance units to companies in certain industries, including generation companies, and such companies are allowed to emit levels of greenhouse gases based on the number of allowance units that have been allocated to them. If a company emits more than the amount of allowance units that have been allocated to it, the company must purchase additional allowance units on the emission trading system. In 2025, we emitted approximately 26.4 million tons of carbon equivalents, of which 8.2 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. Furthermore, at COP30 in Brazil in November 2025, the Government committed to reduce greenhouse gas emissions by 53% to 61% from 2018 levels by 2035. In addition, pursuant to the Carbon Neutrality Act which was enacted in September 2021 and took effect in March 2022, the Government set the carbon neutrality target as a national vision by 2050. Carbon tax proposals in various jurisdictions as well as consumer preference changes in response to growing concerns of climate change could stimulate the emergence of alternative technologies and renewable energy availability, which may impact demand for electricity and fossil fuel-based power generation while increasing corporate expenses. Investor preferences and sentiments are also influenced by environmental, social and corporate governance considerations including climate change and the transition to a lower carbon economy. Changes in such preferences and sentiment, including increased scrutiny from market participants, environmental organizations or the press could have an adverse effect on our debt issuances, 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 2030.

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 has completed construction of Eumseong unit 1 in June 2026 and plans to construct Eumseong unit 2 by 2030, 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 73.5%, 62.0% and 56.9% of our revenue, and 78.1%, 72.8% and 68.1% of our cost of sales, in 2023, 2024 and 2025, respectively, and 59.1% and 65.0% of our revenue, and 72.1% and 74.7% of our cost of sales, in the first three months of 2025 and 2026, respectively. A substantial majority of our fuel costs are incurred to purchase bituminous coal from sources outside of Korea at prices determined in part by prevailing market prices in currencies other than Won, primarily the U.S. dollar. In addition, we purchase a significant portion of our fuel requirements under contracts with limited quantity and duration. See "Business – Fuel."

Substantially all of our bituminous coal requirements are imported from various suppliers located in Australia, Russia, Indonesia, South Africa, Colombia, Canada, the United States and Philippines under long-term or spot contracts. Approximately 90.1%, 96.3%, 92.1% and 87.1% of our bituminous coal requirements were purchased under long-term contracts in 2023, 2024, 2025 and the first three months of 2026, respectively, with the remaining requirements being purchased on the spot market. We purchase oil through a competitive open bidding process with other bidders, including Korean refiners, on the spot market. We currently purchase 91.9% 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 8.1% of the LNG used in our domestic units for the first three months of 2026.

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

While increases in our fuel costs are fully passed through to KEPCO in its purchase of electricity from us under the current cost-based pool system, such pass-through is subject to a two-month time lag, and accordingly, fuel cost increases, including cost increases resulting from the depreciation of the Won against the U.S. dollar or other currencies, could adversely affect our results of operations if the price of electricity payable to us by KEPCO does not timely capture such fuel cost increases for the relevant financial reporting period. Furthermore, in determining the adjusted coefficient for the marginal price component of the price of electricity sold by us to KEPCO by way of KPX, the Cost Evaluation Committee, a committee composed of representatives from the Government, KEPCO and the Generation Subsidiaries, including us, considers various factors, including the market prices of fuels, electricity

tariff rates and their impact on the relative fair investment returns for KEPCO and the Generation Subsidiaries, including us, among others. Therefore, in the event of a sustained or rapid rise in fuel costs which impact is not sufficiently offset by a corresponding rise in electricity tariff rates in a timely manner and as a result would significantly hurt KEPCO's profitability, the adjusted coefficient may be set at a level which would have the effect of lowering the fair investment return for the Generation Subsidiaries, including us, and, in turn, the overall profitability of our operations. For instance, in March 2013, the Cost Evaluation Committee imposed a price cap on the marginal price of electricity sold by us to KEPCO. In addition, the Government has introduced the concept of an "emergency price cap" on the marginal price of electricity sold by us to KEPCO for a period of one year from December 2022 to December 2023 to address extraordinarily rapid increases in the market price of fuel, pursuant to which the 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 March 31, 2026. The price cap has had and may have a material adverse effect on our results of operation and financial condition. See "The Korean Electricity Industry – Power Purchase – Cost-based Pool System – Marginal Price."

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

We anticipate that substantial capital expenditures will be required in the future for construction of additional generation facilities as discussed in "Business – Capital Investment Program." In 2023, 2024, 2025 and the first three months of 2026, we spent Won 805 billion, Won 1,010 billion, Won 947 billion and Won 98 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 1,229 billion, Won 1,827 billion and Won 2,611 billion for capital expenditures for 2026, 2027 and 2028, respectively. The budgeted amounts may vary from the actual amounts of our capital expenditures for a variety of reasons, including changes in the number of units to be constructed and the timing of such construction, changes in rates of exchange between the Won and foreign currencies, changes in interest rates, changes in the Government's policy objectives and other factors. For example, in May 2026, the Government announced its plans to increase the portion of renewable energy generated in Korea to 30% of the total energy generated in Korea by 2035, which calls for the Generation Subsidiaries, including us, to make significant investments in the construction and operation of power plants fueled by renewable energy. In response to such policy objectives, we have set an internal target to increase the portion of renewable energy to 30% of our total power generation by 2035 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."

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

The Won has fluctuated significantly against major currencies from time to time, including recently in light of the COVID-19 pandemic in Korea and globally, Russia's invasion of Ukraine and the ensuing sanctions against Russia, and more recently, increased levels of uncertainty and signs of deterioration in

the global economy and financial markets. Depreciation of the Won against the U.S. dollar and other foreign currencies typically results in a material increase in the cost of fuel and equipment purchased by us from overseas since the prices for substantially all of the fuel and a significant portion of the equipment we purchase are denominated in currencies other than the Won, generally in U.S. dollars. Changes in foreign exchange rates may also impact the cost of servicing our foreign currency-denominated debt. As of March 31, 2026, 24.7% 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 16,294 billion with respect to our facilities and an aggregate machinery damage coverage of Won 3,797 billion with respect to our machinery. We also maintain marine cargo insurance in respect of imported fuel and procurement with insurance coverage of Won 2,340 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. 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 75.4%, 74.5%, 75.8% and 73.9% of our total electricity sales in 2023, 2024, 2025 and the first three months of 2026, respectively. We paid Won 431 billion, Won 418 billion, Won 443 billion and Won 121 billion in consumption taxes with respect to the use of bituminous coal in 2023, 2024, 2025 and the first three months of 2026, respectively. While we expect that additional fuel costs due to any further increase in consumption tax on our fuel sources, bituminous coal, oil and LNG in particular, will be covered by a corresponding increase in the system marginal price of electricity sold by us to KEPCO, there is a time lag between our purchase of coal and our sale of electricity, which may adversely affect our cash flow, results of operation and financial condition.

Labor unrest may adversely affect our operations.

As of March 31, 2026, approximately 90.2% of our employees were members of the Korea East-West Power Labor Union, which membership comprises entirely of our employees, and approximately 8.1% 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 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 and we intend to vigorously defend against the claims.

In December 2025, Doosan Enerbility Co., Ltd., the contractor for the environmental facility improvement works at Dangjin Thermal Power Plant units 1 through 4, initiated two arbitration proceedings against us before the Korean Commercial Arbitration Board seeking Won 13 billion relating to adjustments to the contract price of equipment and materials and Won 4 billion relating to additional compensation for installation and construction costs. Both proceedings are currently pending and we intend to vigorously defend against the claims.

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 31.7%, 32.3%, 34.1% and 36.3% of total power sold in terms of volume in 2023, 2024, 2025 and the first three months of 2026, respectively. As of March 31, 2026, there were 18 principal IPPs in Korea according to data from the KPX.

Under the Electricity Business Act, the Community Energy System ("CES") enables regional districts to source electricity from IPPs without having to undergo the cost-based pool system used by us to distribute electricity nationwide. A supplier of electricity under the CES must obtain a license from the 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 March 31, 2026, the aggregate generation capacity of suppliers participating in the CES amounted to approximately 9.7% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). Wider adoption of the CES would likely erode our market position in the generation of electricity in Korea and may have a material adverse effect on our business, growth, 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 of such facility was completed in December 2025 and the facility has since commenced commercial operations. 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. In addition, in September 2024, a consortium in which we hold a 40% equity interest was selected as the bidder for a 144-megawatt photovoltaic solar power generation project with a battery energy storage system in Guam. The project is currently under construction and is targeted for completion in 2028.

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

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

- declines in consumer confidence and a slowdown in consumer spending in the Korean or global economy;
- hostilities or political or social tensions involving oil producing countries in the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;
- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and ensuing actions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;

- adverse conditions or uncertainty in the economies of countries and regions that are important export markets for Korea, such as China, the United States, Europe and Japan, or in emerging market economies in Asia or elsewhere, including as a result of the deterioration of economic and trade relations among such countries (including escalations of tariffs) and increased uncertainties in the global financial markets and industry;

- adverse changes or volatility in foreign currency reserve levels, inflation rates, interest rates, commodity prices (including oil prices), exchange rates (including fluctuation of the U.S. dollar, Euro or Japanese Yen exchange rates or revaluation of the Chinese Yuan) or stock markets;

- deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy;

- the economic impact of any pending or future free trade agreements or of any changes to existing free trade agreements;

- increased sovereign default risk in select countries and the resulting adverse effects on the global financial markets;

- deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea;

- investigations of large Korean business groups and their senior management for possible misconduct;

- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and small- and medium-sized enterprise borrowers in Korea;

- the occurrence of severe health epidemics in Korea and other parts of the world;

- political uncertainty or increasing strife among or within political parties in Korea following the declaration of martial law by former President Yoon Suk Yeol in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025;

- social and labor unrest;

- substantial changes in the market prices of Korean real estate;

- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;

- a substantial decrease in tax revenues and a substantial increase in the Government's expenditures for fiscal stimulus measures, unemployment compensation and other economic and social programs, which would likely lead to a national budget deficit as well as an increase in the Government's debt;

- financial problems or lack of progress in the restructuring of Korean business groups, other large troubled companies, their suppliers or the financial sector;

- loss of investor confidence arising from corporate accounting irregularities and corporate governance issues concerning certain Korean companies;

- increases in social expenditures to support an aging population in Korea or decreases in economic productivity due to the declining population size in Korea;

- natural or man-made disasters that have a significant adverse economic or other impact on Korea or its major trading partners; and

- an increase in the level of tensions or an outbreak of hostilities between North Korea and Korea or the United States.

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

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

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

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

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

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

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

Under the Foreign Exchange Transactions Act of Korea and its Enforcement Decree and regulations under that Act and Decree (collectively referred to as the "Foreign Exchange Transaction Laws"), if the Government deems that certain emergency circumstances, including sudden fluctuations in interest rates or exchange rates, extreme difficulty in stabilizing the balance of payments or substantial disturbance in the Korean financial and capital markets, are likely to occur, it may impose any necessary restriction such as requiring Korean or foreign investors to obtain prior approval from the Ministry of Finance and Economy (the "MOFE") for the acquisition of Korean securities or for the

repatriation of interest, dividends or sales proceeds arising from Korean securities or other types of capital transactions. Moreover, if the Government deems it necessary on account of war, armed conflict, natural disaster or grave and sudden changes in domestic or foreign economic circumstances or similar events or circumstances, the Minister of Finance and Economy may temporarily suspend performance under any or all foreign exchange transactions, in whole or in part, to which the Foreign Exchange Transaction Laws apply (including suspension of payment and receipt of foreign exchange) or impose an obligation to deposit or sell any means of payment to the Bank of Korea or certain other governmental agencies or financial institutions.

In addition, our audited consolidated financial statements 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. Application will be made to 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.

The Transition Notes may not be a suitable investment for all investors seeking exposure to "transition" assets.

We will allocate an amount equivalent to the net proceeds from the issuance of the Transition Notes to finance and/or refinance, in whole or in part, new or existing Eligible Projects (as defined in "Use of Proceeds") in accordance with the Green and Climate Transition Finance Framework, which is in alignment with the Green Bond Principles 2025 published by the International Capital Markets Association, the Green Loan Principles 2025 published by the Loan Market Association, the Climate Transition Bond Guidelines 2025 published by the International Capital Markets Association and the Climate Transition Finance Handbook 2025 published by the International Capital Markets Association. See "Use of Proceeds." The examples of Eligible Projects provided in "Use of Proceeds" section are for illustrative purposes only and no assurance can be provided that disbursements for projects with these

specific characteristics will be made by us during the term of the Transition Notes. The Green and Climate Transition Finance Framework and the Second Party Opinions (as defined in "Use of Proceeds") are not incorporated into, and do not form a part of, this Offering Circular.

There is currently no market consensus on what precise attributes are required for a particular project or series of notes to be defined as "transition," and therefore no assurance can be provided to investors that selected Eligible Projects will meet all investor expectations regarding environmental performance. Although the Eligible Projects will be selected in accordance with the categories recognized under the Green and Climate Transition Finance Framework, and will be developed in accordance with relevant legislation and standards, there can be no guarantee that the projects will deliver the environmental benefits as anticipated, or that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and operation of the projects. In addition, where any negative impacts are insufficiently mitigated, the projects may become controversial and may be criticized by activist groups or other stakeholders.

The Second Party Opinions may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Transition Notes. The Second Party Opinions are not a recommendation to buy, sell or hold securities and are only current as of the date that the Second Party Opinions were initially issued and are subject to certain disclaimers set out therein, and may be updated, suspended or withdrawn at any time. Currently, the providers of second-party opinions and certifications and validations are not subject to any regulatory regime or oversight. In addition, although we have agreed to certain reporting and use of proceeds obligations in connection with certain environmental criteria, our failure to comply with such obligations does not constitute a breach or an event of default under the Transition Notes. A withdrawal of the Second Party Opinions or any failure by us to use an amount equivalent to the net proceeds from the issuance of the Transition Notes on Eligible Projects or to meet or continue to meet the investment requirements of certain environmentally-focused investors with respect to the Transition Notes may affect the value of the Transition Notes and may have consequences for certain investors with portfolio mandates to invest in "transition" assets. The Second Party Opinions are for information purposes only and none of us or the Initial Purchasers accept any form of liability for the substance of the Second Party Opinions and/or any liability for loss arising from the use of the Second Party Opinions and/or information provided in them. The Second Party Opinions are not incorporated into, and do not form a part of, this Offering Circular.

No assurance can be provided that the use of the proceeds of the Transition Notes will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. In the event that the Transition Notes are included in any dedicated "transition", "environmental", "sustainable" or other equivalently-labelled index, no assurance is given by us or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates. Each potential purchaser of the Transition Notes should have regard to the factors described in the Green and Climate Transition Finance Framework. None of us or the Initial Purchasers make any representation as to whether the Transition Notes fulfil the relevant environmental criteria. Moreover, no assurance can be provided by us or any of the Initial Purchasers with respect to the suitability or reliability of the Second Party Opinions or that the Transition Notes will fulfill the environmental and sustainability criteria to qualify as "transition" bonds. The Initial Purchasers have not undertaken, nor are responsible for, any assessment of the eligibility of projects within the definition of Eligible Projects or the monitoring of the use of proceeds from the Offering and therefore no assurance can be provided by the Initial Purchasers

that the proceeds will be used for Eligible Projects or the monitoring of the use of proceeds from the offering of the Transition Notes. Each potential purchaser of the Transition Notes should determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds and its purchase of Transition Notes should be based upon such investigation as it deems necessary.

USE OF PROCEEDS

The aggregate net proceeds of the issue of the Transition Notes (after deducting commissions paid to the Joint Lead Managers, but before expenses incurred in connection with the issue of the Transition Notes) are estimated to be US$498,142,500.

We will allocate an amount equivalent to the net proceeds from the issuance of the Transition Notes to finance or refinance, in whole or in part, our existing future funding for the development and operations of eligible Green and Climate Transition projects, which are expected to contribute to the reduction of greenhouse gas emissions, related to (i) renewable energy, (ii) energy efficiency and (iii) decarbonization of power generation ("Eligible Projects") in accordance with the Green and Climate Transition Finance Framework, which is in alignment with the Green Bond Principles 2025 published by the International Capital Markets Association, the Green Loan Principles 2025 published by the Loan Market Association, the Climate Transition Bond Guidelines 2025 published by the International Capital Markets Association and the Climate Transition Finance Handbook 2025 published by the International Capital Markets Association.

Examples of Eligible Projects include the following:

- Renewable energy: investment and expenditures to develop, construct, maintain or expand renewable energy generation related infrastructure, including solar photovoltaic power and (on- and offshore) wind power;

- Energy efficiency: (1) acquisition, installation, maintenance and upgrade of energy efficient equipment or facilities, which are expected to create a minimal 30% improvement in energy efficiency, and will not apply to fossil fuel activities; and (2) research, development, acquisition, construction, maintenance and upgrade of facilities, equipment or system dedicated for energy storage; and

- Decarbonization of power generation: construction and operation of facilities for power generation, cogeneration and thermal production fully using LNG or blended gases (gas produced by blending at least two among biogas, hydrogen, ammonia, byproduct gas and LNG) in order to produce and supply either electricity or heat, or both, where the opportunities to develop renewable energy is limited. Such combined cycle gas turbines ("CCGTs") should support the replacement/conversion of coal fired power plants.

No net proceeds from the issuance of the Transition Notes shall be allocated to finance or refinance, in whole or in part, any coal-related activities. For the avoidance of doubt, the construction and operation of CCGT projects that replace or convert existing coal-fired power plants, as contemplated by the Framework, are not considered coal-related activities for purposes of this exclusion.

Project Evaluation and Selection Process

Under our project evaluation and selection process, Eligible Projects will be assessed and identified using the criteria indicated above by the Sustainable Financing Working Group, which is composed of various business departments. The Sustainable Financing Working Group will review the allocation of the proceeds on an annual basis and ensure that all projects remain aligned with the criteria above.

Management of Proceeds

The net proceeds will be deposited in our Treasury Portfolio and our Finance and Budget Department will internally track the allocation of proceeds to Eligible Projects by maintaining a register. Any balance of proceeds not yet allocated to Eligible Projects will be held in accordance with our

normal liquidity management policy, and may be used for the payment of all or a portion of outstanding indebtedness, and/or may be temporarily invested in cash, cash equivalents and short-term money market instruments.

Reporting

Reporting will include allocation reporting and impact reporting and will be publicly available on our website. Allocation reports and impact reports will be available to investors within its annual reporting period until the proceeds have been fully allocated.

DNV Business Assurance Korea Ltd., an external consultant, issued an opinion dated June 18, 2026 regarding the alignment of the Green and Climate Transition Finance Framework with the Green Bond Principles 2025 published by the International Capital Markets Association, the Green Loan Principles 2025 published by the Loan Market Association, the Climate Transition Bond Guidelines 2025 published by the International Capital Markets Association and the Climate Transition Finance Handbook 2025 published by the International Capital Markets Association (the "Second Party Opinions"). The Second Party Opinions and the Green and Climate Transition Finance Framework are publicly available on the following website: https://www.ewp.co.kr/eng/subpage/content.html?pc=BAZDJ61IGBW542PSADQC1ANLD5SG9EO. The Green and Climate Transition Finance Framework and the Second Party Opinions are not incorporated into, and do not form part of, this Offering Circular.

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)		
2021	1,185.5	1,144.4	1,199.1	1,083.1
2022	1,267.3	1,292.0	1,436.6	1,185.5
2023	1,289.4	1,305.4	1,360.6	1,219.3
2024	1,470.0	1,364.0	1,474.1	1,289.4
2025	1,434.9	1,422.2	1,483.4	1,352.6
2026 (through July 6)	1,539.7	1,486.0	1,554.4	1,424.5
January	1,427.0	1,456.5	1,477.5	1,427.0
February	1,424.5	1,449.3	1,470.3	1,424.5
March	1,513.4	1,486.6	1,513.4	1,435.4
April	1,476.1	1,487.4	1,530.5	1,470.8
May	1,505.8	1,490.1	1,513.3	1,450.8
June	1,541.5	1,527.3	1,546.5	1,503.2
July (through July 6)	1,539.7	1,549.2	1,554.4	1,539.7

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 March 31, 2026 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 March 31, 2026 and accompanying notes included in this Offering Circular.

	As of March 31, 2026	
	Actual	As Adjusted
	(in billions of Won)	
Long-term debt:		
Borrowings (excluding current portion)	₩ 93	₩ 93
Bonds Payable (excluding current portion), net of discount	2,716	2,716
Bonds offered hereby[1]	–	757
Total long-term debt	₩ 2,809	₩ 3,566
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	158	158
Voluntary reserves	1,544	1,544
Unappropriated retained earnings	1,272	1,272
Other components of equity:		
Cumulative other comprehensive income	1,176	1,176
Other equity	(82)	(82)
Non-controlling interests	33	33
Total equity	₩ 6,320	₩ 6,320
Total capitalization[2][3]	₩ 9,129	₩ 9,886

Notes:

(1) The exchange rate used to convert U.S. dollars into Won in the case of the Notes now being issued is Won 1,513.4 to US$1.00, which was the Market Average Exchange Rate in effect as of March 31, 2026.

(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 March 31, 2026.

THE KOREAN ELECTRICITY INDUSTRY

Background

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

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

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

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

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

Restructuring of the Electricity Industry in Korea

On January 21, 1999, the 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 Ministry of Climate, Energy and Environment.

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 Ministry of Climate, Energy and Environment, performance evaluation of such subsidiaries is conducted by the Public Enterprise Management Evaluation Commission, and the president and the statutory auditor of each such subsidiary are appointed by the President of Korea while the selection of outside directors is subject to approval by the minister of the MOFE. Previously, the president of each such subsidiary entered into a management contract with KEPCO's president, performance evaluation of such subsidiaries was conducted by KEPCO's evaluation committee, and the president and the statutory auditor of each such subsidiary were appointed by, and the selection of outside directors was subject to approval by, KEPCO's president.

Power Purchase

Cost-based Pool System

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

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

Marginal Price

The primary purpose of the marginal price is to compensate the generation companies for fuel costs, which represents the principal component of the variable costs of generating electricity. Such marginal price is referred to as the "system marginal price." The concept of marginal price under the cost-based pool system has undergone several changes in recent years in large part due to the sharp fluctuations in fuel prices. For example, prior to December 31, 2006, the marginal price operated on a two-tiered structure, namely, a "base load" marginal price applicable to electricity generated from nuclear fuels and coals, which tend to be less expensive per unit of electricity than electricity generated from LNG, oil and hydroelectric power to which a "non-base load" marginal price applied. The base load marginal price and the non-base load marginal price were generally set at levels so that electricity generated from cheaper fuels could be utilized first while ensuring a relatively fair rate of return to all generation units. However, when the price of coal rose sharply beginning in the second half of 2006, the pre-existing base load marginal price was abolished and a market cap by the name of "regulated market price" was introduced in its stead for electricity generated from base load fuels, with the regulated market price being set at a level higher than the pre-existing base load marginal price in order to compensate the Generation Subsidiaries for the rapid rise in the price of coal. Subsequently, when the price of coal continued to rise sharply above the level originally assumed in setting the regulated market price, this had the effect of undercutting KEPCO's profit margin as the purchaser of electricity from the Generation Subsidiaries, although the Generation Subsidiaries were able to maintain a better margin under the regulated market price regime than under the pre-existing base load marginal price regime. Accordingly, on May 1, 2008, the regulated market price regime was abolished, and the current system of "system marginal price" was introduced in order to set the marginal price in a more flexible way by using the concept of an "adjusted coefficient" tailored to each fuel type.

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

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

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

Under the merit order system, the generation unit with the lowest variable cost of producing electricity among all the generation units that have submitted a bid for a given hour is first awarded a purchase order for electricity up to the available capacity of such unit as indicated in its bid. The generation unit with the next lowest variable cost is then awarded a purchase order up to its available capacity in its bid, and so forth, until the projected demand for electricity for such hour is met. The variable cost of the generation unit that is the last to receive the purchase order for such hour is referred

to as the system marginal price, which also represents the most expensive price at which electricity can be supplied at a given hour based on the demand and supply for such hour. Generation units whose variable costs exceed the system marginal price for a given hour do not receive purchase orders to supply electricity for such hour. The variable cost of each generation unit is determined by the Cost Evaluation Committee on a monthly basis and reflected in the following month based on the fuel costs as of two months prior to such determination. The final allocation of electricity supply, however, is further adjusted on the basis of other factors, including the proximity of a generation unit to the geographical area to which power is being supplied, network and fuel constraints and the amount of power loss.

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

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

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

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

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

Capacity Price

In addition to payment in respect of the variable cost of generating electricity, the Generation Subsidiaries receive payment in the form of capacity price, the purpose of which is to compensate them for the costs of constructing generation facilities and to provide incentives for new construction. The capacity price is determined annually by the Cost Evaluation Committee based on the construction costs

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

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

In the three months ended March 31, 2026, the average capacity price of our generation units was Won 10.75/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 Ministry of Climate, Energy and Environment, KEPCO, KPX and us was formed and is currently discussing the details regarding the implementation of such vesting contract system.

Renewable Portfolio Standard

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

Third Basic National Energy Plan

On June 4, 2019, the 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 2023, KEPCO contemplated the sale of its interests in its non-Generation Subsidiaries, KEPCO KDN Co., Ltd. and KEPCO Engineering & Construction Co., Inc. ("**KEPCO E&C**"), and in December 2023, sold 14.77% of its shares in KEPCO E&C. The sale of KEPCO's interest in its other non-Generation Subsidiaries has been put on hold. In any event, we believe that KEPCO plans to maintain a controlling interest in each of the Generation Subsidiaries.

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 March 31, 2026, we had a domestic generation capacity of 9,697 megawatts (excluding decommissioned generation units), or approximately 6.1% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). As of March 31, 2026, our generation capacity consisted of 6,440 megawatts, 2,972 megawatts and 285 megawatts attributable to our coal-fired units, LNG-combined cycle units and renewable energy units, respectively.

In 2023, 2024 and 2025, we sold 34,047 GWh, 33,328 GWh and 32,568 GWh, respectively, and in the first three months of 2025 and 2026, we sold 7,357 GWh and 9,541 GWh, respectively, to KEPCO through the KPX. KEPCO is currently the sole electricity transmission and distribution company in Korea. Our revenue amounted to Won 5,622 billion, Won 5,379 billion and Won 5,051 billion in 2023, 2024 and 2025, respectively, and Won 1,266 billion and Won 1,391 billion in the first three months of 2025 and 2026, respectively. We recorded net profit of Won 177 billion, Won 522 billion and Won 443 billion in 2023, 2024 and 2025, respectively, and net profit of Won 105 billion and Won 101 billion in the first three months of 2025 and 2026, respectively.

Total demand for electricity decreased by 0.4% in 2023, increased by 0.7% in 2024 and decreased by 0.1% in 2025, in each case, year on year, according to KEPCO. The consumption of electric power is expected to increase by 2.0% per year from 2024 to 2038, according to the Government's Eleventh Basic Plan 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 March 31, 2026, 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 five overseas locations including the continental United States, Jamaica, Indonesia and Guam and three additional projects under construction in Guam, Australia and Saudi Arabia. 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 March 31, 2026 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 March 31, 2026:

	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	18.2	6,040	59.8	70.90
Anthracite:[4]				
Donghae unit no. 1, 2	27.0	400	2.0	85.03
Total thermal	18.8	6,440	56.2	73.26

	Weighted Average Age of Units	Installed Capacity[1]	Average Capacity Factor[2]	Average Fuel Cost
	(years)	(megawatts)	(%)	(Won/kWh)
Combined cycle:[5]				
LNG:				
Ilsan gas turbine units no. 1, 2, 3, 4, 5, 6; steam turbine units no. 1, 2	32.1	900	40.2	138.66
Ulsan gas turbine units no. 1, 2, 3, 4, 5, 6, 7, 8; steam turbine units no. 1, 2, 3, 4	22.3	2,072	23.8	121.87
Total combined cycle	25.2	2,972	28.8	127.47
Renewable:				
Photovoltaic units	3.6	189	14.4	–
Biomass units[6]	12.7	30	59.2	74.70
Wind power unit	13.4	3	15.0	–
Fuel cell units	4.2	63	77.5	101.76
Total renewable	4.8	285	33.1	94.54
Total	20.4	9,697	47.1	81.71

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 March 31, 2026, we had an aggregate domestic installed capacity of 9,697 megawatts. The average capacity factor of our generation units was 42.9%, 41.8% and 40.6% in 2023, 2024 and 2025, respectively, and 37.1% and 47.1% in the first three months of 2025 and 2026, respectively. Our capacity factor decreased in 2025 compared to 2024 primarily due to constructions at our Dangjin units 1 and 2 to enhance their environmental facilities. Our capacity factor further increased in the first three months of 2026 compared to the first three months of 2025 primarily due to the completion of construction relating to the environmental facilities performance improvement project at our Dangjin units 2 and 3. In 2023, 2024 and 2025, we sold 34,047 GWh, 33,328 GWh and 32,568 GWh, respectively, and in the first three months of 2025 and 2026, we sold 7,357 GWh and 9,541 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 167 billion, Won 186 billion and Won 197 billion in 2023, 2024 and 2025, respectively, and Won 45 billion and Won 41 billion in the first three months of 2025 and 2026, respectively. Our forced (unplanned) outage factor, which is a percentage of total forced (unplanned) outage time over total available operating time, was 0.058%, 0.014% and 0.014% in 2023, 2024 and 2025, respectively, and 0.001% and 0.031% the first three months of 2025 and 2026, respectively. We have received and continually maintained ISO 22301 and 9001 certifications for our business continuity and quality management systems.

Our productivity decreased in 2024, while production costs also decreased in 2024. Our productivity further decreased in 2025, while production costs further decreased in 2025. Our productivity increased in the first three months of 2026 compared to the first three months of 2025,

while production costs decreased over such period. Such productivity increases were mainly due to increases in electricity sales driven by higher sales volume. In 2023, 2024 and 2025, our revenue per employee on a separate basis was Won 2,236 million, Won 2,100 million and Won 1,912 million, respectively, while our production costs were Won 159.2/kWh, Won 141.2/kWh and Won 132.5/kWh, respectively. In the first three months of 2025 and 2026, our revenue per employee on a separate basis was Won 469 million and Won 522 million, respectively, while our production costs were Won 143.9/kWh and Won 127.2/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 three months ended March 31,
	2023	2024	2025	2026
	(megawatts)			
Installed capacity	9,579	9,675	9,692	9,697
Peak-load[(1)]	7,195	7,280	7,356	7,343
Average load[(2)]	4,107	4,013	3,929	4,568

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 73.5%, 62.0% and 56.9% of our revenue, and 78.1%, 72.8% and 68.1% of our cost of sales, in 2023, 2024 and 2025, respectively, and 59.1% and 65.0% of our revenue, and 72.1% and

74.7% of our cost of sales, in the first three months of 2025 and 2026, 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 three months ended March 31,			
	2023		2024		2025		2025		2026	
	(billions of Won)	(%)	(billions of Won)	(%)	(billions of Won)	(%)	(billions of Won)	(%)	(billions of Won)	(%)
Bituminous coal	₩ 2,346	57.0	₩ 1,861	56.0	₩ 1,781	62.2	₩ 418	56.1	₩ 533	59.1
Anthracite coal	167	4.1	167	5.0	120	4.2	26	3.5	2	0.2
LNG[1]	1,429	34.7	1,113	33.5	767	26.8	248	33.3	309	34.3
Others[2]	175	4.2	181	5.5	196	6.8	53	7.1	58	6.4
Total fuel cost[3]	₩ 4,117	100.0%	₩ 3,322	100.0%	₩ 2,864	100.0%	₩ 745	100.0%	₩ 902	100.0%

Notes:

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

(2) Represents (i) cost of storing and managing fuel stocks at our units, (ii) fuel for our renewable units (excluding LNG for our fuel cell units), (iii) fuel to initially start up our units (primarily 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.

(3) On a consolidated basis, our total fuel costs were Won 4,130 billion, Won 3,334 billion and Won 2,875 billion in 2023, 2024 and 2025, respectively, and Won 748 billion and Won 904 billion in the first three months of 2025 and 2026, respectively.

In order to ensure stable supplies of fuel, we enter into long-term contracts with various suppliers, and supplement such supplies with purchases of fuel on the spot market. Substantially all of the fuel we use (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 March 31, 2026, 62.3% 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 2023, 2024, 2025 and the first three months of 2026, on a separate basis, we purchased 10.9 million tons, 10.6 million tons, 11.3 million tons and 2.6 million tons of bituminous coal, amounting to Won 2,346 billion, Won 1,861 billion, Won 1,781 billion and Won 533 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 90.1%, 96.3%, 92.1% and 87.1% of our bituminous coal requirements were purchased under long-term contracts in 2023, 2024, 2025 and the first three months of 2026, respectively, with the remaining requirements being purchased on the spot market. See "Risk Factors – Risks Relating to Our Business – We are dependent on fuel imported from overseas suppliers in currencies other than Won under contracts with varying quantity and duration, and rising fuel costs could adversely affect our results of operations."

Pursuant to the terms of our long-term supply contracts, prices may be adjusted monthly, quarterly or annually depending on market conditions. In the case of term contracts, the obligation to purchase contracted annual amounts of fuel automatically terminates at the end of the year if the parties cannot reach an agreement in respect of price. Depending on the type of contract, we are able to increase or decrease the quantity of bituminous coal under the relevant supply contract by up to approximately 100%. In addition, under the long-term contracts, we have the option to reduce the required annual purchase quantity in the event of a revision in plant construction schedule, fluctuations in spot market prices, suspension of plant operation and alteration of the power generation plan as a result of an accident or an unavoidable cause. The average cost of bituminous coal per ton purchased by us was approximately Won 222,764, Won 181,024, Won 167,863 and Won 173,421 in 2023, 2024, 2025 and the first three months of 2026, respectively. We may, if necessary, augment our supplies by entering into new short-term import contracts or by making spot purchases. We estimate that the delivery time for bituminous coal imported from 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 2023, 2024, 2025 and the first three months of 2026, on a separate basis, we purchased 0.9 million tons, 0.9 million tons, 0.5 million tons and 0.09 million tons of anthracite coal, amounting to Won 167 billion, Won 167 billion, Won 120 billion and Won 2 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 2023, 2024, 2025 and the first three months of 2026, 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 185,132, Won 180,478, Won 180,618 and Won 175,208 in 2023, 2024, 2025 and the first three months of 2026, respectively. Currently, we maintain a reserve of anthracite coal of approximately 28 days.

LNG

In 2023, 2024, 2025 and the first three months of 2026, on a separate basis, we purchased approximately 0.99 million tons, 0.98 million tons, 0.90 million tons and 0.38 million tons of LNG, amounting to Won 1,429 billion, and 1,113 billion, Won 876 billion and Won 333 billion in terms of our recognized fuel cost, respectively.

We purchase 91.9% 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 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 accounted for 8.1% of our domestic LNG requirements for the first three months of 2026.

The average cost of LNG per ton purchased by us was approximately Won 1,443,386, Won 1,137,785, Won 984,079 and Won 897,167 in 2023, 2024, 2025 and the first three months of 2026, respectively.

Sales and Purchase of Power

Generation Companies' Combined Sales of Electricity

Pursuant to Article 31 of the Electricity Business Act of Korea, we sell all of the electricity we generate to KEPCO through the KPX. KEPCO is currently the only company engaged in the transmission and distribution of electricity in Korea. According to KEPCO, the results of power trading for the generation subsidiaries, including us, and IPPs for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026 are as follows:

	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

	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)
Energy Sources:					
Nuclear	179,061	32.6	11,885	16.8	66.37
Bituminous coal	159,294	29.0	22,886	32.4	143.67
Anthracite coal	1,777	0.3	253	0.4	142.37
Oil	116	0.0	51	0.1	439.66
LNG-combined cycle	163,523	29.8	28,711	40.6	175.58
Hydro	3,438	0.6	509	0.7	148.05
Pumped storage	4,660	0.8	975	1.4	209.23
Renewables[1]	34,504	6.3	4,782	6.8	138.59
Others	2,757	0.5	606	0.9	219.80
Total	549,130	100.0	70,657	100.0	128.67

Source: KEPCO.
Notes:
(1) Excludes sale of RECs by generation companies.
(2) Includes volume from CES projects.
(3) Includes, among others, POSCO, OCI Company Ltd., LG Petrochemical Co., Ltd. and Korea Petrochemical IND. Co., Ltd.

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

Source: KEPCO.
Notes:
(1) Excludes sale of RECs by generation companies.
(2) Includes volume from CES projects.
(3) Includes, among others, POSCO, OCI Company Ltd., LG Petrochemical Co., Ltd. and Korea Petrochemical IND. Co., Ltd.

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

Source: KEPCO.
Notes:
(1) Excludes sale of RECs by generation companies.
(2) Includes volume from CES projects.
(3) Includes, among others, POSCO, OCI Company Ltd., LG Petrochemical Co., Ltd. and Korea Petrochemical IND. Co., Ltd.

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

Source: KEPCO.
Notes:
(1) Excludes sale of RECs by generation companies.
(2) Includes volume from CES projects.
(3) Includes, among others, POSCO, OCI Company Ltd., LG Petrochemical Co., Ltd. and Korea Petrochemical IND. Co., Ltd.

Our Sales of Electricity

The tables below set forth our electricity sales, depending on the energy sources and a breakdown of base load and non-base load electricity sales for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026, in each case on a separate basis based on our internal data.

	For the year ended December 31, 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 year ended December 31, 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	26,281	80.4	3,663	76.9	139.38
Anthracite coal	1,204	3.7	144	3.0	119.60
LNG	4,467	13.7	873	18.3	195.43
Renewable	743	2.2	85	1.8	114.40
Total	32,695	100.0	4,765	100.0	145.74
Load:					
Base load	26,281	80.4	3,663	76.9	139.38
Non-base load	6,414	19.6	1,102	23.1	171.81
Total	32,695	100.0	4,765	100.0	145.74

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 three months ended March 31, 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	6,301	72.6	802	63.6	127.28
Anthracite coal	461	5.3	67	5.3	145.34
LNG	1,743	20.1	370	29.4	212.28
Renewable	174	2.0	22	1.7	126.44
Total	8,679	100.0	1,261	100.0	145.29
Load:					
Base load	6,301	72.6	802	63.6	127.28
Non-base load	2,378	27.4	459	36.4	193.02
Total	8,679	100.0	1,261	100.0	145.29

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 three months ended March 31, 2026				
	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	7,415	77.2	957	73.9	129.06
Anthracite coal	15	0.1	6	0.4	400.00
LNG	1,980	20.6	311	24.1	157.66
Renewable	199	2.1	21	1.6	105.53
Total	9,609	100.0	1,295	100.0	134.77
Load:					
Base load	7,415	77.2	957	73.9	129.06
Non-base load	2,194	22.8	338	26.1	154.06
Total	9,609	100.0	1,295	100.0	134.77

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

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

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

Source: KEPCO; Bank of Korea

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

Demand by Class of Customer

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

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

Source: KEPCO

Note:

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

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

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

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

Power Development

In June 2019, the Government announced the Third Basic National Energy Plan, which is a comprehensive plan that covers the entire spectrum of energy industries in Korea from 2019 to 2040. The Third Basic National Energy Plan focuses on the following five key tasks: (i) innovating the structure of energy consumption by strengthening the energy demand management of various sectors such as industrial, building and transportation, and streamlining pricing systems with the aim of improving the efficiency of energy consumption by 38% by 2040 and reducing energy demand by 18.6% by 2040, (ii) transitioning to a clean and safe mix of energy through increasing the share of renewable energy by 30~35% while reducing the share of nuclear and coal energy, (iii) expanding decentralized and participatory energy systems by increasing the share of distributed energy resources (such as renewable energy and fuel cells) in areas with demand and strengthening regional management by expanding the roles and responsibilities of local governments, (iv) bolstering the global

competitiveness of Korea's energy industry by fostering future energy industries such as renewable energy, hydrogen and efficiency-enhancing industries, as well as through adding value to existing traditional energy industries, and (v) laying the foundation for conversion to clean and safe energy by improving the electricity, gas and heat market systems and building an energy big data platform to promote the creation of new industries.

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

In March 2025, the Government announced the Eleventh Basic Plan for the period from 2024 to 2038, which focuses on, among other things, (i) promoting the use of scientific methods to estimate and calculate future electricity demand, (ii) pursuit of energy mix that prioritizes supply stability, efficiency and carbon neutrality, (iii) expansion of carbon-free energy sources instead of converting aging coal-fired generation plants into LNG power plants, (iv) expansion of power grid systems that take into account the construction of new facilities for renewable energy and (v) effective utilization of the energy market to enhance supply stability and energy distribution. Furthermore, the Eleventh Basic Plan includes the following implementation measures: (i) continued utilization of nuclear power as a carbon-free energy source, (ii) systematic expansion of renewable energy sources while attaining greenhouse gas reduction goals, (iii) expansion of clean hydrogen- and ammonia-based power generation and (iv) incorporation of district energy systems into the national electricity supply and demand management framework. Pursuant to such plans, 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 2030.

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 has completed construction of Eumseong unit 1 in June 2026 and plans to construct Eumseong unit 2 by 2030, 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 805 billion, Won 1,010 billion and Won 947 billion and Won 98 billion in 2023, 2024, 2025 and the first three months of 2026, 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 2026, 2027 and 2028. 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,		
	2026	2027	2028
	(in billions of Won)		
Construction of new generation facilities	₩ 486	₩ 1,090	₩ 1,874
Maintenance of existing generation facilities	394	310	290
Investments in and construction of renewable energy projects	167	266	264
New business initiatives in energy and AI	182	141	131
Overseas investments	–	20	52
Total	₩ 1,229	₩ 1,827	₩ 2,611

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 March 31, 2026, 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 has completed construction of Eumseong unit 1 in June 2026 and plans to construct Eumseong unit 2 by 2030, 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 204 GWh of electricity and sales of Won 50 billion in 2025 and 38 GWh of electricity and sales of Won 9 billion in the first three months of 2026. 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 2,282 GWh of electricity and sales of Won 364 billion in 2025 and 667 GWh of electricity and sales of Won 96 billion in the first three months of 2026.

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.

We are currently also pursuing the Yeosu Green Energy project, which involves the construction and operation of a 495 megawatts LNG-fired combined heat and power facility. The heat produced from the project will be supplied to industrial consumers within the Yeosu National Industrial Complex. Construction is targeted to commence in June 2027, with completion scheduled for May 2030. E1 Corporation holds 65% equity interest and we hold 35% equity interest in the project.

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 March 31, 2026.

Project/ Investment	Country	Project Period	Project Description	Invested Capital to March 31, 2026	Equity Interest as of March 31, 2026
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$56.6 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 Company Limited ("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 March 31, 2026, 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 March 31, 2026, 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 March 31, 2026, 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 of such unit commenced in May 2022 and was completed in December 2025. The facility will be operated by Guam Ukudu Power LLC for a period of 25 years.

- 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 March 31, 2026, 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 March 31, 2026, 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 Climate, Energy and 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 26.9 billion in aggregate up to 2027.

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 Climate, Energy and 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 2025, approximately two-thirds of electricity demand in Korea was supplied by us and the other Generation Subsidiaries. We compete principally with the four other non-nuclear Generation Subsidiaries and, to a lesser extent, as described below, KHNP. In addition, we compete with IPPs on a limited basis. As of March 31, 2026, there were 18 principal IPPs in Korea according to data from the KPX.

High initial investment costs are an effective barrier to entry for newcomers in the industry. Cost and service quality are the most important determining factors in respect of competition in the Korean electricity generation industry. For the respective market shares of the Generation Subsidiaries, including us, in terms of sales to KEPCO based on trading results in 2023, 2024 and 2025 and the first three months of 2025 and 2026, see ‘‘– Sales and Purchase of Power – Sales to KEPCO.’’ Historically, demand for electricity had grown at a rate exceeding the growth of Korea’s GDP. However, the rate of growth in demand for electricity has slowed in recent years as Korean economy has matured, and we expect that competition for the sale of electricity generated will become more intense as the other Generation Subsidiaries and the IPPs ramp up their installed capacity of LNG and renewable energy generation in their product mix in accordance with the Eleventh Basic Plan.

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 Ministry of Climate, Energy and Environment 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, similar to those of the other Generation Subsidiaries, include activities conducted with the Korea Electric Power Research Institute ("KEPRI"), a KEPCO-affiliated research institution located in Daejeon. We supervise and finance R&D activities performed by KEPRI, including joint studies co-sponsored by the other Generation Subsidiaries. In addition, we participate in national R&D programs administered by government ministries and their affiliated agencies, including the Ministry of Trade, Industry and Energy and the Ministry of Climate, Energy and Environment, undertaking government-led projects in power technology areas such as renewable energy, hydrogen and safety technologies.

We incurred R&D expenses of Won 44 billion, Won 37 billion, Won 37 billion and Won 7.3 billion, constituting 0.8%, 0.7%, 0.7% and 0.5% of our revenue, in 2023, 2024, 2025 and the first three months of 2026, respectively. In 2026, we expect to incur a higher amount of R&D expenses than in 2025 and plan to undertake R&D projects involving the improvement of technologies relating to (i) the advancement of safety technologies and innovation in the transition to and operation of clean energy facilities, (ii) the expansion of renewable energy and the development of integrated operational capabilities, and (iii) low-carbon and zero-carbon transition technologies.

Patents, Utility and Trademark

As of March 31, 2026, we owned 341 patents, including co-owned patents, one utility model right, four design rights and 13 trademarks in Korea, as well as 13 patents outside of Korea, and we had 93 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 16,294 billion with respect to our facilities and an aggregate machinery damage coverage of Won 3,797 billion with respect to our machinery. We also maintain marine cargo insurance in respect of imported fuel and procurement with insurance coverage of Won 2,340 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 March 31, 2026, the net book value of our property, plant and equipment was Won 7,294 billion, including right-of-use assets (net of amortization) of Won 419 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 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 and we intend to vigorously defend against the claims.

In December 2025, Doosan Enerbility Co., Ltd., the contractor for the environmental facility improvement works at Dangjin Thermal Power Plant units 1 through 4, initiated two arbitration proceedings against us before the Korean Commercial Arbitration Board seeking Won 13 billion relating to adjustments to the contract price of equipment and materials and Won 4 billion relating to additional compensation for installation and construction costs. Both proceedings are currently pending and we intend to vigorously defend against the claims.

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 March 31, 2026, we had 2,627 regular employees in Korea, which include full-time and part-time employees, and 4 temporary employees. The following table sets forth the number of our regular employees at our various work locations as of March 31, 2026.

Location	Number of Regular Employees
Head office in Ulsan	393
Dangjin Power Plant Complex	940
Donghae Power Plant Complex	247
Ulsan Power Plant Complex	379
Ilsan Power Plant Complex	199
Others	469
Total	2,627

We grant our employees annual increases in basic wages and quarterly bonuses in accordance with the wage guidelines set by the Government. Under the guidelines applicable to Public Enterprises pursuant to the Act on the Management of Public Institutions, we may increase average wages up to 3.5% on a year-on-year basis for 2026. Although we are not obligated to follow these Government-issued guidelines, it is our policy to increase our budget for labor cost within these guidelines. Wages increased by an average of 1.7% in 2023, 2.5% in 2024 and 3.0% in 2025 in accordance with the Government guidelines then in effect.

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

As of March 31, 2026, approximately 90.2% of our employees were members of the Korea East-West Power Labor Union, which membership comprises entirely of our employees, and approximately 8.1% 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 2025. 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 March 31, 2026, 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, 2024 and 2023, Note 40 to our audited annual financial statements as of and for the years ended December 31, 2025 and 2024 and Note 39 to our unaudited interim financial statements as of and for the three months ended March 31, 2026 and 2025.

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

We also provide housing and tuition loans to our employees, the aggregate amount of which was Won 21.1 billion as of March 31, 2026.

Share Ownership

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

Title of Class	Identity of Person or Group	Shares Owned	Percentage
Common stock	Korea Electric Power Corporation	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 Climate, Energy and Environment. 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 MOFE. The non-standing directors are appointed by the Minister of the MOFE following the nomination of two or more candidates by the officer recommendation committee, the resolution by the Committee for Management of Public Institutions and the resolution by our shareholders. 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 Climate, Energy and Environment 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	–	November 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	May 2023
Kim, Hoe Gu	1964	Non-Standing Director	–	November 2022
Lee, Gil Jong	1959	Non-Standing Director and Member of Audit Committee	–	May 2023
Hyun, Chang Un	1972	Non-Standing Director	–	July 2023
Shin, Kwon Cheol	1973	Non-Standing Director	–	November 2024

Myung Ho Kwon has served as our president and CEO since November 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 May 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 May 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 July 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 and an AI Innovation committee consisting of three non-standing directors.

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, 2025 and the three months ended March 31, 2026, the aggregate amounts of remuneration paid and accrued to the directors and executive officers, as a group, were Won 971 million and 168 million, respectively. The aggregate amounts we set aside or accrued during 2025 and the three months ended March 31, 2026 to provide retirement and severance benefits for directors and executive officers were Won 94 million and 57 million, respectively.

TERMS AND CONDITIONS OF THE NOTES

The following is a description of the Terms and Conditions of the Notes, which (subject to modification and except for the paragraphs in italics) will be endorsed on the Notes in definitive form (if issued).

*The Notes, which expression shall in these Terms and Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 and forming a single series with the Notes of Korea East-West Power Co., Ltd. (the "**Company**"), will be issued by the Company (or any successor to the Company) subject to and with the benefit of a Fiscal Agency Agreement dated July 13, 2026 (such agreement as amended and/or supplemented and/or restated from time to time, the "**Fiscal Agency Agreement**") made among the Company, Citicorp International Limited as the Fiscal Agent (the "**Fiscal Agent**"), as the CMU lodging and paying agent (in such capacity, the "**CMU Lodging and Paying Agent**"), transfer agent (in such capacity, the "**Transfer Agent**") and registrar (in such capacity, the "**Registrar**") and any other agent or agents appointed from time to time with respect to the Notes.*

*The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Fiscal Agency Agreement. Copies of the Fiscal Agency Agreement are available for inspection during normal business hours (being between 9:00 a.m. to 3:00 p.m.) by the holders of the Notes following prior written request and satisfactory proof of holding at the specified office of the CMU Lodging and Paying Agent or any other paying agent that the Company may appoint, as may be required from time to time (references herein to "**Paying Agents**" shall refer to the CMU Lodging and Paying Agent and any paying agents so appointed). The holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement applicable to them. In these Terms and Conditions, references to the Agents (as defined below) shall include any successor appointed under the Fiscal Agency Agreement, and references to the Company shall include any successor company or business entity succeeding to obligations under the Notes.*

*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 FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are issued in registered form, without detachable coupons, in the minimum denomination of US$200,000 and integral multiples of US$1,000 in excess thereof. A Certificated Note (as defined below) will be issued to each Holder (as defined below) in respect of its registered holding of the Notes. Each Certificated Note will be numbered serially with an identifying number which will be recorded on the relevant Certificated Note and in the register of Holders (the "**Register**") which the Company will procure to be kept by the Registrar. Upon issuance, the Notes will initially be represented by a global note (the "**Global Note**") deposited with and registered in the name of and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator of the Central Moneymarkets Unit Service (the "**CMU**"). The Notes shall be tradeable only in principal amounts of at least US$200,000 and integral multiples of US$1,000 in excess thereof. For so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (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. Except in the limited circumstances described in Condition 1.3 below, owners of beneficial interests in the Global Note will not be entitled to receive physical delivery of

certificates representing their Notes. The laws of certain jurisdictions require that certain purchasers of the Notes take physical delivery of such Notes in certificated form. Accordingly, the ability of beneficial owners to own, transfer or pledge beneficial interests in the Global Note may be limited by such laws.

1.2 Title

Title to the Notes passes only by registration in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificated Notes (as defined below) issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Holder**" and (in relation to a Note) "**holder**" and "**Noteholder**" means the person in whose name a Note is registered in the Register (or, in the case of a joint holding, the first named thereof).

1.3 Certificated Notes

The Company will execute and deliver to the CMU Lodging and Paying Agent, and the CMU Lodging and Paying Agent will authenticate, physical definitive certificates representing the Notes (the "**Certificated Notes**") in exchange for the Global Note, if: (i) the CMU or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or (ii) an Event of Default (as defined below) has occurred and is continuing.

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 the Global Note is exchanged for Certificated Notes, the Company will appoint and maintain a paying agent in Singapore (the "**Singapore Paying Agent**"), where the Certificated Notes may be presented or surrendered for payment or redemption. In addition, in the event that the Global Note is exchanged for Certificated Notes, an announcement of such exchange will be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the Certificated Notes, including details of the Singapore Paying Agent.

2 STATUS

The Notes constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 3, unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves and, subject to the provisions of Condition 3, with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Company, except as may be required by mandatory provisions of law.

3 CERTAIN COVENANTS

3.1 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 3.2 below) involving Principal Properties would not exceed 10% of Consolidated Net Tangible Assets; *provided* that nothing contained in this Condition 3.1 shall prevent, restrict or apply to, and there shall be excluded from secured External Indebtedness in any computation under this Condition 3.1, External Indebtedness secured by:

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

(b) 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;

(c) 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;

(d) 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);

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

(f) 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

(g) 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 (a) through (f) inclusive or any refinancing of External Indebtedness, or a portion thereof, secured by a Security Interest referred to in the foregoing paragraphs (a) through (f) 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 3.1 and Condition 3.2, 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.

3.2 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:

(a) 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

(b) 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. The restrictions in this Condition 3.2 shall not apply to any transaction between the Company and a Subsidiary or between a Restricted Subsidiary and a Subsidiary.

3.3 Consolidation, Merger and Sale of Assets

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 8.1) 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.

3.4 Interpretation

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 International Financial Reporting Standards as adopted by Korea:

"**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 Korea 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 Korea, 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.

4 INTEREST

4.1 Interest Payment Dates

The Notes will be issued in an initial aggregate principal amount of US$500,000,000 and will mature at a price equal to 100% of the principal amount on January 13, 2032 (the "**Maturity Date**"). The Notes will bear interest at a rate of 4.750% per annum from and including July 13, 2026 or from the most recent interest payment date to which interest has been paid or provided for. Interest on the Notes will be payable semi-annually in arrears on January 13 and July 13 of each year (each an "**Interest Payment Date**") with the first interest payment to be made on January 13, 2027.

4.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the CMU Lodging and Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12.

4.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

Interest in respect of any Note shall be calculated per US$1,000 in principal amount of the Notes (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

5 PAYMENTS

5.1 Payment

Payments of principal and interest in respect of each Note will be made by transfer to the designated account of the Holder. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the Register at the close of business on the date (the "**record date**") being the fifteenth day before the due date for the payment of interest; provided that, the record date for any Interest Payment Date will be, with respect to Notes represented by a Global Note held on behalf of the CMU, the close of business on the Clearing System Business Day immediately prior to the Interest Payment Date, where "**Clearing System Business Day**" means a day on which the CMU is operating and open for business.

Notwithstanding any other provisions in the Conditions, so long as the Notes are represented by a Global Note held on behalf of the CMU, payments will be made to the CMU for distribution to each CMU participant who is at the close of business on the Clearing System Business Day immediately prior to the date for payment shown in the records of the CMU as the holder of a particular nominal amount of Notes (each an "**accountholder**"). For these purposes, a notification from the CMU shall be conclusive evidence of the records of the CMU (save in the case of manifest error). Such payment made in accordance thereof shall discharge the Company's obligations in respect of that payment. Save in the case of final payment, no presentation of the Global Note shall be required for such purpose. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants, and the Agents shall have no liability to the Noteholders, the Company, the CMU participants, the indirect participants or any other person in respect of any such payment.

For the purposes of this Condition 5.1, a Holder's "**designated account**" means a bank account designated by the holder in writing (such designation to be signed by two authorized officers of such holder if it is not an individual) to the Registrar at least ten days prior to such Interest Payment Date.

Where payment is to be made by transfer to a designated account, payment instructions (for value the due date or, if that is not a Payment Business Day (defined below), for value the first following day which is a Payment Business Day) will be initiated on the due date for payment, or if that is not a Payment Business Day, on the next succeeding Payment Business Day, without any interest or payment in respect of such delay.

5.2 Agents

The names of the initial Agents and their specified offices are set out in the Fiscal Agency Agreement. The Company reserves the right under and in accordance with the terms of the Fiscal Agency Agreement at any time to remove any Agent, and to appoint other or further agents (to the extent such roles have not been appointed) or a replacement Registrar, *provided that* it will at all times maintain (i) a Fiscal Agent, (ii) a CMU Lodging and Paying Agent, (iii) a Registrar, (iv) a Transfer Agent and (v) a Singapore Paying Agent (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 the Global Note is exchanged for

Certificated Notes). Notice of any such removal or appointment and of any change in the specified office of any Agent will be given promptly by the Company to Noteholders in accordance with Condition 12.

5.3 Payment Subject to Fiscal Laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 8. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

5.4 Payment Date Convention

If any Interest Payment Date or the Maturity Date would fall on a day that is not a Payment Business Day, that Interest Payment Date or the Maturity Date will be postponed to the following day that is a Payment Business Day, and no interest shall be payable in respect of any such delay.

5.5 Payment Business Day

In these Conditions, "**Payment Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and financial institutions are generally open for business in New York City, London, Seoul, the city where the specified office of the Fiscal Agent is located and, in the case of the surrender of a Certificated Note, in the place of the Transfer Agent or Registrar where the Certificated Note is surrendered.

Notwithstanding the foregoing, so long as the Notes are represented by a Global Note held on behalf of the CMU, "**Payment Business Day**" in this Condition 5.5 shall also include a day on which the CMU is operating and open for business.

6 TRANSFERS OF NOTES

6.1 Transfers

Subject as provided in Condition 6.2, a Note may be transferred by depositing the Certificated Note issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Transfer Agent (or, in the case of a Note represented by a Global Note, delivery of a duly executed form of transfer as set forth in the Fiscal Agency Agreement), together with such evidence as the Registrar or the Transfer Agent may require to prove title to the Notes that are the subject of the transfer and the authority of the individuals who have executed the form of transfer. Legal title to the Notes will pass upon registration of such transfer in the Register.

All transfers of Notes and entries in the Register will be made subject to the terms concerning transfers of the Notes provided in the Fiscal Agency Agreement.

6.2 Closed Periods

If Certificated Notes are to be issued in exchange for the Global Note, no Noteholder may require the transfer of a Certificated Note to be registered (i) during the period of 15 days preceding the due date for any payment of principal of, or interest (if any) on, the Notes or (ii) after such Note has been selected or deposited for redemption pursuant to Condition 7.2.

6.3 Regulations

All transfers of Certificated Notes will be made subject to the detailed provisions concerning transfer of Notes set forth in the Fiscal Agency Agreement. The provisions may be changed by the Company with the prior written approval of the Registrar.

7 REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless the Notes have been previously redeemed or repurchased and cancelled as provided below, the Company will redeem the Notes at 100% of their principal amount in U.S. dollars on the Maturity Date. The Notes may be redeemed prior to that date only as provided in Condition 7.2 below, but without prejudice to Condition 10.

7.2 Redemption for Taxation Reasons

At any time, the Company may, having given not less than 30 nor more than 60 days' notice to the holders of the Notes (which notice shall be irrevocable and delivered in accordance with Condition 12), redeem the Notes in whole, but not in part, at 100% of their principal amount plus accrued and unpaid interest, if any, to the date fixed for redemption, *provided that* prior to the delivery of any notice of redemption pursuant to this Condition 7.2, the Company shall deliver to the Fiscal Agent (1) a certificate signed by an authorized officer stating that the obligation to pay Additional Amounts (as defined in Condition 8.1) is as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8.2), or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective after July 6, 2026 cannot be avoided by the Company taking reasonable measures available to it and (2) an opinion addressed to the Fiscal Agent by an independent law firm of recognized standing admitted to practice in the Republic of Korea to the effect that the Company has or will become obliged to pay such Additional Amounts as a result of a change or amendment referred to above, and the Fiscal Agent shall be entitled to accept and conclusively rely upon such certificate and opinion (without further investigation or enquiry) as sufficient and conclusive evidence of the conditions precedent referred to in this Condition 7.2, in which event it shall be conclusive and binding on the holders of the Notes and the Fiscal Agent shall be protected and shall have no liability to any holder or any person for so accepting and relying on such certificate or opinion. Any redemption should be in the minimum denomination of US$200,000 and integral multiples of US$1,000 in excess thereof.

7.3 Purchases

The Company or any of its subsidiaries may at any time and from time to time repurchase Notes in the open market or otherwise at any price. Such Notes may be held by the Company, resold or surrendered to the Registrar for cancellation. If purchases are made by tender, tenders must be available to all Noteholders alike.

7.4 Cancellations

All Notes that are redeemed, repurchased or converted and surrendered to the Registrar for cancellation shall forthwith be cancelled. Notes cancelled may not be reissued or resold.

7.5 Redemption Procedures

In the event that the Company is required to deliver a notice to the holders of the Notes under this Condition 7, the Company shall provide, or procure the provision by the Fiscal Agent of, the notice to each holder of the Notes in accordance with Condition 12 and the provisions of the Fiscal Agency Agreement, which notice shall state, to the extent applicable:

(a) the date fixed for redemption;

(b) the applicable redemption price of a Note on the redemption date; and

(c) the names and addresses of all Paying Agents and Registrar.

7.6 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2 above, the Company shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such Condition.

8 TAXATION

8.1 Additional Amounts

All payments of principal and interest in respect of the Notes, including any Additional Amounts (as defined below), by or on behalf of the Company shall be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, as defined in Condition 8.2 below, except as required by applicable law. The Company will, subject to the exceptions and limitations set forth below, pay to a holder of any Note such additional amounts (the "**Additional Amounts**") as may be necessary in order that every net payment by the Company or a Paying Agent of the principal of and interest on the Note and any other amounts payable on the Note after withholding or deduction for or on account of any present or future tax, duty, assessment or governmental charge imposed or levied by a Relevant Jurisdiction, as defined in Condition 8.2 below, will not be less than the amount provided for in the Note to be then due and payable under the Notes.

However, the obligation to pay Additional Amounts shall not apply:

(a) to the holder or beneficial owner of the Notes 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 or beneficial owner of the Notes fails to do so within 30 days; or

(b) to the holder or beneficial owner of the Notes who is subject to Taxes in respect of the Notes by reason of the existence of any present or former connection between the holder (or between a fiduciary, settlor, beneficiary, member or shareholder of the holder, if the holder is an estate, a trust, a partnership, a limited liability company or a corporation) and a Relevant Jurisdiction, other than merely holding a Note or receiving a payment in respect of a Note, including, without limitation, the holder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident of a Relevant Jurisdiction or being or having been engaged in a trade or business or present in a Relevant Jurisdiction or having, or having had, a permanent establishment in a Relevant Jurisdiction; or

(c) to the holder or beneficial owner of the Notes who presents the relevant Notes, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later; or

(d) to any estate, inheritance, gift, sales, transfer, capital gains, excise or personal property tax or any similar tax, duty, assessment or governmental charge; or

(e) to any tax, duty, assessment or other governmental charge that is payable otherwise than by withholding or deduction from payments on or in respect of any Note; or

(f) to any tax, duty, assessment or other governmental charge that would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the holder or beneficial owner of that

Note, if compliance is required by statute or by regulation of a Relevant Jurisdiction as a precondition to relief or exemption from the tax, duty, assessment or other governmental charge, and proper notice has been sent to the holder; or

(g) to any tax, duty, assessment or other governmental charge required to be withheld by any Paying Agent from any payment of the principal of, or interest on any Note, to the extent such tax, duty, assessment or other governmental charge results from the presentation (where presentation is required) of any Note for payment and the payment can be made without such withholding or deduction by the presentation of the Note for payment by at least one other Paying Agent; or

(h) to any combination of the items listed above.

Nor will Additional Amounts be paid with respect to any payment on a Note to a holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of a Relevant Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interestholder in a limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member, interestholder or beneficial owner been the holder.

References in these Conditions to payments in respect of the Notes shall be deemed to refer to any Additional Amounts that may be payable in respect thereof under this Condition 8.1.

The Agent shall in no event be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Company or the Noteholders or any other person to pay such tax, duty, charges, withholding or other payment or be responsible to provide any notice or information in relation to the Notes in connection with payment of such tax, duty, charges, withholding or other payment.

8.2 Interpretation

For purposes of these Conditions:

(a) "**Relevant Date**" in relation to any Notes means (i) the due date for payment in respect thereof or (ii) if the full amount of the moneys payable on such due date has not been received by the CMU Lodging and Paying Agent on or prior to such due date, the date on which notice is duly given to the holders of the Notes that such moneys have been so received; and

(b) "**Relevant Jurisdiction**" means the Republic of Korea or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Company becomes subject in respect of payments made by it of principal and interest on the Notes.

9 PRESCRIPTION

Claims against the Company in respect of the payment of principal and interest on the Notes shall be prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8).

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 REPLACEMENT OF CERTIFICATES

If any Certificated Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity, prefunding and otherwise as the Company or the Fiscal Agent may require. Mutilated or defaced Certificated Note must be surrendered before replacements will be issued.

12 NOTICES

All notices to holders of the Notes shall be validly given if mailed to them at their respective addresses in the record of holders of the Notes maintained by the Registrar and deemed to have been given on the fifth weekday (being a day other than a Saturday or a Sunday) after the date of mailing, or published in a leading newspaper having general circulation in Asia. Notwithstanding the foregoing, so long as the Notes are represented by the Global Note and the Global Note is held on behalf of the CMU, notice to Noteholders may be given by delivery of the relevant notice to the CMU for communication by them to the accountholders in substitution for notification as required by the foregoing sentence and shall be deemed to have been given on the date of delivery to the CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Notes, in the form of interests in the Global Note) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants. The Company shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the date of such publication.

13 MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

13.1 Meetings of Noteholders

Call of Meetings. The Company may at any time and from time to time call a meeting of the holders of the Notes, such meeting to be held at such time and at such place as the Company may determine, for any purpose referred to in such Notes. Upon a request in writing made by the holders of not less than 10% of the aggregate outstanding principal amount of the Notes then outstanding, the Company shall convene a meeting of the holders of such Notes, such meeting to be held at such time and such place as the Company shall determine and notifies to the Fiscal Agent. Notice of any meeting of the holders of the Notes, setting forth the day, time and place of such meeting and in general terms the nature of the resolutions to be proposed at such meeting, shall be given by the Fiscal Agent upon the written direction of the Company and at the expense of the Company to the holders of such Notes by mail (when Notes are in definitive form only) not less than 20 nor more than 90 days prior to the date fixed for the meeting. To be entitled to vote at any meeting of the holders of the Notes, a person shall be (i) a holder of one or more Notes or (ii) a person appointed by an instrument in writing as proxy by the holder of one or more Notes. The only persons who shall be entitled to be present or to speak at any meeting of the holders of the Notes shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Company, the Fiscal Agent and their counsel.

Such a meeting may be convened by Noteholders holding not less than 10% of the principal amount of the Notes then outstanding. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50% of the principal amount of the Notes then outstanding, or at any adjourned meeting, one or more persons present holding or representing more than 25% of the principal amount of the Notes then outstanding; *provided, however*, that no such meeting shall consider the modification, amendment or waiver to the Fiscal Agency Agreement or any Note to (i) change the stated maturity of the Notes or the scheduled dates for payment of principal of or interest on any 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 such Note; or (iv) reduce the above-stated percentage of the aggregate principal amount of the Notes outstanding or reduce the quorum requirements or the percentage of votes required for the taking of any action, in which case the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting.

Quorum. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting may be adjourned for a period of not less than 10 days as determined by the temporary chairman of the meeting appointed pursuant to this Condition hereof. Notice of the reconvening of any adjourned meeting shall be given as provided above except that such notice need be given only once but must be given not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the aggregate principal amount of the outstanding Notes that shall constitute a quorum.

Proxies. Any holder of a Note who has executed an instrument in writing appointing a person as proxy shall be deemed to be present for the purposes of determining a quorum and be deemed to have voted in accordance with the vote of the person appointed as such proxy; *provided that* the holder of such Note shall be considered as present or voting only with respect to the matters voted on by such person in accordance with such instrument in writing. Any resolution passed or decision taken at any meeting of holders of the Notes duly held in accordance with this Condition shall be binding on the holders of all of the Notes whether or not present or represented at such meeting.

Eligible Holders. The holding of the Notes shall be proved by the Register maintained in accordance with Condition 1.1. The Company may, at its option, fix a record date for the determination of holders entitled to vote at any meeting, but the Company shall have no obligation to do so.

Chairman. The Company shall appoint a temporary chairman of the meeting. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Notes represented at the meeting. At any meeting each holder of a Note or proxy shall be entitled to one vote for each US$1,000 in aggregate principal amount of such Notes held or represented by him. The chairman of the meeting shall have no right to vote except as the holder of a Note or proxy. Any meeting of the holders of the Notes duly called at which a quorum is present may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

Voting. The vote upon any resolution submitted to any meeting of the holders of the Notes shall be by written ballot on which shall be subscribed the signatures of such holders or proxies and on which shall be inscribed the serial number or numbers of the Notes held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published as provided above. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to

the Company and the other to the Fiscal Agent to be held by the Fiscal Agent, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be irrevocable once given and conclusive evidence of the matters therein stated.

It shall not be necessary for the vote or consent of the holders of Notes to approve the particular form of any proposed modification, amendment, supplement, request, demand, authorization, direction, notice, consent, waiver or other action, but it shall be sufficient if such vote or consent shall approve the substance thereof. Any instrument given by or on behalf of any holder of a Note in connection with any consent to or vote for any such modification, amendment, supplement, request, demand, authorization, direction, notice, consent, waiver or other action will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Note or any Note issued directly or indirectly in exchange or substitution therefor or in lieu thereof. Notice of any modification or amendment of, supplement to, or request, demand, authorization, direction, notice, consent, waiver or other action with respect to the Notes shall be given, in all cases, as provided in the Notes.

"**Extraordinary Resolution**" means a resolution duly passed by either (i) a majority in aggregate principal amount of the Notes then outstanding pursuant to a written resolution of the Noteholders or (ii) 75% in aggregate principal amount of the Notes represented and voting at a duly convened meeting of the Noteholders.

13.2 Modification

The Company shall only permit any modification, without the consent of the Noteholders, to these Conditions or any of the provisions of the Fiscal Agency Agreement either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (ii) in any other manner which is not materially prejudicial to the interests of the Noteholders. Any determination as to prejudice applying to the interests of the Noteholders pursuant to this Condition shall be made by the Company and none of the Agents shall have any responsibility or liability whatsoever with respect to such determination. Any modification shall be binding on the Noteholders and shall be notified by the Company to the Noteholders as soon as practicable thereafter in accordance with Condition 12.

14 FURTHER ISSUANCES

The Company may from time to time, without notice to or the consent of the holders of the Notes, create and issue further debt securities ranking *pari passu* with the Notes in all respects (or in all respects except for the payment of interest accruing prior to the issue date of the additional Notes or except for the first payment of interest following the issue date of the additional Notes). The Company may consolidate such further debt securities with the outstanding Notes to form a single series to the extent permitted under the applicable laws. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single series with the Notes.

15 GOVERNING LAW AND SUBMISSION TO JURISDICTION

15.1 Governing Law

The Fiscal Agency Agreement and the Notes are governed by, and shall be construed in accordance with, the laws of the State of New York.

15.2 Jurisdiction

The Company agrees that any legal suit, action or proceeding arising out of or based upon the Fiscal Agency Agreement or the Notes may be instituted in any state or federal court in the Borough of Manhattan, the State and City of New York.

The Company, to the fullest extent it is permissible to do so under applicable law, (a) waives any objection which it may have now or hereafter to the laying of the venue of any such suit, action or proceeding in any such court and (b) irrevocably submits to the non-exclusive jurisdiction of any such court in any suit, action or proceeding.

15.3 Appointment of Process Agent

The Company has agreed to irrevocably appoint Cogency Global Inc., located at 122 East 42nd Street, 18th Floor, New York, NY 10168, as its authorized agent in the State of New York to receive service of process in any proceedings in the State of New York based on any of the Notes or the Fiscal Agency Agreement. The Company agrees that in the event of such agent ceasing so to act it will appoint such other person as its agent for that purpose.

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. 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 the CMU 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 the CMU (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).

The 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 CMU for distribution to each CMU participant who is at the close of business on the Clearing System Business Day (as defined in "Terms and Conditions of the Notes") immediately prior to the date for payment shown in the records of the CMU as the holder of a particular nominal amount of Notes (each an "account holder"). For these purposes, a notification from the CMU shall be conclusive evidence of the records of the CMU (save in the case of manifest error). Such payment made in accordance thereof shall discharge our obligations in respect of that payment. Save in the case of final payment, no presentation of the Global Note shall be required for such purpose. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants, and the Agents shall have no liability to the Noteholders, us, the CMU participants, the indirect participants or any other person in respect of any such payment.

Notice to holders of the Notes represented by the Global Note will be given by delivery of the relevant notice to the CMU for communication by it to the account holders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to the CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Notes, in the form of interests in the Global Note) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

Transfers of book-entry interests in the Notes will be effected through the records of the CMU and its participants in accordance with the rules and procedures of the CMU and its direct and indirect participants.

Although the CMU has agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Note among participants and account holders of the CMU, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of us, the fiscal agent, the Operator, the CMU lodging and paying agent, the applicable registrar, any applicable paying agent, any applicable transfer agent or any other applicable agent will have any responsibility for the performance by the CMU or its participants, indirect participants or account holders, of their respective obligations under the rules and procedures governing their operations.

The CMU 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. The CMU provides to its respective participants, among other things, services for safe-custody, clearance and settlement and transfer of securities. Membership of the CMU is open to, among others, financial institutions regulated by an authority in Hong Kong, or regulated or supervised by a recognized authority outside Hong Kong, any regulated or licensed central securities depository or central counterparty and supranational institutions. For further details, please refer to the CMU Reference Manual. Indirect access to the CMU 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 persons seeking to hold a beneficial interest in the Notes through Euroclear or Clearstream, such persons will hold their interest through an account opened and held by Euroclear or Clearstream (as the case may be) with the Operator.

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.

Furthermore, in order for a Non-Resident to claim the benefit of a tax rate reduction or tax exemption on certain Korean source income (such as interest or capital gains) under an applicable tax treaty, Korean tax law requires such Non-Resident (or its agents) to submit an application (for reduced withholding tax rate, "application for entitlement to reduced tax rate," and in the case of exemptions from withholding tax, "application for tax exemption," along with a certificate of tax residency of such Non-Resident issued by a competent authority of the Non-Resident's country of tax residence, subject to

certain exceptions) as the beneficial owner of such Korean source income ("BO application"), provided that if such tax exemption is being sought by an entity for an amount that is Won 1 billion or more (including where the aggregate amount exempted within one year from the last day of the month in which the payment was made is Won 1 billion or more), in addition to the certificate of tax residency issued by a competent authority of the Non-Resident's residence country, it will also be required to submit the names and addresses of all members of the board of directors, the identities and shareholding percentages of all shareholders (provided that if there are more than 100 shareholders, the Non-Resident may instead provide a statement showing the total number of shareholders and aggregate investment amount from each country), and audit reports for the three most recent years submitted to the country of residence (or, if the entity has been in existence for less than three years, audit reports following its incorporation). Such application should be submitted to the withholding agent prior to the payment date of the relevant income. Subject to certain exceptions, where the relevant income is paid to an overseas investment vehicle (which is not the beneficial owner of such income) ("OIV"), a beneficial owner claiming the benefit of an applicable tax treaty with respect to such income must submit its BO application to such OIV, which must submit an OIV report and a schedule of beneficial owners (and the BO applications collected from each beneficial owner, in case of the application for tax exemption) to the withholding agent prior to the payment date of such income. As one of the exceptions, effective from January 1, 2022, an OIV is deemed to be a beneficial owner of the Korean source income if (i) under the applicable tax treaty, the OIV bears tax liabilities in the country in which it is established and (ii) the Korean source income is eligible for the treaty benefits under the tax treaty. The benefits under a tax treaty between Korea and the country of which the OIV is a resident will apply with respect to the relevant income paid to such OIV, subject to certain application requirements as prescribed by the Corporate Income Tax or Individual Income Tax Law. In the case of a tax exemption application, the withholding agent is required to submit such applications (together with the applicable OIV report in the case of income paid to an OIV) to the relevant district tax office by the ninth day of the month following the date of the payment of such income. However, this requirement does not apply to tax exemptions under Korean tax laws such as the STTCL. On the other hand, in the case of an application for entitlement to reduced tax rate, the withholding agent is required to submit the application (together with the applicable OIV report in the case of income paid to an OIV) to the relevant district tax office by the end of February of the year following the date of the payment of such income.

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 July 6, 2026 (the "Purchase Agreement"), we have agreed to sell to Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited, The Korea Development Bank 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$125,000,000
The Hongkong and Shanghai Banking Corporation Limited	125,000,000
The Korea Development Bank	125,000,000
Merrill Lynch International	125,000,000
Total	US$500,000,000

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 July 13, 2026.

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 the directors, employees or major shareholders of us, 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 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 and any MiFID II product governance language 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 enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the 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 us. 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, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Joint Lead Manager(s) (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);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: DCM.Omnibus@citi.com; hk_syndicate_omnibus@hsbc.com.hk; kdbdcm@kdb.co.kr; 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, the 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 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.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Joint Lead Managers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "Person"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the "SSI List"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "EU Annexes"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military-Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "Sanctions Authority" means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) United Kingdom government (including H.M. Treasury and the Foreign, Commonwealth & Development Office); (e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and the United Kingdom government (including H.M. Treasury and the Foreign, Commonwealth & Development Office).

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.

European Economic Area

In relation to each Member State of the European Economic Area, each Joint Lead Manager has represented and agreed that it has not made and will not make an offer of the Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Member State other than:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Regulation (as defined below);

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Joint Lead Manager or Joint Lead Managers nominated by us for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Notes shall require us or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an ''offer of the Notes to the public'' in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression ''Prospectus Regulation'' means Regulation (EU) 2017/1129, as amended.

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 the CMU and its 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. Kim & Chang 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 Kim & Chang. Kim & Chang may rely on Cleary Gottlieb Steen & Hamilton LLP as to all matters of New York law.

INDEPENDENT AUDITORS

With respect to our unaudited condensed consolidated interim financial statements as of March 31, 2026 and for the three-month periods ended March 31, 2025 and 2026 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 of condensed consolidated interim financial statements, states that they did not audit and they do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their separate report on such information should be restricted in light of the limited nature of the review procedures applied.

Our audited consolidated financial statements as of and for the year ended December 31, 2025 have been audited by KPMG Samjong Accounting Corp., independent auditors, as stated in their report included elsewhere in this Offering Circular, which includes an emphasis-of-matter paragraph regarding the basis of preparation of consolidated financial statements.

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

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KPMG SAMJONG

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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 condensed consolidated interim statement of financial position as of March 31, 2026, the condensed consolidated interim statements of comprehensive loss, changes in equity and cash flows for the three-month periods ended March 31, 2026 and 2025, and notes, comprising of material accounting policy information and other explanatory information.

Management's Responsibility

Management is responsible for the preparation and presentation of these condensed consolidated interim 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 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 condensed consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying condensed 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 condensed consolidated interim financial statements, which states that the Group has prepared its condensed 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 statement of financial position as of December 31, 2025, and the related consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by us in accordance with Korean Standards on Auditing and our report thereon, dated March 10, 2026, expressed an unqualified opinion. The accompanying consolidated statement of financial position of the Group as of December 31, 2025, presented for comparative purposes, is not different from that audited by us from which it was derived in all material respects.

KPMG Samjong Accounting Corp.

Seoul, Korea

May 15, 2026

This report is effective as of May 15, 2026, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

KOREA EAST-WEST POWER CO., LTD. AND ITS SUBSIDIARIES
Consolidated interim statements of financial position
As of March 31, 2026 and December 31, 2025

(Korean Won)

	Notes	March 31, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents	5,6,37,38,41	₩ 137,622,883,902	₩ 216,889,354,694
Current financial assets	7,10,11,37,38,39,41	284,839,471,115	30,785,035,987
Trade and other receivables	8,37,38,39	957,069,244,599	883,277,368,803
Inventories	12	232,402,336,059	243,823,464,360
Current income tax receivables		168,895,219	198,903,621
Current non-financial assets	13	33,159,381,907	23,893,228,376
		1,645,262,212,801	1,398,867,355,841
Non-current assets			
Non-current financial assets	6,7,9,10,11,37,38,39,41	1,561,411,443,979	1,922,308,780,764
Long-term trade and other receivables	8,37,38,39	23,644,882,973	19,846,164,823
Property, plant and equipment, net	15,19,23,41	7,293,820,282,185	7,372,186,404,106
Goodwill	16	105,778,723,150	105,240,111,493
Intangible assets excluding goodwill	17	256,560,305,668	228,598,873,235
Investments in associates and joint ventures	14,39	1,314,572,433,868	1,273,100,220,559
Deferred tax assets		1,589,450,762	3,807,181,326
Non-current non-financial assets	13	29,211,366,662	28,833,179,855
		10,586,588,889,247	10,953,920,916,161
Total assets		**₩ 12,231,851,102,048**	**₩ 12,352,788,272,002**
Liabilities			
Current liabilities			
Trade and other payables	18,19,26,37,38,39,40	₩ 880,842,363,098	₩ 539,886,156,851
Current financial liabilities	7,20,37,38,39,40	1,100,845,350,150	763,216,981,262
Current non-financial liabilities	24	31,360,682,359	41,681,610,629
Current portion of provisions	22,38,39,41	55,658,462,249	57,617,936,096
Current income tax liabilities		95,715,636,337	71,743,932,941
		2,164,422,494,193	1,474,146,617,779
Non-current liabilities			
Long-term trade and other payables	18,19,37,38,40	301,457,150,743	288,040,454,544
Non-current financial liabilities	20,37,38,40	2,809,241,007,227	3,099,282,798,102
Non-current non-financial liabilities	24	1,368,940,763	1,356,511,503
Defined benefit obligation	21,38	40,224,239,475	30,243,550,476
Deferred tax liabilities		587,913,644,608	704,654,999,426
Provisions	22,39	7,743,042,019	7,813,510,417
		3,747,948,024,835	4,131,391,824,468
Total liabilities		**5,912,370,519,028**	**5,605,538,442,247**
Equity			
Issued capital	1,25	2,218,598,774,310	2,218,598,774,310
Retained earnings	26	2,973,576,431,811	3,140,290,980,440
Other components of equity	7,9,14,27,37	1,094,204,817,518	1,355,837,830,632
Equity attributable to owners of the parent		6,286,380,023,639	6,714,727,585,382
Non-controlling interests		33,100,559,381	32,522,244,373
Total equity		**6,319,480,583,020**	**6,747,249,829,755**
Total liabilities and equity		**₩ 12,231,851,102,048**	**₩ 12,352,788,272,002**

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

KOREA EAST-WEST POWER CO., LTD. AND ITS SUBSIDIARIES
Consolidated interim statements of comprehensive income (loss)
For the three months ended March 31, 2026 and 2025

(Korean Won)

	Notes	2026	2025
Sale of goods		₩ 1,390,970,286,132	₩ 1,265,918,211,923
Rendering of services		506,419,695	-
Revenue	4,28,39	**1,391,476,705,827**	**1,265,918,211,923**
Cost of sales	35,39	1,209,225,702,529	1,036,607,486,435
Gross profit		**182,251,003,298**	**229,310,725,488**
Selling and administrative expenses	15,17,19,21, 23,29,35,39	36,422,609,130	38,486,478,764
Operating profit		**145,828,394,168**	**190,824,246,724**
Other income	30,39	38,161,908,746	10,067,239,458
Other expenses	30	3,149,846,320	5,973,302,281
Other losses, net	31,37,38	(13,706,852,932)	(3,087,391,852)
Finance income	7,32,37,38, 39	66,026,734,164	17,404,363,118
Finance costs	7,19,33,37, 38	98,989,266,789	37,365,286,394
Gain on investments in associates and joint ventures, net	14	6,409,756,584	26,347,855,969
Profit for the period before tax		**140,580,827,621**	**198,217,724,742**
Income tax expense	34	39,571,691,264	93,454,800,966
Profit for the period		**101,009,136,357**	**104,762,923,776**
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	(6,740,036,583)	(4,056,598,392)
Loss on valuation of financial assets at FVOCI	9,37	(320,424,302,687)	(72,250,642,882)
Other comprehensive income(loss) to be reclassified to profit or loss in subsequent periods:			
Net gain on cash flow hedges	7,37	9,074,655,746	10,480,198,334
Share of other comprehensive income of associates and joint ventures in equity method	14	44,799,448,080	2,515,468,930
Exchange differences on translation of foreign operations		4,917,185,747	(3,622,665,438)
Other comprehensive loss for the period, net of tax		**(268,373,049,697)**	**(66,934,239,448)**
Total comprehensive income(loss) for the period		**₩ (167,363,913,340)**	**₩ 37,828,684,328**
Profit for the period, attributable to:			
Owners of the parent		₩ 100,430,821,349	₩ 103,245,202,593
Non-controlling interests		578,315,008	1,517,721,183
		₩ 101,009,136,357	**₩ 104,762,923,776**
Total comprehensive income(loss) for the period, attributable			
Owners of the parent		₩ (167,942,228,348)	₩ 36,310,963,145
Non-controlling interests		578,315,008	1,517,721,183
		₩ (167,363,913,340)	**₩ 37,828,684,328**
Earnings per share:	36		
Basic earnings per share		₩ 1,734	₩ 1,782
Diluted earnings per share		₩ 1,734	₩ 1,782

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

KOREA EAST-WEST POWER CO., LTD. AND ITS SUBSIDIARIES
Consolidated interim statements of changes in equity
For the three months ended March 31, 2026 and 2025

(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, 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	-	103,245,202,593	-	103,245,202,593	1,517,721,183	104,762,923,776
Changes in comprehensive income(loss):						
Loss on valuation of financial assets at FVOCI	-	-	(72,250,642,882)	(72,250,642,882)	-	(72,250,642,882)
Net gain on cash flow hedges	-	-	10,480,198,334	10,480,198,334	-	10,480,198,334
Re-measurement loss on defined benefit plans	-	(4,056,598,392)	-	(4,056,598,392)	-	(4,056,598,392)
Share of other comprehensive income of associates and joint ventures in equity method	-	-	2,515,468,930	2,515,468,930	-	2,515,468,930
Exchange differences on translation of foreign operations	-	-	(3,622,665,438)	(3,622,665,438)	-	(3,622,665,438)
Total comprehensive loss	-	(4,056,598,392)	(62,877,641,056)	(66,934,239,448)	-	(66,934,239,448)
Transaction with owners directly reflected 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 March 31, 2025	₩ **2,218,598,774,310**	₩ **2,802,008,667,668**	₩ **1,819,219,316,799**	₩ **6,839,826,758,777**	₩ **32,744,114,797**	₩ **6,872,570,873,574**
As of January 1, 2026	₩ **2,218,598,774,310**	₩ **3,140,290,980,440**	₩ **1,355,837,830,632**	₩ **6,714,727,585,382**	₩ **32,522,244,373**	₩ **6,747,249,829,755**
Profit for the period	-	100,430,821,349	-	100,430,821,349	578,315,008	101,009,136,357
Changes in comprehensive income(loss):						
Loss on valuation of financial assets at FVOCI	-	-	(320,424,302,687)	(320,424,302,687)	-	(320,424,302,687)
Net gain on cash flow hedges	-	-	9,074,655,746	9,074,655,746	-	9,074,655,746
Re-measurement loss on defined benefit plans	-	(6,740,036,583)	-	(6,740,036,583)	-	(6,740,036,583)
Share of other comprehensive income of associates and joint ventures in equity method	-	-	44,799,448,080	44,799,448,080	-	44,799,448,080
Exchange differences on translation of foreign operations	-	-	4,917,185,747	4,917,185,747	-	4,917,185,747
Total comprehensive loss	-	(6,740,036,583)	(261,633,013,114)	(268,373,049,697)	-	(268,373,049,697)
Transaction with owners directly reflected in equity:						
Dividends (Note 26)	-	(260,405,333,395)	-	(260,405,333,395)	-	(260,405,333,395)
As of March 31, 2026	₩ **2,218,598,774,310**	₩ **2,973,576,431,811**	₩ **1,094,204,817,518**	₩ **6,286,380,023,639**	₩ **33,100,559,381**	₩ **6,319,480,583,020**

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

KOREA EAST-WEST POWER CO., LTD. AND ITS SUBSIDIARIES
Consolidated interim statements of cash flows
For the three months ended March 31, 2026 and 2025

(Korean Won)

	March 31, 2026	March 31, 2025
Operating activities		
Profit for the period	₩ 101,009,136,357	₩ 104,762,923,776
Adjustments to reconcile profit for the period to net cash flows provided by operating activities:		
Pension benefit	3,685,619,410	7,140,511,744
Depreciation	193,691,942,061	169,520,328,800
Amortization	2,601,733,605	4,151,314,267
Income tax expense	39,571,691,264	93,454,800,966
Loss on disposal of property, plant and equipment	-	17,201,891
Loss on write-off of property, plant and equipment	155,237,873	1,027,709,507
Interest expenses	30,524,795,721	26,338,567,762
Gain on disposal of property, plant and equipment	(462,046,450)	(136,774,808)
Interest income	(3,421,237,041)	(2,726,446,441)
Loss(gain) on foreign currency translation	69,739,054,093	(3,211,012,372)
Gain on valuation of financial assets at FVTPL	(637,382,327)	(1,552,281,368)
Loss on disposal of financial assets at FVTPL	-	422,832,712
Loss(gain) on derivative instruments, net	(58,613,053,217)	1,297,217,231
Gain on valuation of investments in associates and joint ventures, net	(6,409,784,628)	(22,527,958,836)
Loss(gain) on disposal of investments in associates and joint ventures, net	28,044	(3,819,897,133)
Allowance for provisions, net	10,406,321,215	17,010,281,195
Others	(26,746,537,449)	(1,725,079,436)
Changes in operating assets and liabilities:		
Trade receivables	22,133,220,829	136,528,223,269
Accrued income	74,706,064,357	19,137,215,028
Other receivables	(6,836,411,985)	48,220,422,279
Advance payments	(301,661,568)	(271,842,700)
Prepaid expenses	(154,314,249,749)	(134,396,408,423)
Other current assets	108,080,992	272,035,870
Inventories	11,566,888,458	(30,698,351,001)
Trade payables	111,937,967,194	(44,223,665,534)
Other payables	(4,445,091,043)	(7,124,454,624)
Accrued expenses	(331,730,627)	3,602,379,375
Unearned revenue	1,071,085,244	914,937,570
Withholdings	(3,073,569,879)	(962,290,024)
Other current liabilities	(9,354,654,364)	6,930,747,356
Other non-current liabilities	(22,343,197)	(6,109,888)
Payment of provisions	(11,704,340,560)	(11,395,753,570)
Pension benefits paid	(2,595,272,440)	(4,973,663,743)
Settlement of derivative instruments	2,189,545,427	711,544,721
	385,829,045,620	371,709,205,418
Dividends received	1,454,453,040	15,492,595,081
Interest paid	(35,780,734,315)	(25,271,819,740)
Interest received	2,679,918,324	5,231,547,672
Income tax paid	(31,053,886,084)	(63,580,343,346)
Net cash flows provided by operating activities	**323,128,796,585**	**303,581,185,085**

(Continues)

KOREA EAST-WEST POWER CO., LTD. AND ITS SUBSIDIARIES
Consolidated statements of cash flows (cont'd)
for the three months ended March 31, 2026 and 2025

(Korean Won)

	March 31, 2026	March 31, 2025
Investing activities		
Collection of loans	₩ 1,475,834,165	₩ 9,661,965,966
Collection of deposits	8,313,112,700	1,313,000,000
Decrease in financial assets at amortized cost	9,420,000	-
Proceeds from disposal of land	160,189,580	62,497,463
Proceeds from disposal of buildings	414,315,258	240,358,910
Proceeds from disposal of vehicles	28,511,000	-
Decrease in investments in joint ventures	-	10,345,462,610
Net changes in financial assets at FVTPL	(252,500,000,000)	(551,000,000,000)
Increase in financial assets at amortized cost	(600,000,000)	(9,000,000,000)
Increase in loans	(955,176,880)	(996,093,800)
Payment of deposits	(7,576,570,653)	(3,096,890,000)
Purchase of machinery	(9,191,663,343)	(7,105,620,654)
Purchase of furniture and fixtures	(9,285,911)	(12,815,457)
Purchase of tools and equipment	(15,800,000)	(12,546,272)
Purchase of construction-in-progress	(120,124,550,730)	(208,772,806,006)
Purchase of intangible assets	(1,047,343,730)	-
Increase in other investment assets	(12,548,434,248)	(3,330,910,284)
Net cash flows used in investing activities	**(394,167,442,792)**	**(761,704,397,524)**
Financing activities		
Repayment of short-term borrowings, net	-	(80,000,000,000)
Proceeds from borrowings and bonds	-	498,513,330,400
Repayment of borrowings and bonds	(2,140,670,000)	(2,028,390,000)
Settlement of derivative instruments	3,540,433,931	3,725,189,091
Lease payments	(15,577,386,243)	(19,276,867,040)
Changes in ownership interest in subsidiaries	-	(2,693,000,000)
Net cash flows provided by (used in) financing activities	**(14,177,622,312)**	**398,240,262,451**
Net foreign exchange difference	5,949,797,727	(1,460,962,811)
Net decrease in cash and cash equivalents	(79,266,470,792)	(61,343,912,799)
Cash and cash equivalents at January 1	216,889,354,694	169,451,420,382
Cash and cash equivalents at March 31	**₩ 137,622,883,902**	**₩ 108,107,507,583**

The accompanying notes are an integral part of the consolidated interim 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 March 31, 2026, the Company's power generating capacity is 9,696.9MW and the Company owns and operates four thermal power plants, including the Dangjin Thermal Power Plant.

As of March 31, 2026, KEPCO wholly owns the Company's issued and outstanding shares, with par value of share capital amounting to KRW 289,661 million.

The Company's consolidated subsidiaries as of March 31, 2026 and December 31, 2025 are as follows:

			Equity interest and voting rights (%)	
	Principal activities	Country of domicile	Mar. 31, 2026	Dec. 31, 2025
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 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	93.7	93.7
Yeongdeok Sunrise 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

1. Corporate information (cont'd)

The condensed financial information of the consolidated subsidiaries as of March 31, 2026 and December 31, 2025 and for the periods then ended is as follows (Korean won):

	Mar. 31, 2026			
	Total assets	Total liabilities	Sales	Profit(loss) for the period
EWP America, Inc. (*)	₩ 67,298,947,847	₩ 3,110,802,054	₩ 6,780,732,114	₩ 3,681,999,163
EWP (Barbados) 1 SRL	509,442,025,466	723,607,989	-	3,522,772,121
Gyeongju Wind Power Co., Ltd.	85,514,954,019	34,228,998,827	6,090,225,866	2,385,457,491
PT. EWP Indonesia	110,737,825,284	34,057,554	-	2,025,122,176
EWP Bylong Pty., Ltd.	18,967,902	22,177,100	-	-
EWP Service Co., Ltd.	6,907,016,905	4,174,902,604	7,714,034,000	261,440,890
Paju Eco Energy Co., Ltd.	59,991,630,123	2,345,548,855	3,244,467,584	(338,649,283)
Yeongdeok Sunrise Wind Power Co., Ltd.	109,659,093,606	84,571,536,314	4,860,906,162	2,014,611,426
EWP Australia Pty., Ltd.	57,064,017,481	727,236,641	351,891,515	(1,491,637,629)

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

	Dec. 31, 2025			
	Total assets	Total liabilities	Sales	Profit(loss) for the year
EWP America, Inc. (*)	₩ 60,246,073,369	₩ 2,993,318,373	₩ 25,064,335,037	₩ 11,989,900,169
EWP (Barbados) 1 SRL	479,657,875,919	776,679,450	-	17,313,717,675
Gyeongju Wind Power Co., Ltd.	84,224,888,599	33,877,220,509	16,636,314,628	3,889,206,912
PT. EWP Indonesia	103,085,540,538	47,670,248	-	7,006,949,408
EWP Bylong Pty., Ltd.	17,596,469	20,573,631	-	(4,278,600)
EWP Service Co., Ltd.	7,234,177,660	4,462,138,366	29,818,620,000	1,295,848,185
Paju Eco Energy Co., Ltd.	60,776,157,619	2,791,427,068	16,199,400,463	1,477,417,434
Yeongdeok Sunrise Wind Power Co., Ltd.	109,860,418,721	84,333,579,570	11,908,467,724	(616,546,323)
EWP Australia Pty., Ltd.	54,134,315,386	461,381,426	-	(16,420,082,445)

(*) 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 are as follows:

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 the consolidated financial statements and summary of significant accounting policies

2.1 Basis of preparation

The Group prepares condensed consolidated interim 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 condensed consolidated interim financial statements in the Korean language in accordance with K-IFRS 1034 *Interim Financial Reporting* enacted by the *Act on External Audit of Stock Companies*. The accompanying condensed consolidated interim financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the interim condensed financial statements or the independent auditors' review report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The condensed consolidated interim 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 December 31, 2025. 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, 2025.

The condensed consolidated interim 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 condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of new standards and interpretations effective as of January 1, 2026. Changes to the accounting policies described below will also be applied in the annual consolidated financial statements for the year ended December 31, 2026.

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, 2026. The new and amended standards do not have a material impact on the consolidated financial statements.

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

Amendments to K-IFRS 1109 Financial Instruments and K-IFRS 1107 Financial Instruments: Disclosures were issued to address issues identified in practice and to include new requirements.

- Permits an entity to deem a financial liability as settled (derecognized) before the settlement date when it is settled via an electronic payment system, provided that specific criteria are met.

- Clarifies and adds additional guidance for assessing whether the contractual cash flows of a financial asset are solely payments of principal and interest (SPPI).

- Requires disclosure by class of financial instrument regarding the nature and extent of risks arising from contractual terms that could change the timing or amount of contractual cash flows.

- Includes additional disclosure requirements for equity instruments designated at fair value through *other comprehensive income (FVOCI).*

(2) Amendments to K-IFRS 1109 and K-IFRS 1107: Power Purchase Agreements (Contracts for Nature-Dependent Electricity)

The amendments clarify that if the source of electricity production depends on uncontrollable natural conditions, resulting in the sale of unused power during the delivery period, the contract may be excluded from the scope of K-IFRS 1109 (and treated as an executory contract) as an "own-use" contract, provided the entity is a "net purchaser" based on its expected usage requirements. The "net purchaser" assessment is performed over a reasonable period (not exceeding 12 months). The entity must disclose in a single note the impact on its financial performance, including contractual characteristics such as volume variability, unrecognized commitments (e.g., estimated future cash flows), and the costs of purchase versus proceeds from the sale of unused power. Furthermore, when designating nature-dependent power contracts as hedging instruments, the "variable nominal amount" of the forecast electricity transactions may be designated as the hedged item to hedge the risk of variability in power output.

(3) Annual Improvements to K-IFRSs Volume 11

Annual Improvements to K-IFRSs Volume 11 are 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: Hedge accounting application upon the first-time adoption of K-IFRS.

- K-IFRS 1107 Financial Instruments: Disclosures: Gain or loss on derecognition and implementation guidance.

- K-IFRS 1109 Financial Instruments: Accounting for the derecognition of lease liabilities and the definition of 'transaction price'.

- K-IFRS 1110 Consolidated Financial Statements: Determination of a "de facto agent."

- K-IFRS 1007 Statement of Cash Flows: Cost method.

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 after January 1, 2026, and have not been early adopted by the Group. The Group intends to adopt these standards, if applicable, when they become effective.

Enactment of K-IFRS 1118 'Presentation and Disclosure in Financial Statements' and Amendments to K-IFRS 1007 'Statement of Cash Flows': Presentation of the Statement of Profit or Loss and the Statement of Cash Flows

This new standard introduces comprehensive requirements for the presentation of the statement of profit or loss, including specific totals and subtotals. It also establishes new principles for the aggregation and disaggregation of financial information, based on the identified 'roles' of the primary financial statements and the notes. Under K-IFRS 1118, entities must classify all income and expenses into one of five categories: operating, investing, financing, income taxes, and discontinued operations. Additionally, disclosure of management-defined performance measures (MPMs) is now required.

In conjunction with the new standard, K-IFRS 1007 Statement of Cash Flows has been amended to:

- Require the use of operating profit as the starting point for the indirect method of calculating operating cash flows (replacing net profit).
- Remove previous presentation options for the classification of interest and dividend cash flows to enhance comparability.

Furthermore, the title of K-IFRS 1008 has been changed from Accounting Policies, Changes in Accounting Estimates and Errors to Basis of Preparation of Financial Statements, and certain paragraphs from K-IFRS 1001 have been relocated to K-IFRS 1008 and K-IFRS 1107.

The enactment of K-IFRS 1118 and amendments to related standards are effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted. The Group is currently assessing the impact of these new and amended standards on its consolidated financial statements.

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 condensed consolidated interim 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 condensed consolidated interim 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, 2025.

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 three months ended March 31, 2026 and 2025 (Korean won):

	For the 3 months ended Mar. 31, 2026	For the 3 months ended Mar. 31, 2025
Sales	₩ 1,391,476,705,827	₩ 1,265,918,211,923
Sales from external customers	1,391,476,705,827	1,265,918,211,923
Operating profit	145,828,394,168	190,824,246,724
Depreciation and amortization	196,293,675,666	173,671,643,067

The following table presents assets and liabilities for the single reportable segment as of March 31, 2026 and December 31, 2025, respectively (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Total assets	₩ 12,231,851,102,048	₩ 12,352,788,272,002
Investment in associates	457,116,429,616	455,796,465,976
Investment in joint ventures	857,456,004,252	817,303,754,583
Acquisition of non-current assets (*)	109,239,246,807	925,270,422,960
Total liabilities	5,912,370,519,028	5,605,538,442,247

(*) 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 for the three months ended March 31, 2026 and 2025 of external customers and non-current assets as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Revenue from external customers		Non-current assets (*)	
	For the 3 months ended Mar. 31, 2026	For the 3 months ended Mar. 31, 2025	Mar. 31, 2026	Dec. 31, 2025
Domestic	₩1,384,189,554,018	₩1,260,008,835,509	₩8,262,636,571,656	₩8,312,966,281,403
Americas	6,780,732,114	5,909,376,414	33,407,758,950	32,332,150,869
Barbados	-	-	489,907,056,404	460,952,207,808
Indonesia	154,528,180	-	105,718,354,205	98,268,409,050
Australia	351,891,515	-	54,190,101,276	51,854,767,815
Others	-	-	54,083,269,042	51,584,972,303
Total	₩1,391,476,705,827	₩1,265,918,211,923	₩ 8,999,943,111,533	₩9,007,958,789,248

(*) 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 1,316,208,548,163 and KRW 1,211,421,109,597 for the three months ended March 31, 2026, and 2025, 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 March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Other demand deposits	₩ 94,112,359,671	₩ 116,889,354,694
Short-term investment assets classified as cash equivalents	43,510,524,231	100,000,000,000
Total	₩ 137,622,883,902	₩ 216,889,354,694

6. Financial assets restricted for use

Financial assets restricted for use as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Other demand deposits (*)	₩ 23,654,727,036	₩ 16,845,442,256
Long-term financial instruments(*)	6,500,000,000	6,500,000,000
Total	₩ 30,154,727,036	₩ 23,345,442,256

(*) They are pledged as collateral for the Group's borrowings. (Note 41.(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 March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		Dec. 31, 2025	
	Current	Non-current	Current	Non-current
Financial assets at FVTPL:				
Beneficiary certificates	₩ -	₩ 1,431,230,376	₩ -	₩ 1,431,230,376
Contributions	-	20,037,200	-	20,037,200
Debt securities	253,137,382,327	-	-	-
Derivative assets	173,072,413	-	-	-
Total	₩ 253,310,454,740	₩ 1,451,267,576	₩ -	₩ 1,451,267,576
Financial liabilities at FVTPL:				
Derivative liabilities	₩ -	₩ -	₩ 2,127,136,410	₩ -

Details of derivative instruments as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		Dec. 31, 2025	
	Current	Non-current	Current	Non-current
Derivative assets:				
Currency forwards	₩ 173,072,413	₩ -	₩ -	₩ -
Currency swaps	-	129,114,377,831	-	66,559,671,439
Total	₩ 173,072,413	₩ 129,114,377,831	₩ -	₩ 66,559,671,439
Derivative liabilities:				
Currency forwards	₩ -	₩ -	₩ 2,127,136,410	₩ -

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 March 31, 2026 are as follows (Korean won and USD):

Counterparty	Contract term	Contract amount		Contract interest rate (%)		
		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
Woori Bank	2025.11~2031.05	142,900,000,000	100,000,000	2.93	4.00	1,429.00
Hana Bank	2025.11~2031.05	142,900,000,000	100,000,000	2.93	4.00	1,429.00
Shinhan Bank	2025.11~2031.05	71,450,000,000	50,000,000	2.94	4.00	1,429.00
BofA	2025.11~2031.05	71,450,000,000	50,000,000	2.94	4.00	1,429.00

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). As of the end of the reporting period, the Group 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 March 31, 2026 are as follows (Korean won and USD):

Counterparty	Contract date	Maturity date	Contract amount		Contract exchange rate
			Sell(KRW)	Purchase(USD)	
Trading:					
Hana Bank	2026-03-17	2026-06-19	₩ 701,127,905	$ 472,777	₩ 1,483.00
Hana Bank	2026-03-24	2026-06-19	8,941,200,000	6,000,000	1,490.20
HSBC	2026-03-31	2026-07-03	7,547,500,000	5,000,000	1,509.50

Details of gain and loss on valuation and settlement of derivative instruments for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	Gain (loss) on valuation		Gain (loss) on settlement		Other comprehensive gain (*)	
	For the 3 months ended Mar. 31, 2026	For the 3 months ended Mar. 31, 2025	For the 3 months ended Mar. 31, 2026	For the 3 months ended Mar. 31, 2025	For the 3 months ended Mar. 31, 2026	For the 3 months ended Mar. 31, 2025
Currency forwards	₩ 173,072,413	₩ 827,088,898	₩ 4,316,681,837	₩ (1,139,654,586)	₩ -	₩ -
Currency swaps	50,582,865,036	(4,709,840,634)	3,540,433,931	3,725,189,091	11,971,841,356	13,628,346,340
Total	₩ 50,755,937,449	₩ (3,882,751,736)	₩ 7,857,115,768	₩ 2,585,534,505	₩ 11,971,841,356	₩ 13,628,346,340

(*) For the three months ended March 31, 2026, gain on valuation of derivative instruments amounting to KRW 9,074,655,746 recognized in other comprehensive income is presented excluding tax effect which is directly charged to equity.

8. Trade and other receivables

Details of trade and other receivables as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		
	Gross amounts	Present value discounts	Book value
Current assets:			
Trade receivables	₩ 418,227,204,823	₩ -	₩ 418,227,204,823
Other receivables	539,038,482,940	(196,443,164)	538,842,039,776
	957,265,687,763	(196,443,164)	957,069,244,599
Non-current assets:			
Other receivables	24,158,914,704	(514,031,731)	23,644,882,973
Total	₩ 981,424,602,467	₩ (710,474,895)	₩ 980,714,127,572

	Dec. 31, 2025		
	Gross amounts	Present value discounts	Book value
Current assets:			
Trade receivables	₩ 441,139,904,802	₩ -	₩ 441,139,904,802
Other receivables	442,221,997,176	(84,533,175)	442,137,464,001
	883,361,901,978	(84,533,175)	883,277,368,803
Non-current assets:			
Other receivables	20,271,436,518	(425,271,695)	19,846,164,823
Total	₩ 903,633,338,496	₩ (509,804,870)	₩ 903,123,533,626

Details of other receivables as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		
	Gross amounts	Present value discounts	Book value
Current assets:			
Accounts receivable	₩ 205,249,870,000	₩ -	₩ 205,249,870,000
Accrued income	322,102,636,394	-	322,102,636,394
Deposits	11,685,976,546	(196,443,164)	11,489,533,382
	539,038,482,940	(196,443,164)	538,842,039,776
Non-current assets:			
Deposits	22,816,358,095	(514,031,731)	22,302,326,364
Others	1,342,556,609	-	1,342,556,609
	24,158,914,704	(514,031,731)	23,644,882,973
Total	₩ 563,197,397,644	₩ (710,474,895)	₩ 562,486,922,749

	Dec. 31, 2025		
	Gross amounts	Present value discounts	Book value
Current assets:			
Accounts receivables	₩ 190,227,528,509	₩ -	₩ 190,227,528,509
Accrued income	235,806,044,060	-	235,806,044,060
Deposits	16,188,424,607	(84,533,175)	16,103,891,432
Subtotal	442,221,997,176	(84,533,175)	442,137,464,001
Non-current assets:			
Deposits	18,993,790,867	(425,271,695)	18,568,519,172
Others	1,277,645,651	-	1,277,645,651
Subtotal	20,271,436,518	(425,271,695)	19,846,164,823
Total	₩ 462,493,433,694	₩ (509,804,870)	₩ 461,983,628,824

There are no trade and other receivables that have been overdue or impaired as of March 31, 2026.

9. Financial assets at fair value through other comprehensive income

Details of financial assets at fair value through other comprehensive income as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026				
	Equity ratio (%)	Number of shares held (in shares)	Acquisition cost	Book value	Fair value
Quoted securities:					
PT. Bayan Resources TBK	4.00	1,333,333,400	₩ 80,533,337,360	₩ 1,369,170,068,459	₩ 1,369,170,068,459
Unquoted securities:					
Korea Power Exchange	7.14	1,826,275	9,131,374,714	18,325,229,542	18,325,229,542
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	-	-
Subtotal			15,659,072,054	18,718,229,542	18,718,229,542
Total			₩ 96,192,409,414	₩ 1,387,888,298,001	₩ 1,387,888,298,001

	Dec. 31, 2025				
	Equity ratio (%)	Number of shares held (in shares)	Acquisition cost	Book value	Fair value
Quoted securities:					
PT. Bayan Resources TBK	4.00	1,333,333,400	₩ 80,533,337,360	₩ 1,791,893,422,928	₩ 1,791,893,422,928
Unquoted securities:					
Korea Power Exchange	7.14	1,826,275	9,131,374,714	18,325,229,542	18,325,229,542
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	-	-
Subtotal			15,659,072,054	18,718,229,542	18,718,229,542
Total			₩ 96,192,409,414	₩ 1,810,611,652,470	₩ 1,810,611,652,470

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 three months ended March 31, 2026 are as follows (Korean won):

	2026		
	Jan. 1	Valuation (*)	Mar. 31
Quoted equity shares	₩ 1,791,893,422,928	₩ (422,723,354,469)	₩ 1,369,170,068,459
Unquoted equity shares	18,718,229,542	-	18,718,229,542
Total	₩ 1,810,611,652,470	₩ (422,723,354,469)	₩ 1,387,888,298,001
Non-current financial assets at FVOCI	₩ 1,810,611,652,470	₩ (422,723,354,469)	₩ 1,387,888,298,001

(*) As of March 31, 2026, valuation changes amounting to KRW (-)320,424,302,687 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, 2025 are as follows (Korean won):

	2025			
	Jan.1	Disposal	Valuation (*)	Dec. 31
Quoted equity shares	₩ 2,461,202,697,735	₩ (4,040,516,200)	₩ (665,268,758,607)	₩ 1,791,893,422,928
Unquoted equity shares	15,901,748,425	-	2,816,481,117	18,718,229,542
Total	₩ 2,477,104,446,160	₩ (4,040,516,200)	₩ (662,452,277,490)	₩ 1,810,611,652,470
Non-current financial assets at FVOCI	₩ 2,477,104,446,160	₩ (4,040,516,200)	₩ (662,452,277,490)	₩ 1,810,611,652,470

(*) As of December 31, 2025, valuation changes amounting to KRW (-)528,389,843,802 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 three months ended March 31, 2026 are as follows (Korean won):

	2026				
	Jan.1	Acquisition	Disposal	Others	Mar. 31
Public bonds	₩ 150,240,000	₩ -	₩ (9,420,000)	₩ -	₩ 140,820,000
Others	35,500,000,000	600,000,000	-	-	36,100,000,000
Total	₩ 35,650,240,000	₩ 600,000,000	₩ (9,420,000)	₩ -	₩ 36,240,820,000
Current financial assets at amortized cost	₩ 29,020,350,000	₩ 600,000,000	₩ (9,420,000)	₩ 19,690,000	₩ 29,630,620,000
Non-current financial assets at amortized cost	6,629,890,000	-	-	(19,690,000)	6,610,200,000

Changes in financial assets at amortized cost for the year ended December 31, 2025 are as follows (Korean won):

	2025				
	Jan.1	Acquisition	Disposal	Others	Dec. 31
Public bonds	₩ 157,900,000	₩ 10,900,000	₩ (18,560,000)	₩ -	₩ 150,240,000
Others	29,000,000,000	10,000,000,000	(3,500,000,000)	-	35,500,000,000
Total	₩ 29,157,900,000	₩ 10,010,900,000	₩ (3,518,560,000)	₩ -	₩ 35,650,240,000
Current financial assets at amortized cost	₩ 22,518,560,000	₩ 10,000,000,000	₩ (3,518,560,000)	₩ 20,350,000	₩ 29,020,350,000
Non-current financial assets at amortized cost	6,639,340,000	10,900,000	-	(20,350,000)	6,629,890,000

11. Loans

Details of loans as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		Dec. 31, 2025	
	Current	Non-current	Current	Non-current
Tuition loans(*1)	₩ 1,214,320,480	₩ 14,342,160,521	₩ 1,078,117,452	₩ 14,723,610,246
Home loans(*2)	788,915,952	7,131,594,058	791,408,592	7,404,512,006
Loans to related party	-	17,103,648,905	-	17,103,648,905
Present value discount	(104,840,057)	(2,230,102,913)	(104,840,057)	(2,175,471,878)
Total	₩ 1,898,396,375	₩ 36,347,300,571	₩ 1,764,685,987	₩ 37,056,299,279

(*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 instalments for 20 years for purchase.

12. Inventories

Details of inventories as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		
	Gross amounts	Valuation allowance	Book value
Raw materials	₩ 90,860,886,009	₩ -	₩ 90,860,886,009
Supplies	33,919,567,390	-	33,919,567,390
Goods in transit	107,621,882,660	-	107,621,882,660
Total	₩ 232,402,336,059	₩ -	₩ 232,402,336,059

	Dec. 31, 2025		
	Gross amounts	Valuation allowance	Book value
Raw materials	₩ 125,901,988,949	₩ -	₩ 125,901,988,949
Supplies	23,968,191,554	-	23,968,191,554
Goods in transit	93,953,283,857	-	93,953,283,857
Total	₩ 243,823,464,360	₩ -	₩ 243,823,464,360

13. Non-financial assets

Details of non-financial assets as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		Dec. 31, 2025	
	Current	Non-current	Current	Non-current
Advance payments	₩ 28,950,475	₩ 3,918,563,530	₩ -	₩ 3,641,178,341
Prepaid expenses	12,542,863,915	25,292,803,132	15,751,037,330	25,192,001,514
Others	20,587,567,517	-	8,142,191,046	-
Total	₩ 33,159,381,907	₩ 29,211,366,662	₩ 23,893,228,376	₩ 28,833,179,855

Details of other non-financial assets as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		Dec. 31, 2025	
	Current	Non-current	Current	Non-current
Emission rights	₩ 20,329,690,195	₩ -	₩ 7,781,255,947	₩ -
Non-refunded value added tax	16,565,270	-	16,178,714	-
Others	241,312,052	-	344,756,385	-
Total	₩ 20,587,567,517	₩ -	₩ 8,142,191,046	₩ -

14. Investments in associates and joint ventures

Details of investments in associates and joint ventures as of March 31, 2026 are as follows (Korean won):

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	Mar. 31, 2026	
				Acquisition cost	Book value
<Associates>					
Korea Offshore Wind Power Co., Ltd. (*1)	Power plants operation	Republic of Korea	12.50	₩ 26,600,000,000	₩ 27,000,327,082
KEPCO Solar Co., Ltd. (*1)	Resource development for solar energy	Republic of Korea	8.33	16,650,000,000	17,659,645,067
KEPCO ES Co., Ltd. (*1)	Investment in facilities for energy efficiency	Republic of Korea	8.33	25,000,000,000	25,964,551,863
GS Donghae Electric Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	204,000,000,000	290,834,518,229
Guam Ukudu Power LLC	Power plants operation	U.S.A(Guam)	40.00	83,333,990,114	46,526,007,459
KPE Green Energy Co., Ltd.	Power plants operation	Republic of Korea	25.36	3,910,000,000	9,932,520,296
Taebaek Gadeoksan Wind Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	12,570,000,000	21,930,683,819
Goheungsin Energy Co., Ltd.(*1)	Power plants operation	Republic of Korea	14.10	3,959,280,000	5,120,746,484
Yanggu Floating Solar Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	903,700,000	874,014,831
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	7,557,261,583
Jeju Bukchon BESS Power Plant Co., Ltd.	Power plants operation	Republic of Korea	41.00	3,690,000,000	1,341,370,023
Subtotal				383,009,643,994	457,116,429,616
<Joint ventures>					
Busan Shinho Solar Power Co., Ltd.	Power plants operation	Republic of Korea	25.00	2,100,000,000	5,176,242,015
Honam Wind Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,480,000,000	4,679,483,854
Dangjin Eco Power Corporation	Power plants operation	Republic of Korea	34.00	25,661,385,206	27,201,493,562
Seokmun Energy Co., Ltd.	Power plants operation	Republic of Korea	29.00	15,370,000,000	13,524,820,545
Chuncheon Energy Co., Ltd.(*6)	Power plants operation	Republic of Korea	29.90	52,699,945,000	37,520,261,416
Yeonggwang Baeksu Wind Power Co., Ltd. (*2)	Power plants operation	Republic of Korea	15.00	3,000,000,000	3,887,055,527
Yeonggwang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	46.00	17,475,000,000	30,067,599,264
Yangyang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	50.00	12,000,000,000	16,212,332,489
Jamaica Public Service Company Limited	Power plants operation	Jamaica	40.00	301,909,577,842	437,797,564,693
South Jamaica Power Company Limited	Power plants operation	Jamaica	20.00	20,430,019,000	52,109,491,711
PT. Tanjung Power Indonesia	Power plants operation	Indonesia	35.00	57,039,359,594	105,684,104,449
Daesan Green Energy Co., Ltd.	Power plants operation	Republic of Korea	35.00	17,850,000,000	22,917,914,655
Busan Industry Solar Co., Ltd.	Power plants operation	Republic of Korea	28.02	510,000,000	1,293,559,879
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	14,324,746,500	15,575,172,224
Cheongju Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	5,858,000,000	10,407,889,452

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

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	Mar. 31, 2026	
				Acquisition cost	Book value
Columboola Solar Farm Hold Co Pty., Ltd.(*4)	Power plants operation	Australia	48.51	₩ 38,538,334,153	₩ 54,183,275,568
Seokmun Green Energy Co., Ltd.	Power plants operation	Republic of Korea	33.00	8,972,700,000	12,883,990,181
Geumyang Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,663,000,000	6,333,752,768
Fairhaven Energy Storage, LLC	Power plants operation	U.S.A	35.00	1,505,424,479	-
Subtotal				602,739,791,774	857,456,004,252
Total				₩ 985,749,435,768	₩ 1,314,572,433,868

(*1) Although the Group holds less than 20% of the equity shares 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% 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 prior period.

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

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

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2025	
				Acquisition cost	Book value
<Associates>					
Korea Offshore Wind Power Co., Ltd. (*1)	Power plants operation	Republic of Korea	12.50	₩ 26,600,000,000	₩ 26,667,586,053
KEPCO Solar Co., Ltd. (*1)	Resource development for solar energy	Republic of Korea	8.33	16,650,000,000	17,842,446,710
KEPCO ES Co., Ltd. (*1)	Investment in facilities for energy efficiency	Republic of Korea	8.33	25,000,000,000	26,075,239,900
GS Donghae Electric Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	204,000,000,000	286,796,230,122
Guam Ukudu Power LLC	Power plants operation	U.S.A(Guam)	40.00	83,333,990,114	51,567,081,303
KPE Green Energy Co., Ltd.	Power plants operation	Republic of Korea	25.36	3,910,000,000	9,095,731,408
Taebaek Gadeoksan Wind Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	12,570,000,000	26,456,133,706
Goheungsin Energy Co., Ltd.(*1)	Power plants operation	Republic of Korea	14.10	3,959,280,000	5,572,221,916
Yanggu Floating Solar Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	903,700,000	850,996,581
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	2,480,124,397
Subtotal				383,009,643,994	455,796,465,976
<Joint ventures>					
Busan Shinho Solar Power Co., Ltd.	Power plants operation	Republic of Korea	25.00	2,100,000,000	6,260,484,805
Honam Wind Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,480,000,000	4,898,342,750
Dangjin Eco Power Corporation	Power plants operation	Republic of Korea	34.00	25,661,385,206	27,149,701,931
Seokmun Energy Co., Ltd.	Power plants operation	Republic of Korea	29.00	15,370,000,000	14,564,800,775
Chuncheon Energy Co., Ltd.(*6)	Power plants operation	Republic of Korea	29.90	52,699,945,000	36,702,833,904
Yeonggwang Baeksu Wind Power Co., Ltd. (*2)	Power plants operation	Republic of Korea	15.00	3,000,000,000	3,835,191,561
Yeonggwang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	46.00	17,475,000,000	29,257,629,965
Yangyang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	50.00	12,000,000,000	15,130,858,058
Jamaica Public Service Company Limited	Power plants operation	Jamaica	40.00	301,909,577,842	412,277,145,455
South Jamaica Power Company Limited	Power plants operation	Jamaica	20.00	20,430,019,000	48,675,062,353
PT.Tanjung Power Indonesia	Power plants operation	Indonesia	35.00	57,039,359,594	98,221,377,333
Daesan Green Energy Co., Ltd.	Power plants operation	Republic of Korea	35.00	17,850,000,000	21,755,071,973
Busan Industry Solar Co., Ltd.	Power plants operation	Republic of Korea	28.02	510,000,000	1,351,121,148
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	14,324,746,500	15,022,984,689
Cheongju Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	5,858,000,000	11,017,192,597

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

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2025	
				Acquisition cost	Book value
Columboola Solar Farm Hold Co Pty., Ltd.(*4)	Power plants operation	Australia	48.51	₩ 38,538,334,153	₩ 51,853,149,736
Seokmun Green Energy Co., Ltd.	Power plants operation	Republic of Korea	33.00	8,972,700,000	12,457,030,622
Geumyang Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,663,000,000	6,873,774,928
Fairhaven Energy Storage, LLC	Power plants operation	U.S.A	35.00	1,505,424,479	-
Subtotal				602,739,791,774	817,303,754,583
Total				₩ 985,749,435,768	₩ 1,273,100,220,559

(*1) Although the Group holds less than 20% of the equity shares 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% 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 prior period.
(*7) Newly acquired in 2025.

There are no associates or joint ventures for which published market prices exist as of March 31, 2026.

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

Changes in investments in associates and joint ventures for the three months ended March 31, 2026 are as follows (Korean won):

	2026					
	Jan. 1	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Mar. 31
<Associates>						
Korea Offshore Wind Power Co., Ltd.	₩ 26,667,586,053	₩ -	₩ 332,741,029	₩ -	₩ -	₩ 27,000,327,082
KEPCO Solar Co., Ltd.	17,842,446,710	(292,374,000)	109,572,357	-	-	17,659,645,067
KEPCO ES Co., Ltd.	26,075,239,900	(263,333,333)	152,645,296	-	-	25,964,551,863
GS Donghae Electric Power Co., Ltd.	286,796,230,122		4,038,288,107	-	-	290,834,518,229
Guam Ukudu Power LLC.	51,567,081,303	-	(7,611,578,257)	2,570,504,413	-	46,526,007,459
KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd)	9,095,731,408	-	836,788,888	-	-	9,932,520,296
Taebaek Gadeoksan Wind Power Co., Ltd.	26,456,133,706	(5,508,000,000)	982,550,113	-	-	21,930,683,819
Goheungsin Energy Co., Ltd.	5,572,221,916	(932,806,368)	481,330,936	-	-	5,120,746,484
Yanggu Floating Power Co., Ltd.	850,996,581	-	23,018,250	-	-	874,014,831
Hoenggye Renewable Energy Co., Ltd.	2,374,782,880	-	-	-	-	2,374,782,880
Amaala Sustainable Company for Energy LLC	17,891,000	-	883,238,942	6,656,131,641	-	7,557,261,583
Jeju Bukchon BESS Power Plant Co., Ltd.	2,480,124,397	-	(1,138,754,374)	-	-	1,341,370,023
Subtotal	455,796,465,976	(6,996,513,701)	(910,158,713)	9,226,636,054	-	457,116,429,616
<Joint ventures>						
Busan Shinho Solar Power Co., Ltd.	6,260,484,805	(1,125,000,000)	40,757,210	-	-	5,176,242,015
Honam Wind Power Co., Ltd.	4,898,342,750	(435,000,000)	216,141,104	-	-	4,679,483,854
Dangjin Eco Power Corporation	27,149,701,931	-	53,079,603	(1,287,972)	-	27,201,493,562
Seokmun Energy Co., Ltd.	14,564,800,775	-	(1,039,980,230)	-	-	13,524,820,545
Chuncheon Energy Co., Ltd.	36,702,833,904	-	817,427,512	-	-	37,520,261,416
Yeonggwang Baeksu Wind Power Co., Ltd.	3,835,191,561	-	51,863,966	-	-	3,887,055,527
Yeonggwang Wind Power Co., Ltd.	29,257,629,965	-	809,969,299	-	-	30,067,599,264
Yangyang Wind Power Co., Ltd.	15,130,858,058	-	1,081,474,431	-	-	16,212,332,489
Jamaica Public Service Company Limited	412,277,145,455	-	2,871,174,807	22,649,244,431	-	437,797,564,693
South Jamaica Power Company Limited	48,675,062,353	(329,453,040)	1,083,339,304	2,680,543,094	-	52,109,491,711
PT.Tanjung Power Indonesia	98,221,377,333	-	2,083,527,848	6,230,223,882	(851,024,614)	105,684,104,449
Daesan Green Energy Co., Ltd.	21,755,071,973	-	1,162,842,682	--	-	22,917,914,655
Busan Industry Solar Co., Ltd.	1,351,121,148	-	(57,561,269)	-	-	1,293,559,879
Light Solar Energy Co., Ltd.	-	-	-	-	-	-
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	15,022,984,689	-	548,309,733	3,877,802	-	15,575,172,224
Cheongju Eco Park Co., Ltd.	11,017,192,597	-	(609,303,145)	-	-	10,407,889,452

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

	2026					
	Jan. 1	Dividend received	Share of profit (loss)	Changes in equity adjustments in equity method	Others	Mar. 31
Columboola Solar Farm Hold Co Pty., Ltd.	₩ 51,853,149,736	₩ -	₩ (1,680,084,957)	₩ 4,010,210,789	₩ -	₩ 54,183,275,568
Seokmun Green Energy Co., Ltd.	12,457,030,622	-	426,959,559	-	-	12,883,990,181
Geumyang Eco Park Co., Ltd	6,873,774,928	-	(540,022,160)	-	-	6,333,752,768
Fairhaven Energy Storage, LLC	-	-	-	-	-	-
Subtotal	817,303,754,583	(1,889,453,040)	7,319,915,297	35,572,812,026	(851,024,614)	857,456,004,252
Total	₩ 1,273,100,220,559	₩ (8,885,966,741)	₩ 6,409,756,584	₩ 44,799,448,080	₩ (851,024,614)	₩ 1,314,572,433,868

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

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

	2025							
	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.	₩ 24,862,903,825	₩ -	₩ -	₩ -	₩ 1,804,682,228	₩ -	₩ -	₩ 26,667,586,053
KEPCO Solar Co., Ltd.	17,591,986,418	-	-	(336,080,250)	584,704,746	-	1,835,796	17,842,446,710
KEPCO ES Co., Ltd.	26,058,687,158	-	-	(508,333,333)	526,700,292	-	(1,814,217)	26,075,239,900
GS Donghae Electric Power Co., Ltd.	279,432,019,874	-	-	(12,028,520,000)	19,674,582,794	-	(281,852,546)	286,796,230,122
Guam Ukudu Power LLC.(*1)	-	81,754,370,017	-	-	(27,525,630,992)	(2,661,657,722)	-	51,567,081,303
KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd)	8,229,844,886	-	-	-	865,886,522	-	-	9,095,731,408
Taebaek Gadeoksan Wind Power Co., Ltd.	22,908,062,403	-	-	(2,890,000,000)	6,438,086,017	-	(14,714)	26,456,133,706
Goheungsin Energy Co., Ltd.	4,817,594,346	-	-	-	754,627,570	-	-	5,572,221,916
Yanggu Floating Power Co., Ltd.	846,105,265	-	-	-	4,891,316	-	-	850,996,581
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 BESS Power Plant Co., Ltd.(*2)	-	3,690,000,000	-	-	(1,156,739,615)	(53,135,988)	-	2,480,124,397
Subtotal	387,139,878,055	85,444,370,017	-	(15,762,933,583)	1,971,790,878	(2,714,793,710)	(281,845,681)	455,796,465,976
<Joint ventures>								
Busan Shinho Solar Power Co., Ltd.	6,993,042,983	-	-	(1,250,000,000)	517,441,822	-	-	6,260,484,805
Honam Wind Power Co., Ltd.	4,833,222,781	-	-	(435,000,000)	500,119,969	-	-	4,898,342,750
Dangjin Eco Power Corporation	26,867,391,908	-	-	-	263,182,405	17,594,167	1,533,451	27,149,701,931
Seokmun Energy Co., Ltd.	15,455,862,082	-	-	-	(891,061,307)	-	-	14,564,800,775
Chuncheon Energy Co., Ltd.	36,598,612,439	-	-	-	104,221,465	-	-	36,702,833,904
Yeonggwang Baeksu Wind Power Co., Ltd.	3,729,607,830	-	-	-	105,583,731	-	-	3,835,191,561
Yeonggwang Wind Power Co., Ltd.	26,146,093,646	-	-	-	3,111,536,319	-	-	29,257,629,965
Yangyang Wind Power Co., Ltd.	11,639,622,321	-	-	-	3,491,235,737	-	-	15,130,858,058
Jamaica Public Service Company Limited	412,616,416,779	-	-	(9,699,648,000)	14,192,801,367	(5,435,445,971)	603,021,280	412,277,145,455
South Jamaica Power Company Limited	48,761,339,130	-	-	(3,617,539,170)	4,568,455,084	(1,037,192,691)	-	48,675,062,353
PT.Tanjung Power Indonesia	100,579,334,520	-	-	(4,784,850,000)	7,201,934,347	(4,227,657,883)	(547,383,651)	98,221,377,333
DE Energia SpA (*3)	11,061,772,720	-	(9,408,825,639)	(1,652,947,081)	-	-	-	-
Daesan Green Energy Co., Ltd.	25,330,883,475	-	-	-	(3,574,555,083)	-	(1,256,419)	21,755,071,973
Busan Industry Solar Co., Ltd.	1,159,740,445	-	-	-	191,380,703	-	-	1,351,121,148
Light Solar Energy Co., Ltd.	-	-	-	-	-	-	-	-
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity (*4)	15,495,832,901	-	(522,994,500)	(904,957,750)	955,104,038	-	-	15,022,984,689
Cheongju Eco Park Co., Ltd.	10,636,229,347	-	-	-	380,963,250	-	-	11,017,192,597

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

	2025							
	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.	₩ 65,439,689,465	₩ -	₩ -	₩ (474,639,400)	₩ (15,722,606,032)	₩ 2,610,705,703	₩ -	₩ 51,853,149,736
Seokmun Green Energy Co., Ltd.	12,744,712,892	-	-	-	(287,682,270)	-	-	12,457,030,622
Geumyang Eco Park Co., Ltd	3,841,293,863	-	-	-	3,032,481,065	-	-	6,873,774,928
Fairhaven Energy Storage, LLC	-	-	-	-	-	-	-	-
Subtotal	839,930,701,527	-	(9,931,820,139)	(22,819,581,401)	18,140,536,610	(8,071,996,675)	55,914,661	817,303,754,583
Total	₩ 1,227,070,579,582	₩ 85,444,370,017	₩ (9,931,820,139)	₩ (38,582,514,984)	₩ 20,112,327,488	₩ (10,786,790,385)	₩ (225,931,020)	₩ 1,273,100,220,559

(*1) Additional capital contribution in 2025.
(*2) Newly acquired in 2025.
(*3) The investee was liquidated in 2025. 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.
(*4) A portion of the principal was settled in 2025

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

The summary of associates and joint ventures' financial information as of March 31, 2026 and for the three months then ended, is as follows (Korean won):

	Mar. 31, 2026			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 345,042,783,638	₩ 129,040,166,981	₩ 11,687,607,503	₩ 2,569,522,530
KEPCO Solar Co., Ltd.	244,091,269,031	31,963,400,353	5,349,543,559	1,316,184,478
KEPCO ES Co., Ltd.	338,185,805,502	26,611,183,143	2,152,998,990	1,831,743,556
GS Donghae Electric Power Co., Ltd.	1,807,723,758,962	952,328,117,112	135,819,533,612	11,877,317,961
Guam Ukudu Power LLC.	947,123,859,874	830,808,841,228	13,704,434,132	(28,003,542,525)
KPE Green Energy Co., Ltd	133,944,769,048	94,945,880,710	9,582,419,326	3,160,389,603
Taebaek Gadeoksan Wind Power Co., Ltd.	189,574,086,665	125,072,403,844	9,620,517,194	7,254,797,567
Goheungsin Energy Co., Ltd..	168,735,269,565	134,766,770,391	7,035,555,440	1,523,293,550
Yanggu Floating Power Co., Ltd.	14,914,015,174	11,900,177,599	582,306,687	85,051,846
Hoenggye Renewable Energy Co., Ltd.	92,071,700,630	91,117,145,901	1,236,568,302	(1,465,166,496)
Amaala Sustainable Company for Energy LLC	2,112,818,419,862	2,037,245,804,029	-	-
Jeju Bukchon BESS Power Plant Co., Ltd.	79,562,984,684	76,291,350,481	-	(2,934,679,870)
<Joint ventures>				
Busan Shinho Solar Power Co., Ltd.	21,632,079,290	927,111,232	1,142,030,644	163,028,840
Honam Wind Power Co., Ltd.	26,567,570,379	10,542,059,051	1,997,181,753	745,314,151
Dangjin Eco Power Corporation	90,458,702,068	11,458,174,208	905,082,930	249,530,326
Seokmun Energy Co., Ltd.	184,920,109,677	138,282,797,455	9,380,083,217	(3,470,439,859)
Chuncheon Energy Co., Ltd.	515,232,031,384	388,927,985,060	96,455,382,903	2,961,840,210
Yeonggwang Baeksu Wind Power Co., Ltd.	67,893,742,339	42,017,552,318	3,049,760,092	300,508,287
Yeonggwang Wind Power Co., Ltd.	208,437,220,615	144,142,761,419	8,718,584,436	2,571,554,175
Yangyang Wind Power Co., Ltd.	152,184,748,627	119,846,337,474	7,002,658,566	3,819,412,848
Jamaica Public Service Company Limited(*)	2,902,025,124,493	1,847,257,051,897	352,280,140,080	9,371,163,360
South Jamaica Power Company Limited	538,626,627,000	278,063,020,466	75,621,303,080	5,932,432,840
PT.Tanjung Power Indonesia	756,244,630,047	454,290,046,556	28,362,916,633	5,850,838,182
Daesan Green Energy Co., Ltd.	206,121,582,967	140,641,826,811	25,288,551,860	1,629,287,214
Busan Industry Solar Co., Ltd.	17,531,850,070	13,951,674,134	240,850,467	(246,385,698)
Light Solar Energy Co., Ltd.	63,965,211,701	70,195,942,521	1,605,473,230	(323,720,280)
Shinhan BNPP East&West Sunlight Dream Special asset investment trust for professional investment type private equity	17,316,326,254	10,579,339	625,876,835	613,541,706
Cheongju Eco Park Co., Ltd.	136,067,668,517	100,851,154,364	8,347,515,002	(1,074,188,389)
Columboola Solar Farm Hold Co Pty., Ltd.	374,623,729,781	268,089,422,427	5,570,380,450	(2,168,856,105)
Seokmun Green Energy Co., Ltd.	137,117,025,608	98,074,631,122	9,888,423,147	1,289,599,127
Geumyang Eco Park Co., Ltd.	139,425,412,191	117,779,563,174	8,578,689,423	(829,433,798)
Fairhaven Energy Storage, LLC	2,153,568,200	-	-	-

(*) The summarized financial information reflects the fair value adjustments made on the acquisition date.

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

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

	Dec. 31, 2025			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 342,348,935,673	₩ 129,008,247,247	₩ 43,561,949,224	₩ 8,116,228,999
KEPCO Solar Co., Ltd.	243,086,913,741	28,763,229,541	23,412,287,692	7,023,480,441
KEPCO ES Co., Ltd.	336,045,139,993	23,142,261,190	9,516,150,198	6,320,403,499
GS Donghae Electric Power Co., Ltd.	1,794,219,855,781	950,701,531,892	544,701,410,010	57,866,419,983
Guam Ukudu Power LLC.	922,686,840,716	793,769,137,458	31,800,516,356	(34,266,261,097)
KPE Green Energy Co., Ltd.	132,728,403,930	97,029,588,391	35,619,745,347	3,392,470,315
Taebaek Gadeoksan Wind Power Co., Ltd.	187,427,241,981	109,615,480,203	35,363,358,608	22,389,622,683
Goheungsin Energy Co., Ltd..	172,504,738,865	135,334,286,271	29,501,172,986	4,992,756,475
Yanggu Floating Power Co., Ltd.	14,940,925,394	12,006,460,919	2,017,745,008	16,973,666
Hoenggye Renewable Energy Co., Ltd.	87,568,250,749	84,837,864,480	85,288,124	(52,624,316)
Amaala Sustainable Company for Energy LLC	2,004,264,567,304	1,932,574,773,828	947,226,305,691	4,539,086,801
Jeju Bukchon BESS Power Plant Co., Ltd.	71,423,925,286	65,374,841,390	-	(2,646,003,922)
<Joint ventures>				
Busan Shinho Solar Power Co., Ltd.	25,970,357,708	928,418,490	5,980,107,217	2,069,767,286
Honam Wind Power Co., Ltd.	26,339,611,385	9,559,414,208	6,338,906,913	1,724,551,616
Dangjin Eco Power Corporation	90,477,440,558	11,629,241,027	3,642,260,321	767,373,052
Seokmun Energy Co., Ltd.	187,425,768,237	137,202,317,292	49,595,448,125	(3,034,177,632)
Chuncheon Energy Co., Ltd.	499,150,061,985	375,579,886,938	363,994,921,885	324,509,504
Yeonggwang Baeksu Wind Power Co., Ltd.	67,345,139,264	41,814,709,019	11,160,775,792	1,003,850,766
Yeonggwang Wind Power Co., Ltd.	210,261,912,169	147,728,255,798	31,231,781,170	7,663,927,716
Yangyang Wind Power Co., Ltd.	147,912,881,204	117,737,418,913	20,896,269,460	6,051,605,958
Jamaica Public Service Company Limited (*)	2,903,069,300,833	1,910,041,698,528	1,530,704,097,160	41,735,045,900
South Jamaica Power Company Limited	522,504,486,000	279,113,863,851	287,407,906,480	22,842,275,420
PT.Tanjung Power Indonesia	695,406,381,753	414,773,875,703	105,871,005,791	20,516,114,845
Daesan Green Energy Co., Ltd.	205,850,582,330	143,693,233,836	76,220,010,865	(8,563,478,279)
Busan Industry Solar Co., Ltd.	18,059,531,521	14,273,940,863	2,461,105,327	542,083,026
Light Solar Energy Co., Ltd.	64,606,194,417	70,583,041,257	8,299,829,682	324,768
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	17,254,627,347	562,422,138	1,109,122,545	1,061,226,709
Cheongju Eco Park Co., Ltd.	136,936,693,109	99,619,133,629	36,505,235,327	1,313,666,380
Columboola Solar Farm Hold Co Pty., Ltd.	348,779,452,729	247,898,571,276	12,209,981,726	(22,288,455,032)
Seokmun Green Energy Co., Ltd.	138,283,982,030	100,535,404,389	38,640,733,963	(871,764,455)
Geumyang Eco Park Co., Ltd.	143,280,607,086	119,772,612,689	38,929,146,322	6,128,289,658
Fairhaven Energy Storage, LLC	2,041,862,700	-	-	-

(*) The summarized financial information reflects the fair value adjustments made on the acquisition date.

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

The agreements that have occurred regarding the investments in associates and joint ventures but are not recognized as of March 31, 2026 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 March 31, 2026, 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 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 to investors are permitted only if all conditions under the loan agreement between Seokmun Energy Co., Ltd. and the financial institution are met and the prior written consent of the financial institutions is obtained. No principal or interest on subordinated borrowings may be paid without the prior written consent of the financial institutions.
Chuncheon Energy Co., Ltd.	Dividends to investors are permitted only if all conditions under the loan agreement between Chuncheon Energy Co., Ltd. and a financial institution are met. In addition, payments of principal and interest on subordinated loans are not permitted until the payment conditions are satisfied.
Yeonggwang Baeksu 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 Yeonggwangv Baeksu 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 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 and 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 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 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, where permitted under other financing agreements, 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 March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 871,943,356,341	₩ -	₩ -	₩ 871,943,356,341
Buildings	1,703,603,277,673	(125,090,167)	(819,620,340,868)	883,857,846,638
Structures	1,453,297,943,123	-	(884,540,144,366)	568,757,798,757
Machinery	9,481,176,884,849	(3,490,133,096)	(6,130,381,023,394)	3,347,305,728,359
Vehicles	18,033,832,600	-	(15,846,953,491)	2,186,879,109
Furniture and fixtures	174,944,329,986	-	(151,397,355,958)	23,546,974,028
Tools and equipment	23,376,223,085	-	(22,367,948,460)	1,008,274,625
Construction-in-progress	1,175,861,759,179	-	-	1,175,861,759,179
Right-of-use assets	1,124,507,451,761	-	(705,155,786,612)	419,351,665,149
Total	₩ 16,026,745,058,597	₩ (3,615,223,263)	₩ (8,729,309,553,149)	₩ 7,293,820,282,185

	Dec. 31, 2025			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 871,653,725,517	₩ -	₩ -	₩ 871,653,725,517
Buildings	1,702,184,673,667	(127,107,750)	(803,439,321,005)	898,618,244,912
Structures	1,450,951,352,584	-	(873,325,949,298)	577,625,403,286
Machinery	9,484,270,781,951	(3,589,910,717)	(6,083,775,092,527)	3,396,905,778,707
Vehicles	18,072,198,699	-	(15,682,472,612)	2,389,726,087
Furniture and fixtures	173,543,717,460	-	(149,092,278,178)	24,451,439,282
Tools and equipment	23,356,895,312	-	(22,213,342,817)	1,143,552,495
Construction-in-progress	1,183,342,034,761	-	-	1,183,342,034,761
Right-of-use assets	1,101,957,536,346	-	(685,901,037,287)	416,056,499,059
Total	₩ 16,009,332,916,297	₩ (3,717,018,467)	₩ (8,633,429,493,724)	₩ 7,372,186,404,106

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

Changes in the net book value of property, plant and equipment for the three months ended March 31, 2026 are as follows (Korean won):

	For the three months ended Mar. 31, 2026							
						Others (*)		
	Jan. 1	Addition	Disposal	Retirements	Depreciation	Transfer	Others	Mar. 31
Land	₩ 871,653,725,517	₩ -	₩ (42,045,050)	₩ -	₩ -	₩ 295,241,983	₩ 36,433,891	₩ 871,943,356,341
Buildings	898,745,352,662	-	(98,923,338)	-	(14,958,504,749)	234,911,669	60,100,561	883,982,936,805
(Government grant)	(127,107,750)	-	-	-	2,017,583	-	-	(125,090,167)
Structures	577,625,403,286	-	-	-	(10,806,489,325)	1,924,366,006	14,518,790	568,757,798,757
Machinery	3,400,495,689,424	9,191,663,343	-	(132,640,578)	(146,559,315,479)	86,796,870,131	1,003,594,614	3,350,795,861,455
(Government grant)	(3,589,910,717)	-	-	-	99,777,621	-	-	(3,490,133,096)
Vehicles	2,389,726,087	-	(1,000)	-	(210,400,918)	7,554,940	-	2,186,879,109
Furniture and fixtures	24,451,439,282	9,285,911	-	(4,000)	(2,295,928,651)	1,381,519,257	662,229	23,546,974,028
Tools and equipment	1,143,552,495	15,800,000	-	(1,000)	(112,831,388)	(39,651,844)	1,406,362	1,008,274,625
Construction-in-progress	1,183,342,034,761	76,394,690,728	-	(22,592,295)	-	(90,477,807,883)	6,625,433,868	1,175,861,759,179
Right-of-use asset	416,056,499,059	22,580,463,095	-	-	(18,850,266,755)	(426,343,233)	(8,687,017)	419,351,665,149
Total	₩ 7,372,186,404,106	₩ 108,191,903,077	₩ (140,969,388)	₩ (155,237,873)	₩ (193,691,942,061)	₩ (303,338,974)	₩ 7,733,463,298	₩ 7,293,820,282,185

(*) Represents amounts from construction-in-progress, changes in exchange rates, etc.

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

	For the year ended Dec. 31, 2025							
						Others (*)		
	Jan. 1	Addition	Disposal	Retirements	Depreciation	Transfer	Others	Dec. 31
Land	₩ 870,642,306,442	₩ -	₩ (125,908,790)	₩ -	₩ -	₩ 1,153,618,688	₩ (16,290,823)	₩ 871,653,725,517
Buildings	653,934,488,467	-	(412,315,053)	(190,385)	(55,444,385,489)	300,697,827,794	(30,072,672)	898,745,352,662
(Government grant)	(135,178,083)	-	-	-	8,070,333	-	-	(127,107,750)
Structures	561,026,646,124	126,170,000	(220,577,925)	(400,412,906)	(41,862,622,628)	58,962,798,807	(6,598,186)	577,625,403,286
Machinery	3,174,439,165,235	13,748,234,035	(839,351)	(2,508,609,897)	(573,776,554,196)	789,109,142,760	(514,849,162)	3,400,495,689,424
(Government grant)	(3,989,021,364)	-	-	-	399,110,647	-	-	(3,589,910,717)
Vehicles	957,375,557	-	(1,000)	(3,000)	(931,364,165)	2,364,086,028	(367,333)	2,389,726,087
Furniture and fixtures	26,031,263,829	34,377,443	-	(12,799,354)	(9,925,070,291)	8,323,632,118	35,537	24,451,439,282
Tools and equipment	1,262,186,840	45,151,286	-	(38,992)	(493,227,317)	329,590,933	(110,255)	1,143,552,495
Construction-in-progress	1,610,619,595,556	799,613,598,601	-	-	-	(1,252,044,503,600)	25,153,344,204	1,183,342,034,761
Right-of-use asset	372,312,257,364	25,935,375,978	-	-	(69,549,982,458)	87,390,807,124	(31,958,949)	416,056,499,059
Total	₩ 7,267,101,085,967	₩ 839,502,907,343	₩ (759,642,119)	₩ (2,922,054,534)	₩ (751,576,025,564)	₩ (3,712,999,348)	₩ 24,553,132,361	₩ 7,372,186,404,106

(*) Represents amounts from construction-in-progress, changes in exchange rates, etc.

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

The Group recognized revenue of KRW 18,577,804,827 from the sale of goods and the cost of sales of KRW 26,515,738,126 as cost of sales related to the goods sold for the period ended March 31, 2026 before the tangible assets were capable of operating in the manner intended by management.

16. Goodwill

Details of goodwill as of Mach 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Acquisition cost	₩ 105,778,723,150	₩ 105,240,111,493
Accumulated impairment loss	-	-
Book value	₩ 105,778,723,150	₩ 105,240,111,493

Changes in goodwill for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows (Korean won):

	For the 3 months ended Mar. 31, 2026	For the year ended Dec. 31, 2025
Jan. 1	₩ 105,240,111,493	₩ 105,480,942,947
Effect on exchange rates change	538,611,657	(240,831,454)
Mar. 31, 2026/Dec. 31, 2025	₩ 105,778,723,150	₩ 105,240,111,493

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 a separate CGU in the Group. Recoverable value was calculated based on the cash flows from the financial budget for 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.

In addition, the Group acquired a 100% equity interest in Eumseong Natural Gas Power Co., Ltd. to secure a stable power supply and generate profits through the diversification of power sources, and subsequently completed a merger by absorption with a merger date of December 23, 2019. As a result, goodwill was recognized. As goodwill does not generate independent cash inflows, it has been allocated to the cash-generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies arising from the business combination, and impairment testing has been performed.

The Group performs impairment testing for CGUs to which goodwill has been allocated on an annual basis and whenever there is an indication of impairment by estimating the recoverable amount. The recoverable amount has been determined based on value in use. Value in use was calculated based on estimated future cash flows for 30 years after the completion of construction, taking into consideration the business period (30 years) of the power generation license. These estimated cash flowsare derived from electricity market simulations and other factors, incorporating reasonably possible changes in key assumptions, and the long-term projections are based on reasonable and supported premises.

17. Intangible assets excluding goodwill

Intangible assets as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Software	₩ 83,295,423,507	₩ (71,169,982,260)	₩ -	₩ 12,125,441,247
Industrial property rights	100,212,971	(98,039,863)	-	2,173,108
Intangible assets under development	55,512,000	-	-	55,512,000
Usable and profitable donated assets	225,429,427,625	(225,429,427,625)	-	-
Others	297,053,588,653	(52,558,473,540)	(117,935,800)	244,377,179,313
Total	₩ 605,934,164,756	₩ (349,255,923,288)	₩ (117,935,800)	₩ 256,560,305,668

	Dec. 31, 2025			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Software	₩ 82,899,114,519	₩ (69,955,235,577)	₩ -	₩ 12,943,878,942
Industrial property rights	100,212,971	(98,002,821)	-	2,210,150
Intangible assets under development	122,577,600	-	-	122,577,600
Usable and profitable donated assets	225,429,427,625	(225,429,427,625)	-	-
Others	296,034,987,323	(80,386,844,980)	(117,935,800)	215,530,206,543
Total	₩ 604,586,320,038	₩ (375,869,511,003)	₩ (117,935,800)	₩ 228,598,873,235

17. Intangible assets excluding goodwill (cont'd)

Changes in the net book value of intangible assets for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows (Korean won):

	2026		
	Jan. 1	Acquisition	Disposal
Software	₩ 12,943,878,942	₩ -	₩ -
Industrial property rights	2,210,150	-	-
Intangible assets under development	122,577,600	28,742,400	-
Others	215,530,206,543	1,018,601,330	-
Total	₩ 228,598,873,235	₩ 1,047,343,730	₩ -

	2026		
	Amortization	Others (*)	Mar.31
Software	₩ (1,212,084,670)	₩ 393,646,975	₩ 12,125,441,247
Industrial property rights	(37,042)	-	2,173,108
Intangible assets under development	-	(95,808,000)	55,512,000
Others	(1,389,611,893)	29,217,983,333	244,377,179,313
Total	₩ (2,601,733,605)	₩ 29,515,822,308	₩ 256,560,305,668

(*) Reclassification of computer software from construction-in-progress and intangible assets under development

	2025		
	Jan. 1	Acquisition	Disposal
Software	₩ 14,773,039,000	₩ -	₩ (2,000)
Industrial property rights	4,015,435	-	-
Intangible assets under development	-	67,065,600	-
Others	227,769,947,438	256,080,000	(104,750,000)
Total	₩ 242,547,001,873	₩ 323,145,600	₩ (104,752,000)

	2025		
	Amortization	Others (*)	Dec.31
Software	₩ (5,407,045,412)	₩ 3,577,887,354	₩ 12,943,878,942
Industrial property rights	(1,805,285)	-	2,210,150
Intangible assets under development	-	55,512,000	122,577,600
Others	(5,559,059,969)	(6,832,010,926)	215,530,206,543
Total	₩ (10,967,910,666)	₩ (3,198,611,572)	₩ 228,598,873,235

(*) It includes reclassifications of KRW 3,577,887,354 to computer software and KRW 55,512,000 to intangible assets under development from construction-in-progress, and KRW (-)6,871,760,926 transferred from greenhouse gas emission rights in other intangible assets to current non-financial assets.

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17. Intangible assets excluding goodwill (cont'd)

Key intangible assets as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

		Amount	
	Contents	Mar. 31, 2026	Dec. 31, 2025
Other intangible assets	Right to use public water surface	₩ 58,624,565,944	₩ 59,977,440,544
	Emission rights	11,956,200,001	10,937,598,671
	Business operation rights	172,434,000,000	143,216,016,667

18. Trade and other payables

Details of trade and other payables as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		Dec. 31, 2025	
	Current	Non-current	Current	Non-current
Trade payables	₩ 330,931,916,267	₩ -	₩ 214,179,042,269	₩ -
Non-trade payables	155,562,465,439	-	199,796,641,740	-
Accrued expenses	58,408,263,412	-	60,269,698,407	-
Leasehold deposits received	13,408,910	-	13,196,310	-
Other deposits	1,809,701,347	-	2,688,451,127	-
Lease liabilities	73,261,274,328	301,457,150,743	62,939,126,998	288,040,454,544
Dividend payables	260,855,333,395	-	-	-
Total	₩ 880,842,363,098	₩ 301,457,150,743	₩ 539,886,156,851	₩ 288,040,454,544

19. Lease

Details of right-of-use assets as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		
	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 4,994,133,306	₩ (1,294,213,119)	₩ 3,699,920,187
Buildings	12,598,456,485	(5,140,009,845)	7,458,446,640
Vessels	562,461,730,364	(336,389,581,606)	226,072,148,758
Power transmission facilities	488,365,326,839	(350,794,790,753)	137,570,536,086
Vehicles	636,325,064	(434,706,106)	201,618,958
Other right-of-use assets	55,451,479,703	(11,102,485,183)	44,348,994,520
Total	₩ 1,124,507,451,761	₩ (705,155,786,612)	₩ 419,351,665,149

	Dec. 31, 2025		
	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 5,007,244,100	₩ (1,212,559,230)	₩ 3,794,684,870
Buildings	12,443,626,982	(4,864,993,057)	7,578,633,925
Vessels	540,763,723,755	(324,457,222,103)	216,306,501,652
Power transmission facilities	488,406,010,128	(344,584,913,731)	143,821,096,397
Vehicles	645,251,573	(416,248,024)	229,003,549
Other right-of-use assets	54,691,679,808	(10,365,101,142)	44,326,578,666
Total	₩ 1,101,957,536,346	₩ (685,901,037,287)	₩ 416,056,499,059

Changes in right-of-use assets for the three months ended March 31, 2026 are as follows (Korean won):

	2026	
	Jan. 1	Acquisition
Land	₩ 3,794,684,870	₩ -
Buildings	7,578,633,925	122,656,592
Vessels	216,306,501,652	21,698,006,608
Power transmission facilities	143,821,096,397	-
Vehicles	229,003,549	-
Other right-of-use assets	44,326,578,666	759,799,895
Total	₩ 416,056,499,059	₩ 22,580,463,095

	2026		
	Depreciation	Others(*)	Mar.31
Land	₩ (62,282,677)	₩ (32,482,006)	₩ 3,699,920,187
Buildings	(253,494,624)	10,650,747	7,458,446,640
Vessels	(11,932,359,502)	-	226,072,148,758
Power transmission facilities	(5,832,958,120)	(417,602,191)	137,570,536,086
Vehicles	(29,888,047)	2,503,456	201,618,958
Other right-of-use assets	(739,283,785)	1,899,744	44,348,994,520
Total	₩ (18,850,266,755)	₩ (435,030,250)	₩ 419,351,665,149

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

19. Lease (cont'd)

Changes in right-of-use assets for the year ended December 31, 2025 are as follows (Korean won):

	2025	
	Jan. 1	Acquisition
Land	₩ 3,850,468,242	₩ 231,150,825
Buildings	8,452,971,569	362,934,069
Vessels	250,178,838,172	9,687,761,041
Power transmission facilities	77,730,461,771	-
Vehicles	108,232,142	244,184,238
Other right-of-use assets	31,991,285,468	15,394,121,291
Total	₩ 372,312,257,364	₩ 25,920,151,464

	2025		
	Depreciation	Others(*)	Dec.31
Land	₩ (262,355,517)	₩ (24,578,680)	₩ 3,794,684,870
Buildings	(1,236,941,211)	(330,502)	7,578,633,925
Vessels	(43,560,097,561)	-	216,306,501,652
Power transmission facilities	(21,294,999,290)	87,385,633,916	143,821,096,397
Vehicles	(114,425,621)	(8,987,210)	229,003,549
Other right-of-use assets	(3,081,163,258)	22,335,165	44,326,578,666
Total	₩ (69,549,982,458)	₩ 87,374,072,689	₩ 416,056,499,059

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

The table below summarizes the maturity profile of lease liabilities as of March 31, 2026 and December 31, 2025 (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Less than 1 year	₩ 74,336,301,325	₩ 63,823,831,727
1 to 5 years	197,662,113,665	181,938,423,375
Over 5 years	142,549,885,875	144,339,903,253
Sum of undiscounted lease payments	414,548,300,865	390,102,158,355
Adjustments (discount, etc.)	(39,829,875,794)	(39,122,576,813)
Sum of discounted lease payments	₩ 374,718,425,071	₩ 350,979,581,542

Details of lease liabilities by category as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Current	₩ 73,261,274,328	₩ 62,939,126,998
Non-current	301,457,150,743	288,040,454,544
Total	₩ 374,718,425,071	₩ 350,979,581,542

19. Lease (cont'd)

Changes in lease liabilities for the three months ended March 31, 2026 are as follows (Korean won):

		Mar. 31, 2026
Jan. 1, 2026	₩	350,979,581,542
Increases		22,580,463,095
Payments		(17,761,730,631)
Interest expenses		2,200,767,204
Fluctuation of exchange rates		16,803,807,873
Others		(84,464,012)
Mar. 31, 2026	₩	374,718,425,071

Changes in lease liabilities for the year ended December 31, 2025 are as follows (Korean won):

		Dec. 31, 2025
Jan. 1, 2025	₩	391,870,245,618
Increases		25,916,395,656
Payments		(70,772,607,110)
Interest expenses		11,248,957,678
Fluctuation of exchange rates		(7,283,410,300)
Dec. 31, 2025	₩	350,979,581,542

The amounts recognized in the consolidated statements of comprehensive income for the three months ended March 31, 2026 and 2025 related to leases are as follows (Korean won):

		For the three months ended March 31, 2026		For the three months ended March 31, 2025
Depreciation of right-of-use assets	₩	18,850,266,755	₩	17,121,640,507
Interest expenses of lease liabilities		2,200,767,204		3,279,034,225
Gain(loss) on foreign currency translation of long-term consecutive voyage charter		16,747,387,617		(740,514,417)
Total	₩	37,798,421,576	₩	19,660,160,315

Total cash outflows for lease payments of KRW 17,761,730,631 and KRW 19,276,867,040 are recognized in the consolidated statements of cash flows for the three months ended March 31, 2026, and 2025, respectively.

20. Borrowings and bonds payable

Details of borrowings and bonds payable as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Current liabilities:		
Current-portion of long-term borrowings	₩ 11,473,940,000	₩ 11,445,560,000
Current-portion of bonds payable	1,090,000,000,000	750,000,000,000
Less: discount on current portion of bonds payable	(628,589,850)	(355,715,148)
Subtotal	1,100,845,350,150	761,089,844,852
Non-current liabilities:		
Long-term borrowings	93,166,500,000	95,335,550,000
Less: discount on long-term borrowings	(101,875,562)	(117,548,724)
Bonds payable	2,727,910,000,000	3,016,885,000,000
Less: discount on bonds payable	(11,733,617,211)	(12,820,203,174)
Subtotal	2,809,241,007,227	3,099,282,798,102
Total	₩ 3,910,086,357,377	₩ 3,860,372,642,954

Details of long-term borrowings as of March 31, 2026 and December 31, 2025 are as follows (Korean Won):

Financial institution	Description	Annual interest rate (%)	Maturity	Mar. 31, 2026	Dec. 31, 2025
<Long-term borrowings denominated in Korean won>					
Korea Energy Agency	Renewable energy funds	1.75	2028.09.15	₩ 1,287,700,000	₩ 1,416,470,000
Korea Energy Agency	Renewable energy funds	1.75	2028.09.15	524,700,000	577,170,000
KDB Bank	Facility funds	Non-guaranteed bond rate+0.9	2029.09.30	6,989,500,000	7,488,750,000
Shinhan Bank	Facility funds	Non-guaranteed bond rate+0.9	2029.09.30	4,892,300,000	5,241,750,000
NH Property & Casualty Insurance Co., Ltd.	Facility funds	3.30	2029.09.30	13,978,300,000	14,976,750,000
KDB Bank	Project financing	4.94	2042.06.23	38,483,970,000	38,540,110,000
Woori Bank	Project financing	3M CD+1.9	2042.06.23	38,483,970,000	38,540,110,000
Subtotal				104,640,440,000	106,781,110,000
Less: current portion (₩)				(11,473,940,000)	(11,445,560,000)
Less: discount				(101,875,562)	(117,548,724)
Total				₩ 93,064,624,438	₩ 95,218,001,276

20. Borrowings and bonds payable (cont'd)

Details of bonds payable denominated in Korean won as of March 31, 2026 and December 31, 2025 are as follows (Korean won and USD):

Financial institution	Annual interest rate (%)	Maturity	Mar. 31, 2026		Dec. 31, 2025	
			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 #20-2	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 #22-3	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	-	170,000,000,000
Corporate bond #25-2	2.89	2028.03.07	-	60,000,000,000	-	60,000,000,000
Corporate bond #25-3	2.99	2030.03.07	-	40,000,000,000	-	40,000,000,000
Corporate bond #25-4	2.87	2027.03.19	-	170,000,000,000	-	170,000,000,000
Corporate bond #25-5	2.92	2028.03.21	-	50,000,000,000	-	50,000,000,000
Corporate bond #25-6	2.99	2030.03.21	-	10,000,000,000	-	10,000,000,000
Corporate bond #25-7	2.52	2026.04.17	-	180,000,000,000	-	180,000,000,000
Corporate bond #25-8	2.70	2028.04.17	-	100,000,000,000	-	100,000,000,000
Corporate bond #25-9	2.79	2030.04.17	-	70,000,000,000	-	70,000,000,000
Corporate bond #25-10	2.61	2027.04.28	-	160,000,000,000	-	160,000,000,000
Corporate bond #25-11	2.69	2028.04.28	-	100,000,000,000	-	100,000,000,000
Corporate bond #25-12	2.64	2027.06.23	-	90,000,000,000	-	90,000,000,000
Corporate bond #25-13	2.70	2028.06.23	-	40,000,000,000	-	40,000,000,000
Corporate bond #25-14	2.93	2030.06.21	-	40,000,000,000	-	40,000,000,000
Foreign currency corporate bonds #23-1	4.88	2028.07.12	350,000,000	529,690,000,000	350,000,000	502,215,000,000
Foreign currency corporate bonds #25-1	4.00	2031.05.04	300,000,000	454,020,000,000	300,000,000	430,470,000,000

20. Borrowings and bonds payable (cont'd)

Financial institution	Annual interest rate (%)	Maturity	Mar. 31, 2026 USD	Mar. 31, 2026 KRW	Dec. 31, 2025 USD	Dec. 31, 2025 KRW
Yeongdeok Sunrise #1st registered non-guaranteed bonds	10.00	2043.12.20	-	4,200,000,000	-	4,200,000,000
Subtotal			$ 650,000,000	₩ 3,817,910,000,000	$ 650,000,000	₩ 3,766,885,000,000
Less: discount on bonds				(12,362,207,061)		(13,175,918,322)
Less: current portion				(1,090,000,000,000)		(750,000,000,000)
Add: discount on current portion of bonds				628,589,850		355,715,148
Total				₩ 2,716,176,382,789		₩ 3,004,064,796,826

The table below summarizes the maturity profile of borrowings and bonds payable based on the contractual undiscounted repayment schedules as of March 31, 2026 (Korean Won).

	Borrowings	Bonds payable	Total
Within the next 12 months	₩ 11,473,940,000	₩1,090,000,000,000	₩1,101,473,940,000
Between 1 and 5 years	34,414,364,438	1,629,690,000,000	1,664,104,364,438
Beyond 5 years	58,650,260,000	1,098,220,000,000	1,156,870,260,000
Total	₩ 104,538,564,438	₩3,817,910,000,000	₩3,922,448,564,438

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 three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Cost of sales	₩ 1,548,206,007	₩ 2,060,762,881
Selling and administrative expenses and others	2,094,004,460	1,939,270,278
Total	₩ 3,642,210,467	₩ 4,000,033,159

The components of the defined benefits liability (assets) as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Present value of defined benefit obligation	₩ 159,651,110,625	₩ 161,713,507,365
Fair value of plan assets	(119,426,871,150)	131,469,956,889)
Total	₩ 40,224,239,475	₩ 30,243,550,476

21. Pension benefits (cont'd)

Changes in the present value of the defined benefit obligation for the three months ended March 31, 2026 and the year ended December 31, 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the year ended Dec. 31, 2025
Jan. 1	₩ 161,713,507,365	₩ 157,210,078,922
Current service costs	3,484,901,954	14,708,515,040
Interest costs	1,315,434,742	5,146,260,316
Benefits paid	(15,107,625,730)	(21,030,391,298)
Re-measurement of the defined benefit obligation	8,244,892,294	5,523,973,557
Others	-	155,070,828
Mar. 31, 2026/Dec. 31, 2025	₩ 159,651,110,625	₩ 161,713,507,365

Changes in the fair value of plan assets for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the year ended Dec. 31, 2025
Jan. 1	₩ 131,469,956,889	₩ 122,793,107,430
Interest income on plan assets	1,131,511,315	4,165,858,054
Re-measurement of plan assets	(645,848,624)	(740,615,456)
Contribution by employer	-	21,773,229,555
Benefits paid	(12,528,748,430)	(16,521,622,694)
Mar. 31, 2026/Dec. 31, 2025	₩ 119,426,871,150	₩ 131,469,956,889

As of March 31, 2026 and December 31, 2025, re-measurements of the defined benefit liability of KRW (-)6,740,036,583 and KRW (-)4,660,402,237, 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 March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Equity instruments	₩ 960,967	₩ -
Debt instruments	32,378,454,339	35,227,500,430
Deposit	55,214,167,740	67,812,742,347
Others	31,833,288,104	28,429,714,112
Total	₩ 119,426,871,150	₩ 131,469,956,889

Details of costs related to the defined benefit plan recognized in profit or loss for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Current service costs	₩ 3,484,901,954	₩ 3,518,912,432
Interest costs	183,923,427	241,798,039
Total	₩ 3,668,825,381	₩ 3,760,710,471

21. Pension benefits (cont'd)

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

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Cost of sales	₩ 3,801,353,678	₩ 3,044,177,321
Selling and administrative expenses and others	(156,846,706)	716,533,150
Construction-in-progress	24,318,409	-
Total	₩ 3,668,825,381	₩ 3,760,710,471

Details of change in re-measurement gain (loss) in other comprehensive income for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the year ended Dec. 31, 2025
Actuarial gains and losses from changes in financial assumptions	₩ 12,446,877,263	₩ 4,380,943,581
Return on plan assets	646,219,180	740,615,456
Experience adjustments and others	(4,201,984,969)	1,143,029,976
Total	₩ 8,891,111,474	₩ 6,264,589,013

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

	Mar. 31, 2026	Dec. 31, 2025
Discount rate	4.06 ~ 4.60	3.38 ~ 4.60
Future salary increases	2.00 ~ 6.45	2.00 ~ 6.45

22. Provisions

Details of provisions as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	
	Current	Non-current
Provision for employee bonuses	₩ 35,453,625,959	₩ -
Provision for financial guarantees	527,378,038	632,743,424
Provision for lawsuit	400,000,000	-
Provision for decommissioning cost (*1)(*2)	-	7,110,298,595
Provision for emission obligations	19,277,458,252	-
Total	₩ 55,658,462,249	₩ 7,743,042,019

	Dec. 31, 2025	
	Current	Non-current
Provision for employee bonuses	₩ 35,743,529,215	₩ -
Provision for financial guarantees	530,334,868	761,582,583
Provision for lawsuit	400,000,000	-
Provision for decommissioning cost (*1)(*2)	-	7,051,927,834
Provision for emission obligations	20,944,072,013	-
Total	₩ 57,617,936,096	₩ 7,813,510,417

(*1) 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 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 Sunrise 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.

22. Provisions (cont'd)

Changes in provisions for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows (Korean won):

	2026					
	Jan. 1	Recognition	Utilization	Reversal	Others	Mar. 31
Provision for employee bonuses	₩ 35,743,529,215	₩ 11,414,437,304	₩ (11,704,340,560)	₩ -	₩ -	₩ 35,453,625,959
Provision for financial guarantees	1,291,917,451	29,182,032	-	(160,978,021)	-	1,160,121,462
Provision for lawsuit	400,000,000	-	-	-	-	400,000,000
Provision for decommissioning cost	7,051,927,834	58,370,761	-	-	-	7,110,298,595
Provision for emission obligations	20,944,072,013	-	-	(1,666,613,761)	-	19,277,458,252
Total	₩ 65,431,446,513	₩ 11,501,990,097	₩ (11,704,340,560)	₩ (1,827,591,782)	₩ -	₩ 63,401,504,268

	2025					
	Jan. 1	Recognition	Utilization	Reversal	Others(*)	Dec. 31
Provision for employee bonuses	₩ 40,658,911,823	₩ 53,298,945,012	₩ (58,214,327,620)	₩ -	₩ -	₩ 35,743,529,215
Provision for financial guarantees	3,017,297,210	-	-	(1,725,379,759)	-	1,291,917,451
Provision for lawsuit	400,000,000	-	-	-	-	400,000,000
Provision for decommissioning cost	7,122,808,905	209,114,295	-	(279,995,366)	-	7,051,927,834
Provision for emission obligations	6,036,642,089	24,601,346,908	-	(5,511,753,730)	(4,182,163,254)	20,944,072,013
Total	₩ 57,235,660,027	₩ 78,109,406,215	₩ (58,214,327,620)	₩ (7,517,128,855)	₩ (4,182,163,254)	₩ 65,431,446,513

(*) 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 March 31, 2026 are as follows (tCO2-eq in unit):

	2021	2022	2023	2024	2025	2021-2025 Total
Allocated emissions	27,305,944	22,154,950	24,850,635	19,300,218	19,916,555	113,528,302

The quantity of greenhouse gas emission estimated by the Group in 2025 was 26,285,741 tCO2-eq, which exceeds the allocated emission allowances as of March 31, 2026. 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 three months ended March 31, 2026 are as follows (tCO2-eq in unit, KRW):

	The 3rd planned period		
	2025		
	Quantity		Amount
Beginning balances & free allocation(*)	20,655,473	₩	18,718,854,618
Purchase(sell)	1,008,585		13,567,035,578
Deliver to the	-		-
Borrowing (carrying forward)	-		-
Ending balances	21,664,058	₩	32,285,890,196

(*) It includes the allocation and cancellation of free share allotment for the three months ended March 31, 2026.

Changes in quantities and book values of emission allowances for the year ended December 31, 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(*)	21,984,231	₩ 31,102,624,051	20,567,081	₩ 17,810,098,671	42,551,312	₩ 48,912,722,722
Purchase(sell)	3,207,224	27,865,508,566	2,954,792	29,940,683,772	6,162,016	57,806,192,338
Deliver to the	(20,252,356)	(13,690,566,453)	(7,805,499)	(74,309,493,989)	(28,057,855)	(88,000,060,442)
Borrowing (carrying forward)	(4,939,099)	(45,277,566,164)	4,939,099	45,277,566,164	-	-
Ending balances	-	₩ -	20,655,473	₩ 18,718,854,618	20,655,473	₩ 18,718,854,618

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

There are no emission allowances of the Group provided as collateral or held for short-term trading gains as of March 31, 2026.

23. Government grants

Details of government grants as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Buildings	₩ 125,090,167	₩ 127,107,750
Machinery	3,490,133,096	3,589,910,717
Total	₩ 3,615,223,263	₩ 3,717,018,467

Changes in government grants for the three months ended March 31, 2026 are as follows (Korean won):

	2026			
	Jan. 1	Amortization	Others	Mar. 31
Buildings	₩ 127,107,750	₩ (2,017,583)	₩ -	₩ 125,090,167
Machinery	3,589,910,717	(99,777,621)	-	3,490,133,096
Total	₩ 3,717,018,467	₩ (101,795,204)	₩ -	₩ 3,615,223,263

Changes in government grants for the year ended December 31, 2025 are as follows (Korean won):

	2025			
	Jan. 1	Offset the items of depreciation	Others	Dec. 31
Buildings	₩ 135,178,083	₩ (8,070,333)	₩ -	₩ 127,107,750
Machinery	3,989,021,364	(399,110,647)	-	3,589,910,717
Total	₩ 4,124,199,447	₩ (407,180,980)	₩ -	₩ 3,717,018,467

24. Non-financial liabilities

Details of non-financial liabilities as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		Dec. 31, 2025	
	Current	Non-current	Current	Non-current
Unearned revenue	₩ 2,439,164,538	₩ -	₩ 1,363,420,294	₩ -
Withholdings	540,035,493	-	3,964,692,616	-
Others	28,381,482,328	1,368,940,763	36,353,497,719	1,356,511,503
Total	₩ 31,360,682,359	₩ 1,368,940,763	₩ 41,681,610,629	₩ 1,356,511,503

25. Issued capital

Details of issued capital as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

				Mar. 31, 2026		
				Owned by		
Share class	Number of shares authorized (in shares)	Number of shares issued (in shares)	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, 2025		
				Owned by		
Share class	Number of shares authorized (in shares)	Number of shares issued (in shares)	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 have been no changes in the number of shares issued and outstanding during the three months ended March 31, 2026 and the year ended December 31, 2025.

Details of share premium as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Share premium	₩ 1,928,937,669,310	₩ 1,928,937,669,310

26. Retained earnings and dividends

Details of retained earnings as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Legal reserves (*)	₩ 157,834,482,040	₩ 131,784,482,040
Voluntary reserves	1,544,156,524,824	1,396,679,902,111
Unappropriated retained earnings	1,271,585,424,947	1,611,826,596,289
Total	₩ 2,973,576,431,811	₩ 3,140,290,980,440

(*) 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 March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Reserve for business expansion	₩ 1,544,156,524,824	₩ 1,396,679,902,111

26. Retained earnings and dividends (cont'd)

Changes in retained earnings for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows (Korean won):

	2026	2025
Jan. 1	₩ 3,140,290,980,440	₩ 3,006,643,652,362
Profit attributable to owners of the parent	100,430,821,349	441,826,762,029
Re-measurements gain on defined benefit plans	(6,740,036,583)	(4,658,324,342)
Changes in retained earnings of associates	-	302,479,286
Dividends paid	(260,405,333,395)	(304,086,228,029)
Changes in ownership interests in subsidiaries	-	262,639,134
Mar. 31, 2026/Dec. 31, 2025	₩ 2,973,576,431,811	₩ 3,140,290,980,440

Details of cash dividends paid by the Group for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows. (Korean won in unit, except for shares and dividend per share):

For the three months ended Mar. 31, 2026			
Share class	Number of shares issued (In shares)	Dividends per share	Total dividends(*)
Ordinary stock	57,932,221	₩ 4,495	₩ 260,405,333,395

(*) Recognized as a liability as it remained unpaid at the end of the current reporting period

For the year ended Dec. 31, 2025			
Share class	Number of shares issued (In shares)	Dividends per share	Total dividends
Ordinary stock	57,932,221	₩ 5,249	₩ 304,086,228,029

Changes in re-measurement of the net defined benefit liability for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows (Korean won):

	2026	2025
Jan. 1	₩ (10,795,241,868)	₩ (6,137,047,632)
Changes for the period	(8,890,740,918)	(6,264,589,013)
Tax effect	2,150,704,335	1,604,186,776
Others	(336,334)	2,208,001
Mar. 31, 2026/Dec. 31, 2025	₩ (17,535,614,785)	₩ (10,795,241,868)

27. Other components of equity

Details of other components of equity as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Accumulated other comprehensive income	₩ 1,176,440,334,081	₩ 1,438,073,347,195
Other equity	(82,235,516,563)	(82,235,516,563)
Total	₩ 1,094,204,817,518	₩ 1,355,837,830,632

Details of accumulated other comprehensive income as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Reserve for valuation on financial instruments at FVOCI	₩ 972,549,576,802	₩ 1,292,973,879,489
Reserve for valuation of derivative instruments designated to cash flow hedge	21,572,110,617	12,497,454,871
Share of the other comprehensive income of associates and joint ventures under the equity method	178,552,983,945	133,753,535,865
Translation of foreign operations	3,765,662,717	(1,151,523,030)
Total	₩ 1,176,440,334,081	₩ 1,438,073,347,195

27. Other components of equity (cont'd)

Details of other equity as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
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 prior period.

28. Revenue

Details of revenue for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026		For the three months ended Mar. 31, 2025	
	Domestic	Overseas	Domestic	Overseas
Revenue from sale of goods:				
Electricity sales	₩ 1,236,544,934,278	₩ 6,780,732,114	₩ 1,076,386,930,709	₩ 5,909,376,414
Other electricity sales	98,079,353,179	-	141,583,618,890	-
Revenue from heat sales	41,029,805,104	-	33,942,591,682	-
Revenue from business incidental	8,535,461,457	-	8,095,694,228	-
Subtotal	1,384,189,554,018	6,780,732,114	1,260,008,835,509	5,909,376,414
Revenue from rendering of services:				
Revenue from overseas services	-	506,419,695	-	-
Total	₩ 1,384,189,554,018	₩ 7,287,151,809	₩ 1,260,008,835,509	₩ 5,909,376,414

29. Selling and administrative expenses

Details of selling and administrative expenses for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Salaries	₩ 11,318,782,022	₩ 11,020,594,691
Pension benefits	1,121,148,454	2,035,571,543
Employee welfare benefits	1,451,728,141	1,488,640,437
Insurance	1,040,284,711	675,117,639
Depreciation	3,557,696,163	3,581,711,599
Amortization	1,107,018,975	2,716,832,389
Commissions and fees	4,101,465,155	3,425,439,952
Advertising	198,033,216	272,142,028
Education and training	51,924,681	23,271,764
Vehicle maintenance	25,389,121	23,694,828
Printing	28,851,806	19,396,783
Business promotion	57,068,620	63,534,001
Rental fees	1,119,141,069	855,043,992
Communication	375,299,646	374,686,967
Tax and dues	123,435,363	152,276,317
Supplies	57,001,022	88,037,028
Utilities	238,616,087	230,594,858
Repairs and maintenance	1,397,419,553	5,090,787,463
Research and development	6,482,347,500	4,952,755,281
Travel	347,350,115	330,134,326
Investigation and analysis	10,771,062	14,231,270
Others (*)	2,211,836,648	1,051,983,608
Total	₩ 36,422,609,130	₩ 38,486,478,764

(*) Details of other selling and administrative expenses for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Awards expenses	₩ 13,344,213	₩ 5,660,437
Legal expenses	480,371,937	88,787,750
Miscellaneous salaries	715,080,280	337,589,391
Association fees	69,198,309	62,128,152
Overseas operation expenses	714,223,775	369,195,708
Miscellaneous expenses	219,618,134	188,622,170
Total	₩ 2,211,836,648	₩ 1,051,983,608

30. Other income and expenses

Details of other for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Revenue from compensation and indemnity	₩ 885,367,655	₩ 6,193,746,483
Rental revenue	1,072,925,977	1,241,624,332
Others	36,203,615,114	2,631,868,643
Total	₩ 38,161,908,746	₩ 10,067,239,458

Details of others in other income for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Tax return revenue	₩ 381,170	₩ 69,987,590
Port usage fee	486,474,610	377,114,796
Commission income	16,118,252	12,522,790
Miscellaneous revenues - others	35,700,641,082	2,172,243,467
Total	₩ 36,203,615,114	₩ 2,631,868,643

Details of other expenses for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Donations	₩ 190,770,000	₩ 614,541,873
Others	2,959,076,320	5,358,760,408
Total	₩ 3,149,846,320	₩ 5,973,302,281

Details of others in other expenses for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Other commission fee	₩ 66,765,834	₩ 115,785,780
Miscellaneous loss	2,892,310,486	5,242,974,628
Total	₩ 2,959,076,320	₩ 5,358,760,408

31. Other profit or loss

Details of other profit and loss for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Gain on disposal of property, plant and equipment	₩ 462,046,450	₩ 136,774,808
Gain on foreign currency translations (*)	4,349,921	27,600,701
Gain on foreign currency transactions (*)	619,286,321	4,259,801,061
Other gains	3,125,680,728	8,775,971,528
Loss on disposal of property, plant and equipment	-	(17,201,891)
Loss on foreign currency translations (*)	(4,917,054,409)	(865,633,924)
Loss on foreign currency transactions (*)	(7,135,353,575)	(1,626,224,437)
Other losses	(5,865,808,368)	(13,778,479,698)
Total	₩ (13,706,852,932)	₩ (3,087,391,852)

(*) Related to operating activities

Details of other gains for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Gain on disposal of inventories	₩ 2,607,056,749	₩ 7,748,282,326
Gain on disposal of scrapped equipment	460,047,558	29,652,898
Miscellaneous revenues-other	58,576,421	998,036,304
Total	₩ 3,125,680,728	₩ 8,775,971,528

Details of other losses for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Loss on write-off of property, plant and equipment	₩ 6,149,994,028	₩ 13,763,391,503
Others	(284,185,660)	15,088,195
Total	₩ 5,865,808,368	₩ 13,778,479,698

32. Finance income

Details of finance income for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Interest income	₩ 3,421,237,041	₩ 2,726,446,441
Gain on valuation of financial assets at FVTPL	637,382,327	1,552,281,368
Gain on valuation of derivative instruments	50,755,937,449	827,088,898
Gain on transaction of derivative instruments	8,509,290,220	5,668,266,382
Gain on foreign currency translation (*)	2,507,573,782	5,506,254,813
Gain on foreign currency transaction (*)	-	200,648,989
Other finance income	195,313,345	923,376,227
Total	₩ 66,026,734,164	₩ 17,404,363,118

(*) Related to financing activities

Details of interest income included in finance income for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Cash and cash equivalents	₩ 1,099,309,540	₩ 1,211,827,687
Financial assets at FVTPL	145,915,798	864,618,128
Financial assets at amortized cost	1,451,942,868	1,456,833
Loans	518,081,222	566,502,345
Trade and other receivables	205,987,613	82,041,448
Total	₩ 3,421,237,041	₩ 2,726,446,441

33. Finance costs

Details of finance costs for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Interest expenses	₩ 30,524,795,721	₩ 26,338,567,762
Loss on disposal of financial assets	-	422,832,712
Loss on valuation of derivative instruments	-	4,709,840,634
Loss on transaction of derivative instruments	652,174,452	3,082,731,877
Loss on foreign currency translation (*)	67,333,923,387	1,457,209,218
Loss on foreign currency transaction (*)	317,395,208	181,178,137
Other finance costs	160,978,021	1,172,926,054
Total	₩ 98,989,266,789	₩ 37,365,286,394

(*) Related to financing activities

Details of interest expense included in finance costs for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Long-term borrowings	₩ 1,307,527,401	₩ 1,359,569,833
Bonds payable	31,904,966,665	29,547,976,052
Lease liabilities	2,200,767,204	3,279,034,225
Others	111,971,271	41,018
Subtotal	35,525,232,541	34,186,621,128
Less: capitalized borrowing costs	(5,000,436,820)	(7,848,053,366)
Total	₩ 30,524,795,721	₩ 26,338,567,762

The effective interest rates used for capitalizing borrowing costs for the three months ended March 31, 2026 and 2025 are 2.71% and 2.65%, respectively.

34. Income tax

Income tax expense is calculated by adjusting current tax for adjustments recognized in the current period relating to current tax of prior periods, changes in deferred tax arising from the origination and reversal of temporary differences, and income tax relating to items recognized outside profit or loss. The average effective tax rate for the current period is 28.15%, while the average effective tax rate for the prior period was 47.15%.

35. Classification based on nature of expense

Details of expenses based on nature of expense for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026		
	Selling and administrative expenses	Cost of sales	Total
Raw material in use	₩ -	₩ 888,413,570,069	₩ 888,413,570,069
Power costs purchased	-	15,392,636,909	15,392,636,909
Salaries	11,318,782,022	47,932,771,350	59,251,553,372
Retirement benefit	1,121,148,454	5,349,559,685	6,470,708,139
Employee welfare benefits	1,451,728,141	4,909,730,994	6,361,459,135
Insurance	1,040,284,711	1,909,840,052	2,950,124,763
Depreciation of property, plant and equipment	3,557,696,163	190,134,245,898	193,691,942,061
Amortization of intangible assets	1,107,018,975	1,494,714,630	2,601,733,605
Commissions and fees	4,101,465,155	763,776,455	4,865,241,610
Reversal of provisions	-	(1,104,014,101)	(1,104,014,101)
Advertising	198,033,216	31,401,691	229,434,907
Education and training	51,924,681	113,602,889	165,527,570
Vehicle maintenance	25,389,121	21,884,450	47,273,571
Publication	28,851,806	6,051,776	34,903,582
Business promotion	57,068,620	42,365,209	99,433,829
Rental fees	1,119,141,069	3,321,756,726	4,440,897,795
Communications	375,299,646	68,183,264	443,482,910
Transport	-	1,400,000	1,400,000
Taxes and dues	123,435,363	8,030,573,309	8,154,008,672
Supplies	57,001,022	187,329,110	244,330,132
Utilities	238,616,087	180,658,187	419,274,274
Repairs and maintenance	1,397,419,553	40,047,616,810	41,445,036,363
Research and development	6,482,347,500	796,695,189	7,279,042,689
Travel	347,350,115	234,230,925	581,581,040
Investigation and analysis	10,771,062	47,917,529	58,688,591
Others	2,211,836,648	897,203,524	3,109,040,172
Total	₩ 36,422,609,130	₩ 1,209,225,702,529	₩ 1,245,648,311,659

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

	For the three months ended Mar. 31, 2025		
	Selling and administrative expenses	Cost of sales	Total
Raw material in use	₩ -	₩ 734,415,036,063	₩ 734,415,036,063
Power costs purchased	-	13,167,332,650	13,167,332,650
Salaries	11,020,594,691	48,380,591,366	59,401,186,057
Retirement benefit	2,035,571,543	5,104,940,202	7,140,511,745
Employee welfare benefits	1,488,640,437	5,453,922,826	6,942,563,263
Insurance	675,117,639	2,162,883,787	2,838,001,426
Depreciation of property, plant and equipment	3,581,711,599	165,938,617,201	169,520,328,800
Amortization of intangible assets	2,716,832,389	1,434,481,878	4,151,314,267
Commissions and fees	3,425,439,952	1,828,177,053	5,253,617,005
Allowance for provisions	-	6,039,935,228	6,039,935,228
Advertising	272,142,028	33,898,625	306,040,653
Education and training	23,271,764	103,347,409	126,619,173
Vehicle maintenance	23,694,828	30,570,027	54,264,855
Publication	19,396,783	10,504,878	29,901,661
Business promotion	63,534,001	29,650,827	93,184,828
Rental fees	855,043,992	3,784,758,687	4,639,802,679
Communications	374,686,967	53,669,797	428,356,764
Taxes and dues	152,276,317	6,430,185,748	6,582,462,065
Supplies	88,037,028	144,685,544	232,722,572
Utilities	230,594,858	202,247,940	432,842,798
Repairs and maintenance	5,090,787,463	40,003,098,808	45,093,886,271
Research and development	4,952,755,281	1,079,902,231	6,032,657,512
Travel	330,134,326	223,716,711	553,851,037
Investigation and analysis	14,231,270	44,464,078	58,695,348
Others	1,051,983,608	506,866,871	1,558,850,479
Total	₩ 38,486,478,764	₩ 1,036,607,486,435	₩ 1,075,093,965,199

36. Earnings per share

Earnings per share (EPS) for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Basic earnings per share	₩ 1,734	₩ 1,782

Profit for the periods and weighted-average number of ordinary shares issued and outstanding for the three months ended March 31, 2026 and 2025 are as follows (Korean won and share in units):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Profit for the period attributable to owners of the Company	₩ 100,430,821,349	₩ 103,245,202,593
Profit for the period attributable to ordinary shares of owners of the Company	100,430,821,349	103,245,202,593
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 March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026				
	Financial assets at FVTPL	Financial assets at amortized cost	Financial assets at FVOCI	Derivatives designated as hedging instruments	Total
Current:					
Cash and cash equivalents	₩ -	₩ 137,622,883,902	₩ -	₩ -	₩ 137,622,883,902
Financial assets at FVTPL	253,137,382,327	-	-	-	253,137,382,327
Financial assets at amortized cost	-	29,630,620,000	-	-	29,630,620,000
Derivative instruments	173,072,413	-	-	-	173,072,413
Loans	-	1,898,396,375	-	-	1,898,396,375
Trade and other receivables	-	957,069,244,599	-	-	957,069,244,599
Subtotal	253,310,454,740	1,126,221,144,876	-	-	1,379,531,599,616
Non-current:					
Financial assets at FVTPL	1,451,267,576	-	-	-	1,451,267,576
Financial assets at FVOCI	-	-	1,387,888,298,001	-	1,387,888,298,001
Financial assets at amortized cost	-	6,610,200,000	-	-	6,610,200,000
Derivative instruments	-	-	-	129,114,377,831	129,114,377,831
Loans	-	36,347,300,571	-	-	36,347,300,571
Trade and other receivables	-	23,644,882,973	-	-	23,644,882,973
Subtotal	1,451,267,576	66,602,383,544	1,387,888,298,001	129,114,377,831	1,585,056,326,952
Total	₩ 254,761,722,316	₩ 1,192,823,528,420	₩ 1,387,888,298,001	₩ 129,114,377,831	₩ 2,964,587,926,568

	Dec. 31, 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	₩ -	₩ 216,889,354,694	₩ -	₩ -	₩ 216,889,354,694
Financial assets at FVTPL	-	-	-	-	-
Financial assets at amortized cost	-	29,020,350,000	-	-	29,020,350,000
Derivative instruments	-	-	-	-	-
Loans	-	1,764,685,987	-	-	1,764,685,987
Trade and other receivables	-	883,277,368,803	-	-	883,277,368,803
Subtotal	-	1,130,951,759,484	-	-	1,130,951,759,484
Non-current:					
Financial assets at FVTPL	1,451,267,576	-	-	-	1,451,267,576
Financial assets at FVOCI	-	-	1,810,611,652,470	-	1,810,611,652,470
Financial assets at amortized cost	-	6,629,890,000	-	-	6,629,890,000
Derivative instruments	-	-	-	66,559,671,439	66,559,671,439
Loans	-	37,056,299,279	-	-	37,056,299,279
Trade and other receivables	-	19,846,164,823	-	-	19,846,164,823
Subtotal	1,451,267,576	63,532,354,102	1,810,611,652,470	66,559,671,439	1,942,154,945,587
Total	₩ 1,451,267,576	₩ 1,194,484,113,586	₩ 1,810,611,652,470	₩ 66,559,671,439	₩ 3,073,106,705,071

37. Financial instruments by category (cont'd)

Details of the net book value of financial liabilities by category as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026
	Financial liabilities at amortized cost
Current financial liabilities:	
Long-term borrowings	₩ 11,473,940,000
Bonds payable	1,089,371,410,150
Derivative liabilities	-
Trade and other payables	880,842,363,098
Subtotal	1,981,687,713,248
Non-current financial liabilities:	
Long-term borrowings	93,064,624,438
Bonds payable	2,716,176,382,789
Trade and other payable	301,457,150,743
Subtotal	3,110,698,157,970
Total	₩ 5,092,385,871,218

	Dec. 31, 2025		
	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Long-term borrowings	₩ -	₩ 11,445,560,000	₩ 11,445,560,000
Bonds payable	-	749,644,284,852	749,644,284,852
Derivative liabilities	2,127,136,410	-	2,127,136,410
Trade and other payables	-	539,886,156,851	539,886,156,851
Subtotal	2,127,136,410	1,300,976,001,703	1,303,103,138,113
Non-current financial liabilities:			
Long-term borrowings	-	95,218,001,276	95,218,001,276
Bonds payable	-	3,004,064,796,826	3,004,064,796,826
Trade and other payables	-	288,040,454,544	288,040,454,544
Subtotal	-	3,387,323,252,646	3,387,323,252,646
Total	₩ 2,127,136,410	₩ 4,688,299,254,349	₩ 4,690,426,390,759

37. Financial instruments by category (cont'd)

Details of profit (loss) from financial instruments by category for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026
Cash and cash equivalents	
Interest income	₩ 1,099,309,540
Gain on foreign exchange	2,488,648,826
Financial assets at FVTPL	
Interest income	145,915,798
Gain on valuation of financial instruments	637,382,327
Gain on valuation of derivative instruments	173,072,413
Gain on settlement of derivative instruments	4,968,856,289
Financial assets at amortized cost	
Interest income	1,451,942,868
Financial assets at FVOCI	
Loss on valuation of financial assets at FVOCI (recognized in equity before tax)	(422,723,354,469)
Loans	
Interest income	518,081,222
Trade and other receivables	
Interest income	205,987,613
Gain on foreign exchange	15,275,816
Derivatives designated as hedging instruments	
Gain on valuation of derivatives (recognized in profit or loss)	50,582,865,036
Gain on valuation of derivatives (recognized in equity before tax)	11,971,841,356
Gain on settlement of derivative contracts	3,540,433,931
Financial liabilities at FVTPL	
Loss on settlement of derivative instruments	(652,174,452)
Financial liabilities at amortized cost	
Loss on foreign exchange	(72,242,978,735)
Interest expenses on borrowings and bonds payable	(28,212,057,246)
Interest expenses on trade and other liabilities	(2,312,738,475)

	For the three months ended Mar. 31, 2025
Cash and cash equivalents	
Interest income	₩ 1,211,827,687
Loss on foreign exchange	(1,409,536,381)
Financial assets at FVTPL	
Interest income	864,618,128
Gain on valuation of financial instruments	1,552,281,368
Loss on disposal of financial instruments	(422,832,712)
Gain on valuation of derivative instruments	827,088,898
Gain on settlement of derivative instruments	1,943,077,291
Financial assets at amortized cost	
Interest income	1,456,833
Financial assets at FVOCI	
Loss on valuation of financial assets at FVOCI (recognized in equity before tax)	(93,954,021,954)
Loans	
Interest income	566,502,345
Trade and other receivables	
Interest income	82,041,448
Gain on foreign exchange	15,566,654
Derivatives designated as hedging instruments	
Loss on valuation of derivatives (recognized in profit or loss)	(4,709,840,634)
Gain on valuation of derivatives (recognized in equity before tax)	13,628,346,340
Gain on settlement of derivative contracts	3,725,189,091
Financial liabilities at FVTPL	
Loss on settlement of derivative instruments	(3,082,731,877)
Financial liabilities at amortized cost	
Gain on foreign exchange	4,604,982,099
Interest expenses on borrowings and bonds payable	(23,059,492,519)
Interest expenses on trade and other liabilities	(3,279,075,243)

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 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. To maintain or adjust its capital structure, the Group adjusts dividend payments to shareholders and disposes of assets to reduce liabilities, among other measures.

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 bonds payable are calculated as total borrowings, including current and non-current borrowings and bonds payable in the consolidated statement of financial position.

Details of the Group's capital management account as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Total borrowings and bonds payable (A)	₩ 3,910,086,357,377	₩ 3,860,372,642,954
Cash and cash equivalents (B)	137,622,883,902	216,889,354,694
Net borrowings and bonds payable (A-B=C)	3,772,463,473,475	3,643,483,288,260
Total equity (D)	6,319,480,583,020	6,747,249,829,755
Total capital (C+D=E)	10,091,944,056,495	10,390,733,118,015
Gearing ratio (C/E)	37.38%	35.06%
Debt to equity ratio (C/D)	59.70%	54.00%

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 objective of the Group's risk management is to identify potential risks that may affect the Group's financial performance and to reduce, eliminate or avoid such risks to an acceptable level. The Group uses derivative financial instruments to hedge certain risk exposures, such as foreign currency risk. 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, debt securities and 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.

38. Risk management (cont'd)

38.3.1 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 March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Cash and cash equivalents	₩ 137,622,883,902	₩ 216,889,354,694
Financial assets at FVTPL	254,588,649,903	1,451,267,576
Derivatives held for trading	173,072,413	-
Financial assets at FVOCI	1,387,888,298,001	1,810,611,652,470
Financial assets at amortized cost	36,240,820,000	35,650,240,000
Loans	38,245,696,946	38,820,985,266
Derivatives designated as hedging instruments	129,114,377,831	66,559,671,439
Trade and other receivables	980,714,127,572	903,123,533,626
Financial guarantee contract (*)	317,456,009,468	214,921,658,017

(*) It reflects the maximum potential payment the Group would have to make if the guarantee is called.

Details of financial guarantee contracts as of March 31, 2026 and December 31, 2025 are as follows (USD):

		Total guarantee amount (USD)	
	Group name	Mar. 31, 2026	Dec. 31, 2025
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
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
Other	KES Yona Solar, LLC (*5)	18,527,816	-

(*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) The financial guarantee contract under which the Group provides guarantee to Guam Ukudu Power LLC which is an associate of the Group.
(*3) The payment guarantee related 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.
(*5) Sponsor guarantees (EBL and ITC Bridge Loan) for KES Yona Solar, LLC.

As of March 31, 2026, the Group does not hold any financial or non-financial assets acquired during the period by exercising collateral rights or calling on other credit enhancements.

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):

	Mar. 31, 2026				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Borrowings and bonds payable	₩ 1,185,499,722,748	₩ 685,536,391,742	₩ 1,119,362,833,171	₩ 1,342,254,725,389	₩ 4,332,653,673,050
Trade and other payables	807,581,088,770	-	-	-	807,581,088,770
Lease liabilities	74,336,301,325	70,607,459,128	127,054,654,537	142,549,885,875	414,548,300,865
Financial guarantee contracts	69,204,755,200	-	248,251,254,268	-	317,456,009,468
Total	₩ 2,136,621,868,043	₩ 756,143,850,870	₩ 1,494,668,741,976	₩ 1,484,804,611,264	₩ 5,872,239,072,153

	Dec. 31, 2025				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Borrowings and bonds payable	₩ 850,089,140,313	₩ 920,906,016,603	₩ 1,209,083,769,897	₩ 1,323,435,235,679	₩ 4,303,514,162,492
Trade and other payables	476,947,029,853	-	-	-	476,947,029,853
Lease liabilities	63,823,831,727	61,163,528,823	120,774,894,552	144,339,903,253	390,102,158,355
Financial guarantee contracts	160,318,507,200	-	54,603,150,817	-	214,921,658,017
Total	₩ 1,551,178,509,093	₩ 982,069,545,426	₩ 1,384,461,815,266	₩ 1,467,775,138,932	₩ 5,385,485,008,717

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 profiles of the Group's non-derivative financial assets based on the contractual undiscounted cash flows as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026				
	Less than 1 year	1 to 5 years	Over 5 years	Others	Total
Cash and cash equivalents	₩ 137,622,883,902	₩ -	₩ -	₩ -	₩ 137,622,883,902
Financial assets at FVTPL	253,137,382,327	1,156,230,376	-	295,037,200	254,588,649,903
Financial assets at FVOCI	-	-	-	1,387,888,298,001	1,387,888,298,001
Financial assets at amortized cost	29,630,620,000	6,610,200,000	-	-	36,240,820,000
Loans	2,000,585,470	8,012,945,728	23,184,457,756	7,380,000,000	40,577,988,954
Trade and other receivables	957,265,687,763	24,158,914,704	-	-	981,424,602,467
Total	₩ 1,379,657,159,462	₩ 39,938,290,808	₩ 23,184,457,756	₩ 1,395,563,335,201	₩ 2,838,343,243,227

38. Risk management (cont'd)

38.3.2 Liquidity risk (cont'd)

	Dec. 31, 2025				
	Less than 1 year	1 to 5 years	Over 5 years	Others	Total
Cash and cash equivalents	₩ 216,889,354,694	₩ -	₩ -	₩ -	₩ 216,889,354,694
Financial assets at FVTPL	-	1,156,230,376	-	295,037,200	1,451,267,576
Financial assets at FVOCI	-	-	-	1,810,611,652,470	1,810,611,652,470
Financial assets at amortized cost	29,020,350,000	6,629,890,000	-	-	35,650,240,000
Loans	1,869,526,044	7,478,104,176	24,373,666,981	7,380,000,000	41,101,297,201
Trade and other receivables	883,361,901,978	20,271,436,518	-	-	903,633,338,496
	₩ 1,131,141,132,716	₩ 35,535,661,070	₩ 24,373,666,981	₩ 1,818,286,689,670	₩ 3,009,337,150,437

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

	Mar.31, 2026				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Derivative financial assets					
- Held for trading	₩ 173,072,413	₩ -	₩ -	₩ -	₩ 173,072,413
- Risk averse	-	-	86,150,787,794	42,963,590,037	129,114,377,831
Total	₩ 173,072,413	₩ -	₩ 86,150,787,794	₩ 42,963,590,037	₩ 129,287,450,244

	Dec.31, 2025				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Derivative financial assets					
- Risk averse	₩ -	₩ -	₩ 55,245,036,229	₩ 11,314,635,210	₩ 66,559,671,439
Derivative financial liabilities					
- Held for trading	₩ 2,127,136,410	₩ -	₩ -	₩ -	₩ 2,127,136,410

38.3.3 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 prices. Market risk consists of interest rate risk, currency risk and other price risk.

38. Risk management (cont'd)

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 significant actuarial assumptions as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026		Dec. 31, 2025	
	1% inc.	1% dec.	1% inc.	1% dec.
Future salary increase rate	₩ 10,725,186,369	₩ (18,257,900,437)	₩ 11,576,599,342	₩ (10,352,591,106)
Discount rate	(10,453,586,828)	11,166,118,846	(10,873,583,194)	12,476,193,028

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, JPY, AUD, and GBP):

	Foreign currency assets		Foreign currency liabilities	
	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2026	Dec. 31, 2025
USD	812,595	258,810	1,009,368,947	925,706,187
JPY	-	7,871,000	-	-
AUD	-	12,123	-	-
GBP	5,907	6,877	-	-

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

	For the three months ended Mar. 31, 2026		For the year ended Dec. 31, 2025	
	10% inc.	10% dec.	10% inc.	10% dec.
Effect on profit before tax	₩ (152,633,740,866)	₩ 152,633,740,866	₩ (132,782,727,496)	₩ 132,782,727,496
Effect on shareholder's equity (*)	(152,633,740,866)	152,633,740,866	(132,782,727,496)	132,782,727,496

(*) 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 forecasted sales and expected purchases.

38. Risk management (cont'd)

38.3.4 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 March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026	Dec. 31, 2025
Long-term borrowings	₩ 52,178,170,000	₩ 53,264,250,000

A sensitivity analysis on the Group's borrowings and bonds payable assuming a 1%-point increase and decrease in interest rates as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026		For the year ended Dec. 31, 2025	
	1% inc.	1% dec.	1% inc.	1% dec.
Effect on profit before tax	₩ (130,445,425)	₩ 130,445,425	₩ (532,642,500)	₩ 532,642,500
Effect on shareholder's equity (*)	(130,445,425)	130,445,425	(532,642,500)	532,642,500

(*) 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 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 current bid price.

38.4.1 Fair and book value

The Group's book and fair values of financial assets and liabilities as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31. 2026		Dec. 31. 2025	
	Book value	Fair value	Book value	Fair value
Assets (fair value):				
Financial assets at FVTPL	₩ 254,588,649,903	₩ 254,588,649,903	₩ 1,451,267,576	₩ 1,451,267,576
Financial assets at FVOCI	1,387,888,298,001	1,387,888,298,001	1,810,611,652,470	1,810,611,652,470
Derivatives held for trading	173,072,413	173,072,413	-	-
Derivatives designated as hedging instruments	129,114,377,831	129,114,377,831	66,559,671,439	66,559,671,439
	₩ 1,771,764,398,148	₩ 1,771,764,398,148	₩ 1,878,622,591,485	₩ 1,878,622,591,485
Assets (amortized cost):				
Financial assets at amortized cost	₩ 36,240,820,000	₩ 36,240,820,000	₩ 35,650,240,000	₩ 35,650,240,000
Loans	38,245,696,946	38,245,696,946	38,820,985,266	38,820,985,266
Trade and other receivables	980,714,127,572	980,714,127,572	903,123,533,626	903,123,533,626
Cash and cash equivalents	137,622,883,902	137,622,883,902	216,889,354,694	216,889,354,694
	₩ 1,192,823,528,420	₩ 1,192,823,528,420	₩ 1,194,484,113,586	₩ 1,194,484,113,586
Liabilities (fair value):				
Derivative held for trading	₩ -	₩ -	₩ 2,127,136,410	₩ 2,127,136,410
Liabilities (amortized cost):				
Secured borrowings	₩ 102,726,164,438	₩ 102,726,164,438	₩ 104,669,921,276	₩ 104,669,921,276
Unsecured bonds payable	3,805,547,792,939	3,646,567,519,003	3,753,709,081,678	3,662,741,340,627
Unsecured borrowings	1,812,400,000	1,812,400,000	1,993,640,000	1,993,640,000
Trade and other payables	807,581,088,770	807,581,088,770	476,947,029,853	476,947,029,853
Lease liabilities	374,718,425,071	374,718,425,071	350,979,581,542	350,979,581,542
	₩ 5,092,385,871,218	₩ 4,933,405,597,282	₩ 4,688,299,254,349	₩ 4,597,331,513,298

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. Risk management (cont'd)

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 using inputs which have a significant effect on the recorded fair value that are not based on observable market data

As of March 31, 2026 and December 31, 2025, the Group held the following financial instruments carried at fair value in the consolidated statement of financial position (Korean won):

	Mar. 31, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI	₩ 1,369,170,068,459	₩ -	₩ 18,718,229,542	₩ 1,387,888,298,001
Financial assets at FVTPL	-	254,588,649,903	-	254,588,649,903
Derivative assets	-	129,287,450,244	-	129,287,450,244
Total	₩ 1,369,170,068,459	₩ 383,876,100,147	₩ 18,718,229,542	₩ 1,771,764,398,148

	Dec. 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI	₩ 1,791,893,422,928	₩ -	₩ 18,718,229,542	₩ 1,810,611,652,470
Financial assets at FVTPL	-	1,451,267,576	-	1,451,267,576
Derivative assets	-	66,559,671,439	-	66,559,671,439
Derivative liabilities	-	(2,127,136,410)	-	(2,127,136,410)
Total	₩ 1,791,893,422,928	₩ 65,883,802,605	₩ 18,718,229,542	₩ 1,876,495,455,075

Changes in Level 3 financial assets for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026		
	Jan. 1	Loss on valuation, net	Mar. 31
Financial assets at FVOCI:			
Unlisted equity securities	₩ 18,718,229,542	₩ -	₩ 18,718,229,542

	For the year ended Dec. 31, 2025		
	Jan. 1	Loss on valuation, net	Dec. 31
Financial assets at FVOCI:			
Unlisted equity securities	₩ 15,901,748,425	₩ 2,816,481,117	₩ 18,718,229,542

There was no significant movement between levels of the fair value hierarchy for the three months ended March 31, 2026.

39. Related party disclosures

The related parties of the Group and nature of their relationships with the Group as of March 31, 2026 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.
	Yeonggwang Baeksu Wind Power Co., Ltd.
	Daesan Green Energy Co., Ltd.
	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
	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.
	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 for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

		Sales and others		Purchases and others	
Related party	Transaction	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
KEPCO	Sales and purchase of electricity	₩ 1,457,172,366,023	₩ 1,319,067,597,856	₩ 19,065,864,157	₩ 18,419,006,366
	Other income/Dividend payment	305,309,665	380,328,796	260,405,333,395	304,086,228,029
Korea Offshore Wind Power Co., Ltd.	Purchase of REC	-	-	1,194,785,000	1,800,768,000
KEPCO ES Co., Ltd.	Engineering service income, etc.	292,458,653	519,961,863	-	-
KEPCO Solar Co., Ltd.	Engineering service income / Purchase of REC	292,374,000	336,080,250	115,877,896	55,858,919
GS Donghae Electric Power Co., Ltd.	Dividend income/Technology royalty income/Purchase of raw materials, etc.	15,451,431	17,051,057	-	-
Taebaek Gadeoksan Wind Power Co., Ltd.	Engineering service income / Purchase of REC	5,544,306,000	3,024,549,990	2,616,789,317	2,474,791,271
Guam Ukudu Power LLC	Financial guarantee fee income	32,138,862	760,430,067	-	-
Goheungsin Energy Co., Ltd.	Purchase of REC, etc.	934,795,166	-	705,923,588	753,252,787
KPE Green Energy Co., Ltd.	Purchase of REC	-	-	6,561,558,712	6,428,088,857
Yanggu Floating Solar Power Co., Ltd.	Purchase of REC	-	-	235,490,367	158,436,275
Amaala Sustainable Company for Energy LLC	Financial guarantee fee income	128,839,159	128,839,159	-	-
Jeju Bukchon BESS Power Plant Co., Ltd.	Interest income	127,380,822	-	-	-
Dangjin Eco Power Corporation	Purchase of REC	-	-	571,749,983	322,163,129
Seokmun Energy Co., Ltd.	Engineering service income/Purchase of REC	383,501,700	382,402,072	5,238,963,048	8,233,333,360
Busan Shinho Solar Power Co., Ltd.	Dividend income/ Purchase of REC	1,125,000,000	1,250,000,000	177,031,193	1,087,944,000
Honam Wind Power Co., Ltd.	Dividend income/ Purchase of REC	435,000,000	435,000,000	1,303,846,237	683,820,117
Chuncheon Energy Co., Ltd.	Technology royalty income	150,000,000	150,000,000	-	-
Yeonggwang Wind Power Co., Ltd.	Engineering service income/Purchase of REC	251,644,357	250,522,818	4,693,634,027	2,527,615,598
Yeonggwang Baeksu Wind Power Co., Ltd.	Engineering service income/Purchase of REC	487,216,081	480,132,996	3,083,074,425	1,580,684,523
South Jamaica Power Company Limited	Financial guarantee fee income	34,335,324	34,042,393	-	-
Jamaica Public Service Company Limited	Dividend income /Other expenses	2,048,426	9,699,648,000	101,757,712	51,559,873
PT. Tanjung Power Indonesia	O&M sales, etc.	154,528,180	-	-	-
Daesan Green Energy Co., Ltd.	Interest income/Purchase of REC	37,451,335	28,256,904	15,989,735,174	16,622,776,324

39. Related party disclosures (cont'd)

		Sales and others		Purchases and others	
Related party	Transaction	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Light Solar Energy Co., Ltd.	Interest income/Purchase of REC	₩ 54,633,600	₩ 74,850,320	₩ 1,715,763,108	₩ 1,055,597,819
Busan Industry Solar Co., Ltd.	Purchase of REC	-	-	-	233,188,024
Yangyang Wind Power Co., Ltd.	Interest income/Purchase of REC	36,526,332	36,526,332	4,197,176,414	2,297,319,378
Cheongju Eco Park Co., Ltd.	Engineering service income/Purchase of REC	-	-	7,514,037,928	5,404,205,322
Seokmun Green Energy Co., Ltd.	Purchase of REC, etc.	-	-	6,599,796,606	7,355,156,109
Korea Gas Corporation	Rent income/Purchase of LNG	204,238,100	92,339,834	189,965,428,313	236,991,633,589
KEPCO Plant Service & Engineering Co., Ltd.	Rent income/Repairs and other expenses	140,650,708	140,512,601	10,724,709,547	12,621,173,200
Korea Electric Power Industrial Development Co., Ltd.	Rent income/Repairs and other expenses	57,234,517	56,560,067	18,171,486,104	18,922,523,983
Korea Hydro & Nuclear Power Co., Ltd.	Purchase of REC	-	-	62,329,260	52,046,180
Korea Southern Power Co., Ltd.	Other income/Purchase of raw materials	43,009,455	-	-	2,287,500
Korea Western Power Co., Ltd.	Other income/Commission	-	8,642,430	1,958,600	14,881,540
Korea South-East Power Co., Ltd.	Other income/Purchase of raw materials	-	8,642,430	8,117,950	1,216,704
Korea Midland Power Co., Ltd.	Other income	-	8,642,430	-	-
KEPCO Data Network Co., Ltd.	Commission	-	-	801,321,205	3,135,115,551
Korea Power Exchange	Other income/Electric power transaction commission	85,565	4,865,720,050	3,029,806,638	991,493,544
	Total	₩ 1,468,442,523,461	₩ 1,342,237,280,715	₩ 564,853,345,904	₩ 654,364,165,871

39. Related party disclosures (cont'd)

Outstanding balances of receivables and payables with related parties above as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

		Receivables		Payables	
Related party	Transaction	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2026	Dec. 31, 2025
KEPCO	Trade receivables /Trade payables	₩ 386,235,712,385	₩ 409,180,421,457	₩ -	₩ 1,002,586,730
	Other receivables, accrued income/Other payables, dividend payables	318,635,079,647	279,175,815,756	265,277,245,287	4,370,700,873
Korea Offshore Wind Power Co., Ltd.	Other payables	-	-	-	468,734,200
KEPCO ES Co., Ltd.	Other receivables	295,371,183	28,867,710	-	-
KEPCO Solar Co., Ltd.	Other receivables	292,374,000	-	-	-
GS Donghae Electric Power Co., Ltd.	Other payables	-	-	47,212,699	-
Taebaek Gadeoksan Wind Power Co., Ltd.	Other receivables/Other payables	5,521,312,200	12,908,500	-	1,918,987,222
Goheungsin Energy Co., Ltd.	Other receivables/Other payables	932,806,368	-	-	411,368,857
KPE Green Energy Co., Ltd.	Trade receivables	-	3,512,397,427	-	-
Jeju Bukchon BESS Power Plant Co., Ltd.	Other receivables	7,684,298,630	7,556,917,808	-	-
Seokmun Energy Co., Ltd.	Other receivables	421,851,870	10,357,634,605	-	-
Honam Wind Power Co., Ltd.	Other receivables	435,000,000	-	-	-
Chuncheon Energy Co., Ltd.	Other receivables	165,000,000	165,000,000	-	-
Yeonggwang Wind Power Co., Ltd.	Other receivables	61,430,600	59,631,000	-	-
Yeonggwang Baeksu Wind Power Co., Ltd.	Trade receivables	178,300,111	176,107,800	-	-
South Jamaica Power Company Limited	Trade receivables	552,191,665	1,255,945,605	-	-
Jamaica Public Service Company Limited	Trade receivables/Other payables	91,351,347	88,537,695	601,068,506	117,346,203
Daesan Green Energy Co., Ltd.	Loans and others	3,389,995,915	3,521,646,576	-	-
Light Solar Energy Co., Ltd.	Loans/Other payables	3,885,836,480	3,932,063,827	-	360,782,530
Busan Industry Solar Co., Ltd.	Other payables		-	-	5,652,134
Yangyang Wind Power Co., Ltd.	Loans and others	3,566,358,207	3,529,831,875	-	-
Cheongju Eco Park Co., Ltd	Other receivables and others	16,009,344,729	16,117,389,184	-	-
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	Other receivables	-	381,453,589	-	-

39. Related party disclosures (cont'd)

		Receivables		Payables	
Related party	Transaction	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2026	Dec. 31, 2025
Seokmun Green Energy Co., Ltd.	Other receivables/Other payables	₩ -	₩ 35,397,342	₩ -	₩ 2,565,613,270
Korea Gas Corporation	Trade payables	-	-	85,417,646,672	64,054,131,953
KEPCO Plant Service & Engineering Co., Ltd.	Other payables	-	-	406,980,334	2,585,929,266
Korea Electric Power Industrial Development Co., Ltd.	Trade payables	-	-	174,883,263	20,935,000
KEPCO Engineering & Construction Company, Inc.	Other payables	-	-	-	5,121,465,580
Korea Southern Power Co., Ltd.	Other receivables/ Other payables	-	1,556,304,899	-	1,101,146,342
Korea Western Power Co., Ltd.	Other receivables	-	2,789,725,359	-	
Korea South-East Power Co., Ltd.	Other receivables/ Other payables	-	359,469,747	31,396	38,698,773
Korea Midland Power Co., Ltd.	Other receivables/Other payables	1,507,931,956	3,248,444,228	24,126,740,039	-
KEPCO Data Network Co., Ltd.	Other payables	-	-	372,911,325	2,697,600,200
Korea Power Exchange	Other payables/Other payables	412,164	-	-	9,158,237
KDB Bank	Borrowings	-	-	45,473,470,000	46,028,860,000
	Total	₩ 749,861,959,457	₩ 747,041,911,989	₩ 421,898,189,521	₩ 132,879,697,370

There are no changes in loans to related parties for the three months ended March 31, 2026, and the details of changes for the prior year are as follows (Korean won):

		2025			
	Company name	Jan. 1	Loan	Collection	Dec. 31
Associate	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	810,620,153	-	3,301,868,905
Joint venture	Yeonggwang Wind Yangyang Wind Power Co., Ltd. (*5)	3,256,500,000	-	-	3,256,500,000
	Total	₩ 17,333,335,752	₩ 8,190,620,153	₩ (8,420,307,000)	₩ 17,103,648,905

(*1) During the prior fiscal year, a loan for operating funds was extended to Jeju Bukchon BESS Power Plant Co., Ltd. at an interest rate of 7.0%.
(*2) During the prior fiscal 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)

Derivatives transactions with related parties above for the three months ended March 31, 2026 are as follows (Korean won, USD):

	Company name	Contract period	Sale price	Purchase price (USD)	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 arisen from related-party transactions as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Company name	Jan.1, 2026	Repayment	Mar. 31, 2026
Other related party	KDB Bank(*)	₩ 46,028,860,000	₩ (555,390,000)	₩ 45,473,470,000

	Company name	Jan.1, 2025	Repayment	Dec. 31, 2025
Other related party	KDB Bank(*)	₩ 49,585,750,000	₩ (3,556,890,000)	₩ 46,028,860,000

(*) The Group borrowed operating funds from KDB Bank, and the interest rates on the borrowings are the unsecured corporate bonds rate+0.9% without guarantee and 4.94%.

There are no changes in investments in related parties for the three months ended March 31, 2026, and the details of changes for the prior year are as follows (Note 14) (Korean won):

	2025				
	Company name	Investment	Termination	Dividend	Liquidation
Associate	Guam Ukudu Power LLC	₩ 81,754,370,017	₩ -	₩ -	₩ -
Associate	Jeju Bukchon BESS Power Plant Co., Ltd.	3,690,000,000	-	-	-
Joint venture	DE Energia SpA(*)	-	-	(1,652,947,081)	(9,408,825,639)
Joint venture	Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	-	(522,994,500)	-	-
	Total	₩ 85,444,370,017	₩ (522,994,500)	₩ (1,652,947,081)	₩ (9,408,825,639)

(*) The investee was liquidated during the prior fiscal 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.

Details of guarantees provided to related parties above as of March 31, 2026 are as follows (USD):

Provider	Provided	Description	Credit limit	Financial institution
Korea East-West Power Co., Ltd.	South Jamaica Power Company Limited (*1)	PPA L/C	$ 6,750,000	Hana Bank
	South Jamaica Power Company Limited (*1)	GSA L/C	7,650,000	Hana Bank
	Guam Ukudu Power LLC(*2)	Guarantee for payment of capital-linked borrowings	66,000,000	KDB Bank and others
	Guam Ukudu Power LLC (*3)	Performance Bond L/C	31,328,000	ANZ Bank
	Amaala Sustainable Company for Energy LLC (*4)	Guarantee for payment of capital-linked borrowings	33,853,628	First Abu dhabi Bank PJSC
	Amaala Sustainable Company for Energy LLC (*4)	Guarantee for hedging of capital-linked borrowings	4,200,000	First Abu dhabi Bank PJSC

(*1) It is an L / C opening guarantee for the execution of each contract related to the power sales contract and gas supply contract of South Jamaica Power Company Limited, which is one of the other related parties of the Company.
(*2) It is a guarantee for payment of capital-linked borrowings provided for Guam Ukudu Power LLC, an associate of the Group.
(*3) 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.
(*4) It is an EBL payment and hedging guarantee provided for Amaala Sustainable Company for Energy LLC, an associate of the Group.

39. Related party disclosures (cont'd)

Salary and other compensation to the key members of management for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Short-term salaries	₩ 166,380,019	₩ 151,993,432
Retirements benefits expenses	6,585,325	4,157,845
Total	₩ 172,965,344	₩ 156,151,277

As of March 31, 2026, 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.	₩ 4,679,483,854
Shinhan Bank and others	Busan Industry Solar Co., Ltd.	Shares in Busan Industry Solar Co., Ltd.	1,293,559,879
Hana Bank and others	Yangyang Wind Power Co., Ltd	Shares in Yangyang Wind Power Co., Ltd	16,212,332,489
Hana Bank and others	KPE Green Energy Co., Ltd.	Shares in KPE Green Energy Co., Ltd.	9,932,520,296
KDB Bank and others	GS Donghae Electric Power Co., Ltd.	Shares in GS Donghae Electric Power Co., Ltd.	290,834,518,229
Kookmin Bank and others	Yeonggwang Baeksu Wind Power Co., Ltd.	Shares in Yeonggwang Baeksu Wind Power Co., Ltd.	3,887,055,527
Kookmin Bank and others	Chuncheon Energy Co., Ltd.	Shares in Chuncheon Energy Co., Ltd.	37,520,261,416
Kookmin Bank and others	Seokmun Energy Co., Ltd.	Shares in Seokmun Energy Co., Ltd.	13,524,820,545
KDB Capital Corp. and others	Yeonggwang Wind Power Co., Ltd.	Shares in Yeonggwang Wind Power Co., Ltd.	30,067,599,264
Woori Bank and others	Korea Offshore Wind Power Co., Ltd	Shares in Korea Offshore Wind Power Co., Ltd	27,000,327,082
IBK Bank	Daesan Green Energy Co., Ltd.	Shares in Daesan Green Energy Co., Ltd.	22,917,914,655
Hana Bank and others	Taebaek Gadeoksan Wind Power Co., Ltd.	Shares in Taebaek Gadeoksan Wind Power Co., Ltd.	21,930,683,819
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.	10,407,889,452
Woori Bank and others	Goheungsin Energy Co., Ltd	Shares in Goheungsin Energy Co., Ltd	5,120,746,484
MUFG Bank Ltd. and others	PT. Tanjung Power Indonesia	Shares in PT. Tanjung Power Indonesia	105,684,104,449
JCSD Trustee Services Ltd. and others	South Jamaica Power Company Limited	Shares in South Jamaica Power Company Limited	52,109,491,711
ANZ Bank and others	Columboola Solar Farm Hold Co Pty., Ltd.	Shares in Columboola Solar Farm Hold Co Pty., Ltd.	54,183,275,568
KDB Bank	Yanggu Floating Solar Power Co., Ltd.	Shares in Yanggu Floating Solar Power Co., Ltd..	874,014,831
Woori Bank and others	Geumyang Eco Park Co., Ltd.	Shares in Geumyang Eco park Co., Ltd.	6,333,752,768
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	46,526,007,459
First Abu Dhabi Bank PJSC	Amaala Sustainable Company for Energy LLC	Shares in ASCE	7,557,261,583
Woori Bank and others	Jeju Bukchon BESS Power Plant Co., Ltd.	Shares in Jeju Bukchon BESS Power Plant Co., Ltd.	1,341,370,023

39. Related party disclosures (cont'd)

As of March 31, 2026, 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., a joint venture 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 extended loans of KRW 3,301,868,905 to Daesan Green Energy Co., Ltd. as of March 31, 2026.

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 an obligation to purchase the underlying assets or replenish funds (total collateral limit of KRW 90,800,000,000) if Chuncheon Energy Co., Ltd. cannot pay the interest or principal of the loan agreed in advance for the underlying assets (subordinated loans 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 March 31, 2026 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 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.
Jeju Bukchon BESS Power Plant Co., Ltd.	Investors of Jeju Bukchon BESS Power Plant Co., Ltd., an associate of the Group, are required to provide funding through additional equity contributions, subordinated loans, or other means if additional project costs need to be covered due to reasons such as construction cost overruns until the date of comprehensive completion.

39. Related party disclosures (cont'd)

Details of non-monetary transactions with related parties above for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows (Korean won):

		Lending, etc.		Borrowing, etc.	
Related party	Transaction	For the three months ended Mar. 31, 2026	For the year ended Dec. 31, 2025	For the three months ended Mar. 31, 2026	For the year ended Dec. 31, 2025
Korea Western Power Co., Ltd.	Bituminous coal swap	₩ -	₩ 36,696,403,959	₩ 19,637,996,200	₩ 18,405,465,600
Korea Southern Power Co., Ltd.		11,857,218,824	43,761,593,830	11,757,952,800	41,515,108,590
Korea Midland Power Co., Ltd.		10,831,403,563	31,624,396,409	48,914,815,867	9,577,935,153
Total		₩ 22,688,622,387	₩ 112,082,394,198	₩ 80,310,764,867	₩ 69,498,509,343

40. Supplementary cash flow information

Significant transactions not involving cash flows for the three months ended March 31, 2026 and 2025 are as follows (Korean won):

	For the three months ended Mar. 31, 2026	For the three months ended Mar. 31, 2025
Transfer from construction-in-progress to depreciable assets	₩ 92,631,635,751	₩ 205,055,786,663
Transfer from bonds and long-term borrowings to current portion of those	341,669,502,048	2,140,390,000
Effect of increase in right-of-use asset	22,580,463,095	11,191,784,194
Accounts payable related to the acquisition of property, plant and equipment	43,442,180,292	10,762,334,047

40. Supplementary cash flow information (cont' d)

Details of changes in liabilities arising from financial activities for the three months ended March 31, 2026 are as follows (Korean won):

			Non-cash change			
< For the three months ended Mar. 31, 2026>	Jan. 1, 2026	Cash flow	Exchange rate fluctuation	Changes in fair value	Other	Mar. 31, 2026
Long-term borrowings	₩ 106,663,561,276	₩ (2,140,670,000)	₩ -	₩ -	₩ 15,673,162	₩ 104,538,564,438
Bonds	3,753,709,081,678	-	50,582,865,037	-	1,255,846,224	3,805,547,792,939
Lease liabilities	350,979,581,542	(15,560,963,427)	16,803,807,873	-	22,495,999,083	374,718,425,071
Assets held in order to hedge exchange rate risk of foreign currency bonds	(66,559,671,439)	3,540,433,931	-	(62,554,706,392)	(3,540,433,931)	(129,114,377,831)
Total liabilities from financing activities	₩ 4,144,792,553,057	₩ (14,161,199,496)	₩ 67,386,672,910	₩ (62,554,706,392)	₩ 20,227,084,538	₩ 4,155,690,404,617

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

			Non-cash change			
< For the year ended Dec. 31, 2025>	Jan. 1, 2025	Cash flow	Exchange rate fluctuation	Changes in fair value	Other	Dec. 31, 2025
Short-term borrowings	₩ 80,000,000,000	₩ (80,000,000,000)	₩ -	₩ -	₩ -	₩ -
Long-term borrowings	117,865,554,952	(11,233,340,000)	-	-	31,346,324	106,663,561,276
Bonds	3,718,206,262,734	84,480,631,779	(53,819,131,409)	-	4,841,318,574	3,753,709,081,678
Lease liabilities	391,870,245,618	(59,523,649,432)	(7,283,410,300)	-	25,916,395,656	350,979,581,542
Assets held in order to hedge exchange rate risk of foreign currency bonds	(278,914,835,069)	196,245,943,823	-	(12,684,998,415)	28,794,218,222	(66,559,671,439)
Total liabilities from financing activities	₩ 4,029,027,228,235	₩ 129,969,586,170	₩ (61,102,541,709)	₩ (12,684,998,415)	₩ 59,583,278,776	₩ 4,144,792,553,057

41. Commitments and contingencies

Legal contingencies

Details of lawsuits pending in which the company is a defendant and total claims against the Group as of March 31, 2026 and December 31, 2025 are as follows (Korean won):

	Mar. 31, 2026 (*)		Dec. 31, 2025	
	Litigation in progress	Litigation values	Litigation in progress	Litigation values
Pending lawsuits	22 cases	₩ 42,577,607,877	20 cases	₩ 25,186,220,532

(*) Details of major pending lawsuits (appeals) as of March 31, 2026 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
Daejeon High Court	Eoh xx	The Company	Compensation for losses (related to LNG power plant land compensation)	66,577,500	Second trial
Daejeon District	Jeong xx and 125 others	The Company	Claim for damages due to discrimination	159,736,934	First trial
Ulsan District	Lee xx and 185 others	The Company	Loss compensation	742,177,262	First trial
Suwon High Court	Vitzro Tech Co., Ltd.	The Company	Damages sought	1,855,913,920	Second trial
Busan High Court (Ulsan)	Kim xx	The Company	Wage claim	84,876,106	Second trial
Seoul High Court	Cardinal Infotech Co., Ltd.	The Company	Loss compensation	50,000,000	Second trial
Busan High Court (Ulsan)	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	163,500,000	Second trial
Suwon District	Baek xx	The Company	Loss compensation(related to wind power generation)	157,942,256	First trial
Gwangju District	Lee xx	The Company	Claim for construction costs	78,870,000	First trial
Seoul Administrative Court	Kang xx and 449 others	The Company	Revocation of electric power business modification permit	50,000,000	First trial
Gwangju District	Ma xx and 4 others	The Company	Loss compensation	30,012,210	First trial
Daejeon District	Kim xx and 4 others	The Company	Revocation of the refusal to disclose information	50,000,000	First trial
Daejeon District	Uworld Co., Ltd.	The Company	Loss compensation	30,000,100	First trial
Chuncheon District	Jung xx	The Company	Trade payables	5,369,707	First trial
Suwon District	Hyerim Eng. Co., Ltd.	The Company	Claim for construction costs	4,799,022,655	First trial
Daejeon District	Shinhyup	The Company	Claim for payment of assigned receivables	450,000,000	First trial
Seoul Administrative Court	Asia Energy Co., Ltd.	The Company	Revocation of restriction on bidding eligibility	50,000,000	First trial
KCAB	Hanwha Solution Co., Ltd.	The Company	Claim for construction costs	16,226,461,427	Arbitration
KCAB	Doosan Enerbility Co., Ltd.	The Company	Claim for contract costs(Price Fluctuation)	13,041,394,000	Arbitration
KCAB	Doosan Enerbility Co., Ltd.	The Company	Claim for construction costs (Installation Work)	4,000,000,000	Arbitration

As of March 31, 2026, 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.

41. Commitments and contingencies (cont'd)

Guarantees

As of March 31, 2026, the details of debt guarantees provided by the Group for third parties other than related parties are as follows (Korean won):

Guarantor	Guaranteed Party	Details of Payment Guarantee	Limit Amount	Guarantee Beneficiary
The Company	KES Yona Solar, LLC	EBL Sponsor Guarantee, ITC Bridge Loan Sponsor Guarantee	₩ 125,981,825	DBS Bank, Korea Eximbank, ANZ Bank

Purchase agreements

The Group has key purchase agreements for raw materials and details as of March 31, 2026 are as follows:

Raw material	Supply source	Contract period	Annual contract quantity (Tons in thousand)
Bituminous coal	Australia	2009~2028	5,080
	Indonesia	2019~2028	3,380
	Russia	2015~2028	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, Australia, etc.	2025~2040	300

41. Commitments and contingencies (cont'd)

As of March 31, 2026, 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	13,669,648	USD	80,000,000
	Kookmin Bank	USD	9,953,201	USD	145,000,000
	Hana Bank	USD	-	USD	53,250,000
	NH Bank	USD	-	USD	25,000,000
	ANZ Bank	USD	-	USD	8,800,000
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
	KDB Bank	KRW	6,989,500,000	KRW	10,000,000,000
	Shinhan Bank	KRW	4,892,300,000	KRW	7,000,000,000
	NH Property & Casualty Insurance Co., Ltd.	KRW	13,978,300,000	KRW	20,000,000,000
	KDB Bank	KRW	38,483,970,000	KRW	40,100,000,000
	Woori Bank	KRW	38,483,970,000	KRW	40,100,000,000
Aggregate Credit Limit	Woori Bank	KRW	-	KRW	20,000,000,000
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	1,287,700,000	KRW	5,151,000,000
	Hana Bank	KRW	524,700,000	KRW	2,099,000,000
Others	Shinhan Bank	USD	5,920,000	USD	6,990,000
	ANZ Bank	USD	31,328,000	USD	31,328,000
	Hana Bank	USD	14,400,000	USD	14,400,000
	First Abu dhabi Bank PJSC	USD	38,053,628	USD	38,053,628
	Korea Eximbank	USD	14,927,816	USD	241,000,000
	Natixis	USD	3,600,000	USD	123,000,000
	DBS	USD	-	USD	150,000,000
	ANZ Bank	USD	-	USD	8,373,825

(*) In relation to the mutual cooperation agreement under which the Group's cooperative companies may pledge accounts receivable to the Group and obtain loans from financial institutions, the limit refers to the maximum amount that may be borrowed by the cooperative companies under this agreement.

As of March 31, 2026, the Group has obtained payment guarantees of KRW 89,459,653,372 from Seoul Guarantee Insurance Company in relation to contract performance guarantees and related matters.

41. Commitments and contingencies (cont'd)

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
Korea Line Corp.	ADONIS	2026.01–2028.12
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.

As of March 31, 2026, 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	₩ 20,824,022,665	₩ 68,400,000,000	Financing to invest for construction and operation of wind power plant
		Accounts receivable pledged by means of transfer	4,317,509,650		
		Factory foundation under comprehensive mortgage	56,189,523,946		
		Subtotal	81,331,056,261	68,400,000,000	
Yeongdeok Sunrise Wind Power Co., Ltd.	KDB Bank and others	Deposits pledged	9,330,704,371	96,240,000,000	Project financing
		Land	2,296,324,283		
		Machinery, etc.	95,649,165,631		
		Subtotal	107,276,194,285	96,240,000,000	
		Total	₩ 188,607,250,546	₩ 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 March 31, 2026, the Group's total contracted capacity under fixed-price REC contracts amounts to 2,750,226.865 kW for solar power, 67,200 kW for wind power, and 6,000 kW for other sources.

Uncertainty Regarding the Impact of the Ukraine Crisis
The armed conflict in Ukraine that began in February 2022, along with the subsequent sanctions imposed on Russia by the international community, may affect not only the sanctioned entities but also companies doing business directly or indirectly with Ukraine or Russia, as well as those with direct or indirect exposure to the Ukrainian or Russian industries or economies. As of the date of this report, the Group cannot reasonably estimate the future financial impact of the Ukraine crisis.

42. Events after the Reporting Period

Subsequent to the reporting period, the Group issued short-term bonds as follows (Korean won):

Issuance date	Maturity	Interest rate(%)		Amount
2026.04.21	2026.05.27	2.88	₩	100,000,000,000
2026.04.29	2026.06.05	2.91		150,000,000,000
	Total		₩	250,000,000,000

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Independent Auditors' Report

(Based on a report originally issued in Korean)

To the Board of Directors and Shareholder of

Korea East-West Power Co., Ltd.

Opinion

We have audited the consolidated financial statements of Korea East-West Power Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2025, the consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions..

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing (KSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements, which states that the Group has prepared its consolidated financial statements in accordance with 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 ("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 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.

Other matters

The consolidated financial statements of the Group for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on March 11, 2025.

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.

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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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 KSAs 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 KSAs, 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 controls.
- 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Samjong Accounting Corp.

Seoul, Korea

March 10, 2026

This report is effective as of March 10, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

KOREA EAST-WEST POWER CO., LTD. AND ITS SUBSIDIARIES
Consolidated statements of financial position
as of December 31, 2025 and 2024

(Korean Won)

	Notes		2025		2024
Assets					
Current assets					
Cash and cash equivalents	5,6,38,39,42	₩	216,889,354,694	₩	169,451,420,382
Current financial assets	6,7,10,11,38,39,40,42		30,785,035,987		303,338,134,757
Trade and other receivables	8,38,39,40		883,277,368,803		686,932,317,996
Inventories	12		243,823,464,360		220,376,546,100
Current income tax receivables			198,903,621		57,069,719
Current non-financial assets	13		23,893,228,376		52,434,898,217
			1,398,867,355,841		1,432,590,387,171
Non-current assets					
Non-current financial assets	6,7,9,10,11,38,39,40,42		1,922,308,780,764		2,573,988,309,199
Long-term trade and other receivables	8,38,39,40		19,846,164,823		15,465,882,063
Property, plant and equipment, net	15,19,23		7,372,186,404,106		7,267,101,085,967
Goodwill	16		105,240,111,493		105,480,942,947
Intangible assets excluding goodwill	17		228,598,873,235		242,547,001,873
Investments in associates and joint ventures	4,14,40		1,273,100,220,559		1,227,070,579,582
Deferred tax assets	35		3,807,181,326		2,583,779,292
Non-current non-financial assets	13		28,833,179,855		27,404,733,850
			10,953,920,916,161		11,461,642,314,773
Total assets		**₩**	**12,352,788,272,002**	**₩**	**12,894,232,701,944**
Liabilities and equity					
Current liabilities					
Trade and other payables	18,19,38,39,40,41	₩	539,886,156,851	₩	445,848,511,556
Current financial liabilities	7,20,38,39,41		763,216,981,262		1,749,969,739,647
Current non-financial liabilities	24		41,681,610,629		27,540,615,483
Current portion of provisions	22,39,40,42		57,617,936,096		48,811,752,800
Current income tax liabilities			71,743,932,941		69,992,769,041
			1,474,146,617,779		2,342,163,388,527
Non-current liabilities					
Long-term trade and other payables	18,19,38,39,41		288,040,454,544		330,030,865,070
Non-current financial liabilities	20,38,39,41		3,099,282,798,102		2,166,107,578,039
Non-current non-financial liabilities	24		1,356,511,503		20,745,513,993
Defined benefit obligation	21,39		30,243,550,476		34,416,971,492
Deferred tax liabilities	35		704,654,999,426		850,823,060,321
Provisions	22,39,40		7,813,510,417		8,423,907,227
			4,131,391,824,468		3,410,547,896,142
Total liabilities			**5,605,538,442,247**		**5,752,711,284,669**
Equity					
Issued capital	1,25		2,218,598,774,310		2,218,598,774,310
Retained earnings	26,27		3,140,290,980,440		3,006,643,652,362
Other components of equity	7,9,14,28,38		1,355,837,830,632		1,882,096,957,855
Equity attributable to owners of the parent			6,714,727,585,382		7,107,339,384,527
Non-controlling interests			32,522,244,373		34,182,032,748
Total equity			**6,747,249,829,755**		**7,141,521,417,275**
Total liabilities and equity		**₩**	**12,352,788,272,002**	**₩**	**12,894,232,701,944**

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 (loss)
for the years ended December 31, 2025 and 2024

(Korean Won)

	Notes	2025	2024
Sale of goods		₩ 5,050,087,514,374	₩ 5,370,113,026,169
Rendering of services		1,104,787,413	8,895,952,881
Revenue	4,29,40	**5,051,192,301,787**	**5,379,008,979,050**
Cost of sales	36,40	4,218,300,523,347	4,580,352,951,626
Gross profit		**832,891,778,440**	**798,656,027,424**
Selling and administrative expenses	4,15,17,19,21, 23,30,36,40	187,428,914,914	177,553,414,507
Operating profit	4	**645,462,863,526**	**621,102,612,917**
Other income	31,40	25,004,021,493	23,314,091,547
Other expenses	31	12,001,819,467	33,508,506,071
Other loss	32,38,39	(13,981,494,848)	(18,225,182,002)
Finance income	7,33,38,39,40	170,530,844,812	346,688,263,683
Finance costs	7,19,34,38,39	223,274,591,676	388,787,762,004
Gain on investments in associates and joint ventures	14	23,932,224,621	79,385,107,940
Profit for the year before tax		**615,672,048,461**	**629,968,626,010**
Income tax expense	35	172,547,357,778	107,606,634,868
Profit for the year		**443,124,690,683**	**522,361,991,142**
Other comprehensive income(loss)			
Other comprehensive income(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans	21,26	(4,660,402,237)	(16,494,879,647)
Gain (loss) on valuation of financial assets at FVOCI	9,38	(528,389,843,802)	185,228,513,168
Share of other comprehensive income(loss) of associates and joint ventures in equity method	14	302,479,286	(322,568,541)
Other comprehensive income(loss) to be reclassified to profit or loss in subsequent periods:			
Net gain on cash flow hedges	7,38	17,585,714,352	975,641,357
Share of other comprehensive income(loss) of associates and joint ventures in equity method	14	(10,786,790,385)	73,474,649,524
Exchange differences on translation of foreign		(4,668,207,388)	1,030,432,931
Other comprehensive income(loss) for the year , net of tax		**(530,617,050,174)**	**243,891,788,792**
Total comprehensive income(loss) for the year , net of tax		**₩ (87,492,359,491)**	**₩ 766,253,779,934**
Profit for the year, attributable to:			
Owners of the parent		₩ 441,826,762,029	₩ 518,837,811,222
Non-controlling interests		1,297,928,654	3,524,179,920
		₩ 443,124,690,683	**₩ 522,361,991,142**
Total comprehensive income(loss) for the year, attributable			
Owners of the parent		₩ (88,788,210,250)	₩ 762,739,808,806
Non-controlling interests		1,295,850,759	3,513,971,128
		₩ (87,492,359,491)	**₩ 766,253,779,934**
Earnings per share:	37		
Basic earnings per share		₩ 7,627	₩ 8,956
Diluted earnings per share		₩ 7,627	₩ 8,956

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, 2025 and 2024

(Korean Won)

	Attributable to owners of the parent					
	Issued capital	Retained earnings	Other components of equity	Total	Non-controlling interest	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 year	-	518,837,811,222	-	518,837,811,222	3,524,179,920	522,361,991,142
Changes in other comprehensive income(loss):						
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 (loss)	-	(16,807,239,396)	260,709,236,980	243,901,997,584	(10,208,792)	243,891,788,792
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**
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 year	-	441,826,762,029	-	441,826,762,029	1,297,928,654	443,124,690,683
Changes in other comprehensive income(loss):						
Loss on valuation of financial assets at FVOCI	-	-	(528,389,843,802)	(528,389,843,802)	-	(528,389,843,802)
Net gain on cash flow hedges	-	-	17,585,714,352	17,585,714,352	-	17,585,714,352
Re-measurement loss on defined benefit plans	-	(4,658,324,342)	-	(4,658,324,342)	(2,077,895)	(4,660,402,237)
Share of other comprehensive income (loss) of associates and joint ventures in equity method	-	302,479,286	(10,786,790,385)	(10,484,311,099)	-	(10,484,311,099)
Exchange differences on translation of foreign operations	-	-	(4,668,207,388)	(4,668,207,388)	-	(4,668,207,388)
Total comprehensive loss	-	(4,355,845,056)	(526,259,127,223)	(530,614,972,279)	(2,077,895)	(530,617,050,174)
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 December 31, 2025	₩ **2,218,598,774,310**	₩ **3,140,290,980,440**	₩ **1,355,837,830,632**	₩ **6,714,727,585,382**	₩ **32,522,244,373**	₩ **6,747,249,829,755**

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, 2025 and 2024

(Korean Won)

	2025	2024
Operating activities		
Profit for the year	₩ 443,124,690,683	₩ 522,361,991,142
Adjustments to reconcile profit for the year to net cash flows provided by operating activities:		
Pension benefit	15,843,988,130	22,771,446,422
Depreciation	751,576,025,564	706,053,552,463
Amortization	10,967,910,666	16,754,763,940
Income tax expense	172,547,357,778	107,606,634,868
Loss on disposal of property, plant, and equipment	74,746,602	15,546,356
Loss on write-off of property, plant, and equipment	2,922,056,534	2,744,171,215
Interest expenses	112,017,355,976	92,299,506,326
Gain on disposal of property, plant, and equipment	(824,826,784)	(3,491,900,458)
Gain on disposal of intangible assets	-	(16,009,090)
Reversal of impairment loss on intangible assets	(39,750,000)	-
Interest income	(15,710,657,858)	(16,457,364,677)
Dividend income	(21,865,601,093)	(33,508,801,676)
Loss(gain) on foreign currency translation	(18,022,556,674)	286,880,854,514
Gain on foreign currency transaction	(43,391,281,028)	(11,487,845,434)
Gain on valuation of financial assets at FVTPL	(1,589,637,770)	(40,155,034)
Loss(gain) on disposal of financial assets at FVTPL	2,016,240,106	(85,417,029)
Loss(gain) on derivative instruments, net	37,268,730,732	(273,341,801,763)
Gain on valuation of investments in associates and joint ventures, net	(20,112,327,488)	(80,417,619,378)
Loss on impairment of investments in associates and joint ventures, net	-	1,032,511,438
Gain on disposal of investments in associates and joint ventures, net	(3,819,897,133)	-
Allowance for provisions, net	140,900,519,377	104,110,447,407
Others	(2,556,173,722)	(3,994,580,045)
Changes in operating assets and liabilities:		
Trade receivables	23,627,009,983	(61,091,838,117)
Accrued income	451,284,164,140	(25,307,112,556)
Other receivables	(119,517,244,779)	51,545,381,382
Advance payments	(680,214,906)	(2,812,528,626)
Prepaid expenses	(562,040,686,825)	(7,168,597,270)
Other current assets	583,277,159	23,959,937,894
Inventories	(23,489,800,259)	(7,251,059,622)
Trade payables	(18,308,655,429)	16,702,619,757
Other payables	87,613,929,454	(45,361,304,200)
Accrued expenses	5,537,792,498	1,467,020,020
Unearned revenue	425,147,599	532,491,065
Withholdings	41,324,366	(209,310,561)
Other current liabilities	13,622,300,818	(491,782,249)
Other non-current liabilities	(73,623,872)	682,918,258
Payment of provisions	(58,214,327,620)	(53,749,283,610)
Pension benefits paid	(4,508,768,604)	(15,727,404,814)
Increase in plan assets	(21,773,229,555)	(6,729,844,856)
Settlement of derivative instruments	5,922,954,615	9,285,931,636
	1,341,378,261,381	1,318,066,165,038
Dividends received	74,210,122,800	49,791,292,140
Interest paid	(131,582,799,782)	(115,361,801,472)
Interest received	15,217,693,006	14,031,257,442
Income tax paid	(187,389,341,488)	(11,823,814,665)
Net cash flows provided by operating activities	**₩ 1,111,833,935,917**	**₩ 1,254,703,098,483**

(Continues)

KOREA EAST-WEST POWER CO., LTD. AND ITS SUBSIDIARIES
Consolidated statements of cash flows (cont'd)
for the years ended December 31, 2025 and 2024

(Korean Won)

		2025		2024
Investing activities				
Collection of loans	₩	12,984,465,765	₩	4,316,539,918
Collection of deposits		4,345,643,174		9,681,397,649
Decrease in financial assets measured at fair value through OCI (FVOCI)		4,040,516,200		-
Decrease in financial assets at amortized cost		3,518,560,000		7,003,600,000
Proceeds from disposal of land		296,437,489		242,075,745
Proceeds from disposal of buildings		671,918,648		594,136,786
Proceeds from disposal of structures		228,184,060		-
Proceeds from disposal of machinery		290,949,377		3,002,339,479
Proceeds from disposal of vehicles		22,232,727		15,001,000
Proceeds from disposal of tools and equipment		-		3,155,728
Proceeds from disposal of intangible assets		104,750,000		-
Decrease in investments in joint ventures		10,868,457,110		68,040,000
Net changes in financial assets at FVTPL		47,094,458,879		114,625,894,651
Increase in financial assets at amortized cost		(10,010,900,000)		(8,522,380,000)
Increase in investment in associates		(85,444,370,017)		(17,891,000)
Increase in investments in joint ventures		-		(1,505,424,479)
Increase in loans		(10,308,644,063)		(2,073,366,982)
Payment of deposits		(8,753,436,000)		(6,459,731,184)
Purchase of land		-		(25,427,428)
Purchase of structures		(126,170,000)		-
Purchase of machinery		(13,948,629,401)		(9,241,251,105)
Purchase of furniture and fixtures		(34,377,443)		(41,799,278)
Purchase of tools and equipment		(45,151,286)		-
Purchase of construction-in-progress		(781,613,369,872)		(1,009,213,399,795)
Purchase of intangible assets		(323,145,600)		-
Increase in other investment assets		(57,806,192,338)		(91,661,114,858)
Net cash flows used in investing activities	₩	**(883,947,812,591)**	₩	**(989,209,605,153)**
Financing activities				
Proceeds from short-term borrowings, net		(80,000,000,000)		80,000,000,000
Proceeds from borrowings and bonds		1,701,080,631,779		258,949,008,400
Repayment of borrowings and bonds		(1,627,833,340,000)		(417,564,359,999)
Settlement of derivative instruments		196,245,943,823		18,691,078,433
Lease payments		(59,523,649,432)		(64,513,388,983)
Dividends		(304,086,228,029)		(299,888,192,581)
Changes in ownership interest in subsidiaries		(2,693,000,000)		-
Net cash flows used in financing activities	₩	**(176,809,641,859)**	₩	**(424,325,854,730)**
Net foreign exchange difference		(3,638,547,155)		9,661,972,075
Net increase(decrease) in cash and cash equivalents		47,437,934,312		(149,170,389,325)
Cash and cash equivalents at January 1		169,451,420,382		318,621,809,707
Cash and cash equivalents at December 31	₩	**216,889,354,694**	₩	**169,451,420,382**

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") 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 Article 3 of the Addendum to the Act. As of December 31, 2025, the Group's power generating capacity is 9,691.7MW and the Group owns and operates four power plants, including the Dangjin Thermal Power Plant.

As of December 31, 2025 ,KEPCO wholly owns the Group's issued and outstanding shares, with par value of share capital amounting to ₩289,661 million.

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

			Equity interest and voting rights (%)	
	Principal activity	Country of domicile	Dec. 31, 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 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	93.7	89.0
Yeongdeok Sunrise 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

(*) The ownership percentage has changed as a result of a disproportionate capital reduction during the current period.

1. Corporate information (cont'd)

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

	Dec 31, 2025			
	Total assets	Total liabilities	Sales	Profit(loss) for the year
EWP America, Inc. (*)	₩ 60,246,073,369	₩ 2,993,318,373	₩ 25,064,335,037	₩ 11,989,900,169
EWP (Barbados) 1 SRL	479,657,875,919	776,679,450	-	17,313,717,675
Gyeongju Wind Power Co., Ltd.	84,224,888,599	33,877,220,509	16,636,314,628	3,889,206,912
PT. EWP Indonesia	103,085,540,538	47,670,248	-	7,006,949,408
EWP Bylong Pty., Ltd.	17,596,469	20,573,631	-	(4,278,600)
EWP Service Co., Ltd.	7,234,177,660	4,462,138,366	29,818,620,000	1,295,848,185
Paju Eco Energy Co., Ltd.	60,776,157,619	2,791,427,068	16,199,400,463	1,477,417,434
Yeongdeok Sunrise Wind Power Co., Ltd.	109,860,418,721	84,333,579,570	11,908,467,724	(616,546,323)
EWP Australia Pty., Ltd.	54,134,315,386	461,381,426	-	(16,420,082,445)

(*) 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 the ability to use the assets and settle the liabilities of the Group are as follows:

Subsidiary	Restrictions
Gyeongju Wind Power Co., Ltd.	Dividends to investors, payment for renewable energy supply certification and O&M settlement can be paid by the Group only when all conditions in the loan agreement between Gyeongju Wind Power Co., Ltd. and the financial institution are met, and prior written consent is obtained from the relevant financial institution.
Yeongdeok Sunrise Wind Power Co., Ltd.	Dividends to investors can be paid by the Group only 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, in accordance with Article 2, paragraph 5 thereof.

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, 2025 reporting periods and have not been early adopted by the Group.

1) Amendments to K-IFRS No. 1109 'Financial Instruments' and No. 1107 'Financial Instruments: Disclosures'

Amendments to K-IFRS No. 1109 'Financial Instruments' and K-IFRS No. 1107 'Financial Instruments: Disclosures' were issued to address practical issues and incorporate new requirements. These amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The primary changes include:

- Derecognition of Financial Liabilities: Allowing financial liabilities settled via electronic payment systems to be derecognized before the settlement date, provided specific criteria are met.

- Classification of Financial Assets: Clarifying and adding guidance to assess whether the contractual cash flows of a financial asset meet the Solely Payments of Principal and Interest (SPPI) criterion.

- Disclosure of Contractual Terms: Requiring disclosure by class of financial instrument regarding the nature and extent of the entity's exposure to, and the impact of, contractual terms that could change the timing or amount of contractual cash flows.

- Equity Instruments at FVOCI: Enhanced disclosures for equity instruments designated as Financial Assets at Fair Value through Other Comprehensive Income (FVOCI).

The Group expects that these amendments will not have a material impact on its consolidated financial statements.

2) Amendments to K-IFRS No. 1109 and No. 1107: Power Purchase Agreements (PPAs) for Nature-Dependent Power

The amendments define "contracts for nature-dependent power" as those where the entity is exposed to variability in the underlying power volume because the source of power generation depends on uncontrollable natural conditions (e.g., weather). The amendments clarify that such contracts to buy or sell nature-dependent power are subject to the 'own-use' exception assessment. Furthermore, the amendments modify hedge accounting requirements—allowing the 'variable nominal amount' of a forecasted nature-dependent power transaction to be designated as a hedged item—and introduce related disclosure requirements. These amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The Group expects that the adoption of this standard will not have a material impact on its consolidated financial statements.

2.2 Standards issued but not yet effective (cont'd)

3) Enactment of K-IFRS No. 1118 'Presentation and Disclosures in Financial Statements'

K-IFRS No. 1118 introduces new mandatory subtotals in the statement of profit or loss, such as operating profit, and requires operating profit to be measured as a residual category (excluding items classified as investing or financing). This standard is effective for annual periods beginning on or after January 1, 2027, with early application permitted for annual periods beginning on or after January 1, 2026. The Group expects that the adoption of this standard will not have a material impact on its consolidated financial statements.

4) Annual Improvements to K-IFRS – Volume 11

The Annual Improvements to K-IFRSs – Volume 11 are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The Group expects that these improvements will not have a material impact on its consolidated financial statements. Key updates include:

K-IFRS No. 1101 'First-time Adoption of K-IFRS': Hedge accounting for first-time adopters.

K-IFRS No. 1107 'Financial Instruments: Disclosures': Gains and losses on derecognition and related implementation guidance.

K-IFRS No. 1109 'Financial Instruments': Derecognition of lease liabilities and the definition of transaction price.

K-IFRS No. 1110 'Consolidated Financial Statements': Determination of a 'de facto' agent.

K-IFRS No. 1007 'Statement of Cash Flows': Cost method.

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, 2025. 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 No. 1021 'The Effects of Changes in Foreign Exchange Rates' and No. 1101 'First-time Adoption of K-IFRS' – Lack of Exchangeability*

Amendments to K-IFRS No. 1021 'The Effects of Changes in Foreign Exchange Rates' and K-IFRS No. 1101 'First-time Adoption of K-IFRS' have been issued. These amendments require an entity to assess the exchangeability of a currency and estimate the spot exchange rate when a currency is not exchangeable into another currency. Additionally, the amendments mandate further disclosures regarding the impact of such a lack of exchangeability. The primary objective of these amendments is to help users of financial statements understand the risks and effects to which an entity is exposed due to the lack of exchangeability between currencies.

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 applies accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, the financial statements of such member are adjusted as necessary to ensure consistency with the accounting policies of the Group upon consolidation.

All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation for the years ended December 31, 2025 and 2024.

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 interests present on the acquisition date, which entitle the holders to a proportionate share of the entity's net assets upon liquidation, may be initially measured either at fair value or at their proportionate share of the recognized amounts of the acquiree's identifiable net assets. The measurement choice can be made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, in accordance with 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 shall not 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 initial 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. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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, 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 (including 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 and is assessed for impairment as part of that 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 allocated to those units.

Goodwill is tested for impairment annually and whenever there is an indication 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 allocated first to reduce the carrying amount of any 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 is 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, a gain is recognized for any subsequent increase, but not in excess of the cumulative impairment loss previously 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 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 simultaneously receive and consume the benefits provided by the Group's performance as the Group performs. If the Group 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. The transaction 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 certain transactions.

2.4 Summary of material accounting policies (cont'd)

2.4.9 Lease

A lease is a contract in which the lessor 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 payment. 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 expense 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 is 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 therefrom 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 capitalized to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned from 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 from 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 a systematic basis over the periods in which the Company recognizes as expenses the related costs, for which the grants are intended to compensate. 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 plans 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 the 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 have 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
Current tax is based on taxable profit 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 for 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 profit nor the accounting profit.

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 assets 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 expectations differ 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 methods 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)

2.4.16 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 the 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 acquired in a business combination and recognized separately from goodwill are initially measured 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 carried 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 of disposal 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 a 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, the 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 it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the related provision is reversed during the period.

Employee bonus
The Group pays bonuses to its employees 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 obliged to produce and supply a 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, 2025, 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 values of emission allowances for the year to be delivered to the government
(2) The best estimate of expenditure, 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 flow. 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 assets.

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 flow 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 assets 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 flow 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 its 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 flow.

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

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 the cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transactions. 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 period 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 the 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 estimates concerning the future. Assumptions and estimates are verified continuously based on past experience and reasonably expected future events. This accounting estimates, however, could be different from actual results. Assumptions and estimates 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 the 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 historical experience and additional disclosures are described in Note 2.4.19 and Note 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 an 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 to 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 indefinite 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 the 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 the goods and services that generate operating revenue and the characteristics of the assets required to provide such services.

The following table presents revenue and operating profit from the sole reportable segment for the years ended December 31, 2025 and 2024 (Korean won):

	2025	2024
Revenue	₩5,051,192,301,787	₩5,379,008,979,050
Revenue from external customers	5,051,192,301,787	5,379,008,979,050
Operating profit	645,462,863,526	621,102,612,917
Depreciation and amortization	762,543,936,230	722,808,316,403

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

	Dec. 31, 2025	Dec. 31, 2024
Total assets	₩ 12,352,788,272,002	₩ 12,894,232,701,944
Investment in associates	455,796,465,976	387,139,878,055
Investment in joint ventures	817,303,754,583	839,930,701,527
Acquisition of non-current assets (*)	925,270,422,960	1,027,053,396,029
Total liabilities	5,605,538,442,247	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 on external customers and non-current assets for the years ended December 31, 2025 and 2024 and as of December 31, 2025 and 2024 is as follows (Korean won):

	Revenue from external customers		Non-current assets (*)	
	2025	2024	Dec. 31, 2025	Dec. 31, 2024
Domestic	₩ 5,025,023,179,337	₩ 5,355,225,380,022	₩ 8,312,966,281,403	₩ 8,196,791,999,285
Americas	25,064,335,037	14,887,646,147	32,332,150,869	34,253,374,050
Barbados	-	-	460,952,207,808	461,377,755,909
Indonesia	1,104,787,413	8,895,952,881	98,268,409,050	100,661,861,790
Australia	-	-	51,854,767,815	65,439,689,465
Others	-	-	51,584,972,303	11,079,663,720
Total	₩ 5,051,192,301,787	₩ 5,379,008,979,050	₩ 9,007,958,789,248	₩ 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 ₩4,878,613,710,455 and ₩5,175,665,288,437 for the years ended December 31, 2025 and 2024, respectively. There are no other customers having revenue 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, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025	Dec. 31, 2024
Other demand deposits	₩ 116,889,354,694	₩ 126,451,420,382
Short-term investment assets classified as cash equivalents	100,000,000,000	43,000,000,000
Total	₩ 216,889,354,694	₩ 169,451,420,382

6. Financial assets restricted for use

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

	Dec. 31, 2025	Dec. 31, 2024
Other demand deposits (*)	₩ 16,845,442,256	₩ 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	₩ 23,345,442,256	₩ 17,947,956,898

(*) They are pledged as collateral for the Group's borrowings. (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, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Financial assets at FVTPL:				
Beneficiary certificates	₩ -	₩ 1,431,230,376	₩ -	₩ 1,529,458,879
Contributions	-	20,037,200	-	20,037,200
Debt securities	-	-	47,422,832,712	-
Derivative assets	-	-	1,856,699,307	-
Total	₩ -	₩ 1,451,267,576	₩ 49,279,532,019	₩ 1,549,496,079
Financial liabilities at FVTPL:				
Derivative liabilities	₩ 2,127,136,410	₩ -	₩ 5,500,000	₩ -

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

	Dec.31, 2025		Dec.31, 2024	
	Current	Non-current	Current	Non-current
Derivative assets:				
Currency forwards	₩ -	₩ -	₩ 1,856,699,307	₩ -
Currency swaps	-	66,559,671,439	221,141,296,266	57,773,538,803
Total	₩ -	₩ 66,559,671,439	₩ 222,997,995,573	₩ 57,773,538,803
Derivative liabilities:				
Currency forwards	₩ 2,127,136,410	₩ -	₩ 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 December 31, 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
Woori Bank	2025.11~2031.05	142,900,000,000	100,000,000	2.93	4.00	1,429.00
Hana Bank	2025.11~2031.05	142,900,000,000	100,000,000	2.93	4.00	1,429.00
Shinhan Bank	2025.11~2031.05	71,450,000,000	50,000,000	2.94	4.00	1,429.00
BofA	2025.11~2031.05	71,450,000,000	50,000,000	2.94	4.00	1,429.00

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 (the currency swap) hedges the risk associated with the hedging item (the repayment of foreign currency bonds) as of the end of the reporting period.

Details of currency forwards as of December 31, 2025 are as follows (Korean won and USD):

			Contract amount		
Counterparty	Contract date	Maturity date	Sell(KRW)	Purchase(USD)	Contract exchange rate
Trading:					
BofA	2025-11-13	2026-02-10	₩ 500,399,436	$ 343,563	₩ 1,456.50
MUFG	2025-11-26	2026-02-26	3,038,686,250	2,093,264	1,451.65
Shinhan Bank	2025-12-08	2026-02-25	1,155,916,795	790,489	1,462.28
Woori Bank	2025-12-11	2026-02-25	1,259,308,719	862,127	1,460.70
Hana Bank	2025-12-11	2026-02-25	5,840,800,000	4,000,000	1,460.20
MUFG	2025-12-11	2026-02-25	7,305,000,000	5,000,000	1,461.00
HSBC	2025-12-24	2026-03-19	4,087,892,669	2,784,289	1,468.20
Shinhan Bank	2025-12-24	2026-03-17	10,238,200,000	7,000,000	1,462.60
BofA	2025-12-24	2026-03-19	7,327,500,000	5,000,000	1,465.50
JP Morgan	2025-12-24	2026-03-19	7,328,500,000	5,000,000	1,465.70
Nonghyup Bank	2025-12-24	2026-03-19	7,326,000,000	5,000,000	1,465.20
Busan Bank	2025-12-24	2026-03-19	7,329,000,000	5,000,000	1,465.80
MUFG	2025-12-24	2026-03-19	7,327,750,000	5,000,000	1,465.55
Woori Bank	2025-12-24	2026-03-19	7,328,000,000	5,000,000	1,465.60
HSBC	2025-12-24	2026-03-17	10,183,250,000	7,000,000	1,454.75
Shinhan Bank	2025-12-24	2026-03-19	7,272,750,000	5,000,000	1,454.55
Hana Bank	2025-12-24	2026-03-19	7,281,000,000	5,000,000	1,456.20
BofA	2025-12-24	2026-03-17	7,284,250,000	5,000,000	1,456.85
Woori Bank	2025-12-24	2026-03-17	7,265,500,000	5,000,000	1,453.10
Shinhan Bank	2025-12-26	2026-03-30	7,212,750,000	5,000,000	1,442.55
JP Morgan	2025-12-26	2026-03-30	7,194,500,000	5,000,000	1,438.90

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, 2025 and 2024 are as follows (Korean won):

	Gain (loss) on valuation		Gain (loss) on settlement		Other comprehensive income (*)	
	2025	2024	2025	2024	2025	2024
Currency forwards	₩ (2,127,136,410)	₩ 1,851,199,307	₩ 4,071,755,308	₩ 9,942,181,568	₩ -	₩ -
Currency swaps	(10,419,131,408)	242,857,342,455	(28,794,218,222)	18,691,078,433	23,104,129,823	1,268,714,378
	₩ (12,546,267,818)	₩ 244,708,541,762	₩ (24,722,462,914)	₩ 28,633,260,001	₩ 23,104,129,823	₩ 1,268,714,378

(*) As of December 31, 2025, the gain on valuation of derivative instruments amounting to ₩17,585,714,352 recognized in accumulated other comprehensive income is 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, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025		
	Gross amounts	Present value discounts	Book value
Current assets:			
Trade receivables	₩ 441,139,904,802	₩ -	₩ 441,139,904,802
Other receivables	442,221,997,176	(84,533,175)	442,137,464,001
Subtotal	883,361,901,978	(84,533,175)	883,277,368,803
Non-current assets:			
Other receivables	20,271,436,518	(425,271,695)	19,846,164,823
Total	₩ 903,633,338,496	₩ (509,804,870)	₩ 903,123,533,626

	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
Subtotal	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 December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025		
	Gross amounts	Present value discounts	Book value
Current assets:			
Non-trade receivables	₩ 190,227,528,509	₩ -	₩ 190,227,528,509
Accrued income	235,806,044,060	-	235,806,044,060
Deposits	16,188,424,607	(84,533,175)	16,103,891,432
Subtotal	442,221,997,176	(84,533,175)	442,137,464,001
Non-current assets:			
Deposits	18,993,790,867	(425,271,695)	18,568,519,172
Others	1,277,645,651	-	1,277,645,651
Subtotal	20,271,436,518	(425,271,695)	19,846,164,823
Total	₩ 462,493,433,694	₩ (509,804,870)	₩ 461,983,628,824

8. Trade and other receivables (cont'd)

	Dec. 31, 2024		
	Gross amounts	Present value discounts	Book value
Current assets:			
Non-trade receivables	₩ 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
Subtotal	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
Subtotal	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 passed due or impaired as of December 31, 2025.

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, 2025 are as follows (Korean won):

	Dec. 31, 2025				
	Equity ratio (%)	Number of shares held (in shares)	Acquisition cost	Book value	Fair value
Quoted securities:					
PT. Bayan Resources TBK	4.00	1,333,333,400	₩ 80,533,337,360	₩ 1,791,893,422,928	₩ 1,791,893,422,928
Unquoted securities:					
Korea Power Exchange	7.14	1,826,275	9,131,374,714	18,325,229,542	18,325,229,542
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	-	-
Subtotal			15,659,072,054	18,718,229,542	18,718,229,542
Total			₩ 96,192,409,414	₩ 1,810,611,652,470	₩ 1,810,611,652,470

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, 2024 are as follows (Korean won):

	Dec. 31, 2024				
	Equity ratio (%)	Number of shares held (in shares)	Acquisition cost	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
Subtotal			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	-	-
Subtotal			15,659,072,054	15,901,748,425	15,901,748,425
Total			₩ 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.

Changes in financial assets at fair value through other comprehensive income for the year ended December 31, 2025 are as follows (Korean won):

	2025			
	Jan.1	Disposal	Valuation (*)	Dec. 31
Quoted equity shares	₩ 2,461,202,697,735	₩ (4,040,516,200)	₩ (665,268,758,607)	₩ 1,791,893,422,928
Unquoted equity shares	15,901,748,425		2,816,481,117	18,718,229,542
Total	₩ 2,477,104,446,160	₩ (4,040,516,200)	₩ (662,452,277,490)	₩ 1,810,611,652,470
Non-current financial assets at FVOCI	₩ 2,477,104,446,160	₩ (4,040,516,200)	₩ (662,452,277,490)	₩ 1,810,611,652,470

(*) As of December 31, 2025, valuation changes amounting to ₩(-)528,389,843,802 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):

	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
Total	₩ 2,236,235,118,243	₩ 240,869,327,917	₩ 2,477,104,446,160
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.

10. Financial assets at amortized cost

Changes in financial assets at amortized cost for the year ended December 31, 2025 are as follows (Korean won):

	2025				
	Jan.1	Acquisition	Disposal	Others	Dec. 31
Public bonds	₩ 157,900,000	₩ 10,900,000	₩ (18,560,000)	₩ -	₩ 150,240,000
Others	29,000,000,000	10,000,000,000	(3,500,000,000)	-	35,500,000,000
Total	₩ 29,157,900,000	₩ 10,010,900,000	₩ (3,518,560,000)	₩ -	₩ 35,650,240,000
Current financial assets at amortized cost	₩ 22,518,560,000	₩ 10,000,000,000	₩ (3,518,560,000)	₩ 20,350,000	₩ 29,020,350,000
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):

	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
Total	₩ 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 December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Tuition loans(*1)	₩ 1,078,117,452	₩ 14,723,610,246	₩ 1,213,369,384	₩ 15,955,287,427
Home loans(*2)	791,408,592	7,404,512,006	873,406,032	8,401,720,308
Loans to related parties	-	17,103,648,905	8,420,307,000	8,913,028,752
Present value discount	(104,840,057)	(2,175,471,878)	(108,335,944)	(2,348,548,330)
Total	₩ 1,764,685,987	₩ 37,056,299,279	₩ 10,398,746,472	₩ 30,921,488,157

(*1) The Group provides tuition 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 over 15 years for leases and 20 years for purchases.

12. Inventories

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

	Dec. 31, 2025		
	Acquisition cost	Valuation allowance	Book value
Raw materials	₩ 125,901,988,949	₩ -	₩ 125,901,988,949
Supplies	23,968,191,554	-	23,968,191,554
Goods in transit	93,953,283,857	-	93,953,283,857
Total	₩ 243,823,464,360	₩ -	₩ 243,823,464,360

	Dec. 31, 2024		
	Acquisition cost	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 December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Advance payments	₩ -	₩ 3,641,178,341	₩ 45,500	₩ 2,960,917,935
Prepaid expenses	15,751,037,330	25,192,001,514	20,385,770,359	24,443,815,915
Others	8,142,191,046	-	32,049,082,358	-
Total	₩ 23,893,228,376	₩ 28,833,179,855	₩ 52,434,898,217	₩ 27,404,733,850

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

	Dec. 31, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Emission rights	₩ 7,781,255,947	₩ -	₩ 31,102,624,051	₩ -
Non-refunded value added tax	16,178,714	-	410,863,690	-
Others	344,756,385	-	535,594,617	-
Total	₩ 8,142,191,046	₩ -	₩ 32,049,082,358	₩ -

14. Investments in associates and joint ventures

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

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2025	
				Acquisition cost	Book value
<Associates>					
Korea Offshore Wind Power Co., Ltd. (*1)	Power plants operation	Republic of Korea	12.50	₩ 26,600,000,000	₩ 26,667,586,053
KEPCO Solar Co., Ltd. (*1)	Resource development for solar energy	Republic of Korea	8.33	16,650,000,000	17,842,446,710
KEPCO ES Co., Ltd. (*1)	Investment in facilities for energy efficiency	Republic of Korea	8.33	25,000,000,000	26,075,239,900
GS Donghae Electric Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	204,000,000,000	286,796,230,122
Guam Ukudu Power LLC	Power plants operation	U.S.A(Guam)	40.00	83,333,990,114	51,567,081,303
KPE Green Energy Co., Ltd.	Power plants operation	Republic of Korea	25.36	3,910,000,000	9,095,731,408
Taebaek Gadeoksan Wind Power Co., Ltd.	Power plants operation	Republic of Korea	34.00	12,570,000,000	26,456,133,706
Goheungsin Energy Co., Ltd.(*1)	Power plants operation	Republic of Korea	14.10	3,959,280,000	5,572,221,916
Yanggu Floating Solar Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	903,700,000	850,996,581
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	2,480,124,397
Subtotal				383,009,643,994	455,796,465,976
<Joint ventures>					
Busan Shinho Solar Power Co., Ltd.	Power plants operation	Republic of Korea	25.00	2,100,000,000	6,260,484,805
Honam Wind Power Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,480,000,000	4,898,342,750
Dangjin Eco Power Corporation	Power plants operation	Republic of Korea	34.00	25,661,385,206	27,149,701,931
Seokmun Energy Co., Ltd.	Power plants operation	Republic of Korea	29.00	15,370,000,000	14,564,800,775
Chuncheon Energy Co., Ltd.(*6)	Power plants operation	Republic of Korea	29.90	52,699,945,000	36,702,833,904
Yeonggwangbaeksu Wind Power Co., Ltd. (*2)	Power plants operation	Republic of Korea	15.00	3,000,000,000	3,835,191,561
Yeonggwang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	46.00	17,475,000,000	29,257,629,965
Yangyang Wind Power Co., Ltd.	Power plants operation	Republic of Korea	50.00	12,000,000,000	15,130,858,058
Jamaica Public Service Company Limited	Power plants operation	Jamaica	40.00	301,909,577,842	412,277,145,455
South Jamaica Power Company Limited	Power plants operation	Jamaica	20.00	20,430,019,000	48,675,062,353
PT.Tanjung Power Indonesia	Power plants operation	Indonesia	35.00	57,039,359,594	98,221,377,333
Daesan Green Energy Co., Ltd.	Power plants operation	Republic of Korea	35.00	17,850,000,000	21,755,071,973
Busan Industry Solar Co., Ltd.	Power plants operation	Republic of Korea	28.02	510,000,000	1,351,121,148
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	14,324,746,500	15,022,984,689
Cheongju Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	5,858,000,000	11,017,192,597

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

Investments in associates and joint ventures	Principal activity	Country of domicile	Equity ratio (%)	2025	
				Acquisition cost	Book value
Columboola Solar Farm Hold Co Pty., Ltd.(*4)	Power plants operation	Australia	48.51	₩ 38,538,334,153	₩ 51,853,149,736
Seokmun Green Energy Co., Ltd.	Power plants operation	Republic of Korea	33.00	8,972,700,000	12,457,030,622
Geumyang Eco Park Co., Ltd.	Power plants operation	Republic of Korea	29.00	3,663,000,000	6,873,774,928
Fairhaven Energy Storage, LLC	Power plants operation	U.S.A	35.00	1,505,424,479	-
Subtotal				602,739,791,774	817,303,754,583
Total				₩ 985,749,435,768	₩ 1,273,100,220,559

(*1) Although the Group holds less than 20% of the equity shares 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% 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 prior period.
(*7) Newly acquired in 2025.

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

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% 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 prior period.
(*7) Newly acquired in 2024.

As of December 31, 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 years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025							
	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.	₩ 24,862,903,825	₩ -	₩ -	₩ -	₩ 1,804,682,228	₩ -	₩ -	₩ 26,667,586,053
KEPCO Solar Co., Ltd.	17,591,986,418	-	-	(336,080,250)	584,704,746	-	1,835,796	17,842,446,710
KEPCO ES Co., Ltd.	26,058,687,158	-	-	(508,333,333)	526,700,292	-	(1,814,217)	26,075,239,900
GS Donghae Electric Power Co., Ltd.	279,432,019,874	-	-	(12,028,520,000)	19,674,582,794	-	(281,852,546)	286,796,230,122
Guam Ukudu Power LLC.(*1)	-	81,754,370,017	-	-	(27,525,630,992)	(2,661,657,722)	-	51,567,081,303
KPE Green Energy Co., Ltd.(formerly, Daewon Green Energy Co., Ltd)	8,229,844,886	-	-	-	865,886,522	-	-	9,095,731,408
Taebaek Gadeoksan Wind Power Co., Ltd.	22,908,062,403	-	-	(2,890,000,000)	6,438,086,017	-	(14,714)	26,456,133,706
Goheungsin Energy Co., Ltd.	4,817,594,346	-	-	-	754,627,570	-	-	5,572,221,916
Yanggu Floating Power Co., Ltd.	846,105,265	-	-	-	4,891,316	-	-	850,996,581
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 BESS Power Plant Co., Ltd.(*2)	-	3,690,000,000	-	-	(1,156,739,615)	(53,135,988)	-	2,480,124,397
Subtotal	387,139,878,055	85,444,370,017	-	(15,762,933,583)	1,971,790,878	(2,714,793,710)	(281,845,681)	455,796,465,976
<Joint ventures>								
Busan Shinho Solar Power Co., Ltd.	6,993,042,983	-	-	(1,250,000,000)	517,441,822	-	-	6,260,484,805
Honam Wind Power Co., Ltd.	4,833,222,781	-	-	(435,000,000)	500,119,969	-	-	4,898,342,750
Dangjin Eco Power Corporation	26,867,391,908	-	-	-	263,182,405	17,594,167	1,533,451	27,149,701,931
Seokmun Energy Co., Ltd.	15,455,862,082	-	-	-	(891,061,307)	-	-	14,564,800,775
Chuncheon Energy Co., Ltd.	36,598,612,439	-	-	-	104,221,465	-	-	36,702,833,904
Yeonggwangbaeksu Wind Power Co., Ltd.	3,729,607,830	-	-	-	105,583,731	-	-	3,835,191,561
Yeonggwang Wind Power Co., Ltd.	26,146,093,646	-	-	-	3,111,536,319	-	-	29,257,629,965
Yangyang Wind Power Co., Ltd.	11,639,622,321	-	-	-	3,491,235,737	-	-	15,130,858,058
Jamaica Public Service Company Limited	412,616,416,779	-	-	(9,699,648,000)	14,192,801,367	(5,435,445,971)	603,021,280	412,277,145,455
South Jamaica Power Company Limited	48,761,339,130	-	-	(3,617,539,170)	4,568,455,084	(1,037,192,691)	-	48,675,062,353
PT.Tanjung Power Indonesia	100,579,334,520	-	-	(4,784,850,000)	7,201,934,347	(4,227,657,883)	(547,383,651)	98,221,377,333
DE Energia SpA (*3)	11,061,772,720	-	(9,408,825,639)	(1,652,947,081)	-	-	-	-
Daesan Green Energy Co., Ltd.	25,330,883,475	-	-	-	(3,574,555,083)	-	(1,256,419)	21,755,071,973
Busan Industry Solar Co., Ltd.	1,159,740,445	-	-	-	191,380,703	-	-	1,351,121,148
Light Solar Energy Co., Ltd.	-	-	-	-	-	-	-	-
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity (*4)	15,495,832,901	-	(522,994,500)	(904,957,750)	955,104,038	-	-	15,022,984,689
Cheongju Eco Park Co., Ltd.	10,636,229,347	-	-	-	380,963,250	-	-	11,017,192,597

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

	2025							
	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.	₩ 65,439,689,465	₩ -	₩ -	₩ (474,639,400)	₩ (15,722,606,032)	₩ 2,610,705,703	₩ -	₩ 51,853,149,736
Seokmun Green Energy Co., Ltd.	12,744,712,892	-	-	-	(287,682,270)	-	-	12,457,030,622
Geumyang Eco Park Co., Ltd	3,841,293,863	-	-	-	3,032,481,065	-	-	6,873,774,928
Fairhaven Energy Storage, LLC	-	-	-	-	-	-	-	-
Subtotal	839,930,701,527	-	(9,931,820,139)	(22,819,581,401)	18,140,536,610	(8,071,996,675)	55,914,661	817,303,754,583
Total	₩ 1,227,070,579,582	₩ 85,444,370,017	₩ (9,931,820,139)	₩ (38,582,514,984)	₩ 20,112,327,488	₩ (10,786,790,385)	₩ (225,931,020)	₩ 1,273,100,220,559

(*1) Additional capital contribution in 2025.
(*2) Newly acquired in 2025.
(*3) The investee was liquidated in 2025. 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.
(*4) A portion of the principal was settled in 2025

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
<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)	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 in 2024 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 in 2024in 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'.

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

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

	Dec. 31, 2025			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 342,348,935,673	₩ 129,008,247,247	₩ 43,561,949,224	₩ 8,116,228,999
KEPCO Solar Co., Ltd.	243,086,913,741	28,763,229,541	23,412,287,692	7,023,480,441
KEPCO ES Co., Ltd.	336,045,139,993	23,142,261,190	9,516,150,198	6,320,403,499
GS Donghae Electric Power Co., Ltd.	1,794,219,855,781	950,701,531,892	544,701,410,010	57,866,419,983
Guam Ukudu Power LLC.	922,686,840,716	793,769,137,458	31,800,516,356	(34,266,261,097)
KPE Green Energy Co., Ltd.	132,728,403,930	97,029,588,391	35,619,745,347	3,392,470,315
Taebaek Gadeoksan Wind Power Co., Ltd.	187,427,241,981	109,615,480,203	35,363,358,608	22,389,622,683
Goheungsin Energy Co., Ltd..	172,504,738,865	135,334,286,271	29,501,172,986	4,992,756,475
Yanggu Floating Power Co., Ltd.	14,940,925,394	12,006,460,919	2,017,745,008	16,973,666
Hoenggye Renewable Energy Co., Ltd.	87,568,250,749	84,837,864,480	85,288,124	(52,624,316)
Amaala Sustainable Company for Energy LLC	2,004,264,567,304	1,932,574,773,828	947,226,305,691	4,539,086,801
Jeju Bukchon BESS Power Plant Co., Ltd.	71,423,925,286	65,374,841,390	-	(2,646,003,922)
<Joint ventures>				
Busan Shinho Solar Power Co., Ltd.	25,970,357,708	928,418,490	5,980,107,217	2,069,767,286
Honam Wind Power Co., Ltd.	26,339,611,385	9,559,414,208	6,338,906,913	1,724,551,616
Dangjin Eco Power Corporation	90,477,440,558	11,629,241,027	3,642,260,321	767,373,052
Seokmun Energy Co., Ltd.	187,425,768,237	137,202,317,292	49,595,448,125	(3,034,177,632)
Chuncheon Energy Co., Ltd.	499,150,061,985	375,579,886,938	363,994,921,885	324,509,504
Yeonggwangbaeksu Wind Power Co., Ltd.	67,345,139,264	41,814,709,019	11,160,775,792	1,003,850,766
Yeonggwang Wind Power Co., Ltd.	210,261,912,169	147,728,255,798	31,231,781,170	7,663,927,716
Yangyang Wind Power Co., Ltd.	147,912,881,204	117,737,418,913	20,896,269,460	6,051,605,958
Jamaica Public Service Company Limited (*)	2,903,069,300,833	1,910,041,698,528	1,530,704,097,160	41,735,045,900
South Jamaica Power Company Limited	522,504,486,000	279,113,863,851	287,407,906,480	22,842,275,420
PT.Tanjung Power Indonesia	695,406,381,753	414,773,875,703	105,871,005,791	20,516,114,845
Daesan Green Energy Co., Ltd.	205,850,582,330	143,693,233,836	76,220,010,865	(8,563,478,279)
Busan Industry Solar Co., Ltd.	18,059,531,521	14,273,940,863	2,461,105,327	542,083,026
Light Solar Energy Co., Ltd.	64,606,194,417	70,583,041,257	8,299,829,682	324,768
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	17,254,627,347	562,422,138	1,109,122,545	1,061,226,709
Cheongju Eco Park Co., Ltd.	136,936,693,109	99,619,133,629	36,505,235,327	1,313,666,380
Columboola Solar Farm Hold Co Pty., Ltd.	348,779,452,729	247,898,571,276	12,209,981,726	(22,288,455,032)
Seokmun Green Energy Co., Ltd.	138,283,982,030	100,535,404,389	38,640,733,963	(871,764,455)
Geumyang Eco Park Co., Ltd.	143,280,607,086	119,772,612,689	38,929,146,322	6,128,289,658
Fairhaven Energy Storage, LLC	2,041,862,700	-	-	-

(*) The summarized financial information reflects the fair value adjustments made on 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 reflects the fair value adjustments made on the acquisition date.

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

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 December 31, 2025 and 2024 is as follows (Korean won):.

	Dec. 31, 2025		Dec. 31, 2024	
	Unrecognized loss	Accumulated loss	Unrecognized loss	Accumulated loss
<Associates>				
Guam Ukudu Power LLC	₩ -	₩ -	₩ 7,673,476,761	₩ 7,673,476,761

The agreements that have occurred regarding the investments in associates and joint ventures but are not recognized as of December 31, 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 December 31, 2025, the 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 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 of Renewable Energy Certificate (REC) settlement amounts to investors are permitted only if all conditions under the loan agreement between Seokmun Energy Co., Ltd. and the financial institution are met.
Chuncheon Energy Co., Ltd.	Dividends to investors are permitted only if all conditions under the loan agreement between Chuncheon Energy Co., Ltd. and a financial institution are met. In addition, payments of principal and interest on subordinated loans are not permitted until the payment conditions are satisfied.
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 and 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 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 December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 871,653,725,517	₩ -	₩ -	₩ 871,653,725,517
Buildings	1,702,184,673,667	(127,107,750)	(803,439,321,005)	898,618,244,912
Structures	1,450,951,352,584	-	(873,325,949,298)	577,625,403,286
Machinery	9,484,270,781,951	(3,589,910,717)	(6,083,775,092,527)	3,396,905,778,707
Vehicles	18,072,198,699	-	(15,682,472,612)	2,389,726,087
Furniture and fixtures	173,543,717,460	-	(149,092,278,178)	24,451,439,282
Tools and equipment	23,356,895,312	-	(22,213,342,817)	1,143,552,495
Construction-in-progress	1,183,342,034,761	-	-	1,183,342,034,761
Right-of-use assets	1,101,957,536,346	-	(685,901,037,287)	416,056,499,059
Total	₩ 16,009,332,916,297	₩ (3,717,018,467)	₩ (8,633,429,493,724)	₩ 7,372,186,404,106

	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 years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025							
	Jan. 1	Addition	Disposal	Disuse	Depreciation	Others (*)		Dec. 31
						Transfer	Others	
Land	₩ 870,642,306,442	₩ -	₩ (125,908,790)	₩ -	₩ -	₩ 1,153,618,688	₩ (16,290,823)	₩ 871,653,725,517
Buildings	653,934,488,467	-	(412,315,053)	(190,385)	(55,444,385,489)	300,697,827,794	(30,072,672)	898,745,352,662
(Government grant)	(135,178,083)	-	-	-	8,070,333	-	--	(127,107,750)
Structures	561,026,646,124	126,170,000	(220,577,925)	(400,412,906)	(41,862,622,628)	58,962,798,807	(6,598,186)	577,625,403,286
Machinery	3,174,439,165,235	13,748,234,035	(839,351)	(2,508,609,897)	(573,776,554,196)	789,109,142,760	(514,849,162)	3,400,495,689,424
(Government grant)	(3,989,021,364)	-	-	-	399,110,647	-	-	(3,589,910,717)
Vehicles	957,375,557	-	(1,000)	(3,000)	(931,364,165)	2,364,086,028	(367,333)	2,389,726,087
Furniture and fixtures	26,031,263,829	34,377,443	-	(12,799,354)	(9,925,070,291)	8,323,632,118	35,537	24,451,439,282
Tools and equipment	1,262,186,840	45,151,286	-	(38,992)	(493,227,317)	329,590,933	(110,255)	1,143,552,495
Construction-in-progress	1,610,619,595,556	799,613,598,601	-	-	-	(1,252,044,503,600)	25,153,344,204	1,183,342,034,761
Right-of-use asset	372,312,257,364	25,935,375,978	-	-	(69,549,982,458)	87,390,807,124	(31,958,949)	416,056,499,059
Total	₩ 7,267,101,085,967	₩ 839,502,907,343	₩ (759,642,119)	₩ (2,922,054,534)	₩ (751,576,025,564)	₩ (3,712,999,348)	₩ 24,553,132,361	₩ 7,372,186,404,106

(*) This represents the effects of transfers from construction-in-progress and changes in exchange rates, etc.

	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
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

(*) This represents the effects of transfers from construction-in-progress and changes in exchange rates, etc.

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

The Group recognized revenue of ₩4,202,631,206 and ₩4,803,915,238 from the sale of goods and the cost of sales of ₩10,567,993,474 and ₩517,223,708 as cost of sales related to the goods sold for the years ended December 31, 2025 and 2024, respectively before the tangible assets were used in the intended manner.

16. Goodwill

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

	Dec. 31, 2025	Dec. 31, 2024
Acquisition cost	₩ 105,240,111,493	₩ 105,480,942,947
Accumulated impairment loss	-	-
Book value	₩ 105,240,111,493	₩ 105,480,942,947

Changes in goodwill for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Jan. 1	₩ 105,480,942,947	₩ 104,241,793,070
Effect on exchange rates change	(240,831,454)	1,239,149,877
Dec. 31	₩ 105,240,111,493	₩ 105,480,942,947

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 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 2025. 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.

In addition, the Group acquired a 100% equity interest in Eumseong Natural Gas Power Co., Ltd. to secure a stable power supply and generate profits through the diversification of power sources, and subsequently completed a merger by absorption with a merger date of December 23, 2019. As a result, goodwill was recognized. As goodwill does not generate independent cash inflows, it has been allocated to the cash-generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies arising from the business combination, and impairment testing has been performed.

The Group performs impairment testing for CGUs to which goodwill has been allocated on an annual basis and whenever there is an indication of impairment by estimating the recoverable amount. The recoverable amount has been determined based on value in use. Value in use was calculated based on estimated future cash flows, taking into consideration the business period (30 years) of the power generation license. The estimated cash flows were derived using, among other things, the results of electricity market simulations, and cash flows for the long-term period were extrapolated based on reasonable assumptions. The discount rate applied in measuring value in use was 5.15%, based on the weighted average cost of capital. Management believes that the carrying amount of the CGU does not exceed its recoverable amount, even with reasonably possible changes in the key assumptions.

17. Intangible assets excluding goodwill

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

	2025			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Software	₩ 82,899,114,519	₩ (69,955,235,577)	₩ -	₩ 12,943,878,942
Industrial property rights	100,212,971	(98,002,821)	-	2,210,150
Intangible assets under development	122,577,600	-	-	122,577,600
Usable and profitable donated assets	225,429,427,625	(225,429,427,625)	-	-
Others	296,034,987,323	(80,386,844,980)	(117,935,800)	215,530,206,543
Total	₩ 604,586,320,038	₩ (375,869,511,003)	₩ (117,935,800)	₩ 228,598,873,235

	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

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

	2025		
	Jan. 1	Acquisition	Disposal
Software	₩ 14,773,039,000	₩ -	₩ (2,000)
Industrial property rights	4,015,435	-	-
Intangible assets under development	-	67,065,600	-
Others	227,769,947,438	256,080,000	(104,750,000)
Total	₩ 242,547,001,873	₩ 323,145,600	₩ (104,752,000)

	2025		
	Amortization	Others (*)	Dec.31
Software	₩ (5,407,045,412)	₩ 3,577,887,354	₩ 12,943,878,942
Industrial property rights	(1,805,285)	-	2,210,150
Intangible assets under development	-	55,512,000	122,577,600
Others	(5,559,059,969)	(6,832,010,926)	215,530,206,543
Total	₩ (10,967,910,666)	₩ (3,198,611,572)	₩ 228,598,873,235

(*) It includes reclassifications of ₩3,577,887,354 to computer software and ₩55,512,000 to intangible assets under development from construction-in-progress, and ₩(−)6,871,760,926 transferred from greenhouse gas emission rights in other intangible assets to current non-financial assets.

17. Intangible assets excluding goodwill (cont'd)

	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)

	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

(*) Reclassification of computer software from construction-in-progress.

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

	Dec. 31, 2025		
	Contents	Amount	Residual amortization period
Other intangible assets	Right to use public water surface	₩ 59,977,440,544	11 years and 1 month
	Emission rights	10,937,598,671	-
	Business operation rights	143,216,016,667	24 years and 11 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 December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Trade payables	₩ 214,179,042,269	₩ -	₩ 234,601,071,205	₩ -
Non-trade payables	199,796,641,740	-	91,374,953,974	-
Accrued expenses	60,269,698,407	-	55,265,866,960	-
Leasehold deposits received	13,196,310	-	13,012,610	-
Other deposits	2,688,451,127	-	2,754,226,259	-
Lease liabilities	62,939,126,998	288,040,454,544	61,839,380,548	330,030,865,070
Total	₩ 539,886,156,851	₩ 288,040,454,544	₩ 445,848,511,556	₩ 330,030,865,070

19. Lease

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

	Dec. 31, 2025		
	Acquisition cost	Accumulated depreciation	Book value
Land	₩ 5,007,244,100	₩ (1,212,559,230)	₩ 3,794,684,870
Buildings	12,443,626,982	(4,864,993,057)	7,578,633,925
Vessels	540,763,723,755	(324,457,222,103)	216,306,501,652
Power transmission facilities	488,406,010,128	(344,584,913,731)	143,821,096,397
Vehicles	645,251,573	(416,248,024)	229,003,549
Other right-of-use assets	54,691,679,808	(10,365,101,142)	44,326,578,666
Total	₩ 1,101,957,536,346	₩ (685,901,037,287)	₩ 416,056,499,059

	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

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

	2025	
	Jan. 1	Acquisition
Land	₩ 3,850,468,242	₩ 231,150,825
Buildings	8,452,971,569	362,934,069
Vessels	250,178,838,172	9,687,761,041
Power transmission facilities	77,730,461,771	-
Vehicles	108,232,142	244,184,238
Other right-of-use assets	31,991,285,468	15,394,121,291
Total	₩ 372,312,257,364	₩ 25,920,151,464

	2025		
	Depreciation	Others(*)	Dec.31
Land	₩ (262,355,517)	₩ (24,578,680)	₩ 3,794,684,870
Buildings	(1,236,941,211)	(330,502)	7,578,633,925
Vessels	(43,560,097,561)	-	216,306,501,652
Power transmission facilities	(21,294,999,290)	87,385,633,916	143,821,096,397
Vehicles	(114,425,621)	(8,987,210)	229,003,549
Other right-of-use assets	(3,081,163,258)	22,335,165	44,326,578,666
Total	₩ (69,549,982,458)	₩ 87,374,072,689	₩ 416,056,499,059

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

19. Lease (cont'd)

	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
Total	₩ 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
Total	₩ (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.

The table below summarizes the maturity profile of lease liabilities as of December 31, 2025 and 2024 based on the contractual undiscounted cash flows (Korean won):

	Dec. 31, 2025	Dec. 31, 2024
Less than 1 year	₩ 63,823,831,727	₩ 62,625,046,448
1 to 5 years	181,938,423,375	208,626,882,921
Over 5 years	144,339,903,253	165,162,861,759
Total undiscounted lease payments	390,102,158,355	436,414,791,128
Adjustments (discount, etc.)	(39,122,576,813)	(44,544,545,510)
Total discounted lease payments	₩ 350,979,581,542	₩ 391,870,245,618

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

	2025	2024
Current	₩ 62,939,126,998	₩ 61,839,380,548
Non-current	288,040,454,544	330,030,865,070
Total	₩ 350,979,581,542	₩ 391,870,245,618

19. Lease (cont'd)

Changes in lease liabilities for the years ended December 31, 2025 and 2024 are as follows (Korean won):

		2025
Jan. 1, 2025	₩	391,870,245,618
Increases		25,916,395,656
Payments		(70,772,607,110)
Interest expenses		11,248,957,678
Fluctuation of exchange rates		(7,283,410,300)
Others		-
Dec. 31, 2025	₩	350,979,581,542

		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 years ended December 31, 2025 and 2024 related to leases are as follows (Korean won):

		2025		2024
Depreciation of right-of-use assets	₩	69,549,982,458	₩	70,205,656,807
Interest expenses of lease liabilities		11,248,957,678		8,867,195,563
Expenses related to the leases applying exemption for short-term leases		156,941,036		81,577,285
Expenses related to the leases applying exemption for leases of low-value assets		420,636,077		406,425,312
Loss on foreign currency translation of long-term consecutive voyage charter		(7,231,219,894)		43,506,427,019
Total	₩	74,145,297,355	₩	123,067,281,986

Total cash outflow for lease payments of ₩71,350,184,223 (₩65,001,391,580 in 2024) is recognized in the consolidated statements of cash flows for the year ended December 31, 2025.

20. Borrowings and bonds payable

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

	Dec. 31, 2025	Dec. 31, 2024
Current liabilities:		
Short-term borrowings	₩ -	₩ 80,000,000,000
Current portion of long-term borrowings	11,445,560,000	11,230,560,000
Current portion of bonds payable	750,000,000,000	1,660,000,000,000
Less: discount on current portion of bonds payable	(355,715,148)	(1,266,320,353)
Subtotal	761,089,844,852	1,749,964,239,647
Non-current liabilities:		
Long-term borrowings	95,335,550,000	106,783,890,000
Less: discount on long-term borrowings	(117,548,724)	(148,895,048)
Bonds payable	3,016,885,000,000	2,068,700,000,000
Less: discount on bonds payable	(12,820,203,174)	(9,227,416,913)
Subtotal	3,099,282,798,102	2,166,107,578,039
Total	₩ 3,860,372,642,954	₩ 3,916,071,817,686

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

Financial institution	Annual interest rate (%)	Maturity	Dec 31, 2025	Dec 31, 2024
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
Total			₩ -	₩ 80,000,000,000

Details of long-term borrowings as of December 31, 2025 and 2024 are as follows (Korean Won):

Financial institution	Description	Annual interest rate (%)	Maturity	Dec 31, 2025	Dec 31, 2024
<Long-term borrowings denominated in Korean won>					
Korea Energy Agency	Renewable energy funds	1.75	2028.09.15	₩ 1,416,470,000	₩ 1,931,550,000
Korea Energy Agency	Renewable energy funds	1.75	2028.09.15	577,170,000	787,050,000
KDB Bank	Facility funds	Non-guaranteed bond rate+0.9	2029.09.30	7,488,750,000	9,485,750,000
Shinhan Bank	Facility funds	Non-guaranteed bond rate+0.9	2029.09.30	5,241,750,000	6,639,550,000
NH Property & Casualty Insurance Co., Ltd.	Facility funds	3.30	2029.09.30	14,976,750,000	18,970,550,000
KDB Bank	Project financing	4.94	2042.06.23	38,540,110,000	40,100,000,000
Woori Bank	Project financing	3M CD+1.9	2042.06.23	38,540,110,000	40,100,000,000
Subtotal				106,781,110,000	118,014,450,000
Less: current portion (₩)				(11,445,560,000)	(11,230,560,000)
Less: discount				(117,548,724)	(148,895,048)
Total				₩ 95,218,001,276	₩ 106,634,994,952

20. Borrowings and bonds payable (cont'd)

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

Financial institution	Annual interest rate (%)	Maturity	Dec. 31, 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
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	502,215,000,000	350,000,000	514,500,000,000
Foreign currency corporate bonds #25-1	4.00	2031.05.14	300,000,000	430,470,000,000	-	-

20. Borrowings and bonds payable (cont'd)

Financial institution	Annual interest rate (%)	Maturity	Dec. 31, 2025		Dec. 31, 2024	
			USD	KRW	USD	KRW
Yeongdeok Sunrise #1st registered non-guaranteed bonds	10.00	2043.12.20	-	4,200,000,000	-	4,200,000,000
Subtotal			$ 650,000,000	₩ 3,766,885,000,000	$ 1,350,000,000	₩ 3,728,700,000,000
Less: discount on bonds				(13,175,918,322)		(10,493,737,266)
Less: current portion				(750,000,000,000)		(1,660,000,000,000)
Add: discount on current portion of bonds				355,715,148		1,266,320,353
Total				₩ 3,004,064,796,826		₩ 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 December 31, 2025 (Korean won):

	Borrowings	Bonds payable	Total
Within the next 12 months	₩ 11,445,560,000	₩ 750,000,000,000	₩ 761,445,560,000
Between 1 and 5 years	36,498,078,724	1,942,215,000,000	1,978,713,078,724
Over 5 years	58,837,471,276	1,074,670,000,000	1,133,507,471,276
Total	₩ 106,781,110,000	₩ 3,766,885,000,000	₩ 3,873,666,110,000

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):

	2025	2024
Cost of sales	₩ 1,005,399,093	₩ 5,429,489,941
Selling and administrative expenses and others	10,107,472,791	5,422,688,859
Total	₩ 11,112,871,884	₩ 10,852,178,800

The components of the defined benefits liability (assets) as of December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025	Dec. 31, 2024
Present value of defined benefit obligation	₩ 161,713,507,365	₩ 157,210,078,922
Fair value of plan assets	(131,469,956,889)	(122,793,107,430)
Total	₩ 30,243,550,476	₩ 34,416,971,492

21. Pension benefits (cont'd)

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

	2025	2024
Jan. 1	₩ 157,210,078,922	₩ 131,057,569,770
Current service costs	14,708,515,040	12,963,654,912
Interest costs	5,146,260,316	5,647,975,884
Benefits paid	(21,030,391,298)	(13,577,592,170)
Re-measurement of the defined benefit obligation	5,523,973,557	21,118,470,526
Others	155,070,828	-
Dec. 31	₩ 161,713,507,365	₩ 157,210,078,922

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

	2025	2024
Jan. 1	₩ 122,793,107,430	₩ 119,980,910,796
Interest income on plan assets	4,165,858,054	4,898,809,591
Re-measurement of plan assets	(740,615,456)	(114,091,657)
Contribution by employer	21,773,229,555	6,729,844,856
Benefits paid	(16,521,622,694)	(8,702,366,156)
Dec. 31	₩ 131,469,956,889	₩ 122,793,107,430

As of December 31, 2025 and 2024, re-measurements of the defined benefit liability of ₩(-)4,660,402,237 and ₩(-)16,494,879,647 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, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025	Dec. 31, 2024
Debt instruments	₩ 35,227,500,430	₩ 27,296,279,383
Deposit	67,812,742,347	66,559,677,392
Others	28,429,714,112	28,937,150,655
Total	₩131,469,956,889	₩ 122,793,107,430

Details of costs related to the defined benefit plan recognized in profit or loss for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Current service costs	₩ 14,708,515,040	₩ 12,963,654,912
Interest costs	980,402,262	749,166,293
Others	155,070,828	-
Total	₩ 15,843,988,130	₩ 13,712,821,205

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

	2025	2024
Cost of sales	₩ 13,670,816,078	₩ 12,032,429,326
Selling and administrative expenses and others	2,173,172,052	1,680,391,879
Total	₩ 15,843,988,130	₩ 13,712,821,205

21. Pension benefits (cont'd)

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

	2025	2024
Actuarial gains and losses from changes in financial assumptions	₩ 1,143,029,976	₩ 7,407,676,682
Return on plan assets	740,615,456	114,091,657
Experience adjustments and others	4,380,943,581	13,710,529,734
Actuarial gains and losses from changes in demographic assumptions	-	264,110
Total	₩ 6,264,589,013	₩ 21,232,562,183

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

	2025	2024
Discount rate	3.38 ~ 4.60	3.38 ~ 4.19
Expected Wage Growth Rate	2.00 ~ 6.45	2.00 ~ 6.45

22. Provisions

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

	Dec. 31, 2025	
	Current	Non-current
Provision for employee bonuses	₩ 35,743,529,215	₩ -
Provision for financial guarantees	530,334,868	761,582,583
Provision for lawsuit	400,000,000	-
Provision for decommissioning cost (*1)(*2)	-	7,051,927,834
Provision for emission obligations	20,944,072,013	-
Total	₩ 57,617,936,096	₩ 7,813,510,417

	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 lawsuit	400,000,000	-
Provision for decommissioning cost (*1)(*2)	-	7,122,808,905
Provision for emission obligations	6,036,642,089	-
Total	₩ 48,811,752,800	₩ 8,423,907,227

(*1) 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 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 Sunrise 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.

22. Provisions (cont'd)

Changes in provisions for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025					
	Jan. 1	Recognition	Utilization	Reversal	Others(*)	Dec. 31
Provision for employee bonuses	₩ 40,658,911,823	₩ 53,298,945,012	₩ (58,214,327,620)	₩ -	₩ -	₩ 35,743,529,215
Provision for financial guarantees	3,017,297,210	-	-	(1,725,379,759)	-	1,291,917,451
Provision for lawsuit	400,000,000	-	-	-	-	400,000,000
Provision for decommissioning cost	7,122,808,905	209,114,295	-	(279,995,366)	-	7,051,927,834
Provision for emission obligations	6,036,642,089	24,601,346,908	-	(5,511,753,730)	(4,182,163,254)	20,944,072,013
Total	₩ 57,235,660,027	₩ 78,109,406,215	₩ (58,214,327,620)	₩ (7,517,128,855)	₩ (4,182,163,254)	₩ 65,431,446,513

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

	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
Total	₩ 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.

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, 2025 are as follows (tCO2-eq in unit):

						2021-2025
	2021	2022	2023	2024	2025	Total
Allocated emissions	27,305,944	22,154,950	24,850,635	19,300,218	19,916,555	113,528,302

22. Provisions (cont'd)

The quantity of greenhouse gas emission estimated by the Group in 2025 is 26, 361,735 tCO2-eq, which exceeds the allocated emission allowances as of December 31, 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 year ended December 31, 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(*)	21,984,231	₩ 31,102,624,051	20,567,081	₩ 17,810,098,671	42,551,312	₩ 48,912,722,722
Purchase(sell)	3,207,224	27,865,508,566	2,954,792	29,940,683,772	6,162,016	57,806,192,338
Deliver to the government	(20,252,356)	(13,690,566,453)	(7,805,499)	(74,309,493,989)	(28,057,855)	(88,000,060,442)
Borrowing (carrying	(4,939,099)	(45,277,566,164)	4,939,099	45,277,566,164	-	-
Ending balances	-	₩ -	20,655,473	₩ 18,718,854,618	20,655,473	₩ 18,718,854,618

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

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	(25,839,804)	(11,075,155,545)	(5,724,836)	(53,727,140,24	-	-	(31,564,640)	(64,802,295,787)
Borrowing (carrying	(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 December 31, 2025.

The Group does not hold emission allowances for short-term trading gains as of December 31, 2025.

23. Government grants

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

	Dec. 31, 2025	Dec. 31, 2024
Buildings	₩ 127,107,750	₩ 135,178,083
Machinery	3,589,910,717	3,989,021,364
Total	₩ 3,717,018,467	₩ 4,124,199,447

Changes in government grants for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025			
	Jan. 1	Offset the items of depreciation	Others	Dec. 31
Buildings	₩ 135,178,083	₩ (8,070,333)	₩ -	₩ 127,107,750
Machinery	3,989,021,364	(399,110,647)	-	3,589,910,717
Total	₩ 4,124,199,447	₩ (407,180,980)	₩ -	₩ 3,717,018,467

	2024			
	Jan. 1	Offset the items of 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 December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025		Dec. 31, 2024	
	Current	Non-current	Current	Non-current
Unearned revenue	₩ 1,363,420,294	₩ -	₩ 938,272,695	₩ -
Withholdings	3,964,692,616	-	3,969,154,322	-
Others	36,353,497,719	1,356,511,503	22,633,188,466	20,745,513,993
Total	₩ 41,681,610,629	₩ 1,356,511,503	₩ 27,540,615,483	₩ 20,745,513,993

25. Issued capital

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

Share class	Number of shares authorized (in shares)	Number of shares issued (in shares)	Par value	Dec. 31, 2025 Owned by Government	Dec. 31, 2025 Owned by Non-government	Dec. 31, 2025 Total
Ordinary stock	100,000,000	57,932,221	₩ 5,000	₩ -	₩ 289,661,105,000	₩ 289,661,105,000

Share class	Number of shares authorized (in shares)	Number of shares issued (in shares)	Par value	Dec. 31, 2024 Owned by Government	Dec. 31, 2024 Owned by Non-government	Dec. 31, 2024 Total
Ordinary stock	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 issued and outstanding during 2025 and 2024.

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

	Dec. 31, 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 December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 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	1,611,826,596,289	1,641,978,182,555
Total	₩ 3,140,290,980,440	₩ 3,006,643,652,362

(*) In accordance with the *Commercial Law*, an amount equal to at least 10% of cash dividend for each reporting 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, 2025 and 2024 are as follows (Korean won):

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

26. Retained earnings and dividends (cont'd)

Changes in retained earnings for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Jan. 1	₩ 3,006,643,652,362	₩ 2,504,613,080,536
Profit for the year	441,826,762,029	518,837,811,222
Re-measurement gain (loss) on defined benefit plans	(4,658,324,342)	(16,484,670,855)
Changes in retained earnings in equity method	302,479,286	(322,568,541)
Dividend paid	(304,086,228,029)	-
Interim dividend	262,639,134	-
Dec. 31	₩ 3,140,290,980,440	₩ 3,006,643,652,362

Details of cash dividends paid by the Company in 2025 are as follows, while no dividends were paid in 2024 (Korean won in unit, except for shares and dividend per share):

	2025		
Share class	Number of shares issued	Dividends per share	Total dividends
Ordinary stock	57,932,221	₩ 5,249	₩ 304,086,228,029

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

	2025	2024
Jan. 1	₩ (6,137,047,632)	₩ 10,347,623,223
Changes for the year	(6,264,589,013)	(21,222,353,391)
Tax effect	1,604,186,776	4,737,682,536
Others	2,208,001	-
Dec. 31	₩ (10,795,241,868)	₩ (6,137,047,632)

27. Statements of appropriation of retained earnings

For the year ended December 31, 2025, the Company's retained earnings are expected to be appropriated on March 30, 2026. For the year ended December 31, 2024, the Company's retained earnings were appropriated on March 28, 2025.

Details on the appropriation of retained earnings for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Retained earnings before appropriations	₩ 1,337,547,223,107	₩ 1,376,153,471,418
Unappropriated retained earnings carried forward from the prior year	908,268,329,045	924,035,214,285
Profit for the year	433,931,956,108	467,885,142,373
Re-measurement gain (loss) on defined benefit plans	(4,653,062,046)	(15,766,885,240)
Total	1,337,547,223,107	1,376,153,471,418
Appropriations:	(433,931,956,108)	(467,885,142,373)
Legal reserve	(26,050,000,000)	(30,410,000,000)
Cash dividends	(260,405,333,395)	(304,086,228,029)
Reserve for business expansion	(147,476,622,713)	(133,388,914,344)
Unappropriated retained earnings to be carried forward to the next year	₩ 903,615,266,999	₩ 908,268,329,045

28. Other components of equity

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

	Dec. 31, 2025	Dec. 31, 2024
Accumulated other comprehensive income	₩ 1,438,073,347,195	₩ 1,964,332,474,418
Other equity	(82,235,516,563)	(82,235,516,563)
Total	₩ 1,355,837,830,632	₩ 1,882,096,957,855

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

	Dec. 31, 2025	Dec. 31, 2024
Reserve for valuation on financial instruments at FVOCI	₩ 1,292,973,879,489	₩ 1,821,363,723,291
Reserve for valuation of derivative instruments designated to cash flow hedge	12,497,454,871	(5,088,259,481)
Share of the other comprehensive income of associates and joint ventures under the equity method	133,753,535,865	144,540,326,250
Translation of foreign operations	(1,151,523,030)	3,516,684,358
Total	₩ 1,438,073,347,195	₩ 1,964,332,474,418

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

	Dec. 31, 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.

29. Revenue

Details of revenue for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025		2024	
	Domestic	Overseas	Domestic	Overseas
Revenue from goods sales:				
Electricity sales	₩ 4,415,139,526,671	₩ 25,064,335,037	₩ 4,857,404,486,205	₩ 14,887,646,147
Other electricity sales	513,132,823,243	-	400,245,393,763	-
Heat sales	65,789,000,387	-	66,118,016,903	-
Revenue from business incidental	30,961,829,036	-	31,457,483,151	-
Subtotal	5,025,023,179,337	25,064,335,037	5,355,225,380,022	14,887,646,147
Revenue from rendering of services:				
Overseas business	-	1,104,787,413	-	8,895,952,881
Total	₩ 5,025,023,179,337	₩ 26,169,122,450	₩ 5,355,225,380,022	₩ 23,783,599,028

30. Selling and administrative expenses

Details of selling and administrative expenses for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Salaries	₩ 47,924,505,761	₩ 45,002,979,672
Pension benefits	9,684,894,319	5,309,527,155
Employee welfare benefits	6,361,721,723	5,808,233,968
Employee welfare fund	2,281,824,883	791,079,258
Insurance	4,752,180,937	4,891,643,139
Depreciation	14,486,487,953	15,678,033,875
Amortization	5,225,409,294	11,041,176,835
Commissions and fees	20,430,939,099	19,344,821,122
Advertising	1,290,788,571	1,128,202,097
Education and training	143,821,432	143,917,645
Vehicle maintenance	68,520,495	51,049,274
Printing	135,698,130	122,998,736
Business promotion	246,207,423	218,111,425
Rental fees	2,284,741,243	1,476,749,780
Communication	1,614,156,881	1,263,945,333
Tax and dues	3,030,647,035	2,655,527,789
Supplies	328,042,626	293,677,517
Utilities	905,542,115	853,807,399
Repairs and maintenance	23,869,888,458	20,210,561,292
Research and development	33,337,039,052	35,945,566,170
Travel	1,106,954,052	989,657,914
Uniform	291,828,400	698,539,458
Investigation and analysis	46,234,604	112,697,549
Others	7,580,840,428	3,520,910,105
Total	₩ 187,428,914,914	₩ 177,553,414,507

Details of other selling and administrative expenses for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Awards expenses	₩ 32,574,919	₩ 33,335,049
Legal expenses	859,452,902	512,547,166
Accident compensation expenses	1,107,500,000	-
Miscellaneous salaries	2,466,463,885	1,799,622,104
Association fees	355,181,817	191,993,220
Overseas operation expenses	1,613,333,407	-
Miscellaneous expenses	1,146,333,498	983,412,566
Total	₩ 7,580,840,428	₩ 3,520,910,105

31. Other income and expenses

Details of other income for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Revenue from compensation and indemnity	₩ 10,102,973,642	₩ 6,702,243,239
Rental revenue	4,779,366,960	3,861,540,066
Others	10,121,680,891	12,750,308,242
Total	₩ 25,004,021,493	₩ 23,314,091,547

Details of others in other income for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Tax return revenue	₩ 81,009,250	₩ 677,730,130
Port usage fee	1,872,585,462	1,793,208,360
Commission income	376,588,076	407,104,099
Miscellaneous revenues - others	7,791,498,103	9,872,265,653
Total	₩ 10,121,680,891	₩ 12,750,308,242

Details of other expenses for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Donations	₩ 7,755,382,624	₩ 11,692,178,432
Others	4,246,436,843	21,816,327,639
Total	₩ 12,001,819,467	₩ 33,508,506,071

Details of others in other expenses for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Other commission fee	₩ 316,466,479	₩ 328,834,618
Miscellaneous loss	3,929,970,364	21,487,493,021
Total	₩ 4,246,436,843	₩ 21,816,327,639

32. Other profit or loss

Details of other profit and loss for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Gain on disposal of property, plant, and equipment	₩ 824,826,784	₩ 3,491,900,458
Reversal of impairment loss on intangible assets	39,750,000	-
Gain on disposal of intangible assets	-	16,009,090
Gain on foreign currency translations (*)	2,373,430,757	592,367,809
Gain on foreign currency transactions (*)	8,240,350,644	9,260,443,366
Other gains	26,623,994,153	13,123,645,302
Loss on disposal of property, plant, and equipment	(74,746,602)	(15,546,356)
Loss on foreign currency translations (*)	(266,045,888)	(2,852,444,937)
Loss on foreign currency transactions (*)	(8,949,866,818)	(17,413,931,497)
Other losses	(42,793,187,878)	(24,427,625,237)
Total	₩ (13,981,494,848)	₩ (18,225,182,002)

(*) Related to operating activities

32. Other profit or loss (cont'd)

Details of other gain for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Gain on disposal of inventories	₩ 24,695,798,390	₩ 12,285,509,656
Gain on disposal of scrapped equipment	405,112,978	704,117,980
Miscellaneous revenues-other	1,523,082,785	134,017,666
Total	₩ 26,623,994,153	₩ 13,123,645,302

Details of other loss for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Loss on write-off of property, plant, and equipment	₩ 42,345,741,668	₩ 24,562,929,048
Others	447,446,210	(135,303,811)
Total	₩ 42,793,187,878	₩ 24,427,625,237

33. Finance income

Details of finance income for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Interest income	₩ 15,710,657,858	₩ 16,457,364,677
Dividend income	21,865,601,093	33,508,801,676
Gain on valuation of financial assets at FVTPL	1,593,407,394	67,433,155
Gain on disposal of financial assets at FVTPL	-	85,417,029
Gain on valuation of derivative instruments	1,753,126,000	244,714,041,762
Gain on transaction of derivative instruments	24,786,310,417	34,819,792,369
Gain on foreign currency translation (*1)	19,469,199,877	2,798,443,811
Gain on foreign currency transaction (*1)(*2)	83,491,930,017	13,248,649,855
Other finance income	1,860,612,156	988,319,349
Total	₩ 170,530,844,812	₩ 346,688,263,683

(*1) Related to financing activities
(*2) This amount includes foreign exchange gains of KRW 83,300,000,000 arising from the repayment of foreign currency-denominated bonds during the current year, as well as foreign exchange gains recognized in the prior year of KRW 405,094,075 related to the paid-in capital reduction of a subsidiary, EWP America, Inc., and KRW 11,082,751,361 related to the paid-in capital reduction of EWP (Barbados) 1 SRL.

Details of interest income included in finance income for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Cash and cash equivalents	₩ 4,755,663,393	₩ 5,117,473,258
Financial assets at FVTPL	6,506,457,831	8,598,851,098
Financial assets at amortized cost	1,499,391,378	601,812,939
Loans	1,636,835,088	1,749,393,792
Trade and other receivables	1,312,310,168	389,833,590
Total	₩ 15,710,657,858	₩ 16,457,364,677

34. Finance costs

Details of finance costs for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Interest expenses	₩ 112,017,355,976	₩ 92,299,506,326
Loss on valuation of financial assets at FVTPL	3,769,624	27,278,121
Loss on disposal of financial assets at FVTPL	2,016,240,106	-
Loss on valuation of derivative instruments	14,299,393,818	5,500,000
Loss on transaction of derivative instruments	49,508,773,331	6,186,532,368
Loss on foreign currency translation (*)	3,554,028,072	287,419,221,197
Loss on foreign currency transaction (*)	38,732,834,553	2,447,055,831
Other finance costs	3,142,196,196	402,668,161
Total	₩ 223,274,591,676	₩ 388,787,762,004

(*) Related to financing activities

Details of interest expense included in finance costs for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Short-term borrowings	₩ 6,711,936,963	₩ 2,222,320,540
Long-term borrowings	5,397,014,740	5,645,725,313
Bonds payable	112,532,283,860	116,957,763,272
Lease liabilities	11,248,957,678	8,867,195,563
Others	252,964	85,590
Subtotal	135,890,446,205	133,693,090,278
Less: capitalized borrowing costs	(23,873,090,229)	(41,393,583,952)
Total	₩ 112,017,355,976	₩ 92,299,506,326

The effective interest rates used for capitalizing borrowing costs for the years ended December 31, 2025 and 2024 are 2.56% and 2.73%~5.47%, respectively.

35. Income tax

The major components of income tax expense(benefit) for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Current income tax:	₩ 319,938,820,707	₩ 8,402,962,775
Current income tax expense	131,260,462,501	87,844,673,821
Adjustments to prior year current income tax expense	58,530,139,882	(28,245,505,812)
Recognized directly in equity	130,148,218,324	(51,196,205,234)
Deferred tax:	(147,391,462,929)	99,203,672,093
Changes in deferred tax arising from temporary differences	(95,269,117,892)	100,763,112,751
Effect of recognizing deferred tax assets on tax loss, tax credit and temporary differences not recognized in the past	(52,122,345,037)	(1,559,440,658)
Income tax expense	₩ 172,547,357,778	₩ 107,606,634,868

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, 2025 and 2024 are as follows (Korean won):

	2025	2024
Profit for the year before tax	₩ 615,672,048,461	₩ 629,968,626,010
Tax at the statutory income tax rate	₩ 166,083,621,848	₩ 162,869,664,919
Adjustments:		
Effect of applying progressive tax rate	(10,428,000,000)	(10,428,000,000)
Effect of expenses not deductible (income not subject to tax)	(3,009,931,042)	(2,885,298,664)
Effect from not recognizing deferred tax assets on deductible temporary difference	(52,122,345,037)	(1,559,440,658)
Effect of tax deduction and exemption	(4,633,045,819)	(15,416,465,477)
Deferred income tax effect from consolidation	2,951,212,167	3,553,575,872
Adjustment of corporate income taxes for previous reporting periods	58,688,179,934	(28,245,505,812)
Effect of change in tax rate on changes in deferred tax	39,375,320,200	-
Others	(24,357,654,473)	(281,895,312)
Total	6,463,735,930	(55,263,030,051)
Income tax expense	₩ 172,547,357,778	₩ 107,606,634,868
Effective tax rate	28.03%	17.08%

The tax effects relating to the components of other comprehensive income or loss for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Amounts arising from items recognized in other comprehensive income or loss:		
Gain (loss) on valuation of financial assets at FVOCI	₩ 134,062,433,688	₩ (55,640,814,749)
Loss on valuation of cash flow hedges	(5,518,415,471)	(293,073,021)
Re-measurement gain on defined benefit plans	1,604,200,107	4,737,682,536
Total	₩ 130,148,218,324	₩ (51,196,205,234)

35. Income tax (cont'd)

Details of deferred tax assets (liabilities) recognized in the consolidated statements of financial position as of December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025			
	Jan. 1	Income tax expenses	Recognized directly in equity	Dec. 31
Deferred tax liabilities, net of temporary differences:				
Long-term employee benefits	₩ 8,018,103,987	₩ (2,143,177,589)	₩ 1,604,200,107	₩ 7,479,126,505
Cash flow hedge	(64,429,326,901)	53,840,301,884	(5,518,415,471)	(16,107,440,488)
Associates and joint ventures	(4,375,353,035)	(2,372,512,084)	-	(6,747,865,119)
Subsidiaries	(12,582,761,677)	(3,961,792,424)	-	(16,544,554,101)
Property, plant, and equipment	(283,001,514,836)	(18,379,074,944)	-	(301,380,589,780)
Intangible assets	(29,580,524,081)	(126,543,421)	-	(29,707,067,502)
Financial assets at FVTPL	(421,325,794)	936,092,805	-	514,767,011
Financial assets at FVOCI	(550,814,105,469)	825,002,239	134,062,433,688	(415,926,669,542)
Provisions	4,349,704,856	3,798,103,206	-	8,147,808,062
Other financial liabilities	4,058,552,285	(18,053,862,640)	-	(13,995,310,355)
Others	79,977,418,699	2,472,707,573	-	82,450,126,272
Subtotal	(848,801,131,966)	16,835,244,605	130,148,218,324	(701,817,669,037)
Deferred tax assets on unused tax losses and tax credits :				
Tax credit	561,850,937	408,000,000	-	969,850,937
Total	₩ (848,239,281,029)	₩ 17,243,244,605	₩ 130,148,218,324	₩ (700,847,818,100)

	Dec. 31, 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
Subtotal	(749,996,294,063)	(47,608,632,669)	(51,196,205,234)	(848,801,131,966)
Deferred tax assets on unused tax losses and tax credits :				
Tax credit	960,685,127	(398,834,190)	-	561,850,937
Total	₩ (749,035,608,936)	₩ (48,007,466,859)	₩ (51,196,205,234)	₩ (848,239,281,029)

Details of deferred tax assets and liabilities presented in the consolidated statements of financial position are as follows (Korean won):

	Dec. 31, 2025	Dec. 31, 2024
Deferred tax assets	₩ 99,561,678,787	₩ 96,965,630,764
Deferred tax liabilities	(800,409,496,887)	(945,204,911,793)
Total	₩ (700,847,818,100)	₩ (848,239,281,029)

Deductible temporary differences not recognized as deferred tax assets as of December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025	Dec. 31, 2024
Deductible temporary differences	₩ 222,743,813,296	₩ 191,632,367,341

36. Classification based on nature of expense

Details of expenses based on nature of expense for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025		
	Selling and administrative expenses	Cost of sales	Total
Raw material in use	₩ -	₩ 2,822,351,134,890	₩ 2,822,351,134,890
Power costs purchased	-	52,410,785,751	52,410,785,751
Salaries	47,924,505,761	209,344,186,966	257,268,692,727
Retirement benefit	9,684,894,319	14,676,215,171	24,361,109,490
Employee welfare fund	2,281,824,883	8,461,230,117	10,743,055,000
Employee welfare benefits	6,361,721,723	19,906,901,298	26,268,623,021
Insurance	4,752,180,937	8,595,236,912	13,347,417,849
Depreciation of property, plant and equipment	14,486,487,953	737,089,537,611	751,576,025,564
Amortization of intangible assets	5,225,409,294	5,742,501,372	10,967,910,666
Commissions and fees	20,430,939,099	13,814,161,236	34,245,100,335
Provisions	-	87,715,835,138	87,715,835,138
Advertising	1,290,788,571	245,713,996	1,536,502,567
Education and training	143,821,432	832,003,371	975,824,803
Vehicle maintenance	68,520,495	102,022,773	170,543,268
Publication	135,698,130	27,013,779	162,711,909
Business promotion	246,207,423	124,239,847	370,447,270
Rental fees	2,284,741,243	16,687,146,822	18,971,888,065
Communications	1,614,156,881	332,963,997	1,947,120,878
Transport	-	6,756,000	6,756,000
Taxes and dues	3,030,647,035	37,414,982,099	40,445,629,134
Supplies	328,042,626	1,231,732,114	1,559,774,740
Utilities	905,542,115	708,429,048	1,613,971,163
Repairs and maintenance	23,869,888,458	173,209,964,102	197,079,852,560
Research and development	33,337,039,052	3,826,120,115	37,163,159,167
Travel	1,106,954,052	684,200,831	1,791,154,883
Uniform	291,828,400	-	291,828,400
Investigation and analysis	46,234,604	207,808,261	254,042,865
Others	7,580,840,428	2,551,699,730	10,132,540,158
Total	₩ 187,428,914,914	₩ 4,218,300,523,347	₩ 4,405,729,438,261

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

	2024		
	Selling and	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

37. Earnings per share

Earnings per share (EPS) for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Basic earnings per share	₩ 7,627	₩ 8,956

Profit for the year and weighted-average number of ordinary shares issued and outstanding for the years ended December 31, 2025 and 2024 are as follows (Korean won and share in units):

	2025	2024
Profit for the year attributable to owners of the Company	₩ 441,826,762,029	₩ 518,837,811,222
Profit for the year attributable to ordinary shares of owners of the Company	441,826,762,029	518,837,811,222
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.

38. Financial instruments by category

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

	Dec. 31, 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	₩ -	₩ 216,889,354,694	₩ -	₩ -	₩ 216,889,354,694
Financial assets at FVTPL	-	-	-	-	-
Financial assets at amortized cost	-	29,020,350,000	-	-	29,020,350,000
Derivative instruments	-	-	-	-	-
Loans	-	1,764,685,987	-	-	1,764,685,987
Trade and other receivables	-	883,277,368,803	-	-	883,277,368,803
Subtotal	-	1,130,951,759,484	-	-	1,130,951,759,484
Non-current:					
Financial assets at FVTPL	1,451,267,576	-	-	-	1,451,267,576
Financial assets at FVOCI	-	-	1,810,611,652,470	-	1,810,611,652,470
Financial assets at amortized cost	-	6,629,890,000	-	-	6,629,890,000
Derivative instruments	-	-	-	66,559,671,439	66,559,671,439
Loans	-	37,056,299,279	-	-	37,056,299,279
Trade and other receivables	-	19,846,164,823	-	-	19,846,164,823
Subtotal	1,451,267,576	63,532,354,102	1,810,611,652,470	66,559,671,439	1,942,154,945,587
Total	₩ 1,451,267,576	₩ 1,194,484,113,586	₩ 1,810,611,652,470	₩ 66,559,671,439	₩ 3,073,106,705,071

	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
Subtotal	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
Subtotal	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

38. Financial instruments by category (cont'd)

Details of the net book value of financial liabilities by category in 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025		
	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Long-term borrowings	₩ -	₩ 11,445,560,000	₩ 11,445,560,000
Bonds payable	-	749,644,284,852	749,644,284,852
Derivative liabilities	2,127,136,410	-	2,127,136,410
Trade and other payables	-	539,886,156,851	539,886,156,851
Subtotal	2,127,136,410	1,300,976,001,703	1,303,103,138,113
Non-current financial liabilities:			
Long-term borrowings	-	95,218,001,276	95,218,001,276
Bonds payable	-	3,004,064,796,826	3,004,064,796,826
Trade and other payables	-	288,040,454,544	288,040,454,544
Subtotal	-	3,387,323,252,646	3,387,323,252,646
Total	₩ 2,127,136,410	₩ 4,688,299,254,349	₩ 4,690,426,390,759

	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
Subtotal	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
Subtotal	-	2,496,138,443,109	2,496,138,443,109
Total	₩ 5,500,000	₩ 4,691,951,194,312	₩ 4,691,956,694,312

38. Financial instruments by category (cont'd)

Details of profit (loss) from financial instruments by category for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025
Cash and cash equivalents	
Interest income	₩ 4,755,663,393
Loss on foreign exchange	(1,745,050,788)
Financial assets at FVTPL	
Interest income	6,506,457,831
Gain on valuation of financial instruments	1,589,637,770
Loss on disposal of financial instruments	(2,016,240,106)
Gain on settlement of derivative instruments	10,640,366,594
Financial assets at amortized cost	
Interest income	1,499,391,378
Financial assets at FVOCI	
Loss on valuation of financial assets at FVOCI (recognized in equity before tax)	(662,452,277,490)
Dividend income	21,865,601,093
Loans and receivables	
Interest income	1,636,835,088
Trade and other receivables	
Interest income	1,312,310,168
Gain on foreign exchange	9,871,290
Derivatives designated as hedging instruments	
Loss on valuation of derivatives (recognized in profit or loss)	(10,419,131,408)
Gain on valuation of derivatives (recognized in equity before tax)	23,104,129,823
Loss on settlement of derivative contracts	(28,794,218,222)
Financial liabilities at FVTPL	
Loss on valuation of derivative instruments	(2,127,136,410)
Loss on settlement of derivative instruments	(6,568,611,286)
Financial liabilities at amortized cost	
Gain on foreign exchange	19,757,736,172
Interest expenses on borrowings and bonds payable	(100,768,145,334)
Interest expenses on trade and other liabilities	(11,249,210,642)

	2024
Cash and cash equivalents	
Interest income	₩ 5,117,473,258
Gain on foreign exchange	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 foreign exchange	1,034,494,860
Trade and other receivables	
Interest income	389,833,590
Gain on foreign exchange	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 foreign exchange	(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)

39. Risk management

39.1 Risk management policies

The Group manages various risks that can may 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 in order to maximize returns to shareholders and reduce capital costs. The Group adjusts dividend payment to shareholders, issues new shares, and disposes of assets to reduce liabilities in order to maintain or adjust its capital structure

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 equivalents, 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, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025	Dec. 31, 2024
Total borrowings and bonds payable (A)	₩ 3,860,372,642,954	₩ 3,916,071,817,686
Cash and cash equivalents (B)	216,889,354,694	169,451,420,382
Net borrowings and bonds payable (A-B=C)	3,643,483,288,260	3,746,620,397,304
Total equity (D)	6,747,249,829,755	7,141,521,417,275
Total capital (C+D=E)	10,390,733,118,015	10,888,141,814,579
Gearing ratio (C/E)	35.06%	34.41%
Debt to equity ratio (C/D)	54.00%	52.46%

39.3 Financial risk management

The Group is exposed to various risks associated with 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 related to the operations of the Group through internal risk reports that analyze risk exposures by degree and magnitude. The Group uses derivative financial instruments to 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 financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and it 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 the case of ordinary customers, the Group evaluates the customers' creditworthiness 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 receivable 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 has 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 the maximum exposure to credit risk. The Group's maximum exposure to credit risk as of December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025	Dec. 31, 2024
Cash and cash equivalents	₩ 216,889,354,694	₩ 169,451,420,382
Financial assets at FVTPL	1,451,267,576	48,972,328,791
Derivatives held for trading	-	1,856,699,307
Financial assets at FVOCI	1,810,611,652,470	2,477,104,446,160
Financial assets at amortized cost	35,650,240,000	29,157,900,000
Loans	38,820,985,266	41,320,234,629
Derivatives designated as hedging instruments	66,559,671,439	278,914,835,069
Trade and other receivables	903,123,533,626	702,398,200,059
Financial guarantee contract (*)	214,921,658,017	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 December 31, 2025 and 2024 are as follows (USD):

		Total guarantee amount (USD)	
	Group name	2025	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 fire power project for 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 related 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 December 31, 2025.

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 for its trade financing and bank overdraft facilities, 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, 2025				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Borrowings and bonds payable	₩ 850,089,140,313	₩ 920,906,016,603	₩ 1,209,083,769,897	₩ 1,323,435,235,679	₩ 4,303,514,162,492
Trade and other payables	476,947,029,853	-	-	-	476,947,029,853
Lease liabilities	63,823,831,727	61,163,528,823	120,774,894,552	144,339,903,253	390,102,158,355
Financial guarantee contracts	160,318,507,200	-	54,603,150,817	-	214,921,658,017
Total	₩ 1,551,178,509,093	₩ 982,069,545,426	₩ 1,384,461,815,266	₩ 1,467,775,138,932	₩ 5,385,485,008,717

	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 contracts	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 cash flow as of December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025				
	Less than 1 year	1 to 5 years	Over 5 years	Others	Total
Cash and cash equivalents	₩ 216,889,354,694	₩ -	₩ -	₩ -	₩ 216,889,354,694
Financial assets at FVTPL	-	1,156,230,376	-	295,037,200	1,451,267,576
Financial assets at FVOCI	-	-	-	1,810,611,652,470	1,810,611,652,470
Financial assets at amortized cost	29,020,350,000	6,629,890,000	-	-	35,650,240,000
Loans	1,869,526,044	7,478,104,176	24,373,666,981	7,380,000,000	41,101,297,201
Trade and other receivables	883,361,901,978	20,271,436,518	-	-	903,633,338,496
Total	₩ 1,131,141,132,716	₩ 35,535,661,070	₩ 24,373,666,981	₩ 1,818,286,689,670	₩ 3,009,337,150,437

39. Risk management (cont'd)

39.3.2 Liquidity risk (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 derivative financial instruments of the Group based on the contractual undiscounted cash flow schedules (Korean won):

	Dec.31, 2025				
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Derivative financial assets					
- Risk averse	₩ -	₩ -	₩ 55,245,036,229	₩ 11,314,635,210	₩ 66,559,671,439
Derivative financial liabilities					
- Held for trading	₩ 2,127,136,410	₩ -	₩ -	₩ -	₩ 2,127,136,410

	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
Total	₩ 222,997,995,573	₩ -	₩ 57,773,538,803	₩ -	₩ 280,771,534,376
Derivative financial liabilities					
- Held for trading	₩ 5,500,000	₩ -	₩ -	₩ -	₩ 5,500,000

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, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025		Dec. 31, 2024	
	1% inc.	1% dec.	1% inc.	1% dec.
Future salary increase rate	₩ 11,576,599,342	₩ (10,352,591,106)	₩ 11,791,340,493	₩ (10,518,052,160)
Discount rate	(10,873,583,194)	12,476,193,028	(11,089,121,098)	12,745,558,341

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, JPY, AUD, and GBP):

	Foreign currency assets		Foreign currency liabilities	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
USD	258,810	58,583,620	925,706,187	1,675,475,490
JPY	7,871,000	5,299,000	-	-
AUD	12,123	-	-	-
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):

	2025		2024	
	10% inc.	10% dec.	10% inc.	10% dec.
Effect on profit before tax	₩ (132,782,727,496)	₩ 132,782,727,496	₩ (237,676,874,779)	₩ 237,676,874,779
Effect on shareholder's equity (*)	(132,782,727,496)	132,782,727,496	(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 a forward currency 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, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025	Dec. 31, 2024
Long-term borrowings	₩ 53,264,250,000	₩ 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 December 31, 2025 and 2024 are as follows (Korean won):

	2025		2024	
	1% inc.	1% dec.	1% inc.	1% dec.
Effect on profit before tax	₩ (532,642,500)	₩ 532,642,500	₩ (589,439,000)	₩ 589,439,000
Effect on shareholder's equity (*)	(532,642,500)	532,642,500	(589,439,000)	589,439,000

(*) Represents amounts before income tax effects.

To manage its interest rate risks, the Group transfers 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, 2025 and 2024 are as follows (Korean won):

	Dec. 31. 2025		Dec. 31. 2024	
	Book value	Fair value	Book value	Fair value
Assets (fair value):				
Financial assets at FVTPL	₩ 1,451,267,576	₩ 1,451,267,576	₩ 48,972,328,791	₩ 48,972,328,791
Financial assets at FVOCI	1,810,611,652,470	1,810,611,652,470	2,477,104,446,160	2,477,104,446,160
Derivatives held for trading	-	-	1,856,699,307	1,856,699,307
Derivatives designated as hedging instruments	66,559,671,439	66,559,671,439	278,914,835,069	278,914,835,069
Total	₩ 1,878,622,591,485	₩ 1,878,622,591,485	₩ 2,806,848,309,327	₩ 2,806,848,309,327
Assets (amortized cost):				
Financial assets at amortized cost	₩ 35,650,240,000	₩ 35,650,240,000	₩ 29,157,900,000	₩ 29,157,900,000
Loans	38,820,985,266	38,820,985,266	41,320,234,629	41,320,234,629
Trade and other receivables	903,123,533,626	903,123,533,626	702,398,200,059	702,398,200,059
Cash and cash equivalents	216,889,354,694	216,889,354,694	169,451,420,382	169,451,420,382
Total	₩ 1,194,484,113,586	₩ 1,194,484,113,586	₩ 942,327,755,070	₩ 942,327,755,070
Liabilities (fair value):				
Derivative held for trading	₩ 2,127,136,410	₩ 2,127,136,410	₩ 5,500,000	₩ 5,500,000
Liabilities (amortized cost):				
Secured borrowings	₩ 104,669,921,276	₩ 104,669,921,276	₩ 115,146,954,952	₩ 115,146,954,952
Unsecured bonds payable	3,753,709,081,678	3,662,741,340,627	3,718,206,262,734	3,654,865,194,183
Unsecured borrowings	1,993,640,000	1,993,640,000	82,718,600,000	82,718,600,000
Trade and other payables	476,947,029,853	476,947,029,853	384,009,131,008	384,009,131,008
Lease liabilities	350,979,581,542	350,979,581,542	391,870,245,618	391,870,245,618
Total	₩ 4,688,299,254,349	₩ 4,597,331,513,298	₩ 4,691,951,194,312	₩ 4,628,610,125,761

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 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, 2025 and 2024, the Group held the following financial instruments carried at fair value in the consolidated statement of financial position (Korean won):

	Dec. 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI	₩ 1,791,893,422,928	₩ -	₩ 18,718,229,542	₩ 1,810,611,652,470
Financial assets at FVTPL	-	1,451,267,576	-	1,451,267,576
Derivative assets	-	66,559,671,439	-	66,559,671,439
Derivative liabilities	-	(2,127,136,410)	-	(2,127,136,410)
Total	₩ 1,791,893,422,928	₩ 65,883,802,605	₩ 18,718,229,542	₩ 1,876,495,455,075

	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

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.

39. Risk management (cont'd)

39.4.3 Hierarchy for determining and disclosing the fair value (cont'd)

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.

Changes in Level 3 financial assets for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	Dec. 31, 2025		
	Jan. 1	Valuation	Dec. 31
Financial assets at FVOCI:			
Unlisted equity securities	₩ 15,901,748,425	₩ 2,816,481,117	₩ 18,718,229,542

	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 movements between Level 1 and Level 2 of the fair value hierarchy for the year ended December 31, 2025.

40. Related party disclosures

The related parties of the Group and nature of their relationships with the Group as of December 31, 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.
	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
	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, 2025 and 2024 are as follows (Korean won):

Related party	Transaction	Sales and others		Purchases and others	
		2025	2024	2025	2024
KEPCO	Sales and purchase of electricity	₩ 5,354,020,294,982	₩ 5,578,352,682,177	₩ 102,454,115,099	₩ 62,855,356,716
	Other income/Dividend payment	1,495,630,801	1,813,484,597	304,086,228,029	-
Korea Offshore Wind Power Co., Ltd.	Engineering service income/Purchase of REC	127,406,710	402,725,360	4,809,586,153	3,713,470,622
KEPCO ES Co., Ltd.	Dividend income	615,328,513	265,000,000	-	-
KEPCO Solar Co., Ltd.	Dividend income / Purchase of REC	336,080,250	417,956,625	282,076,937	167,637,231
GS Donghae Electric Power Co., Ltd.	Dividend income and others/Raw material	12,161,942,000	78,313,800	-	67,296,603
Taebaek Gadeoksan Wind Power Co., Ltd.	Dividend income and others / Purchase of REC	3,405,257,452	2,033,060,271	14,124,791,158	13,409,916,084
Guam Ukudu Power LLC	Other income	1,202,865,393	544,961,820	-	-
Goheungsin Energy Co., Ltd	Purchase of REC	-	-	4,024,925,471	3,028,082,667
KPE Green Energy Co., Ltd.	Engineering service income/Purchase of REC	280,526,838	212,592,613	20,487,115,834	22,438,345,856
Yanggu Floating Solar Power Co., Ltd.	Miscellaneous income/Purchase of REC	-	6,424,095	691,519,773	561,701,109
Amaala Sustainable Company for Energy LLC	Other income	522,514,366	8,766,538,417	-	-
Jeju Bukchon BESS Power Plant Co., Ltd.	Interest income	1,160,917,808	-	-	-
Dangjin Eco Power Corporation	Purchase of REC	-	-	1,862,581,548	1,840,323,228
Seokmun Energy Co., Ltd.	Engineering service income/Purchase of REC	929,608,288	917,704,576	24,135,457,177	25,708,944,255
Busan Shinho Solar Power Co., Ltd.	Dividend income/ Purchase of REC	1,250,000,000	666,500,000	3,825,197,277	5,081,700,000
Honam Wind Power Co., Ltd.	Dividend income/ Purchase of REC	404,633,269	435,000,000	3,042,851,028	3,440,358,915
Chuncheon Energy Co., Ltd.	Engineering service income	604,125,000	595,159,050	(55,821,900)	-
Yeonggwang Wind Power Co., Ltd.	O&M sales/Purchase of REC	743,015,040	707,288,311	15,595,940,065	15,951,478,060
Yeonggwangbaeksu Wind Power Co., Ltd.	O&M sales/Purchase of REC	1,914,513,842	1,910,378,506	7,796,541,981	5,506,082,136
DE Energia SpA	Interest income and others	-	419,621,275	-	-
South Jamaica Power Company Limited	O&M sales, dividend income	3,752,706,960	3,024,534,799	-	-
Jamaica Public Service Company Limited	O&M sales, dividend income /Other expenses	9,699,648,000	15,237,159,626	175,520,734	203,467,229
PT. Tanjung Power Indonesia	O&M sales, dividend income and others	585,298,997	8,778,904,167	-	-
Columboola Solar Farm Hold Co Pty., Ltd.	Dividend income	-	457,184,838	-	-
Daesan Green Energy Co., Ltd.	Engineering service income and others/Purchase of REC	393,529,271	377,243,264	47,897,007,156	44,664,589,748

40. Related party disclosures (cont'd)

Related party	Transaction	Sales and others		Purchases and others	
		2025	2024	2025	2024
Light Solar Energy Co., Ltd.	Interest income/Purchase of REC	₩ 333,478,090	₩ 334,527,550	₩ 4,639,945,437	₩ 4,186,895,212
Busan Industry Solar Co., Ltd.	Purchase of REC	-	-	947,037,227	745,742,928
Yangyang Wind Power Co., Ltd.	Interest income/Purchase of REC	110,810,220	220,665,162	7,299,026,969	3,599,269,828
Cheongju Eco Park Co., Ltd.	Engineering service income/Purchase of REC and others	989,676,751	296,401,483	22,039,246,969	16,116,590,677
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	Dividend income and others	904,957,750	86,859,759	-	-
Seokmun Green Energy Co., Ltd.	Engineering service income/Purchase of REC	62,299,322	78,764,857	21,372,777,730	25,725,462,912
Korea Gas Corporation	Rent income/Purchase of LNG	45,920,350	178,697,000	725,096,163,674	1,068,309,710,774
KEPCO Plant Service & Engineering Co., Ltd.	Rent income/Repairs and other expenses	1,060,426,631	649,749,891	69,333,867,981	79,632,222,433
Korea Electric Power Industrial Development Co., Ltd.	Rent income/Repairs and other expenses	226,969,000	232,127,418	85,085,339,143	77,680,009,009
KEPCO Engineering & Construction Company, Inc.	Investment and others	-	-	13,317,310,011	3,395,373,900
Korea Hydro & Nuclear Power Co., Ltd.	Purchase of REC	-	-	177,559,520	92,207,270
Korea Southern Power Co., Ltd.	Other income/Other expenses	59,222,579	61,297,795	54,240,820	23,726,525
Korea Western Power Co., Ltd.	Other income/Other expenses	65,355,305	14,198,795	16,801,540	29,101,500
Korea South-East Power Co., Ltd.	Other income/Other expenses	-	14,198,795	-	148,192,670
Korea Midland Power Co., Ltd.	Other income	9,103,116	14,198,795	-	-
KEPCO Data Network Co., Ltd.	Commission	-	-	15,405,125,055	14,909,811,461
Korea Power Exchange	Other income/Electric power transaction commission	21,143,524,079	61,496,693,196	6,044,419,153	757,865,374
		₩ 5,420,617,586,973	₩ 5,690,098,798,683	₩ 1,526,064,494,749	₩ 1,503,990,932,932

40. Related party disclosures (cont'd)

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

Related party	Transaction	Receivables		Payables	
		Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
KEPCO	Trade receivables /Trade payables	₩ 409,180,421,457	₩ 444,388,915,978	₩ 1,002,586,730	₩ 891,740,254
	Other receivables, accrued income/Other payables, dividend payables	279,175,815,756	177,211,372,310	4,370,700,873	3,419,421,735
Korea Offshore Wind Power Co., Ltd.	Other receivables/Other payables	-	242,775,810	468,734,200	-
KEPCO ES Co., Ltd	Other receivables	28,867,710	-	-	-
Taebaek Gadeoksan Wind Power Co., Ltd.	Other receivables/Other payables	12,908,500	24,380,055	1,918,987,222	-
Guam Ukudu Power LLC	Other receivables	-	1,193,684,522	-	-
Goheungsin Energy Co., Ltd	Other receivables/Other payables	-	8,292,940	411,368,857	-
KPE Green Energy Co., Ltd.	Trade receivables	3,512,397,427	129,651,694	-	-
Amaala Sustainable Company for Energy LLC	Other receivables	-	522,514,366	-	-
Jeju Bukchon BESS Power Plant Co., Ltd.	Other receivables	7,556,917,808	-	-	-
Dangjin Eco Power Corporation	Other payables	-	-	-	180,688,311
Seokmun Energy Co., Ltd.	Other receivables	10,357,634,605	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	176,107,800	178,248,794	-	-
DE Energia SpA	Loans and others	-	11,590,263,510	-	-
South Jamaica Power Company Limited	Trade receivables	1,255,945,605	90,703,470	-	-
Jamaica Public Service Company Limited	Trade receivables/Other payables	88,537,695	1,941,027,340	117,346,203	531,656,244
Columboola Solar Farm Hold Co Pty, Ltd.	Other receivables	-	858,251,603	-	-
Daesan Green Energy Co., Ltd.	Loans and others	3,521,646,576	2,702,007,811	-	-
Light Solar Energy Co., Ltd.	Loans/Other payables	3,932,063,827	3,609,633,280	360,782,530	-
Busan Industry Solar Co., Ltd.	Other payables	-	-	5,652,134	-
Yangyang Wind Power Co., Ltd.	Loans and others	3,529,831,875	3,419,021,655	-	-
Cheongju Eco Park Co., Ltd	Other receivables/Other payables	16,117,389,184	13,461,278,381	-	2,853,302,811
Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	Other receivables	381,453,589	-	-	-

40. Related party disclosures (cont'd)

Related party	Transaction	Receivables		Payables	
		Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Seokmun Green Energy Co., Ltd.	Other receivables	₩ 35,397,342	₩ 34,132,074	₩ 2,565,613,270	₩ -
Korea Gas Corporation	Trade payables	-	-	64,054,131,953	69,619,527,220
KEPCO Plant Service & Engineering Co., Ltd.	Other payables	-	-	2,585,929,266	18,520,866,575
Korea Electric Power Industrial Development Co., Ltd.	Trade payables	-	-	20,935,000	1,290,811,068
KEPCO Engineering & Construction Company, Inc.	Other payables	-	-	5,121,465,580	1,426,104,790
Korea Southern Power Co., Ltd.	Other receivables/ Other payables	1,556,304,899	350,271,139	1,101,146,342	-
Korea Western Power Co., Ltd.	Other receivables/ Other payables	2,789,725,359	339,142,823		2,112,000
Korea South-East Power Co., Ltd.	Other receivables/ Other payables	359,469,747	332,589,580	38,698,773	35,381
Korea Midland Power Co., Ltd.	Other receivables	3,248,444,228	726,480,434	-	-
KEPCO Data Network Co., Ltd.	Other payables	-	-	2,697,600,200	-
Korea Power Exchange	Other payables	-	-	9,158,237	-
KDB Bank	Borrowings	-	-	46,028,860,000	49,585,750,000
		₩ 747,041,911,989	₩ 664,274,737,085	₩ 132,879,697,370	₩ 148,322,016,389

Details of changes in loans for related parties above during 2025 and 2024 are as follows (Korean won):

	Company name	2025			
		Jan. 1	Loan	Collection	Dec. 31
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	810,620,153	-	3,301,868,905
Joint venture	Yeonggwang Wind Power Co., Ltd.(*5)	3,256,500,000	-	-	3,256,500,000
		₩ 17,333,335,752	₩ 8,190,620,153	₩ (8,420,307,000)	₩ 17,103,648,905

(*1) During the current fiscal year, a loan for operating funds was extended to Jeju Bukchon BESS Power Plant Co., Ltd. at an interest rate of 7.0%.
(*2) During the current fiscal 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.

40. Related party disclosures (cont'd)

		2024			
	Company name	Jan. 1	Loan	Foreign currency translation	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 an 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 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.

Derivatives transactions with related parties above for the year ended December 31, 2025 are as follows (Korean won, USD):

	Company name	Contract period	Sale price	Purchase price (USD)	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 arisen from related-party transactions as of December 31, 2025 are as follows (Korean won):

	Company name	Jan.1	Repayment	Dec. 31
Other related party	KDB Bank(*)	₩ 49,585,750,000	₩ (3,556,890,000)	₩ 46,028,860,000

(*) 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, 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 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%.

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

		2025			
	Company name	Investment	Termination	Dividend	Liquidation
Associate	Guam Ukudu Power LLC	₩ 81,754,370,017	₩	₩ -	-₩ -
Associate	Jeju Bukchon BESS Power Plant Co., Ltd.	3,690,000,000	-	-	-
Joint venture	DE Energia SpA(*)	-	-	(1,652,947,081)	(9,408,825,639)
Joint venture	Shinhan BNPP East&West Sunlight Dream Special Asset Investment Trust for Professional Investment type Private Equity	-	(522,994,500)	-	-
		₩ 85,444,370,017	₩ (522,994,500)	₩ (1,652,947,081)	₩ (9,408,825,639)

(*) The investee was liquidated during the current fiscal 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.

40. Related party disclosures (cont'd)

	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 December 31, 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)	Performance Bond L/C	31,328,000	ANZ
	Amaala Sustainable Company for Energy LLC (*5)	Guarantee for payment of capital-linked borrowings	33,853,628	First Abu dhabi Bank PJSC
	Amaala Sustainable Company for Energy LLC (*5)	Guarantee for payment of capital-linked borrowings	4,200,000	First Abu dhabi Bank PJSC

(*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 an L / C opening guarantee for the execution of each contract related to the power sales contract and gas supply contract of South Jamaica Power Company Limited, which is one of the other related parties of the Company.
(*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 years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Short-term salaries	₩ 696,642,416	₩ 561,575,036
Retirements benefits expenses	9,951,993	39,753,631
	₩ 706,594,409	₩ 601,328,667

40. Related party disclosures (cont'd)

As of December 31, 2025, 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.	₩ 4,898,342,750
Shinhan Bank and others	Busan Industry Solar Co., Ltd.	Shares in Busan Industry Solar Co., Ltd.	1,351,121,148
Hana Bank and others	Yangyang Wind Power Co., Ltd	Shares in Yangyang Wind Power Co., Ltd	15,130,858,058
Hana Bank and others	KPE Green Energy Co., Ltd.	Shares in KPE Green Energy Co., Ltd.	9,095,731,408
KDB Bank and others	GS Donghae Electric Power Co., Ltd.	Shares in GS Donghae Electric Power Co., Ltd.	286,796,230,122
Kookmin Bank and others	Yeonggwangbaeksu Wind Power Co., Ltd.	Shares in Yeonggwangbaeksu Wind Power Co., Ltd.	3,835,191,561
Kookmin Bank and others	Chuncheon Energy Co., Ltd.	Shares in Chuncheon Energy Co., Ltd.	36,702,833,904
Kookmin Bank and others	Seokmun Energy Co., Ltd.	Shares in Seokmun Energy Co., Ltd.	14,564,800,775
KDB Capital Corp. and others	Yeonggwang Wind Power Co., Ltd.	Shares in Yeonggwang Wind Power Co., Ltd.	29,257,629,965
Woori Bank and others	Korea Offshore Wind Power Co., Ltd	Shares in Korea Offshore Wind Power Co., Ltd	26,667,586,053
IBK Bank	Daesan Green Energy Co., Ltd.	Shares in Daesan Green Energy Co., Ltd.	21,755,071,973
Hana Bank and others	Taebaek Gadeoksan Wind Power Co., Ltd.	Shares in Taebaek Gadeoksan Wind Power Co., Ltd.	26,456,133,706
Mirae Asset Life Insurance and others	Light Solar Energy Co., Ltd.	Shares in Light Solar Energy Co., Ltd.	0
Kyobo Life Insurance and others	Cheongju Eco Park Co., Ltd.	Shares in Cheongju Eco Park Co., Ltd.	11,017,192,597
Woori Bank and others	Goheungsin Energy Co., Ltd	Shares in Goheungsin Energy Co., Ltd	5,572,221,916
MUFG Bank Ltd. and others	PT.Tanjung Power Indonesia	Shares in PT.Tanjung Power Indonesia	98,221,377,333
JCSD Trustee Services Ltd. and others	South Jamaica Power Company Limited	Shares in South Jamaica Power Company Limited	48,675,062,353
ANZ and others	Columboola Solar Farm Hold Co Pty., Ltd.	Shares in Columboola Solar Farm Hold Co Pty., Ltd.	51,853,149,736
KDB Bank	Yanggu Floating Solar Power Co., Ltd..	Shares in Yanggu Floating Solar Power Co., Ltd..	850,996,581
Woori Bank and others	Geumyang Eco Park Co., Ltd.	Shares in Geumyang Eco park Co., Ltd.	6,873,774,928
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	51,567,081,303
First Abu Dhabi Bank PJSC	Amaala Sustainable Company for Energy LLC	Shares in ASCE	17,891,000
Woori Bank and others	Jeju Bukchon BESS Power Plant Co., Ltd.	Shares in Jeju Bukchon BESS Power Plant Co., Ltd.	2,480,124,397

As of December 31, 2025, 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 provided loans amounting to of ₩3,301,868,905 to Daesan Green Energy Co., Ltd. as of December 31, 2025.

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 an 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, 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.
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.
Jeju Bukchon BESS Power Plant Co., Ltd.	Investors of Jeju Bukchon BESS Power Plant Co., Ltd., an associate of the Group, are required to provide funding through additional equity contributions, subordinated loans, or other means if additional project costs need to be covered due to reasons such as construction cost overruns until the date of comprehensive completion

40. Related party disclosures (cont'd)

Details of non-monetary transactions with related parties above for the year ended December 31, 2025 and 2024 are as follows (Korean won):

Related party	Transaction	Lending, etc.		Borrowing, etc.	
		2025	2024	2025	2024
Korea South-East Power Co., Ltd.	Bituminous coal swap	₩ -	₩ 23,861,301,048	₩ -	₩ 26,602,804,639
Korea Western Power Co., Ltd.		36,696,403,959	8,020,092,849	18,405,465,600	9,364,204,915
Korea Southern Power Co., Ltd.		43,761,593,830	17,256,895,454	41,515,108,590	17,339,114,883
Korea Midland Power Co., Ltd.		31,624,396,409	-	9,577,935,153	-
GS Donghae Electric Power Co., Ltd.		-	3,071,963,510	-	3,463,038,240
		₩ 112,082,394,198	₩ 52,210,252,861	₩ 69,498,509,343	₩ 56,769,162,677

41. Supplementary cash flow information

Significant transactions not involving cash flows for the years ended December 31, 2025 and 2024 are as follows (Korean won):

	2025	2024
Transfer from construction-in-progress to depreciable assets	₩ 1,256,614,044,699	₩ 420,488,625,935
Transfer from bonds and long-term borrowings to current portion of those	581,068,623,898	1,487,492,633,237
Effect of increase in right-of-use asset	25,935,375,978	7,884,575,857
Recognition of restoration provisions	-	3,011,577,383
Accounts payable related to the acquisition of property, plant and equipment	(19,281,229,259)	999,725,813

41. Supplementary cash flow information (cont'd)

Details of changes in liabilities arising from financial activities during 2025 and 2024 are as follows (Korean won):

<2025>

	Jan. 1, 2025	Cash flow	Non-cash changes: Exchange rate fluctuation	Non-cash changes: Changes in fair value	Non-cash changes: Other	Dec. 31, 2025
Short-term borrowings	₩ 80,000,000,000	₩ (80,000,000,000)	₩ -	₩ -	₩ -	₩ -
Long-term borrowings	117,865,554,952	(11,233,340,000)	-	-	31,346,324	106,663,561,276
Bonds	3,718,206,262,734	84,480,631,779	(53,819,131,409)	-	4,841,318,574	3,753,709,081,678
Lease liabilities	391,870,245,618	(59,523,649,432)	(7,283,410,300)	-	25,916,395,656	350,979,581,542
Assets held in order to hedge exchange rate risk of foreign currency bonds	(278,914,835,069)	196,245,943,823	-	(12,684,998,415)	28,794,218,222	(66,559,671,439)
Total liabilities from financing activities	₩ 4,029,027,228,235	₩ 129,969,586,170	₩ (61,102,541,709)	₩ (12,684,998,415)	₩ 59,583,278,776	₩ 4,144,792,553,057

<2024>

	Jan. 1, 2024	Cash flow	Non-cash changes: Exchange rate fluctuation	Non-cash changes: Changes in fair value	Non-cash changes: 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

42. Commitments and contingencies

Legal contingencies

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

	Dec. 31, 2025 (*)			Dec. 31, 2024		
	Litigation in progress	Litigation values		Litigation in progress	Litigation values	
Pending lawsuits	20 cases	₩	25,186,220,532	18 cases	₩	65,515,385,848

(*) Details of major pending lawsuits (appeals) as of December 31, 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
Daejeon High Court	Eoh xx	The Company	Compensation for losses (related to LNG power plant land compensation)		66,577,500	Second trial
Daejeon District	Jeong xx and 125 others	The Company	Claim for damages due to discrimination		159,736,934	First trial
Ulsan District	Lee xx and 185 others	The Company	Loss compensation		742,177,262	First trial
Suwon High Court	Vitzro Tech Co., Ltd.	The Company	Damages sought		1,855,913,920	Second trial
Busan High Court	Kim xx	The Company	Wage claim		84,876,106	Second trial
Seoul High Court	Cardinal Infotech.	The Company	Loss compensation		50,000,000	Second trial
Busan High Court (Ulsan)	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		163,500,000	Second trial
Suwon District	Baek xx	The Company	Loss compensation		157,942,256	First trial
Gwangju District	Lee xx	The Company	Claim for construction costs		78,870,000	First trial
Ulsan District	Herb Co. Ltd.	The Company	Claim for invalidity of a bid and related Matters		100,000,000	First trial
Seoul Administrative Court	Kang xx and 449 others	The Company	Revocation of electric power business modification permit		50,000,000	First trial
Gwangju District	Ma xx and 4 others	The Company	Loss compensation		30,012,210	First trial
Chungju District	Choi xx	The Company	Confirmation of claim for court deposit withdrawal		50,006,655	First trial
Daejeon District	Kim xx and 4 others	The Company	Revocation of the refusal to disclose information		50,000,000	First trial
Daejeon District	Uworld Co. Ltd.	The Company	Loss compensation		30,000,000	First trial
Chuncheon District	Jung xx	The Company	Trade payables		5,369,707	First trial
Suwon District	Hyerim Eng. Co. Ltd.	The Company	Claim for construction costs		4,799,022,655	First trial
KCAB	Hanwha Solution Co., Ltd.	The Company	Claim for construction costs		16,226,461,427	Arbitration

As of December 31, 2025, 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

As of December 31, 2025, the Group has no debt guarantee agreements other than those provided to related parties.

42. Commitments and contingencies (cont'd)

Purchase agreements

The Group has key purchase agreements for raw materials and details as of December 31, 2025 are as follows:

Raw material	Supply source	Contract period	Annual contract quantity (Tons in thousand)
Bituminous coal	Australia	2009~2028	4,580
	Indonesia	2019~2027	3,880
	Russia	2015~2028	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, Australia, etc.	2025~2040	300

42. Commitments and contingencies (cont'd)

As of December 31, 2025, 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	33,863,060	USD	80,000,000
	Kookmin Bank	USD	27,626,201	USD	145,000,000
	Hana Bank	USD	-	USD	53,250,000
	NH Bank	USD	-	USD	25,000,000
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
	KDB Bank	KRW	7,488,750,000	KRW	10,000,000,000
	Shinhan Bank	KRW	5,241,750,000	KRW	7,000,000,000
	NH Property & Casualty Insurance Co., Ltd.	KRW	14,976,750,000	KRW	20,000,000,000
	KDB Bank	KRW	38,540,110,000	KRW	40,100,000,000
	Woori Bank	KRW	38,540,110,000	KRW	40,100,000,000
Aggregate Credit Limit	Woori Bank	KRW	-	KRW	20,000,000,000
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	1,416,470,000	KRW	5,151,000,000
	Hana Bank	KRW	577,170,000	KRW	2,099,000,000
Others	Shinhan Bank	USD	5,920,000	USD	6,990,000
	Australia and New Zealand Banking	USD	31,388,000	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 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 maximum loanable amount for the cooperative companies of the Group from financial institutions based on this agreement.

As of December 31, 2025, the Group has obtained payment guarantees of KRW 101,889,920,437 from Seoul Guarantee Insurance Company in relation to contract performance guarantees and related matters.

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.	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.

42. Commitments and contingencies (cont'd)

As of December 31, 2025, the Group has pledged the 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	₩ 18,051,902,059		Financing to invest for construction and operation of wind power plant
		Accounts receivable pledged by means of transfer	4,575,451,945	₩ 68,400,000,000	
		Factory foundation under comprehensive mortgage	57,566,768,789		
			80,194,122,793	68,400,000,000	
Yeongdeok Sunrise Wind Power Co., Ltd.	KDB and others	Deposits pledged	5,293,540,197		Project financing
		Land	2,296,324,283	96,240,000,000	
		Machinery, etc.	95,649,165,631		
		Trade receivables	2,146,431,584		
			105,385,461,695	96,240,000,000	
			₩ 185,579,584,488	₩ 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 December 31, 2025, the Group's total contracted capacity under fixed-price REC contracts amounts to 2,749,727 kW for solar power, 67,200 kW for wind power, and 6,000 kW for other sources.

43. The approval of the financial statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2025 are scheduled to be approved at the shareholder's meeting to be held on March 30, 2026.

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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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