IMPORTANT NOTICE

THIS DOCUMENT IS 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 as supplemented by the pricing supplement following this page (the "**Offering Circular**"), 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 UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES 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 UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE RELEVANT SECURITIES. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

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

You are reminded that the following Offering Circular has been delivered to you on the basis that you are a person into whose possession the following Offering Circular may be lawfully delivered in accordance with the laws of the 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, the Managers and Co-Managers (as defined below) or any affiliate of the Managers or Co-Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers, the Co-Managers or such affiliate on behalf of the issuer in such jurisdiction.

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 the offering of the Notes (as defined below), including certain Managers and/or Co-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 "Code"). This notice to prospective investors is a summary of certain obligations the Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("OCs") for the offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an association (an "Association") with the Issuer, the CMI or the relevant group company (as the case may be). Prospective investors associated with the Issuer 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 the offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the 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 Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the 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 Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the 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 Manager, such that its order may be considered to be a "proprietary order" (pursuant to the Code), such prospective investor should indicate to the relevant 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 the offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the 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 Managers, Co-Managers and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the bookbuilding process for the offering. Failure to provide such information may result in that order being rejected.

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, Citibank Taiwan Limited, J.P. Morgan Securities (Taiwan) Limited, Crédit Agricole Corporate and Investment Bank, Taipei Branch, Standard Chartered Bank (Taiwan) Limited, (collectively, the "**Managers**"), Cathay United Bank Co., Ltd., KGI Securities Co. Ltd., Mega International Commercial Bank Co., Ltd., President Securities Corporation, The Shanghai Commercial & Savings Bank, Ltd., SinoPac Securities Corporation, Taishin International Bank Co., Ltd. or Yuanta Securities Co., Ltd., (collectively, the "**Co-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 Managers and/or Co-Managers.

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

KOREA HYDRO & NUCLEAR POWER CO., LTD.

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

(the "Issuer")

Issue of US$500,000,000 Floating Rate Notes due 2030

under

US$5,000,000,000
Global Medium Term Note Program

Issue Price: 100.000 per cent. of the Aggregate Nominal Amount

Issue Date: July 30, 2025

This information package includes: (i) the offering circular dated July 11, 2025 (the "**Offering Circular**"); (ii) the Pricing Supplement dated July 21, 2025 relating to the Notes; and (iii) this document (together, the "**Information Package**").

The Notes will be issued by Korea Hydro & Nuclear Power Co., Ltd..

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 herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Program or the Notes.

Application will also be made by the Issuer (or on its behalf) for the Notes to be listed on the Taipei Exchange ("**TPEx**") in the Republic of China (the "**ROC**") for the listing and trading of the Notes on the TPEx. The Notes will be traded on the TPEx pursuant to the applicable rules of the TPEx. The effective date of listing of the Notes on the TPEx is on or about July 30, 2025.

TPEx is not responsible for the content of the Information Package and/or any supplement or amendment thereto and no representation is made by the TPEx to the accuracy or completeness of the Information Package and/or any supplement or amendment thereto. The TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Information Package and any supplement or amendment thereto. Admission to the listing and trading of the Notes on the TPEx shall not be taken as an indication of the merits of the Issuer or the Notes.

SELLING RESTRICTION

For the purposes of the Notes, the following ROC selling restriction shall be deemed inserted in the Offering Circular:

"Each Dealer has represented and agreed that the Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the Republic of China. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to the aforementioned professional investors."

ROC TAXATION

The following summary of certain taxation provisions under ROC law is based on the Issuer's understanding of current law and practice and that the Notes will be issued, offered, sold and re-sold, directly or indirectly, to professional investors as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the ROC only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below.

Interest on the Notes

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on any interest or deemed interest to be paid on the Notes.

Payments of any interest or deemed interest under the Notes to an ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC sourced income. However, such holder must include the interest or deemed interest received in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax ("**AMT**"), unless the sum of the interest or deemed interest and other non-ROC sourced income received by such holder and the person(s) who is (are) required to jointly file the ROC income tax return in a calendar year is below $1 million New Taiwan Dollars ("**NT$**"). If the amount of the AMT calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act) exceeds the annual income tax calculated pursuant to the ROC Income Tax Act, the excess becomes such holder's AMT payable.

ROC corporate holders must include any interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is NTD 120,000 or under), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to 0.1 per cent. securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the ROC Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from ROC income tax. Accordingly, ROC individual and corporate holders are not subject to ROC income tax on any capital gains generated from the sale of the Notes. In addition, ROC individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include such capital gains from the sale of the Notes in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT calculated pursuant to the ROC Income Basic Tax Act exceeds the annual income tax calculated pursuant to the ROC Income Tax Act, the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred from the sale of the Notes by such holders could be carried over five years to offset against capital gains of same category of income for the purposes of calculating their AMT.

Non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC are not subject to income tax on any capital gains generated from the sale of the Notes. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-ROC corporate holders without a fixed place of business and a business agent in the ROC, they are not subject to income tax or AMT on any capital gains generated from the sale of the Notes.

ROC SETTLEMENT AND TRADING

The Issuer has not entered into any settlement agreement with Taiwan Depository & Clearing Corporation ("**TDCC**") and has no intention to do so.

In the future, if the Issuer enters into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with an ROC securities broker and a foreign currency deposit account with an ROC bank, may settle the Notes through the account of TDCC with Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**")

In addition, an investor may apply to TDCC (by filling in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream, Luxembourg to such TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Notes position to the securities book-entry account designated by such investor in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds.

For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.

RISKS ASSOCIATED WITH LIMITED LIQUIDITY OF THE NOTES

Application will be made for the listing of the Notes on the TPEx. No assurances can be given as to whether the Notes will be, or will remain, listed on the TPEx. If the Notes fail to, or cease to, be listed on the TPEx, certain investors may not invest in, or continue to hold or invest in, the Notes.

Lead Manager

Citibank Taiwan Limited

Managers

Citibank Taiwan Limited
Crédit Agricole Corporate and Investment Bank, Taipei Branch
J.P. Morgan Securities (Taiwan) Limited
Standard Chartered Bank (Taiwan) Limited

Co-Managers

Cathay United Bank Co., Ltd.
KGI Securities Co. Ltd.
Mega International Commercial Bank Co., Ltd.
President Securities Corporation
The Shanghai Commercial & Savings Bank, Ltd.
SinoPac Securities Corporation
Taishin International Bank, Co., Ltd.
Yuanta Securities Co., Ltd.

PRICING SUPPLEMENT

KOREA HYDRO & NUCLEAR POWER CO., LTD.

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

Issue of US$500,000,000 Floating Rate Notes due 2030

under the US$5,000,000,000
Global Medium Term Note Program

THE NOTES TO WHICH THIS PRICING SUPPLEMENT RELATES (THE "NOTES") HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES 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 SECURITIES LAWS. ACCORDINGLY, THE NOTES WILL BE OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S.

Lead Manager

Citibank Taiwan Limited

Managers

Citibank Taiwan Limited

Crédit Agricole CIB, Taipei Branch

J.P. Morgan Securities (Taiwan) Limited

Standard Chartered Bank (Taiwan) Limited

Co-Managers

Cathay United Bank Co., Ltd.

KGI Securities

Mega International Commercial Bank Co., Ltd.

President Securities Corporation

The Shanghai Commercial & Savings Bank, Ltd.

SinoPac Securities Corporation

Taishin International Bank, Co., Ltd.

Yuanta Securities Co., Ltd.

The date of this Pricing Supplement is July 21, 2025

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 may not be offered delivered, or sold directly or indirectly in the Republic of Korea ("Korea") or to any resident of Korea (as defined in the Foreign Exchange Transaction Act of Korea and the rules and regulations promulgated thereunder) or to others for reoffering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations. Further, during the first year after the issuance of the Notes, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined under the Foreign Exchange Transactions Act of Korea and the rules and regulations promulgated thereunder) other than a "qualified institutional buyer" (a "Korean QIB," as defined in the Regulations on Securities Issuance, Public Disclosure, Etc. of Korea) who is 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.

Korea Hydro & Nuclear Power Co., Ltd.

Issue of US$500,000,000 Floating Rate Notes due 2030
under the US$5,000,000,000
Global Medium Term Note Program

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated July 11, 2025. This Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

1.	Issuer:		Korea Hydro & Nuclear Power Co., Ltd. (LEI: 9884008CRY5MLCN8OQ43)
2.	(i)	Series Number:	22
	(ii)	Tranche Number:	1
	(iii)	Reopening:	Not Applicable
3.	Specified Currency or Currencies:		United States dollars ("US$")
4.	Aggregate Nominal Amount:		
	(i)	Series:	US$500,000,000
	(ii)	Tranche:	US$500,000,000
5.	(i)	Issue Price of Tranche:	100.000% of the Aggregate Nominal Amount
	(ii)	Net Proceeds (after deducting a combined management and underwriting commission but not estimated expenses):	US$498,750,000
	(iii)	Use of Proceeds:	Eligible Use of Proceeds. See "*Use of Proceeds*" in this Pricing Supplement.
6.	(i)	Specified Denominations:	US$200,000 and integral multiples of US$1,000 in excess thereof
	(ii)	Calculation Amount	US$1,000
7.	(i)	Issue Date:	July 30, 2025
	(ii)	Interest Commencement Date:	July 30, 2025
8.	Maturity Date:		July 30, 2030

9.	Interest Basis:	Compounded Daily SOFR +0.79 per cent. per annum Floating Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Status of the Notes:	Senior, unsecured (as per Condition 3)
14.	Listing:	Application will be made to Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Notes on the SGX-ST. Application will also be made to list the Notes on Taipei Exchange (the "TPEx") in the Republic of China (the "ROC") for the listing and trading of the Notes on the TPEx. The Notes will be traded on the TPEx pursuant to the applicable rules of the TPEx. Effective date of listing of the Notes on the TPEx is on or about July 30, 2025. TPEx is not responsible for the content of this document and the Offering Circular and any supplement or amendment thereto and no representation is made by the TPEx to the accuracy or completeness of this document and the Offering Circular and any supplement or amendment thereto. The TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document, the Offering Circular or any supplement or amendment thereto. Admission to listing and trading on the TPEx shall not be taken as an indication of the merits of the Issuer or the Notes.
15.	Method of Distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions	Not Applicable
17.	Floating Rate Note Provisions	Applicable
	(i) Specified Period(s)/Specified Interest Payment Dates:	Interest Payment Dates: Quarterly in arrears on January 30, April 30, July 30 and October 30 of each year, commencing on October 30, 2025 up to and including the Maturity Date, in accordance with the Business Day Convention.
	(ii) Business Day Convention:	Modified Following Business Day Convention
	(iii) Business Center(s):	London, New York, Seoul and Taipei
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
	(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	Citibank, N.A., London Branch
	(vi) Screen Rate Determination:	
	— Reference Rate:	SOFR Benchmark

	— Interest Determination Date(s):	Five U.S. Government Securities Business Days prior to the Interest Payment Date for the relevant Interest Period
	— Relevant Screen Page:	Not Applicable
	— SOFR Benchmark:	Compounded Daily SOFR
	— Compounded Daily SOFR:	SOFR Lag
	— Lookback Days:	Five U.S. Government Securities Business Days
	— SOFR Observation Shift Days:	Not Applicable
	— SOFR IndexStart:	Not Applicable
	— SOFR IndexEnd:	Not Applicable
	(vii) ISDA Determination:	Not Applicable
	(viii) Margin(s):	+0.79 per cent. per annum
	(ix) Minimum Rate of Interest:	Not Applicable
	(x) Maximum Rate of Interest:	Not Applicable
	(xi) Day Count Fraction:	Actual/360, Adjusted
	(xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
18.	Zero Coupon Note Provisions	Not Applicable
19.	Index Linked Interest Note Provisions	Not Applicable
20.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call:	Not Applicable
22.	Investor Put:	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Registered Notes; Regulation S Global Note
24.	Financial Center(s) or other special provisions relating to Payment Days:	London, New York, Seoul, Taipei
25.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes:	Not Applicable
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27.	Details relating to Installment Notes:	
	(i) Installment Amount(s):	Not Applicable

	(ii) Installment Date(s):	Not Applicable
28.	Redenomination applicable:	Not Applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i) If syndicated, names of Managers and Co-Managers:	*Lead Manager* Citibank Taiwan Limited *Managers* Citibank Taiwan Limited Crédit Agricole Corporate and Investment Bank, Taipei Branch J.P. Morgan Securities (Taiwan) Limited Standard Chartered Bank (Taiwan) Limited *Co-Managers* Cathay United Bank Co., Ltd. KGI Securities Co. Ltd. Mega International Commercial Bank Co., Ltd. President Securities Corporation The Shanghai Commercial & Savings Bank, Ltd. SinoPac Securities Corporation Taishin International Bank, Co., Ltd. Yuanta Securities Co., Ltd.
	(ii) Stabilization Manager (if any):	Not Applicable
31.	If non-syndicated, name of relevant Dealer:	Not Applicable
32.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	Not Applicable
33.	U.S. Selling Restrictions:	Regulation S Category 2
34.	Additional selling restrictions:	The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to the aforementioned professional investor.
35.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
36.	Prohibition of Sales to UK Retail Investors:	Not Applicable

HONG KONG SFC CODE OF CONDUCT

37.	Rebates:	Not Applicable
38.	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	DCM.Omnibus@citi.com; HKG-Syndicate@ca-cib.com; Investor.info.hk.bond.deals@jpmorgan.com; synhk@sc.com;
39.	Marketing and Investor Target Strategy:	As indicated in the Offering Circular

OPERATIONAL INFORMATION

40.	Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s):	Not Applicable
41.	Delivery:	Delivery against payment
42.	In the case of Registered Notes, specify the location of the office of the Registrar if other than New York:	Citibank, N.A., London Branch, 1 North Wall Quay, Dublin 1, Ireland
43.	Additional Paying Agent(s) (if any):	None

ISIN:	XS3113268307
Common Codes:	311326830

SUPPLEMENTAL INFORMATION

This section provides information that supplements or replaces certain information about the Issuer or the Program under the headings corresponding to the headings below in the Offering Circular. Capitalized terms used in this section or elsewhere in this Pricing Supplement have the meanings given to them in the Offering Circular. If the information in this section differs from the information in the Offering Circular, you should rely on the information in this section.

USE OF PROCEEDS

The net proceeds from the sale of the Notes, after deducting a combined management and underwriting commission but not estimated expenses of the offering, will be US$498,750,000. An amount equal to the net proceeds of the Notes will be allocated to finance or refinance eligible projects and investments, which may include the construction, renovation and/or upgrade of eligible assets ("**Eligible Use of Proceeds**") in accordance with our Green Bond Framework, which is in alignment with the Green Bond Principles 2021 published by the International Capital Markets Association.

Examples of Eligible Use of Proceeds include the following:

- Renewable energy: (1) development, investment, maintenance and generation of energy from renewable sources located in the Republic of Korea or overseas, including solar photovoltaic, offshore and onshore wind and hydropower and (2) construction and operation of facilities that store electricity and return it at a later time in the form of electricity, including pumped hydropower storage.

- Nuclear Power – R&D: research and development of advanced nuclear technologies to reduce greenhouse gas emissions, improve safety and environmental performance in the following areas:

    - small modular reactor;

    - next-generation nuclear power plant (Generation IV) technology that produces and supplies power while minimizing the generation of radioactive waste in the nuclear fuel cycle;

    - accident tolerant fuel;

    - radioactive waste management;

    - nuclear power plant decommissioning;

    - research reactor;

    - marine (ultra) small reactor;

    - nuclear fusion; and

    - seismic safety, smart plant construction, nuclear power plant safety and reliability enhancement of plant.

Project Evaluation and Selection Process

Under our Asset Evaluation and Selection Process, potential eligible projects will initially be screened by our business units to ensure that such projects fulfill our environmental and social requirements and comply with applicable policies. The ESG Committee will identify and manage perceived or known environmental and social risks associated with such projects and assist our top management in making adequate decisions. The ESG Committee involves the Chief Executive Officer's direct participation and an external expert as the Chairman to ensure that the ESG Committee secures expertise and independently makes decisions related to the eligible projects.

Subsequent to the screening by the ESG Committee, Eligible Use of Proceeds will be reviewed using the criteria indicated above by the Green Bond Working Group, which is made up of senior representatives of the relevant business unit for that project along with our Corporate Strategy Department, Public Relations and Investor Relations Department, Finance, Accounting & Tax Office and Corporate Sustainability Management Team. Our Corporate and Sustainability Management Team will have the right to veto the approval of any project.

Management of Proceeds

The issuance proceeds will be deposited in our general funding accounts and earmarked for allocation for Eligible Use of Proceeds. We have established two registers, one for renewable energy and another for nuclear power – R&D and uses related to nuclear power – R&D will be managed separately to ensure full traceability. Any balance of issuance proceeds not yet allocated to Eligible Use of Proceeds will be managed in accordance with our normal sound and prudent liquidity management policy and may be invested domestically or internationally in short-term liquidity instruments, such as money market instruments or money market deposit accounts. Such short-term investments will exclude any fossil-fuel related corporate bonds or instruments.

Reporting

Reporting, which will include allocation reporting and environmental impact reporting, will be made available to investors on an annual basis and will be publicly available on our website.

Moody's' Ratings has provided an external review in the form of a second party opinion dated May 29, 2025 regarding the alignment of our Green Bond Framework with the Green Bond Principles 2021 published by the International Capital Markets Association (the "**Second Party Opinion**"). The Second Party Opinion and our Green Bond Framework are publicly available on our website: www.khnp.co.kr/eng/.

RISK FACTORS

Risks Relating to the Notes

***The Notes may not be a suitable investment for all investors seeking exposure to green assets**.*

We will allocate an amount equivalent to the net proceeds from the issuance of the Notes to finance or refinance Eligible Use of Proceeds (as defined under "*Use of Proceeds*") in accordance with the Green Bond Framework, which is in alignment with the Green Bond Principles 2021 published by the International Capital Markets Association. See "*Use of Proceeds.*" The examples of Eligible Use of Proceeds in the "Use of Proceeds" section above 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 Notes. The Green Bond Framework is not incorporated into, and does not form a part of, the Offering Circular.

There is currently no clear definition of, or no market consensus as to what constitutes, a "green" or an equivalently-labelled project or as to what precise attributes are required for a particular project or series of notes to be defined as "green," and therefore no assurance can be provided to investors that selected Eligible Use of Proceeds will meet all investor expectations regarding environmental performance. Accordingly, no assurance can be given to investors that any Eligible Use of Proceeds will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the operation of any Eligible Use of Proceeds. Although the Eligible Use of Proceeds will be selected in accordance with the categories recognized by the Green Bond 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/or may be criticized by activist groups or other stakeholders.

The Second Party Opinion may not reflect the potential impact of all risks related to the structure, market, trading price, liquidity, additional risk factors discussed above and other factors that may affect the price or value of the Notes. The Second Party Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date that the Second Party Opinion was initially issued and is 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 Notes. A withdrawal of the Second Party Opinion or any failure by us to use the proceeds from the issuance on Eligible Use of Proceeds or to meet or continue to meet the investment requirements of certain environmentally-focused investors with respect to such Notes may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets. The Second Party Opinion is for information purposes only and none of us, the Managers or Co-Managers accept any form of liability for the substance of the Second Party Opinion and/or any liability for loss arising from the use of the Second Party Opinion and/or information provided in it. The Second Party Opinion is not incorporated into, and does not form part of, this Offering Circular.

No assurance can be provided that the use of the proceeds of the Notes will satisfy 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 or sustainability impact of any projects or uses, the subject of or related to, any Eligible Use of Proceeds. In the event that the Notes are included in any dedicated "green", "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 investor should have regard to the factors described in the Green Bond Framework. None of us, the Managers or Co-Managers make any representation as to whether the Notes fulfil the relevant environmental criteria. Moreover, no assurance can be provided with respect to the suitability or reliability of the Second Party Opinion or that the Notes will fulfil the criteria to qualify as green bonds. The Managers and Co-Managers have not undertaken, nor are responsible for, any assessment of the eligibility of the assets or projects within the definition of the Eligible Use of Proceeds or the monitoring of the use of proceeds from the offering of the Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds and its purchase of the Notes should be based upon such investigation as it deems necessary. The Notes may not be a suitable investment for all investors seeking exposure to green assets.

Risks Associated with Limited Liquidity of the Notes

Application will be made for the listing of the Notes on the TPEx. No assurances can be given as to whether the Notes will be, or will remain, listed on the TPEx. If the Notes fail to, or cease to, be listed on the TPEx, certain investors may not invest in, or continue to hold or invest in, the Notes.

NOTICE TO INVESTORS IN SINGAPORE

By accepting this Pricing Supplement, if you are an investor in Singapore, you: (I) represent and warrant that you are either (1) an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA; or (2) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (II) agree to be bound by the limitations and restrictions described in the Offering Circular.

LISTING APPLICATION

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Program or the Notes.

TPEx is not responsible for the content of this document and the Offering Circular and any amendment and supplement thereto and no representation is made by TPEx to the accuracy or completeness of this document and the Offering Circular and any amendment and supplement thereto. TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and the Offering Circular and any amendment and supplement thereto. Admission to the listing and trading of the Notes on the TPEx shall not be taken as an indication of the merits of the Issuer or the Notes. The Notes will be traded on the TPEx pursuant to the applicable rules of the TPEx. Effective date of listing of the Notes is on or about July 30, 2025.

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the US$5,000,000,000 Global Medium Term Note Program of Korea Hydro & Nuclear Power Co., Ltd.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

ADDITIONAL INFORMATION

ROC TAXATION

The following summary of certain taxation provisions under ROC law is based on the Issuer's understanding of current law and practice and that the Notes will be issued, offered, sold and re-sold, directly or indirectly, to professional investors as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the ROC only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below.

Interest on the Notes

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on any interest or deemed interest to be paid on the Notes.

Payments of any interest or deemed interest under the Notes to an ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC sourced income. However, such holder must include the interest or deemed interest received in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax ("**AMT**"), unless the sum of the interest or deemed interest and other non-ROC sourced income received by such holder and the person(s) who is (are) required to jointly file the ROC income tax return in a calendar year is below $1 million New Taiwan Dollars ("**NT$**"). If the amount of the AMT calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act) exceeds the annual income tax calculated pursuant to the ROC Income Tax Act, the excess becomes such holder's AMT payable.

ROC corporate holders must include any interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is NTD 120,000 or under), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to 0.1 per cent. securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the ROC Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from ROC income tax. Accordingly, ROC individual and corporate holders are not subject to ROC income tax on any capital gains generated from the sale of the Notes. In addition, ROC individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include such capital gains from the sale of the Notes in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT calculated pursuant to the ROC Income Basic Tax Act exceeds the annual income tax calculated pursuant to the ROC Income Tax Act, the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred from the sale of the Notes by such holders could be carried over five years to offset against capital gains of same category of income for the purposes of calculating their AMT.

Non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC are not subject to income tax on any capital gains generated from the sale of the Notes. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-ROC corporate holders without a fixed place of business and a business agent in the ROC, they are not subject to income tax or AMT on any capital gains generated from the sale of the Notes.

ROC SETTLEMENT AND TRADING

The Issuer has not entered into any settlement agreement with Taiwan Depository & Clearing Corporation ("**TDCC**") and has no intention to do so.

In the future, if the Issuer enters into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with an ROC securities broker and a foreign currency deposit account with an ROC bank, may settle the Notes through the account of TDCC with Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**")

In addition, an investor may apply to TDCC (by filling in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream, Luxembourg to such TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Notes position to the securities book-entry account designated by such investor in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds.

For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.

OFFERING CIRCULAR **CONFIDENTIAL**

KOREA HYDRO & NUCLEAR POWER CO., LTD.

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

US$5,000,000,000

Global Medium Term Note Program

This offering circular (the "**Offering Circular**") replaces and supersedes in its entirety the previous offering circular dated July 18, 2024 describing the US$5,000,000,000 Global Medium Term Note Program (the "**Program**", as amended, supplemented or restated) of Korea Hydro & Nuclear Power Co., Ltd. (the "**Issuer**" or the "**Company**"). Any Notes (as defined below) issued under the Program on or after the date of this Offering Circular are issued subject to the provisions described herein. Under the Program, the Company may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The Notes may be issued in bearer or registered form (respectively "**Bearer Notes**" and "**Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Program will not exceed US$5,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Summary*" and any additional Dealer appointed under the Program from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in connection with the Program and application will be made for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed, at or prior to the time of issue thereof, to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation 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 any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Program or the Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes to be listed on the SGX-ST, will be submitted to the SGX-ST before the date of listing of the Notes of such Tranche.

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

Investing in the Notes involves certain risks that are described in the "*Risk Factors*" section beginning on page 72 of this Offering Circular.

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued only outside the United States to non-U.S. persons in reliance on the exemption from registration provided by Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and Registered Notes may be issued both outside the United States to non-U.S. persons in reliance on the exemption from registration provided by Regulation S and within the United States or to U.S. persons in private transactions (i) to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") or (ii) to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions ("**Institutional Accredited Investors**") who agree to purchase the Notes for their own account and not with a view to the distribution thereof. Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold, or in the case of Bearer Notes delivered, in the United States or its possessions or to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act or, in the case of Bearer Notes, the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")). See "*Form of the Notes*" for more description of the manner in which Notes will be issued. Notes are subject to certain restrictions on transfer. See "*Subscription and Sale and Transfer and Selling Restrictions*."

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

Arranger

Citigroup

Dealers

BofA Securities **Citigroup**
Crédit Agricole CIB **HSBC**
J.P. Morgan **Mizuho**
Société Générale Corporate & Investment Banking **Standard Chartered Bank**
UBS

The date of this Offering Circular is July 11, 2025.

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the issue and offering of Notes, that the information contained or incorporated by reference 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 whose omission 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 in this Offering Circular misleading in any material respect. The Issuer accepts responsibility accordingly.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. See "*Documents Incorporated by Reference*." This Offering Circular should be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

This Offering Circular is based on information provided by the Issuer and by other sources that the Issuer believes are reasonable. The Arranger and the Dealers have not separately verified all of the information contained or incorporated by reference in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, or any director, officer, employee, agent or affiliate of any such Dealer as to the authenticity, origin, validity, accuracy or completeness of the information contained or incorporated by reference in this Offering Circular or any supplement hereto or any other information provided by the Issuer in connection with the Program or any other statement, made or purported to be made by any Dealer or on its behalf in connection with the Issuer, the Program or the issue and offering of the Notes. To the fullest extent permitted by law, no Dealer accepts any liability (and accordingly disclaims all liability whether arising in tort or contract or otherwise) in relation to the information contained or incorporated by reference in this Offering Circular, or any other information provided by the Issuer in connection with the Program or any other statement, made or purported to be made by any Dealer or on its behalf in connection with the Issuer, the Program or the issue and offering of the Notes. Each Dealer and its affiliates accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such information.

No person is or has been authorized by the Issuer to give any information or to make any representation which is not contained in or which is not consistent with this Offering Circular or any other information supplied by or on behalf of the Issuer in connection with the Program or the Notes, and if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or any of the Dealers.

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

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

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

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor any of the Dealers represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (the "**EEA**"), the United Kingdom (the "**UK**"), Japan, Korea, Singapore and Hong Kong. See "*Subscription and Sale and Transfer and Selling Restrictions*."

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

EEA INFORMATION

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

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

IMPORTANT — EEA RETAIL INVESTORS — If the final terms (or the Pricing Supplement, as the case may be) in respect of any Series of Notes includes a legend entitled "PRIIPS Regulation/ Prohibition of Sales to EEA Retail Investors," the Notes of any such Series are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes: (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be prepared and therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK INFORMATION

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

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

IMPORTANT — UK RETAIL INVESTORS — If the final terms (or the Pricing Supplement, as the case may be) in respect of any Series of Notes includes a legend entitled "UK PRIIPS Regulation/ Prohibition of Sales to UK Retail Investors," the Notes of any such Series are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes: (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore, offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

None of the Dealers or the Issuer makes any representation to any investor regarding the legality of its investment in the Notes under any applicable laws. The contents of this Offering Circular should not be construed as providing legal, business, accounting or tax advice. Any investor should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

U.S. INFORMATION

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs or Institutional Accredited Investors (each as defined under "*Form of the Notes*") for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes may be offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act ("**Regulation S**"). Registered Notes may be offered or sold within the United States only to QIBs or to Institutional Accredited Investors, in either case in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act ("**Rule 144A**").

Purchasers of Definitive IAI Registered Notes (as defined under "*Form of the Notes*") will be required to execute and deliver an IAI Investment Letter (as defined under "*Terms and Conditions of the Notes*"). Each purchaser or holder of Definitive IAI Registered Notes, Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together "**Legended Notes**") will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*." Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*."

The distribution of this Offering Circular and the offer, sale or delivery of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. The Notes have not been and will not be registered under the Securities Act, and may include Notes that are in bearer form that are subject to U.S. tax law requirements and limitations. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "*Subscription and Sale and Transfer and Selling Restrictions*."

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

Prospective investors should be aware that certain intermediaries in the context of certain offerings of the Notes pursuant to the Program (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

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

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

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealer and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

SINGAPORE INFORMATION

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "SFA") – Unless otherwise stated in the Pricing Supplement in respect of any Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes to be issued under the Program shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRESENTATION OF FINANCIAL INFORMATION

The Issuer's consolidated financial statements as of and for the years ended December 31, 2024, 2023 and 2022 have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, which require application of Korean International Financial Reporting Standards ("**K-IFRS**") where specific accounting treatments are not prescribed. The Issuer's unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024 have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, which require application of K-IFRS where specific accounting treatments are not prescribed.

CERTAIN DEFINED TERMS AND CONVENTIONS

The Issuer has prepared this Offering Circular using a number of conventions that should be considered when reading the information contained in this Offering Circular. References to the "**Company**", "**KHNP**" or the "**Issuer**" are to Korea Hydro & Nuclear Power Co., Ltd. References to "we", "us", "our" and "ourselves" are to our Company and where the context requires, our Company and our subsidiaries. References herein to "**Korea**" are to the Republic of Korea, and references to the "**Government**" or "**government**" are to the Government of Korea.

All references in this Offering Circular to "**U.S. dollars**", "**dollars**", "**US$**" and "**$**" refer to the currency of the United States of America, all references to "**Won**" and "**₩**" refer to the currency of Korea, all references to "**Yen**" and "**¥**" refer to the currency of Japan, all references to "**C$**" refer to the currency of Canada and all references to "**€**", "**Euro**" and "**euro**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. All references in this Offering Circular to "**KW**" refer to kilowatt, "**MW**" to megawatt, "**GW**" to gigawatt and "**kWh**" to kilowatt hour.

Any discrepancies in any table between totals and sums of the amounts listed are due to rounding. The Company maintains its accounts in Won. Unless otherwise indicated, all translations from Won to U.S. dollars herein indicated as of or for the three months ended March 31, 2025 were made at the rate of Won 1,466.5 to US$1.00, the exchange rate based on the basic rate under the market average exchange rate system, provided by Seoul Money Brokerage Services, Ltd. between Won and U.S. dollars (the "**Market Average Exchange Rate**") and in effect on March 31, 2025. These translations were made solely for the convenience of the reader. 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. See "*Exchange Rates*."

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Circular constitute "forward-looking statements", including statements regarding the Issuer's 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 the Issuer's financial position and results, business strategy, plans and objectives of management for future operations, including development plans and objectives relating to the Issuer's products and services, are forward-looking statements. Such forward-looking statements and any other projections contained in this Offering Circular (whether made by the Issuer 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 the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. Among the important factors that could cause some or all of those assumptions not to occur or cause the Issuer's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things, the Issuer's ability to successfully implement its business strategy and its safety policies, the condition of and changes in the Korean, Asian or global economies, the Issuer's growth and expansion, including whether the Issuer succeeds in its capital investment program to increase its installed capacity, changes in interest rates and changes in government regulation and licensing of its businesses in Korea and in other jurisdictions where the Issuer may operate, and the change in the price of electricity sold by the Issuer. Additional factors that could cause the Issuer's actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*." Any forward-looking statements contained in this Offering Circular speak only as of the date of this Offering Circular. Each of the Issuer and the Dealers expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based.

ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a corporation organized under the laws of Korea. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and its officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Korea upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside Korea predicated upon civil liabilities of the Issuer or its directors and officers under laws other than Korean law, including any judgment predicated upon United States federal securities laws. The Issuer has been advised by Lee & Ko, its counsel, that as a matter of Korean law there would be certain conditions to be met under Korean law regarding the enforceability in Korea, either in original actions or in actions for the enforcement of U.S.-court judgments, of civil liabilities based on the U.S. federal securities laws.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) the publicly available audited consolidated financial statements and the unaudited interim consolidated financial statements (if any) of the Issuer for the most recent financial period; see "*General Information*" for a description of the consolidated financial statements currently regularly published by the Issuer; and

(b) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time,

except that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its registered offices set out at the end of this Offering Circular.

If the terms of the Program are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new offering circular will be prepared.

The Issuer will, in connection with the listing and quotation of the Notes on the SGX-ST, so long as the rules of the SGX-ST so require, in the event of any material change which is not reflected in this Offering Circular, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of the Notes to be listed on the SGX-ST.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in the Program Agreement to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him or her, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

GENERAL DESCRIPTION OF THE PROGRAM

Under the Program, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Program and the Notes appears below. The applicable terms of any Notes will be agreed upon between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*" below.

This Offering Circular and any supplement will only be valid for the offering of Notes in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Program, does not exceed US$5,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Program from time to time:

(a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the Notes, described under "*Form of the Notes*") shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;

(b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the Notes, described under "*Form of the Notes*") shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and

(c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the Notes, described under "*Form of the Notes*") and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilization Manager(s) (or persons acting on behalf of any Stabilization Manager(s)) in the applicable Pricing Supplement may over-allot Notes 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 Stabilization Manager(s) (or persons acting on behalf of a Stabilization Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end (unless otherwise indicated in the applicable Pricing Supplement) no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilization Manager(s) (or person(s) acting on behalf of any Stabilization Manager(s)) in accordance with all applicable laws and rules.

SUMMARY

We were established on April 2, 2001 as a result of a corporate split from Korea Electric Power Corporation ("**KEPCO**"), pursuant to which KEPCO transferred all of its nuclear and hydroelectric power generation assets and related liabilities to us in accordance with the Act on the Promotion of Restructuring the Electric Power Industry and the Restructuring Plan for the electricity industry in Korea announced by the Ministry of Trade, Industry and Energy (the "**MOTIE**"). See "*The Korean Electricity Industry – Restructuring of the Electricity Industry in Korea.*" Pursuant to Article 2 of our Articles of Association, we engage in nuclear and hydroelectric power generation and sell all of our generated electricity to KEPCO through the Korea Power Exchange ("**KPX**") in accordance with Article 31 of the Electricity Business Act of Korea. We are wholly owned by KEPCO and are the only nuclear power generation company in Korea.

Our vision is to become a carbon-free clean energy leader in the global energy industry. Our key strategic priorities are in the following four areas: substantialize our core businesses, diversify our growing businesses, achieve social value and promote continuous innovation. We maintain a "safety first, corruption free" principle for all our operating systems and comprehensively improve our business through technological innovation. We plan to continue to focus on winning mandates for engineering, procurement and construction ("**EPC**") projects as well as explore opportunities to expand into the "build, operate and own" business. We also strive to explore new business areas, such as decommissioning and renewable energy optimization, with a view of exporting such services in the future.

As of March 31, 2025, we owned and operated 26 nuclear power generation units with aggregate installed capacities of 26,050 MW, 53 hydroelectric power generation units (which includes pumped-storage hydro power generation units) with aggregate installed capacities of 5,307 MW, 67 solar generation units with aggregate installed capacities of 84.7 MW and one wind power generation unit with installed capacity of 0.75 MW. All of our nuclear power plants supply base load power, and hydroelectric power plants supply electricity during peak hours.

Nuclear power is one of the largest electricity supply sources in Korea. As of March 31, 2025, we owned approximately 20.4% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). In 2024 and for the three months ended March 31, 2025, we sold 185,422 GW hours and 50,874 GW hours of electricity, respectively, to KEPCO. Nuclear power, all of which is generated by us, accounted for 32.6% and 35.6% of total electricity sold in Korea in 2024 and for the three months ended March 31, 2025, respectively, in terms of sales volume. In 2024 and for the three months ended March 31, 2025, nuclear power accounted for 96.6% and 97.1%, respectively, of the electricity generated by us.

In 2022, 2023, 2024 and for the three months ended March 31, 2025, our sales were Won 10,608 billion, Won 10,978 billion, Won 13,602 billion and Won 4,308 billion, respectively. We recorded loss for the year of Won 62 billion in 2022, profit for the year of Won 122 billion in 2023, profit for the year of Won 573 billion in 2024 and profit for the period of Won 823 billion for the three months ended March 31, 2025. As of March 31, 2025, our total assets amounted to Won 75,041 billion.

We are a corporation of unlimited duration incorporated with limited liability under the laws of Korea. Our registered office is located at 1655 Bulguk-ro, Munmudaewang-myeon, Gyeongju-si, Gyeongsangbuk-do 38120, Republic of Korea. Our corporate registration number in the commercial registry office in Korea is 120-86-18943.

THE PROGRAM

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

Issuer	Korea Hydro & Nuclear Power Co., Ltd. (Legal Entity Identifier: 9884008CRY5MLCN8OQ43)
Description.	Global Medium Term Note Program
Arranger	Citigroup Global Markets Inc.
Dealers	Citigroup Global Markets Inc., Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, Merrill Lynch International, Mizuho Securities Asia Limited, Société Générale, Standard Chartered Bank, UBS AG Hong Kong Branch and any other Dealers appointed in accordance with the Program Agreement.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable at the date of this Offering Circular. Notes with a maturity of less than one year: Notes having a maturity of less than one year from the date of issue will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "*Subscription and Sale and Transfer and Selling Restrictions*."
Fiscal Agent	Citicorp International Limited
Principal Paying Agent. . .	Citibank, N.A., London Branch
Registrar	Citibank, N.A., London Branch
Program Size	Up to US$5,000,000,000 (or its equivalent in other currencies calculated as described under "General Description of the Program") outstanding at any time. The Issuer may increase the amount of the Program in accordance with the terms of the Program Agreement.
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Redenomination	The applicable Pricing Supplement may provide that certain Notes may be redenominated in Euro (to the extent permitted under the applicable Korean laws and regulations). The relevant provisions applicable to any such redenomination are contained in Condition 5 (Redenomination).
Maturities.	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price	The Notes may be issued on a fully paid or a partly paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in bearer or registered form as described in "Form of the Notes." Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Fixed Rate Notes.	Fixed Rate Notes will bear fixed interest payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined: i. on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or ii. on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or iii. on such other basis as may be agreed between the Issuer and the relevant Dealer, all as indicated in the applicable Pricing Supplement. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes. In the event of the discontinuation of a reference rate applicable to a Series of Floating Rate Notes specified in the applicable Pricing Supplement, then (a) Condition 6(b)(v) of the "*Terms and Conditions of the Notes*" shall apply if Benchmark Transition Event is specified in the applicable Pricing Supplement; (b) Condition 6(b)(vi) of the "*Terms and Conditions of the Notes*" shall apply if Benchmark Discontinuation (SOFR) is specified in the applicable Pricing Supplement; or (c) as otherwise provided in the applicable Pricing Supplement.

Index Linked Notes	Payments of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
Zero Coupon Notes	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.
Redemption	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified installments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in the applicable Pricing Supplement. The applicable Pricing Supplement may provide that Notes may be redeemable in two or more installments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.
Denomination of Notes . .	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer except that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Unless otherwise stated in the applicable Pricing Supplement, the minimum denomination of each Definitive IAI Registered Note (as defined under "*Terms and Conditions of the Notes*") will be US$500,000 or its approximate equivalent in other Specified Currencies.
Withholding Taxes	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction (as defined in Condition 10 (Taxation)), subject to exceptions as provided in Condition 10 (Taxation). In the event that any such deduction is made, the Issuer will, except in certain limited circumstances provided in Condition 10 (Taxation), be required to pay additional amounts to cover the amounts so deducted.

Certain Covenants	The terms of the Notes will contain limitations on liens, and sale and leaseback transactions, consolidation, merger and sale of assets and certain other covenants, as further described in Condition 4 (Certain Covenants).
Cross Acceleration.	The terms of the Notes will contain a cross acceleration provision as further described in Condition 12 (Events of Default).
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4 (Certain Covenants), unsecured obligations of the Issuer and will rank *pari passu* among themselves and (except for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Listing	Approval in-principle has been received from the SGX-ST in connection with the Program and application will be made for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed, at or prior to the time of issue thereof, to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such 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). The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series or Tranche. Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Governing Law	The Notes will be governed by, and construed in accordance with the laws of the state of New York.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the UK, Korea, Japan, Singapore, Hong Kong and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale and Transfer and Selling Restrictions*." Bearer Notes will be issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless the relevant Pricing Supplement states that (i) the Notes are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules; Notes with a maturity of 365 days or less (taking into account unilateral extensions and rollovers) will be issued other than in compliance with the D Rules or the C Rules and will be referred to in the relevant Pricing Supplement as a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") is not applicable.

FORM OF THE NOTES

Certain capitalized terms used herein are defined in the "*Terms and Conditions of the Notes*." Any reference herein to Euroclear and/or Clearstream and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or another available exemption from the registration requirements of the Securities Act. Bearer Notes will also be subject to U.S. tax restrictions described below.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of either a temporary bearer global note ("**Temporary Bearer Global Note**") or a permanent bearer global note ("**Permanent Bearer Global Note**" and, together with Temporary Bearer Global Note, the "**Bearer Global Notes**") as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Bearer Notes issued under the D Rules will be initially issued in the form of Temporary Bearer Global Note. While any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form annexed to the Agency Agreement) has been received by Euroclear and/or Clearstream and Euroclear and/or Clearstream, as applicable, has given a similar certification (based on the certifications it has received) to the Principal Paying Agent, as required by U.S. Treasury Regulations. Such certification shall state that on the Exchange Date, the Bearer Notes are (i) owned by persons that are not United States persons, (ii) owned by United States persons that (a) are foreign branches of the United States financial institutions (as defined in United States Treasury Regulations Section 1.165-12(c)(1)(iv)) ("**financial institutions**") purchasing for their own account or for resale, or (b) acquire the Bearer Notes through foreign branches of United States financial institutions and that hold the Bearer Notes through such financial institutions through such date (and in either case (a) or (b), each such United States financial institution has agreed, on its own behalf or through its agent, that the Issuer has been advised that such United States financial institutions will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Code and the regulations thereunder), or (iii) owned by United States or foreign financial institutions for the purposes of resale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)) and such financial institutions certify that they have not acquired the Bearer Notes for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

From the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) by the Noteholder either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given. Definitive Bearer Notes will only be delivered outside the United States. The holder of an interest in a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the interest in the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 12 (Events of Default)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Bearer Global Note is exchanged for definitive Bearer Notes, the Issuer will appoint and maintain a paying agent in Singapore ("**Paying Agent in Singapore**"), where the definitive Bearer Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Bearer Global Note is exchanged for definitive Bearer Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Bearer Notes, including details of the Paying Agent in Singapore. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes which have a maturity of more than 365 days (including unilateral rollovers and extensions) and on all talons, receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person except as otherwise provided in Condition 2 (*Transfers of Registered Notes*) and may not be held otherwise than through Euroclear or Clearstream and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions (i) to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") or (ii) to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions ("**Institutional Accredited Investors**") who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**").

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of its participants, including Euroclear and Clearstream or (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form. Unless otherwise stated in the applicable Pricing Supplement, the minimum denomination of each Global Note shall be €100,000 or its approximate equivalent in other Specified Currencies.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof ("**Definitive IAI Registered Notes**"). Unless otherwise set forth in the applicable Pricing Supplement, Definitive IAI Registered Notes will be issued only in minimum denominations of US$500,000 and integral multiples of US$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under "*Subscription and Sale and Transfer and Selling Restrictions*." Institutional Accredited Investors that hold Definitive IAI Registered Notes may elect to hold such Notes through DTC, but transferees acquiring the Notes in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144 under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under "*Subscription and Sale and Transfer and Selling Restrictions*." The Rule 144A Global Note and the Definitive IAI Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provisions to the contrary, be made to the person shown on the Register (as defined in Condition 8(d) (*Payments – Payments in Respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 8(d) (*Payments – Payments in Respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (iii) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Registered Global Note is exchanged for definitive Registered Notes, the Issuer will appoint and maintain a Paying Agent in Singapore, where the definitive Registered Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Registered Global Note is exchanged for definitive Registered Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Registered Notes, including details of the Paying Agent in Singapore. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive IAI Registered Note and Definitive IAI Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions. See "*Subscription and Sale and Transfer and Selling Restrictions*."

General

Pursuant to the Agency Agreement, the Principal Paying Agent or the Registrar, as the case may be, shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a Common Code and ISIN and, where applicable, a CUSIP and CINS number which are different from the Common Code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche and, for Bearer Notes subject to the certification requirements under U.S. Treasury regulations, until at least the Notes represented by interests in a temporary Global Note are exchanged for Notes represented by an interest in a permanent Global Note or for definitive Bearer Notes; provided that any further Tranche of Notes consisting of Registered Notes shall be issued under a separate Common Code, ISIN, CUSIP or CINS unless the Additional Notes are issued pursuant to a "qualified reopening" of the original series, are otherwise treated as part of the same "issue" of debt instruments as the original series or are issued with less than a *de minimis* amount of original discount, in each case for U.S. federal income tax purposes.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 12 (*Events of Default*). In such circumstances, where any Registered Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note, then holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver Definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Global Note is exchanged for definitive Notes, the Issuer will appoint and maintain a Paying Agent in Singapore, where the definitive Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore.

Form of Applicable Pricing Supplement

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Program.

[MIFID II PRODUCT GOVERNANCE – 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 – 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.]

[PRIIPS REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes: (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"); and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore, offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This Offering Circular has been prepared on the basis that any offer of the Notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. This Offering Circular is not a prospectus for the purposes of the Prospectus Regulation.]

[UK PRIIPS REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes: (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Offering Circular has been prepared on the basis that any offer of the Notes in the UK will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. This Offering Circular is not a prospectus for the purposes of the UK Prospectus Regulation.]

[Date]

Korea Hydro & Nuclear Power Co., Ltd.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the US$5,000,000,000
Global Medium Term Note Program

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated July 11, 2025. This Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

[The following legend should be included if the Notes rely on the exemption as set out in Article 2-2-2, Paragraph 2, Item 3 of the Regulations on the Issuance and Disclosure of Securities promulgated by the Financial Services Commission of Korea.]

[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 may not be offered, delivered, or sold, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Act of Korea and the rules and regulations promulgated 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, 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 buyer" (a "**Korean QIB**" as defined under the Regulations on the Issuance and Disclosure of Securities) 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.]

[The following legend should be included if the Notes rely on the exemption as set out in Article 2-2-2, Paragraph 2 (other than Item 3) of the Regulations on the Issuance and Disclosure of Securities promulgated by the Financial Services Commission of Korea.]

[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 may not be offered, delivered, or sold, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Act of Korea and the rules and regulations promulgated 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, during the first year after the issuance of the Notes, the Notes may not be transferred to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated [*original date*]. The Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [*current date*], except in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency]

1.	Issuer:		Korea Hydro & Nuclear Power Co., Ltd. (Legal Entity Identifier: 9884008CRY5MLCN8OQ43)
2.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•] *(if re-opening fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
	(iii)	Reopening:	[Yes/No] *[Specify terms of initial or eventual fungibility]*
3.	Specified Currency or Currencies:		[•]
4.	Aggregate Nominal Amount:		
	(i)	Series:	[•]
	(ii)	Tranche:	[•]
5.	(i)	Issue Price of Tranche:	[•] % of the Aggregate Nominal Amount [*plus accrued interest from [insert date] (in the case of fungible re-opening issues only, if applicable)*].
	(ii)	Net Proceeds:	[•]
	(iii)	Use of Proceeds:	[•]
6.	(i)	Specified Denominations: *(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*	[•] *(N.B. Pursuant to the Prospectus Regulation, Notes to be admitted to trading on a regulated market within the EEA must have a minimum denomination of €100,000 (or equivalent) in order to benefit from Transparency Directive exemptions in respect of wholesale securities and the wholesale exemption set out in Article 1(4) of the Prospectus Regulation. If an issue of Notes is (i) not admitted to trading on an EEA exchange and (ii) only offered in the EEA in circumstances where a prospectus is not required to be published under the Prospectus Regulation, the €100,000 minimum denomination is not required.)*

(N.B. Pursuant to the UK Prospectus Regulation, Notes to be admitted to trading on a regulated market within the UK must have a minimum denomination of €100,000 (or equivalent) in order to benefit from Transparency Directive exemptions in respect of wholesale securities and the wholesale exemption set out in Article 1(4) of the UK Prospectus Regulation. If an issue of Notes is (i) not admitted to trading on a UK exchange and (ii) only offered in the UK in circumstances where a prospectus is not required to be published under the UK Prospectus Regulation, the €100,000 minimum denomination is not required.)

(*N.B. For Bearer Notes with a Specified Denomination and higher integral multiples above the minimum denomination, consider including language substantially to the following effect (however, appropriate amendments should be made for different currencies*):

"[US$200,000] and integral multiples of [US$1,000] in excess thereof, up to and including [US$499,000] and, for so long as the Notes are represented by a Global Note (as defined below) and Euroclear and Clearstream so permit, the Notes shall be tradable only in the minimum authorized denomination of [US$200,000] and higher integral multiples of [US$1,000], notwithstanding that no definitive notes will be issued with a denomination above [US$499,000].")

[*(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*]

	(ii)	Calculation Amount	[•] *(If there is only one Specified Denomination, insert the Specified Denomination. If there is more than one Specified Denomination, insert the highest common factor. N.B. there must be a common factor in the case of two or more Specified Denominations*)
7.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date:	[•]
8.	Maturity Date:		[*Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]*]

9.	Interest Basis:	[% Fixed Rate] [[EURIBOR/SOFR/Other reference rate] +/- % Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par [Dual Currency Redemption] [Partly Paid] [Installment] [*specify other*]
11.	Change of Interest Basis or Redemption/ Payment Basis:	[*Specify details of any provisions for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	Status of the Notes:	Senior
14.	Listing:	[Singapore Exchange Securities Trading Limited[1]/ *specify other/None*]
15.	Method of Distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Rate(s) of Interest:	[•] % per annum [payable [annually/semi-annually/ quarterly] in arrears] *(If payable other than annually, consider amending Condition 6 (Interest))*
	(ii) Interest Payment Date(s):	([[•] in each year up to and including the Maturity Date]/)\[specify other]) (*N.B.: This will need to be amended in the case of long or short coupons*)
	(iii) Fixed Coupon Amount(s): (*applicable to Notes in definitive form*)	[•] per Calculation Amount

[1] For SGX-ST listing: For drawdowns based on the Offering Circular dated July 11, 2025, please note that if the Issuer's audited financials as of and for the year ended December 31, 2025 has since become available, this should be appended in full to the pricing supplement.

(iv)	Broken Amount(s): (*applicable to Notes in definitive form*)	[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [Š] *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*
(v)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or specify other]
(vi)	Determination Date(s):	[•] in each year [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B.: This will need to be amended in the case of regular interest payment dates which are not of equal duration. N.B.: Only relevant where Day Count Fraction is Actual/Actual (ICMA)*]
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[*None/Give details*]

17. Floating Rate Note Provisions — [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

(i)	Specified period(s)/Specified Interest payment Dates:	[•]
(ii)	Business Day Convention:	[*Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ [specify other]*]
(iii)	Additional Business Center(s):	[•] (*Insert New York City for U.S. dollar denominated Notes to be held through DTC and for non-U.S. dollar denominated Notes where exchange into U.S. dollars is contemplated for DTC participants holding through Euroclear and Clearstream*)
(iv)	Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination/ *specify other*]
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[•]
(vi)	Screen Rate Determination:	
•	Reference Rate:	[•] *(Either EURIBOR, SOFR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
•	Interest Determination Date(s):	[•] *(Second day on which the TARGET 2 system is open prior to the start of each Interest Period if EURIBOR)*

•	Relevant Screen Page:	[•] *(In the case of EURIBOR, if not Telerate Page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
•	SOFR Benchmark:	**[Not Applicable/Compounded Daily SOFR/SOFR Index]** (Only applicable where the Reference Rate is SOFR)
•	Compounded Daily SOFR:	**[Not Applicable/SOFR Lag/SOFR Observation Shift]** (Only applicable in the case of Compounded Daily SOFR)
•	Lookback Days:	**[Not Applicable/[•] U.S. Government Securities Business Day(s)]** (Only applicable in the case of SOFR Lag)
•	SOFR Observation Shift Days:	**[Not Applicable/[•] U.S. Government Securities Business Day(s)]** (Only applicable in the case of SOFR Observation Shift or SOFR Index)
•	SOFR $Index_{Start}$:	**[Not Applicable/[•] U.S. Government Securities Business Day(s)]** (Only applicable in the case of SOFR Index)
•	SOFR $Index_{End}$:	**[Not Applicable/[•] U.S. Government Securities Business Day(s)]** (Only applicable in the case of SOFR Index)
(vii)	ISDA Determination:	
•	Floating Rate Option:	[•] (*if not on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, the Issuer shall describe the basis here*)
•	Designated Maturity:	[•]
•	Reset Date:	[•]
(viii)	Margin(s):	[+/-] [•] % per annum
(ix)	Minimum Rate of Interest:	[+/-] [•] % per annum
(x)	Maximum Rate of Interest:	[•] % per annum
(xi)	Day Count Fraction:	[Actual/365 Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 Other] *(See Condition 6 for alternatives)*

	(xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	**[Benchmark Transition Event]/[Benchmark Discontinuation (SOFR)]/[specify other if different from those set out in the Conditions]**
18.	Zero Coupon Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Accrual Yield:	% per annum
	(ii) Reference Price:	[•]
	(iii) Any other formula/basis of determining amount payable:	[•]
	(iv) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 9(e) (Redemption and Purchase – *Early Redemption Amounts*) – (iii) and Condition 9(j) (Redemption and Purchase – *Late Payment on Zero Coupon Notes*)] (*Consider applicable day count fraction if not U.S. dollar denominated*)
19.	Index Linked Interest Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Index/Formula:	[give or annex details]
	(ii) Calculation Agent responsible for calculating the principal and/or interest due:	[•]
	(iii) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[•]
	(iv) Specified Period(s)/Specified Interest Payment Dates:	[•]
	(v) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *specify other*]
	(vi) Additional Business Center(s):	[•]
	(vii) Minimum Rate of Interest:	[•] % per annum
	(viii) Maximum Rate of Interest:	[•] % per annum
	(ix) Day Count Fraction:	[•]

20.	Dual Currency Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
	(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable:	[•]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[•]
	(iv) Person at whose option Specified Currency(ies) is/are payable:	[•]

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call:	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	(If not applicable, delete the remaining subparagraphs of this paragraph)
	(ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[•]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[•]
	(b) Maximum Redemption Amount:	[•]
	(iv) Notice period (if other than as set out in the Conditions):	[•] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
22.	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount

	(iii) Notice period (if other than as set out in the Conditions):	[•] (*N.B. If setting notice periods which are different from those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
23.	Final Redemption Amount of each Note:	[•] [per Calculation Amount/specify other]
24.	Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 9(e) (*Redemption and Purchase – Early Redemption Amounts*)):	[•]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]* FN] [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date* FN] [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]* FN]]** FN [Registered Notes: Regulation S Global Note (US$[•] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]/ Rule 144A Global Note (US$[•] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]/ Definitive IAI Registered Notes (*specify nominal amounts*)]

* N.B. – Regard should be given to the specific requirements of the relevant clearing system(s), if any. Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. The exchange upon notice/at any time options should not be expressed to the applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[US$200,000] and integral multiples of [US$1,000] in excess thereof up to and including [US$499,000]."

Noteholders will not have the right to exchange such Global Notes for Definitive Notes other than upon the occurrence of an Exchange Event.

** May not be used if TEFRA D applies.

26.	Additional Financial Center(s) or other special provisions relating to Payment Dates:	[Not Applicable/give details](*Note that this item relates to the place of payment and not Interest Period end dates to which items 17(iii) and 19(vi) relate; insert New York City for U.S. dollar denominated Notes to be held through DTC*)
27.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes:	[Not Applicable/give details]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B.:*] [*new forms of Global Note may be required for Partly Paid issues*]
29.	Details relating to Installment Notes:	
	(i) Installment Amount(s):	[Not Applicable/give details]
	(ii) Installment Date(s):	[Not Applicable/give details]
30.	Redenomination applicable:	Redenomination [not] applicable [(*If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates*))]
31.	Other terms or special conditions:	[Not Applicable/give details]

DISTRIBUTION

32.	(i) If syndicated, names of Managers:	[Not Applicable/give names]
	(ii) Stabilization Manager (if any):	[Not Applicable/give name]
33.	If non-syndicated, name of relevant Dealer:	[•]
34.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA not applicable (for Bearer Notes with a maturity of one year or less (including unilateral rollovers and extensions) or Registered Notes)]*
35.	U.S. Selling Restrictions:	[Regulation S Category 2]/[Rule 144A]
36.	Additional selling restrictions:	[Not Applicable/*give details*]
37.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]

* Where TEFRA D is applicable, a Note must be issued in the form of a Temporary Bearer Global Note exchangeable upon U.S. tax certification for a Permanent Bearer Global Note or for Definitive Notes.

38.	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]

HONG KONG SFC CODE OF CONDUCT

39.	Rebates:	[Not Applicable/A rebate of [•] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]
40.	Contact email addresses of the Managers where underlying investor information in relation to omnibus orders should be sent:	[Not Applicable/*give details*] (*N.B. If applicable, include relevant contact email addresses of the Managers where the underlying investor information should be sent*)
41.	Marketing and investor target strategies:	[As indicated in the Offering Circular] *(To be specified if different from the Offering Circular)*

OPERATIONAL INFORMATION

42.	Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
43.	Delivery:	Delivery [against/free of] payment
44.	In the case of Registered Notes, specify the location of the office of the Registrar if other than New York:	[Not applicable/Frankfurt]
45.	Additional Paying Agent(s) (if any):	[•]

ISIN:	[•]
Common Code:	[•]
CUSIP:	[•]
CINS:	[•]

(insert here any other relevant codes)

[NOTICE TO INVESTORS IN SINGAPORE

By accepting this Pricing Supplement, if you are an investor in Singapore, you: (I) represent and warrant that you are either (1) an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA; or (2) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (II) agree to be bound by the limitations and restrictions described in the Offering Circular.][2]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (THE "SFA")

The Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products [OR] capital markets products other than prescribed capital markets products]** (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and [Excluded Investment Products [OR] Specified Investment Products]** (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][3]

[*If a private banking rebate is paid, please include the following:* "We have agreed with the [Dealers/Managers] that we will pay a commission to certain private banks in connection with the distribution of the Notes to their clients. This commission will be based on the principal amount of the Notes so distributed, and may be deducted from the purchase price for the Notes payable by such private banks upon settlement."]

[LISTING APPLICATION

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Program or the Notes.]

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the US$5,000,000,000 Global Medium Term Note Program of Korea Hydro & Nuclear Power Co., Ltd.

[Application will be made for the Notes to be recognized under the SGX Sustainable Fixed Income initiative on the SGX-ST. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, the SGX-ST may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the SGX-ST's website.][4]

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[2] For any Notes to be offered to Singapore investors who are institutional investors and accredited investors only.

** To delete accordingly.

[3] For any Notes to be offered to Singapore investors and the Issuer intends to (i) amend the Singapore selling restriction in the Offering Circular (i.e. offer the Notes to persons specified in Sections 274 or 275 of the SFA) and (ii) re-classify the Notes pursuant to Section 309B of the SFA.

[4] For SGX-ST listing – To include this paragraph if the Notes are green/social/sustainability Notes and the Issuer intends to apply for recognition under SGX's Sustainable Fixed Income initiative.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ______________________________

Duly authorized signatory

Name:

Title:

If the applicable Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1 (*Form, Denomination and Title*), 5 (*Redenomination*), 6 (*Interest*), 8 (*Payments*), 9 (*Redemption and Purchase* (except Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*)), 13 (*Replacement of Notes, Receipts, Coupons and Talons*), 14 (*Agents*), 15 (*Exchange of Talons*), 16 (*Notices*) (insofar as such Notes are not listed or admitted to trade on any stock exchange) or 18 (*Further Issues*), they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed to by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes. Reference herein to "Condition" shall be to the Terms and Conditions set forth below.

This Note is one of a Series (as defined below) of Notes issued by Korea Hydro & Nuclear Power Co., Ltd. (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note ("**Global Note**"), units of the lowest Specified Denomination in the Specified Currency;

(ii) any Global Note;

(iii) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form; and

(iv) any definitive Notes in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated September 30, 2008 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**"), made between the Issuer, Citicorp International Limited as fiscal agent, and Citibank, N.A., London Branch as principal paying agent and exchange agent (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), and Citibank, N.A., London Branch, as registrar (the "**Registrar**", which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents).

Interest-bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Definitive Bearer Notes repayable in installments have receipts ("**Receipts**") for the payment of the installments of principal (other than the final installment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the "**applicable Pricing Supplement**" are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects except for their respective Issue Dates, Interest Commencement Dates (if applicable) and/or Issue Prices (if applicable).

Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the "**Agents**"). Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of each of the Agents, except that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Pricing Supplement which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement or between the Terms and Conditions and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes may be in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, will be serially numbered, in the Specified Currency and the Specified Denomination(s). Except as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Installment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

This Note may also be a Limited Recourse Note, as indicated in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), each person (other than Euroclear or Clearstream who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular nominal amount of such Notes in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as The Depository Trust Company ("**DTC**") or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, as the case may be. References to DTC, Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

2. TRANSFERS OF REGISTERED NOTES

(a) *Transfers of Interests in Registered Global Notes*

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorized denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) ***Transfers of Registered Notes in Definitive Form***

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part, in the authorized denominations set out in the applicable Pricing Supplement. In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note, or the relevant part of the Registered Note, at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorized in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 10 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) ***Registration of Transfer upon Partial Redemption***

In the event of a partial redemption of Notes under Condition 9 (Redemption and Purchase), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) ***Costs of Registration***

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) ***Transfers of Interests in Regulation S Global Notes***

Prior to expiry of the Distribution Compliance Period (as defined below), transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in Schedule 5 of the Agency Agreement, amended as appropriate ("**Transfer Certificate**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:

   (A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(B) to a person who is an Institutional Accredited Investor, in which case the Transfer Certificate must be accompanied by a duly executed investment letter from the relevant transferee substantially in the form set out in Schedule 6 of the Agency Agreement (an "**IAI Investment Letter**"); or

(ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (A) above, such transferee may take delivery through a Legended Note (as defined below) in global or definitive form and, in the case of (B) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(f) ***Transfers of Interests in Legended Notes***

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream; or

(ii) to a transferee who takes delivery of such interest through a Legended Note:

(A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, as appropriate, and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) ***Exchanges and Transfers of Registered Notes Generally***

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) ***Definitions***

In this Condition, the following expressions shall have the following meanings:

"**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

"**Institutional Accredited Investor**" means "**accredited investors**" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act that are institutions;

"**Legended Note**" means Registered Notes in definitive form that are issued to Institutional Accredited Investors and Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

"**QIB**" means a "**qualified institutional buyer**" within the meaning of Rule 144A; "**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Global Note**" means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

"**Rule 144A**" means Rule 144A under the Securities Act;

"**Rule 144A Global Note**" means a Registered Global Note representing Notes sold in the United States or to QIBs; and "**Securities Act**" means the United States Securities Act of 1933, as amended.

3. STATUS OF NOTES

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Certain Covenants*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (except for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4. CERTAIN COVENANTS

(a) ***Limitation on Liens***

The Issuer will not itself, and will not permit any Restricted Subsidiary (as defined below) to, create, incur, issue or assume or guarantee any External Indebtedness (as defined below) secured by any mortgage, charge, pledge, encumbrance or other security interest (a "**Lien**") on any Restricted Property without in any such case effectively providing that the Notes (together with, if the Issuer shall so determine, any other indebtedness of the Issuer or such Restricted Subsidiary then existing or thereafter created) are 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 (as defined below) of the Issuer and its Restricted Subsidiaries in respect of sale and leaseback transactions as described under "Limitation upon Sale and Leaseback Transactions" below, in each case entered into after the date of the issuance of the Notes, would not exceed 10% of Consolidated Net Tangible Assets (as defined below).

The foregoing restriction will not apply to External Indebtedness secured by:

(i) any Lien existing on any Restricted Property prior to the acquisition thereof by the Issuer or any of its Restricted Subsidiaries or arising after such acquisition pursuant to contractual commitments entered into prior to and not in contemplation of such acquisition;

(ii) any Lien on any Restricted Property securing External Indebtedness incurred or assumed for the purpose of financing the purchase price thereof or the cost of construction, improvement or repair of all or any part thereof, **provided that** such Lien attaches to such Restricted Property concurrently with or within 12 months after the acquisition thereof or completion or construction, improvement or repair thereof;

(iii) any Lien existing on any Restricted Property of any Restricted Subsidiary prior to the time such Restricted Subsidiary becomes a Subsidiary of the Issuer or arising after such time pursuant to contractual commitments entered into prior to and not in contemplation thereof;

(iv) any Lien securing External Indebtedness owing to the Issuer or to a Restricted Subsidiary; or

(v) any Lien arising out of the refinancing, extension, renewal or refunding of any External Indebtedness secured by any Lien permitted by any of the foregoing clauses or existing at the date of the issuance of the Notes, **provided that** such External Indebtedness is not increased and is not secured by any additional Restricted Property.

For the purposes of Conditions 4(a) and 4(b), the giving of a guarantee which is secured by a Lien on a Restricted Property, and the creation of a Lien on a Restricted Property to secure External Indebtedness which existed prior to the creation of such Lien, shall be deemed to involve the creation of indebtedness in an amount equal to the principal amount guaranteed or secured by such Lien; but the amount of indebtedness secured by Liens on Restricted Properties shall be computed without cumulating the underlying indebtedness with any guarantee thereof or Lien securing the same.

(b) ***Limitation upon Sale and Leaseback Transactions***

The Issuer will not itself, and will not permit any Restricted Subsidiary to, enter into any arrangement, after the date of the issuance of the Note, with any person providing for the leasing by the Issuer or any Restricted Subsidiary of any Restricted Property 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 on the security of such Restricted Property (a "**sale and leaseback transaction**"), unless (a) the Attributable Debt of the Issuer and its Restricted Subsidiaries in respect thereof and in respect of all other sale and leaseback transactions entered into after the date of the issuance of the Notes (other than transactions permitted by clause (b) below) plus the aggregate principal amount of External Indebtedness secured by Liens on Restricted Property then outstanding (excluding any such External Indebtedness secured by Liens described in clause (i) through (v) under "*Limitation on Liens*" above) without equally and ratably securing the Notes, would not exceed 10% of Consolidated Net Tangible Assets or (b) the Issuer or a Restricted Subsidiary within 12 months after such sale and leaseback transactions, applies to the retirement of External Indebtedness, which is not subordinate to the Notes, of the Issuer or a Restricted Subsidiary an amount equal to the greater of (i) the net proceeds of the sale or transfer of the property or other assets which are the subject of such sale and leaseback transactions or (ii) the fair market value of the Restricted Property so leased (in each case as determined by the Issuer).

The foregoing restriction shall not apply to any transaction (x) between the Issuer and a Restricted Subsidiary or between Restricted Subsidiaries or (y) involving a lease for a temporary period not exceeding three years by the end of which it is intended that the use of such Restricted Property by the lessee will be discontinued.

(c) ***Consolidation, Merger and Sale of Assets***

The Issuer will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any corporation or convey or transfer its properties and assets substantially to any person, except as provided herein and in the Agency Agreement. The Issuer, without the consent of any Noteholder, may consolidate with, or merge into, or sell, transfer, lease or convey its assets substantially as an entirety (each a "**transaction**") to any corporation organized under the laws of Korea, **provided that** (a) any successor corporation expressly assumes the Issuer's obligations under the Notes and the Agency Agreement, (b) after giving effect to the transaction, no Event of Default 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 transaction, properties or assets of the Issuer or a Restricted Subsidiary would become subject to a Lien which would not be permitted under these Terms and Conditions, the Issuer 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 Issuer shall so determine, any other indebtedness of the Issuer or such 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 Issuer has delivered to the Fiscal Agent a certificate executed by a duly authorized officer of the Issuer 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 Agency Agreement and the Notes and that all conditions precedent herein provided for relating to such transaction have been complied with.

(d) ***Certain Definitions***

In these Conditions, the following expressions have the following meanings:

"**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, at the date of determination, compounded annually.

"**Consolidated Net Tangible Assets**" means the total amount of assets of the Issuer and its consolidated Subsidiaries, including investments in unconsolidated Subsidiaries, after deducting therefrom (a) all current liabilities (excluding any current liabilities constituting Long term Debt by reason of their being renewable or extendible) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangible assets, all as set forth on the most recent audited annual balance sheet of the Issuer 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 similar evidence of indebtedness of money borrowed having a maturity of more than one year from the date such evidence of 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 on 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.

"**Restricted Property**" means any generation facility located in Korea, whether at the date of the issuance of the Notes owned or thereafter 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 Issuer's board of directors not to be of material importance to the total business conducted by the Issuer and its Subsidiaries as a whole.

"**Restricted Subsidiary**" means any Subsidiary that owns Restricted Property.

"**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 Issuer.

5. REDENOMINATION

(a) ***Redenomination***

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream and at least 30 days' prior notice to the Noteholders in accordance with Condition 16 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(i) the Notes and the Receipts shall be deemed to be redenominated into euro with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate (as defined below), rounded to the nearest euro 0.01 if the conversion results in an amount involving a fraction of euro 0.01, **provided that**, if the Issuer determines that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Agents of such deemed amendments;

(ii) except to the extent that an Exchange Notice has been given in accordance with paragraph below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(iii) if definitive Notes are required to be issued after the Redenomination Date (as defined below), they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;

(iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (**provided that** such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro check;

(vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date (as specified in the applicable Pricing Supplement), it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

(vii) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest; and

(viii) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

(b) ***Definitions***

In these Conditions, the following expressions have the following meanings:

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

"**euro**" means the lawful currency of the Member States of the European Union that have adopted the single currency in accordance with the Treaty;

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above, which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"**Treaty**" means the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended from time to time.

6. INTEREST

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Terms and Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these Conditions:

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest, in accordance with this Condition 6(a):

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "**30/360**" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 months of 30-day duration) divided by 360.

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) ***Interest on Floating Rate Notes and Index Linked Interest Notes***

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls on the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 6 *(b)(i)(B)* above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls on the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, "**Business Day**" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Center specified in the applicable Pricing Supplement; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the relevant Specified Currency (if other than London and any Additional Business Center and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "TARGET2 System") is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(1) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Euro-zone inter-bank offered rate ("**EURIBOR**") or on the Secured Overnight Financing Rate ("**SOFR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), the terms "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" shall have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (as specified in the applicable Pricing Supplement) as at 11:00 a.m. (Brussels time, in the case of EURIBOR or New York City time, in the case of SOFR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph; provided, however, that Condition 6(b)(v) shall apply if the Issuer or its designee has determined that a Benchmark Transition Event (as defined in Condition 6(b)(v)) has occurred and Benchmark Transition Event is specified in the applicable Pricing Supplement.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR or SOFR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(C) *Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark*

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

The "SOFR Benchmark" will be determined based on Compounded Daily SOFR or SOFR Index, as follows (subject in each case to Condition 6(b)(vi) as further specified hereon)

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

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

(I) SOFR Lag:

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

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

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

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

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

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

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

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

(II) SOFR Observation Shift:

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

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

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

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

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

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

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

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

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

The following defined terms shall have the meanings set out below for purpose of this Condition 6(b)(ii)(C)(1):

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

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

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

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

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

(c) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6(b)(vi) shall apply as specified in the applicable Pricing Supplement;

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

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

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

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

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

(i) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 6(b)(ii)(C)(1)(II) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" shall mean five U.S. Government Securities Business Days; or

(ii) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6(b)(vi) shall apply as specified in the applicable Pricing Supplement;

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

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

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

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

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

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

The following defined terms shall have the meanings set out below for purpose of this Condition 6(b)(ii)(C):

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

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

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

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

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

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. For the avoidance of doubt, this Condition 6(b)(iv) shall not apply if a Benchmark Transition Event (as defined below) has occurred and Condition 6(b)(ii)(C) becomes effective.

(v) *Effect of Benchmark Transition Event*

The following provisions shall apply if Benchmark Transition Event is specified in the applicable Pricing Supplement:

(A) Benchmark Replacement

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

(B) Benchmark Replacement Conforming Changes

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

At the request of the Issuer, but subject to receipt by the Agents of a certificate signed by two duly authorized officers of the Issuer pursuant to Condition 6(b)(v)(D) and at least five London banking days' prior notice thereof, the Agents shall (at the expense of the Issuer) be obliged to concur with the Issuer in using their reasonable endeavors to effect any Benchmark Replacement Conforming Changes (including, *inter alia*, by amending or supplementing the Agency Agreement) in the circumstances and as otherwise set out in this Condition 6(b)(v), without the consent of the Noteholders, Receiptholders and Couponholders, provided that the Agents shall not be obliged so to concur if, in the opinion of any of the Agents, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agents in these Terms and Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplements thereto) in any way.

In connection with any Benchmark Replacement Conforming Changes in accordance with this Condition 6(b)(v)(B), the Issuer shall comply with the rules of any stock exchange on which the applicable Notes are for the time being listed or admitted to trading.

(C) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 6(b)(v), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's or its designee's sole discretion, and, notwithstanding anything to the contrary in these Terms and Conditions or the Agency Agreement, shall become effective with respect to the applicable Notes without consent from any other party.

(D) Notices, etc.

Any Benchmark Replacement (including any Benchmark Replacement Adjustment) and the specific terms of any Benchmark Replacement Conforming Changes determined under this Condition 6(b)(v) will be notified promptly by the Issuer to the Principal Paying Agent and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any.

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

(1) confirming (I) that a Benchmark Transition Event has occurred and (II) the Benchmark Replacement (including any Benchmark Replacement Adjustment) and the specific terms of any Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 6(b)(v); and

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

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

If, following the occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date, any Benchmark Replacement is notified to the Agent or any other party specified in the applicable Pricing Supplement as being responsible for determining the Rate of Interest pursuant to this Condition 6(b)(v), and the Agent or such other responsible party (as applicable) is in any way uncertain as to the application of such Benchmark Replacement in the calculation or determination of any Rate of Interest, it shall promptly notify the Issuer thereof and the Issuer or its designee shall direct the Agent or such other party (as applicable) in writing as to which course of action to adopt in the application of such Benchmark Replacement in the determination of such Rate of Interest.

(E) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 6(b)(v)(A), (B), (C) and (D), the Benchmark and the fallback provisions provided for in Condition 6(b)(ii)(B) will continue to apply unless and until the Principal Paying Agent has been notified of the Benchmark Replacement (including any Benchmark Replacement Adjustment) and the specific terms of any Benchmark Replacement Conforming Changes, in accordance with Condition 6(b)(v)(D).

(F) Certain Defined Terms

As used in this Condition 6(b)(v):

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

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

(1) the sum of: (I) Term SOFR and (II) the Benchmark Replacement Adjustment;

(2) the sum of: (I) Compounded SOFR and (II) the Benchmark Replacement Adjustment;

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

(4) the sum of: (I) the ISDA Fallback Rate and (II) the Benchmark Replacement Adjustment;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) if, and to the extent that, the Issuer or its designee determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate notes at such time.

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

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

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

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

"*Interpolated Benchmark*" with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

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

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

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

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

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

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

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

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

(vi) *Benchmark Discontinuation (SOFR)*

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

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

(B) Benchmark Replacement Conforming Changes: In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 6(b)(vi). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Agents (if required). Further, none of the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) Decisions and Determinations: Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 6(b)(vi), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (1) will be conclusive and binding absent manifest error, (2) will be made in the sole discretion of the Issuer or its designee, as applicable, and (3) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) Certain Defined Terms: As used in this Condition 6(b)(vi):

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

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

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

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

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

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

(1) the sum of:

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

(II) the Benchmark Replacement Adjustment;

(2) the sum of:

(I) the ISDA Fallback Rate; and

(II) the Benchmark Replacement Adjustment; or

(3) the sum of:

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

(II) the Benchmark Replacement Adjustment;

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

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

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

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

"*Benchmark Replacement Conforming Changes*" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark

Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

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

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

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

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

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

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

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

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

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

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

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

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

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

In these Terms and Conditions,

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 6(b):

(1) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(2) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(3) if "**Actual/365 (Sterling)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;

(4) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(5) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

where:

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

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

where:

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

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

(vii) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 16 (Notices) as soon as practicable after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 16 (Notices). For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London. For the avoidance of doubt, this Condition 6(b)(vii) shall not apply if a Benchmark Transition Event (as defined above) has occurred and Condition 6(b)(ii)(C) becomes effective.

(viii) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(b) (*Interest – Interest on Floating Rate Notes and Index Linked Interest Notes*), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Interest on Dual Currency Interest Notes***

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

(d) ***Interest on Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) ***Accrual of Interest***

Each Note (or in the case of the redemption of only part of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

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

(2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 16 (Notices).

7. LIMITED RECOURSE

The amounts payable in respect of the Limited Recourse Notes shall be determined in the manner specified in the applicable Pricing Supplement.

8. PAYMENTS

(a) *Method of Payment*

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a check in such Specified Currency drawn on, a bank in the principal financial center of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Wellington, respectively); and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro check.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 (Taxation).

(b) *Presentation of Definitive Bearer Notes, Receipts and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of installments of principal (if any) in respect of definitive Bearer Notes, other than the final installment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final installment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant installment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of six years after the Relevant Date (as defined in Condition 10 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11 (*Prescription*)) or, if later, six years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof. Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon **provided that** such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) ***Payments in Respect of Bearer Global Notes***

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

(d) ***Payments in Respect of Registered Notes***

Payments of principal (other than installments of principal prior to the final installment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than US$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a check in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial center of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of installments of principal (other than the final installment) in respect of each Registered Note (whether or not in global form) will be made by a check in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the day on which DTC, Euroclear and/or Clearstream, as applicable to the extent such Registered Note is cleared and settled through such facility, is open for business, immediately preceding the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and installments of principal (other than the final installment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final installment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a check posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Paying Agent to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) ***General Provisions Applicable to Payments***

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream or DTC, as the case may be, for his share of each payment so made by the Issuer to the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition applicable to payments on Bearer Notes, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) ***Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 11 (*Prescription*)) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

    (A) the relevant place of presentation;

    (B) London; or

    (C) any Additional Financial Center specified in the applicable Pricing Supplement;

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Center and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorized or required by law or regulation to be closed in New York City.

(g) ***Interpretation of Principal and Interest***

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 10 (*Taxation*);

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Notes redeemable in installments, the Installment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortized Face Amount (as defined in Condition 9(e) (*Redemption and Purchase – Early Redemption Amounts*)); and

(vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10 (Taxation).

9. REDEMPTION AND PURCHASE

(a) ***Redemption at Maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Note (including Dual Currency Redemption Notes) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

(b) ***Redemption for Tax Reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 16 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws of a Tax Jurisdiction (as defined in Condition 10 (*Taxation*)) or any regulations or rulings promulgated thereunder or any change in the application or official interpretation of such laws or regulations or rulings, or any change in the application or official interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which the Tax Jurisdiction is a party, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

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

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent a certificate signed by an authorized officer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 9(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) ***Redemption at the Option of the Issuer (Issuer Call)***

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 16 (Notices); and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 (*Notices*) not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, **provided that**, such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 16 (*Notices*) at least five days prior to the Selection Date.

(d) ***Redemption at the Option of the Noteholders (Investor Put)***

If Investor Put is specified in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 16 (*Notices*) not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 9(d) in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar ("**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by check, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2 (*Transfers of Registered Notes – Transfers of Registered Notes in Definitive Form*). If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 12 (*Events of Default*).

(e) ***Early Redemption Amounts***

For the purpose of paragraphs (b) through (d) above and Condition 12 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

(i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of a Note (other than a Zero Coupon Note but including an Installment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or

(iii) in the case of a Zero Coupon Note, at an amount (the "**Amortized Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = RP \times (1 + AY)^{y}$$

where:

"**RP**" means the Reference Price; and

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360, or on such other calculation basis as may be specified in the applicable Pricing Supplement.

(f) ***Installments***

Installment Notes will be redeemed in the Installment Amounts and on the Installment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) ***Partly Paid Notes***

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(h) ***Purchases***

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (**provided that**, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike.

Notes held by the Issuer and its Subsidiaries are not "outstanding" for the purpose of Condition 17 (*Meetings of Noteholders and Modification*).

(i) ***Cancellation***

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(j) ***Late Payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 12 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

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

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 16 (*Notices*).

10. TAXATION

All payments of principal and interest by the Issuer in respect of the Notes, Receipts and Coupons will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal, premium, if any, and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; **provided that** no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment (where presentation is required) in Korea (provided the Notes can also be presented at an office of a Paying Agent outside Korea); or

(b) where such withholding or deduction is imposed on a payment to a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 8(f) (Payments – Payment Day)); or

(d) where such withholding or deduction is imposed on a payment to a holder who would be able to avoid such withholding or deduction by either (i) presenting (where presentation is required) the relevant Note, Receipt or Coupon to another Paying Agent or (ii) by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such a declaration or claim, such holder fails to do so; or

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

Nor will additional amounts be paid with respect to any payment on a Note, Receipt or Coupon 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 Tax Jurisdiction (or any political subdivision thereof) 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 interest holder in a limited liability company or a beneficial owner who would not have been entitled to the additional amounts had that beneficiary, settlor, member or beneficial owner been the holder.

As used herein:

(i) "**Tax Jurisdiction**" means Republic of Korea or any other jurisdiction in which the Issuer or a successor company is organized or within or through which payment is made or any political subdivision or any authority thereof or therein having power to tax; and

(ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16 (Notices).

The obligation to pay additional amounts shall not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge or (b) any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, or interest or premium on, the Notes, Receipts or Coupons; **provided that**, except as otherwise set forth in these Terms and Conditions and in the Agency Agreement, the Issuer shall pay all stamp and other duties, if any, which may be imposed by Korea or the United Kingdom or any respective political subdivision thereof or any taxing authority of or in the foregoing, with respect to the Agency Agreement or as a consequence of the initial issuance of the Notes.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note, Receipt or Coupon, such mention shall be deemed to include payment of additional amounts to the extent that, in such context, additional amounts are, were or would be payable in respect thereof.

11. PRESCRIPTION

Claims for principal in respect of the Notes (whether in bearer or registered form) will become void unless presented for payment within a period of 10 years after the Relevant Date (as defined in Condition 10 (*Taxation*)) therefor. Claims for interest in respect of the Notes (including the Receipts and Coupons) shall become void unless claimed for payment within a period of five years after the Relevant Date.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 8(b) (*Payments – Presentation of Definitive Bearer Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 8(b) (*Payments – Presentation of Definitive Bearer Notes, Receipts and Coupons*).

12. EVENTS OF DEFAULT

The occurrence and continuance of the following events will constitute events of default ("**Events of Default**"):

(a) default in the payment of any installment of interest upon any of the Notes, whether at maturity, upon redemption or otherwise, as and when the same shall become due and payable, 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 any of the Notes, whether at maturity, upon redemption or otherwise, as and when the same shall become due and payable, whether at maturity, upon acceleration or redemption or otherwise and continuance of such default for a period of seven days; or

(c) failure on the part of the Issuer duly to observe or perform any other of the covenants or agreements on the part of the Issuer contained in these Terms and Conditions or in the Agency Agreement for a period of 60 days after the date on which written notice specifying such failure, stating that notice is a "**Notice of Default**" under these Terms and Conditions and demanding that the Issuer remedy the same, shall have been given by registered or certified mail, return receipt requested, to the Issuer or to Issuer at the office of the Agent 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 Issuer in the aggregate principal amount of US$15,000,000 or more either (i) becoming due and payable prior to the due date for payment thereof by reason of acceleration thereof following default by the Issuer 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 Issuer in respect of External Indebtedness of any other Person in the aggregate principal amount of US$15,000,000 or more not being honored when, and remaining dishonored after becoming, due and called, provided that, if any such default under any such External Indebtedness shall be cured or waived, then the default under these Terms and Conditions by reason thereof shall be deemed to have been cured and waived; or

(e) certain events of bankruptcy, insolvency or reorganization with respect to the Issuer, or the Issuer ceasing 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 (other than in furtherance of the Plan of Restructuring (as defined below)).

If any one or more of the above Events of Default shall occur and be continuing then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 9(e) (*Redemption and Purchase* – Early Redemption Amounts)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

"**Plan of Restructuring**" means the Plan for Restructuring the Electricity Industry in Korea as issued on January 21, 1999 by the Ministry of Trade, Industry and Energy (formerly, the Ministry of Commerce, Industry and Energy) of Korea, (A) as it has been amended, modified and supplemented by (i) the Act on Promotion of Restructuring of the Electricity Power Industry (Act No: 6282) as promulgated on December 23, 2000, (ii) the Basic Plan for Privatization of Power Generation Companies as issued on April 9, 2002 by the Committee for Privatization of Public Enterprises and (iii) the Basic Plan of Electricity Supply and Demand as promulgated in February 2013 and as amended from time to time or (B) as it may be amended, modified or supplemented from time to time as required by, or in accordance with, applicable law or relevant governmental authorities.

13. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. AGENTS

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, **provided that**:

(a) there will at all times be an Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office (outside the United States in the case of Bearer Notes) in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);

(c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in London; and

(d) for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Global Note is exchanged for definitive Notes, the Issuer will appoint and maintain a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 8(e) (*Payments – General Provisions Applicable to Payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 16 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

15. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 11 (*Prescription*).

16. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Bearer Notes are listed on the SGX-ST and the rules of the SGX-ST so require, a leading newspaper of general circulation in Singapore. It is expected that such publication will be made in the *Financial Times* in London and the Business Times in Singapore. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange (or any other relevant authority) on which the Bearer Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first-class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a manner specified by those rules. Any such notice shall be deemed to have been given to the holders of the Notes one day after the day on which the said notice was given to Euroclear and/or Clearstream and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). While any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent or the Registrar through Euroclear and/or Clearstream and/or DTC, as the case may be, in such manner as the Agent, the Registrar and Euroclear and/or Clearstream and/or DTC, as the case may be, may approve for this purpose.

17. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 10% in nominal amount of the Notes for the time being remaining outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(i) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

The Agency Agreement also provides that quorum and voting requirements for certain resolutions which may affect the Notes of more than one Series shall be deemed to require separate meetings for the holders of each Series so affected.

18. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders, create and issue further notes with the same terms and conditions as the Notes in all respects except for the amount and date of the first payment of interest thereon so that such further issue shall be consolidated and form a single Series with the outstanding Notes; **provided that** further Notes in registered form must be issued with no more than *de minimis* original issue discount for U.S. federal income tax purposes, constitute a "qualified reopening" for U.S. federal income tax purposes or otherwise be treated as part of the same "issue" of debt instruments as the outstanding Notes; and **provided further that**, in the case of Bearer Notes initially represented by interests in a Temporary Global Note exchangeable for interests in a Permanent Global Note or definitive Bearer Notes, such consolidation will occur only upon certification of non-U.S. beneficial ownership and exchange of interests in the Temporary Global Note for interests in the Permanent Global Note or definitive Bearer Notes.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) ***Governing Law***

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

(b) ***Submission to Jurisdiction***

The Issuer irrevocably submits to the non-exclusive jurisdiction of any federal or state court located in the Borough of Manhattan, The City of New York, United States of America ("**New York Courts**"), in any suit, action or proceeding brought by any Noteholder, Receiptholder or Couponholder arising out of or based upon the Notes, the Receipts/or the Coupons, and irrevocably agrees that all claims in respect of any such suit, action or proceeding may be determined in any such court. The Issuer irrevocably waives, to the fullest extent permitted by applicable law, any objection it may have to the laying of venue in any such court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. The Issuer hereby appoints Cogency Global Inc., 122 East 42nd Street, 18th Floor, New York, New York 10168, United States of America, as its authorized agent (the "**Authorized Agent**", which expression shall include any replacement authorized agent) upon whom process may be served in any such suit or proceeding set forth herein, it being understood that the designation and appointment of the Authorized Agent as such authorized agent shall become effective immediately without any further action on the part of the Issuer; **provided that** if for any reason the Authorized Agent named above ceases to act as Authorized Agent hereunder for the Issuer, the Issuer will appoint another person acceptable to the Dealers in the Borough of Manhattan, The City of New York as Authorized Agent. The Issuer agrees to take any and all action as may be necessary, including the filing of any and all documents that may be necessary, to maintain such designation and appointment of the authorized agent in full force and effect. If for any reason the appointment of the Authorized Agent shall cease to be in force, the Issuer shall forthwith appoint a new agent to be the Authorized Agent and shall deliver to the Dealers and the Arranger a copy of the new Authorized Agent's acceptance for that appointment within 30 days. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer. The parties hereto each hereby waive any right to trial by jury in any action, proceeding or counterclaim arising out of or relating to the Notes, the Receipts, the Talons and/or Coupons.

(c) ***Other Documents***

The Issuer has in the Agency Agreement submitted to the jurisdiction of the New York Courts and appointed an agent for service of process in terms substantially similar to those set out in this Condition 19.

20. CURRENCY INDEMNITY

If, under any applicable law and whether pursuant to a judgment being made or registered against the Issuer or in the liquidation, insolvency or analogous process of the Issuer or for any other reason, any payment under or in connection with the Agency Agreement, the Notes, the Receipts or the Coupons, as the case may be, is made or fails to be satisfied in a currency (the "**other currency**") other than that in which the relevant payment is expressed to be due (the "**required currency**") thereunder, then, to the extent that the payment (when converted into the required currency at the rate of exchange (as defined below) on the date of payment or, if it is not practicable for any Noteholder, Receiptholder or Couponholder, as the case may be, to purchase the required currency with the other currency on the date of payment, at the rate of exchange as soon thereafter as it is practicable for it to do so or, in the case of a liquidation, insolvency or analogous process of the Issuer, at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such liquidation, insolvency or analogous process) actually received by any Noteholder, Receiptholder or Couponholder, as the case may be, falls short of the amount due under the terms of the Agency Agreement, the Notes, the Receipts or the Coupons, as the case may be, the Issuer shall, as a separate and independent obligation, indemnify and hold harmless such Noteholder, Receiptholder or Couponholder against the amount of such shortfall.

"**Rate of exchange**" means the rate at which the relevant Noteholder, Receiptholder or Couponholder, as the case may be, is able on the relevant date in London to purchase the required currency with the other currency and shall take into account any premium and other costs of exchange.

21. WAIVER OF IMMUNITY

To the extent that the Issuer has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under the Agency Agreement, the Notes, the Receipts or the Coupons, as the case may be.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Company for its general corporate purposes or such other purposes as may be specified in the applicable Pricing Supplement.

EXCHANGE RATES

The table below sets forth the Market Average Exchange Rate for the last day of, and the average for, the periods indicated. No representation is made that the Won or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate or at all.

Period	At End of Period	Average Rate(1)	High	Low
		(Won per US$1.00)		
2020	1,088.0	1,180.1	1,280.1	1,082.7
2021	1,185.5	1,144.4	1,199.1	1,083.1
2022	1,267.3	1,292.0	1,436.6	1,185.5
2023	1,289.4	1,305.4	1,360.6	1,219.3
2024	1,470.0	1,364.0	1,474.1	1,289.4
2025 (through July 10)	1,373.8	1,423.8	1,482.9	1,352.6
January	1,433.3	1,455.8	1,471.3	1,433.3
February	1,439.6	1,445.6	1,469.2	1,429.2
March	1,466.5	1,457.0	1,470.0	1,441.6
April	1,438.5	1,444.3	1,482.9	1,418.9
May	1,381.4	1,394.5	1,426.9	1,365.0
June	1,356.4	1,367.0	1,381.9	1,356.4
July (through July 10)	1,373.8	1,362.0	1,373.8	1,352.6

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).

RISK FACTORS

Prospective purchasers of the Notes should carefully consider all of the information contained in this Offering Circular, including our consolidated 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's plan and policy for the electricity industry in Korea may have a material adverse effect on us and the price of the Notes.

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 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.

Pursuant to such Government plans, in December 2019, we permanently shut down Wolsong unit #1 and abandoned our plans to construct four new nuclear units (Daejin units #1 and 2 and Cheonji units #1 and 2). The early shutdown of Wolsong unit #1, the preclusion of extending the operating lives of eleven nuclear generation units and the abandonment of plans to construct the four new nuclear generation units have resulted in lower generating capacity. Furthermore, we have not been able to realize the benefits of the capital improvements we have made to Wolsong unit #1 in preparation for extended operating life and the preparations we have made to construct the four new nuclear generation units. While shutting down and eventually decommissioning a nuclear unit is a process that can take several years, and further analysis will be required in order to gauge the actual financial impact we would face from a decommissioning, we have recognized significant impairment losses related to our decision to shut down Wolsong unit #1 and abandon plans to construct the four new nuclear generation units in our consolidated financial statements for 2018. While the Government has stated its intention to compensate us for legitimate and reasonable losses in connection with the implementation of the Roadmap, there is no assurance that any compensation provided will be sufficient to fully offset our losses.

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

In July 2022, at the 30th Cabinet meeting, 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 Ninth Basic Plan. The "New Government's Energy Policy Direction" calls for, among others, (1) the resumption of construction of Shin-Hanul units #3 and 4 with the goal of expanding the proportion of nuclear energy to a minimum of 30% by 2030 and (2) 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) and a change in the application period for license renewals from two to five years prior to the expiration of the operation license to five to ten years prior to the expiration of such license. In March 2025, the Government enacted a special act for the disposal of high-level radioactive waste treatment which is scheduled to take effect on September 26, 2025, as well as devised a plan to manage high-level radioactive waste treatment, including through the establishment of a dedicated organization under the Prime Minister.

In addition, pursuant to the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis (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." 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 whose operation licenses are scheduled to expire (periodic safety reviews are to be conducted every ten years at the will of the operator and approval from the Nuclear Safety and Security Commission must be obtained for the continuance of operations) 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 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 accordance with the Eleventh Basic Plan, we are planning to construct two nuclear power generation units by 2038 and one small modular reactor by 2036.

As a result of the above, our results of operation, financial condition and cash flow have been and in the future, notwithstanding the changes in policy by the current administration described above, could be adversely affected. Furthermore, since it is impossible to predict how policies, such as increasing the proportion of nuclear energy, will be realized or changed in the future, there can be no assurance that the initiatives and plans announced by the Government will not have a material adverse effect on our business, results of operations or financial condition or will not lead to a decline in the market value of the Notes.

Inherent in the operation of nuclear power generation facilities are numerous hazards and risks, any of which could result in a material loss of revenues or increased expenses.

The operation of nuclear power plants is subject to certain hazards, including but not limited to:

- leaks, ruptures and discharge of toxic and radioactive substances and materials whether as a result of human error or otherwise;
- extreme weather or environmental conditions, such as hurricanes, tropical storms, rising water and earthquakes;
- explosions, fires, accidents, mechanical malfunctions, faulty measurement and other operating errors; and
- acts of war, terrorism or vandalism.

These hazards can cause personal injuries or loss of life, severe damage to or destruction of property and natural resources, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations.

From time to time, our nuclear power generation units may experience unexpected shutdowns or reduced output. For example, in March 2021, we announced that we would be further delaying construction of Saeul units #3 and 4 by one year and nine months respectively, in order to comply with the safety measures required by the comprehensive measures for the prevention of earthquake disasters which were announced in December 2016 following a series of earthquakes in Gyeongju City earlier that year and were further amended in May 2018. In 2022, our Shin-Kori unit #1 was temporarily shut down for 20 days due to stoppages of a turbine generator resulting from typhoon Hinnamnor and our Shin-Wolsong unit #2 was temporarily shut down for eleven days due to a breakdown of a control rod. In 2023, our Hanbit unit #2 was temporarily shut down for 11.5 days due to a stoppage of a turbine generator during testing of the special protection system. In 2024, our Shin-Hanul unit #1 was temporarily shut down for approximately three days due to an unfastened exciter, our Wolsong unit #3 was shut down for 43 days due to a circuit breaker burnout, our Hanul unit #6 was temporarily shut down for approximately 15 days due to low water levels in the steam generator and our Shin-Wolsong unit #2, Shin-Hanul unit #2, Shin-Hanul unit #1 and Hanul unit #5 were temporarily shut down for approximately 21 days, 6 days, 7 days and two days, respectively, due to stoppages of turbine generators. The breakdown, failure, reduced output or suspension of operation of a nuclear power generation unit could result in a material loss of revenues and/or additional repair and maintenance costs, greater risk of litigation and increased social and political hostility to the use of nuclear power, which could have a material adverse impact on our reputation, business and results of operation and could lead to a decline in the market value of the Notes.

In response to the damage to the nuclear facilities (including nuclear meltdowns) in Japan as a result of the tsunami and earthquake in March 2011, the Government announced plans to further enhance the safety and security of nuclear power facilities, including by establishing the Nuclear Safety and Security Commission ("**NSSC**") in July 2011 for neutral and independent safety appraisals, subjecting nuclear power plants to additional safety inspections by governmental authorities and civic groups and requiring us to prepare a comprehensive safety improvement plan. As a result of the foregoing, as well as a generally higher level of public and regulatory scrutiny of nuclear power following the nuclear incident in Japan, we implemented a significant number of measures to improve the safety and efficiency of our generation facilities. In addition, we have established additional comprehensive safety improvement plans through continuous safety evaluations conducted through stress tests and accident management programs. Following the earthquakes in Gyeongju city in September 2016, we have engaged in more frequent safety and maintenance inspections of our nuclear power generation units during which inspections such units are shut down or operated at a reduced output resulting in depressed capacity factors. There is no assurance that we would not be required to adopt and implement additional safety measures in the future, which may be costly and may depress our capacity factor and could have a material adverse impact on our business, financial conditions and results of operation.

Our risk management policies and procedures relating to nuclear safety may not be fully effective at all times.

Although we devote significant resources to developing and improving our risk management policies and procedures relating to nuclear safety and expect to continue to do so in the future, our risk management practices may not be fully effective at all times in eliminating or mitigating risk exposures that are unidentified or unanticipated, such as employee misconduct. For example, in May 2017, the MOTIE assessed a warning against us and recommended that we reprimand a number of our employees for failing to properly oversee the installation of Passive Auto Catalytic Recombiner ("**PAR**") safety systems to our nuclear generation units. PAR safety systems remove hydrogen gas generated from a nuclear accident, which if left to build up, can result in an explosion. Between 2011 and 2015, we installed PAR units to all our nuclear generation units as one of the safety measures we implemented in response to the Fukushima Dai-ichi nuclear disaster in Japan in March 2011. Of the more than 600 PAR units that were installed, the MOTIE reported in its audit report that the anchor bolts of 38 units were not properly secured and covered on the wall of the containment building, resulting in small holes in the wall. Since the release of the MOTIE audit report, we have reinstalled the affected units, conducted our own internal audit and taken appropriate actions against the responsible contractors and employees. In addition, in November 2024, we were assessed administrative fines of Won 18 billion by the NSSC relating to facilities maintenance and replacement in 16 of our nuclear units.

We believe we are in compliance in all material respects with internal compliance policies and procedures and all other additional safety measures initiated internally or required by regulatory and governmental agencies. However, we cannot assure you that, despite all precautionary and reform measures undertaken by us, these measures will prove to be fully effective at all times against all the risks we face or that an incident that could cause harm to our reputation and operation will not happen in the future, including due to factors beyond our control.

Opposition to the construction and operation of nuclear power generation units may have an adverse effect on us.

From time to time, we encounter social and political opposition to the construction and operation of our nuclear power generation units, and protracted community opposition to the construction and operation of our nuclear power generation units takes time and resources to resolve. For example, in May 2019, a group of 729 Korean nationals brought a lawsuit against the NSSC to suspend the operations of Shin-Kori unit #4. We filed to join the lawsuit as a third party stakeholder in July 2019. In February 2021, the Seoul Administrative Court dismissed the plaintiffs' claim. The plaintiff's appeal was dismissed by the Seoul High Court in January 2022 and also dismissed by the Supreme Court of Korea in March 2023. In September 2023, a group of 40 Korean nationals filed a suit against the minister of MOTIE at the Seoul Administrative Court alleging procedural deficiencies in the permit approval process and sought revocation of the construction permit granted to Shin-Hanul units #3 and 4. In November 2023, we joined the lawsuit as a stakeholder and the trial is currently ongoing at the Seoul

Administrative Court. If the courts were to ultimately rule against the operation of any of our nuclear power generation units, we will experience a loss of revenues, which could adversely affect our results of operation and financial condition.

We also face heightened public scrutiny into nuclear safety, including in connection with past quality assurance issues involving certain of our nuclear power generation units. Accordingly, we undergo extensive safety review process, including by the International Atomic Energy Agency (the "**IAEA**") and the Korea Institute of Nuclear Safety (the "**KINS**"), and undertake various infrastructure and other community improvement projects, such as building schools and parks and providing financial support, for the surrounding communities, in each case, at significant costs.

Although the Government and we have undertaken and will continue to undertake various community programs to address concerns of residents of areas near our nuclear units, continued community opposition to the construction, operation and extension of nuclear power generation units could result in delayed construction, relocation of planned nuclear power generation units, or early shut-downs, all of which could have a material adverse impact on our business and results of operation and could lead to a decline in the market value of the Notes.

Constructing and operating our generation units requires substantial capital expenditures which will likely require additional debt incurrence in the future.

While we had abandoned plans to construct four new nuclear power generation units in accordance with the Eighth and Ninth Basic Plans, we still require substantial capital expenditures to complete the construction of the two nuclear power generation units already underway, the two nuclear power generation units whose construction has been resumed in accordance with the Tenth Basic Plan, the construction of two nuclear power generation units and one small modular reactor in accordance with the Eleventh Basic Plan and the construction of renewable generation units, such as solar, wind power and pumped-storage hydro power generation units.

In 2022, 2023, 2024 and for the three months ended March 31, 2025, we spent Won 1,860 billion, Won 2,842 billion, Won 2,489 billion and Won 986 billion, respectively, on capital expenditures, which represent the amount of cash used in the acquisitions of land, buildings, structures, machinery, vehicles, fixtures and furniture and tools and intangible assets and acquisition of construction-in-progress in our consolidated statements of cash flows, and we have budgeted Won 2,252 billion, Won 2,637 billion and Won 2,545 billion for capital expenditures (including capitalized interest) for 2025, 2026 and 2027, respectively.

The budgeted amounts may vary from the actual amounts of our capital expenditures for a variety of reasons, including changes in the number of units to be constructed and the timing of such construction, changes in rates of exchange between the Won and foreign currencies, changes in interest rates, changes in the Government's policy objectives and other factors. For example, in June 2019, the Government announced through the Third Basic National Energy Plan, its plans to increase the portion of renewable energy generated in Korea to 30~35% of the total energy generated in Korea by 2040, 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 addition, President Yoon Suk Yeol, in his 110 National Agenda, announced that the energy mix will be adjusted to a reasonable and feasible level in consideration of the harmony between nuclear power plants and renewable energy in order to achieve the NDC of reducing greenhouse gas emissions. Renewable energy will continue to be supplied based on residential receptivity while the proportion of renewable energy (such as wind and solar power) will be adjusted to a reasonable level. In addition, according to the "New Government's Energy Policy Direction," the Government plans to expand the proportion of nuclear energy to a minimum of 30% by 2030 and adjust the renewable energy supply target to reasonable levels. 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 response to such policy objectives, we are developing a medium to long-term financial management plan that reflects the new Government's policies (including the resumption of construction of Shin-Hanul units #3 and 4, construction of two nuclear power generation units and one small modular reactor and the possible extension of operations of nuclear power plants whose operation license periods are scheduled to expire in the near future) and the extent to which we invest in the construction and operation of power plants fueled by renewable energy are subject to change based on such policy changes. 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. In addition to funding requirements relating to our capital investment program, payments of principal and interest on indebtedness will require considerable capital resources. See "*Management's Discussion and Analysis of Financial Conditions and Results of Operations – Capital Requirements.*" 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, including those arising in respect of the Notes, 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 are exploring 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.

We are dependent on fuel imported from overseas suppliers and under contracts with limited quantity and duration, and market and political circumstances could lead to a rise in fuel costs that adversely affect our results of operations.

Raw materials used, including nuclear fuel costs, represented 10.6%, 9.3%, 7.5% and 5.7% of our sales in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively. See "raw material used" in note 34 of our unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024, of our audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 and of our audited consolidated financial statements as of and for the years ended December 31, 2023 and 2022 included elsewhere in this Offering Circular. Substantially all of the nuclear fuel we use comes from sources outside of Korea at prices determined in part by prevailing market prices. In addition, we purchase a significant portion of our fuel requirements under contracts with limited quantity and duration. See "*Business – Fuel.*"

Under the current electricity pricing system, called the cost-based pool system, which protects the generation companies from significant fuel cost fluctuations by purchasing electricity on a cost-plus basis while providing generation companies with incentives to maintain lower costs, our exposure to fuel price fluctuations is limited. For a more detailed description of the tariff setting mechanism, see "*The Korea Electricity Industry – Restructuring of the Electricity Industry in Korea.*" However, as the purchase price at which KEPCO purchases electricity from us is adjusted periodically in consideration of, among other factors, changes in fuel costs, our profitability may be adversely affected if fuel prices were to rise steeply in a short period of time, including as a result of depreciation of the Won against currencies in which we purchase our nuclear fuels.

Furthermore, any significant interruption or delay in the supply of nuclear fuel from any of our suppliers could cause us to purchase fuel on the spot market at prices higher than contracted. For example, the political situation in Russia and the Ukraine region remains unstable, and any future U.S. or European Union ("**EU**") sanctions against Russian entities could potentially disrupt our long-term supply relationship with our suppliers from Russia. See "– *We engage in certain international activities and dealings, including dealings relating to Russia, that may be subject to or otherwise 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 supply of uranium, and may have other adverse effects on our business and reputation*."

Accordingly, our operating profit and profit for the period may be negatively affected from period to period, and sudden rises in fuel costs could have a material adverse impact on our business and results of operation and could lead to a decline in the market value of the Notes.

We engage in certain international activities and dealings, including dealings relating to Russia, that may be subject to or otherwise 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 supply of uranium and nuclear fuel, 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. In addition, if a non-U.S. person causes a U.S. person to take any action in violation of primary sanctions, the non-U.S. person itself may be liable for a violation of U.S. sanctions.

U.S. primary sanctions include territorial sanctions targeting specific countries and jurisdictions (currently including Cuba, Iran, North Korea and the Crimea, Donetsk, and Luhansk regions of Ukraine); 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 targeted activities relating to Russia or parties subject to Russia-related sanctions, 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. Accordingly, although the U.S. government has continued to expand the scope of applicable secondary sanctions relating to Russia, the imposition of secondary sanctions remains 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 its activities, or the activities of any of its 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 uranium and nuclear fuel 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. In August 2022, we entered into an agreement with Atomstroyexport JSC, a non-sanctioned subsidiary of Rosatom, which is also a non-sanctioned entity, for the construction of certain structures for a nuclear power plant project in Egypt. The president of Atomstroyexport was designated for UK sanctions in February 2023, and in January 2025, was also designated as a Specially Designated National under U.S. sanctions. Certain sanctioned subsidiaries of Atomstroyexport and Rosatom are also involved in other aspects of the project, but KHNP is not involved in any transactions with those sanctioned entities. We are continuing to evaluate our business activities in, with, or involving Russia in light of recent developments 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, including secondary sanctions, may have a negative impact on, or increase the risks relating to, our stable procurement of uranium or nuclear fuel or otherwise on our business or reputation. While we believe that adequate alternative supplies of uranium and nuclear fuel are currently available to us, if we cannot obtain adequate uranium or nuclear fuel 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.

Environmental regulations may limit 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 and Community Programs."* These laws and regulations are constantly changing. While we believe we are in compliance with applicable environmental laws and regulations in all material respects and that we have obtained all material environmental approvals currently required to own and operate our facilities, we may incur significant costs as a result of these requirements.

Starting January 2012, the Government has enforced the Renewable Portfolio Standard ("**RPS**"), under which each generation company, including us, is required to supply 25% of the total energy generated from such generation company in the form of renewable energy by 2030, with interim annual targets for the intervening years. Any generation company failing to do so in the prescribed timeline is subject to penalties. We have met the RPS targets of 12.5% for 2022, 13% for 2023 and 13.5% for 2024 and thus have not been levied any penalties for non-compliance with respect to such years. While we intend to continue increasing the proportion of generation capacity from renewable energy relative to generation capacity from non-renewable energy in order to meet our future RPS targets, there is no assurance that we will be able to do so quickly enough to meet such targets. Furthermore, while we expect that additional capital expenditures to increase generation capacity from renewable energy will be covered by a corresponding increase in electricity tariff levied on end-users, which will in turn increase the amount payable to us by KEPCO, there is no assurance that the Government will in fact raise the electricity tariff to a level sufficient to fully cover such additional capital expenditures or at all.

In addition, in 2015, the Government implemented a carbon emission trading system in order to reduce the emission of greenhouse gases in accordance with the Act on Allocation and Trading of Greenhouse Gas Emission Allowances. Under the Government's emission trading system, the Government allocates emission allowance units to companies in certain industries, including generation companies, and such companies are allowed to emit levels of greenhouse gases based on the number of allowance units that have been allocated to them. If a company emits more than the amount of allowance units that have been allocated to it, the company must purchase additional allowance units on the emission trading system. In 2024, we emitted approximately 3.68 million tons of carbon equivalents, of which approximately 0.46 tons were additional allowance units that had been purchased by us. Adhering to such annual emission reduction targets is expected to 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 at COP26 and such commitments were reconfirmed at COP27 in Egypt in November 2022. Moreover, COP28 in Dubai in December 2023 resulted in an agreement to transition away from fossil fuels to achieve net-zero emissions by 2050 as well as to triple renewable energy capacity globally by 2030. In addition, pursuant to the Carbon Neutrality Act, which was enacted in September 2021 and took effect in March 2022, the Government set the carbon neutrality target as a national vision by 2050 and specified the NDC of reducing greenhouse gas emissions by 40% by 2030. Carbon tax proposals in various jurisdictions as well as consumer preference changes in response to growing concerns of climate change could stimulate the emergence of alternative technologies and renewable energy availability, which may impact demand for electricity 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.

Failure to comply with environmental laws and regulations could have a material adverse effect on us, including closure of individual facilities not in compliance, as well as the imposition of civil or criminal liability and the imposition of liens, penalties or fines, and expenditures to bring facilities into compliance.

Unexpected events, including natural disasters and health epidemics (including the global COVID-19 pandemic and any possible occurrences of other types of widespread infectious diseases), may increase our cost of doing business or disrupt our operations.

The occurrence of one or more unexpected events, including fires, tornadoes, tsunamis, hurricanes, earthquakes, floods and other forms of severe weather, as well as severe health epidemics in Korea or in other countries where we operate or where our suppliers or customers are located could adversely affect our operations and financial performance. In particular, COVID-19, an infectious disease caused by severe acute respiratory syndrome coronavirus 2, was declared a pandemic by the World Health

Organization in March 2020. The global outbreak of COVID-19 had led to global economic and financial disruptions and had adversely affected our business operations. In addition, the normal operations of our existing facilities or the construction of our new facilities may be interrupted by accidents caused by operating hazards, power supply disruptions, equipment failures, natural disasters or other events or by disruptions due to health epidemics. Although we have not had any material instances of such interruptions in recent years, any interruption (partial or complete) to our operations at our facilities as a result of any such accidents or otherwise, including an occurrence of widespread infectious diseases, could materially and adversely affect our business, financial condition and results of operations. There can be no assurance that such events will not occur in the future or that our production capacity will not be materially and adversely impacted as a result of such events.

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

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

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

We are involved in numerous legal proceedings, the outcomes of which are uncertain, and resolutions adverse to us could negatively affect our cash flows, financial conditions or results of operations.

We are subject to numerous legal proceedings, many of which are related to the alleged impact of our nuclear power generation plants on the environment and health of the local population. We have incurred a significant amount of compensation cost, paid to the plaintiffs, including claims that were settled outside of court. As we construct additional generation plants and facilities, similar claims may be brought against us in the future, resulting in an increase of costs for compensating such claims.

In October 2020, Westinghouse Electric Company LLC ("**Westinghouse**") filed a suit against us and KEPCO in the U.S. District Court for the District of Columbia alleging that the APR 1400 reactor, the intellectual property rights of which are owned by us, incorporates intellectual property licensed by Westinghouse and that the export of such reactors to other countries requires permission from Westinghouse and the U.S. Department of Energy. In October 2023, the U.S. District Court for the District of Columbia dismissed the lawsuit and Westinghouse filed an appeal. In February 2025, both the appeal and International arbitration procedures, which had also been ongoing in connection with such issue, were withdrawn.

In December 2020, the Daejeon District Prosecutor's Office commenced investigations on twelve individuals, including five of our employees for, among others, allegedly undervaluing the economic viability of Wolsong unit #1 which led to its early shutdown and in June 2021, the Daejeon District Prosecutor's Office indicted three individuals, including Jae Hoon Chung, our former president and chief executive officer. The trial is currently ongoing at the Daejeon District Court and the outcome of such trial remains uncertain. There can be no assurance that the outcome of the ongoing case will not have a material adverse effect on us, our reputation or our business.

In September 2023, a group of 40 Korean nationals filed a suit against the minister of MOTIE at the Seoul Administrative Court alleging procedural deficiencies in the permit approval process and sought revocation of the construction permit granted to Shin-Hanul units #3 and 4. In November 2023, we joined the lawsuit as a stakeholder and the trial is currently ongoing at the Seoul Administrative Court. There can be no assurance that the outcome of the ongoing case will not have a material adverse effect on us, our reputation or our business.

We plan to vigorously defend our position in such legal proceedings. However, the outcome of these lawsuits cannot presently be determined. We cannot presently assure you that there will not be further lawsuits in relation to the aforementioned matters or that the reserve amount that we have set aside will be sufficient to cover any compensation or damages arising from the present or future litigation. However, if the courts ultimately rule against us in these proceedings, such outcomes could have a material adverse impact on our business and results of operation and could lead to a decline in the market value of the Notes.

We may be exposed to potential claims made by current or former employees relating to unpaid wages and benefits and may also incur increased labor costs as a result of the expansion of the scope of applicable wages and benefits.

From time to time, we have been subject to various lawsuits involving our current and former employees seeking compensation for unpaid wages based on interpretations of relevant labor laws in Korea. For example, under the Labor Standards Act, an employee's "ordinary wage" is used as the basis for calculating various statutory benefits. In December 2013, the Supreme Court of Korea ruled that regularly paid bonuses, including those that are paid other than on a monthly basis, are included in the scope of employees' ordinary wages if these bonuses are paid (i) "regularly," (ii) "uniformly" and (iii) on a "fixed basis," notwithstanding differential amounts based on seniority. However, in December 2024, the Supreme Court of Korea reversed its prior ruling and excluded "fixed basis" from the attributes of ordinary wage and redefined the concept and judgment criteria of what constitutes ordinary wage. According to the Supreme Court of Korea's decision in December 2024, a wage determined to be paid regularly and uniformly in exchange for prescribed work constitutes ordinary wage regardless of the existence or fulfillment of conditions attached to it. According to such decision, wages based on tenure or on the number of working days are recognized as ordinary wages, but performance wages paid according to work performance are not recognized as ordinary wages in principle. In order to minimize confusion resulting from this change, the Supreme Court of Korea also ruled that the revised legal principle will apply to ordinary wage calculations starting from the date of the ruling, which is December 19, 2024. Under this decision, any provision of a collective bargaining agreement or other agreements that attempt to exclude such regular bonuses from employees' ordinary wages will be deemed void for violation of the mandatory provisions of Korean law.

The Ministry of Employment and Labor subsequently revised the 'Guidelines for Labor-Management Guidance on Ordinary Wage' in February 2025 (the "**Guidelines**"). The new legal principle on ordinary wages is effective for ordinary wage calculations starting from December 19, 2024. While we are currently assessing the impact of the Supreme Court of Korea's decision and the Guidelines on our regular bonuses paid in the past, if we are nonetheless determined to have underpaid employees by under-calculating their ordinary wages over the past three years or in the future, we may be liable for additional payments reflecting the expanded scope of employees' ordinary wages. While we have set aside a reserve of Won 202 billion to cover any potential future payments in relation to such decision, any such additional payments may have an adverse effect on our financial condition and results of operations.

We cannot presently assure you that there will not be further lawsuits seeking additional wages or benefits based on current or future interpretations of applicable laws and regulations, or that the foregoing amount of provisions will be sufficient to cover payments of any additional wages, retirement benefits or other compensation and damages arising from the present or future litigation relating to claims for additional wages and benefits.

The value of our assets is subject to the nature and extent of decommissioning obligations applicable to us.

Our facilities and related properties may become subject to decommissioning obligations that may require material unplanned expenditures or otherwise materially affect the value of those assets. The closure or modification of any of our facilities could lead to substantial liabilities, including the cleanup of any contamination that occurred during the facility's operation. While we have a reserve for such decommissioning liabilities, the reserved amount may not be sufficient to cover the actual liabilities to be incurred in the future. Further, laws and regulations may change to require additional decommissioning obligations in the future, all of which will negatively impact the value of our assets. For further descriptions on decommissioning costs, see "*Business – Nuclear Safety – Decommissioning.*"

Our insurance coverage may not be sufficient.

As of March 31, 2025, we maintain property damage insurance coverage that covers damage at any of our nuclear plants up to US$1 billion per accident, which includes property insurance coverage for acts of terrorism up to US$300 million and for breakdown of machinery up to US$300 million. In addition, we have construction insurance for Saeul units #3 and 4 and Shin-Hanul units #3 and 4. We also maintain nuclear liability insurance for personal injury and property damage caused to third parties for coverage of up to 300 million Special Drawing Rights ("**SDRs**"), which is equivalent to approximately US$398.5 million (based on the exchange rate published by the International Monetary Fund on July 31, 2024), per accident per plant complex. We are also the beneficiary of a Government indemnity for damage claims of up to 300 million SDRs per accident for each of our six power plant complexes.

In addition, we maintain liability insurance related to our hydro and renewable plant facilities and nuclear fuel transportation, as well as directors' and officers' liability insurance. We are not responsible for the insurance coverage related to the construction of low and intermediate level integrated radioactive waste ("**LILW**") management facilities, which were transferred to the Korea Radioactive Waste Agency ("**KORAD**") in 2008. See "*Business – Insurance.*"

While we believe that we carry insurance coverage meeting the expected standards in our industry, our insurance policy does not cover all of the assets that we own and operate and does not cover all types or amounts of loss which could arise in connection with the ownership and operation of our power plants. Furthermore, we currently do not maintain any business interruption insurance. 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 could have a material adverse impact on our business and results of operation and could lead to a decline in the market value of the Notes. See "*Business – Insurance.*"

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

The Won has fluctuated significantly against major currencies from time to time, including in light of the COVID-19 outbreak in Korea and globally and more recently, the war between Russia and Ukraine and the ensuing sanctions against Russia by the United States and other countries, as well as increased levels of uncertainty and signs of deterioration in the global economy and financial markets. See "*Exchange Rates.*" 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 materials 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. Since substantially all of 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.

We may not be successful in implementing new business strategies.

In response to the Eleventh Basic Plan and the "New Government's Energy Policy Direction," we plan to export our nuclear technology and services to overseas markets and invest in renewable energy generation capabilities, while managing our existing nuclear and renewable generation units, as part of our overall business strategy.

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 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. For example, we have recognized provisions for construction losses of Won 259 billion in the first three months of 2025 relating to our overseas projects in Romania and Egypt. 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, to date, been primarily based in Korea, we plan to expand, on a selective basis, our overseas operations in the future after engaging in rigorous feasibility studies and risk analyses. Overseas operations generally carry risks that are different from those we face in our domestic operations. These risks include:

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

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

Risks Relating to Korea

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

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

In recent years, adverse conditions and volatility in the global financial markets, fluctuations in oil and commodity prices, supply chain disruptions and the increasing weakness of the global economy, in particular due to the COVID-19 pandemic and Russia's invasion of Ukraine and ensuing sanctions against Russia, among others, have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy, which has been characterized by high levels of uncertainty resulting from high inflation rates, a rise in interest rates and a depreciation of the Won against the U.S. dollar. As a result, future growth of the Korean economy is subject to many factors beyond our control, including developments in the global economy.

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

- declines in consumer confidence and a slowdown in consumer spending in the Korean or global economy;

- political uncertainty or increasing strife among or within political parties in Korea following the declaration of martial law by former President Yoon in December 2004 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025;

- hostilities, political or social tensions involving Russia (including the war between Russia and Ukraine and ensuing actions that the United States and other countries have taken or may take in the future) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;

- adverse conditions or developments in the economies of countries and regions that are important export markets for Korea, such as China, the United States, Europe and Japan, or in emerging market economies in Asia or elsewhere, including as a result of deteriorating economic and trade relations between the United States and China 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 Won against 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 risks in select countries and the resulting adverse effects on the global financial markets;

- deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea due to the Government's policies to increase minimum wages and limit working hours of employees;

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

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

- the occurrence of severe health epidemics in Korea and other parts of the world (in addition to the COVID-19 pandemic);

- social and labor unrest;

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

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

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

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

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

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

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

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

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

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

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

- North Korea renounced its obligations under the Nuclear Non-Proliferation Treaty in January 2003 and has conducted six rounds of nuclear tests since October 2006, including claimed detonations of hydrogen bombs and warheads that can be mounted on ballistic missiles. Over the years, North Korea has continued to conduct a series of missile tests, including ballistic missiles launched from submarines and intercontinental ballistic missiles that it claims can reach the United States mainland. North Korea has increased the frequency of such activities since the beginning of 2022, firing numerous ballistic missiles, including intercontinental ballistic missiles, and in November 2023, successfully launched its first spy satellite. In response, the Government has repeatedly condemned the provocations and flagrant violations of relevant United Nations Security Council resolutions. In February 2016, the Government also closed the inter-Korea Gaesong Industrial Complex in response to North Korea's fourth nuclear test in January 2016. Internationally, the United Nations Security Council has passed a series of resolutions condemning North Korea's actions and significantly expanding the scope of sanctions applicable to North Korea. Over the years, the United States and the European Union have also expanded their sanctions applicable to North Korea.

- In March 2010, a Korean naval vessel was destroyed by an underwater explosion, killing many of the crewmen on board. The Government formally accused North Korea of causing the sinking, while North Korea denied responsibility. Moreover, in November 2010, North Korea fired more than one 100 artillery shells that hit Korea's Yeonpyeong Island near the

Northern Limit Line, which acts as the de facto maritime boundary between Korea and North Korea on the west coast of the Korean peninsula, causing casualties and significant property damage. The Government condemned North Korea for the attack and vowed stern retaliation should there be further provocation.

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

Although bilateral summit meetings between Korea and North Korea were held in April, May and September 2018 and between North Korea and the United States 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 further increase in tensions, which may occur, for example, if North Korea experiences a leadership crisis, high-level contacts between Korea and North Korea or between the United States 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 promulgated thereunder (collectively referred to as the "**Foreign Exchange Transaction Laws**"), if the Government deems that certain emergency circumstances, including sudden fluctuations in interest rates or exchange rates, extreme difficulty in stabilizing the balance of payments or substantial disturbance in the Korean financial and capital markets, are likely to occur, it may impose any necessary restriction such as requiring Korean or foreign investors to obtain prior approval from the Ministry of Economy and Finance for the acquisition of Korean securities or for the repatriation of interest, dividends or sales proceeds arising from Korean securities or other types of capital transactions. Moreover, if the Government deems it necessary on account of war, armed conflict, natural disaster or grave and sudden changes in domestic or foreign economic circumstances or similar events or circumstances, the Minister of Economy and Finance may temporarily suspend performance under any or all foreign exchange transactions, in whole or in part, to which the Foreign Exchange Transaction Laws apply (including suspension of payment and receipt of foreign exchange) or impose an obligation to deposit or sell any means of payment to the Bank of Korea or certain other governmental agencies or financial institutions.

In addition, our audited consolidated financial statements included in this Offering Circular are presented in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions which require application of K-IFRS where specific accounting treatments are not prescribed, and our future consolidated financial statements will be prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions which require application of K-IFRS where specific accounting treatments are not prescribed, 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 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 to QIBs in reliance on the exemption provided by Rule 144A, to certain persons in offshore transactions in reliance on Regulation S, or, if available, pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and, in each case, in accordance with applicable state securities laws. In addition, subject to the conditions set forth in the 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. Under certain conditions and if so set forth in the applicable Pricing Supplement, a Note may be transferred only if the principal amount of Notes transferred is at least €100,000 or the equivalent in another foreign currency. For a further discussion of the transfer restrictions applicable to the Notes, see *"Subscription and Sale and Transfer and Selling Restrictions."*

The Notes have not been and will not be 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 Transactions Laws), until the expiration of one year after the issuance of the Notes, except as otherwise permitted under applicable Korean laws and regulations. For a further discussion of the transfer restrictions under the laws of Korea applicable to the Notes, see *"Subscription and Sale and Transfer and Selling Restrictions."*

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 prescription regulations in Korea.

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

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

The Notes constitute a new issue of securities for which there is no existing market. Approval in-principle has been received from the SGX-ST in connection with the Program and application will be made for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed, at or prior to the time of issue thereof, to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. Although the Dealers 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 Dealers' planned market making activities, see "*Subscription and Sale and Transfer and Selling Restrictions.*"

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 liquidity and market price 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 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.

CAPITALIZATION

The following table sets forth our actual capitalization, as derived from our unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024 included in this Offering Circular.

The table below should be read in connection with our unaudited interim consolidated financial statements and the related notes as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024, included elsewhere in this Offering Circular.

	As of March 31, 2025[1]			
	(Billions of Won)		(Millions of US$)[4]	
Long-term debt:				
Bonds, net of discount and premium (excluding current portion)	₩	13,829	US$	9,430
Long-term borrowings (excluding current portion)		204		139
Total long-term debt		14,033		9,569
Equity:				
Contributed capital	₩	10,705	US$	7,300
Retained earnings[2]		15,071		10,277
Other components of equity		103		70
Equity attributable to owners of the parent		25,878		17,646
Non-controlling interests		(7)		(5)
Total equity		25,872		17,642
Total capitalization[3]	₩	39,905	US$	27,211

Notes:

(1) There has been no material change in our capitalization since March 31, 2025.

(2) Retained earnings include reserves.

(3) Total capitalization is defined as the sum of the bonds, net of discount and premium (excluding current portion) and long-term borrowings (excluding current portion) plus total equity.

(4) The Won financial information as of March 31, 2025 has been translated into U.S. dollars at the exchange rate of Won 1,466.5 to US$1.00, which was the Market Average Exchange Rate in effect on March 31, 2025.

SELECTED FINANCIAL DATA

The following tables present selected financial data as of and for the years ended December 31, 2022, 2023 and 2024 and as of March 31, 2025 and for the three months ended March 31, 2024 and 2025. The selected financial data below have been derived from and should be read together with our audited consolidated financial statements as of and for the years ended December 31, 2024, 2023 and 2022 and unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024 and the related notes included elsewhere in this Offering Circular.

Our audited consolidated financial statements as of and for the years ended December 31, 2024, 2023 and 2022 have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, which require application of K-IFRS where specific accounting treatments are not prescribed. Our unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024 have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, which require application of K-IFRS where specific accounting treatments are not prescribed.

Selected Consolidated Statement of Comprehensive Income (Loss) Data

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2022	2023	2024	2024	2025
	(In billions of Won)				
Sales	₩ 10,608	₩ 10,978	₩ 13,602	₩ 2,735	₩ 4,308
Cost of sales	(9,721)	(9,879)	(11,732)	(2,948)	(2,958)
Gross profit (loss)	887	1,100	1,870	(212)	1,350
Selling and administrative expenses	(241)	(307)	(268)	(67)	(66)
Operating profit (loss)	645	793	1,602	(280)	1,284
Other income	26	86	78	21	6
Other expenses	(70)	(44)	(178)	(10)	(9)
Other gains (losses), net	120	(22)	(39)	1	(15)
Finance income	400	269	716	212	93
Finance costs	(1,075)	(895)	(1,412)	(363)	(221)
Gain (loss) on investments in associates and joint ventures, net	1	(2)	(18)	(5)	(13)
Profit (loss) before income tax	48	185	749	(423)	1,126
Income tax benefit (expense)	(110)	(63)	(176)	101	(303)
Profit (loss) for the year/period	(62)	122	573	(322)	823
Other comprehensive income, net of tax	153	39	5	22	(45)
Total comprehensive income (loss), net of tax	₩ 91	₩ 161	₩ 578	₩ (300)	₩ 778

Selected Consolidated Statement of Financial Position Data

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(In billions of Won)			
Assets:				
Cash and cash equivalents	₩ 953	₩ 950	₩ 248	₩ 505
Other current assets[(1)]	7,909	9,279	10,571	12,217
Property, plant and equipment, net	56,414	56,132	56,621	56,668
Other non-current assets[(2)]	4,262	4,555	5,445	5,652
Total assets	₩ 69,539	₩ 70,916	₩ 72,885	₩ 75,041
Liabilities and equity:				
Short-term borrowings	—	252	—	—
Current portion of long-term borrowings	42	43	34	34
Current portion of long-term bonds, net of discount	1,399	885	1,110	1,110
Current provisions	935	1,497	1,407	1,797
Other current liabilities[(3)]	1,828	3,706	2,225	3,166
Bonds, net of discount and premium (excluding current portion)	10,769	12,220	13,555	13,829
Long-term borrowings (excluding current portion)	285	246	212	204
Other non-current liabilities[(4)]	27,999	27,182	28,878	29,031
Total liabilities	₩ 43,257	₩ 46,031	₩ 47,422	₩ 49,169
Total equity	₩ 26,281	₩ 24,885	₩ 25,463	₩ 25,872
Total liabilities and equity	₩ 69,539	₩ 70,916	₩ 72,885	₩ 75,041

Notes:

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

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

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

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

Other Selected Financial Data

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2022	2023	2024	2024	2025
	(In billions of Won, except percentages)				
Net cash flows provided by operating activities	₩ 2,612	₩ 1,915	₩ 3,122	₩ 947	₩ 2,063
Net cash flows used in investing activities	(2,071)	(3,048)	(3,001)	(1,056)	(2,092)
Net cash flows provided by (used in) financing activities	50	1,138	(824)	(318)	285
Operating profit margin (%)(1)	6.1%	7.2%	11.8%	(10.2)%	29.8%
Net profit margin (%)(2)	(0.6)%	1.1%	4.2%	(11.8)%	19.1%

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(In billions of Won, except percentages)			
Debt to equity ratio (%)(3)	47.5	54.8	58.6	58.7
Net debt to equity ratio (%)(4)	43.9	51.0	57.6	56.7
Total liabilities to equity ratio (%)(5)	164.6	185.0	186.2	190.0
Net working capital(6)	4,658	3,846	6,043	6,615

Notes:

(1) Operating profit margin equals operating profit divided by sales.

(2) Net profit margin equals profit for the period divided by sales.

(3) Debt-to-equity ratio equals the sum of short-term borrowings, bonds (net of discount and premium, including the current portion) and long-term borrowings (including the current portion) divided by total equity.

(4) Net debt-to-equity ratio equals (i) the sum of short-term borrowings, bonds (net of discount and premium, including the current portion) and long-term borrowings (including the current portion) less (ii) cash and cash equivalents, divided by (iii) total equity.

(5) Total liabilities to equity ratio equals total liabilities divided by total equity.

(6) Net working capital means current assets minus current liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with our consolidated financial statements and the related notes included elsewhere in this Offering Circular. Our audited consolidated financial statements as of and for the years ended December 31, 2024, 2023 and 2022 and our unaudited interim consolidated financial statement as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024 have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, which require application of K-IFRS where specific accounting treatments are not prescribed. This discussion contains forward-looking statements that involve risks and uncertainties. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the section entitled "Risk Factors" and elsewhere in this Offering Circular.

Overview

We were established on April 2, 2001 as a result of a corporate split from KEPCO, pursuant to which KEPCO transferred all of its nuclear and hydroelectric power generation assets and related liabilities to us in accordance with the Act on the Promotion of Restructuring the Electric Power Industry and the Restructuring Plan for the electricity industry in Korea announced by MOTIE. See "*The Korean Electricity Industry – Restructuring of the Electricity Industry in Korea.*" Pursuant to Article 2 of our Articles of Association, we engage in nuclear and hydroelectric power generation and sell all of our generated electricity to KEPCO through the KPX in accordance with Article 31 of the Electricity Business Act of Korea. We are wholly owned by KEPCO and are the only nuclear power generation company in Korea.

As of March 31, 2025, we owned and operated 26 nuclear power generation units with aggregate installed capacities of 26,050 MW, 53 hydroelectric power generation units (which includes pumped-storage hydro power generation units) with aggregate installed capacities of 5,307 MW, 67 solar generation units with aggregate installed capacities of 84.7 MW and one wind power generation unit with installed capacity of 0.75 MW. All of our nuclear power plants supply base load power, and hydroelectric power plants supply electricity during peak hours.

Nuclear power is one of the largest electricity supply sources in Korea. As of March 31, 2025, we owned approximately 20.4% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). In 2024 and for the three months ended March 31, 2025, we sold 185,422 GW hours and 50,874 GW hours of electricity, respectively, to KEPCO. Nuclear power, all of which is generated by us, accounted for 32.6% and 35.6% of total electricity sold in Korea in 2024 and for the three months ended March 31, 2025, respectively, in terms of sales volume. In 2024 and for the three months ended March 31, 2025, nuclear power accounted for 96.6% and 97.1%, respectively, of the electricity generated by us.

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 nuclear power generation. Accordingly, we expect our current capital requirements in the medium to long-term future to remain the same or gradually increase. See "– *Capital Requirements.*"

In addition to capital expenditures related to the construction of power generation assets, we also incur significant cash expenditures following the establishment by the Government of KORAD, a separate corporate entity responsible for nuclear waste management, as a result of which we pay fees to KORAD for the disposal of low- and intermediate- level radioactive waste and spent fuel. See "*Business – Nuclear Safety Research and Development – Nuclear Waste Management.*"

Unexpected or prolonged shutdowns of our nuclear generation units may result in a significant loss of revenue. For example, in 2022, our Shin-Kori unit #1 was temporarily shut down for 20 days due to stoppages of a turbine generator resulting from typhoon Hinnamnor and our Shin-Wolsong unit #2 was temporarily shut down for eleven days due to a breakdown of a control rod. In 2023, our Hanbit unit #2 was temporarily shut down for 11.5 days due to a stoppage of a turbine generator during testing of the special protection system. In 2024, our Shin-Hanul unit #1 was temporarily shut down for approximately three days due to an unfastened exciter, our Wolsong unit #3 was shut down for 43 days due to a circuit breaker burnout, our Hanul unit #6 was temporarily shut down for approximately 15 days due to low water levels in the steam generator and our Shin-Wolsong unit #2, Shin-Hanul unit #2, Shin-Hanul unit #1 and Hanul unit #5 were temporarily shut down for approximately 21 days, 6 days, 7 days and two days, respectively, due to stoppages of turbine generators. The breakdown, failure, reduced output or suspension of operation of a nuclear power generation unit could result in a material loss of revenues and/or additional repair and maintenance costs, greater risk of litigation and increased social and political hostility to the use of nuclear power, which could have a material adverse impact on our reputation, business and results of operation and could lead to a decline in the market value of the Notes. See "*Risk Factors – Risk Relating to Our Business – Inherent in the operation of nuclear power generation facilities are numerous hazards and risks, any of which could result in a material loss of revenues or increased expenses.*"

We have established a provision for decommissioning costs related to nuclear plant operation (which costs principally consist of (i) costs related to spent fuel, (ii) costs related to radioactive waste, and (iii) costs related to dismantling nuclear plants) as a liability since 1983. The decommissioning costs of nuclear facilities are estimated based on the study by the Cost Determination Committee established by the MOTIE and as provided under the Radioactive-Waste Management Act, and are adjusted annually. The decommissioning costs are reviewed by the MOTIE every two years and the MOTIE is required to issue, every two years, guidelines relating to the accounting treatment of decommissioning, which we are required to adopt. We believe that the guidelines adopted to-date capture the substantial majority of the accounting adjustments required in connection with determining decommissioning costs and liabilities. As of March 31, 2025, we have accrued Won 27,957 billion for the cost of dismantling and decontaminating existing nuclear power plants, which consists of dismantling costs of nuclear plants of Won 23,408 billion and dismantling costs of spent fuel and radioactive waste of Won 4,549 billion. See note 21 of our unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024 included elsewhere in this Offering Circular. As of March 31, 2025, we hold Won 973 billion in bonds and deposits exclusively for the payment of decommissioning costs, which is the estimated cost of decommissioning one nuclear plant, and plan to maintain a similar amount of reserve going forward. See also "*Business – Nuclear Safety – Decommissioning*" *and "– Critical Accounting Policies – Retirement of Tangible Assets.*"

The adjusted coefficient is one of the factors in determining the price of electricity sold by us to KEPCO and is reset from time to time. The adjusted coefficient applicable to electricity generated from nuclear fuels was adjusted upwards in 2023, 2024 and the first three months of 2025 (compared to the first three months of 2024), which contributed to increases in our revenue in 2024 compared to 2023 and the first three months of 2025 compared to the first three months of 2024.

Recent Accounting Changes

For a discussion of new accounting standards, interpretations and amendments applicable to us, see note 2 of our unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024 and note 2 of our audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 included elsewhere in this Offering Circular.

Critical Accounting Policies

We have prepared our consolidated financial statements in accordance with Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, which require application of K-IFRS where specific accounting treatments are not prescribed. These accounting principles require us to make certain estimates and judgments that affect the reported amounts in our consolidated financial statements. Critical accounting policies are defined as those that are both most important to the portrayal of our financial condition and results of operations and require our management's most difficult, subjective, or complex judgment, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Our estimates and judgments are based on historical experience, forecasted future events and various other assumptions that we believe to be reasonable under the circumstances. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting the estimate may differ significantly from the management's current judgments. We evaluate our estimates and judgments on an ongoing basis. For our critical accounting policies, see note 2(4) of our audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 included elsewhere in this Offering Circular.

Results of Operations

The table below presents consolidated statement of comprehensive income (loss) information for the years or periods indicated.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2022	2023	2024	2024	2025
	(In billions of Won)				
Sales	₩ 10,608	₩ 10,978	₩ 13,602	₩ 2,735	₩ 4,308
Cost of sales	(9,721)	(9,879)	(11,732)	(2,948)	(2,958)
Gross profit (loss)	887	1,100	1,870	(212)	1,350
Selling and administrative expenses	(241)	(307)	(268)	(67)	(66)
Operating profit (loss)	645	793	1,602	(280)	1,284
Other income	26	86	78	21	6
Other expenses	(70)	(44)	(178)	(10)	(9)
Other gains (losses), net	120	(22)	(39)	1	(15)
Finance income	400	269	716	212	93
Finance costs	(1,075)	(895)	(1,412)	(363)	(221)
Gain (loss) on investments in associates and joint ventures, net	1	(2)	(18)	(5)	(13)
Profit (loss) before income tax	48	185	749	(423)	1,126
Income tax benefit (expense)	(110)	(63)	(176)	101	(303)
Profit (loss) for the year/period	(62)	122	573	(322)	823
Other comprehensive income, net of tax	153	39	5	22	(45)
Total comprehensive income (loss), net of tax	₩ 91	₩ 161	₩ 578	₩ (300)	₩ 778

First Three Months of 2025 Compared to First Three Months of 2024

Our sales, substantially all of which are derived from the sales of electric power to KEPCO, increased by 57.5% to Won 4,308 billion in first three months of 2025 from Won 2,735 billion in the first three months of 2024, mainly due to a 39.2% increase in the average unit price of electricity sold to Won 83.09 per kWh in the first three months of 2025 from Won 59.67 per kWh in the first three months of 2024 and a 14.3% increase in the volume of electricity sold to 50,874 GWh in the first three months of 2025 from 44,492 GWh in the first three months of 2024. The increase in the average unit price of electricity sold was mainly due to an increase in the adjusted coefficient applicable to nuclear energy. The increase in the volume of electricity sold was mainly due to an increase in the capacity factor of our nuclear generation units.

Cost of sales increased by 0.3% to Won 2,958 billion in the first three months of 2025 from Won 2,948 billion in the first three months of 2024 primarily due to an increase in other provisions, which was offset in part by a decrease in repairs. Other provisions increased by 146.5% to Won 358 billion in the first three months of 2025 from Won 145 billion in the first three months of 2024 primarily due to an increase in provisions relating to our overseas projects in Romania and Egypt. Repairs decreased by 38.1% to Won 285 billion in the first three months of 2025 from Won 461 billion in the first three months of 2024 primarily due to early implementation of repairs in the first three months of 2024, compared to no such early implementations in the first three months of 2025.

As a result of the above factors, we recognized gross profit of Won 1,350 billion in the first three months of 2025 compared to gross loss of Won 212 billion in the first three months of 2024. We recognized gross profit margin, which equals gross profit divided by sales, of 31.3% in the first three months of 2025 compared to gross loss margin of 7.8% in the first three months of 2024.

Our selling and administrative expenses decreased by 1.8% to Won 66 billion in the first three months of 2025 from Won 67 billion in the first three months of 2024 primarily due to a decrease in repairs, which was partially offset by increases in commission and other selling and administrative expenses. Repairs decreased by 94.6% to Won 0.5 billion in the first three months of 2025 from Won 8 billion in the first three months of 2024 primarily due to planned preventive maintenance of our Hanbit unit #1 in the first three months of 2024, which was not repeated in the first three months of 2025. Commissions increased by 23.7% to Won 12 billion in the first three months of 2025 from Won 10 billion in the first three months of 2024 primarily due to an increase in advisory service fees. Other selling and administrative expenses increased by 80.8% to Won 5 billion in the first three months of 2025 from Won 3 billion in the first three months of 2024 primarily due to an increase in expenses relating to our internship programs reflecting our efforts to support the Government's initiatives to increase job creation.

As a result of the above factors, we recognized operating profit of Won 1,284 billion in the first three months of 2025 compared to operating loss of Won 280 billion in the first three months of 2024. We recognized operating profit margin, which equals operating profit divided by sales, of 29.8% in the first three months of 2025 compared to operating loss margin of 10.2% in the first three months of 2024.

We recognized net other expenses of Won 2 billion in the first three months of 2025 compared to net other income of Won 11 billion in the first three months of 2024 primarily due to a decrease in miscellaneous other income. Miscellaneous other income decreased by 82.3% to Won 2 billion in the first three months of 2025 from Won 14 billion in the first three months of 2024 primarily due to compensation received in connection with defective welding at our Hanbit unit #5 in the first three months of 2024, compared to no such compensation received in the first three months of 2025.

We recognized net other losses of Won 15 billion in the first three months of 2025 compared to net other gains of Won 1 billion in the first three months of 2024 primarily due to an increase in net loss on disposal of property, plant and equipment and a recognition of net loss on foreign currency translations in the first three months of 2025 compared to net gain on foreign currency translations in the first three months of 2024, which were offset in part by the recognition of net gain on foreign currency transactions in the first three months of 2025 compared to net loss on foreign currency transactions in the first three months of 2024. Net loss on disposal of property, plant and equipment increased to Won 19 billion in the first three months of 2025 from Won 1 billion in the first three months of 2024 primarily due to repairs and refurbishments relating to our Hanul unit #2. We recognized net loss on foreign currency translations of Won 5 billion in the first three months of 2025 compared to net gain on foreign currency translations of Won 2 billion in the first three months of 2024 primarily due to fluctuations of the Won against the U.S. dollar in the first three months of 2024 and 2025. We recognized net gain on foreign currency transactions of Won 9 billion in the first three months of 2025 compared to net loss on foreign currency transactions of Won 1 billion in the first three months of 2024 primarily due to fluctuations of the Won against the U.S. dollar in the first three months of 2024 and 2025.

Our net finance costs decreased by 15.2% to Won 128 billion in the first three months of 2025 from Won 151 billion in the first three months of 2024 primarily due to the recognition of net gain on foreign currency translations in the first three months of 2025 compared to net loss on foreign currency translations in the first three months of 2024, which was offset in significant part by a decrease in net gain on valuation of derivative instruments. We recognized net gain on foreign currency translations of Won 12 billion in the first three months of 2025 compared to net loss on foreign currency translations of Won 158 billion in the first three months of 2024 primarily due to the fluctuations of the Won against the U.S. dollar in the first three months of 2025 compared to the first three months of 2024. In terms of the Market Average Exchange Rate, the Won depreciated against the U.S. dollar from Won 1,289.4 to US$1.00 as of December 31, 2023 to Won 1,346.8 to US$1.00 as of March 31, 2024, and appreciated against the U.S. dollar from Won 1,470.0 to US$1.00 as of December 31, 2024 to Won 1,466.5 to US$1.00 as of March 31, 2025. Our net gain on valuation of derivative instruments, which we entered into primarily to hedge foreign currency risks on our foreign debt, a majority of which is denominated in U.S. dollars, decreased by 82.7% to Won 27 billion in the first three months of 2025 from Won 156 billion in the first three months of 2024, also due to such fluctuations in exchange rates.

As a result of the above factors, we recognized profit before income tax of Won 1,126 billion in the first three months of 2025 compared to loss before income tax of Won 423 billion in the first three months of 2024.

We recognized income tax expense of Won 303 billion in the first three months of 2025 compared to income tax benefits of Won 101 billion in the first three months of 2024 primarily due to recognition of profit before income tax in the first three months of 2025 compared to loss before income tax in the first three months of 2024.

As a result of the above factors, we recognized profit for the period of Won 823 billion in the first three months of 2025 compared to loss for the period of Won 322 billion in the first three months of 2024.

2024 Compared to 2023

Our sales, substantially all of which are derived from the sales of electric power to KEPCO, increased by 23.9% to Won 13,602 billion in 2024 from Won 10,978 billion in 2023, mainly due to an 18.0% increase in the average unit price of electricity sold to Won 70.68 per kWh in 2024 from Won 59.91 per kWh in 2023 and a 5.0% increase in the volume of electricity sold to 185,422 GWh in 2024 from 176,568 GWh in 2023. The increase in the average unit price of electricity sold was mainly due to an increase in the adjusted coefficient applicable to nuclear energy. The increase in the volume of electricity sold was mainly due to an increase in the capacity factor of our nuclear generation units.

Cost of sales increased by 18.8% to Won 11,732 billion in 2024 from Won 9,879 billion in 2023, primarily due to increases in repairs and amortization of nuclear fuel, which were partially offset by a decrease in provisions for decommissioning costs. Repairs increased by 86.0% to Won 2,415 billion in 2024 from Won 1,299 billion in 2023 primarily due to increased facilities maintenance costs in connection with our Hanul units #1 and 2. Amortization of nuclear fuel increased by 66.2% to Won 2,279 billion in 2024 from Won 1,371 billion in 2023 primarily due to the Government's increase in spent fuel management charges in 2024, which charges had been fixed since 2013. We recognized a reversal on provisions for decommissioning costs of Won 416 billion in 2024 compared to provisions for decommissioning costs of Won 244 billion in 2023 primarily due to a recognition of reversal on provisions related to spent fuel of Won 268 billion in 2024, compared to provisions related to spent fuel of Won 335 billion in 2023.

As a result of the above factors, our gross profit increased by 70.0% to Won 1,870 billion in 2024 from Won 1,100 billion in 2023. Our gross profit margin, which equals gross profit divided by sales, increased to 13.7% in 2024 from 10.0% in 2023.

Our selling and administrative expenses decreased by 12.7% to Won 268 billion in 2024 from Won 307 billion in 2023, primarily due to a decrease in other selling and administrative expenses, which was offset in small part by an increase in salaries. Other selling and administrative expenses decreased by 73.5% to Won 23 billion in 2024 from Won 85 billion in 2023 primarily due to a decrease in other wages, from Won 75 billion in 2023 to Won 9 billion in 2024, mainly attributable to provisions relating to our internship programs in 2023 compared to no such provisions in 2024. Salaries increased by 19.0% to Won 65 billion in 2024 from Won 54 billion in 2023 primarily due to an increase in employee benefits.

As a result of the above factors, our operating profit increased by 102.1% to Won 1,602 billion in 2024 from Won 793 billion in 2023. Our operating profit margin, which equals operating profit divided by sales, increased to 11.8% in 2024 from 7.2% in 2023.

We recognized net other expenses of Won 100 billion in 2024 compared to net other income of Won 42 billion in 2023, primarily due to increases in donations and other miscellaneous expenses. Donations increased by 401.9% to Won 118 billion in 2024 from Won 24 billion in 2023 primarily due to an increase in subsidies provided to communities located near nuclear reactors. Other miscellaneous expenses increased by 234.2% to Won 56 billion in 2024 from Won 17 billion in 2023 primarily due to payments of administrative fines.

Our net other loss increased by 80.2% to Won 39 billion in 2024 from Won 22 billion in 2023, primarily due to recognition of net loss on foreign currency transactions in 2024 compared to net gain on foreign currency transactions in 2023. We recognized net loss on foreign currency transactions of Won 10 billion in 2024 compared to net gain on foreign currency transactions of Won 5 billion in 2023 primarily due fluctuations of the Won against the U.S. dollar in 2023 and 2024.

Our net finance costs increased by 11.2% to Won 696 billion in 2024 from Won 626 billion in 2023, primarily due to increases in net loss on foreign currency translations and net interest expenses, which were offset in significant part by an increase in net gain on valuation of derivative instruments. Our net loss on foreign currency translations increased by 418.3% to Won 585 billion in 2024 from Won 113 billion in 2023 primarily due to the much larger depreciation of the Won against the U.S. dollar in 2024 compared to 2023. In terms of the Market Average Exchange Rate, the Won depreciated against the U.S. dollar from Won 1,267.3 to US$1.00 as of December 31, 2022 to Won 1,289.4 to US$1.00 as of December 31, 2023 and further depreciated to Won 1,470.0 to US$1.00 as of December 31, 2024. Our net gain on valuation of derivative instruments, which we enter into primarily to hedge foreign currency risks on our foreign debt, a majority of which is denominated in U.S. dollars, increased by 421.0% to Won 563 billion in 2024 from Won 108 billion in 2023, also due to such fluctuations in exchange rates. Net interest expenses increased by 14.9% to Won 730 billion in 2024 from Won 636 billion in 2023 primarily due to increases in the average balance of our interest-bearing debt.

As a result of the above factors, our profit before income tax increased by 305.4% to Won 749 billion in 2024 from Won 185 billion in 2023.

Our income tax expense increased by 181.2% to Won 176 billion in 2024 from Won 63 billion in 2023 primarily due to the increase in profit before income tax in 2024 compared to 2023. The effective tax rate decreased to 23.49% in 2024 from 33.85% in 2023, primarily due to adjustments relating to effects of change in tax rate on deferred tax. See note 33 to our audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023, included elsewhere in the Offering Circular.

As a result of the above factors, our profit for the year increased by 368.9% to Won 573 billion in 2024 from Won 122 billion in 2023.

2023 Compared to 2022

Our sales, substantially all of which are derived from the sales of electric power to KEPCO, increased by 3.5% to Won 10,978 billion in 2023 from Won 10,608 billion in 2022, mainly due to a 2.5% increase in the volume of electricity sold to 176,568 GWh in 2023 from 172,345 GWh in 2022 and a 2.3% increase in the average unit price of electricity sold to Won 59.91 per kWh in 2023 from Won 58.57 per kWh in 2022. The increase in the volume of electricity sold was mainly due to the commencement of operations of our Shin-Hanul unit #1 at the end of 2022. The increase in the average unit price of electricity sold was mainly due to an increase in the adjusted coefficient applicable to nuclear energy.

Cost of sales increased by 1.6% to Won 9,879 billion in 2023 from Won 9,721 billion in 2022, primarily due to increases in depreciation of property, plant and equipment and the recognition of other provisions in 2023 compared to reversal of other provisions in 2022, which were partially offset by decreases in repairs and provisions for decommissioning costs. Depreciation of property, plant and equipment increased by 11.7% to Won 2,966 billion in 2023 from Won 2,654 billion in 2022 primarily due to an increase in depreciation relating to the asset retirement costs of our nuclear plants. We recognized other provisions of Won 108 billion in 2023 primarily relating to an increase in estimations of decommissioning liabilities following the commencement of operations of Shin-Hanul unit #1 at the end of 2022 compared to a reversal of other provisions of Won 37 billion in 2022 primarily due to reversals relating to our RPS compliance. Repairs decreased by 10.4% to Won 1,299 billion in 2023 from Won 1,450 billion in 2022 primarily due to decreases in costs of repairs, including unit prices of electricity and LNG used during the repair process. Provisions for decommissioning costs decreased by 36.2% to Won 244 billion in 2023 from Won 383 billion in 2022 primarily due to reversals of provisions relating to nuclear plants and radioactive wastes in 2023 following recalculations of decommissioning costs and present value, compared to no such reversals in 2022.

As a result of the above factors, our gross profit increased by 24.0% to Won 1,100 billion in 2023 from Won 887 billion in 2022. Our gross profit margin, which equals gross profit divided by sales, increased to 10.0% in 2023 from 8.4% in 2022.

Our selling and administrative expenses increased by 27.1% to Won 307 billion in 2023 from Won 241 billion in 2022, primarily attributable to increases in other selling and administrative expenses. Other selling and administrative expenses increased by 458.4% to Won 85 billion in 2023 from Won 15 billion in 2022 primarily due to an increase in expenses relating to our internship programs reflecting our efforts to support the Government’s initiatives to increase job creation.

As a result of the above factors, our operating profit increased by 22.9% to Won 793 billion in 2023 from Won 645 billion in 2022 and our operating profit margin, which equals operating profit divided by sales, increased to 7.2% in 2023 from 6.1% in 2022.

We recorded net other income of Won 42 billion in 2023 compared to net other expenses of Won 45 billion in 2022, primarily due to increases in other miscellaneous income and a decrease in other miscellaneous expenses. Other miscellaneous income increased by 718.6% to Won 65 billion in 2023 from Won 8 billion in 2022 primarily due to compensations received from an arbitration relating to tax adjustments in 2023, compared to no such compensations received in 2022. Other miscellaneous expenses decreased by 65.2% to Won 17 billion in 2023 from Won 48 billion in 2022 primarily due to payments of fines relating to administration of operations in 2022, which were lessened in 2023.

We recorded net other losses of Won 22 billion in 2023 compared to net other gains of Won 120 billion in 2022, primarily attributable to a recognition of reversal of impairment loss on property, plant and equipment in 2022 compared to no such reversals in 2023. We recognized reversal of impairment loss on property, plant and equipment of Won 135 billion in 2022 primarily due to reversals relating to the resumption of construction of Shin-Hanul units #3 and 4.

Our net finance costs decreased by 7.2% to Won 626 billion in 2023 from Won 675 billion in 2022, primarily due to a decrease in net loss on foreign currency transactions and an increase in net gain on valuation of derivative instruments, which were significantly offset by an in increase in net interest expenses and a decrease in net gain on transactions of derivative instruments. Net loss on foreign currency transactions decreased by 96.0% to Won 8 billion in 2023 from Won 193 billion in 2022 primarily due to fluctuations of the Won against the U.S. dollar in 2022 and 2023. Net gain on valuation of derivative instruments, which we entered into primarily to hedge foreign currency risks on our foreign currency debt, a majority of which is denominated in U.S. dollars, increased by 81.6% to Won 108 billion in 2023 from Won 60 billion in 2022, also due to such fluctuations in exchange rates. In terms of the Market Average Exchange Rate, the Won depreciated from Won 1,185.5 to US$1.00 as of December 31, 2021 to Won 1,267.3 to US$1.00 as of December 31, 2022 and further depreciated to Won 1,289.4 to US$1.00 as of December 31, 2023. In terms of average rate, the Market Average Exchange Rate, which was Won 1,144.4 to US$1.00 as of December 31, 2021, depreciated during 2022 to an average of Won 1,292.0 to US$1.00 in 2022 and further depreciated during 2023 to an average of Won 1,305.4 to US$1.00 in 2023. Net interest expenses increased by 20.1% to Won 636 billion in 2023 from Won 530 billion in 2022 primarily due to increases in the average balance of our borrowings as well as interest rates on them. Net gain on transactions of derivative instruments decreased by 88.9% to Won 11 billion in 2023 from Won 102 billion in 2022 primarily due to the fluctuations of the Won against the U.S. dollar as described above.

As a result of the above factors, our profit before income tax increased by 287.9% to Won 185 billion in 2023 from Won 48 billion in 2022.

Our income tax expense decreased by 43.0% to Won 63 billion in 2023 from Won 110 billion in 2022 notwithstanding the increase in profit before income tax primarily due to effects of change in tax rate on deferred tax of Won 81 billion in 2022 compared to Won 9 billion in 2023. The effective tax rate decreased to 33.85% in 2023 from 230.76% in 2022, primarily due to adjustments recognized in 2022 for effects of change in tax rate on deferred tax in connection with the Tax Revision Bill that was passed in 2022. See note 33 to our audited consolidated financial statements as of and for the years ended December 31, 2023 and 2022, included elsewhere in the Offering Circular.

As a result of the above factors, we recognized profit of Won 122 billion in 2023 compared to loss of Won 62 billion in 2022.

Cash Flows

Cash Flows from Operating Activities

Net cash flows provided by operating activities increased from Won 947 billion in the first three months of 2024 to Won 2,063 billion in the first three months of 2025, primarily due to the recognition of net income in the first three months of 2025 compared to net loss in the first three months of 2024, which was offset in part by the recognition of an increase in our current trade receivables in the first three months of 2025 compared to a decrease in the first three months of 2024.

Net cash flows provided by operating activities increased from Won 1,915 billion in 2023 to Won 3,122 billion in 2024, primarily due to a decrease in our current trade receivables in 2024 compared to an increase in 2023, as well as the increase in net income.

Net cash flows provided by operating activities decreased from Won 2,612 billion in 2022 to Won 1,915 billion in 2023, primarily due to an increase in our current trade receivable in 2023 compared to a decrease in 2022.

Cash Flows from Investing Activities

Net cash flows used in investing activities increased from Won 1,056 billion in the first three months of 2024 to Won 2,092 billion in the first three months of 2025, primarily due to an increase in net cash used for acquisition of short-term financial assets as well as an increase in cash used in acquisition of construction-in-progress.

Net cash flows used in investing activities decreased from Won 3,048 billion in 2023 to Won 3,001 billion in 2024, primarily due to a decrease in cash used in acquisition of construction-in-progress.

Net cash flows used in investing activities increased from Won 2,071 billion in 2022 to Won 3,048 billion in 2023, primarily due to an increase in cash used in acquisition of construction-in-progress relating to the construction of Shin-Hanul unit #2.

Cash Flows from Financing Activities

We recognized net cash flows provided by financing activities of Won 285 billion in the first three months of 2025 compared to net cash flows used in financing activities of Won 318 billion in the first three months of 2024, primarily due to payment of dividends of Won 780 billion in the first three months of 2024 compared to no such payment in the first three months of 2025.

We recognized net cash flows used in financing activities of Won 824 billion in 2024 compared to net cash flows provided by financing activities of Won 1,138 billion in 2023, primarily due to payment of dividends of Won 1,560 billion in 2024 compared to no such payment in 2023.

Net cash flows provided by financing activities increased from Won 50 billion in 2022 to Won 1,138 billion in 2023, primarily due to the recognition of cash provided by increases of short-term borrowings of Won 253 billion in 2023 compared to cash used in decreases of short-term borrowings of Won 904 billion in 2022.

Capital Requirements

Capital Expenditures

Our most significant cash requirement has been funding capital expenditures related to the construction of power generation facilities. Our capital expenditures, which represent the amount of cash used in the acquisitions of land, buildings, structures, machinery, vehicles, fixtures and furniture and tools and intangible assets and acquisition of construction-in-progress in our consolidated statements of cash flows, were Won 1,860 billion, Won 2,842 billion, Won 2,489 billion, Won 747 billion and Won 986 billion in 2022, 2023, 2024, the first three months of 2024 and the first three months of 2025, respectively, and we have budgeted Won 2,252 billion, Won 2,637 billion and Won 2,545 billion for capital expenditures (including capitalized interest) for 2025, 2026 and 2027, respectively. The budgeted amounts may vary from the actual amounts of our capital expenditures for a variety of reasons, including changes in the number of units to be constructed and the timing of such construction, changes in rates of exchange between the Won and foreign currencies, changes in interest rates and other factors.

We expect our current capital requirements in the medium to long-term future to remain the same or gradually increase in accordance with our capital investment program], which reflects the Government's plan to gradually expand the proportion of nuclear energy generated to a minimum of 32.4% by 2030 and 34.6% by 2036 under the "New Government's Energy Policy Direction" announced in July 2022. These figures are subject to change pending the current administration's directives. See "*Business – Capital Investment Program.*"

The current capital investment program contemplates the construction of two additional nuclear power generation units consisting of two units at the Saeul site, each with a 1,400 megawatt capacity. We expect to complete these units by 2026. In addition, as adopted in the Tenth Basic Plan, the preparatory work for resuming the construction of Shin-Hanul units #3 and 4 is expected to be completed by 2032 and 2033, respectively. In accordance with the Eleventh Basic Plan, we are also planning to construct two nuclear power generation units by 2038 and one small modular reactor by 2036. The construction of new nuclear power generation units requires significant investment over extended periods of time before such units can commence operation. We anticipate that capital expenditures for construction of nuclear power generation facilities will be the most significant use of our funds over the next several years. Furthermore, our capital expenditure plans will be affected by changes in Government policies relating to the extension of operations of nuclear power plants whose operation license periods are scheduled to expire in the near future.

Spent Fuel Disposal Expenses and Interest Expenses

In addition to the capital expenditures relating to the construction of additional nuclear power generation facilities, we also incur fees payable to a separate waste management corporation for disposal of low and intermediate level radioactive waste and spent fuel. Such costs reflect, to a large extent, past and future disposal costs related to spent fuel and waste. Pursuant to the Radioactive Waste Management Act enacted in 2009, payment in cash for existing disposal cost for spent fuel has been deferred for five years since 2009 and became payable at the end of 2014. Disposal fees for existing spent fuel, whose accrued amount as of December 31, 2024 was Won 1,350 billion, are being paid out with interest over a 15-year period from the end of 2014 until 2028. We also accrued interest on the deferred amounts beginning in 2009.

See also *"Business – Nuclear Safety – Decommissioning" and "– Critical Accounting Policies – Retirement of Tangible Assets."*

Repayment of Debt and Other Cash Requirements

Our current portion of long-term debt (including borrowings and bonds), net of discount, amounted in the aggregate to Won 1,441 billion, Won 928 billion, Won 1,145 billion and Won 1,143 billion as of December 31, 2022, 2023 and 2024 and as of March 31, 2025, respectively. Our short-term borrowings amounted to nil, Won 252 billion, nil and nil as of December 31, 2022, 2023 and 2024 and as of March 31, 2025, respectively. Our non-current portion of long-term debt (including borrowings and bonds), net of discount and premium, amounted in the aggregate to Won 11,054 billion, Won 12,467 billion, Won 13,767 billion and Won 14,032 billion as of December 31, 2022, 2023 and 2024 and as of March 31, 2025, respectively. The payments of principal and interest on our borrowings will require a considerable amount of funding. The scheduled maturities of our outstanding debt as of March 31, 2025 were as follows:

Year ended December 31	Local currency borrowings	Foreign currency borrowings	Domestic bonds payable	Foreign bonds payable	Total
			(in billions of Won)		
2025	₩ 0	₩ —	₩ 670	₩ 440	₩ 1,110
2026	—	—	430	733	1,163
2027	—	—	600	1,633	2,233
2028	—	—	620	1,264	1,884
2029	—	—	600	733	1,333
Thereafter	4	—	6,620	639	7,263
Total	₩ 4	₩ —	₩ 9,540	₩ 5,442	₩ 14,986

For a description of our contingencies and commitments, see note 40 to our unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024 and note 40 to our audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 included elsewhere in the Offering Circular.

Liquidity and Capital Resources

We have met our working capital and other capital requirements primarily from, and we intend to continue to rely on, net cash flows provided by operating activities and financing activities. We had net working capital (current assets minus current liabilities) of Won 4,658 billion, Won 3,847 billion, Won 6,043 billion and Won 6,615 billion as of December 31, 2022, 2023 and 2024 and as of March 31, 2025, respectively.

In the first three months of 2025, the balance of our cash and cash equivalents increased by Won 256 billion as we had net cash flows provided by operating activities of Won 2,063 billion and net cash flows provided by financing activities of Won 285 billion, while we had net cash flows used in investing activities of Won 2,092 billion.

During 2024, the balance of our cash and cash equivalents decreased by Won 702 billion as we had net cash flows provided by operating activities of Won 3,122 billion, while we had net cash flows used in investing activities of Won 3,001 billion and net cash flows used in financing activities of Won 824 billion.

During 2023, the balance of our cash and cash equivalents decreased by Won 3 billion as we had net cash flows used in investing activities of Won 3,048 billion, while we had net cash flows provided by operating activities of Won 1,915 billion and net cash flows provided by financing activities of Won 1,138 billion.

During 2022, the balance of our cash and cash equivalents increased by Won 591 billion as we had net cash flows provided by operating activities of Won 2,612 billion and net cash flows provided by financing activities of Won 50 billion, while we had net cash flows used in investing activities of Won 2,071 billion.

In order to meet future working capital and other capital requirements, including our capital expenditures and servicing of our future debt, we intend to rely upon net cash flows provided by operating activities and debt financings.

Our ability to incur long-term debt in the future is subject to a variety of uncertainties including, among others, the amount of capital that other Korean entities may seek to raise in the markets. Economic, political and other conditions in Korea and globally may also affect investor demand for our debt securities. In addition, our ability to incur debt will also be affected by the Government's policies relating to borrowings, the liquidity of the Korean and global capital markets and our operating results and financial condition. We expect that a portion of our long-term debt will need to be raised through foreign currency borrowings outside of Korea.

As of March 31, 2025, our cash and cash equivalents were Won 505 billion, our total and unused committed bank credit lines amounted to Won 400 billion provided by local Korean banks and our total unused uncommitted trade finance credit facility amounted to US$960 million provided by major foreign and local Korean banks.

Market Risks

Our primary market risk exposures are to fluctuations in exchange rates, interest rates and fuel prices.

We are exposed to foreign exchange risk related to our purchases of fuels since substantially all of our fuel materials directly or indirectly come from sources outside Korea. Prices for such fuel materials are quoted based on prices stated in, and in many cases are paid for in, currencies other than Won. Raw materials used, including nuclear fuel costs, represented 10.6%, 9.3%, 7.5% and 5.7% of our sales in 2022, 2023 and 2024 and the first three months of 2025. We are currently not exposed to any material foreign exchange risk related to foreign currency denominated liabilities, as the majority of our long-term borrowings and bonds are currently denominated in Won and our foreign currency denominated bonds are fully hedged. We expect that our reliance on access to the foreign capital markets will increase and that, as a result, we will have to continue to take measures to mitigate a significant portion of our exposure to exchange rate fluctuations through currency forward contracts, including any U.S. dollar-denominated notes that we may issue from time to time under this Program.

We are exposed to interest rate risk. Upward fluctuations in interest rates increase the cost of additional debt and the interest cost of outstanding variable rate borrowings. 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. As of March 31, 2025, Won 49 billion of our long-term debt (including borrowings and bonds) were floating rate debts.

See note 37 of our unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024.

THE KOREAN ELECTRICITY INDUSTRY

Background

Total demand for electricity in Korea increased by 2.7% in 2022, decreased by 0.4% in 2023 and increased by 0.7% in 2024, in each case, year on year, according to KEPCO. The consumption of electric power is expected to increase by 2.0% per year from 2024 to 2038, according to the Eleventh Basic Plan.

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

The Korean electric utility industry traces its origin to the establishment of the first electric utility company in Korea in 1898. On July 1, 1961, the industry was reorganized by the merger of Korea Electric Power Company, Seoul Electric Company and South Korea Electric Company, which resulted in the formation of Korea Electric Company. From 1976 to 1981, the Government acquired the private minority shareholdings in Korea Electric Company. After the Government had acquired all of the outstanding shares of Korea Electric Company, Korea Electric Company dissolved, and KEPCO was incorporated in 1981, assuming the assets and liabilities of Korea Electric Company. KEPCO ceased to be wholly owned by the Government in 1989 when the Government sold 21.0% of its common stock. As of March 31, 2025, the Government owned 51.1% (including indirect holdings by Korea Development Bank, which is wholly owned by the Government) of the outstanding shares of KEPCO's common stock.

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

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

Restructuring of the Electricity Industry in Korea

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

- introduce competition and thereby increase efficiency in the Korean electricity industry,
- ensure a long-term, inexpensive and stable electricity supply, and
- promote consumer convenience through the expansion of consumer choice.

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

Phase I

During Phase I, which was the preparation stage for Phase II and lasted from January 1, 1999 to April 2, 2001, KEPCO continued to be the principal electricity generator, with several independent power producers ("**IPPs**") supplying electricity to it under existing power purchase agreements. On February 23, 2001, KEPCO's board of directors approved a plan to split its non-nuclear and non-hydroelectric generation capacity into five separate wholly owned generation subsidiaries, namely, Korea East-West Power Co., Ltd. ("**EWP**"), Korea Midland Power Co., Ltd. ("**KOMIPO**"), Korea South-East Power Co., Ltd. ("**KOSEP**"), Korea Southern Power Co., Ltd. ("**KOSPO**") and Korea Western Power Co., Ltd. ("**KOWEPO**"), 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 (namely, us). 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 Community Energy System ("**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 us 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 Electricity Regulatory Commission ("**KOREC**") on April 27, 2001 to regulate the restructured Korean electricity industry and to ensure fair competition. As part of this process, the KPX established the Electricity Market Rules relating to the operation of the bidding pool system. To amend the Electricity Market Rules, the KPX must have the proposed amendment reviewed by the KOREC and then obtain the approval of the MOTIE.

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

Privatization of Non-nuclear Generation Subsidiaries

In April 2002, the MOTIE released the basic privatization plan for the five non-nuclear Generation Subsidiaries. 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 hydro power generation business units to us. Furthermore, in January 2011, the six Generation Subsidiaries were officially designated as "market-oriented public enterprises," whereupon the president of each such subsidiary is required to enter into a management contract directly with the minister of the MOTIE, performance evaluation of such subsidiaries is conducted by the Public Enterprise Management Evaluation Commission, and the president and the statutory auditor of each such subsidiary are appointed by the President of Korea while the selection of outside directors is subject to approval by the minister of the MOEF. Previously, the president of each such subsidiary entered into a management contract with KEPCO's president, performance evaluation of such subsidiaries was conducted by KEPCO's evaluation committee, and the president and the statutory auditor of each such subsidiary were appointed by, and the selection of outside directors was subject to approval by, KEPCO's president.

Power Purchase

Cost-based Pool System

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

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

Marginal Price

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

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

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

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

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

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

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

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

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

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

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, 2025, the average capacity price of our generation units was Won 10.6/kWh.

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

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

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

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

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

Vesting Contract System

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

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

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

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

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

Renewable Portfolio Standard

In order to expand the utilization of renewable energy resources for generating electrical energy, to reduce greenhouse gas emission and to protect the environment, the Government adopted the RPS in December 2010, under which 25% of all electricity generated by the power generation companies in Korea will be required to be sourced from renewable energy by 2030. Generation companies receive Renewable Energy Certificates ("**RECs**"), based on a weighted scheme, for energy generated from an eligible renewable energy source, which can be used to satisfy their own RPS requirements or traded on the KPX to other generation companies to satisfy their RPS requirements. Penalties are levied on any generation company with generation capacities of 500 MW or more that fails to do so in the prescribed timeline.

Third Basic National Energy Plan

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

However, the Third Basic National Energy Plan has been modified, in part, in accordance with the "New Government's Energy Policy Direction" announced in July 2022. According to the "New Government's Energy Policy Direction," the Government plans to expand the proportion of nuclear energy to a minimum of 30% by 2030 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," 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 whose operation licenses are scheduled to expire (periodic safety reviews are to be conducted every ten years at the will of the operator and approval from the Nuclear Safety and Security Commission must be obtained for the continuance of operations) 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, 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 a result of a corporate split from KEPCO, pursuant to which KEPCO transferred all of its nuclear and hydroelectric power generation assets and related liabilities to us in accordance with the Act on the Promotion of Restructuring the Electric Power Industry and the Restructuring Plan for the electricity industry in Korea announced by MOTIE. See "*The Korean Electricity Industry – Restructuring of the Electricity Industry in Korea.*" Pursuant to Article 2 of our Articles of Association, we engage in nuclear and hydroelectric power generation and sell all of our generated electricity to KEPCO through the KPX in accordance with Article 31 of the Electricity Business Act of Korea. We are wholly owned by KEPCO and are the only nuclear power generation company in Korea.

Our vision is to become a carbon-free clean energy leader in the global energy industry. Our key strategic priorities are in the following four areas: substantialize our core businesses, diversify our growing businesses, achieve social value and promote continuous innovation. We maintain a "safety first, corruption free" principle for all our operating systems and comprehensively improve our business through technological innovation. We plan to continue to focus on winning mandates for EPC projects as well as explore opportunities to expand into the "build, operate and own" business. We also strive to explore new business areas, such as decommissioning and renewable energy optimization, with a view of exporting such services in the future.

As of March 31, 2025, we owned and operated 26 nuclear power generation units with aggregate installed capacities of 26,050 MW, 53 hydroelectric power generation units (which includes pumped-storage hydro power generation units) with aggregate installed capacities of 5,307 MW, 67 solar generation units with aggregate installed capacities of 84.7 MW and one wind power generation unit with installed capacity of 0.75 MW. All of our nuclear power plants supply base load power, and hydroelectric power plants supply electricity during peak hours.

Nuclear power is one of the largest electricity supply sources in Korea. As of March 31, 2025, we owned approximately 20.4% of the total electricity generation capacity in Korea (excluding plants generating electricity primarily for private or emergency use). In 2024 and for the three months ended March 31, 2025, we sold 185,422 GW hours and 50,874 GW hours of electricity, respectively, to KEPCO. Nuclear power, all of which is generated by us, accounted for 32.6% and 35.6% of total electricity sold in Korea in 2024 and for the three months ended March 31, 2025, respectively, in terms of sales volume. In 2024 and for the three months ended March 31, 2025, nuclear power accounted for 96.6% and 97.1%, respectively, of the electricity generated by us.

In 2022, 2023, 2024 and for the three months ended March 31, 2025, our sales were Won 10,608 billion, Won 10,978 billion, Won 13,602 billion and Won 4,308 billion, respectively. We recorded loss for the year of Won 62 billion in 2022, profit for the year of Won 122 billion in 2023, profit for the year of Won 573 billion in 2024 and profit for the period of Won 823 billion for the three months ended March 31, 2025. As of March 31, 2025, our total assets amounted to Won 75,041 billion.

We are a corporation of unlimited duration incorporated with limited liability under the laws of Korea. Our registered office is located at 1655 Bulguk-ro, Munmudaewang-myeon, Gyeongju-si, Gyeongsangbuk-do 38120, Republic of Korea. Our corporate registration number in the commercial registry office in Korea is 120-86-18943.

Power Generation

KEPCO commenced nuclear power generation activities in 1978 when its first nuclear power generation unit, Kori unit #1, began commercial operations. On April 2, 2001, KEPCO transferred all of its nuclear and hydroelectric power generation assets and related liabilities to us.

As of March 31, 2025, we owned and operated (i) 26 nuclear power generation units at five power plant complexes in Korea, located in Kori, Saeul, Wolsong, Hanbit and Hanul, (ii) 53 hydroelectric power generation units (which include 16 pumped-storage hydro power generation units), (iii) 67 solar power generation units and (iv) one wind power generation unit.

The table below sets forth, as of the dates and the periods indicated, the number of units, installed capacity and the average capacity factor for the four types of generation facilities.

	Number of Units as of March 31, 2025	Installed Capacity as of March 31, 2025(1)	Average Capacity Factor in 2024(2)
		(MWs)	(%)
Nuclear	25	24,650	83.8
Hydro	53	5,307	13.1
Solar/Wind	56	72	13.9(3)
Total	134	30,030	

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 kWh of electricity generated in the respective period divided by the total number of kWh that would have been generated assuming continuous operation of generation units at installed capacity expressed as a percentage.

(3) Represents average capacity factor for solar generation facilities. Average capacity factor for wind generation facilities was null.

Nuclear power generation continues to play an important component in Korea's power generation mix. While nuclear units are more expensive to construct than other units of comparable capacity, nuclear fuel is less expensive than fossil fuels in terms of marginal costs for producing comparable amounts of energy. However, efficient operation of nuclear units requires that such plants be run continuously at relatively constant energy output levels. As electricity cannot be stored in significant amounts, generation must be varied continuously to match demand. 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." Nuclear power generation units operate at base load because design and safety considerations limit the extent to which the plant can vary output. For production at times when demand exceeds the level of continuous demand, reliance is made on units fired by fossil fuel and hydroelectric units, which can be started and shut down more efficiently than nuclear units. Hydroelectric units, along with thermal units fired by LNG and gas turbine internal combustion units, are one of the most efficient types of units for rapid startup and shutdown, and therefore have been used principally to meet short-term surges in demand.

Nuclear

The table below sets forth certain information with respect to the nuclear power generation units we owned as of December 31, 2024.

	Reactor Type[1]	Reactor Design[2]	Turbine and Generation[3]	Commencement of Operations	Capacity Installed	Average Capacity Factor
					(MWs)	(%)
Kori-2	PWR	W	GEC	1983	650	—[4]
Kori-3	PWR	W	GEC, Hitachi	1985	950	100.9
Kori 4	PWR	W	GEC, Hitachi	1986	950	84.9
Shin-Kori-1	OPR1000	D, KEPCO E&C, W	D, GE	2011	1,000	87.8
Shin-Kori-2	OPR1000	D, KEPCO E&C, W	D, GE	2012	1,000	90.0
Saeul-1	APR1400	D, KEPCO E&C, W	D, GE	2016	1,400	96.7
Saeul-2	APR1400	D, KEPCO E&C, W	D, GE	2018	1,400	86.3
Wolsong-2	PHWR	AECL, H, K	H, GE	1997	700	83.0
Wolsong-3	PHWR	AECL, H	H, GE	1998	700	41.8
Wolsong-4	PHWR	AECL, H	H, GE	1999	700	59.1
Shin-Wolsong-1	OPR1000	D, KEPCO E&C, W	D, GE	2012	1,000	81.6
Shin-Wolsong-2	OPR1000	D, KEPCO E&C, W	D, GE	2015	1,000	76.7
Hanbit-1	PWR	W	W, D	1986	950	51.4
Hanbit-2	PWR	W	W, D	1987	950	97.6
Hanbit-3	PWR	H, CE, K	H, GE	1995	1,000	88.0
Hanbit-4	PWR	H, CE, K	H, GE	1996	1,000	86.5
Hanbit-5	PWR	D, W, KEPCO E&C	D, GE	2002	1,000	101.6
Hanbit-6	PWR	D, W, KEPCO E&C	D, GE	2002	1,000	78.8
Hanul-1	PWR	F	A	1988	950	96.0
Hanul-2	PWR	F	A	1989	950	86.9
Hanul-3	OPR1000	H, CE, K	H, GE	1998	1,000	77.7
Hanul-4	OPR1000	H, CE, K	H, GE	1999	1,000	79.4
Hanul-5	OPR1000	D, KEPCO E&C, W	D, GE	2004	1,000	72.9
Hanul-6	OPR1000	D, KEPCO E&C, W	D, GE	2005	1,000	94.9
Shin-Hanul-1	APR1400	D, KEPCO E&C, W	D, GE	2022	1,400	68.4
Shin-Hanul-2	APR1400	D, KEPCO E&C, W	D, GE	2024	1,400	102.1
Total installed capacity					26,050	83.8

Notes:

(1) "PWR" means pressurized light water reactor; "PHWR" means pressurized heavy water reactor, "OPR1000" means two-loop 1000 MWe Generation II nuclear reactor, "APR1400" means 1400 MW advanced pressurized water nuclear reactor.

(2) "W" means Westinghouse Electric Company (U.S.A.); "AECL" means Atomic Energy Canada Limited (Canada); "F" means Framatome (France); "H" means Hanjung; "CE" means Combustion Engineering (U.S.A.); "D" means Doosan Heavy Industries; "K" means Korea Atomic Energy Research Institute; "KEPCO E&C" means KEPCO Engineering & Construction.

(3) "GEC" means General Electric Company (U.K.); "P" means Parsons (Canada and U.K.); "W" means Westinghouse Electric Company (U.S.A.); "A" means Alstom (France); "H" means Hanjung; "GE" means General Electric (U.S.A.); "D" means Doosan Heavy Industries; "Hitachi" means Hitachi Ltd. (Japan).

(4) We have submitted a report to the Nuclear Safety and Security Commission for safety evaluations for continued operations of our Kori unit #2, whose operation has been shut down since the expiration of its operation license in April 2023.

In December 2019, our Wolsong unit #1 was permanently shut down and we abandoned plans to construct four new nuclear power generation units in accordance with the Eighth and Ninth Basic Plans. However, we are currently building two additional nuclear power generation units, consisting of two units at the Saeul site, each with a 1,400 megawatt capacity. We expect to complete construction of these units by 2026. In accordance with the Tenth Basic Plan, we are also resuming construction of the two nuclear power units, Shin-Hanul units #3 and 4, which were previously suspended. We expect to complete construction of these units by 2033. In addition, in accordance with the Eleventh Basic Plan, we are planning to construct two nuclear power generation units by 2038 and one small modular reactor by 2036.

The structure of a nuclear power plant in many aspects resembles that of a conventional thermal power station, since in both cases the heat produced in the boiler (or reactor) is transported by some coolant and used to generate steam. The steam then goes to the blades of a turbine and by rotating them, causes a connected generator to produce electric energy. The steam goes to the condenser, where it condenses, i.e., becomes liquid again. The cooled-down water afterwards returns to the boiler or reactor, or in the case of PWRs to the steam generator.

The key difference between a conventional thermal power station and a nuclear power plant is the method of heat production. In a fossil plant, oil, gas or coal is fired in the boiler, as a result of which the chemical energy of the fuel is converted into heat. In a nuclear power plant, energy that comes from fission reactions is utilized.

Several nuclear power plant types are used for energy generation in the world. The different types are usually classified based on the main features of the reactor applied in them.

At our reactors, we apply two of the most widespread power plant reactor types:

- Light water reactors: both the moderator and coolant are operated with light water (H20). The PWR and boiling water reactors belong to this category. These units use enriched uranium and require a complete shutdown of the power generation unit during a nuclear fuel change.

- Heavy water reactors: both the coolant and moderator are operated with heavy water (D20). The PHWR belongs to this category. These units use non-enriched uranium and do not require a shutdown of the power generation unit during a nuclear fuel change.

As of March 31, 2025, extended fuel cycle operations were in effect for all 26 of our nuclear units. Under extended fuel cycle operations, nuclear units can be run continuously for twelve-month to eighteen-month periods between shutdowns for refueling and maintenance.

In 2024, the aggregate days of shutdown for fuel replacement, maintenance and evaluation was 1,525.9 days. Our nuclear units experienced an average of 0.27 unplanned shutdowns per unit in 2024. There were no unplanned shutdowns in the three months ended March 31, 2025.

In the ordinary course of operation, our nuclear units routinely experience damage and wear and tear and are repaired during routine shutdown periods or during unplanned temporary suspensions of operations. No significant damage has occurred in any of our nuclear reactors and no significant nuclear exposure or release incidents have occurred at any of our nuclear facilities since the first nuclear plant commenced operations in 1978.

Hydroelectric

The table below sets forth for the year ended December 31, 2024 certain information regarding each hydroelectric power plant.

Location of Unit	Number of Units	Classification	Year Built	Installed Capacity	Average Capacity Factor
				(Megawatts)	(%)
Hwacheon	4	Dam waterway	1944	108.0	26.5
Chuncheon	2	Dam	1965	62.3	25.1
Euiam	2	Dam	1967	48.0	35.0
Cheongpyung	4	Dam	1943	140.1	25.3
Paldang	4	Dam	1973	120.0	41.0
Chilbo (Seomjingang)	3	Basin deviation	1945	35.4	38.6
Boseonggang	2	Basin deviation	1937	4.5	63.6
Kwoesan	2	Dam	1957	2.8	33.2
Anheung (GangLim)	3	Dam waterway	1978	0.5	32.1
Kangreung	2	Basin deviation	1991	82.0	0.0
Topyeong	1	Dam	2011	0.045	16.1
Muju	1	Dam	2003	0.4	15.4
Sancheong	2	Dam	2001	0.995	46.1
Yangyang	2	Dam	2005	1.4	47.8
Yangyang	1	Dam	2020	0.15	47.8
Yecheon	1	Dam	2011	0.9	21.4
Yecheon (Mini)	1	Dam	2018	0.025	64.7
Cheongpeoung	2	Pumped Storage	1980	400.0	6.8
Samrangjin	2	Pumped Storage	1985	600.0	9.7
Muju	2	Pumped Storage	1995	600.0	10.0
Sancheong	2	Pumped Storage	2001	700.0	12.5
Yangyang	4	Pumped Storage	2006	1,000.0	11.7
Cheongsong	2	Pumped Storage	2006	600.0	11.0
Yecheon	2	Pumped Storage	2011	800.0	14.5
Total	53			5,307.5	13.1

As of March 31, 2025, we operated 53 hydroelectric power-producing units (which includes pumped-storage power generation units) with total generating capacity of approximately 5,307 MW. The Government-owned Korea Water Resources Corporation assumes full control of multipurpose dams, while we maintain the dams used for power generation.

Existing hydroelectric power plants exploit most of the water resources in Korea available for commercially viable hydroelectric power generation. Consequently, we are working to develop pumped-storage hydro power generation units with capacity of 1.8 GW by 2033.

Due to its high cost of generation and relative ease in starting up and shutting down the generation units, hydroelectric power generation is reserved for peak periods.

Fuel

All uranium ore concentrates used by us are imported from, and conversion and enrichment of such concentrates are provided by, sources outside Korea and are paid for with currencies other than Won, primarily U.S. dollars.

In order to ensure stable supply, we enter into long-term and medium-term contracts with various suppliers, and supplement such supplies with purchases of fuels on spot markets. In addition, we have entered into definitive agreements to purchase equity interests in uranium mines, a uranium production company and a uranium enrichment plant. In connection with such investments, we have secured long-term supply of uranium pursuant to those and other related agreements. See "– *Overseas Activities.*"

In 2024 and for the three months ended March 31, 2025, we purchased our uranium concentrates requirements under both long-term and spot supply contracts with suppliers in Australia, Canada, France, Germany, Switzerland, the United Kingdom and Uzbekistan. Under the long-term supply contracts, the purchase prices of uranium concentrates are adjusted annually based on base price and spot market price prevailing at the time of actual delivery. Non-Korean suppliers provide the conversion and enrichment of uranium concentrates and a Korean supplier provide fabrication of fuel assemblies.

Contract prices for processing of uranium are adjusted annually in accordance with the general rate of inflation with exceptions for certain fixed contract prices. We intend to obtain our uranium requirements in the future, in part, through purchases under long-term and medium-term contracts and, in part, through spot market purchases.

Sales and Purchase of Power

Generation Companies' Combined Sales of Electricity

Pursuant to Article 31 of the Electricity Business Act of Korea, we sell all of the electricity we generate to KEPCO through the KPX. KEPCO is currently the only company engaged in the transmission and distribution of electricity in Korea. The results of power trading, as effected through the KPX, for the generation subsidiaries, including us, and IPPs for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 are as follows:

	For the year ended December 31, 2022				
	Volume(1)	Percentage of Total Volume	Sales(2)	Percentage of Total Sales	Unit Price
	(Gigawatt hours)	(%)	(in billions of Won)	(%)	(Won/kWh)
Generation Companies:					
KHNP	172,345	31.3	10,094	11.9	58.57
KOSEP	42,177	7.7	7,153	8.4	169.59
KOMIPO	44,875	8.1	8,509	10.0	189.62
KOWEPO	41,293	7.5	7,941	9.4	192.31
KOSPO	49,592	9.0	9,182	10.8	185.15
EWP	37,468	6.8	6,697	7.9	178.74
Others(3)	163,083	29.6	35,343	41.6	216.72
Total	550,832	100.0	84,919	100.0	154.16
Energy Sources:					
Nuclear	167,346	30.4	8,799	10.4	52.58
Bituminous coal	184,066	33.4	29,078	34.2	157.98
Anthracite coal	1,675	0.3	340	0.4	202.99
Oil	1,319	0.2	404	0.5	306.29
LNG-combined cycle	159,461	28.9	38,255	45.0	239.90
Hydro	2,923	0.5	616	0.7	210.74
Pumped storage	3,702	0.7	1,029	1.2	277.96
Renewables(4)	28,361	5.1	5,771	6.8	203.48
Others	1,981	0.4	629	0.7	317.52
Total	550,832	100.0	84,919	100.0	154.16

Source: KEPCO.

Notes:

(1) Includes volume from CES projects.

(2) Excludes sale of RECs by generation companies and subsidies from the Electric Power Industry Basis Fund.

(3) IPPs that participate in the electric power industry.

(4) Includes solar, wind and other renewable energy sources (general hydro power and small hydro power are included in "Hydro").

	For the year ended December 31, 2023				
	Volume(1)	Percentage of Total Volume	Sales(2)	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(4)	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) Includes volume from CES projects.

(2) Excludes sale of RECs by generation companies and subsidies from the Electric Power Industry Basis Fund.

(3) IPPs that participate in the electric power industry.

(4) Includes solar, wind and other renewable energy sources (general hydro power and small hydro power are included in "Hydro").

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

(2) Excludes sale of RECs by generation companies and subsidies from the Electric Power Industry Basis Fund.

(3) IPPs that participate in the electric power industry.

(4) Includes solar, wind and other renewable energy sources (general hydro power and small hydro power are included in "Hydro").

	For the three months ended March 31, 2024				
	Volume[1]	**Percentage of Total Volume**	**Sales[2]**	**Percentage of Total Sales**	**Unit Price**
	(Gigawatt hours)	**(%)**	**(in billions of Won)**	**(%)**	**(Won/kWh)**
Generation Companies:					
KHNP	44,492	31.7	2,655	15.0	59.67
KOSEP	10,277	7.3	1,304	7.4	126.89
KOMIPO	12,136	8.6	1,778	10.0	146.51
KOWEPO	8,657	6.2	1,330	7.5	153.63
KOSPO	8,444	6.0	1,460	8.2	172.90
EWP	8,674	6.2	1,261	7.1	145.38
Others[3]	47,853	34.1	7,926	44.7	165.63
Total	140,533	100.0	17,715	100.0	126.06
Energy Sources:					
Nuclear	43,031	30.6	2,339	13.2	54.36
Bituminous coal	43,320	30.8	5,617	31.7	129.66
Anthracite coal	461	0.3	67	0.4	145.34
Oil	50	0.0	18	0.1	360.00
LNG-combined cycle	42,820	30.5	7,954	44.9	185.75
Hydro	531	0.4	86	0.5	161.96
Pumped storage	1,188	0.8	275	1.6	231.48
Renewables[4]	8,488	6.0	1,196	6.8	140.90
Others	645	0.5	163	0.9	252.71
Total	140,533	100.0	17,715	100.0	126.06

Source: KEPCO.

Notes:

(1) Includes volume from CES projects.

(2) Excludes sale of RECs by generation companies and subsidies from the Electric Power Industry Basis Fund.

(3) IPPs that participate in the electric power industry.

(4) Includes solar, wind and other renewable energy sources (general hydro power and small hydro power are included in "Hydro").

	For the three months ended March 31, 2025				
	Volume[1]	Percentage of Total Volume	Sales[2]	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[4]	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) Includes volume from CES projects.

(2) Excludes sale of RECs by generation companies and subsidies from the Electric Power Industry Basis Fund.

(3) IPPs that participate in the electric power industry.

(4) Includes solar, wind and other renewable energy sources (general hydro power and small hydro power are included in "Hydro").

Cost-based Pool System

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

Demand Trends in Korea

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

According to KEPCO, total demand for electricity in Korea increased by 2.7% in 2022, decreased by 0.4% in 2023 and increased by 0.7% in 2024, in each case, year on year. The GDP growth rate at chained 2020 year prices was 2.7% in 2022, 1.4% in 2023 and 2.0% in 2024, in each case, year on year based on preliminary data from the Bank of Korea.

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

	For the year ended December 31,				
	2020	**2021**	**2022**	**2023**	**2024**
Growth in GDP (at chained 2015 year prices)	(0.7)%	4.6%	2.7%	1.4%	2.0%
Growth in electricity consumption . .	(2.2)%	4.7%	2.7%	(0.4)%	0.7%

Source: KEPCO; Bank of Korea

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

Demand by Class of Customer

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

	For the year ended December 31,					
	2020	**2021**	**2022**	**2023**	**2024**	**% of Total 2024**
			(gigawatt hours)			**(%)**
Industrial	278,660	291,333	296,036	290,555	286,212	52.1
Public & Service . .	113,639	119,550	127,193	130,844	134,807	24.5
Residential	76,303	79,915	80,996	82,348	86,989	15.8
Agricultural	19,029	20,603	21,420	20,763	21,088	3.8
Others[(1)].	21,639	22,030	22,288	21,456	20,725	3.8
Total	509,270	533,431	547,933	545,966	549,821	100.0

Source: KEPCO

Note:

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

The industrial sector represents the largest segment of electricity consumption in Korea. Demand from the industrial sector has fluctuated historically as a result of changes in the global and Korean economic conditions. Demand decreased by 1.5% in 2024 to 286,212 gigawatt hours in 2024 compared to 2023, mainly due to decreases in exports and industrial demand.

Demand from the public and service sector has generally increased historically except for a decrease in 2020 due primarily to the impact of COVID-19. The continued expansion of the service sector of the Korean economy has resulted in increased office building construction, office automation and use of air conditioners. Growth in the public and service sector is also attributable to the construction industry and the expansion of the leisure and distribution industries. Demand from the public and service sector increased by 3.0% to 134,807 gigawatt hours in 2024 compared to 2023, primarily due to an increase in the number of public and service sector customers and an increase in demand for air-conditioning and other cooling appliances due to higher than usual temperatures during the summer months.

Demand from the residential sector has generally increased historically as well as in recent years as a result of a general increase in rising household income. Demand increased by 5.6% in 2024 to 86,989 gigawatt hours in 2024 compared to 2023, mainly due to an increase in the number of residential customers and an increase in demand for air conditioning due to higher than usual temperatures during the summer months.

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 by 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 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 Government plans, in December 2019, we permanently shut down Wolsong unit #1 and abandoned our plans to construct four new nuclear units (Daejin units #1 and 2 and Cheonji units #1 and 2). However, in accordance with the Tenth Basic Plan, (1) we have commenced preparatory work for resuming the construction of Shin-Hanul units #3 and 4 and (2) we have submitted a report to the Nuclear Safety and Security Commission for safety evaluations for continued operations of our Kori unit #2, whose operation has been shut down since the expiration of its operation license in April 2023, as well as other nuclear units whose operation licenses are scheduled to expire in the future. In addition, in accordance with the Eleventh Basic Plan, we are planning to construct two nuclear power generation units by 2038 and one small modular reactor by 2036.

Capital Investment Program

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

The table below sets forth information as to installed capacity of new or expanded nuclear power generation units to be completed by us in each year from 2025 to 2033 and the currently estimated year of completion.

Expected Year of Completion	Number of Units	Name	Type of Units(1)	Installed Capacity Addition
2026	1	Saeul-3	APR1400	1,400
2026	1	Saeul-4	APR1400	1,400
2032	1	Shin-Hanul-3	APR1400	1,400
2033	1	Shin-Hanul-4	APR1400	1,400

Note:

(1) APR1400 means 1400 MW advanced pressurized water nuclear reactor.

Our capital expenditures, which represent the amount of cash used in the acquisitions of land, buildings, structures, machinery, vehicles, fixtures and furniture, tools and intangible assets and acquisition of construction-in-progress in our consolidated statements of cash flows, were Won 1,860 billion in 2022, Won 2,842 billion in 2023, Won 2,489 billion in 2024 and Won 986 billion for the three months ended March 31 2025, which include amounts used to develop renewable energy sources, such as wind power and solar energy, and we have budgeted Won 2,252 billion, Won 2,637 billion and Won 2,545 billion for capital expenditures (including capitalized interest) for 2025, 2026 and 2027, respectively. The budgeted amounts may vary from the actual amounts of our capital expenditures for a variety of reasons, including changes in the number of units to be constructed and the timing of such construction, changes in rates of exchange between the Won and foreign currencies, changes in interest rates and changes in Government policy.

Under the RPS system adopted in 2012, 25% of all electricity generated by each power generation company in Korea, including us, will be required to be sourced from renewable energy sources by 2030. In order to comply with the RPS system, we are currently constructing solar, wind, biomass and fuel cell units, both independently and through joint ventures with others.

We are also pursuing other renewable generation 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 for 2025, 2026, 2027 and 2028, the budgeted amounts of expenditures pursuant to our capital investment program as reported to the MOTIE. Our capital investment program consists of capital expenditures and other expenditures, including expenditures for nuclear fuel, which are recognized as amortization of nuclear fuel in our consolidated statements of cash flows. The budgeted amounts may vary from the actual amounts of expenditures for a variety of reasons, including changes in the number of units to be constructed and the timing of such construction, changes in rates of exchange between the Won and foreign currencies, changes in interest rates and other factors.

	For the year ended December 31,			
	2025 [1]	2026	2027	2028
	(in billions of Won)			
Construction of new generation facilities	₩ 2,252	₩ 2,637	₩ 2,545	₩ 2,854
Maintenance of existing generation facilities	1,510	1,597	1,653	2,228
Nuclear fuel[2]	1,474	2,074	2,216	1,820
Others[3]	842	763	1,050	644
Total[4]	₩ 6,077	₩ 7,071	₩ 7,464	₩ 7,546

Notes:

(1) Includes amounts expended through March 31, 2025.

(2) Initially categorized as an asset but later reduced for amortization.

(3) Includes our capital expenditures relating to renewable energy facilities and miscellaneous expenditures for investments and maintenance of non-generation and ancillary facilities.

(4) The estimates for our capital expenditures and their allocation to different projects may vary as they are subject to many uncertainties, many of which are beyond our control.

Overseas Activities

We are actively engaged in a number of overseas resource development and EPC projects. Our overseas resource development activities help us establish strategic relationships with companies that supply or enrich nuclear fuel, and our EPC projects help us apply our operational experience abroad to add new revenue streams.

Resource Development Projects

In January 2008 and August 2010, we, as part of a consortium of energy companies, entered into agreements with Fission Energy Corp., a uranium exploration company located in Canada, to carry out a joint uranium exploration project in Waterbury Lake, Saskatchewan, Canada. In April 2013, Denison Mines Corp. ("**Denison**") acquired Fission Energy Corp.'s 60.0% interest in the Waterbury Lake uranium project. We have invested C$15.5 million and currently hold a 29.68% equity interest in the project and explorations are currently in progress.

In June 2009, we and KEPCO entered into a definitive agreement with Denison to purchase 58.0 million shares, or 19.9%, of the share capital of Denison for an aggregate purchase price of C$75.4 million. The Waterbury Lake exploration project is ongoing with Denison as the current operator. In December 2016, as a result of changes in government policy, we purchased KEPCO's equity interest in Denison. As of March 31, 2025, our interest in Denison was 6.50%.

In June 2009, we entered into a definitive agreement with Orano Expansion (formerly known as Areva NC Expansion) and Société d'Enrichissement du Tricastin to purchase a 2.5% equity interest in the Georges Besse II enrichment plant in France for €129 million. Construction of the Georges Besse II project began in 2006 and the plant, which included two enrichment units, commenced commercial operations in April 2011 and reached full capacity in 2017. Under the terms of the agreement, we have a right to request enrichment services in case of emergency and we will also receive a *pro rata* portion of the net income generated by the new plant.

In December 2009, we and KEPCO entered into a definitive agreement with Orano Expansion to purchase 15.0% of the share capital of Orano Expansion and 10% of the share capital of Imouraren SA, which is an Orano Expansion-invested mine operating company. In December 2016, as a result of changes in government policy, we purchased KEPCO's equity interest in Orano Expansion. We currently hold a 4.72% equity interest in Orano Expansion and a 3.15% equity interest in Imouraren SA, which holds a 66.65% equity interest in Orano Expansion. We are entitled to procure up to approximately 3.15% of Imouraren SA's annual uranium production in Niger, which is estimated to be 240 metric tons based on Orano Expansion's annual production plan for 24 years starting from its production.

EPC Projects

In December 2009, KEPCO entered into a contract with Emirates Nuclear Energy Corporation (the "**ENEC**"), a state-owned nuclear energy provider of the United Arab Emirates ("**UAE**"), to design and construct four civil nuclear power generation units to be located in Barakah for the UAE's peaceful nuclear energy program (the "**UAE Nuclear Project**"). Under the contract, KEPCO is to perform various duties including, among others, designing and constructing four nuclear power generation units each with a capacity of 1,400 megawatts, supplying nuclear fuel for three fuel cycles including initial loading, with each cycle currently projected to last for approximately 18 months, and providing technical support, training and education related to plant operation. The contract amount for the UAE Nuclear Project is US$18.6 billion. Among the four nuclear power generation units, all four units have commenced commercial operations.

In March 2010, we entered into a Joint Project Management Agreement with KEPCO, the prime contractor for the UAE Nuclear Project, under which agreement the Joint Project Division was established to provide engineering, procurement and construction services during the construction of the Barakah nuclear power generation units. We and KEPCO own 40% and 60% of the shares of the Joint Project, respectively. Additionally, we undertook to assist the operation of the Barakah nuclear power generation units by setting up and commissioning the units and training the staff at ENEC under a separate operating support services contract entered into in May 2010 with KEPCO. In July 2016, we entered into an operating support services agreement ("**OSSA**") with ENEC (which agreement has been novated to Nawah Energy Company ("**Nawah**"), a subsidiary of ENEC) to render certain operating support services, such as annually providing a supply of operators and engineers, for the Barakah nuclear power generation units until ten years after the last unit's construction is substantially completed. In June 2019, we also entered into a long term maintenance service agreement with Nawah to render certain maintenance services for the four nuclear power generation units until 2025.

In June 2024, we commenced construction of a tritium removal facility for a nuclear power plant in Romania and such construction is scheduled to be completed by 2027.

In May 2024, as part of a consortium with Candu Energy Inc. and Ansaldo Nucleare S.p.A, we entered into a contract with Societatea Nationala Nuclearelectrica S.A. ("**SNN**"), Romania's state-owned nuclear energy company, for providing infrastructure engineering services relating to Cernavodă Nuclear Power Plant Unit 1, the only nuclear power plant in Romania. In December 2024, the consortium entered into a contract with SNN for the refurbishment of Cernavodă Nuclear Power Plant Unit 1.

Environment and Community Programs

The Framework Act on Environmental Policy and other related legislation and regulations (the "**Environment Acts**"), which are principally administered by the Ministry of Environment, regulate atmospheric emissions, waste water and other emissions from our nuclear, hydro and pumped storage units. We know of no material breach or violation of the requirements of the Environment Acts at any of our plants.

The Act for Assistance to Electric Power Plant-Neighboring Areas addresses neighboring community concerns about nuclear power generation units. Pursuant to this Act, we are required to provide financial support for scholarship programs, programs for economic development and promotion of culture and social welfare in communities where we operate our nuclear facilities. We are required to make annual contributions to the affected local communities in (i) an amount equal to Won 0.25 per kWh of electricity generated by our nuclear power generation units and Won 0.2 per kWh of electricity generated by each of our hydroelectric and pumped-storage generation units during the one-year period before the immediately preceding fiscal year, (ii) Won 5 million per MW of hydroelectric generation capacity and (iii) Won 0.5 million per MW of pumped-storage generation capacity. In 2024 and the three months ended March 31, 2025, we made payments of Won 56 billion and Won 11 billion, respectively, for the Power Plant Regional Support Program and, as of such respective date, the balance of provisions amounted to Won 130 billion and Won 179 billion, respectively.

The Act on the Compensation and Support for Areas Adjacent to Transmission and Substation Facilities, enacted in January 2014 with effect from July 2014, prescribes measures to be taken by power generation or transmission companies with respect to the communities adjacent to transmission and substation facilities. Under this Act, those who own land or houses in the vicinity of transmission lines and substation may claim compensation for damages or compel purchase of such properties by the power generation or transmission companies which are legally obligated in principle to pay for such damages or purchase such properties. In addition, under this Act, residents of communities adjacent to transmission and substation facilities are entitled to subsidies on electricity tariff as well as support for a variety of welfare projects and collective business ventures.

From time to time, we enter into separate arrangements, at significant cost, to undertake various infrastructure and other community improvement projects, such as building schools and parks and providing financial support, including subsidies and scholarships, for the benefit of communities that may be affected by the construction, operation or extension of life of our nuclear plants. In connection with extending the operating lives of Kori unit #1 in 2007 and Wolsong unit #1 in 2015, we entered into arrangements to, among other things, build community facilities in the areas surrounding these units and provide loan assistance to qualifying local residents. We entered into similar arrangements with local communities in connection with the construction of the Shin-Kori and Shin-Hanul generation units.

Nuclear Safety

We take nuclear safety as our top priority and continue to focus on ensuring the safe and reliable operation of our nuclear power plants. We also focus on enhancing corporate ethics and transparency in the operation of our plants.

We have a corporate code of ethics and are firmly committed to enhancing nuclear safety, developing new technologies and improving transparency. We have also established the "Statement of Safety Policy for Nuclear Power Plants" to ensure the highest level of nuclear safety. Furthermore, we invest approximately 3 to 5% of our total annual sales into research and development for the enhancement of nuclear safety and operational performance.

However, our safety programs, even if implemented to the best of our abilities, do not necessarily ensure the safety of our nuclear plants in all aspects.

Safety Inspections after Fukushima Dai-ichi Nuclear Disaster

The nuclear disaster at Fukushima Dai-ichi Nuclear Power Plant following the 9.0 magnitude earthquake and tsunami in north eastern Japan in March 2011 have created heightened concerns regarding the safety of nuclear power facilities. Inspections by the relevant regulatory bodies immediately after the disaster found that our power plants were safe against natural disasters foreseeable to occur in Korea. However, they recommended measures to improve our long-term safety and to enhance our readiness against worst case scenarios.

Following these recommendations, in May 2011, the Ministry of Education, Science and Technology identified 46 projects to improve our safety, including installing additional automatic shutdown systems for earthquakes, extending coastal barriers for seismic waves, procuring mobile power generators and storage batteries, installing passive hydrogen removers at nuclear facilities and improving our radiology emergency medical system. As of March 31, 2025, we have completed implementation of 45 measures and the one remaining measure will be implemented by 2028. In addition, we also developed ten additional supplementary safety measures after analyzing our overseas plants and their current operations and have completed implementation of all ten such measures. The progress of these projects is regularly reported to the Government. In 2018, we completed the implementation of improvement works and enhanced the seismic capability of the core facilities of our nuclear power generation units to withstand up to 7.0 magnitude earthquakes (previous to such improvement works, our nuclear power generation units could withstand up to 6.5 magnitude earthquakes). As for the units under construction, the core facilities of Saeul units #3 and 4 will be able to withstand magnitude 7.4 earthquakes and the core facilities of Shin-Hanul units #1 and 2 will be able to withstand magnitude 7.0 earthquakes.

On September 12, 2016, a series of earthquakes including a magnitude 5.8 earthquake hit the city of Gyeongju, where our headquarters and the Wolsong nuclear power plant are located. Although there were no material safety issues, we manually stopped the operations of Wolsong units #1, 2, 3, and 4 according to our safety guidelines. All units resumed their operations on December 5, 2016, with the approval by the NSSC. We continue to implement measures to improve safety by reinforcing seismic capability of our core facilities and performing stress tests across all our nuclear power plants.

Compliance with International Standards

We implement safety measures and controls in the design, fabrication, construction, operation and maintenance of our nuclear power generation units in order to reduce the risk of possible release of radioactive materials. International nuclear plant safety standards are set by the IAEA. Compliance with the standards is generally monitored by the NSSC. We submit a safety assessment report once every quarter to the NSSC and KINS, which is a technical expert organization entrusted by the NSCC to perform regulatory functions such as safety reviews, inspections, and development of regulatory technical standards for the regulation of nuclear power plants and radiation facilities. In addition, the NSSC personnel and the KINS personnel are employed at our operation sites full-time, enabling continuous reporting to the regulatory bodies. In addition, the Nuclear Safety Act and regulations promulgated thereunder ("**Nuclear Safety Acts**") specify safety standards for nuclear power generation units in Korea. Our nuclear units are in compliance in all material respects with the standards of the IAEA and with requirements under Korean law. If we or the NSSC determine safety conditions and measures are inadequate, operation of one or more nuclear units may be suspended temporarily or indefinitely. No material suspension of operation for accidents or other safety reasons (other than periodic or other precautionary inspections) has occurred at any of our nuclear units at any time.

We also maintain a close relationship with international nuclear organizations in order to enhance nuclear safety. In particular, we invite international safety review teams such as the World Association of Nuclear Operators ("**WANO**") Peer Review Team, the IAEA and the Expert Mission Team to our nuclear plants for purposes of meeting international standards for independent review of our facilities. We actively exchange relevant operational information and technical expertise with our peers in other countries. For example, (1) in 2023, we conducted WANO Peer Reviews for Wolsong units #2, 3, 4, Shin-Kori units #1, 2 and Hanbit units #5, 6 and also conducted WANO Pre-Startup Peer Reviews for Shin-Hanul unit #2 and (2) in 2024, we conducted WANO Peer Reviews for Hanul units #1, 2, 3, 4, Hanbit units #1, 2, 3, 4, Shin-Wolsung units #1, 2 and Kori units #2, 3, 4. The recommendations and findings from this event were shared with our other nuclear plants to implement improvements at such plants. In addition, to ensure that our nuclear generation units reflect global safety standards, the Operational Safety Review Team at the International Atomic Energy Agency conducted safety evaluations at Saeul units #1 and 2 in 2022.

Integrated Safety Management and Surveillance Systems

We implement comprehensive programs to monitor, ensure and improve the safety of nuclear power plants. In order to enhance nuclear safety through risk-informed assessment, we conduct probabilistic safety assessments, including for low power-shutdown states, for all our nuclear power plants. In order to systematically verify nuclear safety and identify the potential areas for safety improvements, we perform periodic safety reviews on a 10-year frequency basis for all our operating units. In order to enhance nuclear safety and plant performance, we have established a maintenance effectiveness monitoring program based on the maintenance rules issued by the United States Nuclear Regulatory Commission, which covers all of our nuclear power plants in commercial operation.

We have developed the Risk Monitoring System for operating nuclear power plants, which is implemented in all of our nuclear power plants. The Risk Monitoring System is intended to help ensure nuclear plant safety. In addition, we have developed and implemented the Severe Accident Management Guidelines and are developing the Severe Accident Management Guidelines for Low Power-Shutdown States in order to manage severe accidents for all of our nuclear power plants.

We currently operate R&D programs to minimize radiation using various methods and to maximize safety related to management of radioactive waste and reduction of such waste materials by developing disposal repository for low and intermediate level radioactive waste. The average level of radiation per unit was 0.25 man-SV, 0.30 man-SV, 0.26 man-SV and 0.02 man-SV in 2022, 2023 and 2024 and the three months ended March 31, 2025, respectively, which were all lower than the global average of 0.58 man-SV, 0.67 man-SV, 0.58 man-SV and 0.15 man-SV, respectively. "Man-SV" measures the biological effects of radiation to which a population is collectively exposed. In addition, we have in place a Radiation Emergency Plan in preparation for nuclear accidents and conduct regular preventive exercises and drills.

Nuclear Waste Management

In January 2009, the Radioactive Waste Management Act, which was enacted in March 2008 in order to centralize radioactive waste disposal and management process, came into effect. Under this legislation, KORAD, a government-owned corporation established under the legislation, has assumed full responsibility for the management of nuclear waste from January 1, 2009, including LILW and spent fuel. We transferred to KORAD all of our assets and liabilities relating to existing and in-construction nuclear waste management facilities in 2008 and 2009. KORAD completed construction of a LILW disposal facility in Gyeongju and government approval for its operations was obtained in December 2014. The construction of a second silo was completed in 2019.

The construction cost of the nuclear waste management facility incurred since 2006 has been reimbursed by KORAD to us. Approximately 30,187 drums of LILW have been transported to the disposal silo for storage in 2024. While Government policy for spent fuel storage is still under development, we have been pursuing various projects, such as installing high-density racks in spent fuel pools and building dry storage facilities, to temporarily store spent fuels at our nuclear power plants.

KORAD currently charges Won 15.11 million per drum for the disposal of LILW, Won 13.2 million per fuel assembly for the disposal of spent fuel from pressurized heavy water reactor nuclear power plants, and Won 319 million per fuel assembly for the disposal of spent nuclear fuel from pressurized light water reactor nuclear plants. We are required to make, and have made, payments of the disposal fees incurred after January 1, 2009. With respect to the nuclear waste disposal costs prior to 2009, of which the amount including accrued interests as of March 31, 2025 was Won 1,364 billion, we are required under the Radioactive Waste Management Act to transfer to KORAD the amount accrued for such reserves over a 15-year period beginning in 2014, after a five-year deferral.

Decommissioning

Decommissioning of a nuclear power generation unit is the process whereby the unit is shut down at the end of its economic life, the fuel is removed and the unit is eventually dismantled. We have adopted a decommissioning strategy under which the last stage of decommissioning would commence up to five to ten years after unit closure. The initial phase of the decommissioning of Kori unit #1, which primarily involves safety inspections and the removal of spent nuclear fuel, has begun after its permanent shutdown in June 2017. In December 2019, the NSSC approved the permanent shutdown of Wolsong unit #1 and we are currently preparing for the decommissioning of such unit.

We have accumulated decommissioning costs as a liability since 1983. The decommissioning costs of nuclear facilities are estimated based on the study by the related committee and defined by the Radioactive-Waste Management Act, which requires us to credit annual appropriations separately. The decommissioning costs are reviewed by MOTIE every two years. As of March 31, 2025, we have accrued Won 27,957 billion for the cost of dismantling and decontaminating existing nuclear power plants, which consists of dismantling costs of nuclear plants of Won 23,408 billion and dismantling costs of spent fuel and radioactive waste of Won 4,549 billion. See note 21 of our unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024 included elsewhere in this Offering Circular. As of March 31, 2025, we hold Won 973 billion in bonds and deposits exclusively for the payment of decommissioning costs, which is the estimated cost of decommissioning one nuclear plant, and plan to maintain a similar amount of reserve going forward. For the accounting treatment of decommissioning costs, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies – Retirement of Tangible Assets."*

Research and Development

Our Research and Development ("**R&D**") program is centered on safety, including R&D relating to the operation of nuclear facilities, quality inspection technologies of such facilities, preventive repair and maintenance of equipment, evaluation of operating life and maintenance of nuclear facilities, technical developments for improvement in design safety for the APR+ reactor and digital control devices. In the field of nuclear power, our R&D programs are primarily focused on developing technology for enhancing the safety and economy of nuclear plants, such as the "*Life Time Management for Nuclear Power Plan*" project. In the field of hydroelectric power, our R&D efforts are primarily focused on projects to improve operational reliability and automatic control techniques. In 2022, 2023, 2024 and the three months ended March 31, 2025 we incurred Won 469 billion, Won 450 billion, Won 518 billion and Won 121 billion, respectively, of ordinary development expenses.

We had approximately 632 employees engaged in R&D activities as of March 31, 2025. In addition, we contribute quarterly payments to the Government for the Nuclear Research & Development Fund an amount equal to Won 1.2 per kWh of power produced.

Insurance

Risks of substantial liability arise from the operation of nuclear power generation units and from the use and handling of nuclear fuel and possible radioactive emissions associated with such nuclear fuel. While we carry insurance and are the beneficiary of a Government indemnity with respect to such risks, the amounts and coverage thereof are limited.

As of March 31, 2025, we maintain property damage insurance coverage that covers damage at any of our nuclear plants up to US$1 billion per accident, which includes property insurance coverage for acts of terrorism up to US$300 million and for breakdown of machinery up to US$300 million. In addition, we have construction insurance for Saeul units #3 and 4 and Shin-Hanul units #3 and 4. We also maintain nuclear liability insurance for personal injury and property damage caused to third parties for coverage of up to 300 million Special Drawing Rights ("**SDRs**"), which is equivalent to approximately US$398.5 million (based on the exchange rate published by the International Monetary Fund on July 31, 2024), per accident per plant complex. We are also the beneficiary of a Government indemnity for damage claims of up to 300 million SDRs per accident for each of our six power plant complexes. In addition, we maintain liability insurance related to our hydro and renewable plant facilities and nuclear fuel transportation, as well as directors' and officers' liability insurance. See "*Risk Factors – Risks Relating to Our Business – Our insurance coverage may not be sufficient.*"

Under the Nuclear Liability Act, we are liable only up to 900 million SDRs, which was equivalent to approximately Won 1,761 billion as of March 31, 2025, per single accident per plant complex; provided that such limitation will not apply where we intentionally caused the harm or knowingly failed to prevent the harm from occurring. We may receive the Government's support, subject to the approval of the National Assembly, if (i) the damages exceed the insurance coverage amount and (ii) the Government deems such support to be necessary for the purposes of protecting damaged persons and supporting the development of nuclear energy business. The amount of the Government's support to us for such qualifying nuclear incident is 900 million SDRs, which is the limit of our liability, minus any amount covered by insurance.

Competition

We are the only nuclear power generating operation in Korea. High initial investment costs, national security and safety concerns are an effective barrier for entry for any newcomer in the Korean nuclear industry.

We believe that we do not compete directly with KEPCO's other generation subsidiaries and with independent power generators for the sale of electricity in Korea due to the inherent differences in costs structures between nuclear and non-nuclear generation companies. In general, nuclear generation companies' costs of generating power are lower than that of non-nuclear generation companies. Our overall unit generation costs are generally the lowest among the Generation Subsidiaries, owing to a stable and low cost structure of nuclear power that forms the base load of Korea's electricity supply.

Employees

As of March 31, 2025, we had 12,704 regular employees, and, of the total number of employees, approximately 9.2% were office employees and 80.6% were engineers. As of March 31, 2025, approximately 67.0% of our employees were members of the KHNP Workers Union, which negotiates a collective bargaining agreement, which has a term of two years, for its members.

Since our formation on April 2, 2001, our businesses have not been interrupted by any strikes or work stoppages by employees and our relations with our employees have been good. However, we cannot assure that we will not have any strikes or work stoppages or other labor problems in the future.

Property, Plant and Equipment

Our property consists mainly of power generation equipment and facilities in Korea. See "– *Power Generation*" and "– *Capital Investment Program*" above. As of March 31, 2025, the net book value of our property, plant and equipment was Won 56.7 trillion.

Legal and Regulatory Proceedings

As of March 31, 2025, we are currently involved in various legal proceedings and regulatory matters in connection with our business, including being involved in litigation as a defendant in 78 cases and as a plaintiff in 27 cases. We may from time to time become a party to further legal proceedings or regulatory matters arising in the ordinary course of our business.

We are currently subject to a number of class action lawsuits involving thousands of our current and former employees based on claims for unpaid ordinary wages and retirement benefits. We have set aside a reserve on a consolidated basis in the aggregate amount of Won 341 billion to cover any potential future payments that may result from these and related lawsuits. For a further description, see "*Risk Factors – Risk Relating to Our Business – We may be exposed to potential claims made by current or former employees relating to unpaid wages and benefits and may also incur increased labor costs as a result of the expansion of the scope of applicable wages and benefits.*"

In October 2020, Westinghouse filed a suit against us and KEPCO in the U.S. District Court for the District of Columbia alleging that the APR 1400 reactor, the intellectual property rights of which are owned by us, incorporates intellectual property licensed by Westinghouse and that the export of such reactors to other countries requires permission from Westinghouse and the U.S. Department of Energy.

In October 2023, the U.S. District Court for the District of Columbia dismissed the lawsuit and Westinghouse filed an appeal. In February 2025, both the appeal and International arbitration procedures, which had also been ongoing in connection with such issue, were withdrawn.

In December 2020, the Daejeon District Prosecutor's Office commenced investigations on twelve individuals, including five of our employees for, among others, allegedly undervaluing the economic viability of Wolsong unit #1 which led to its early shutdown and in June 2021, the Daejeon District Prosecutor's Office indicted three individuals, including Jae Hoon Chung, our former president and chief executive officer. The trial is currently ongoing at the Daejeon District Court and the outcome of such trial remains uncertain. There can be no assurance that the outcome of the ongoing case will not have a material adverse effect on us, our reputation or our business.

In September 2023, a group of 40 Korean nationals filed a suit against the minister of MOTIE at the Seoul Administrative Court alleging procedural deficiencies in the permit approval process and sought revocation of the construction permit granted to Shin-Hanul units #3 and 4. In November 2023, we joined the lawsuit as a stakeholder and the trial is currently ongoing at the Seoul Administrative Court. There can be no assurance that the outcome of the ongoing case will not have a material adverse effect on us, our reputation or our business.

These incidents have had a material adverse effect, and may have a further material adverse effect, on our reputation, business, results of operation, financial condition or the general acceptance of nuclear power, especially if, as a result of these incidents or otherwise, there are findings of other criminal or other illegal or improper activities or if there are additional shutdowns or challenges to constructing new plants that lead to greater social and political concerns over nuclear safety to the effect of impeding our normal operation of nuclear power generation units. See "*Risk Factors – Risk Relating to Our Business – We are involved in numerous legal proceedings, the outcomes of which are uncertain, and resolutions adverse to us could negatively affect our cash flows, financial conditions or results of operations*."

MANAGEMENT

Directors, Audit Committee and Senior Management

Under our Articles of Association, our board of directors, consisting of 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 total number of non-standing directors must be at least a majority of the total number of all directors. Under the Articles of Association, an audit committee is responsible for monitoring our business affairs and accounts. The audit committee must consist of three directors, two of whom must be non-standing directors. At least one of the three directors must also be an accounting or financial expert. Under the Articles of Association, our representative director, who also acts as our president, is appointed by the President of Korea through the following nomination process: the recommendation of two or more candidates by the committee for nomination of directors established within the board of directors pursuant to the revised Articles of Association; the resolution of the Committee for Management of Public Institutions established under Article 8 of the Act on the Management of Public Institutions; the resolution of shareholders at the general meeting; and the nomination of the Minister of Trade, Industry & Energy. The standing directors, other than our president, are appointed by our president following the resolution of shareholders at the general meeting, except that any standing director who is to become a member of the audit committee is appointed by the President of Korea following the nomination of two or more candidates by the committee for nomination of directors, the resolution of the Committee for Management of Public Institutions, the resolution of shareholders and the nomination of the Minister of Economy and Finance. The non-standing directors are appointed by the Minister of Economy and Finance following the nomination of two or more candidates by the committee for nomination of directors, the resolution of the Committee for Management of Public Institutions and the resolution of shareholders. Our president serves as our chief executive officer and represents us and administers our day-to-day business in all matters not specifically designated as responsibilities of the board.

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

Name (Age)	Title	Outside Occupation	Position Held Since
Joo Ho Whang (69) . . .	Standing Director, President and CEO	None	August 20, 2022
Ick Kyu Choi (64)	Standing Director, Executive Auditor	None	September 19, 2022
Dae Wook Chun (61) . .	Standing Director, Executive Vice President, Administration Division and CFO	None	May 25, 2023
Seok Jin Cho (60)	Standing Director, Executive Vice President, Power Generation Division and CNO	None	April 8, 2025
In Sik Park (60)	Standing Director, Executive Vice President, Overseas Business Division	None	February 7, 2023
Hee Seung Chang (60) .	Standing Director, Executive Vice President, Quality & Technology Division	None	January 26, 2024
Choong Ryul Jeon (71)	Non-Standing Director	None	November 24, 2022
Joo Heon Park (64) . . .	Non-Standing Director	Professor, Dongduk Women's University	November 1, 2022
Wi Young Youn (64) . .	Non-Standing Director	None	November 24, 2022
Sang Hyo Lee (74) . . .	Non-Standing Director	Chairman, Chungwoon Welfare Foundation	November 24, 2022
Jong Bae Kim (58) . . .	Non-Standing Director	None	January 2, 2023
Hyang Mi Choi (51) . .	Non-Standing Director	Professor, Chungnam National University	May 16, 2023
Joo Hyun Moon (56) . .	Non-Standing Director	Professor, Dangook University	March 11, 2024

* The term of this director has expired, but pursuant to the Act on management of Public Institutions, the director is continuing his/her duties until his/her term is officially extended or a successor is appointed.

Joo Ho Whang has served as a Standing Director, President and CEO since August 20, 2022. Mr. Whang received a doctorate degree in Nuclear Engineering from Georgia Institute of Technology. Mr. Whang previously served as the Chairman of the Nuclear Energy Exports Advisory Committee of the MOTIE.

Ick Kyu Choi has served as a Standing Director and an Executive Auditor since September 19, 2022. Mr. Choi received a B.A. in Mechanical Engineering from Kyunghee University.

Dae Wook Chun has served as a Standing Director and an Executive Vice President of the Administration Division since May 25, 2023. Mr. Chun received an M.A. in Business Administration from Georgetown University. Mr. Chun previously served as the Head of our Planning Division.

Seok Jin Cho has served as a Standing Director and an Executive Vice President of the Power Generation Division since April 8, 2025. Mr. Cho has received a B.A. in Nuclear Engineering from Kyung Hee University. Mr. Cho previously served as the Head of our Saeul Nuclear Power Site.

In Sik Park has served as a Standing Director and an Executive Vice President of the Overseas Business Division since February 7, 2023. Mr. Park received an M.A. in Naval Architecture and Ocean Engineering from Seoul National University. Mr. Park previously served as the Head of our Kori Nuclear Power Site.

Hee Seung Chang has served as a Standing Director and an Executive Vice President of the Quality & Technology Division since January 26, 2024. Mr. Chang received a B.A. in English from Korean National Open University and an M.A. in Electrical Engineering from Yeungnam University. Mr. Chang previously served as the Executive Vice President of our Engineering Division.

Choong Ryul Jeon has served as a Non-Standing Director since November 24, 2022. Mr. Jeon received a doctorate degree in Administration from Kyunghee University. Mr. Jeon previously served as a secretary general at the Korean Sport & Olympic Committee.

Joo Heon Park has served as a Non-Standing Director since November 1, 2022. Mr. Park received an M.A. in Economics from Yonsei University and a doctorate degree in Economics from the University of Wisconsin. Mr. Park also serves as a professor at Dongduk Women's University.

Wi Young Youn has served as a Non-Standing Director since November 24, 2022. Mr. Youn received an M.A. in Social Welfare from Kyungpook National University. Mr. Youn previously served as the deputy mayor of Yeongdeok County.

Sang Hyo Lee has served as a Non-Standing Director since November 24, 2022. Mr. Lee also serves as the Chairman of the Chungwoon Welfare Foundation.

Jong Bae Kim has served as a Non-Standing Director since January 2, 2023. Mr. Kim previously served as the Union Leader of the KHNP Kori Site Labor Union.

Hyang Mi Choi has served as a Non-Standing Director since May 16, 2023. Ms. Choi received a doctorate degree in Business Administration from Seoul National University. Ms. Choi also serves as a professor at Chungnam National University.

Joo Hyun Moon has served as a Non-Standing Director since March 11, 2024. Mr. Moon received a B.S., M.S. and a doctorate degree in Nuclear Engineering from Seoul National University. Mr. Moon also serves as a professor at Dangook University.

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

The business address of our directors is 1655 Bulguk-ro, Munmudaewang-myeon, Gyeongju-si, Gyeongsangbuk-do, 38120, Republic of Korea.

Compensation of Directors and Executive Officers

For 2024, the aggregate amount of remuneration paid and accrued to the directors and executive officers, as a group, was Won 1,156 million. The aggregate amount set aside or accrued during 2024 to provide retirement and severance benefits for directors and executive officers, including the statutory auditor, was Won 1,735 million.

Board Practices

Under our Articles of Association, the term of office of our directors is two years, except that the term of office for our president is three years. A director whose term of office has expired carries on his or her duties until the successor director is appointed. The term of office for directors may be extended on an annual basis. The president, or the representative director, may not be removed from post except by the President of Korea who has the appointive power under the Act on the Management of Public Institutions.

As permitted by law in Korea, our board currently does not maintain a remuneration committee. Under our Articles of Association, we currently have an audit committee, currently composed of standing member Ick Kyu Choi and two non-standing members Joo Heon Park and Sang Hyo Lee.

The terms for termination benefits for standing directors, including the president, are determined in accordance with the internal regulations for executive compensation. Standing directors are eligible for benefits after retirement or upon death. The payment amount for retirement benefits is calculated by multiplying (i) the annual base compensation divided by twelve times (ii) the term of service which shall be calculated as the number of years of the term, but for less than one year, monthly calculation will be applied, and where there is a period of less than one month, this shall be deemed as one month.

Share Ownership

The table below sets forth certain information relating to the ownership of our capital stock as of March 31, 2025:

Title of Class	Identity of Person or Group	Shares Owned	Percentage
Common stock	KEPCO	242,442,838	100.0%
Total		242,442,838	100.0%

RELATED PARTY TRANSACTIONS

For our company's sale of electricity to KEPCO through the KPX, see "*Business – Sales and Purchase of Power*."

As of March 31, 2025, we had a 14.28% ownership of the KPX, accounted for using the fair value method, in the amount of Won 31 billion. For transactions and related account balances with related parties, including KEPCO and its subsidiaries, see note 38 to our audited consolidated financial statements for the years ended December 31, 2024 and 2023 and note 38 to our unaudited interim consolidated financial statements as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024 included herein.

Significant transactions with related parties for the years ended December 31, 2023 and 2024 included the following: (i) sale of electricity and others to KEPCO for Won 11,282 billion and Won 13,962 billion, respectively; (ii) purchases of electricity and others from KEPCO of Won 1,000 billion and Won 1,084 billion, respectively; (iii) dividends paid to KEPCO of Won 1,560 billion and nil, respectively and; (iv) cost of construction service, etc. of Won 504 billion and Won 1,047 billion, respectively, to KEPCO Plant Service & Engineering Co., Ltd.

Significant transactions with related parties for the three months ended March 31, 2024 and 2025 included the following: (i) sale of electricity and others to KEPCO for Won 2,817 billion and Won 4,486 billion, respectively; (ii) purchases of electricity and others from KEPCO of Won 260 billion and Won 398 billion, respectively, and (iii) cost of construction service, etc. of Won 158 billion and Won 99 billion, respectively, to KEPCO Plant Service & Engineering Co., Ltd.

In addition, significant receivables and payables arising from related party transactions as of December 31, 2023 and 2024 and March 31, 2025 consisted of receivables and others from KEPCO, which were Won 2,039 billion, Won 1,921 billion and Won 2,176 billion, respectively, and other payables to KEPCO, which were Won 1,729 billion, Won 233 billion and Won 593 billion, respectively.

TAXATION

The following summary contains a description of certain Korean and U.S. federal income tax consequences of the ownership and disposition of Notes, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase or dispose of Notes. This summary is based on the Korean and U.S. federal income tax laws in force on the date of this Offering Circular (which are subject to change and which changes may have retroactive effect), and does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the laws of Korea and the federal income tax laws of the United States.

Prospective purchasers of Notes should consult their own tax advisers as to the Korean, U.S. or other tax consequences of the ownership and disposition of Notes, including the effect of any foreign, state or local tax laws.

Korean Taxation

The taxation of non-resident individuals and non-Korean corporations generally depends on whether they have a "**Permanent Establishment**" (as defined under Korean law and any applicable tax treaty) in Korea to which the relevant Korean source income is attributable or with which such relevant Korean source income is effectively connected. Non-residents without such a Permanent Establishment in Korea ("**Non-Residents**") are taxed in the manner described below. Non-residents with such Permanent Establishment are taxed in accordance with different rules.

Tax on Interest

Interest on the Notes paid to Non-Residents is exempt from income tax and corporation tax (whether payable by withholding or otherwise) pursuant to the Special Tax Treatment Control Law (the "**STTCL**"), subject to the tax consequences with respect to Index Linked Notes set out in the applicable Pricing Supplement, **provided that** the Notes are "foreign currency denominated bonds issued outside of Korea" under the STTCL. The term "foreign currency denominated bonds issued outside of Korea" in this context is not defined under the STTCL. In this regard, the Korean tax authority issued a ruling on September 1, 1990 to the effect that "Notes Issuance Facility, USCP, Euro CP and Banker's Acceptance, etc." are not treated as "foreign currency denominated bonds."

If not exempt under the STTCL, the rate of income tax or corporation tax applicable to interest or any premium on the Notes, for a Non-Resident, is currently 14%. In addition, a tax surcharge, called a local income tax, is imposed at the rate of 10% of the income or corporation tax (raising the total tax rate to 15.4%).

The tax rates may be reduced or exempted by applicable tax treaty between Korea and the residence country of the recipient of the interest. The relevant tax treaties are discussed below.

In order to obtain the benefit of a tax exemption available under applicable tax treaties, a beneficial owner of the interest should submit to the party liable for withholding an application for an exemption, together with a certificate of the tax residence issued by a competent authority of the beneficial owner's residence country. However, if such tax exemption is being sought by an entity for application to 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 residence issued by a competent authority of such entity's country of residence, such entity will be required to additionally submit (i) the names and addresses of all of the members of its board of directors, (ii) the identities and shareholding percentages of all of its shareholders (provided that if there are more than 100 shareholders, it may instead provide a statement showing the total number of shareholders and the aggregate investment amount from each country), and (iii) audit reports for the most recent three years submitted to the country of residence (or, if the entity has been in existence for less than three years, audit reports since incorporation). Subject to certain exceptions, the Korean tax laws also require an overseas investment vehicle (which is defined as an organization established in a foreign jurisdiction that manages funds collected through investment solicitation by way of acquiring, disposing or otherwise investing in proprietary targets and then distributes the outcome of such management to investors) to obtain the application for tax exemption from the beneficial owners together with a certificate of tax residence of the beneficial owner and submit a report of overseas investment vehicle to the party liable for the withholding, together with a detailed statement on the beneficial owner of the income and the obtained application for exemption from the beneficial owner. The party liable for the withholding of the interest is required to submit the application for exemption together with the certificate of tax residence along with other documents to its district tax office no later than the ninth day of the month following the month in which the interest is paid. However, this requirement does not apply to exemptions under Korean tax law.

Further, in order to obtain the benefit of a reduced rate available under applicable tax treaties, a beneficial owner should submit an application for reduced rate to the party liable for the withholding before the receipt of relevant payment (if there is no change in the contents of such application, it is not required to submit again within three years thereafter), together with a certificate of the non-resident holder's tax residence issued by a competent authority of the non-resident holder's residence country. Subject to certain exceptions, the Korean tax law also requires an overseas investment vehicle to receive the application for entitlement to a preferential tax rate from the beneficial owners and forward a report of overseas investment vehicle to the party liable for the withholding, together with a detailed statement on the beneficial owner of the income. However, this requirement does not apply to exemptions under Korean tax law.

If a Non-Resident holder cannot obtain the benefit of an exempted or reduced rate due to the failure of the timely submission of the above-mentioned application, the Non-Resident holder may be able to get the tax refunded if the application of the claim for reassessment is submitted within five years from the eleventh day of the month following the month in which the withholding occurs.

Index Linked Notes

A detailed description of the tax considerations relevant to Index Linked Notes will be provided in the applicable Pricing Supplement.

Tax on Capital Gains

The Korean tax laws currently exclude from Korean taxation gains made by a Non-Resident from the sale of the Notes to another non-resident (other than to the other non-resident's Permanent Establishment in Korea). In addition, capital gains earned by a Non-Resident from the transfer 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.

In the absence of an applicable tax treaty or any other special tax laws eliminating the capital gains tax, the applicable rate of tax is the lower of 11% (including local income tax) of the gross realization proceeds (the "**Gross Realization Proceeds**") and (subject to the production of satisfactory evidence of the acquisition cost and certain direct transfer cost of the relevant Notes) 22% (including local income tax) of the gain made. The gain is calculated as the Gross Realization Proceeds less the acquisition cost and certain direct transfer cost (including taxes, dues and brokerage commissions paid in direct connection with the acquisition and transfer of the Notes). If such evidence shows that no gain (or a loss) was made on the sale, no Korean tax is payable. There is no provision under the relevant Korean law for offsetting gains and losses or otherwise aggregating transactions for the purpose of computing the net gain attributable to sales of securities of Korean companies.

The purchaser or any other designated withholding agent of the 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 the tax under an applicable tax treaty, in the absence of the seller producing satisfactory evidence of his or her acquisition cost and certain direct transfer cost in relation to the Notes being sold, the purchaser or such withholding agent must withhold an amount equal to 11% of the Gross Realization Proceeds. Any amounts withheld by the purchaser or such withholding agent must be paid to the relevant Korean tax authority no later than the tenth day of the month following the month in which the payment for the sale of the relevant Notes occurred. Failure to transmit the withheld tax to the Korean tax authorities in time may technically subject the purchaser or the withholding agent to penalties under Korean tax laws. Accordingly, a Non-Resident who is liable for payment of any Korean tax on gains, either as a seller of Notes, as a purchaser, or the withholding agent who is obliged to withhold such tax, is subject to the Korean tax authorities seeking enforcement through attachment of, or other legal proceedings against, payments due to it from its Korean investments and to enforcement against the assets or revenues of any of the Non-Resident's branch or representative offices in Korea.

In addition, in order to obtain the benefit of a tax exemption available under applicable tax treaties, a beneficial owner should submit to the purchaser or the withholding agent an application for exemption, together with a certificate of the beneficial owner's tax residence issued by a competent authority of the beneficial owner's residence country. If such tax exemption is being sought by an entity for application to 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 residence issued by a competent authority of such entity's country of residence, such entity will be required to additionally submit (i) the names and addresses of all of the members of its board of directors, (ii) the identities and shareholding percentages of all of its shareholders (provided that if there are more than 100 shareholders, it may instead provide a statement showing the total number of shareholders and the aggregate investment amount from each country), and (iii) audit reports for the most recent three years submitted to the country of residence (or, if the entity has been in existence for less than three years, audit reports since incorporation). Subject to certain exceptions, the Korean tax law also requires an overseas investment vehicle to receive the application for tax exemption from the beneficial owners together with a certificate of tax residence of the beneficial owner and forward a report of overseas investment vehicle to the withholding obligor, together with a detailed statement on the beneficial owner of the income and the obtained application for an exemption from the beneficial owner. The purchaser or the withholding agent is required to submit the application for exemption, together with the certificate of the beneficial owner's tax residence along with other documents, to its district tax office no later than the ninth day of the month following the month in which sale proceeds are paid. However, this requirement does not apply to exemptions under Korean tax law.

If a Non-Resident holder cannot obtain the benefit of a tax exemption due to the failure of the timely submission of the above-mentioned application, the Non-Resident holder may be able to get the tax refunded if the application of the claim for reassessment is submitted within five years from the eleventh day of the month following the month in which the withholding occurs.

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 or her death he or she 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 upon (a) all gift assets granted to a donee if at the time of the making of the gift the donee was domiciled in Korea or resided in Korea for at least 183 days immediately prior to the donation and (b) all gift assets located in Korea (irrespective of the domicile of the donee). 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 parties involved. At present, Korea has not entered into any tax treaties regarding its inheritance or gift taxes.

Under the Korean inheritance and gift tax laws, notes 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. Prospective purchasers 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 Non-Resident holders of the Notes 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 the Issuer. No securities transaction tax will be imposed on the transfer of Notes.

Tax Treaties

At the date of this Offering Circular, Korea has tax treaties with *inter alia* Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, the United Kingdom and the United States of America under which the rate of withholding tax on interest is reduced, generally to between 5% and 16.5% (13.2% under the treaty with the United States) (including local income tax), and the tax on capital gains is often eliminated (as it is generally under the treaty with the United States).

Each Non-Resident holder should enquire whether he is entitled to the benefit of a tax treaty. It is the responsibility of the party claiming the benefits of a tax treaty in respect of interest payments to file with the Issuer a certificate as to his or her residence. In the absence of sufficient proof, the Issuer must withhold taxes in accordance with the above discussion.

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 Issuer is required by law to make any withholding or deduction for or on account of any Korean taxes, the Issuer has agreed, subject to certain customary exceptions set forth in "Terms and Conditions of the Notes – Taxation," to pay such additional amounts as may be necessary in order that the net amounts received by the Non-Resident holder after such withholding or deduction shall equal the respective amounts received by the Non-Resident holder in the absence of such withholding or deduction.

United States Federal Income Taxation

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a holder of a Note. This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. This summary deals only with beneficial owners of Notes that will hold Notes as capital assets, and does not address particular tax considerations that may be applicable to investors that are subject to special tax rules, such as banks, tax-exempt entities, insurance companies, regulated investment companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold Notes as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction, entities taxed as partnerships or the partners therein, persons subject to the alternative minimum tax, U.S. expatriates, nonresident alien individuals present in the United States for more than 182 days in a taxable year, or persons that have a "functional currency" other than the U.S. dollar. Any special U.S. federal income tax considerations relevant to a particular issue of Notes, including any Index Linked Notes, will be provided in the applicable Pricing Supplement.

This summary addresses only U.S. federal income tax consequences, and does not address consequences arising under state, local, foreign tax laws or the Medicare tax on net investment income, or under special timing rules prescribed under section 451(b) of the U.S. Internal Revenue Code.

Investors should consult their own tax advisers in determining the tax consequences to them of holding Notes under such tax laws, as well as the application to their particular situation of the U.S. federal income tax considerations discussed below.

Because Bearer Notes cannot be offered or sold in connection with their initial distribution to U.S. citizens or residents (or to other persons located in the United States), this summary does not discuss special tax considerations relevant to the ownership and disposal of Bearer Notes by U.S. holders. This summary addresses only Notes that are properly characterized as indebtedness for U.S. federal income tax purposes. Particular tax consequences relating to Notes having a term to maturity of more than 30 years or Dual Currency Notes will be discussed in the applicable Pricing Supplement.

As used herein, a "U.S. holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, a citizen or resident of the United States or a domestic corporation or that otherwise is subject to U.S. federal income taxation on a net income basis in respect of the Note. A "non-U.S. holder" is a beneficial owner of a Note that is an individual, corporation, foreign estate, or foreign trust, that is not a U.S. holder.

U.S. Holders

Payments of Interest and Additional Amounts. The gross amount of payments of "qualified stated interest" (as defined below under "– Original Issue Discount") and additional amounts, if any (*i.e.*, without reduction for Korean withholding taxes, determined utilizing the appropriate Korean withholding tax rate applicable to the U.S. holder), but excluding any pre-issuance accrued interest, will be taxable to a U.S. holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the U.S. holder's method of tax accounting). If payments of this kind are made with respect to a Note denominated in a single currency other than the U.S. dollar (a "**Foreign Currency Note**"), the amount of interest income realized by a U.S. holder that uses the cash method of tax accounting will be the U.S. dollar value of the Specified Currency payment based on the exchange rate in effect on the date of receipt regardless of whether the payment in fact is converted into U.S. dollars. A U.S. holder that uses the accrual method of accounting for tax purposes will accrue interest income on the Note in the relevant foreign currency and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the U.S. holder's taxable year), or, at the accrual basis U.S. holder's election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if this date is within five business days of the last day of the accrual period. A U.S. holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the Internal Revenue Service (the "**IRS**"). A U.S. holder that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a Foreign Currency Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. Amounts attributable to pre-issuance accrued interest will generally not be includable in income, except to the extent of foreign currency gain or loss attributable to any changes in exchange rates during the period between the date the U.S. holder acquired the Note and the first Interest Payment Date. This foreign currency gain or loss will be treated as ordinary income or loss but generally will not be treated as an adjustment to interest income received on the Note.

Subject to generally applicable limitations and conditions, Korean interest withholding tax paid at the appropriate rate applicable to the U.S. holder may be eligible for credit against such U.S. holder's U.S. federal income tax liability. These generally applicable limitations and conditions include requirements recently adopted by the IRS in regulations promulgated in December 2021, and any Korean tax will need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. holder. In the case of a U.S. holder that consistently elects to apply a modified version of these rules under temporary guidance and complies with specific requirements set forth in such guidance, the Korean tax on interest will be treated as meeting the requirements and therefore as a creditable tax. In the case of all other U.S. holders, the application of these requirements to the Korean tax on interest is uncertain and we have not determined whether these requirements have been met. If the Korean interest tax is not a creditable tax or the U.S. holder does not elect to claim a foreign tax credit for any foreign income taxes, the U.S. holder may be able to deduct the Korean tax in computing such U.S. holder's taxable income for U.S. federal income tax purposes. Interest and additional amounts will constitute income from sources without the United States and, for U.S. holders that elect to claim foreign tax credits, generally will constitute "passive category income" for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. holder's particular circumstances and involve the application of complex rules to those circumstances. The temporary guidance discussed above also indicates that the U.S. Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. holders should consult their own tax advisors regarding the application of these rules to their particular situations.

Original Issue Discount. If the Issuer issues Notes at a discount from their stated redemption price at maturity (as defined below), and the discount is equal to or more than the product of one-fourth of one percent (0.25%) of the stated redemption price at maturity of such Notes multiplied by the number of full years to their maturity (the "***de minimis*** **threshold**"), such Notes will be "original issue discount Notes." The difference between the issue price and the stated redemption price at maturity of such Notes will be the "original issue discount" ("**OID**"). The "issue price" of a Note will be the first price at which a substantial amount of the Notes is sold to the public (*i.e.*, excluding sales of the Notes to underwriters, placement agents, wholesalers, or similar persons). The "stated redemption price at maturity" will include all payments under a Note other than payments of qualified stated interest. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments issued by the Issuer) at least annually during the entire term of the Note at a single fixed interest rate or, subject to certain conditions, based on one or more interest indices.

U.S. holders of original issue discount Notes generally will be subject to special tax accounting rules for obligations issued with OID. U.S. holders of such Notes should be aware that, as described in greater detail below, they generally must include OID in ordinary gross income for U.S. federal income tax purposes as it accrues, in advance of the receipt of cash attributable to that income.

In general, each U.S. holder of an original issue discount Note, regardless of whether the holder uses the cash or the accrual method of tax accounting, will be required to include in ordinary gross income the sum of the "daily portions" of OID on the Note for all days during the taxable year that the U.S. holder owns the Note. The daily portions of OID on an original issue discount Note are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be any length and may vary in length over the term of an original issue discount Note, provided that no accrual period is longer than one year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. In the case of an initial holder, the amount of OID on an original issue discount Note allocable to each accrual period is determined by (a) multiplying the "adjusted issue price" (as defined below) of the original issue discount Note at the beginning of the accrual period by its yield to maturity (appropriately adjusted to reflect the length of the accrual period) and (b) subtracting from that product the amount (if any) of qualified stated interest allocable to that accrual period. The "yield to maturity" of a Note is the discount rate that causes the present value of all payments on the Note as of its original issue date to equal the issue price of the Note. The "adjusted issue price" of an original issue discount Note at the beginning of any accrual period will generally be the sum of its issue price (generally including accrued interest, if any) and the amount of OID allocable to all prior accrual periods, reduced by the amount of all payments other than payments of qualified stated interest (if any) made with respect to the Note in all prior accrual periods. As a result of this "constant yield" method of including OID in income, the amounts includible in income by a U.S. holder in respect of an original issue discount Note denominated in U.S. dollars generally are lesser in the early years and greater in the later years than the amounts that would be includible on a straight-line basis.

A U.S. holder generally may make an irrevocable election to include in its income its entire return on a Note (*i.e.*, the excess of all remaining payments to be received on the Note, including payments of qualified stated interest, over the amount paid by the U.S. holder for the Note) under the constant-yield method described above. For Notes purchased at a premium or bearing market discount in the hands of the U.S. holder, the U.S. holder making such election will also be deemed to have made the election (discussed below in "– Premium and Market Discount") to amortize premium or to accrue market discount in income currently on a constant-yield basis.

In the case of an original issue discount Note that is also a Foreign Currency Note, a U.S. holder should determine the U.S. dollar amount includible in income as OID for each accrual period by (a) calculating the amount of OID allocable to each accrual period in the Specified Currency using the constant-yield method described above, and (b) translating the amount of the Specified Currency so derived at the average exchange rate in effect during that accrual period (or portion thereof within a U.S. holder's taxable year) or, at the U.S. holder's election (as described above under "– Payments of Interest and Additional Amounts"), at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if that date is within five business days of the last day of the accrual period. Because exchange rates may fluctuate, a U.S. holder of an original issue discount Note that is also a Foreign Currency Note may recognize a different amount of OID income in each accrual period than would the holder of an otherwise similar original issue discount Note denominated in U.S. dollars. All payments on an original issue discount Note, other than payments of qualified stated interest, will generally be viewed first as payments of previously accrued OID to the extent thereof, with payments attributed first to the earliest-accrued OID, and then as payments of principal. Upon the receipt of an amount attributable to OID (whether in connection with a payment of an amount that is not qualified stated interest or the sale or retirement of the original issue discount Note), a U.S. holder will recognize ordinary income or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate in effect on the date of receipt or on the date of disposition of the original issue discount Note, as the case may be) and the amount accrued (using the exchange rate applicable to such previous accrual).

A subsequent U.S. holder of an original issue discount Note that purchases the Note at a cost less than its remaining redemption amount (as defined below), or an initial U.S. holder that purchases an original issue discount Note at a price other than the Note's issue price, also generally will be required to include in gross income the daily portions of OID, calculated as described above. However, if the U.S. holder acquires the original issue discount Note at a price greater than its adjusted issue price, the holder is required to reduce its periodic inclusions of OID income to reflect the premium paid over the adjusted issue price. The "remaining redemption amount" for a Note is the total of all future payments to be made on the Note other than payments of qualified stated interest.

Floating Rate Notes generally will be treated as "variable rate debt instruments" under applicable Treasury Regulations. Accordingly, the stated interest on a Floating Rate Note generally will be treated as "qualified stated interest" and such a Note will not have OID solely as a result of the fact that it provides for interest at a variable rate. If a Floating Rate Note qualifying as a "variable rate debt instrument" is an original issue discount Note, for purposes of determining the amount of OID allocable to each accrual period under the rules above, the Note's "yield to maturity" and "qualified stated interest" will generally be determined as though the Note bore interest in all periods at a fixed rate determined at the time of issuance of the Note. Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index. If a Floating Rate Note does not qualify as a "variable rate debt instrument," the Note will be subject to special rules (the "**Contingent Payment**

Regulations") that govern the tax treatment of debt obligations that provide for contingent payments ("**Contingent Debt Obligations**"). A detailed description of the tax considerations relevant to U.S. holders of any such Notes will be provided in the applicable Pricing Supplement.

Certain of the Notes may be subject to special redemption, repayment or interest rate reset features, as indicated in the applicable Pricing Supplement. Notes containing such features, in particular original issue discount Notes, may be subject to special rules that differ from the general rules discussed above. Purchasers of Notes with such features should carefully examine the applicable Pricing Supplement and should consult their own tax advisers with respect to the Notes since the tax consequences with respect to such features, and especially with respect to OID, will depend, in part, on the particular terms of the Notes.

If a Note provides for a scheduled Accrual Period that is longer than one year (for example, as a result of a long initial period on a Note with interest that is generally paid on an annual basis), then stated interest on the Note will not qualify as "qualified stated interest" under the applicable Treasury Regulations. As a result, the Note would be an original issue discount Note. In that event, among other things, cash-method U.S. holders will be required to accrue stated interest on the Note under the rules for OID described above, and all U.S. holders will be required to accrue OID that would otherwise fall under the *de minimis* threshold.

Purchase, Sale and Retirement of Notes. A U.S. holder's tax basis in a Note generally will equal the cost of such Note to such holder, increased by any amounts includible in income by the holder as original issue discount and market discount and reduced by any amortized premium (each as described below) and any payments other than payments of qualified stated interest made on such Note. In the case of a Foreign Currency Note, the cost of such Note to a U.S. holder will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis U.S. holder (and, if it so elects, an accrual basis U.S. holder) will determine the U.S. dollar value of the cost of such Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. The amount of any subsequent adjustments to a U.S. holder's tax basis in a Note in respect of original issue discount, market discount and premium denominated in a Specified Currency will be determined in the manner described under "Original Issue Discount" above and "Premium and Market Discount" below. The conversion of U.S. dollars to a Specified Currency and the immediate use of the Specified Currency to purchase a Foreign Currency Note generally will not result in taxable gain or loss for a U.S. holder.

Upon the sale, exchange or retirement of a Note, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as such) and the U.S. holder's tax basis in such Note. If a U.S. holder receives a currency other than the U.S. dollar in respect of the sale, exchange or retirement of a Note, the amount realized will be the U.S. dollar value of the Specified Currency received calculated at the exchange rate in effect on the date the instrument is disposed of or retired. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis U.S. holder, and if it so elects, an accrual basis U.S. holder will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. The election available to accrual basis U.S. holders in respect of the purchase and sale of Foreign Currency Notes traded on an established securities market, discussed above, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to market discount, Short-Term Notes (as defined below) and foreign currency gain or loss, gain or loss recognized by a U.S. holder generally will be long-term capital gain or loss if the U.S. holder has held the Note for more than one year at the time of disposition. Long-term capital gains recognized by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deduction of capital losses is subject to limitations.

Gain or loss recognized by a U.S. holder on the sale, exchange or retirement of a Foreign Currency Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the holder held such Note. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the Notes.

Under the foreign tax credit requirements recently adopted by the IRS, a U.S. holder generally will not be entitled to credit any Korean tax imposed on the sale or other disposition of the Notes against such U.S. holder's U.S. federal income tax liability, except in the case of a U.S. holder that consistently elects to apply a modified version of the U.S. foreign tax credit rules that is permitted under temporary guidance and complies with the specific requirements set forth in such guidance. Additionally, capital gain or loss recognized by a U.S. holder on the sale or other disposition of the Notes generally will be U.S.-source gain or loss for U.S. foreign tax credit purposes. Consequently, even if the withholding tax qualifies as a creditable tax, a U.S. holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the Korean tax is not a creditable tax, the tax would reduce the amount realized on the sale or other disposition of the Notes even if the U.S. holder has elected to claim a foreign tax credit for other taxes in the same year. The temporary guidance discussed above also indicates that the U.S. Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. holders should consult their own tax advisers regarding the application of the foreign tax credit rules to a sale or other disposition of the Notes and any Korean tax imposed on such sale or disposition.

Premium and Market Discount. A U.S. holder of a Note that purchases the Note at a cost greater than its remaining redemption amount will be considered to have purchased the Note at a premium, and may elect to amortize the premium (as an offset to interest income), using a constant-yield method, over the remaining term of the Note. Such election, once made, generally applies to all bonds held or subsequently acquired by the U.S. holder on or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A U.S. holder that elects to amortize the premium must reduce its tax basis in a Note by the amount of the premium amortized during its holding period. Original issue discount Notes purchased at a premium will not be subject to the OID rules described above. In the case of premium in respect of a Foreign Currency Note, a U.S. holder should calculate the amortization of the premium in the Specified Currency. Amortization deductions attributable to a period reduce interest payments in respect of that period and therefore are translated into U.S. dollars at the exchange rate used by the U.S. holder for such interest payments. Exchange gain or loss will be realized with respect to amortized bond premium on such a Note based on the difference between the exchange rate on the date or dates the premium is recovered through interest payments on the Note and the exchange rate on the date on which the U.S. holder acquired the Note. With respect to a U.S. holder that does not elect to amortize bond premium, the amount of bond premium will be included in the U.S. holder's tax basis when the Note matures or is disposed of by the U.S. holder. Therefore, a U.S. holder that does not elect to amortize such premium and that holds the Note to maturity generally will be required to treat the premium as capital loss when the Note matures.

If a U.S. holder of a Note purchases the Note at a price that is lower than its remaining redemption amount, or in the case of an original issue discount Note, a price that is lower than its adjusted issue price, by at least 0.25% of its remaining redemption amount multiplied by the number of remaining whole years to maturity, the Note will be considered to have "market discount" in the hands of such U.S. holder. In such case, gain realized by the U.S. holder on the disposition of the Note generally will be treated as ordinary income to the extent of the market discount that accrued on the Note while held by the U.S. holder. In addition, the U.S. holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the Note. In general terms, market discount on a Note will be treated as accruing ratably over the term of the Note, or, at the election of the holder, under a constant-yield method. Market discount on a Foreign Currency Note will be accrued by a U.S. holder in the Specified Currency. The amount includible in income by a U.S. holder in respect of such accrued market discount will be the U.S. dollar value of the amount accrued, generally calculated at the exchange rate in effect on the date that the Note is disposed of by the U.S. holder.

A U.S. holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis), in lieu of treating a portion of any gain realized on a sale of a Note as ordinary income. If a U.S. holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any accrued market discount on a Foreign Currency Note that is currently includible in income will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. holder's taxable year). Any such election, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

Short-Term Notes. The rules set forth above will also generally apply to Notes having maturities of not more than one year ("**Short-Term Notes**"), but with certain modifications.

First, applicable Treasury Regulations treat *none* of the interest on a Short-Term Note as qualified stated interest. Thus, all Short-Term Notes will be original issue discount Notes. OID will be treated as accruing on a Short-Term Note ratably, or at the election of a U.S. holder, under a constant yield method.

Second, a U.S. holder of a Short-Term Note that uses the cash method of tax accounting and is not a bank, securities dealer, regulated investment company or common trust fund, and does not identify the Short-Term Note as part of a hedging transaction, will generally not be required to include OID in income on a current basis. Such a U.S. holder may not be allowed to deduct all of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry such Note until the Maturity of the Note or its earlier disposition in a taxable transaction. In addition, the U.S. holder will be required to treat any gain realized on a sale, exchange or retirement of the Note as ordinary income to the extent such gain does not exceed the OID accrued with respect to the Note during the period the U.S. holder held the Note. Notwithstanding the foregoing, a cash-basis U.S. holder of a Short-Term Note may elect to accrue OID into income on a current basis or to accrue the "acquisition discount" on the Note under the rules described below. If the U.S. holder elects to accrue OID or acquisition discount, the limitation on the deductibility of interest described above will not apply.

A U.S. holder using the accrual method of tax accounting and certain cash-basis U.S. holders (including banks, securities dealers, regulated investment companies and common trust funds) generally will be required to include original issue discount on a Short-Term Note in income on a current basis. Alternatively, a U.S. holder of a Short-Term Note can elect to accrue the "acquisition discount," if any, with respect to the Note on a current basis. If such an election is made, the OID rules will not apply to the Note. Acquisition discount is the excess of the Short-Term Note's stated redemption price at maturity (*i.e.*, all amounts payable on the Short-Term Note) over the purchase price. Acquisition discount will be treated as accruing ratably or, at the election of the U.S. holder, under a constant-yield method based on daily compounding.

Finally, the market discount rules will not apply to a Short-Term Note.

Index Linked Notes and Other Notes Providing for Contingent Payments. The Contingent Payment Regulations, which govern the tax treatment of Contingent Debt Obligations, generally require accrual of interest income on a constant-yield basis in respect of such obligations at a yield determined at the time of their issuance, and may require adjustments to such accruals when any contingent payments are made. A detailed description of the tax considerations relevant to U.S. holders of any Contingent Debt Obligations will be provided in the applicable Pricing Supplement.

Foreign Currency Notes and Reportable Transactions. A U.S. holder that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. holder may be required to treat a foreign currency exchange loss relating to a Foreign Currency Note as a reportable transaction if the loss equals or exceeds $50,000 in a single taxable year if the U.S. holder is an individual or trust, or higher amounts for other U.S. holders. In the event the acquisition, ownership or disposition of a Foreign Currency Note constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. holder will be required to disclose its investment to the IRS, currently on Form 8886. Prospective purchasers should consult their tax advisers regarding the application of these rules to the acquisition, ownership or disposition of Foreign Currency Notes.

Specified Foreign Financial Assets. Individual U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 on the last day of the taxable year or US$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which may include Notes issued in certificated form) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders that fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisers concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

Non-U.S. Holders

Subject to the discussion below under "– Information Reporting and Backup Withholding," payments of interest on the Notes to a non-U.S. holder, and any gain realized on a disposition of the Notes by a non-U.S. holder, generally will be exempt from U.S. federal income taxes, including withholding tax. However, to receive this exemption a non-U.S. holder may be required to satisfy certification requirements, described below under "– Information Reporting and Backup Withholding," to establish that it is not a United States person (as defined in the Code).

Information Reporting and Backup Withholding

Information returns will be filed with the IRS in connection with payments on the Notes made to, and the proceeds of dispositions of Notes effected by, certain holders who are United States persons. In addition, certain holders who are United States persons may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments. Holders who are not United States persons may be required to comply with applicable certification procedures to establish that they are not United States persons in order to establish an exemption from the application of such information reporting requirements and backup withholding. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Arranger, any Dealer nor any party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.*

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a "**banking organization**" within the meaning of the New York Banking Law, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Participants**") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the U.S. Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*."

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in Respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Fiscal Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Fiscal Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in an amended and restated program agreement dated May 26, 2015 as amended by the first amendment dated July 12, 2018, the second amendment dated April 15, 2021, the third amendment dated July 15, 2022 and the fourth amendment dated July 6, 2023 (as amended, restated and supplemented, the "**Program Agreement**"), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase or procure purchasers for Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes." In the Program Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Program and the issue of Notes under the Program and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may, to the extent permitted by applicable laws and regulations, engage in transactions that stabilize, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically, such persons may over allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilize or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilizing or other transactions. Such transactions, if commenced, may be discontinued at any time. Stabilization activities are subject to certain prescribed time limits in certain jurisdictions.

Important Notice to CMIs (including private banks) pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

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

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus orders should be sent to the Managers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

Certain Relationships

The Dealers and certain affiliates of the Dealers may have performed banking and advisory services (which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities) for the Issuer from time to time for which they have received customary fees and expenses. The Dealers and certain of their affiliates may, from time to time, engage in transactions with and perform services for the Issuer in the ordinary course of their business. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Issuer.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution. The Dealers and/or their affiliates may purchase Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes, and/or other securities of the Issuer or its respective subsidiaries or associates at the same time as the offer and sale of the Notes, or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Transfer Restrictions under U.S. Securities Law

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is an Institutional Accredited Investor, that, prior to its purchase of the Notes has delivered to the Registrar an IAI Investment Letter in the form as set forth below or (c) it is outside the United States and is not a U.S. person;

(ii) that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. 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 as set forth below;

(iii) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

(iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;

(v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(vi) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR"); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE

STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(vii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a)(i) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. state securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS A PART."; and

(viii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Regulation D of the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form, see *"Form of the Notes."*

The IAI Investment Letter will state, among other things, the following:

(i) that the Institutional Accredited Investor has received a copy of this Offering Circular and such other information as it deems necessary in order to make its investment decision;

(ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in this Offering Circular and the Notes (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act;

(iii) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;

(iv) that the Institutional Accredited Investor is an Institutional Accredited Investor within the meaning of Rules 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(v) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and

(vi) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least US$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than US$200,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, US$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least US$200,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, US$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

Transfer Restrictions under Korean Laws and Regulations

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

(a) the Notes have not been registered with the Financial Services Commission of Korea under the FSCMA; and

(b) (i) in respect of the Notes relying on the exemption as set out in Article 2-2-2, Paragraph 2, Item 3 of the Regulations on the Issuance and Disclosure of Securities promulgated by the Financial Services Commission of Korea, during the first year after the issuance of the Notes, the Notes may not be offered, delivered, or sold, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Laws) other than a "qualified institutional buyer" (a "**Korean QIB**," as defined in the Regulations on the

Issuance and Disclosure of Securities) who is registered with the Korea Financial Investment Association (the "**KOFIA**") as a Korean QIB, provided that (a) the Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than Korean Won, (b) the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate issue amount of the Notes, (c) the Notes are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the Notes in a major overseas securities market, (d) the one-year restriction on offering, delivering or selling of the Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant underwriting agreement, subscription agreement, and the offering circular and (e) the Issuer and the Dealers shall individually or collectively keep the evidence of fulfillment of conditions (a) through (d) above after having taken necessary actions therefor.

(ii) in respect of the Notes relying on the exemption as set out in Article 2-2-2, Paragraph 2 (other than Item 3) of the Regulations on the Issuance and Disclosure of Securities promulgated by the Financial Services Commission of Korea, the Notes may not be offered, delivered, or sold, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Laws) or to others for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea during the first year after the issuance of the Notes, except as otherwise permitted under applicable Korean laws and regulations.

Selling Restrictions

United States of America

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 (i) to QIBs in reliance on Rule 144A, (ii) to Institutional Accredited Investors, that, prior to their purchase of the Notes have furnished an IAI Investment Letter and (iii) in accordance with Regulation S under the Securities Act.

Notes in bearer form (other than Notes with a maturity of 365 days or less including unilateral rollovers and extensions) will be issued in accordance with the provisions of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D) (the "**D Rules**"), or in accordance with the provisions of United States Treasury Regulations Section 1.163-5(c)(2)(i)(C) (the "**C Rules**"), as specified in the applicable Pricing Supplement.

In respect of Notes issued in accordance with the D Rules, each Dealer has represented and agreed that:

(i) except to the extent permitted under the D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) if such Dealer is a United States person, it has represented that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if such Dealer retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6);

(iv) with respect to each affiliate that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (x) repeats and confirms the representations and agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (y) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-causes (i), (ii) and (iii); and

(v) such Dealer will obtain for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii), (iii) and (iv) from any person other than its affiliate with whom it enters into a written contract, as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(4), for the offer and sale during the restricted period of Notes.

Terms used in the above paragraph have the meanings given to them by the Code and regulations thereunder, including the D Rules.

In respect of Notes issued in accordance with the C Rules, Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to such tranche, each Dealer has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Notes, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either of them is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meaning given to them by the Code and regulations thereunder, including the C Rules.

The following legend will appear on all Notes in bearer form which have a maturity of more than 365 days (including unilateral rollovers and extensions) and on all talons, receipts and interest coupons relating to such Notes: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitation provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Notes**"), each Dealer has represented and agreed that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Program will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is US$200,000 (or the approximate equivalent thereof in any other currency).

Each issuance of Index Linked, Commodity Linked or Currency Linked Notes may be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

To the extent the Dealers intend to make any offers or sales of the Notes in the United States, or to nationals or residents of the United States, they will do so only through one or more registered broker-dealers in compliance with applicable securities laws and regulations, as well as with applicable laws of the various states.

European Economic Area

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

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

Unless the final terms (or the Pricing Supplement, as the case may be) in respect of any Series of Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable," each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms (or the Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA. For the purposes of this provision: (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation; and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the final terms (or the Pricing Supplement, as the case may be) in respect of any Notes specifies the "Prohibition of sales to EEA retail investors" as "Not Applicable," in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular, as completed by the final terms in relation thereto, to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) subject to any other restriction and obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer, at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

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

The EEA selling restrictions described above are in addition to any other applicable selling restriction set out below.

United Kingdom

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

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

Unless the final terms (or the Pricing Supplement, as the case may be) in respect of any Series of Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable," each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the UK. For the purposes of this provision: (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the final terms (or the Pricing Supplement, as the case may be) in respect of any Notes specifies the "Prohibition of sales to UK retail investors" as "Not Applicable," in relation to the UK, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular, as completed by the final terms in relation thereto, to the public in the UK except that it may make an offer of such Notes to the public in the UK:

(a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within section 86 of the FSMA;

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes 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 "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree that:

(a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

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

The UK selling restrictions described above are in addition to any other applicable selling restriction set out below.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland, and will not be listed on SIX Swiss Exchange ("**SIX**") or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, the Company nor 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.

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 Initial Purchaser 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.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Program will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA; or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Hong Kong

Each Dealer has represented, warranted and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "**structured product**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) ("**SFO**") other than (i) to "professional investors" as defined in 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 "**Companies Ordinance**") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to 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.

Korea

Each Dealer has represented and agreed and each Dealer further appointed under the Program will be required to represent and agree, that the Notes have not been and will not be offered, delivered or sold directly or indirectly in Korea or to any resident of Korea or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea (as defined in the Foreign Exchange Transactions Laws) except as otherwise permitted under applicable Korean laws and regulations.

In addition, each Dealer has confirmed and each Dealer further appointed under the Program will be required to confirm, that:

(a) in respect of the Notes relying on the exemption as set out in Article 2-2-2, Paragraph 2, Item 3 of the Regulations on the Issuance and Disclosure of Securities promulgated by the Financial Services Commission of Korea, during the first year after the issuance of the Notes, the Notes may not be transferred to any resident of Korea (as defined in the Foreign Exchange Transaction Laws) other than a Korean QIB who is registered with KOFIA as a Korean QIB, provided that (i) the Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than Korean Won, (ii) 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, (iii) the Notes are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the Notes in a major overseas securities market, (iv) the one-year restriction on offering, delivering or selling of Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant underwriting agreement, subscription agreement, and the offering circular and (v) the Issuer and the Dealers shall individually or collectively keep the evidence of fulfillment of conditions (i) through (iv) above after having taken necessary actions therefor; and

(b) in respect of the Notes relying on the exemption as set out in Article 2-2-2, Paragraph 2 (other than Item 3), of the Regulations on the Issuance and Disclosure of Securities promulgated by the Financial Services Commission of Korea, the Notes may not be transferred directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined under the Foreign Exchange Transactions Laws) during the first year after the issuance of the Notes, except as otherwise permitted by applicable Korean laws and regulations.

Each Dealer has undertaken and each Dealer further appointed under the Program will be required to undertake to use commercially reasonable best measures as a Dealer 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 Dealer that it will comply with the restrictions described above.

General

None of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the issuer in such jurisdiction.

GENERAL INFORMATION

Authorization

The establishment of the Program has been duly authorized by a resolution of the Board of Directors of the Issuer dated April 29, 2008. Each issue of Notes under the Program is to be authorized by the Board of Directors of the Issuer at the time of issue.

Listing of Notes

Approval in-principle has been received from the SGX-ST in connection with the Program and application will be made for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed, at or prior to the time of issue thereof, to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such 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).

The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series or Tranche.

Unlisted Notes may also be issued.

Documents Available

From the date hereof and so long as Notes are capable of being issued under the Program, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

(i) the Articles of Association (together with English translations) of the Issuer;

(ii) the audited consolidated financial statements of the Issuer as of and for the years ended December 31, 2024, 2023 and 2022;

(iii) the unaudited interim consolidated financial statements of the Issuer in respect of the financial period ended as of March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024;

(iv) the most recently published audited consolidated financial statements of the Issuer and the most recently published unaudited interim consolidated financial statements of the Issuer;

(v) the Program Agreement, the Agency Agreement, the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(vi) a copy of this Offering Circular;

(vii) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (except that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and

(viii) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

Clearing Systems

The Notes in bearer form have been accepted for clearance through Euroclear and Clearstream. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers (if any) for each Tranche of Registered Notes, together with the relevant ISIN and Common Code, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

Independent Auditors

With respect to the unaudited interim financial information for the period ended March 31, 2025 included herein, KPMG Samjong Accounting Corp., independent auditors, has reported that they applied limited procedures in accordance with professional standards for review of such information. However, their separate report included herein, states that they did not audit and they do not express an opinion on the interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The unaudited interim financial information for the period ended March 31, 2024 has been reviewed by Ernst & Young Han Young, independent auditors, as stated in their independent auditor's review report dated May, 14, 2024 appearing herein.

Our consolidated financial statements as of and for the years ended December 31, 2024, 2023 and 2022 included elsewhere in this Offering Circular, have been audited by Ernst & Young Han Young, independent auditors, as stated in their independent auditor's reports dated March 11, 2025 and March 14, 2024 appearing herein.

Information relating to the Fiscal Agent

The Fiscal Agent is Citicorp International Limited ("**CIL**"). CIL was incorporated as a company with limited liability in Hong Kong under the Companies Ordinance on October 23, 1970 with company number 21829. It is a wholly-owned subsidiary of Citigroup Inc., a U.S. registered bank holding company.

CIL is a restricted license bank and registered institution subject to regulation and supervision by the Hong Kong Monetary Authority and Securities and Futures Commission. The registered office of CIL is 39/F Champion Tower, 3 Garden Road, Central, Hong Kong.

A copy of CIL's Memorandum and Articles of Association, as amended from time to time, together with copies of the most recent financial statements and annual report of CIL will be available for inspection at its principal place of business located at 39/F Champion Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong (Attention: Agency & Trust).

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

KPMG SAMJONG

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Independent Auditors' Review Report

The Board of Directors and Shareholder
Korea Hydro & Nuclear Power Co., Ltd.

Reviewed financial statements

We have reviewed the accompanying consolidated interim financial statements of Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated interim statement of financial position as of March 31, 2025, the consolidated interim statements of comprehensive income (loss), changes in equity and cash flows for the three-month period ended March 31, 2025, and notes, comprising a summary of material accounting policy information and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions in the Republic of Korea, and for such internal control as management determines is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' review responsibility

Our responsibility is to issue a report on these consolidated interim financial statements based on our review.

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

Conclusion

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

Emphasis of matter

Without qualifying our review conclusion, we draw attention to Note 2 to the consolidated interim financial statements, which describes that the Group has prepared its consolidated interim financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. Pursuant to its Article 2-5, the Group applies International Financial Reporting Standards Accounting Standards as adopted by the Republic of Korea ("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 comparative consolidated interim statements of comprehensive loss, change in equity and cash flows for the three-month period ended March 31, 2024 have been reviewed by another auditor. The review report dated May 14, 2024, stated that nothing had come to their attention that caused them to believe that those consolidated interim financial statements were not fairly prepared, in all material respects, in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

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

KPMG Samjong Accounting Corp.

Seoul, Korea
May 14, 2025

This report is effective as of May 14, 2025, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

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Report on review of interim consolidated financial statements
(English translation of a report originally issued in Korean)

The Shareholder and Board of Directors
Korea Hydro & Nuclear Power Co., Ltd.

We have reviewed the accompanying interim consolidated financial statements of Korea Hydro & Nuclear Power Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the interim consolidated statement of financial position as of March 31, 2024, and the related interim consolidated statements of comprehensive income, interim consolidated statements of changes in equity and interim consolidated statements of cash flows for each of the three-month periods ended March 31, 2024 and 2023, and a summary of material accounting policy information and other explanatory information.

Management's responsibility for the interim consolidated financial statements

Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions in the Republic of Korea, and for such internal control as management determines is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

Emphasis of matter

We draw attention to Note 2 to the interim consolidated financial statements, which describes that the Group has prepared its interim consolidated financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. Pursuant to its Article 2-5, the Group applies International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") 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 KIFRS 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 matter

We have audited the consolidated statement of financial position of the Group as of December 31, 2023, and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended (not presented herein) in accordance with KSA, and our report dated March 11, 2024 expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2023, presented for comparative purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.

Ernst & Young Han Young

May 14, 2024

This review report is effective as of May 14, 2024, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim consolidated financial statements and may result in modifications to this review report.

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated interim statements of financial position
as of March 31, 2025 and December 31, 2024 (Unaudited)
(Korean won in millions)

	Notes	March 31, 2025	December 31, 2024
Assets			
Current assets:			
Cash and cash equivalents	5,36,37	₩ 504,607	₩ 248,046
Current financial assets, net	6,9,36,37,39	1,897,523	827,775
Trade and other receivables, net	7,27,36,37	2,303,474	2,053,702
Inventories	10	7,585,860	7,314,062
Current tax assets		103	210
Current non-financial assets	11	429,780	375,730
Total current assets		12,721,347	10,819,525
Non-current assets:			
Non-current financial assets, net	6,8,9,36,37,39	2,124,537	2,138,022
Non-current trade and other receivables, net	7,36,37	86,087	87,116
Property, plant and equipment, net	13,15,19,22	56,668,022	56,620,500
Intangible assets, net	14,15,22	167,583	160,860
Investments in associates and joint ventures	12	226,975	240,575
Deferred tax assets		2,677,413	2,499,345
Non-current non-financial assets	11,15	368,065	315,403
Net defined benefit asset	20	1,094	3,280
Total non-current assets		62,319,776	62,065,101
Total assets		**₩ 75,041,123**	**₩ 72,884,626**

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated interim statements of financial position
as of March 31, 2025 and December 31, 2024 (cont'd) (Unaudited)
(Korean won in millions)

	Notes		March 31, 2025		December 31, 2024
Liabilities					
Current liabilities:					
Trade and other payables	17,19,25,36,37,39	₩	1,998,530	₩	1,615,971
Current financial liabilities, net	6,16,18,36,37,39		1,147,883		1,145,982
Income tax payable			687,591		368,938
Current non-financial liabilities	23,27		474,701		238,450
Current provisions	21,27,37		1,797,209		1,407,142
Total current liabilities			6,105,914		4,776,483
Non-current liabilities:					
Non-current trade and other payables	17,19,36,37,39		1,430,799		1,415,153
Non-current financial liabilities, net	6,16,18,36,37,39		14,059,197		13,795,176
Non-current non-financial liabilities	23		5,324		5,324
Employee benefit obligation	20		66,643		40,481
Deferred tax liabilities			14,518		20,391
Non-current provisions	21,37,40		27,486,801		27,368,773
Total non-current liabilities			43,063,282		42,645,298
Total liabilities			**49,169,196**		**47,421,781**
Equity					
Contributed capital	24		10,704,515		10,704,515
Retained earnings	25		15,071,400		14,622,162
Other components of equity	26		102,549		139,682
Equity attributable to owners of the Company			25,878,464		25,466,359
Non-controlling interests			(6,537)		(3,514)
Total equity			**25,871,927**		**25,462,845**
Total liabilities and equity		₩	**75,041,123**	₩	**72,884,626**

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

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated interim statements of comprehensive income (loss)
for the three-month periods ended March 31, 2025 and 2024 (Unaudited)
(Korean won in millions)

	Notes		March 31, 2025		March 31, 2024
Sales	4,27	₩	4,307,696	₩	2,735,474
Cost of sales	34		2,957,578		2,947,576
Gross profit (loss)			**1,350,118**		**(212,102)**
Selling and administrative expenses	28,34		66,265		67,491
Operating profit (loss)			**1,283,853**		**(279,593)**
Other income	29		6,473		20,773
Other expenses	29		8,599		9,607
Other gains (losses), net	30		(14,906)		981
Finance income	6,31,36		92,791		211,840
Finance costs	6,32,36		220,633		362,611
Loss on investments in associates and joint ventures, net	12		(12,640)		(5,003)
Profit (loss) before income tax			**1,126,339**		**(423,220)**
Income tax expense (benefit)	33		303,268		(101,346)
Profit (loss) for the period			**823,071**		**(321,874)**
Other comprehensive income (loss), net of tax					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Remeasurement loss on defined benefit plans	20, 25		(7,758)		(3,451)
Share of gain of associates and jount ventures			-		2
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	8,26		(37,900)		18,758
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain (loss) on foreign currency translation of overseas operations	26		(15)		235
Share of other comprehensive income of associates and joint ventures	12,26		682		6,224
Other comprehensive income (loss), net of tax			(44,991)		21,768
Total comprehensive income (loss), net of tax		**₩**	**778,080**	**₩**	**(300,106)**
Profit (loss) for the period attributable to:					
Owners of the Company		₩	825,509	₩	(318,356)
Non-controlling interests			(2,438)		(3,518)
		₩	823,071	₩	(321,874)
Total comprehensive income (loss) for the period attributable to:					
Owners of the Company		₩	780,611	₩	(296,556)
Non-controlling interests			(2,531)		(3,550)
		₩	778,080	₩	(300,106)
Earnings (loss) per share (in Korean won):					
Basic earnings (loss) per share	35	₩	3,405	₩	(1,313)
Diluted earnings (loss) per share	35		3,405		(1,313)

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

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated interim statements of changes in equity
for the three-month periods ended March 31, 2025 and 2024 (Unaudited)
(Korean won in millions)

	Contributed capital	Retained earnings	Other components of equity	Equity attributable to the owners of the Company	Non-controlling interest	Total equity
As of January 1, 2024	**₩ 10,704,515**	**₩ 14,122,427**	**₩ 50,211**	**₩ 24,877,153**	**₩ 7,959**	**₩ 24,885,112**
Total comprehensive income (loss)						
Loss for the period	-	(318,356)	-	(318,356)	(3,518)	(321,874)
Items that will not to be reclassified to profit or loss in subsequent periods:						
Remeasurement loss on defined benefit plans	-	(3,451)	-	(3,451)	-	(3,451)
Share of gain of associates and joint ventures, net of tax	-	2	-	2	-	2
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	-	-	18,800	18,800	(42)	18,758
Items that may be reclassified to profit or loss in subsequent periods:						
Gain on foreign currency translation of overseas operations	-	-	225	225	10	235
Share of other comprehensive income of associates and joint ventures	-	-	6,224	6,224	-	6,224
Transactions with owners of the Company recognized directly in equity:						
Others	-	-	(55)	(55)	-	(55)
As of March 31, 2024	**₩ 10,704,515**	**₩ 13,800,622**	**₩ 75,405**	**₩ 24,580,542**	**₩ 4,409**	**₩ 24,584,951**
As of January 1, 2025	**₩ 10,704,515**	**₩ 14,622,162**	**₩ 139,682**	**₩ 25,466,359**	**₩ (3,514)**	**₩ 25,462,845**
Total comprehensive income (loss)						
Profit (loss) for the period	-	825,509	-	825,509	(2,438)	823,071
Items that will not to be reclassified to profit or loss in subsequent periods:						
Remeasurement loss on defined benefit plans	-	(7,758)	-	(7,758)	-	(7,758)
Loss on valuation of financial assets at fair value through other comprehensive income	-	-	(37,807)	(37,807)	(93)	(37,900)
Items that may be reclassified to profit or loss in subsequent periods:						
Loss on foreign currency translation of overseas operations	-	-	(15)	(15)	-	(15)
Share of other comprehensive income of associates and joint ventures	-	-	682	682	-	682
Transactions with owners of the Company recognized directly in equity:						
Paid-in capital increase of subsidiaries	-	-	7	7	(5)	2
Subsidiaries' capital reduction with refund	-	-	-	-	(487)	(487)
Dividends declared	-	(368,513)	-	(368,513)	-	(368,513)
As of March 31, 2025	**₩ 10,704,515**	**₩ 15,071,400**	**₩ 102,549**	**₩ 25,878,464**	**₩ (6,537)**	**₩ 25,871,927**

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

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated interim statements of cash flows
for the three-month periods ended March 31, 2025 and 2024 (Unaudited)

(Korean won in millions)

	March 31, 2025	March 31, 2024
Operating activities		
Profit (loss) for the period	₩ 823,071	₩ (321,874)
Adjustments for:		
Income tax expense (benefit)	303,267	(101,346)
Depreciation of property, plant and equipment	820,742	691,730
Amortization of nuclear fuel	510,234	661,830
Amortization of intangible assets	8,874	7,268
Depreciation of idle assets	904	910
Retirement benefit expense	19,483	17,615
Other bad debt expenses	2	4
Loss on investments in associates and joint ventures, net	12,641	5,003
Loss on disposal of property, plant and equipment	19,054	701
Loss on obsolenscence of inventories	39	13
Loss on disposal of inventories	240	-
Provisions for decommissioning costs	50,497	51,511
Reversal of provisions for decommissioning costs	(35,386)	-
Other provisions	311,570	50,890
Provisions for employee benefits	56,747	54,696
Interest expense	211,172	183,071
Loss on disposal of financial assets	312	-
Loss on valuation of financial assets at fair value through profit or loss	215	238
Loss on valuation of derivative instruments	1,629	7,515
Loss on transactions of derivative instruments	2,455	2,004
Loss on foreign currency translation	11,232	170,310
Loss from lease cancellation	9	14
Gain on disposals of property, plant and equipment	-	(80)
Gain on valuation of inventories	(173)	(2)
Gain on assets contributed	(3)	(92)
Gain from infrastructure fund	(154)	-
Interest income	(13,368)	(18,820)
Dividend income	(27)	(44)
Gain on sale of financial assets	(8,508)	(5,958)
Gain on valuation of financial assets at fair value through profit or loss	(3,954)	(2,924)
Gain on valuation of derivative instruments	(28,699)	(163,658)
Gain on transactions of derivative instruments	(21,790)	(8,511)
Gain on foreign currency translation	(17,364)	(14,805)
Gain from lease cancellation	(2)	(3)
	₩ 2,211,890	₩ 1,589,080

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated interim statements of cash flows
for the three-month periods ended March 31, 2025 and 2024 (cont'd) (Unaudited)

(Korean won in millions)

	March 31, 2025	March 31, 2024
Changes in operating assets and liabilities:		
Current trade receivables	₩ (173,227)	₩ 702,165
Due from customers for contract work	(1,898)	-
Current other receivables	4,281	40,660
Current accrued income	(94,047)	(87,271)
Current other receivables	(644)	(751)
Current advanced payments	(41,474)	(78,807)
Current prepaid expenses	12,006	1,395
Other current non-financial assets	(23,651)	1,019
Inventories	(630,779)	(534,032)
Current deposits received	11,334	(13,937)
Long-term non-trade receivables	-	(765)
Current trade payables	186,495	(73,340)
Current other payables	(6,903)	80,458
Current accrued expenses	(100,463)	(158,534)
Current leasehold deposits received	87	(1)
Current other deposits received	(3)	(290)
Current advance received	285	368
Due to customers for contract work	150,442	27,964
Current withholdings	(22,883)	(24,096)
Current unearned revenue	2,586	176
Other current non-financial liabilities	105,820	(103,212)
Provisions for employee benefits	(31,804)	(31,076)
Provisions for litigation	(49)	(5,223)
Provisions for others	4,781	66,460
Provisions for decommissioning cost of nuclear plants	(20,102)	(17,996)
Other long-term employee benefits liabilities	(52)	(45)
Payment of retirement benefits	(20,879)	(15,264)
Changes in plan assets	17,608	12,791
	(673,133)	(211,184)
Interest received	6,916	14,066
Interest paid	(146,952)	(120,443)
Dividends received	1,655	809
Income tax paid	(160,653)	(3,053)
Net cash flows provided by operating activities	₩ **2,062,794**	₩ **947,401**

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated interim statements of cash flows
for the three-month periods ended March 31, 2025 and 2024 (cont'd) (Unaudited)
(Korean won in millions)

		March 31, 2025		March 31, 2024
Investing activities				
Net increase in current financial assets measured at fair value through profit or loss	₩	(448,711)	₩	(218,432)
Acquisition of short-term financial assets		(610,000)		(7,000)
Proceeds from disposal of short-term financial instruments		2,000		1,000
Acquisition of short-term loans		-		(478)
Repayment of short-term loans		87		109
Acquisition of non-current financial assets at fair value through profit or loss		(38,620)		(12,129)
Proceeds from disposal of non-current financial assets at fair value through profit or loss		48,485		11,467
Acquistion of long-term financial assets		(30,000)		(50,243)
Proceeds from disposal of long-term financial instruments		20,000		50,137
Increase in long-term loans		(3,958)		(4,555)
Collection of long-term loans		3,160		2,111
Increase in long-term guarantee deposits		(7,240)		(13,314)
Collection of long-term guarantee deposits		11,667		9,751
Payment of non-current advanced payments		(53,673)		(78,283)
Proceeds from disposal of investments in associates and joint ventures		10		201
Acquisition of land		(5)		-
Proceeds from disposal of land		-		163
Acquisition of buildings		(10)		-
Proceeds from disposal of buildings		-		451
Acquisition of machineries		(463)		(5,575)
Acquisition of vehicles		(303)		(205)
Proceeds from disposal of vehicles		-		4
Acquisition of fixtures and furniture		(29,710)		(16,766)
Proceeds from disposal of fixtures and furniture		-		2
Acquisition of tools		(302)		(233)
Proceeds from disposal of tools		-		4
Acquisition of construction-in-progress		(939,844)		(706,767)
Acquisition of intangible assets		(15,068)		(17,204)
Net cash flows used in investing activities	₩	**(2,092,498)**	₩	**(1,055,784)**

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated interim statements of cash flows
for the three-month periods ended March 31, 2025 and 2024 (cont'd) (Unaudited)
(Korean won in millions)

	March 31, 2025	March 31, 2024
Financing activities		
Repayment of current portion of long-term borrowings	₩ (8,888)	₩ (9,594)
Repayment of current portion of long-term bonds	-	(130,000)
Proceeds from bonds issuance	278,630	598,443
Dividends paid	-	(780,059)
Net settlement of derivative instruments	19,336	6,939
Decrease in lease liabilities	(3,402)	(4,124)
Paid-in capital increase of subsidiaries	2	-
Subsidiaries' capital reduction with refund	(488)	-
Net cash flows provided by (used in) financing activities	**285,190**	**(318,395)**
Net foreign exchange difference	**1,075**	**472**
Net increase (decrease) in cash and cash equivalents	**256,561**	**(426,306)**
Cash and cash equivalents at the beginning of period	**248,046**	**950,472**
Cash and cash equivalents at the end of period	**₩ 504,607**	**₩ 524,166**

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

1. General information of the Company

1.1 The parent company

Korea Hydro & Nuclear Power Co., Ltd. ("KHNP" or the "Company") was incorporated on April 2, 2001 through the split-off of the power generation division of Korea Electric Power Corporation ("KEPCO") in accordance with the Act on Promotion of Restructuring the Electric Power Industry. As of March 31, 2025, KHNP owns and operates 26 nuclear generating units (26,050MW), 37 hydroelectric generating units (607MW), 16 pumped-storage facilities (4,700MW) and 70 new renewable energy generating units (114MW). As of March 31, 2025, KHNP's generation capacity is 149 total units (31,471MW).

As of March 31, 2025, KEPCO holds 100% of KHNP's outstanding shares.

1.2 Consolidated subsidiaries

Details of consolidated subsidiaries as of March 31, 2025 and December 31, 2024 are as follows:

				Percentage of ownership	
Company	Key operating activities	Location	Reporting date	March 31, 2025	December 31, 2024
KHNP Canada Energy Ltd.	Overseas Investment	Canada	March 31	100.00%	100.00%
Gyeonggi Green Energy Co., Ltd.	Electricity and heat generation	Korea	March 31	62.01%	62.01%
Korea Waterbury Uranium Limited Partnership	Overseas Investment	Canada	March 31	70.17%	70.12%
Incheon FuCell Co., Ltd.	Electricity and heat generation	Korea	March 31	60.00%	60.00%
First Keepers Co., Ltd.	Facility management	Korea	March 31	100.00%	100.00%
Secutec Co., Ltd.	Facility security	Korea	March 31	100.00%	100.00%
KHNP USA LLC	Overseas Investment	USA	March 31	100.00%	100.00%
Energy Innovation Growth Fund 1	Investment Trust	Korea	March 31	67.42%	67.42%
KHNP Chile SpA	Overseas Investment	Chile	March 31	100.00%	100.00%
LSG Hydro Power Ltd.	Overseas Investment	Pakistan	March 31	99.99%	99.99%
Digital Innovation Growth Fund	Investment Trust	Korea	March 31	76.92%	76.92%

1. General information of the Company (cont'd)

1.2 Consolidated subsidiaries (cont'd)

Summarized financial information of subsidiaries as of March 31, 2025 and for the three-month period ended is as follows (Korean won in millions):

Company	Assets	Liabilities	Sales	Profit (loss) for the period
KHNP Canada Energy Ltd.	₩ 136,843	₩ 14,556	₩ -	₩ 111
Gyeonggi Green Energy Co., Ltd.	153,498	225,875	11,941	(5,787)
Korea Waterbury Uranium Limited Partnership	20,773	69	-	(24)
Incheon Fucell Co., Ltd.	246,907	233,382	20,390	(2,448)
First Keepers Co., Ltd.	27,617	16,295	25,025	2,272
Secutec Co., Ltd.	16,071	10,918	20,152	(10)
KHNP USA LLC	2,423	578	314	79
Energy Innovation Growth Fund 1	40,255	1,120	-	(239)
KHNP Chile SpA	6,027	4,786	-	(22)
LSG Hydro Power Ltd.	547	8	-	(72)
Digital Innovation Growth Fund	11,011	58	-	1,248

Significant restrictions related to subsidiaries are as follows:

	Significant Restrictions in Details
Gyeonggi Green Energy Co., Ltd.	Acquisition or disposal of assets by more than ₩10 billion, change in the capacity of cogeneration units (except for the change due to performance improvement of equipment or maintenance) will require unanimous consent of all directors.
Incheon Fucell Co., Ltd.	Acquisition or disposal of assets by more than ₩20 billion, change in the capacity of cogeneration units (except for the change due to performance improvement of equipment or maintenance) will require unanimous consent of all directors.

2. Basis of preparation

2.1 Statement of compliance

The consolidated interim financial statements of Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries (collectively referred to as the "Group") have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions in the Republic of Korea pursuant to the *Act on the Management of Public Institutions* and the *Decree on Accounting for Public Corporations and Quasi-governmental Institutions*. In compliance with Article 2, Paragraph 5 of the Government Accounting Standards above, for those matters not specified in the regulations and standard above, the consolidated interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards Accounting Standards as adopted in the Republic of Korea ("K-IFRS"), by the Korean Accounting Standards Board. There are no important matters that have been applied differently from K-IFRS under the Regulation.

The consolidated interim financial statements do not include all the information required for a complete set of K-IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as of and for the year ended December 31, 2024.

2.2 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.

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

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments do not have a significant impact on the consolidated financial statements.

2.3 New and amended standards not yet adopted by the Group

The following new accounting standards and interpretations had been issued but were not mandatory for annual reporting periods ending on December 31, 2025.

(i) Amendments to K-IFRS 1109 *Financial Instruments* and K-IFRS 1107 *Financial Instruments: Disclosures*

K-IFRS 1109 *Financial Instruments* and K-IFRS 1107 *Financial Instruments: Disclosures* have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The amendments do not have a significant impact on the consolidated financial statements. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

2. Basis of preparation (cont'd)

2.3 New and amended standards not yet adopted by the Group (cont'd)

- add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term; and

- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

(ii) Annual Improvements to K-IFRS -*Volume 11*

Annual Improvements to K-IFRS -*Volume 11* should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group does not expect the amendments to have a significant impact on the consolidated financial statements.

- K-IFRS 1101 *First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter*

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

- K-IFRS 1109 *Financial Instruments: Derecognition of lease liabilities and 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*

3. Material accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The material judgements made by the management on the application of accounting policies and key sources of estimation uncertainty for the preparation of consolidated interim financial statements are the same as the consolidated financial statements for the year ended December 31, 2024.

4. Segment information

The Group's segments are determined based on components of the Group that are engaged in revenue generating activities and for which discrete financial information is available that is regularly reported to the Chief Operating Decision Maker ("CODM") for the purpose of resource allocation and assessment of performance. Under K-IFRS 1108 *Operating Segments*, the Group's segment consists of electric power generation (nuclear power and others) and other business responsible for overseas operations. The price of transactions between reportable segments is determined based on the market transaction price applied to independent third-party transactions. The Group uses each segment as the basis for reporting its main segment information, and the accounting policies used for each segment are the same as those explained in the summary of material accounting policies.

The following table presents revenue and operating profit from the reportable segments for the three-month period ended March 31, 2025 and 2024 (Korean won in millions):

	For the three-month period ended March 31, 2025			
	Electric power generation	Others	Consolidation adjustments	Consolidated totals
Revenue from external customers	₩ 4,307,209	₩ 487	₩ -	₩ 4,307,696
Intersegment revenue	-	45,004	(45,004)	-
Segment revenue	₩ 4,307,209	₩ 45,491	₩ (45,004)	₩ 4,307,696
Segment operating profit	₩ 1,280,377	₩ 2,117	₩ 1,359	₩ 1,283,853
Other income (expenses), net	(1,782)	(259)	(85)	(2,126)
Other profit (loss), net	(14,923)	17	-	(14,906)
Finance income	92,948	1,543	(1,700)	92,791
Finance costs	220,637	74	(78)	220,633
Loss on investments in associates and joint ventures, net	(429)	(12,212)	-	(12,641)
Income tax expense (benefit)	303,569	-	(302)	303,267

	For the three-month period ended March 31, 2024			
	Electric power generation	Others	Consolidation adjustments	Consolidated totals
Revenue from external customers	₩ 2,734,836	₩ 638	₩ -	₩ 2,735,474
Intersegment revenue	-	42,147	(42,147)	-
Segment revenue	₩ 2,734,836	₩ 42,785	₩ (42,147)	₩ 2,735,474
Segment operating profit	₩ (284,340)	₩ 2,533	₩ 2,214	₩ (279,593)
Other income (expenses), net	11,565	(238)	(161)	11,166
Other profit (loss), net	995	(14)	-	981
Finance income	212,166	514	(840)	211,840
Finance costs	362,795	67	(251)	362,611
Gain (loss) on investments in associates and joint ventures, net	1	-	(5,004)	(5,003)
Income tax expense (benefit)	(101,443)	-	97	(101,346)

For the three-month periods ended March 31, 2025 and 2024, depreciation and amortization expenses for electric power generation projects (nuclear power and others) are ₩1,339,605 million and ₩1,360,546 million, respectively, and depreciation and amortization expenses for other business segments amount to ₩245 million and ₩282 million, respectively.

4. Segment information (cont'd)

Details of assets and liabilities by operating segments as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025							
	Electric power generation		Others		Consolidation adjustments		Consolidated totals	
Total assets	₩	75,135,992	₩	261,652	₩	(356,521)	₩	75,041,123
Investments in associates and joint ventures		242,870		22,150		(38,047)		226,973
Acquisition of non-current assets		1,039,219		179		(21)		1,039,377
Total liabilities		49,302,870		48,388		(182,062)		49,169,196

	December 31, 2024							
	Electric power generation		Others		Consolidation adjustments		Consolidated totals	
Total assets	₩	72,917,441	₩	304,716	₩	(337,531)	₩	72,884,626
Investments in associates and joint ventures		242,880		22,150		(24,455)		240,575
Acquisition of non-current assets		2,662,159		275		(76)		2,662,358
Total liabilities		47,542,561		52,700		(173,480)		47,421,781

The Group conducts the majority of its operations in the Republic of Korea, where the headquarters of the controlling company, Korea Hydro & Nuclear Power Co., Ltd., is located.

Revenue of the Group is classified based on the geographical location of customers, with the majority generated domestically (within the Republic of Korea). In addition, most of the non-current assets are also located domestically (in the Republic of Korea).

For the three-month periods ended March 31, 2025 and 2024, the Group recognized total revenues of ₩4,307,696 million and ₩2,735,474 million, respectively. Also, the Group recognized total revenues from KEPCO, the Group's largest customer, of ₩4,288,474 million and ₩2,673,296 million, respectively. There is no single other customer that accounts for more than 10% of the consolidated sales for the three-month periods ended March 31, 2025 and 2024.

5. Cash and cash equivalents

Cash and cash equivalents as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31 ,2025		December 31, 2024	
Cash equivalents	₩	6,203	₩	8,738
Short-term instruments classified as cash equivalents		498,410		239,308
Government grants		(6)		-
	₩	504,607	₩	248,046

Restricted cash and cash equivalents as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31 ,2025		December 31, 2024	
Short-term instruments classified as cash equivalents(*)	₩	21,485	₩	18,416

(*) This is a deposit for which the right of pledge is established in relation to the Group's borrowings (See Note 40.7).

6. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31 ,2025		December 31, 2024	
	Current	Non-current(*)	Current	Non-current
Financial assets designated as at fair value through profit or loss:				
Financial assets designated as at fair value through profit or loss(*)	₩ -	₩ 159,882	₩ -	₩ 148,323
Financial assets at fair value through profit or loss:				
Derivative assets	163,358	611,641	157,330	588,519
Beneficiary certificate(*)	-	129,726	-	146,043
Others(*)	911,565	13,292	455,370	13,948
	1,074,923	754,659	612,700	748,510
	₩ 1,074,923	₩ 914,541	₩ 612,700	₩ 896,833

(*) As of March 31, 2025, the Group invested ₩291,906 million in financial assets exclusively for payment of decommissioning costs of nuclear power plants. These are financial assets that cannot be used for any other purposes with a restricted access period exceeding 12 months subsequent to March 31, 2025. Therefore, these assets have been categorized as non-current assets.

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

	March 31 ,2025		December 31, 2024	
	Current	Non-current	Current	Non-current
Derivative assets:				
Foreign currency swaps	₩ 163,358	₩ 611,641	₩ 157,330	₩ 588,519
Derivative liabilities:				
Foreign currency swaps	4,751	26,699	1,640	27,729

There are no foreign currency forward contracts as of March 31, 2025.

6. Financial assets at fair value through profit or loss (cont'd)

Details of foreign currency swap contracts as of March 31, 2025 are as follows (Korean won in millions, USD, HKD, CHF in thousands, KRW/USD, KRW/HKD, KRW/CHF):

			Amount of contract		Interest rate of contract		Contractual foreign exchange rate
	Counterparty	Period	Pay	Receive	Pay	Receive	
Held for trading (*)	Nomura Financial Investment (Korea) Co., Ltd.	2015.06.15~2025.06.15	KRW 111,190	USD 100,000	2.60%	3.25%	1,111.90
	Korea Development Bank	2015.06.15~2025.06.15	KRW 111,190	USD 100,000	2.62%	3.25%	1,111.90
	Woori Bank	2015.06.15~2025.06.15	KRW 55,595	USD 50,000	2.62%	3.25%	1,111.90
	Hana Bank	2015.06.15~2025.06.15	KRW 55,595	USD 50,000	2.62%	3.25%	1,111.90
	Woori Bank	2017.07.25~2027.07.25	KRW 111,610	USD 100,000	2.25%	3.13%	1,116.10
	Korea Development Bank	2017.07.25~2027.07.25	KRW 111,610	USD 100,000	2.31%	3.13%	1,116.10
	Hana Bank	2017.07.25~2027.07.25	KRW 111,610	USD 100,000	2.31%	3.13%	1,116.10
	Korea Development Bank	2018.04.03~2028.03.13	KRW 108,600	HKD 800,000	2.69%	3.35%	135.75
	Shinhan Bank	2018.04.16~2028.03.13	KRW 115,388	HKD 850,000	2.66%	3.35%	135.75
	Korea Development Bank	2019.07.19~2027.07.19	KRW 119,978	CHF 100,000	1.43%	0.05%	1,199.78
	Woori Bank	2021.04.27~2026.04.27	KRW 222,800	USD 200,000	0.93%	1.25%	1,114.00
	Shinhan Bank	2021.04.27~2026.04.27	KRW 111,400	USD 100,000	0.92%	1.25%	1,114.00
	Korea Development Bank	2021.04.27~2026.04.27	KRW 111,400	USD 100,000	0.93%	1.25%	1,114.00
	Nonghyup Bank	2021.04.27~2026.04.27	KRW 111,400	USD 100,000	0.93%	1.25%	1,114.00
	Woori Bank	2022.07.27~2027.07.27	KRW 262,000	USD 200,000	3.62%	4.25%	1,310.00
	The Export-Import Bank of Korea	2022.07.27~2027.07.27	KRW 131,000	USD 100,000	3.63%	4.25%	1,310.00
	Kookmin Bank	2022.07.27~2027.07.27	KRW 131,000	USD 100,000	3.62%	4.25%	1,310.00
	Hana Bank	2022.07.27~2027.07.27	KRW 131,000	USD 100,000	3.61%	4.25%	1,310.00
	Korea Development Bank	2022.07.27~2027.07.27	KRW 262,000	USD 200,000	3.63%	4.25%	1,310.00
	The Export-Import Bank of Korea	2022.10.06~2032.10.06	KRW 349,829	HKD 1,935,000	4.87%	5.16%	180.79
	JP Morgan	2022.10.06~2032.10.06	KRW 75,194	HKD 415,000	5.00%	5.16%	181.19
	The Export-Import Bank of Korea	2023.06.07~2030.06.07	KRW 172,982	HKD 1,037,000	4.25%	4.51%	166.81
	Hana Bank	2024.01.18~2028.07.18	KRW 128,940	USD 100,000	3.73%	5.00%	1,289.40
	JP Morgan	2024.01.18~2028.07.18	KRW 128,940	USD 100,000	3.85%	5.00%	1,289.40
	Korea Development Bank	2024.01.18~2028.07.18	KRW 257,880	USD 200,000	3.80%	5.00%	1,289.40
	Korea Development Bank	2024.01.18~2028.07.18	KRW 128,940	USD 100,000	3.69%	5.00%	1,289.40
	Hana Bank	2024.07.29~2029.07.29	KRW 138,540	USD 100,000	3.15%	4.63%	1,385.40
	Shinhan Bank	2024.07.29~2029.07.29	KRW 138,540	USD 100,000	3.15%	4.63%	1,385.40
	Kookmin Bank	2024.07.29~2029.07.29	KRW 138,540	USD 100,000	3.16%	4.63%	1,385.40
	Woori Bank	2024.07.29~2029.07.29	KRW 138,540	USD 100,000	3.17%	4.63%	1,385.40
	Korea Development Bank	2024.07.29~2029.07.29	KRW 138,540	USD 100,000	3.19%	4.63%	1,385.40
	Credit Agricole	2025.03.05~2028.03.05	KRW 218,963	HKD 1,166,000	2.85%	4.10%	187.79

(*) The Group contracted derivative financial instruments for the purpose of hedging risk but classified them as derivative financial instruments held for trading, since those derivatives do not meet the applicable requirements of applying hedge accounting under K-IFRS 1109 *Financial Instruments*.

6. Financial assets at fair value through profit or loss (cont'd)

Net gain (loss) on valuation and transaction of derivatives (not designated as in hedging relationships) for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	Gain (loss) on valuation		Gain (loss) on transaction	
	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Foreign currency forwards	₩ -	₩ -	₩ (321)	₩ 1,476
Foreign currency swaps	27,070	156,143	19,656	5,031
	₩ 27,070	₩ 156,143	₩ 19,335	₩ 6,507

7. Trade and other receivables

Trade and other receivables as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				December 31, 2024			
	Gross amount	Allowance for doubtful accounts	Amortization of present value discount	Carrying amount	Gross amount	Allowance for doubtful accounts	Amortization of present value discount	Carrying amount
Current assets:								
Trade receivables	₩ 1,505,257	₩ -	₩ -	₩ 1,505,257	₩ 1,337,910	₩ -	₩ -	₩ 1,337,910
Current contract assets	1,971	-	-	1,971	-	-	-	-
Other receivables	800,089	(3,185)	(658)	796,246	719,347	(3,185)	(370)	715,792
	2,307,317	(3,185)	(658)	2,303,474	2,057,257	(3,185)	(370)	2,053,702
Non-current assets:								
Other receivables	87,703	-	(1,616)	86,087	88,774	-	(1,658)	87,116
	₩ 2,395,020	₩ (3,185)	₩ (2,274)	₩ 2,389,561	₩ 2,146,031	₩ (3,185)	₩ (2,028)	₩ 2,140,818

Other receivables as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				December 31, 2024			
	Gross amount	Allowance for doubtful accounts	Present value discount	Carrying amount	Gross amount	Allowance for doubtful accounts	Present value discount	Carrying amount
Current assets:								
Non-trade receivables	₩ 152,590	₩ (3,185)	₩ -	₩ 149,405	₩ 189,332	₩ (3,185)	₩ -	₩ 186,147
Accrued income	541,503	-	-	541,503	413,252	-	-	413,252
Guarantee deposits	37,769	-	(658)	37,111	49,181	-	(370)	48,811
Other current receivables	68,227	-	-	68,227	67,582	-	-	67,582
	800,089	(3,185)	(658)	796,246	719,347	(3,185)	(370)	715,792
Non-current assets:								
Non-trade receivables	43,036	-	-	43,036	41,021	-	-	41,021
Accrued income	3,353	-	-	3,353	2,091	-	-	2,091
Guarantee deposits	41,314	-	(1,616)	39,698	45,662	-	(1,658)	44,004
	87,703	-	(1,616)	86,087	88,774	-	(1,658)	87,116
	₩ 887,792	₩ (3,185)	₩ (2,274)	₩ 882,333	₩ 808,121	₩ (3,185)	₩ (2,028)	₩ 802,908

7. Trade and other receivables (cont'd)

Trade and other receivables are measured at amortized cost. For electricity sales revenue, the average trade receivables turnover is 2 business days from the billing date. Interest is charged on trade receivables after 2 business days from due date based on interest rates of overdue open market loans.

Aging analysis of the trade receivables as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

		March 31, 2025		December 31, 2024
Receivables (not overdue, not impaired)	₩	1,507,228	₩	1,337,910
Receivables (overdue, not impaired)		-		-
Receivables (other)		-		-
		1,507,228		1,337,910
Less: allowance for doubtful accounts		-		-
Less: present value discount		-		-
	₩	1,507,228	₩	1,337,910

At the end of each reporting period, the Group assesses whether the credit to trade receivables is impaired. The Group recognizes loss allowances for significant items of trade receivables individually when there is any objective evidence of impairment, and classifies the trade receivables that are not individually assessed as the trade receivables subject to collective assessment. Also, the Group recognizes loss allowances based on an 'expected credit loss' (ECL) model.

Aging analysis of other receivables as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

		March 31, 2025		December 31, 2024
Receivables (not overdue, not impaired)	₩	884,607	₩	804,936
Receivables (overdue, not impaired)		-		-
Receivables (other)		3,185		3,185
0~60 days		-		-
60~90 days		-		-
90~120 days		-		-
120~365 days		-		-
Over 365 days		3,185		3,185
		887,792		808,121
Less: allowance for doubtful accounts		(3,185)		(3,185)
Less: present value discount		(2,274)		(2,028)
	₩	882,333	₩	802,908

At the end of each reporting period, the Group assesses whether the credit to other receivables is impaired. The Group recognizes loss allowances for significant items of other receivables individually when there is any objective evidence of impairment, and classifies the other receivables that are not individually assessed as the other receivables subject to collective assessment. Also, the Group recognizes loss allowances based on an 'expected credit loss' (ECL) model.

7. Trade and other receivables (cont'd)

Changes in the allowance for doubtful accounts for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the year ended December 31, 2024	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Beginning balance	₩ -	₩ 3,185	₩ -	₩ 3,185
Bad debt expenses	-	2	-	24
Write-offs	-	(2)	-	(24)
Ending balance	₩ -	₩ 3,185	₩ -	₩ 3,185

8. Financial assets at fair value through other comprehensive income

Changes in financial assets at fair value through other comprehensive income for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025						
	January 1	Acquisitions	Disposals	Gain on valuation	Impairment losses	Others	March 31
Equity securities:							
Listed equity securities	₩ 156,985	₩ -	₩ -	₩ (43,777)	₩ -	₩ -	₩ 113,208
Unlisted equity securities	330,729	-	-	-	-	-	330,729
	487,714	-	-	(43,777)	-	-	443,937
Debit instruments:							
Corporate bonds	5,045	-	-	-	-	-	5,045
	₩ 492,759	₩ -	₩ -	₩ (43,777)	₩ -	₩ -	₩ 448,982
Non-current financial assets at fair value through other comprehensive income	₩ 492,759	₩ -	₩ -	₩ (43,777)	₩ -	₩ -	₩ 448,982

	For the year ended December 31, 2024						
	January 1	Acquisitions	Disposals	Gain on valuation	Impairment losses	Others	December 31
Equity securities:							
Listed equity securities	₩ 133,036	₩ -	₩ -	₩ 23,949	₩ -	₩ -	₩ 156,985
Unlisted equity securities	240,367	4,000	-	86,362	-	-	330,729
	373,403	4,000	-	110,311	-	-	487,714
Debit instruments:							
Corporate bonds	4,626	-	-	419	-	-	5,045
	₩ 378,029	₩ 4,000	₩ -	₩ 110,730	₩ -	₩ -	₩ 492,759
Non-current financial assets at fair value through other comprehensive income	₩ 378,029	₩ 4,000	₩ -	₩ 110,730	₩ -	₩ -	₩ 492,759

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

Details of financial assets at fair value through other comprehensive income as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				
	Shares	Ownership	Acquisition cost	Carrying amount	Fair value
Listed securities:					
Denison Mines Corp.	58,248,500	6.54%	₩ 36,799	₩ 112,179	₩ 112,179
Ihsung CNI Co., Ltd.	142,860	4.81%	1,500	1,029	1,029
			38,299	113,208	113,208
Unlisted securities:					
Korea Power Exchange(*1)	-	14.28%	18,263	31,031	31,031
SET Holding(*1)	1,100,220	2.50%	229,255	258,974	258,974
HeeMang Sunlight Power Co., Ltd.(*3)	78,600	8.33%	393	393	393
SGC Green Power Co., Ltd.(*1)	580,000	5.00%	2,900	5,570	5,570
Le Soleil KHNP, Inc.(*3)	137,600	19.00%	1,376	1,376	1,376
Orano Expansion(*3)	5,742,405	4.72%	-	-	-
Ihsung CNI Co., Ltd.(*1)	127,660	3.96%	1,500	2,161	2,161
H robotics Co., Ltd.(*2)	422,832	3.30%	1,000	156	156
Goodtcells Co., Ltd.(*2)	11,364	0.33%	500	571	571
iPS Bio Co., Ltd.(*2)	1,975	3.13%	1,000	896	896
Nine B Co., Ltd.(*3)	5,000	4.96%	1,000	1,000	1,000
Common Computer Co., Ltd.(*1)	3,856	1.64%	1,000	1,189	1,189
H robotics Co., Ltd.(*2)	480,769	3.75%	3,000	176	176
Fine Powerx Co., Ltd.(*1)	72,633	4.58%	1,500	1,610	1,610
Agencore Co., Ltd.(*3)	175,779	7.70%	2,200	2,514	2,514
SamHong Machinery Co., Ltd.(*3)	617,535	9.81%	7,000	8,318	8,318
Aloha Factory Co., Ltd.(*2)	2,970	3.70%	1,000	552	552
Daily Shot Co., Ltd.(*3)	1,695	1.72%	1,001	1,250	1,250
Mediquitous Co., Ltd.(*1)	5,080	0.58%	1,250	1,442	1,442
Black Materials Co., Ltd.(*3)	37,038	8.31%	500	500	500
Monite Co., Ltd.(*3)	166,667	7.14%	1,000	1,000	1,000
Enersys Co., Ltd.(*3)	9,763	19.62%	2,050	2,050	2,050
Kalman Co., Ltd.(*3)	23,172	9.54%	1,000	1,000	1,000
Himet Co., Ltd.(*3)	1,754,386	13.93%	5,000	5,000	5,000
BOBAEK C&S Co., Ltd.(*3)	13,246	0.87%	2,000	2,000	2,000
			286,688	330,729	330,729
Debit securities:					
Aron Flying Ship Co., Ltd.(*2)			491	535	535
Inno Platech Co., Ltd.(*3)			1,080	1,194	1,194
Daebon Tech Co., Ltd.(*3)			3,000	3,316	3,316
			4,571	5,045	5,045
			₩ 329,558	₩ 448,982	₩ 448,982

(*1) The Group has estimated the fair value by using the income approach method (discounted cash flows method) and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the three-month period ended March 31, 2025.
(*2) The Group has estimated the fair value by using the market approach method (recent transaction method) and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the three-month period ended March 31, 2025.

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

(*3) This financial asset at fair value through other comprehensive income does not have a quoted market price in an active market, and its fair value cannot be reliably measured. Therefore, it is measured at cost.

	December 31, 2024				
	Shares	Ownership	Acquisition cost	Carrying amount	Fair value
Listed securities:					
Denison Mines Corp.	58,248,500	6.50%	₩ 36,799	₩ 155,671	₩ 155,671
Ihsung CNI Co., Ltd.	142,860	4.43%	1,500	1,314	1,314
			38,299	156,985	156,985
Unlisted securities:					
Korea Power Exchange(*1)	-	14.28%	18,263	31,031	31,031
SET Holding(*1)	1,100,220	2.50%	229,255	258,974	258,974
HeeMang Sunlight Power Co., Ltd.(*3)	78,600	8.33%	393	393	393
SGC Green Power Co., Ltd.(*1)	580,000	5.00%	2,900	5,570	5,570
Le Soleil KHNP, Inc.(*3)	137,600	19.00%	1,376	1,376	1,376
Orano Expansion(*3)	5,742,405	4.72%	-	-	-
Ihsung CNI Co., Ltd.(*1)	127,660	3.96%	1,500	2,161	2,161
H robotics Co., Ltd.(*2)	422,832	3.30%	1,000	156	156
Goodtcells Co., Ltd.(*2)	11,364	0.33%	500	571	571
iPS Bio Co., Ltd.(*2)	1,975	3.13%	1,000	896	896
Nine B Co., Ltd.(*3)	5,000	4.96%	1,000	1,000	1,000
Common Computer Co., Ltd.(*1)	3,856	1.64%	1,000	1,189	1,189
H robotics Co., Ltd.(*2)	480,769	3.75%	3,000	176	176
Fine Powerx Co., Ltd.(*1)	72,633	4.58%	1,500	1,610	1,610
Agencore Co., Ltd.(*3)	175,779	7.70%	2,200	2,514	2,514
SamHong Machinery Co., Ltd.(*3)	617,535	9.81%	7,000	8,318	8,318
Aloha Factory Co., Ltd.(*2)	2,970	3.70%	1,000	552	552
Daily Shot Co., Ltd.(*3)	1,695	1.72%	1,001	1,250	1,250
Mediquitous Co., Ltd.(*1)	5,080	0.58%	1,250	1,442	1,442
Black Materials Co., Ltd.(*3)	37,038	8.31%	500	500	500
Monite Co., Ltd.(*3)	166,667	7.14%	1,000	1,000	1,000
Enersys Co., Ltd.(*3)	9,763	19.62%	2,050	2,050	2,050
Kalman Co., Ltd.(*3)	23,172	9.54%	1,000	1,000	1,000
Himet Co., Ltd.(*3)	1,754,386	13.93%	5,000	5,000	5,000
BOBAEK C&S Co., Ltd.(*3)	13,246	0.87%	2,000	2,000	2,000
			286,688	330,729	330,729
Debit securities:					
Aron Flying Ship Co., Ltd.(*2)			491	535	535
Inno Platech Co., Ltd.(*3)			1,080	1,194	1,194
Daebon Tech Co., Ltd.(*3)			3,000	3,316	3,316
			4,571	5,045	5,045
			₩ 329,558	₩ 492,759	₩ 492,759

(*1) The Group has estimated the fair value by using the income approach method (discounted cash flows method) and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the year ended December 31, 2024.
(*2) The Group has estimated the fair value by using the market approach method (recent transaction method) and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the year ended December 31, 2024.

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

(*3) This financial asset at fair value through other comprehensive income does not have a quoted market price in an active market, and its fair value cannot be reliably measured. Therefore, it is measured at cost.

9. Other financial assets

Other financial assets as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				December 31, 2024			
	Current		Non-current		Current		Non-current	
Financial instruments	₩	816,614	₩	679,610	₩	208,614	₩	669,494
Loans		5,986		81,403		6,461		78,936
	₩	822,600	₩	761,013	₩	215,075	₩	748,430

Details of financial instruments as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				December 31, 2024			
	Current		Non-current(*)		Current		Non-current	
Time deposit	₩	626,614	₩	139,610	₩	18,614	₩	129,494
Others		190,000		540,000		190,000		540,000
	₩	816,614	₩	679,610	₩	208,614	₩	669,494

(*) As of March 31, 2025, the Group set aside ₩670,000 million for decommissioning costs for nuclear power plants. These funds are financial assets that cannot be used for any other purposes with a restricted access period exceeding 12 months subsequent to March 31, 2025.

Details of loans as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				December 31, 2024			
	Current		Non-current		Current		Non-current	
Loans for tuition(*1)	₩	4,225	₩	67,946	₩	4,676	₩	66,532
Loans for housing(*2)		405		2,907		423		3,053
Other loans(*3)		1,379		19,842		1,380		18,232
Less: present value discount		(23)		(9,292)		(18)		(8,881)
	₩	5,986	₩	81,403	₩	6,461	₩	78,936

(*1) The annual interest rate on loans for tuition is 0%, under a condition of a 5 to 7-year installment repayment with 2 to 3-year grace period.
(*2) The annual interest rate on loans for housing is 3.22%, under the condition of a 15 to 20-year installment repayment.
(*3) The annual interest rate on other loans is 4.60% to 5.80%, under the condition of installment repayment.

9. Other financial assets (cont'd)

Details of loans as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025			
	Gross amount	Present value discount	Allowance for doubtful accounts	Carrying amount
Loans for tuition	₩ 72,171	₩ (9,315)	₩ -	₩ 62,856
Loans for housing	3,312	-	-	3,312
Other loans	21,221	-	-	21,221
	₩ 96,704	₩ (9,315)	₩ -	₩ 87,389

	December 31, 2024			
	Gross amount	Present value discount	Allowance for doubtful accounts	Carrying amount
Loans for tuition	₩ 71,208	₩ (8,899)	₩ -	₩ 62,309
Loans for housing	3,476	-	-	3,476
Other loans	19,612	-	-	19,612
	₩ 94,296	₩ (8,899)	₩ -	₩ 85,397

10. Inventories

Inventories as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025			December 31, 2024		
	Acquisition cost	Valuation allowance	Carrying amount	Acquisition cost	Valuation allowance	Carrying amount
Raw materials	₩ 4,246,496	₩ -	₩ 4,246,496	₩ 4,093,848	₩ -	₩ 4,093,848
Supplies	3,069,207	-	3,069,207	2,955,361	-	2,955,361
Inventory-in-transit	270,157	-	270,157	264,853	-	264,853
	₩ 7,585,860	₩ -	₩ 7,585,860	₩ 7,314,062	₩ -	₩ 7,314,062

11. Non-financial assets

Non-financial assets as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
	Current	Non-current	Current	Non-current
Advanced payments	₩ 320,339	₩ 355,143	₩ 284,679	₩ 302,770
Prepaid expenses	46,562	12,922	51,976	12,633
Others	62,879	-	39,075	-
	₩ 429,780	₩ 368,065	₩ 375,730	₩ 315,403

12. Investments in associates and joint ventures

Investments in associates and joint ventures as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025					
Company	Key operating activities	Location	Reporting Date	Ownership	Acquisition cost	Carrying amount
<Associates>						
Korea Offshore Wind Power Co., Ltd.(*1)	Offshore wind resources development	Korea	March 31	12.50%	₩ 26,600	₩ 26,164
Noeul Green Energy Co., Ltd.	Electricity and heat generation	Korea	March 31	29.00%	1,740	-
Busan Green Energy Co., Ltd.	Electricity and heat generation	Korea	March 31	29.00%	5,243	2,138
Korea Hydro & Nuclear Power KNP Co., Ltd.	Electric material agency	Korea	March 31	28.98%	537	724
KEPCO Solar Co., Ltd.(*1)	Photovoltaic power generation electricity resources development	Korea	March 31	8.38%	16,750	17,534
KEPCO ES Co., Ltd.(*1)	Energy-efficient equipment investment services business	Korea	March 31	8.33%	25,000	25,529
Gwangyang Green Energy Co., Ltd.	Biomass generation	Korea	March 31	20.00%	26,800	24,150
Hanwha Solar Power Private equity investment trust	Investment trust	Korea	March 31	49.00%	6,098	6,110
Godeok Clean Energy Co., Ltd.	Electricity and heat generation	Korea	March 31	40.00%	5,560	6,254
Bigeum Resident Solar Power Generation Co., Ltd.	Photovoltaic power generation	Korea	March 31	27.31%	11,213	6,907
Gangneung Sacheon Fuel Cell Co., Ltd.	Electricity and heat generation	Korea	March 31	41.00%	5,695	9,252
Chuncheon Green Energy Co., Ltd.	Electricity and heat generation	Korea	March 31	45.00%	9,540	16,207
Green Radiation Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	March 31	9.00%	20	20
Environment and Energy Co., Ltd.(*1,6)	Research & Technology development Commercialization	Korea	December 31	10.54%	11	2
Changwon SG Energy Co., Ltd.(*1)	Renewable energy business	Korea	March 31	18.78%	900	866
Songsan Green Energy Co., Ltd.(*3)	Electricity and heat generation	Korea	March 31	60.00%	8,400	7,257
Dreams Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	March 31	11.00%	11	14
DEEP AI Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	March 31	1.32%	11	7
					150,129	149,135
<Joint ventures>						
Waterbury Lake Uranium Limited Partnership(*2,4)	Uranium resources development	Canada	March 31	28.74%	20,753	23,766
Cheongsong Noraesan Wind Power Co., Ltd.(*4)	Wind power generation	Korea	March 31	29.01%	3,200	3,963
Saemangeum Solar Power Co., Ltd.(*5)	Solar power generation	Korea	March 31	81.01%	26,400	23,217
KAS INVESTMENT I LLC(*4,6)	Overseas Investment	USA	December 31	29.89%	23,437	-
KAS INVESTMENT II LLC(*4,6)	Overseas Investment	USA	December 31	29.89%	23,343	-
Guadalupe Solar SpA(*5)	Overseas Investment	Chile	March 31	60.00%	1,397	1,215
Changwon Nu-ri Energy Co., Ltd.(*5)	Electricity and heat generation	Korea	March 31	61.00%	8,095	7,509
Yangyang Offshore Wind Power Co., Ltd.(*4)	Wind power generation	Korea	March 31	29.00%	10,498	9,723
Jeonju Bio Green Energy Co., Ltd.(*5)	Electricity and heat generation	Korea	March 31	65.00%	3,250	1,772
Hadong E-factory Co., Ltd.(*4)	Electricity and heat generation	Korea	March 31	29.99%	350	343
Imha Susang Taeyanggwang Co., Ltd.(*2,4)	Solar power generation	Korea	March 31	49.00%	7,174	6,332
					127,897	77,840
					₩ 278,026	₩ 226,975

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

(*1) Although the Group holds less than 20% equity interest in the investee, the investee has been classified as an investment in associates, as the Group determines that it could exercise significant influence over the investee.
(*2) The above acquisition cost is the carrying amount at the time of change in the consolidation range. The initial acquisition cost of the Waterbury Lake Uranium Limited Partnership held by the Korea Waterbury Uranium Limited Partnership was ₩26,602 million.
(*3) Although the Group holds over 50% of equity interest in the investee, the investee is classified as associate since the Group does not exercise control over the decision of significant financial and operating polices in accordance with shareholders' agreements.
(*4) Although the Group holds less than 50% of equity interest in the investee, the investee is classified as an investment in joint venture since unanimous consent is required for making decision on activities related to the investee.
(*5) Although the Group holds over 50% of equity interest in the investee, the investee is classified as an investment in joint venture since unanimous consent is required for making decision on activities related to the investee.
(*6) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of December 31, 2024, the most recent financial statements, were used.

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

	December 31, 2024					
Company	Key operating activities	Location	Reporting Date	Owner-ship	Acquisition cost	Carrying amount
<Associates>						
Korea Offshore Wind Power Co., Ltd.(*1)	Offshore wind resources development	Korea	December 31	12.50%	₩ 26,600	₩ 24,863
Noeul Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	29.00%	1,740	-
Busan Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	29.00%	5,243	2,334
Korea Hydro & Nuclear Power KNP Co., Ltd.	Electric material agency	Korea	December 31	28.98%	537	674
KEPCO Solar Co., Ltd.(*1)	Photovoltaic power generation electricity resources development	Korea	December 31	8.38%	16,750	17,697
KEPCO ES Co., Ltd.(*1)	Energy-efficient equipment investment services business	Korea	December 31	8.33%	25,000	26,059
Gwangyang Green Energy Co., Ltd.	Biomass generation	Korea	December 31	20.00%	26,800	24,217
Hanwha Solar Power Private equity investment trust	Investment trust	Korea	December 31	49.00%	6,108	6,119
Godeok Clean Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	40.00%	5,560	5,301
Bigeum Resident Solar Power Generation Co., Ltd.	Photovoltaic power generation	Korea	December 31	27.31%	11,213	7,908
Gangneung Sacheon Fuel Cell Co., Ltd.	Electricity and heat generation	Korea	December 31	41.00%	5,695	9,306
Chuncheon Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	45.00%	9,540	17,672
Green Radiation Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	December 31	9.00%	20	-
Environment and Energy Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	December 31	10.54%	11	3
Changwon SG Energy Co., Ltd.(*1)	Renewable energy business	Korea	December 31	18.78%	900	682
Songsan Green Energy Co., Ltd.(*7)	Electricity and heat generation	Korea	December 31	60.00%	8,400	7,908
Dreams Co.Ltd(*1,2)	Research & Technology development Commercialization	Korea	December 31	11.00%	11	11
DEEP AI Co., Ltd.(*1,2)	Research & Technology development Commercialization	Korea	December 31	1.20%	11	11
					150,139	150,765
<Joint ventures>						
Waterbury Lake Uranium Limited Partnership(*3,4)	Uranium resources development	Canada	December 31	29.68%	20,753	23,756
Cheongsong Noraesan Wind Power Co., Ltd.(*4)	Wind power generation	Korea	December 31	29.01%	3,200	4,316
Saemangeum Solar Power Co., Ltd.(*5)	Solar power generation	Korea	December 31	81.01%	26,400	23,277
KAS INVESTMENT I LLC(*4,6)	Overseas Investment	USA	September 30	29.89%	23,437	6,078
KAS INVESTMENT II LLC(*4,6)	Overseas Investment	USA	September 30	29.89%	23,343	6,039
Guadalupe Solar SpA(*5)	Overseas Investment	Chile	December 31	60.00%	1,397	781
Changwon Nu-ri Energy Co., Ltd.(*5)	Electricity and heat generation	Korea	December 31	61.00%	8,095	7,658
Yangyang Offshore Wind Power Co., Ltd.(*4)	Wind power generation	Korea	December 31	29.00%	10,498	8,643
Jeonju Bio Green Energy Co., Ltd.(*5)	Electricity and heat generation	Korea	December 31	65.00%	3,250	2,567
Hadong E-factory Co., Ltd.(*4)	Electricity and heat generation	Korea	December 31	29.99%	350	344
Imha Susang Taeyanggwang Co.,Ltd.(*2,4)	Solar power generation	Korea	December 31	49.00%	7,174	6,351
					127,897	89,810
					₩ 278,036	₩ 240,575

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

(*1) Although the Group holds less than 20% equity interest in the investee, the investee has been classified as an investment in associates, as the Group determines that it could exercise significant influence over the investee.
(*2) This entity was newly included as associates and joint ventures of the Group due to new investments for the year ended December 31, 2024.
(*3) The above acquisition cost is the carrying amount at the time of change in the consolidation range. The initial acquisition cost of the Waterbury Lake Uranium Limited Partnership held by the Korea Waterbury Uranium Limited Partnership was ₩26,602 million.
(*4) Although the Group holds less than 50% of equity interest in the investee, the investee is classified as an investment in joint venture since unanimous consent is required for making decision on activities related to the investee.
(*5) Although the Group holds over 50% of equity interest in the investee, the investee is classified as an investment in joint venture since unanimous consent is required for making decision on activities related to the investee.
(*6) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of September 30, 2024, the most recent financial statements, were used.
(*7) Although the Group holds over 50% of equity interest in the investee, the investee is classified as associate since the Group does not exercise control over the decision of significant financial and operating polices in accordance with shareholders' agreements.

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

Changes in investments in associates and joint ventures for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025						
	January 1	Acquisition	Share of profit (loss) and others	Changes in equity and others	Disposals	Others	March 31
<Associates>							
Korea Offshore Wind Power Co., Ltd.	₩ 24,863	₩ -	₩ 1,301	₩ -	₩ -	₩ -	₩ 26,164
Noeul Green Energy Co., Ltd.	-	-	-	-	-	-	-
Busan Green Energy Co., Ltd.	2,334	-	(196)	-	-	-	2,138
Korea Hydro & Nuclear Power KNP Co., Ltd	674	-	63	-	-	(13)	724
KEPCO Solar Co., Ltd.	17,697	-	175	-	-	(338)	17,534
KEPCO ES Co., Ltd.	26,059	-	(22)	-	-	(508)	25,529
Gwangyang Green Energy Co., Ltd.	24,217	-	(67)	-	-	-	24,150
Hanwha Solar Power Private equity investment trust	6,119	-	81	-	(10)	(80)	6,110
Godeok Clean Energy Co., Ltd.	5,301	-	953	-	-	-	6,254
Bigeum Resident Solar Power Generation Co., Ltd.	7,908	-	(1,001)	-	-	-	6,907
Gangneung Sacheon Fuel Cell Co., Ltd.	9,306	-	(54)	-	-	-	9,252
Chuncheon Green Energy Co., Ltd.	17,672	-	(1,465)	-	-	-	16,207
Green Radiation Co., Ltd	-	-	20	-	-	-	20
Environment and Energy Co., Ltd	3	-	(1)	-	-	-	2
Changwon SG Energy Co., Ltd	682	-	184	-	-	-	866
Songsan Green Energy Co., Ltd.	7,908	-	(651)	-	-	-	7,257
Dreams Co., Ltd.	11	-	3	-	-	-	14
DEEP AI Co., Ltd.	11	-	(4)	-	-	-	7
	150,765	-	(681)	-	(10)	(939)	149,135
<Joint ventures>							
Waterbury Lake Uranium Limited Partnership	23,756	-	86	(76)	-	-	23,766
Cheongsong Noraesan Wind Power Co., Ltd.	4,316	-	340	-	-	(693)	3,963
Saemangeum Solar Power Co., Ltd.	23,277	-	(60)	-	-	-	23,217
KAS INVESTMENT I LLC(*1)	6,078	-	(6,440)	362	-	-	-
KAS INVESTMENT II LLC(*1)	6,039	-	(6,399)	360	-	-	-
Guadalupe Solar SpA	781	-	398	36	-	-	1,215
Changwon Nu-ri Energy Co., Ltd.	7,658	-	(149)	-	-	-	7,509
Yangyang Offshore Wind Power Co., Ltd.	8,643	-	1,080	-	-	-	9,723
Jeonju Bio Green Energy Co., Ltd.	2,567	-	(795)	-	-	-	1,772
Hadong E-factory Co., Ltd.	344	-	(1)	-	-	-	343
Imha Susang Taeyanggwang Co., Ltd.	6,351	-	(19)	-	-	-	6,332
	89,810	-	(11,959)	682	-	(693)	77,840
	₩ 240,575	₩ -	₩ (12,640)	₩ 682	₩ (10)	₩ (1,632)	₩ 226,975

(*1) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of December 31, 2024 the most recent financial statements, were used.

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

	For the year ended December 31, 2024						
	January 1	Acquisition	Share of profit (loss) and others	Changes in equity and others	Disposals	Others	December 31
<Associates>							
Korea Offshore Wind Power Co., Ltd.	₩ 23,827	₩ -	₩ 1,036	₩ -	₩ -	₩ -	₩ 24,863
Noeul Green Energy Co., Ltd.	-	-	-	-	-	-	-
Busan Green Energy Co., Ltd.	3,260	-	(911)	-	-	(15)	2,334
Korea Hydro & Nuclear Power KNP Co., Ltd.	467	-	207	-	-	-	674
KEPCO Solar Co., Ltd.	17,599	-	520	-	-	(422)	17,697
KEPCO ES Co., Ltd.	25,598	-	729	-	-	(268)	26,059
Gwangyang Green Energy Co., Ltd.	24,638	-	(421)	-	-	-	24,217
Hanwha Solar Power Private equity investment trust	6,496	-	357	-	(374)	(360)	6,119
Godeok Clean Energy Co., Ltd.	4,722	-	579	-	-	-	5,301
Bigeum Resident Solar Power Generation Co., Ltd.(*1)	-	9,525	(1,560)	(57)	-	-	7,908
Gangneung Sacheon Fuel Cell Co., Ltd.	7,869	-	1,437	-	-	-	9,306
Chuncheon Green Energy Co., Ltd.	8,901	-	8,771	-	-	-	17,672
Green Radiation Co., Ltd.	26	-	(26)	-	-	-	-
Environment and Energy Co., Ltd.	10	-	(5)	(2)	-	-	3
Changwon SG Energy Co., Ltd.	783	-	(101)	-	-	-	682
Songsan Green Energy Co., Ltd.	8,323	-	(415)	-	-	-	7,908
Dreams Co., Ltd.	-	11	-	-	-	-	11
DEEP AI Co., Ltd.	-	11	-	-	-	-	11
	132,519	9,547	10,197	(59)	(374)	(1,065)	150,765
<Joint ventures>							
Waterbury Lake Uranium Limited Partnership	22,612	-	73	1,071	-	-	23,756
Cheongsong Noraesan Wind Power Co., Ltd.	3,756	-	560	-	-	-	4,316
Saemangeum Solar Power Co., Ltd.	23,419	-	(142)	-	-	-	23,277
KAS INVESTMENT I LLC(*2)	15,784	-	(12,916)	3,210	-	-	6,078
KAS INVESTMENT II LLC(*2)	15,709	-	(12,868)	3,198	-	-	6,039
Guadalupe Solar SpA	1,200	-	(431)	12	-	-	781
Changwon Nu-ri Energy Co., Ltd.	8,027	-	(369)	-	-	-	7,658
Yangyang Offshore Wind Power Co., Ltd.	9,608	-	(912)	(53)	-	-	8,643
Jeonju Bio Green Energy Co., Ltd.	3,195	-	(628)	-	-	-	2,567
Hadong E-factory Co., Ltd.	349	-	(5)	-	-	-	344
Imha Susang Taeyanggwang Co., Ltd.	-	7,174	(823)	-	-	-	6,351
	103,659	7,174	(28,461)	7,438	-	-	89,810
	₩ 236,178	₩ 16,721	₩ (18,264)	₩ 7,379	₩ (374)	₩ (1,065)	₩ 240,575

(*1) For the year ended December 31, 2024, long-term loan to Bigeum Resident Solar Power Generation Co., Ltd. is converted to equity.
(*2) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of September 30, 2024 the most recent financial statements, were used.

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

The summary financial information of investments accounted for using the equity method as of March 31, 2025 and December 31, 2024 and for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		For the three-month period ended March 31, 2025	
	Total assets	Total liabilities	Revenue	Net profit (loss)
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 340,902	₩ 131,591	₩ 13,308	₩ 4,087
Noeul Green Energy Co., Ltd.	96,984	109,089	11,791	1,120
Busan Green Energy Co., Ltd.	147,212	139,839	14,663	(676)
Korea Hydro & Nuclear Power KNP Co., Ltd.	4,188	1,136	2,116	218
KEPCO Solar Co., Ltd.	241,514	32,145	5,882	2,091
KEPCO ES Co., Ltd.	318,979	12,629	2,105	(255)
Gwangyang Green Energy Co., Ltd.	544,590	423,929	-	(337)
Hanwha Solar Power Private equity investment trust(*1)	12,639	174	174	166
Godeok Clean Energy Co., Ltd.	129,680	114,048	11,561	2,770
Bigeum Resident Solar Power Generation Co., Ltd.	417,148	391,863	4,980	(5,982)
Gangneung Sacheon Fuel Cell Co., Ltd.	147,420	125,070	10,689	221
Chuncheon Green Energy Co., Ltd.	230,806	194,907	15,409	(535)
Green Radiation Co., Ltd.	855	671	258	66
Environment and Energy Co., Ltd.	31	-	-	(36)
Changwon SG Energy Co., Ltd.	5,858	1,325	1,984	981
Songsan Green Energy Co., Ltd.	135,799	123,822	4,434	(1,084)
Dreams Co., Ltd.	199	119	21	(19)
DEEP AI Co., Ltd.	622	569	55	(161)
<Joint ventures>				
Waterbury Lake Uranium Limited Partnership	84,951	2,262	-	-
Cheongsong Noraesan Wind Power Co., Ltd.	53,791	40,336	2,936	1,723
Saemangeum Solar Power Co., Ltd.	34,291	5,632	-	(75)
KAS INVESTMENT I LLC(*1,2)	13	31	(21,562)	(21,562)
KAS INVESTMENT II LLC(*1,2)	13	31	(21,426)	(21,426)
Guadalupe Solar SpA	11,050	9,189	480	664
Changwon Nu-ri Energy Co., Ltd.	82,086	69,781	1,835	(244)
Yangyang Offshore Wind Power Co., Ltd.	220,868	187,342	-	(569)
Jeonju Bio Green Energy Co., Ltd.	2,725	-	-	(1,224)
Hadong E-factory Co., Ltd.	2,331	1,208	-	(4)
Imha Susang Taeyanggwang Co., Ltd.	56,433	43,606	-	(40)

(*1) Revenue is gain and loss from investment shares held by the entity.
(*2) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of December 31, 2024, the most recent financial statements, were used.

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

	December 31, 2024		For the year ended December 31, 2024	
	Total assets	Total liabilities	Revenue	Net profit (loss)
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 330,373	₩ 131,470	₩ 41,489	₩ 8,286
Noeul Green Energy Co., Ltd.	95,569	108,793	47,999	4,787
Busan Green Energy Co., Ltd.	142,942	134,894	66,924	(3,140)
Korea Hydro & Nuclear Power KNP Co., Ltd.	4,324	1,444	7,949	716
KEPCO Solar Co., Ltd.	240,555	29,240	20,788	6,210
KEPCO ES Co., Ltd.	318,640	5,936	6,384	8,758
Gwangyang Green Energy Co., Ltd.	547,208	426,210	-	(2,105)
Hanwha Solar Power Private equity investment trust(*1)	12,664	178	722	689
Godeok Clean Energy Co., Ltd.	130,520	117,267	49,187	1,465
Bigeum Resident Solar Power Generation Co., Ltd.	441,227	412,276	10,812	(6,845)
Gangneung Sacheon Fuel Cell Co., Ltd.	148,459	125,975	45,534	5,768
Chuncheon Green Energy Co., Ltd.	234,506	195,354	68,010	11,494
Green Radiation Co., Ltd.	521	663	613	(272)
Environment and Energy Co., Ltd.	31	-	-	(36)
Changwon SG Energy Co., Ltd.	4,879	1,328	3,342	(539)
Songsan Green Energy Co., Ltd.	120,001	106,939	121	(692)
Dreams Co., Ltd.	233	183	208	(49)
DEEP AI Co., Ltd.	813	449	240	(319)
<Joint ventures>				
Waterbury Lake Uranium Limited Partnership	80,803	761	-	-
Cheongsong Noraesan Wind Power Co., Ltd.	53,373	38,705	6,788	1,599
Saemangeum Solar Power Co., Ltd.	34,377	5,643	-	(176)
KAS INVESTMENT I LLC(*1,2)	20,361	28	(40,343)	(43,213)
KAS INVESTMENT II LLC(*1,2)	20,232	28	(40,189)	(43,048)
Guadalupe Solar SpA	10,476	9,339	1,408	(574)
Changwon Nu-ri Energy Co., Ltd.	71,178	58,630	333	(606)
Yangyang Offshore Wind Power Co., Ltd.	210,853	181,052	-	(5,391)
Jeonju Bio Green Energy Co., Ltd.	4,130	181	-	(967)
Hadong E-factory Co., Ltd.	2,331	1,204	-	(17)
Imha Susang Taeyanggwang Co., Ltd.	36,413	23,546	-	(1,679)

(*1) Revenue is gain and loss from investment shares held by the entity.
(*2) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of September 30, 2024, the most recent financial statements, were used.

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

The unrecognized investment equity pertaining to the losses of associates and joint ventures as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
	Unrecognized loss (profit)	Accumulated unrecognized loss	Unrecognized loss (profit)	Accumulated unrecognized loss
Noeul Green Energy Co., Ltd.	₩ (325)	₩ 3,510	₩ (1,378)	₩ 3,835
Green Radiation Co., Ltd.	-	-	11	11
KAS INVESTMENT I LLC	5	5	-	-
KAS INVESTMENT II LLC	5	5	-	-

13. Property, plant and equipment

Property, plant and equipment as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	₩ 2,820,431	₩ -	₩ -	₩ -	₩ 2,820,431
Buildings	10,172,330	(333)	(4,865,435)	(2,343)	5,304,219
Structures	6,108,282	(6,365)	(3,101,359)	(4,029)	2,996,529
Machinery	35,973,540	(1,152)	(17,302,225)	(419,939)	18,250,224
Ships	1,851	-	(1,179)	-	672
Vehicles	121,079	(81)	(105,102)	-	15,896
Fixtures and furniture	812,638	(253)	(625,832)	(38)	186,515
Tools	588,366	(303)	(523,579)	-	64,484
Construction-in-progress	13,439,326	-	-	(19,994)	13,419,332
Right-of-use assets	2,860,839	-	(897,188)	-	1,963,651
Asset retirement costs	18,029,746	-	(8,466,866)	(146,423)	9,416,457
Others	18,165,315	-	(15,935,703)	-	2,229,612
	₩ 109,093,743	₩ (8,487)	₩ (51,824,468)	₩ (592,766)	₩ 56,668,022

	December 31, 2024				
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	₩ 2,819,404	₩ -	₩ -	₩ -	₩ 2,819,404
Buildings	10,154,634	(343)	(4,771,486)	(2,343)	5,380,462
Structures	6,106,570	(6,513)	(3,049,346)	(4,029)	3,046,682
Machinery	35,873,985	(1,552)	(16,871,876)	(419,939)	18,580,618
Ships	1,851	-	(1,152)	-	699
Vehicles	120,184	(92)	(102,836)	-	17,256
Fixtures and furniture	782,679	(278)	(607,674)	(37)	174,690
Tools	580,106	(329)	(516,693)	-	63,084
Construction-in-progress	12,678,926	-	-	(19,994)	12,658,932
Right-of-use assets	2,848,321	-	(868,003)	-	1,980,318
Asset retirement costs	18,065,227	-	(8,177,107)	(146,423)	9,741,697
Others	17,806,439	-	(15,649,781)	-	2,156,658
	₩ 107,838,326	₩ (9,107)	₩ (50,615,954)	₩ (592,765)	₩ 56,620,500

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

Changes in property, plant and equipment for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025					
	January 1	Acquisitions/ Capitalization	Disposals/ Decreases	Depreciation (*4)	Others	March 31
Land	₩ 2,819,404	₩ 5	₩ -	₩ -	₩ 1,022	₩ 2,820,431
Buildings	5,380,805	13	(562)	(94,449)	18,745	5,304,552
(Government grants)	(343)	-	-	10	-	(333)
Structures	3,053,195	-	-	(52,014)	1,713	3,002,894
(Government grants)	(6,513)	-	-	148	-	(6,365)
Machinery	18,582,170	162	(18,486)	(449,660)	137,190	18,251,376
(Government grants)	(1,552)	-	-	400	-	(1,152)
Ships	699	-	-	(27)	-	672
Vehicles	17,348	303	-	(2,266)	591	15,976
(Government grants)	(92)	-	-	11	1	(80)
Fixtures and Furniture	174,968	29,710	(6)	(20,710)	2,806	186,768
(Government grants)	(278)	-	-	25	-	(253)
Tools	63,413	302	-	(7,847)	8,919	64,787
(Government grants)	(329)	-	-	26	-	(303)
Construction-in-progress(*1,3)	12,658,932	802,126	-	-	(41,726)	13,419,332
Right-of-use assets	1,980,318	7,276	(841)	(29,674)	6,572	1,963,651
Asset retirement costs	9,741,697	-	-	(391,555)	66,315	9,416,457
Others(*2)	2,156,658	-	-	(285,922)	358,876	2,229,612
	₩ 56,620,500	₩ 839,897	₩ (19,895)	₩ (1,333,504)	₩ 561,024	₩ 56,668,022

(*1) Other increases or decreases in construction-in-progress include ₩101,722 million of borrowing cost capitalization.
(*2) Other increases or decreases in others are the amount transferred to the stored nuclear fuel from inventories.
(*3) The amount transferred from acquisition costs of construction-in-progress into other payables is ₩138,018 million.
(*4) Depreciation include ₩892 million of depreciation of idle assets and ₩1,631 million of transfer of construction-in-progress and others.

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

	For the year ended December 31, 2024					
	January 1	Acquisitions/ Capitalization	Disposals/ Decreases	Depreciation(*5)	Others	December 31
Land	₩ 2,751,301	₩ 1	₩ (307)	₩ -	₩ 68,409	₩ 2,819,404
Buildings	5,153,519	-	(1,838)	(373,484)	602,608	5,380,805
(Government grants)	(383)	-	-	40	-	(343)
Structures	3,075,702	-	(729)	(209,590)	187,812	3,053,195
(Government grants)	(7,105)	-	-	592	-	(6,513)
Machinery(*3,4)	15,955,900	22,257	(24,455)	(1,499,565)	4,128,033	18,582,170
(Government grants)	(3,421)	-	-	1,867	2	(1,552)
Ships	796	-	-	(107)	10	699
Vehicles	17,259	999	-	(13,375)	12,465	17,348
(Government grants)	(80)	-	-	42	(54)	(92)
Fixtures and Furniture	142,845	69,209	(157)	(75,870)	38,941	174,968
(Government grants)	(274)	-	-	97	(101)	(278)
Tools	61,017	2,229	-	(37,152)	37,319	63,413
(Government grants)	(3)	-	-	87	(413)	(329)
Construction-in -progress(*1,3)	15,017,709	2,417,923	-	-	(4,776,700)	12,658,932
Right-of-use assets	1,991,085	87,854	(450)	(114,888)	16,717	1,980,318
Asset retirement costs	9,732,758	-	-	(1,809,276)	1,818,215	9,741,697
Others(*2)	2,243,764	-	-	(1,089,143)	1,002,037	2,156,658
	₩ 56,132,389	₩ 2,600,472	₩ (27,936)	₩ (5,219,725)	₩ 3,135,300	₩ 56,620,500

(*1) Other increases or decreases in construction-in-progress include ₩432,160 million of borrowing cost capitalization.
(*2) Other increases or decreases in others are the amount transferred to the stored nuclear fuel from inventories.
(*3) The amount transferred from acquisition costs of construction-in-progress and machinery into other payables is ₩75,195 million.
(*4) Other increases or decreases in machinery include ₩10,547 million of transfer from equipment and spare parts to machinery.
(*5) Depreciation include ₩3,595 million of depreciation of idle assets and ₩29,924 million of transfer of construction-in-progress and others.

For the three-month periods ended March 31, 2025 and 2024, the Group recognized revenue of ₩331 and ₩57,087 million and cost of sales of ₩669 and ₩34,677 million in profit or loss, respectively, both of which resulted from sales of goods produced prior to the management's intended use of property, plant and equipment.

14. Intangible assets

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

	March 31, 2025									
	Acquisition cost		Government grants		Accumulated amortization		Accumulated impairment losses		Carrying amount	
Computer software	₩	201,143	₩	(39)	₩	(169,478)	₩	(1)	₩	31,625
Industrial rights		4,057		-		(2,969)		-		1,088
Development cost		208,883		-		(180,857)		-		28,026
Intangible assets under development		62,897		-		-		-		62,897
Land use rights		2,706		-		(2,447)		-		259
Goodwill		176		-		-		-		176
Others:										
Loading and unloading facilities rights		26,282		-		(11,342)		-		14,940
Dam use rights		6,274		-		(2,515)		-		3,759
Memberships		1,158		-		-		(359)		799
Others		75,833		-		(51,670)		(149)		24,014
	₩	589,409	₩	(39)	₩	(421,278)	₩	(509)	₩	167,583

	December 31, 2024									
	Acquisition cost		Government grants		Accumulated amortization		Accumulated impairment losses		Carrying amount	
Computer software	₩	199,343	₩	(43)	₩	(164,616)	₩	(1)	₩	34,683
Industrial rights		4,057		-		(2,920)		-		1,137
Development cost		206,027		-		(178,962)		-		27,065
Intangible assets under development		51,928		-		-		-		51,928
Land use rights		2,706		-		(2,382)		-		324
Goodwill		176		-		-		-		176
Others:										
Loading and unloading facilities rights		26,282		-		(11,024)		-		15,258
Dam use rights		6,274		-		(2,479)		-		3,795
Memberships		1,158		-		-		(359)		799
Others		75,826		-		(49,982)		(149)		25,695
	₩	573,777	₩	(43)	₩	(412,365)	₩	(509)	₩	160,860

14. Intangible assets (cont'd)

Changes in intangible assets for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025					
	January 1	Acquisition/ Capitalization	Disposal	Amortization (*2)	Others	March 31
Computer software	₩ 34,726	₩ 1,691	₩ -	₩ (4,862)	₩ 109	₩ 31,664
(government grants)	(43)	-	-	4	-	(39)
Industrial rights	1,137	-	-	(49)	-	1,088
Development cost	27,065	-	-	(1,894)	2,855	28,026
Intangible assets under development(*1)	51,928	13,377	-	-	(2,408)	62,897
Land use rights	324	-	-	(65)	-	259
Goodwill	176	-	-	-	-	176
Others:						
Loading and unloading facilities rights	15,258	-	-	(318)	-	14,940
Dam use rights	3,795	-	-	(36)	-	3,759
Memberships	799	-	-	-	-	799
Others	25,695	-	-	(1,688)	7	24,014
	₩ 160,860	₩ 15,068	₩ -	₩ (8,908)	₩ 563	₩ 167,583

(*1) Other increases or decreases in intangible assets under development include ₩380 million in borrowing cost capitalization.
(*2) Amortization include ₩12 million of amortization of idle assets and ₩24 million of transfer of construction-in-progress and others.

	For the year ended December 31, 2024					
	January 1	Acquisition/ Capitalization	Disposal	Amortization (*2)	Others	December 31
Computer software	₩ 37,288	₩ 12,593	₩ (3)	₩ (18,925)	₩ 3,773	₩ 34,726
(government grants)	(60)	-	-	18	(1)	(43)
Industrial rights	1,332	-	-	(195)	-	1,137
Development cost	8,043	-	-	(3,702)	22,724	27,065
Intangible assets under development(*1)	42,324	38,752	-	-	(29,148)	51,928
Land use rights	582	-	-	(258)	-	324
Goodwill	176	-	-	-	-	176
Others:						
Loading and unloading facilities rights	16,530	-	-	(1,272)	-	15,258
Dam use rights	3,940	-	-	(145)	-	3,795
Memberships	799	-	-	-	-	799
Others	24,406	-	-	(5,654)	6,943	25,695
	₩ 135,360	₩ 51,345	₩ (3)	₩ (30,133)	₩ 4,291	₩ 160,860

(*1) Other increases or decreases in intangible assets under development include ₩2,442 million in borrowing cost capitalization.
(*2) Amortization include ₩47 million of amortization of idle assets and ₩135 million of transfer of construction-in-progress and others.

15. Borrowing costs

Borrowing costs capitalized for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Amount of capitalization:				
Construction-in-progress	₩	101,722	₩	112,866
Intangible assets under development and others		3,037		2,375
	₩	104,759	₩	115,241
Capitalization ratio		3.24%		3.35%

16. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				December 31, 2024			
	Current		Non-current		Current		Non-current	
Financial liabilities at fair value through profit or loss								
Derivative instruments	₩	4,751	₩	26,699	₩	1,640	₩	27,729

17. Trade and other payables

Trade and other payables as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				December 31, 2024			
	Current		Non-current		Current		Non-current	
Trade payables	₩	222,910	₩	-	₩	36,443	₩	-
Other payables(*)		836,513		1,269,220		1,005,044		1,258,891
Accrued expenses		544,044		-		549,600		-
Leasehold deposits received		2,436		-		2,349		-
Other deposits received		2,876		-		2,879		-
Lease liabilities		21,238		161,579		19,656		156,262
Dividends payable		368,513		-		-		-
	₩	1,998,530	₩	1,430,799	₩	1,615,971	₩	1,415,153

(*) As of March 31, 2025 and December 31, 2024, ₩1,364,452 million and ₩1,349,740 million, respectively, are other payables related to spent fuel management charges and are to be paid out in installments over a 15-year period from 2014.

18. Borrowings and bonds

Borrowings and bonds as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

		March 31, 2025		December 31, 2024
Current liabilities:				
Current portion of long-term borrowings	₩	33,564	₩	34,000
Current portion of bonds		1,109,950		1,111,000
Less: discount on bonds		(382)		(658)
		1,143,132		1,144,342
Non-current liabilities:				
Long-term borrowings		203,804		212,256
Bonds		13,872,283		13,601,142
Less: discount on bonds		(43,589)		(45,951)
		14,032,498		13,767,447
	₩	15,175,630	₩	14,911,789

There were no short-term borrowings as of March 31, 2025 and December 31, 2024.

18. Borrowings and bonds (cont'd)

Long-term borrowings as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

Financial institution	Type	Rate	Interest rate	Maturity	March 31, 2025	December 31, 2024
Korea Energy Agency	Resource development loan	-	-	-	₩ -	₩ 141
Korea Energy Agency	Resource development loan	Floating	Treasury notes (3M)-2.25%	2025.12.15	136	181
Korea Energy Agency	Resource development loan	Floating	Treasury notes (3M)-2.25%	-	4,445	4,445
Korea Development Bank	Facility loan	Fixed	4.60%	2028.06.24	9,919	10,690
Samsung Life Insurance Co., Ltd.	Facility loan	Fixed	4.60%	2028.06.24	4,550	4,904
Samsung Fire & Marine Insurance Co., Ltd.	Facility loan	Fixed	4.60%	2028.06.24	7,962	8,582
KB Insurance Co., Ltd.	Facility loan	Fixed	4.60%	2028.06.24	7,507	8,091
Hyundai Marine & Fire Insurance Co., Ltd.	Facility loan	Fixed	4.60%	2028.06.24	6,825	7,356
DB Insurance Co., Ltd.	Facility loan	Fixed	4.60%	2028.06.24	4,550	4,904
Hana Bank	Facility loan	Fixed	4.60%	2028.06.24	4,550	4,904
Samsung Life Insurance Co., Ltd.	Facility loan	Floating	Corporate bonds+1.10%	2028.06.24	4,550	4,904
Shinhan Bank	Facility loan	Floating	Corporate bonds+1.10%	2028.06.24	6,825	7,356
Kookmin Bank	Facility loan	Floating	91-Day CDs + 1.79%	2031.06.30	32,895	34,211
Korean Federation of Community Credit Cooperatives	Facility loan	Fixed	3.60%	2031.06.30	23,026	23,947
KB life Insurance Co., Ltd.	Facility loan	Fixed	3.60%	2031.06.30	18,421	19,158
Samsung Fire & Marine Insurance Co., Ltd.	Facility loan	Fixed	3.60%	2031.06.30	18,421	19,156
Energy Infra Asset Management Co., Ltd.	Facility loan	Fixed	3.60%	2031.06.30	13,486	14,026
KB Asset Management Co., Ltd.	Facility loan	Fixed	6.00%	2037.03.31	34,800	34,800
Energy Infra Asset Management Co., Ltd.	Facility loan	Fixed	6.00%	2037.03.31	34,500	34,500
					237,368	246,256
	Less: current portion				(33,564)	(34,000)
					₩ 203,804	₩ 212,256

18. Borrowings and bonds (cont'd)

Bonds in Korean won as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	Issue	Maturity	Rate	Interest rate	March 31, 2025	December 31, 2024
Corporate bond #9-2	2009.10.16	2029.10.16	Fixed	5.74%	₩ 70,000	₩ 70,000
Corporate bond #11	2009.11.06	2029.11.06	Fixed	5.84%	100,000	100,000
Corporate bond #17-2	2010.12.10	2040.12.10	Fixed	5.06%	100,000	100,000
Corporate bond #26-2	2011.03.25	2031.03.25	Fixed	4.89%	100,000	100,000
Corporate bond #27-3	2011.04.15	2031.04.15	Fixed	4.88%	100,000	100,000
Corporate bond #28	2011.07.01	2026.07.01	Fixed	4.56%	100,000	100,000
Corporate bond #29-3	2011.12.08	2031.12.08	Fixed	4.26%	100,000	100,000
Corporate bond #30-3	2012.01.19	2032.01.19	Fixed	4.24%	50,000	50,000
Corporate bond #31-3	2012.03.20	2032.03.20	Fixed	4.32%	150,000	150,000
Corporate bond #32-3	2012.04.26	2032.04.26	Fixed	4.14%	130,000	130,000
Corporate bond #33-2	2012.05.18	2032.05.18	Fixed	4.01%	100,000	100,000
Corporate bond #34-2	2012.07.13	2032.07.13	Fixed	3.71%	100,000	100,000
Corporate bond #35-3	2013.01.18	2033.01.18	Fixed	3.32%	100,000	100,000
Corporate bond #36-3	2013.03.28	2033.03.28	Fixed	3.19%	100,000	100,000
Corporate bond #37-3	2013.04.26	2033.04.26	Fixed	3.12%	120,000	120,000
Corporate bond #38-3	2013.07.19	2033.07.19	Fixed	3.88%	90,000	90,000
Corporate bond #42-3	2014.04.25	2034.04.25	Fixed	3.89%	100,000	100,000
Corporate bond #43-3	2014.12.18	2034.12.18	Fixed	3.07%	90,000	90,000
Corporate bond #44-2	2015.06.29	2025.06.29	Fixed	2.70%	40,000	40,000
Corporate bond #44-3	2015.06.29	2035.06.29	Fixed	2.94%	150,000	150,000
Corporate bond #45-2	2017.04.27	2027.04.27	Fixed	2.44%	50,000	50,000
Corporate bond #45-3	2017.04.27	2037.04.27	Fixed	2.60%	110,000	110,000
Corporate bond #46-2	2017.09.18	2027.09.18	Fixed	2.37%	80,000	80,000
Corporate bond #46-3	2017.09.18	2047.09.18	Fixed	2.41%	150,000	150,000
Corporate bond #47-2	2017.10.17	2027.10.17	Fixed	2.50%	70,000	70,000
Corporate bond #47-3	2017.10.17	2047.10.17	Fixed	2.47%	80,000	80,000
Corporate bond #48-3	2018.03.13	2028.03.13	Fixed	2.86%	30,000	30,000
Corporate bond #48-4	2018.03.13	2048.03.13	Fixed	2.94%	90,000	90,000
Corporate bond #49-2	2018.05.11	2038.05.11	Fixed	2.90%	170,000	170,000
Corporate bond #49-3	2018.05.11	2048.05.11	Fixed	2.88%	60,000	60,000
Corporate bond #50-2	2018.06.05	2038.06.05	Fixed	2.84%	200,000	200,000
Corporate bond #50-3	2018.06.05	2048.06.05	Fixed	2.81%	70,000	70,000
Corporate bond #51-2	2018.10.26	2048.10.26	Fixed	2.25%	50,000	50,000
Corporate bond #52-2	2019.06.05	2039.06.05	Fixed	1.81%	120,000	120,000
Corporate bond #52-3	2019.06.05	2049.06.05	Fixed	1.82%	140,000	140,000
Corporate bond #53-2	2019.10.16	2039.10.16	Fixed	1.59%	100,000	100,000
Corporate bond #53-3	2019.10.16	2049.10.16	Fixed	1.58%	90,000	90,000
Corporate bond #54-2	2019.11.27	2039.11.27	Fixed	1.76%	70,000	70,000
Corporate bond #54-3	2019.11.27	2049.11.27	Fixed	1.70%	70,000	70,000
Corporate bond #55-1	2020.04.02	2040.04.02	Fixed	1.80%	50,000	50,000
Corporate bond #55-2	2020.04.02	2050.04.02	Fixed	1.80%	50,000	50,000
Corporate bond #56-1	2020.04.28	2025.04.28	Fixed	1.62%	60,000	60,000
Corporate bond #56-2	2020.04.28	2040.04.28	Fixed	1.81%	90,000	90,000
Corporate bond #56-3	2020.04.28	2050.04.28	Fixed	1.83%	150,000	150,000
Corporate bond #57-1	2020.05.25	2025.05.25	Fixed	1.38%	100,000	100,000
Corporate bond #57-2	2020.05.25	2040.05.25	Fixed	1.57%	70,000	70,000
Corporate bond #57-3	2020.05.25	2050.05.25	Fixed	1.59%	80,000	80,000
Corporate bond #58-1	2020.06.15	2025.06.15	Fixed	1.34%	80,000	80,000

18. Borrowings and bonds (cont'd)

	Issue	Maturity	Rate	Interest rate	March 31, 2025	December 31, 2024
Corporate bond #58-2	2020.06.15	2040.06.15	Fixed	1.63%	70,000	70,000
Corporate bond #58-3	2020.06.15	2050.06.15	Fixed	1.66%	100,000	100,000
Corporate bond #59-1	2020.11.23	2025.11.23	Fixed	1.47%	60,000	60,000
Corporate bond #59-2	2020.11.23	2040.11.23	Fixed	1.80%	70,000	70,000
Corporate bond #59-3	2020.11.23	2050.11.23	Fixed	1.78%	90,000	90,000
Corporate bond #60-1	2021.06.29	2026.06.29	Fixed	1.96%	30,000	30,000
Corporate bond #60-2	2021.06.29	2041.06.29	Fixed	2.31%	70,000	70,000
Corporate bond #60-3	2021.06.29	2051.06.29	Fixed	2.31%	160,000	160,000
Corporate bond #61-1	2021.10.14	2026.10.14	Fixed	2.34%	50,000	50,000
Corporate bond #61-2	2021.10.14	2041.10.14	Fixed	2.49%	90,000	90,000
Corporate bond #61-3	2021.10.14	2051.10.14	Fixed	2.45%	160,000	160,000
Corporate bond #62-1	2021.11.03	2026.11.03	Fixed	2.55%	100,000	100,000
Corporate bond #62-2	2021.11.03	2041.11.03	Fixed	2.60%	50,000	50,000
Corporate bond #62-3	2021.11.03	2051.11.03	Fixed	2.59%	90,000	90,000
Corporate bond #63-1	2022.02.17	2027.02.17	Fixed	2.81%	40,000	40,000
Corporate bond #63-2	2022.02.17	2042.02.17	Fixed	3.04%	60,000	60,000
Corporate bond #63-3	2022.02.17	2052.02.17	Fixed	2.97%	50,000	50,000
Corporate bond #64-1	2022.03.11	2042.03.11	Fixed	3.10%	70,000	70,000
Corporate bond #64-2	2022.03.11	2052.03.11	Fixed	3.02%	80,000	80,000
Corporate bond #65-1	2022.04.22	2027.04.22	Fixed	3.68%	30,000	30,000
Corporate bond #65-2	2022.04.22	2042.04.22	Fixed	3.84%	60,000	60,000
Corporate bond #65-3	2022.04.22	2052.04.22	Fixed	3.72%	20,000	20,000
Corporate bond #66-1	2022.05.31	2027.05.31	Fixed	3.68%	80,000	80,000
Corporate bond #66-2	2022.05.31	2042.05.31	Fixed	3.72%	10,000	10,000
Corporate bond #66-3	2022.05.31	2052.05.31	Fixed	3.62%	10,000	10,000
Corporate bond #67-1	2022.07.29	2027.07.29	Fixed	3.86%	20,000	20,000
Corporate bond #67-2	2022.07.29	2042.07.29	Fixed	3.89%	20,000	20,000
Corporate bond #67-3	2022.07.29	2052.07.29	Fixed	3.82%	30,000	30,000
Corporate bond #68-1	2022.11.23	2025.11.23	Fixed	5.48%	70,000	70,000
Corporate bond #68-2	2022.11.23	2027.11.23	Fixed	5.50%	50,000	50,000
Corporate bond #69-1	2022.12.20	2025.12.20	Fixed	4.55%	260,000	260,000
Corporate bond #69-2	2022.12.20	2027.12.20	Fixed	4.45%	180,000	180,000
Corporate bond #69-3	2022.12.20	2032.12.20	Fixed	4.40%	30,000	30,000
Corporate bond #70-1	2023.02.22	2028.02.22	Fixed	4.10%	90,000	90,000
Corporate bond #70-2	2023.02.22	2033.02.22	Fixed	4.15%	40,000	40,000
Corporate bond #70-3	2023.02.22	2043.02.22	Fixed	4.08%	20,000	20,000
Corporate bond #71-1	2023.03.07	2028.03.07	Fixed	4.13%	50,000	50,000
Corporate bond #71-2	2023.03.07	2033.03.07	Fixed	4.18%	30,000	30,000
Corporate bond #72-1	2023.04.26	2028.04.26	Fixed	3.91%	130,000	130,000
Corporate bond #72-2	2023.04.26	2043.04.26	Fixed	4.00%	90,000	90,000
Corporate bond #73-1	2023.05.22	2028.05.22	Fixed	3.87%	120,000	120,000
Corporate bond #73-2	2023.05.22	2033.05.22	Fixed	4.02%	10,000	10,000
Corporate bond #73-3	2023.05.22	2043.05.22	Fixed	4.06%	140,000	140,000
Corporate bond #74-1	2023.06.08	2028.06.08	Fixed	4.00%	160,000	160,000
Corporate bond #74-2	2023.06.08	2043.06.08	Fixed	4.16%	50,000	50,000
Corporate bond #74-3	2023.06.08	2053.06.08	Fixed	4.16%	100,000	100,000
Corporate bond #75-1	2023.10.30	2026.10.30	Fixed	4.57%	70,000	70,000
Corporate bond #75-2	2023.10.30	2028.10.30	Fixed	4.75%	40,000	40,000
Corporate bond #75-3	2023.10.30	2053.10.30	Fixed	4.58%	80,000	80,000
Corporate bond #76-1	2023.11.10	2026.11.10	Fixed	4.34%	80,000	80,000
Corporate bond #76-2	2023.11.10	2043.11.10	Fixed	4.29%	50,000	50,000
Corporate bond #76-3	2023.11.10	2053.11.10	Fixed	4.25%	80,000	80,000
Corporate bond #77-1	2024.03.05	2029.03.05	Fixed	3.75%	150,000	150,000
Corporate bond #77-2	2024.03.05	2034.03.05	Fixed	3.84%	100,000	100,000
Corporate bond #77-3	2024.03.05	2044.03.05	Fixed	3.83%	60,000	60,000
Corporate bond #78-1	2024.03.25	2029.03.25	Fixed	3.62%	100,000	100,000

18. Borrowings and bonds (cont'd)

	Issue	Maturity	Rate	Interest rate	March 31, 2025	December 31, 2024
Corporate bond #78-2	2024.03.25	2034.03.25	Fixed	3.74%	90,000	90,000
Corporate bond #78-3	2024.03.25	2044.03.25	Fixed	3.72%	100,000	100,000
Corporate bond #79-1	2024.05.28	2029.05.28	Fixed	3.61%	120,000	120,000
Corporate bond #79-2	2024.05.28	2034.05.28	Fixed	3.80%	70,000	70,000
Corporate bond #79-3	2024.05.28	2044.05.28	Fixed	3.71%	70,000	70,000
Corporate bond #80-1	2024.06.28	2029.06.28	Fixed	3.39%	60,000	60,000
Corporate bond #80-2	2024.06.28	2034.06.28	Fixed	3.55%	130,000	130,000
Corporate bond #80-3	2024.06.28	2054.06.28	Fixed	3.45%	120,000	120,000
Corporate bond #81	2025.02.10	2030.02.10	Fixed	2.96%	60,000	-
					9,540,000	9,480,000
	Less: discount on bonds				(17,701)	(18,107)
	Less: current portion				(669,750)	(669,634)
					₩ 8,852,549	₩ 8,792,259

Foreign bonds as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions, USD, HKD, CHF in thousands):

	Issue	Maturity	Rate	Interest rate	March 31, 2025 Foreign currency		March 31, 2025 Won equivalents	December 31, 2024 Foreign currency		December 31, 2024 Won equivalents
Global bond #7	2015.06.15	2025.06.15	Fixed	3.25%	USD	300,000	₩ 439,950	USD	300,000	₩ 441,000
Global bond #8	2017.07.25	2027.07.25	Fixed	3.13%	USD	300,000	439,950	USD	300,000	441,000
Global bond #10	2021.04.27	2026.04.27	Fixed	1.25%	USD	500,000	733,250	USD	500,000	735,000
Global bond #11	2022.07.27	2027.07.27	Fixed	4.25%	USD	700,000	1,026,550	USD	700,000	1,029,000
Global bond #12	2023.07.18	2028.07.18	Fixed	5.00%	USD	500,000	733,250	USD	500,000	735,000
Global bond #13	2024.07.29	2029.07.29	Fixed	4.63%	USD	500,000	733,250	USD	500,000	735,000
Foreign FRN 1	2018.03.13	2028.03.13	Fixed	3.35%	HKD	1,650,000	311,075	HKD	1,650,000	312,345
Foreign FRN 2	2022.10.06	2032.10.06	Fixed	5.16%	HKD	1,935,000	364,805	HKD	1,935,000	366,296
	2022.11.01	2032.10.06			HKD	415,000	78,240	HKD	415,000	78,560
Foreign FRN 3	2023.06.07	2030.06.07	Fixed	4.51%	HKD	1,037,000	195,506	HKD	1,037,000	196,304
Foreign FRN 4	2025.03.05	2028.03.05	Fixed	4.10%	HKD	1,166,000	219,826		-	-
Swiss franc bond #2	2019.07.19	2027.07.19	Fixed	0.05%	CHF	100,000	166,581	CHF	100,000	162,637
							5,442,233			5,232,142
	Less: discount on bonds						(26,270)			(28,502)
	Less: current portion						(439,818)			(440,708)
							₩ 4,976,145			₩ 4,762,932

18. Borrowings and bonds (cont'd)

As of March 31, 2025 and December 31, 2024, the plans to repay the borrowings and bonds payables are as follows (Korean won in millions):

	March 31, 2025		
	Borrowings	Bonds	Total
Within 1 year	₩ 33,564	₩ 1,109,950	₩ 1,143,514
Within 1 ~ 5 years	108,809	6,673,732	6,782,541
Afterward	94,995	7,198,551	7,293,546
	₩ 237,368	₩ 14,982,233	₩ 15,219,601

	December 31, 2024		
	Borrowings	Bonds	Total
Within 1 year	₩ 34,000	₩ 1,111,000	₩ 1,145,000
Within 1 ~ 5 years	113,011	6,399,983	6,512,994
Afterward	99,245	7,201,159	7,300,404
	₩ 246,256	₩ 14,712,142	₩ 14,958,398

19. Leases

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

	March 31, 2025		
	Acquisition cost	Accumulated depreciation	Carrying amount
Land	₩ 11,563	₩ (1,957)	₩ 9,606
Buildings	55,015	(30,066)	24,949
Structures	2,572,627	(787,615)	1,785,012
Vehicles	16,872	(13,093)	3,779
Machinery	53,514	(28,118)	25,396
Other right-of-use assets	151,248	(36,339)	114,909
	₩ 2,860,839	₩ (897,188)	₩ 1,963,651

	December 31, 2024		
	Acquisition cost	Accumulated depreciation	Carrying amount
Land	₩ 11,561	₩ (1,870)	₩ 9,691
Buildings	50,920	(27,752)	23,168
Structures	2,570,581	(765,083)	1,805,498
Vehicles	15,020	(12,145)	2,875
Machinery	52,884	(26,503)	26,381
Other right-of-use assets	147,355	(34,650)	112,705
	₩ 2,848,321	₩ (868,003)	₩ 1,980,318

Changes in right-of-use assets for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025					
	January 1	Increase	Decrease	Depreciation	Others	March 31
Land	₩ 9,691	₩ -	₩ -	₩ (88)	₩ 3	₩ 9,606
Buildings	23,168	3,758	(103)	(2,683)	809	24,949
Structures	1,805,498	2,799	(715)	(22,570)	-	1,785,012
Vehicles	2,875	614	(4)	(1,021)	1,315	3,779
Machinery	26,381	106	(19)	(1,622)	550	25,396
Other right-of-use assets	112,705	-	-	(1,689)	3,893	114,909
	₩ 1,980,318	₩ 7,277	₩ (841)	₩ (29,673)	₩ 6,570	₩ 1,963,651

	For the year ended December 31, 2024					
	January 1	Increase	Decrease	Depreciation	Others	December 31
Land	₩ 9,679	₩ 14	₩ (105)	₩ (407)	₩ 510	₩ 9,691
Buildings	17,291	11,377	(274)	(9,538)	4,312	23,168
Structures	1,849,860	44,186	-	(88,548)	-	1,805,498
Vehicles	2,628	2,666	(68)	(3,211)	860	2,875
Machinery	5,200	26,166	-	(6,988)	2,003	26,381
Other right-of-use assets	106,427	3,445	(3)	(6,196)	9,032	112,705
	₩ 1,991,085	₩ 87,854	₩ (450)	₩ (114,888)	₩ 16,717	₩ 1,980,318

19. Leases (cont'd)

The amount of lease liabilities as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within 1 year	₩ 25,809	₩ 21,238	₩ 22,297	₩ 19,656
Within 1 ~ 5 years	61,613	44,111	59,176	42,637
Afterward	164,439	117,468	164,033	113,625
	₩ 251,861	₩ 182,817	₩ 245,506	₩ 175,918

Changes in the liabilities related to lease contracts for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025					
	January 1	Increase	Decrease	Accretion	Others	March 31
Lease liabilities	₩ 175,918	₩ 3,677	₩ (4,946)	₩ 1,290	₩ 6,878	₩ 182,817

	For the year ended December 31, 2024					
	January 1	Increase	Decrease	Accretion	Others	December 31
Lease liabilities	₩ 143,205	₩ 41,292	₩ (29,939)	₩ 4,282	₩ 17,078	₩ 175,918

The amounts recognized in profit or loss by the Group in relation to the lease for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Depreciation of right-of-use assets(*)	₩ 29,674	₩ 28,047
Interest on lease liabilities(*)	1,290	957
Expenses relating to short-term leases	2,657	2,384
Expenses relating to leases of low-value assets	432	432
Loss on translation of lease liabilities	183	113
Gain on translation of lease liabilities	(11)	(1)
Loss from lease cancellation	9	14
Gain from lease cancellation	(2)	(3)
	₩ 34,232	₩ 31,943

(*) Amounts above include amounts capitalized to property, plant and equipment and others.

20. Retirement benefit obligations

20.1 Defined contribution plans

For the three-month periods ended March 31, 2025 and 2024, retirement benefit expenses of ₩10,624 million and ₩9,195 million, respectively, are recognized in the consolidated statements of comprehensive income and represent contribution amounts paid to retirement benefit plans in accordance with a ratio defined in retirement benefit plans. All the contribution amounts as of March 31, 2025 have been paid.

Costs related to the defined contribution plans for the three-month periods ended March 31, 2025 and 2024 recognized in profit or loss and others are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Cost of sales	₩ 7,853	₩ 6,785
Selling and administrative expenses	366	301
Others (construction-in-progress, etc.)	2,405	2,109
	₩ 10,624	₩ 9,195

20.2 Defined benefit plans

The principal assumptions as of March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025	December 31, 2024
Discount rate	3.39% ~ 4.75%	3.57% ~ 5.06%
Future salary increase	2.00% ~ 7.46%	2.00% ~ 7.46%

Details of the Group's expenses relating to its defined benefit plans for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Current service cost	₩ 22,136	₩ 20,113
Interest expense	7,925	8,356
Interest income from plan assets	(8,193)	(8,881)
Transfer to others(*)	(5,362)	(5,113)
	₩ 16,506	₩ 14,475

(*) It includes ₩2,977 million transferred to ordinary development expense and other profit or loss accounts and ₩2,385 million transferred to construction-in-progress for the three-month period ended March 31, 2025.

Costs related to the defined benefit plans recognized in profit or loss for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Cost of sales	₩ 15,518	₩ 13,643
Selling and administrative expenses	988	832
	₩ 16,506	₩ 14,475

20. Retirement benefit obligations (cont'd)

20.2 Defined benefit plans (cont'd)

The amounts recognized in the consolidated statements of financial position related to defined benefit plans as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
Present value of defined benefit obligations	₩	968,162	₩	949,400
Fair value of plan assets		(903,168)		(912,805)
Net defined benefit liabilities	₩	66,088	₩	39,875
Net defined benefit assets	₩	(1,094)	₩	(3,280)

Changes in present value of retirement benefit obligations for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the year ended December 31, 2024	
Beginning balance	₩	949,400	₩	822,757
Current service cost		22,136		86,939
Interest expense		7,925		35,070
Remeasurement		9,580		111,382
Actual payments		(20,879)		(106,748)
Ending balance	₩	968,162	₩	949,400

Changes in fair value of plan assets for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the year ended December 31, 2024	
Beginning balance	₩	912,805	₩	823,664
Expected return on plan assets		8,193		36,210
Remeasurement		(222)		(224)
Contribution from the employer		-		139,785
Actual payments		(17,608)		(86,630)
Ending balance	₩	903,168	₩	912,805

In addition, accumulated remeasurement gain amounting to ₩123,314 million and ₩131,072 million are recognized in accumulated other comprehensive income as of March 31, 2025 and December 31, 2024, respectively.

20. Retirement benefit obligations (cont'd)

20.2 Defined benefit plans (cont'd)

Types of and fair value of plan assets as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025	December 31, 2024
Equity instruments	₩ -	₩ -
Debt instruments	-	-
Bank deposits	-	-
Others	903,168	912,805
	₩ 903,168	₩ 912,805

Actual returns on plan assets for the three-month periods ended March 31, 2025 and 2024 are ₩7,971 million and ₩9,692 million, respectively.

Remeasurement recognized in other comprehensive income for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025	For the year ended December 31, 2024
Actuarial changes arising from changes in demographic assumptions	₩ -	₩ (254)
Actuarial changes arising from changes in financial assumptions	15,298	62,932
Actuarial changes arising from experience adjustments	(5,718)	48,704
Return on plan assets	222	224
	₩ 9,802	₩ 111,606

The amount recognized in the consolidated interim statements of financial position related to employee benefits obligations other than retirement benefit obligation as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025	December 31, 2024
Other long-term employee benefit liabilities		
Long-term employee paid annual leave	₩ 554	₩ 606

21. Provisions

21.1 Provisions

Details of provisions as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
	Current	Non-current	Current	Non-current
Provisions for employee benefits	₩ 276,601	₩ -	₩ 245,159	₩ -
Provisions for litigation	-	451,582	-	451,631
Provisions for decommissioning costs	989,385	26,967,959	953,922	26,849,882
Nuclear plants	79,501	23,328,614	79,501	23,192,872
Fuel spent	824,584	2,099,161	799,385	2,124,360
Radioactive waste	85,300	1,540,184	75,036	1,532,650
Others	531,223	67,260	208,061	67,260
Provisions for power plant regional support program	178,811	-	130,256	-
Provisions for renewable energy portfolio standard	46,515	-	-	-
Others	41,569	67,260	72,002	67,260
Provisions for greenhouse gas emissions	5,803	-	5,803	-
Provision for construction losses	258,525	-	-	-
	₩ 1,797,209	₩ 27,486,801	₩ 1,407,142	₩ 27,368,773

21. Provisions (cont'd)

21.1 Provisions (cont'd)

Changes in provisions for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025						
	January 1	Accrual	Transfer	Payment	Reversal	Others	March 31
Provisions for employee benefits	₩ 245,159	₩ 63,245	₩ -	₩ (31,803)	₩ -	₩ -	₩ 276,601
Provisions for litigation	451,631	-	-	(49)	-	-	451,582
Provisions for decommissioning costs	27,803,804	116,812	168,041	(95,914)	(35,386)	(13)	27,957,344
Nuclear plants	23,272,373	-	151,283	(15,528)	-	(13)	23,408,115
Fuel spent	2,923,745	111,198	-	(75,812)	(35,386)	-	2,923,745
Radioactive waste	1,607,686	5,614	16,758	(4,574)	-	-	1,625,484
Others	275,321	585,496	280	(262,614)	-	-	598,483
Provisions for power plant regional support program	130,256	59,576	-	(11,021)	-	-	178,811
Provisions for renewable energy portfolio standard	-	267,395	-	(220,880)	-	-	46,515
Others	139,262	-	280	(30,713)	-	-	108,829
Provisions for greenhouse gas emissions	5,803	-	-	-	-	-	5,803
Provision for construction losses	-	258,525	-	-	-	-	258,525
	₩ 28,775,915	₩ 765,553	₩ 168,321	₩ (390,380)	₩ (35,386)	₩ (13)	₩ 29,284,010

	For the year ended December 31, 2024						
	January 1	Accrual	Transfer	Payment	Reversal	Others	December 31
Provisions for employee benefits	₩ 231,785	₩ 283,140	₩ -	₩ (269,766)	₩ -	₩ -	₩ 245,159
Provisions for litigation	110,931	345,923	-	(5,223)	-	-	451,631
Provisions for decommissioning costs	26,330,303	1,986,541	658,361	(587,266)	(584,084)	(51)	27,803,804
Nuclear plants	21,646,887	1,098,736	593,772	(66,971)	-	(51)	23,272,373
Fuel spent	2,925,735	842,753	-	(463,388)	(381,355)	-	2,923,745
Radioactive waste	1,757,681	45,052	64,589	(56,907)	(202,729)	-	1,607,686
Others	212,523	1,014,443	1,999	(953,644)	-	-	275,321
Provisions for power plant regional support program	130,034	55,761	-	(55,539)	-	-	130,256
Provisions for renewable energy portfolio standard	10,311	851,728	-	(862,039)	-	-	-
Others	72,178	100,533	1,999	(35,448)	-	-	139,262
Provisions for greenhouse gas emissions	-	6,421	-	(618)	-	-	5,803
	₩ 26,885,542	₩ 3,630,047	₩ 660,360	₩ (1,815,899)	₩ (584,084)	₩ (51)	₩ 28,775,915

Estimates of discount rates, inflation, etc. used by management to calculate the provisions of decommissioning, restoration and cleanup costs are listed in Note 37.2.4.

22. Government grants

Details of government grants as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025	December 31, 2024
Property, plant and equipment		
Buildings	₩ 333	₩ 343
Structures	6,365	6,513
Machinery	1,152	1,552
Vehicles	81	92
Fixtures and furniture	253	278
Tools	303	329
	8,487	9,107
Intangible assets		
Computer software	39	43
	₩ 8,526	₩ 9,150

Changes in government grants for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		
	January 1	Depreciation/ Amortization offset	March 31
Property, plant and equipment:			
Buildings	₩ 343	₩ (10)	₩ 333
Structures	6,513	(148)	6,365
Machinery	1,552	(400)	1,152
Vehicles	92	(11)	81
Fixtures and furniture	278	(25)	253
Tools	329	(26)	303
	9,107	(620)	8,487
Intangible assets:			
Computer software	43	(4)	39
	₩ 9,150	₩ (624)	₩ 8,526

	For the year ended December 31, 2024			
	January 1	Depreciation/ Amortization offset	Others	December 31
Property, plant and equipment:				
Buildings	₩ 383	₩ (40)	₩ -	₩ 343
Structures	7,105	(592)	-	6,513
Machinery	3,421	(1,867)	(2)	1,552
Vehicles	80	(42)	54	92
Fixtures and furniture	274	(97)	101	278
Tools	3	(87)	413	329
	11,266	(2,725)	566	9,107
Intangible assets:				
Computer software	60	(18)	1	43
	₩ 11,326	₩ (2,743)	₩ 567	₩ 9,150

23. Non-financial liabilities

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

	March 31, 2025		December 31, 2024	
	Current	Non-current	Current	Non-current
Advance received	₩ 386	₩ -	₩ 87	₩ -
Due to customers for contract work	253,090	-	102,648	-
Unearned revenue	7,376	-	4,801	-
Withholdings	25,473	-	48,451	-
Others	188,376	5,324	82,463	5,324
	₩ 474,701	₩ 5,324	₩ 238,450	₩ 5,324

24. Contributed capital

Details of contributed capital as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions, except for number of shares and par value per share):

	Number of shares authorized	Number of shares issued	Par value per share	March 31, 2025	December 31, 2024
Common stock	500,000,000	242,442,838	₩ 5,000	₩ 1,212,214	₩ 1,212,214

Number of shares issued as of March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025	December 31, 2024
Number of shares issued	242,442,838 shares	242,442,838 shares

Share premium as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025	December 31, 2024
Paid-in capital in excess of par value	₩ 9,492,301	₩ 9,492,301

25. Retained earnings and dividends

Details of retained earnings as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025	December 31, 2024
Legal reserve(*)	₩ 606,107	₩ 606,107
Voluntary reserves	10,993,129	10,794,375
Unappropriated retained earnings	3,472,164	3,221,680
	₩ 15,071,400	₩ 14,622,162

(*) The legal reserve cannot be used for cash dividends and may be used to reduce a deficit or to be transferred to common stock.

Details of voluntary reserves as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025	December 31, 2024
Reserve for business expansion	₩ 5,553,947	₩ 5,355,193
Others(*)	5,439,182	5,439,182
	₩ 10,993,129	₩ 10,794,375

(*) The Group has appropriated the majority of its tax credits as a reserve for business rationalization in accordance with the Restriction of Special Taxation Act (“Act”) until 2002. This reserve could only be used for the preservation of deficits carried forward and transfer to capital. However, on December 11, 2002, the Act was amended and the reserve for business rationalization was changed to the voluntary reserve due to the deletion of the relevant clauses in the amendment.

Changes in retained earnings for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025	For the year ended December 31, 2024
Beginning balance	₩ 14,622,162	₩ 14,122,427
Profit for the year (profit for the period) attributable to owners of the Company	825,509	582,990
Dividends paid	(368,513)	-
Changes in retained earnings of equity method investees	-	(19)
Remeasurements of the defined benefit plan, net of tax	(7,758)	(83,236)
Ending balance	₩ 15,071,400	₩ 14,622,162

Dividends paid for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions, except for number of shares and dividends for share):

	For the three-month period ended March 31, 2025				
	Number of shares issued	Treasury stocks	Number of dividend shares	Dividends for share	Dividends(*)
Common stock	242,442,838	-	242,442,838	₩ 1,520	₩ 386,513

(*) Dividends payable amounting to ₩386,513 million are recognized as of March 31, 2025.

	For the year ended December 31, 2024				
	Number of shares issued	Treasury stocks	Number of dividend shares	Dividends for share	Dividends
Common stock	242,442,838	-	242,442,838	₩ -	₩ -

25. Retained earnings and dividends (cont'd)

Changes in remeasurements of the defined benefit plans for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the year ended December 31,2024	
Beginning balance	₩	131,037	₩	214,273
Changes for the period(year)		(9,802)		(111,606)
Tax effect		2,044		28,376
Changes in non-controlling interests		-		(6)
Ending balance	₩	123,279	₩	131,037

26. Other components of equity

Other components of equity as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
Accumulated other comprehensive loss	₩	103,237	₩	140,377
Other equity		(688)		(695)
	₩	102,549	₩	139,682

Changes in accumulated other comprehensive income (loss) for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025							
	Gain (loss) on valuation of financial assets at fair value through other comprehensive income (loss)		Share of other comprehensive income (loss) of associates and joint ventures		Gain (loss) from translation of foreign operations		Total	
Beginning balance	₩	126,213	₩	7,257	₩	6,907	₩	140,377
Changes for the period		(43,777)		682		(15)		(43,110)
Tax effect		5,877		-		-		5,877
Changes in non-controlling interests		93		-		-		93
Ending balance	₩	88,406	₩	7,939	₩	6,892	₩	103,237

	For the year ended December 31, 2024							
	Gain (loss) on valuation of financial assets at fair value through other comprehensive income (loss)		Share of other comprehensive income (loss) of associates and joint ventures		Gain from translation of foreign operations		Total	
Beginning balance	₩	47,737	₩	(234)	₩	3,293	₩	50,796
Changes for the year		110,730		7,491		3,612		121,833
Tax effect		(33,149)		-		-		(33,149)
Changes in non-controlling interests		895		-		2		897
Ending balance	₩	126,213	₩	7,257	₩	6,907	₩	140,377

26. Other components of equity (cont'd)

Other equity as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025	December 31, 2024
Accumulated changes from paid-in capital increase of subsidiaries, etc.	₩ (688)	₩ (695)

27. Revenue

Revenue for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025			For the three-month period ended March 31, 2024		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Sales of electric power	₩ 4,266,596	₩ -	₩ 4,266,596	₩ 2,689,560	₩ -	₩ 2,689,560
Service revenue	44,041	15,120	59,161	5,679	28,093	33,772
Construction contract revenue	-	(18,061)	(18,061)	-	12,142	12,142
	₩ 4,310,637	₩ (2,941)	₩ 4,307,696	₩ 2,695,239	₩ 40,235	₩ 2,735,474

Changes in total construction contract balance of the Group for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025			
	January 1	Increase (*)	Revenue recognition	March 31
Overseas nuclear power project	₩ 3,658,384	₩ 1,324,115	₩ 18,061	₩ 5,000,560

	For the year ended December 31, 2024			
	January 1	Increase (*)	Revenue recognition	December 31
Overseas nuclear power project	₩ 3,434,625	₩ 430,996	₩ (207,237)	₩ 3,658,384

(*) The increase for the three-month period ended March 31, 2025 is due to the increase in contract amount resulting from a new contract and foreign currency translation. And, the increase for the year ended December 31, 2024 is due to the increase in contract amount resulting from changes in contracts and foreign currency translation.

Details of accumulated earned revenue, expense and net income related to construction in progress for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korea won in millions):

	For the three-month period ended March 31, 2025		
	Accumulated earned revenue	Accumulated expenses	Accumulated net income
Overseas nuclear power project	₩ 221,950	₩ 499,954	₩ (278,004)

	For the year ended December 31, 2024		
	Accumulated earned revenue	Accumulated expenses	Accumulated net income
Overseas nuclear power project	₩ 240,011	₩ 193,934	₩ 46,077

27. Revenue (cont'd)

Details of due from and due to customers for contract work as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
	Due from customers for contract work (*)	Due to customers for contract work (*)	Due from customers for contract work (*)	Due to customers for contract work (*)
Overseas nuclear power project	₩ 1,971	₩ 253,090	₩ -	₩ 102,648

(*) Due from customers for contract work are included in trade and other receivables and due to customers for contract work are included in current non-financial liabilities. The amount recognized as construction revenue for the three-month period ended March 31, 2025 among due to customers for contract work as of December 31, 2024 is (-)18,061 million won.

As of March 31, 2025, the contract where revenue is recognized based on the percentage of completion using the cost input method and in which the amount of contract price is 5% or more of the sales for the year ended December 31, 2024 is as follows. On the other hand, the Group determined to not disclose 'percentage of completion, due from customers, and receivables from construction contracts' that are applicable to non-disclosure items according to relevant laws or contracts under K-IFRS 1115 129.2(2). The Group reported the non-disclosed items to audit committee and did not disclose or open the omitted items through any method.

	Contract date	Contractual completion date
Nuclear power plant business in Egypt El Dabaa	2022.08.25	2029.04.08
Cernavoda Unit 1 facility improvement business in Romania	2024.12.19	2030.06.30

The information on contracts where revenue is recognized based on percentage-of-completion by applying the cost-based input method for each business segment for the three-month period ended March 31, 2025 and future periods is as follows (Korean won in millions):

	Effect from changes in accounting estimates				
	Expected loss on construction contracts	Changes in estimates of contract revenue and costs	Impact on current profit or loss	Impact on future profit or loss	Changes in estimated total contract costs
Electric power generation segment	₩ (258,525)	₩ (1,102,508)	₩ (311,900)	₩ (790,608)	₩ 1,090,714

	Revenue recognized in the current term for performance obligations fulfilled in the prior term	Due from customers for contract work		Trade receivables (Accounts receivables)	
		Total amount	Allowance for bad debt	Total amount	Allowance for bad debt
Electric power generation segment	₩ -	₩ 1,971	₩ -	₩ 62,945	₩ -

28. Selling and administrative expenses

Selling and administrative expenses for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Salaries	₩	13,931	₩	13,260
Retirement benefits		1,354		1,133
Employee welfare		2,819		2,487
Insurance expenses		511		524
Depreciation of property, plant and equipment		13,974		12,769
Amortization of intangible assets		4,732		3,654
Commission		12,009		9,706
Advertisement		7,100		7,602
Training		183		179
Vehicles		30		24
Publication expenses		130		154
Business expenses		29		26
Rent		1,426		2,351
Communication		192		172
Taxes and dues		274		247
Supplies expenses		209		203
Utilities		640		518
Repairs		452		8,301
Ordinary development expenses		347		479
Travel expenses		335		388
Clothing expenses		28		196
Subscription		93		95
Others		5,467		3,023
	₩	66,265	₩	67,491

Details of others of selling and administrative expenses for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Other wages	₩	3,189	₩	1,331
Compliance costs		8		6
Award costs		14		26
Registration costs		2		1
Litigation costs		1,775		1,148
Meeting costs		479		511
	₩	5,467	₩	3,023

29. Other income and expenses

Details of other income for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Gain on assets contributed	₩	3	₩	92
Reparations		1,833		3,344
Gain from infrastructure fund		154		-
Rental income		2,078		3,732
Others		2,405		13,605
	₩	6,473	₩	20,773

Details of other expenses for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Depreciation of idle assets	₩	904	₩	910
Other bad debt expenses		2		4
Donations		4,011		5,338
Others		3,682		3,355
	₩	8,599	₩	9,607

30. Other gains and losses

Other gains and losses for the three-months periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Gain on disposal of property, plant and equipment	₩	-	₩	80
Gain on foreign currency translations (*)		920		2,879
Gain on foreign currency transactions (*)		10,527		1,868
Others		478		185
Loss on disposal of property, plant and equipment		(19,054)		(701)
Loss on foreign currency translation (*)		(6,382)		(526)
Loss on foreign currency transactions (*)		(1,108)		(2,751)
Others		(287)		(53)
	₩	(14,906)	₩	981

(*) Gain (loss) on foreign currency translations and foreign currency transactions arising from operating activities.

31. Finance income

Finance income for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Interest income	₩	13,368	₩	18,820
Dividend income		26		44
Gain on disposal of financial instruments assets		8,508		5,958
Gain on valuation of financial assets at fair value through profit or loss		3,955		2,923
Gain on valuation of derivative instruments		28,699		163,658
Gain on transactions of derivative instruments		21,790		8,511
Gain on foreign currency translation (*)		16,445		11,926
	₩	92,791	₩	211,840

(*) Gain on foreign currency translation arising from financing and investing activities.

Details of interest income included in finance income for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Cash and cash equivalents	₩	774	₩	10,931
Financial assets at fair value through profit or loss		612		633
Financial instruments		8,704		5,920
Loans		825		625
Trade and other receivables		2,453		711
	₩	13,368	₩	18,820

32. Finance costs

Finance costs for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Interest expense	₩	211,172	₩	183,071
Loss on disposal of financial instruments assets		312		-
Loss on valuation of financial assets at fair value through profit or loss		215		238
Loss on valuation of derivative instruments		1,629		7,515
Loss on transactions of derivative instruments		2,455		2,004
Loss on foreign currency translation (*)		4,850		169,783
	₩	220,633	₩	362,611

(*) Loss on foreign currency translation arising from financing activities.

Details of interest expenses included in finance costs for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Trade and other payables	₩	377	₩	297
Short-term borrowings		-		2,744
Long-term borrowings		2,842		3,366
Bonds		128,388		111,541
Other financial liabilities (*)		184,324		180,364
		315,931		298,312
Less: capitalization of borrowing costs		(104,759)		(115,241)
	₩	211,172	₩	183,071

(*) Interest expenses and others related to provisions for decommissioning costs of nuclear power plants are included.

33. Income tax expense

The income tax expense is calculated by adjusting the adjustment due to changes in estimates related to income taxes attributable to previous periods, deferred tax expense (benefit) due to changes in temporary differences, and income tax expense (benefit) related to items recognized in other than profit or loss. For the three-month period ended March 31, 2025, the average effective tax rate for income tax expenses is 26.93%.

As income tax benefit was generated for the three-month period ended March 31, 2024, the average effective tax rate for income tax expenses was not calculated.

34. Expenses classified by nature

Expenses classified by nature for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		
	Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩ -	₩ 245,927	₩ 245,927
Salaries	13,931	268,427	282,358
Retirement benefits	1,354	23,371	24,725
Employee welfare	2,819	34,970	37,789
Insurance expenses	511	17,450	17,961
Depreciation of property, plant and equipment	13,974	802,341	816,315
Amortization of nuclear fuel	-	510,234	510,234
Amortization of intangible assets	4,732	3,091	7,823
Commission	12,009	12,322	24,331
Provisions for decommissioning costs of fuel for heavy-water reactor spent	-	9,497	9,497
Provisions for decommissioning costs of radioactive waste	-	5,614	5,614
Other provisions	-	358,085	358,085
Advertisement	7,100	555	7,655
Training	183	166	349
Vehicles	30	185	215
Publication expenses	130	116	246
Business expenses	29	62	91
Rent	1,426	24,228	25,654
Communication	192	466	658
Taxes and dues	274	76,143	76,417
Supplies expenses	209	653	862
Utilities	640	3,039	3,679
Repairs	452	285,482	285,934
Ordinary development expenses	347	120,876	121,223
Travel expenses	335	2,510	2,845
Clothing expenses	28	26	54
Subscription	93	4,921	5,014
Others	5,467	146,821	152,288
	₩ 66,265	₩ 2,957,578	₩ 3,023,843

34. Expenses classified by nature (cont'd)

	For the three-month period ended March 31, 2024		
	Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩ -	₩ 265,203	₩ 265,203
Salaries	13,260	259,960	273,220
Retirement benefits	1,133	20,428	21,561
Employee welfare	2,487	35,202	37,689
Insurance expenses	524	16,243	16,767
Depreciation of property, plant and equipment	12,769	675,129	687,898
Amortization of nuclear fuel	-	661,830	661,830
Amortization of intangible assets	3,654	2,670	6,324
Commission	9,706	33,374	43,080
Provisions for decommissioning costs of fuel for heavy-water reactor spent	-	43,152	43,152
Provisions for decommissioning costs of radioactive waste	-	8,359	8,359
Other provisions	-	145,269	145,269
Advertisement	7,602	519	8,121
Training	179	161	340
Vehicles	24	174	198
Publication expenses	154	150	304
Business expenses	26	55	81
Rent	2,351	23,947	26,298
Communication	172	442	614
Taxes and dues	247	72,660	72,907
Supplies expenses	203	719	922
Utilities	518	2,793	3,311
Repairs	8,301	461,096	469,397
Ordinary development expenses	479	137,831	138,310
Travel expenses	388	1,797	2,185
Clothing expenses	196	527	723
Subscription	95	3,894	3,989
Others	3,023	73,992	77,015
	₩ 67,491	₩ 2,947,576	₩ 3,015,067

35. Earnings (loss) per share

Basic earnings (loss) per share for the three-month periods ended March 31, 2025 and 2024 are as follow (Korean won):

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Basic earnings (loss) per share	₩ 3,405	₩ (1,313)

Profit (loss) for the period attributable to owners of the Company and weighted average number of common shares outstanding for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Profit (loss) for the period attributable to owners of the Company	₩ 825,509	₩ (318,356)
Weighted average number of common shares	242,442,838	242,442,838

Because the Group has no dilutive potential common stock, diluted earnings (loss) per share and the details of calculations are equal to basic earnings (loss) per share.

36. Categories of financial instruments

Details of financial assets by category as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025			
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Current financial assets:				
Cash and cash equivalents	₩ -	₩ 504,607	₩ -	₩ 504,607
Current financial assets				
Financial assets at fair value through profit or loss	911,565	-	-	911,565
Loans	-	5,986	-	5,986
Short-term financial instruments	-	816,614	-	816,614
Derivative assets	163,358	-	-	163,358
	1,074,923	822,600	-	1,897,523
Trade and other receivables	-	2,303,474	-	2,303,474
	1,074,923	3,630,681	-	4,705,604
Non-current financial assets:				
Non-current financial assets				
Financial assets at fair value through profit or loss	302,901	-	-	302,901
Financial assets at fair value through other comprehensive income	-	-	448,982	448,982
Long-term loans	-	81,403	-	81,403
Long-term financial instruments	-	679,610	-	679,610
Derivative assets	611,641	-	-	611,641
	914,542	761,013	448,982	2,124,537
Trade and other receivables	-	86,087	-	86,087
	914,542	847,100	448,982	2,210,624
	₩ 1,989,465	₩ 4,477,781	₩ 448,982	₩ 6,916,228

36. Categories of financial instruments (cont'd)

	December 31, 2024			
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Current financial assets:				
Cash and cash equivalents	₩ -	₩ 248,046	₩ -	₩ 248,046
Current financial assets				
Financial assets at fair value through profit or loss	455,370	-	-	455,370
Loans	-	6,461	-	6,461
Short-term financial instruments	-	208,614	-	208,614
Derivative assets	157,330	-	-	157,330
	612,700	215,075	-	827,775
Trade and other receivables	-	2,053,702	-	2,053,702
	612,700	2,516,823	-	3,129,523
Non-current financial assets:				
Non-current financial assets				
Financial assets at fair value through profit or loss	308,314	-	-	308,314
Financial assets at fair value through other comprehensive income	-	-	492,759	492,759
Long-term loans	-	78,936	-	78,936
Long-term financial instruments	-	669,494	-	669,494
Derivative assets	588,519	-	-	588,519
	896,833	748,430	492,759	2,138,022
Trade and other receivables	-	87,116	-	87,116
	896,833	835,546	492,759	2,225,138
	₩ 1,509,533	₩ 3,352,369	₩ 492,759	₩ 5,354,661

36. Categories of financial instruments (cont'd)

Details of financial liabilities by category as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		
	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Current financial liabilities			
Current portion of long-term borrowings	₩ -	₩ 33,564	₩ 33,564
Bonds	-	1,109,568	1,109,568
Derivative liabilities	4,751	-	4,751
	4,751	1,143,132	1,147,883
Trade and other payables	-	1,998,530	1,998,530
	4,751	3,141,662	3,146,413
Non-current financial liabilities:			
Non-current financial liabilities			
Long-term borrowings	-	203,804	203,804
Bonds	-	13,828,694	13,828,694
Derivative liabilities	26,699	-	26,699
	26,699	14,032,498	14,059,197
Trade and other payables	-	1,430,799	1,430,799
	26,699	15,463,297	15,489,996
	₩ 31,450	₩ 18,604,959	₩ 18,636,409

	December 31, 2024		
	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Current financial liabilities			
Short-term borrowings	₩ -	₩ -	₩ -
Current portion of long-term borrowings	-	34,000	34,000
Bonds	-	1,110,342	1,110,342
Derivative liabilities	1,640	-	1,640
	1,640	1,144,342	1,145,982
Trade and other payables	-	1,615,971	1,615,971
	1,640	2,760,313	2,761,953
Non-current financial liabilities:			
Non-current financial liabilities			
Long-term borrowings	-	212,256	212,256
Bonds	-	13,555,191	13,555,191
Derivative liabilities	27,729	-	27,729
	27,729	13,767,447	13,795,176
Trade and other payables	-	1,415,153	1,415,153
	27,729	15,182,600	15,210,329
	₩ 29,369	₩ 17,942,913	₩ 17,972,282

36. Categories of financial instruments (cont'd)

Net gain (loss) of financial instruments by category for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

Categories	Description	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Financial assets at amortized cost	Cash and cash equivalents-interest income	₩ 774	₩ 10,931
	Financial instruments-interest income	8,704	5,920
	Loans-interest income	825	625
	Trade and other receivables - interest income	2,453	711
	Gain on fluctuation of exchange rate in foreign currency, net	6,952	2,725
Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss-interest income	612	633
	Gain on valuation of financial assets at fair value through profit or loss, net	2,969	2,685
	Gain on disposal of financial assets, net	8,197	5,958
	Dividend income	25	44
	Gain on valuation of derivative instruments, net	29,151	99,675
	Gain on transactions of derivative instruments, net	21,790	8,511
Financial assets at fair value through other comprehensive income	Gain (loss) on valuation of financial assets at fair value through other comprehensive income (before tax), net	(43,777)	21,724
Financial liabilities measured at fair value through profit or loss	Gain (loss) on valuation of derivative instruments, net	(2,081)	56,468
	Loss on transactions of derivative instruments, net	(2,455)	(2,004)
Financial liabilities at amortized cost	Gain (loss) on fluctuation of exchange rate in foreign currency, net	8,528	(159,112)
	Interest expense	(42,846)	(21,286)

37. Risk management

37.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue while maximizing the return to shareholder through the optimization of the debt and equity balance. Management of the Group regularly reviews the capital structure and maintains the optimal capital structure through short- and long-term borrowings and bond issuance.

The capital structure of the Group consists of net debt (offset by cash and cash equivalents, etc.) and equity. The Group’s overall capital risk management strategy remains consistent with the prior year.

Details of the Group’s capital risk management items as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025	December 31, 2024
Total borrowings and bonds	₩ 15,175,630	₩ 14,911,789
Cash and cash equivalents and others (*)	1,321,221	456,660
Net borrowings	13,854,409	14,455,129
Total equity	₩ 25,871,927	₩ 25,462,845
Ratio of net borrowings to total shareholder’s equity	53.55%	56.77%

(*) It consists of cash and cash equivalents and short-term financial instruments.

37.2 Financial risk management

The Group is exposed to various risks related to its financial instruments, such as, market risk (currency risk, interest rate risk, price risk) and credit risk. The goal of financial risk management is to reduce and eliminate the financial risks to acceptable levels by identifying sources of potential risks to the Group’s financial performance.

The Group uses derivative instruments to hedge certain risk exposures such as foreign currency risk. The Group’s overall financial risk management strategy remains consistent with the prior year.

37.2.1 Risk management policy

The Group’s management is responsible for the establishment and supervision of the financial risk management system. Management established a risk management committee to develop and supervise the risk management policy of the Group. The committee regularly reports on its activities to the management.

The Group's risk management policy is designed to identify and analyze the risks facing the Group, establish appropriate risk limits and controls, and ensure that the risks do not exceed the limits. Risk management policies and systems are regularly reviewed to reflect market conditions and changes in the activities of the Group.

37. Risk management (cont'd)

37.2.2 Credit risk

Credit risk is the risk of finance loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to the risk smainly arises from the Group's sales activities, as well as from derivatives and debt securities. There are also credit risks arising from financial guarantees and unused loan agreements. For banks and financial institutions, the credit risk from them is limited as the Group makes transactions with reputable financial instituions. For general accounts, the Group evalutates the customer's credit based on the customer's financial position, past experience, and other factors.

Credit risk management

The Group uses publicly available information and its own internal data related to trade 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 trade receivables are due from governmental entities (i.e., KEPCO and others), the Group does not have significant credit risk exposure. Regarding its debt securities, the Group continuously monitors credit ratings issued by credit agencies, and the Group's working capital (i.e., cash) is deposited at financial institutions with a high credit rating.

Impairment & allowance account

In accordance with the Group's policies, individual financial assets above the materiality are regularly reviewed. The allowance for individually reviewed trade receivable shall be determined by evaluating the loss incurred as of the end of the reporting period, which applies to all material trade receivables. For such assessment, the Group considers the amount of collateral obtained (including the recoverability) for the individual financial assets and the expected recoverable amounts.

The Group maximum exposure to credit risk as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
Cash and cash equivalents	₩	504,607	₩	248,046
Financial instruments		1,496,224		878,108
Financial assets at fair value through profit or loss		1,214,466		763,684
Financial assets at fair value through other comprehensive income		5,045		5,045
Derivative assets		774,999		745,849
Loans		87,389		85,397
Trade and other receivables		2,389,561		2,140,818

There are no financial assets or non-financial assets acquired or received as a result of exercise of rights to collaterals received or additionally obtained to adjust credit limits for the three-month period ended March 31, 2025.

37. Risk management (cont'd)

37.2.3 Market risk

The Group is exposed to market risks in which the fair value of the financial instruments or future cash flows change due to changes in market prices. Market risk consists of interest rate risk, currency risk and other price risk.

37.2.4 Sensitivity analysis

Major assets and liabilities with uncertanties in underlying assumptions

(i) Defined benefit obligations

Changes in the Group's defined benefit obligation due to revisions of key assumptions as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

		March 31, 2025		December 31, 2024	
Assumption	Accounts	1%p increase	1%p decrease	1%p increase	1%p decrease
Future salary increase rate	Defined benefit obligations	₩ 98,085	₩ (85,468)	₩ 93,765	₩ (81,747)
Discount rate	Defined benefit obligations	(88,348)	103,500	(86,406)	101,253

(ii) Provisions for decommissioning costs

Changes in the Group's provisions for decommissioning costs due to revisions of key assumptions as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

Accounts	Assumptions	March 31, 2025	December 31, 2024
Nuclear plants	Inflation rate	2.02%	2.02%
	Discount rate	2.78%	2.78%
Fuel spent	Inflation rate	1.91%	1.91%
	Discount rate	2.49%	2.49%
Radioactive waste	Inflation rate	3.32%	3.32%
	Discount rate	4.17%	4.17%

The following is a sensitivity analysis of provisions for decommissioning costs assuming 0.1% points increase or decrease in the underlying assumptions as of March 31, 2025 and December 31, 2024 (Korean won in millions):

	March 31, 2025		December 31, 2024	
	0.1%p increase	0.1%p decrease	0.1%p increase	0.1%p decrease
Discount rate:				
Nuclear plants	₩ (462,708)	₩ 479,762	₩ (464,727)	₩ 481,899
Fuel spent	(129,983)	130,679	(129,983)	130,679
Radioactive waste	(11,156)	11,267	(11,363)	11,478
Inflation rate:				
Nuclear plants	511,300	(493,753)	507,814	(490,386)
Fuel spent	133,847	(128,527)	133,847	(128,527)
Radioactive waste	11,358	(11,264)	11,167	(11,075)

37. Risk management (cont'd)

37.2.4 Sensitivity analysis (cont'd)

Impact of management's estimate on the consolidated financial statements

(i) Foreign currency risk

The Group is exposed to the risk of exchange rate fluctuations due to transactions denominated in foreign currency. The carrying amounts of the Group's monetary assets and liabilities denominated in foreign currencies as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025						
	AED	USD	EUR	HKD	CHF	Others (*)	Total
Assets:							
Cash and cash equivalents	₩ 1,348	₩ 95,061	₩ -	₩ -	₩ -	₩ 4,298	₩ 100,707
Trade and other receivables	530	130,940	154	-	-	80	131,704
Due from customers for contract work	-	-	1,971	-	-	-	1,971
Loans	-	16,111	80	-	-	-	16,191
Total assets denominated in foreign currency	1,878	242,112	2,205	-	-	4,378	250,573
Liabilities:							
Trade and other payables	593	44,715	2,375	19,548	58	2,629	69,918
Borrowings	-	-	-	-	-	-	-
Bonds	-	4,047,257	-	1,166,852	166,907	-	5,381,016
Total liabilities denominated in foreign currency	593	4,091,972	2,375	1,186,400	166,965	2,629	5,450,934
Net exposure	₩ 1,285	₩ (3,849,860)	₩ (170)	₩ (1,186,400)	₩ (166,965)	₩ 1,749	₩ (5,200,361)

(*) Others include CAD, JPY, EGP, PKR, CZK, RON, PLN and RUB.

	December 31, 2024						
	AED	USD	EUR	HKD	CHF	Others (*)	Total
Assets:							
Cash and cash equivalents	₩ 1,841	₩ 3,377	₩ 2,403	₩ -	₩ -	₩ 4,046	₩ 11,667
Trade and other receivables	5,867	134,797	15,906	-	-	1,824	158,394
Loans	-	18,492	-	-	-	-	18,492
Total assets denominated in foreign currency	7,708	156,666	18,309	-	-	5,870	188,553
Liabilities:							
Trade and other payables	1,172	78,066	8,189	11,140	1,129	2,255	101,951
Borrowings	-	-	-	-	-	-	-
Bonds	-	4,113,531	-	953,128	162,625	-	5,229,284
Total liabilities denominated in foreign currency	1,172	4,191,597	8,189	964,268	163,754	2,255	5,331,235
Net exposure	₩ 6,536	₩ (4,034,931)	₩ 10,120	₩ (964,268)	₩ (163,754)	₩ 3,615	₩ (5,142,682)

(*) Others include CAD, CZK, EGP, PKR, JPY, GBP, RON, PLN and RUB.

37. Risk management (cont'd)

37.2.4 Sensitivity analysis (cont'd)

Foreign exchange rates as of March 31, 2025 and December 31, 2024 are as follows (Korean won in each currency):

	March 31, 2025		December 31, 2024	
	Average exchange rate	Ending exchange rate	Average exchange rate	Ending exchange rate
USD	1,452.66	1,466.50	1,363.97	1,470.00
EUR	1,529.33	1,587.85	1,475.05	1,528.73
CAD	1,012.65	1,024.41	995.49	1,023.96
CHF	1,616.70	1,665.81	1,549.06	1,626.38
HKD	186.73	188.53	174.81	189.30
CZK	60.99	63.70	58.73	60.68
AED	395.50	399.26	371.36	400.22
EGP	28.75	29.00	30.93	28.91
PKR	5.20	5.23	4.90	5.28
RUB	15.58	17.26	14.74	13.30
JPY	9.54	9.82	9.00	9.36
RON	307.33	319.08	296.51	307.27
PLN	364.08	379.89	342.57	357.33

A sensitivity analysis on the Group's profit before income tax and equity assuming 10% increase or decrease in foreign exchange rates as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
	10% increase	10% decrease	10% increase	10% decrease
Increase (decrease) in profit before income tax	₩ (520,233)	₩ 520,233	₩ (514,268)	₩ 514,268
Increase (decrease) in equity (*)	(520,233)	520,233	(514,268)	514,268

(*) The impact on equity before the effect of income taxes, which is the same as the effect of profit before income taxes.

Sensitivity analysis above is conducted for monetary assets and liabilities denominated in foreign currencies other than functional currency as of March 31, 2025 and December 31, 2024.

(ii) Interest rate risk

The Group is exposed to interest rate risk due to its borrowing with floating interest rates. 1% points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The Group's floating-rate long-term borrowings and bonds as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025	December 31, 2024
Long-term borrowings (including current portion)	₩ 48,851	₩ 51,238

37. Risk management (cont'd)

37.2.4 Sensitivity analysis (cont'd)

A sensitivity analysis on the Group's floating-rate long-term borrowings and bonds assuming 1% points increase or decrease in interest rates as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Increase (decrease) in profit before income tax	₩ (122)	₩ 122	₩ (512)	₩ 512
Increase (decrease) in equity	(122)	122	(512)	512

To manage its interest rate risks, the Group in addition to maintaining an appropriate mix of fixed and floating rate borrowings, has entered into certain interest rate swap agreements.

37.2.5 Liquidity risk

The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In addition, the Group has established credit lines on its trade finance and bank-overdrafts, and through payment guarantees it has received, it maintains an adequate credit (borrowing) facility. In addition, in case of major construction investment, the Group has the ability to use reserve cash or utilize long-term borrowings.

Details of remaining maturities of the Group's non-derivative financial liabilities based on agreement terms are as follows. The amount disclosed below represents the undiscounted cash flows the Group is obligated to pay in the future on the earliest repayment date:

Contractual remaining maturities of the Group's non-derivative liabilities, including interest payments, as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Borrowings and bonds	₩ 1,654,568	₩ 1,716,742	₩ 6,579,138	₩ 9,577,723	₩ 19,528,171
Trade and other payables	2,158,724	391,575	836,305	398,402	3,785,006
	₩ 3,813,292	₩ 2,108,317	₩ 7,415,443	₩ 9,976,125	₩ 23,313,177

	December 31, 2024				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Borrowings and bonds	₩ 1,651,585	₩ 1,672,332	₩ 6,403,404	₩ 9,636,866	₩ 19,364,187
Trade and other payables	1,741,134	390,248	835,232	398,942	3,365,556
	₩ 3,392,719	₩ 2,062,580	₩ 7,238,636	₩ 10,035,808	₩ 22,729,743

37. Risk management (cont'd)

37.2.5 Liquidity risk (cont'd)

As the Group manages its liquidity based on its net asset and net liability balances, the Group's liquidity risk management analysis includes its non-derivative financial assets.

Details of the Group's contractual expected holding period of its non-derivative financial assets as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				
	Under 1 year	1~5 years	Over 5 years	Other (*)	Total
Cash and cash equivalents	₩ 504,607	₩ -	₩ -	₩ -	₩ 504,607
Financial assets at fair value through profit or loss	911,565	-	-	302,901	1,214,466
Financial instruments	816,614	-	-	679,610	1,496,224
Financial assets at fair value through other comprehensive income	-	-	-	448,982	448,982
Loans	6,009	24,904	65,791	-	96,704
Trade and other receivables	2,304,131	41,314	46,389	-	2,391,834
	₩ 4,542,926	₩ 66,218	₩ 112,180	₩ 1,431,493	₩ 6,152,817

	December 31, 2024				
	Under 1 year	1~5 years	Over 5 years	Other (*)	Total
Cash and cash equivalents	₩ 248,046	₩ -	₩ -	₩ -	₩ 248,046
Financial assets at fair value through profit or loss	455,370	-	-	308,314	763,684
Financial instruments	208,614	-	-	669,494	878,108
Financial assets at fair value through other comprehensive income	-	-	-	492,759	492,759
Loans	6,479	25,119	62,698	-	94,296
Trade and other receivables	2,054,072	45,662	43,112	-	2,142,846
	₩ 2,972,581	₩ 70,781	₩ 105,810	₩ 1,470,567	₩ 4,619,739

(*) Maturity period cannot be reasonably estimated.

Remaining maturities of the Group's derivative liabilities as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Cash inflow	₩ 83	₩ 83	₩ 953,159	₩ 447,072	₩ 1,400,397
Cash outflow	(4,882)	(4,933)	(915,702)	(428,768)	(1,354,285)
	₩ (4,799)	₩ (4,850)	₩ 37,457	₩ 18,304	₩ 46,112

	December 31, 2024				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Cash inflow	₩ 81	₩ 81	₩ 735,081	₩ 448,920	₩ 1,184,163
Cash outflow	(1,740)	(1,740)	(694,001)	(428,789)	(1,126,270)
	₩ (1,659)	₩ (1,659)	₩ 41,080	₩ 20,131	₩ 57,893

37. Risk management (cont'd)

37.3 Fair value estimate

The fair value of the Group's financial instruments traded in an active market (i.e., financial assets at fair value through profit or loss, etc.) is calculated on the basis of quoted market price at the end of the reporting period. The quoted market price of the Group's financial assets is bid price.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Group uses that technique.

For trade receivables and payables, the Group considers the carrying value, net of impairment, as fair value. While for disclosure purposes, the fair value of non-current financial liabilities is estimated by discounting a financial instruments with similar contractual cash flows based on the effective interest method.

37.3.1 Fair value and carrying amount

The carrying amount and fair value of financial assets and financial liabilities as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value:				
Financial assets at fair value through other comprehensive income	₩ 448,982	₩ 448,982	₩ 492,759	₩ 492,759
Financial assets at fair value through profit or loss	1,214,466	1,214,466	763,684	763,684
Derivative instruments held for trading	774,999	774,999	745,849	745,849
	₩ 2,438,447	₩ 2,438,447	₩ 2,002,292	₩ 2,002,292
Financial assets at amortized cost:				
Loans	₩ 87,389	₩ 87,389	₩ 85,397	₩ 85,397
Trade and other receivables	2,389,561	2,389,561	2,140,818	2,140,818
Cash and cash equivalents	504,607	504,607	248,046	248,046
Financial instruments	1,496,224	1,496,224	878,108	878,108
	₩ 4,477,781	₩ 4,477,781	₩ 3,352,369	₩ 3,352,369
Financial liabilities at fair value:				
Derivative instruments held for trading	₩ 31,450	₩ 31,450	₩ 29,369	₩ 29,369
Financial liabilities at amortized cost:				
Bonds	₩ 14,938,262	₩ 15,130,281	₩ 14,665,533	₩ 14,001,979
Long-term borrowings	237,367	237,367	246,256	246,256
Trade and other payables	3,429,329	3,429,329	3,031,124	3,031,124
	₩ 18,604,958	₩ 18,796,977	₩ 17,942,913	₩ 17,279,359

37. Risk management (cont'd)

37.3.2 Interest rates used in calculating fair values

Interest rates used to discount expected cash flows were determined by adding credit spreads to government bond yields at the end of the reporting period.

37.3.3 Fair value hierarchy

The Group classifies fair value measurement based on a fair value hierarchy that reflects the significance of the input variables used in fair value measurement. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, classified as Level 1, 2 or 3.

	Significance of the input variables
Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
Level 3	Inputs that are not based on observable market data.

Fair values of financial instruments by hierarchy level as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss	₩ -	₩ 1,203,471	₩ 10,995	₩ 1,214,466
Financial assets at fair value through other comprehensive income	113,208	-	335,774	448,982
Derivative financial instruments held for trading	-	774,999	-	774,999
Financial liabilities at fair value:				
Derivative liabilities	-	31,450	-	31,450

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss	₩ -	₩ 751,866	₩ 11,818	₩ 763,684
Financial assets at fair value through other comprehensive income	156,985	-	335,774	492,759
Derivative financial instruments held for trading	-	745,849	-	745,849
Financial liabilities at fair value:				
Derivative liabilities	-	29,369	-	29,369

The fair value of financial assets at fair value through other comprehensive income traded in the market is determined by the closing purchase price disclosed at the end of the reporting period, and the fair value of financial assets at fair value through other comprehensive income without marketability is determined by the fair value evaluation results from external assessment institutions.

Financial assets measured at level 3 in the fair value hierarchy as of the end of the current term include investments in SET Holding and Korea Electric Power Exchange, etc., as described in Note 8. They were measured by estimating future cash flows in consideration of expected operating revenue and cost structure, which then were discounted by the weighted average capital costs considering capital structure, etc. In addition, the Group measured the fair value of the derivative using a cash flow discount model that reflected credit risk and used the inputs (credit risk, interest rate, and exchange rate) considering the key economic indicators and economic environment of the derivative to be assessed.

37. Risk management (cont'd)

37.3.3 Fair value hierarchy (cont'd)

Changes in financial assets at fair value through other comprehensive income for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025									
	Beginning balance		Acquisition (Disposal)		Measurement of fair values		Others		Ending balance	
Financial assets at fair value through other comprehensive income	₩	492,759	₩	-	₩	(43,777)	₩	-	₩	448,982

	For the year ended December 31, 2024									
	Beginning balance		Acquisition (Disposal)		Measurement of fair values		Others		Ending balance	
Financial assets at fair value through other comprehensive income	₩	378,029	₩	4,000	₩	110,730	₩	-	₩	492,759

38. Related party disclosures

Details of related parties as of March 31, 2025 are as follows:

Relationship	Related party
Parent company	Korea Electric Power Corporation
Associates	Korea Offshore Wind Power Co., Ltd.
	Noeul Green Energy Co., Ltd.
	Busan Green Energy Co., Ltd.
	Korea Hydro & Nuclear Power KNP Co., Ltd.
	KEPCO Solar Co., Ltd.
	KEPCO ES Co., Ltd.
	Gwangyang Green Energy Co., Ltd.
	Godeok Clean Energy Co., Ltd.
	Hanwha Solar Power Private equity investment trust
	Bigeum Resident Solar Power Generation Co., Ltd.
	Gangneung Sacheon Fuel Cell Co., Ltd.
	Chuncheon Green Energy Co., Ltd.
	Green Radiation Co., Ltd.
	Environment and Energy Co., Ltd.
	Changwon SG Energy Co., Ltd.
	Songsan Green Energy Co., Ltd.
	Dreams Co., Ltd,
	DEEP AI Co., Ltd.
Joint ventures	Waterbury Lake Uranium Limited Partnership
	Cheongsong Noraesan Wind Power Co., Ltd.
	Saemangeum Solar Power Co., Ltd.
	KAS INVESTMENT I LLC
	KAS INVESTMENT II LLC
	Guadalupe Solar SpA
	Changwon Noorie Energy Co., Ltd.
	Yangyang Offshore Wind Power Co., Ltd.
	Jeonju Bio Green Energy Co., Ltd.
	Hadong E-factory Co., Ltd.
	Imha Susang Taeyanggwang Co.,Ltd.
Other related parties	Korea Midland Power Co., Ltd.
	Korea East-West Power Co., Ltd.
	Korea South-East Power Co., Ltd.
	Korea Western Power Co., Ltd.
	Korea Southern Power Co., Ltd.
	KEPCO Engineering & Construction Company Inc.
	KEPCO Plant Service & Engineering Co., Ltd.
	KEPCO Nuclear Fuel Co., Ltd.
	KEPCO Knowledge, Data & Network Co., Ltd.
	Korea Power Exchange
	Korea Electronic Power Industrial Development Co., Ltd.
	Korea Development Bank
	HeeMang Sunlight Power Co., Ltd.
	Energy Infra Asset Management Co., Ltd.
	KW Nuclear Components Co., Ltd.
	Nawah Energy Company
	KAS Holdings I LLC
	KAS Holdings II LLC
	G-TOPS Co., Ltd. and others

38. Related party disclosures (cont'd)

The transactions with related parties for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

		Sales and others		Purchases and others	
Related party	Transaction	For the three-months period ended March 31, 2025	For the three-months period ended March 31, 2024	For the three-months period ended March 31, 2025	For the three-months period ended March 31, 2024
Korea Electric Power Corporation	Sales of electricity and others/ Electricity charges and others	₩ 4,485,914	₩ 2,817,245	₩ 398,028	₩ 259,684
Korea Offshore Wind Power Co., Ltd.	REC Calculates and others/ REC Purchases	342	-	1,728	2,084
Noeul Green Energy Co., Ltd.	REC Calculates / REC Purchases	2,083	2,602	5,281	4,530
Busan Green Energy Co., Ltd.	REC Calculates and others/ REC Purchases	2,014	2,133	5,455	5,623
Godeok Clean Energy Co., Ltd.	REC Calculates / REC Purchases	677	6,693	4,224	13,899
KEPCO Solar Co., Ltd.	Dividend income/ REC Purchases	338	420	-	322
KEPCO ES Co., Ltd.	Dividend income and others	537	265	-	-
Hanwha Solar Power Private equity investment trust	Dividend income and others	83	88	-	-
Bigeum Resident Solar Power Generation Co., Ltd.	Interest income / Consignment operation income	-	128	822	-
Gangneung Sacheon Fuel Cell Co., Ltd.	REC Calculates / REC Purchases	3,492	-	12,466	4,308
Chuncheon Green Energy Co., Ltd.	REC Calculates and others/ REC Purchases	5,531	-	13,855	10,723
Changwon SG Energy Co., Ltd.	Consignment operation income and others	-	-	1,462	-
Korea Hydro & Nuclear Power KNP Co., Ltd.	Dividend income	13	-	-	-
Cheongsong Noraesan Wind Power Co., Ltd.	Dividend income/ REC Purchases	692	-	1,216	879
Yangyang Offshore Wind Power Co., Ltd.	Service income and others	50	50	-	-
Jeonju Bio Green Energy Co., Ltd.	Service income	12	-	-	-
Korea Midland Power Co., Ltd.	Rental income	2	2	-	-
Korea Southern Power Co., Ltd.	Commission fee	-	-	2	-
Korea South-East Power Co., Ltd.	REC Purchases	-	-	-	2
Korea East-West Power Co., Ltd.	RPS sales income/ Commission fee	52	25	156	-
Korea Western Power Co., Ltd.	Rental income	6	6	-	-
KEPCO Engineering & Construction Company Inc.	Rent income/ Technical service and others	23	23	45,038	78,533
KEPCO Plant Service & Engineering Co., Ltd.	Rental income/ Construction fees and others	815	966	99,431	157,667
KEPCO Nuclear Fuel Co., Ltd.	Nuclear power plant fuel purchase and others	-	-	198,129	204,957
KEPCO Knowledge, Data & Network Co., Ltd.	Rental income and others/ Maintenance services expenses and others	2	2	14,570	30,421
Korea Power Exchange	Commission fees and others	-	-	106,889	4,869
Korea Development Bank	Interest income/ Interest expense and others	1,400	6,086	151	193
HeeMang Sunlight Power Co., Ltd.	REC Purchases	-	-	12	12
Nawah Energy Company	Service income	14,655	27,797	-	-
KW Nuclear Components Co., Ltd.	Maintenance expenses	-	-	8,023	-
Korea Electronic Power Industrial Development Co., Ltd.	Rental income / Maintenance expenses and others	26	25	885	2,229
G-TOPS Co., Ltd.	Purchase of raw materials	-	-	2	-
Guadalupe Solar SpA	Interest income and others	58	57	-	-
Energy Infra Asset Management Co., Ltd.	Interest expense	-	-	635	661
		₩ 4,518,817	₩ 2,864,613	₩ 918,460	₩ 781,596

38. Related party disclosures (cont'd)

Receivables and payables arising from related party transactions as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

		Trade receivable and others		Trade payable and others	
Related party	Transaction	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Korea Electric Power Corporation	Trade receivables	₩ 1,378,978	₩ 1,249,973	₩ -	₩ -
	Other receivables and others	797,512	671,449	-	-
	Other payables and others	-	-	592,919	232,599
Korea Offshore Wind Power Co., Ltd.	Other receivables and others	1,288	1,115	-	-
	Other payables	-	-	1,196	1,268
Noeul Green Energy Co., Ltd.	Other receivables and others	29,325	27,043	-	-
	Other payables	-	-	3,340	3,699
Busan Green Energy Co., Ltd.	Other receivables and others	46,057	43,790	-	-
	Other payables	-	-	3,478	4,799
Godeok Clean Energy Co., Ltd.	Other receivables	10,796	10,118	-	-
	Other payables	-	-	1,821	3,022
KEPCO Solar Co., Ltd.	Other receivables	338	-	-	-
KEPCO ES Co., Ltd.	Other receivables	540	-	-	-
Gwangyang Green Energy Co., Ltd.	Other receivables	-	878	-	-
Bigeum Resident Solar Power Generation Co., Ltd.	Trade receivables	-	273	-	-
	Interest receivables	1,796	1,796	-	-
Gangneung Sacheon Fuel Cell Co., Ltd.	Other receivables	11,836	8,343	-	-
	Other payables	-	-	5,892	3,201
Chuncheon Green Energy Co., Ltd.	Other receivables	16,401	10,870	-	-
	Other payables	-	-	9,185	8,881
Songsan Green Energy Co., Ltd.	Other receivables	-	190	-	-
Changwon Nu-ri Energy o., Ltd.	Other receivables	-	188	-	-
Jeonju Bio Green Energy Co., Ltd.	Other receivables	-	187	-	-
Saemangeum Solar Power Co., Ltd.	Other receivables and others	4,368	4,368	-	-
Yangyang Offshore Wind Power Co., Ltd.	Other receivables	55	55	-	-
Green Radiation Co., Ltd.	Other payables	-	-	-	30
Dreams Co., Ltd.	Other receivables	1	1	-	-
	Other payables	-	-	-	30
DEEP AI Co., Ltd.	Other receivables	1	1	-	-
	Other payables	-	-	-	30
Korea Southern Power Co., Ltd.	Other payables	-	-	18	-
Korea Midland Power Co., Ltd.	Other payables	-	-	6	-
KEPCO Engineering & Construction Comapny Inc.	Other payables and others	-	-	11,796	48,526
KEPCO Plant Service & Engineering Co., Ltd.	Other receivables	-	550	-	-
	Other payables and others	-	-	33,228	72,470
KEPCO Nuclear Fuel Co., Ltd.	Trade payables and others	-	-	202,557	27,330
KEPCO Knowledge, Data & Network Co., Ltd.	Other payables and others	-	-	1,402	3,400
Korea Power Exchange	Other payables	-	-	10	11
Korea Development Bank	Accrued income and others	1,581	1,208	-	-
	Accrued expense	-	-	9	9
	Borrowings	-	-	9,919	10,690
Nawah Energy Company	Trade receivables	50,149	43,012	-	-
Korea Electrionc Power Industrial Development Co., Ltd.	Other payables	-	-	-	243
Energy Infra Asset Management Co., Ltd.	Borrowings	-	-	47,987	48,527
Guadalupe Solar SpA	Loan	3,257	3,352	-	-
KAS Holdings I LLC	Loan	8,350	7,645	-	-
KAS Holdings II LLC	Loan	8,416	7,698	-	-
		₩ 2,371,045	₩ 2,094,103	₩ 924,763	₩ 468,765

38. Related party disclosures (cont'd)

Loans with related parties as of March 31, 2025 are as follows (Korean won in millions):

Relationship	Company name	December 31, 2024	Loans	Collections	Others	March 31, 2025
Joint ventures	Guadalupe Solar SpA	₩ 3,352	₩ -	₩ (87)	₩ (8)	₩ 3,257
Other related parties	KAS Holdings I LLC	7,517	-	-	833	8,350
	KAS Holdings II LLC	7,567	-	-	851	8,418
		₩ 18,436	₩ -	₩ (87)	₩ 1,666	₩ 20,025

Financial transactions with related parties for the three-month period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (Korean won in millions):

(i) Loans and capital investments

	For the three-month period ended March 31, 2025			
		Transaction		Cash
	Company name	Loans	Collections	contribution
Joint ventures	Guadalupe Solar SpA	₩ -	₩ 87	₩ -

(ii) Borrowings

	For the three-month period ended March 31, 2025				
	Company name	Type	January 1	Repayments, net	March 31
Others	Korea Development Bank(*1,2)	Facility loan	₩ 10,690	₩ (771)	₩ 9,919
	Energy Infra Asset Management Co., Ltd.(*1,2)	Facility loan	48,526	(539)	47,987
			₩ 59,216	₩ (1,310)	₩ 57,906

(*1) Details of collaterals pledged for related parties are described in Note 40.7
(*2) The interest expense recognized by the borrowing transaction with the related parties is ₩786 million for the three-month period ended March 31, 2025.

(iii) Loans and capital investments

	For the year ended December 31, 2024				
		Transaction			
	Company name	Loans	Collections	Cash contribution	In-kind contribution
Associates	Changwon SG Energy Co., Ltd.	₩ -	₩ -	₩ -	₩ 11
	Songsan Green Energy Co., Ltd.	-	-	-	11
Joint ventures	Guadalupe Solar SpA	-	232	-	-
	Imha Susang Taeyanggwang Co., Ltd.	-	-	7,174	-
Other related parties	KAS Holdings I LLC	1,161	-	-	-
	KAS Holdings II LLC	1,170	-	-	-
		₩ 2,331	₩ 232	₩ 7,174	₩ 22

38. Related party disclosures (cont'd)

(iv) Borrowings

	For the year ended December 31, 2024							
	Company name	Type	January 1		Repayments, net		December 31	
Others	Korea Development Bank(*1,2)	Facility loan	₩	14,295	₩	(3,605)	₩	10,690
	Energy Infra Asset Management Co., Ltd.(*1,2)	Facility loan		51,224		(2,698)		48,526
			₩	65,519	₩	(6,303)	₩	59,216

(*1) Details of collaterals pledged for related parties are described in Note 40.7.
(*2) The interest expense recognized by the borrowing transaction with the related parties is ₩2,741 million for the year ended December 31, 2024.

Compensations to key management personnel of the Company for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025		For the three-month period ended March 31, 2024	
Salaries	₩	252	₩	204
Retirement benefits		16		11
	₩	268	₩	215

Details of collateral provided to related parties as of March 31, 2025 are as follows (Korean won in millions):

Provided by	Provided to	Assets pledged(*1)	Amount pledged(*2)		Financial institution
Korea Hydro & Nuclear Power Co., Ltd.	Korea Offshore Wind Power Co., Ltd.	Korea Offshore Wind Power Co., Ltd. Shares	₩	26,164	Woori Bank and others
	Noeul Green Energy Co., Ltd.	Noeul Green Energy Co., Ltd. Shares		-	Hana Bank and others
	Busan Green Energy Co., Ltd.	Busan Green Energy Co., Ltd. Shares		2,138	Shinhan Bank and others
	Godeok Clean Energy Co., Ltd.	Godeok Clean Energy Co., Ltd. Shares		6,254	Kookmin Bank and others
	Bigeum Resident Solar Power Generation Co., Ltd.	Bigeum Resident Solar Power Generation Co., Ltd. Shares		6,907	Kookmin Bank and others
	Cheongsong Noraesan Wind Power Co., Ltd.	Cheongsong Noraesan Wind Power Co., Ltd. Shares		3,963	Woori Bank and others
	Gwangyang Green Energy Co., Ltd.	Gwangyang Green Energy Co., Ltd. Shares		24,150	Shinhan Bank and others
	Gangneung Sacheon Fuel Cell Co., Ltd.	Gangneung Sacheon Fuel Cell Co., Ltd. Shares		9,252	Hana Bank and others
	Chuncheon Green Energy Co., Ltd.	Chuncheon Green Energy Co., Ltd. Shares		16,207	Hana Bank and others
	Yangyang Offshore Wind Power Co., Ltd.	Yangyang Offshore Wind Power Co., Ltd. Shares		9,723	Kookmin Bank and others
	Songsan Green Energy Co., Ltd.	Songsan Green Energy Co., Ltd. Shares		7,257	Hana Bank
	Changwon Noorie Energy Co., Ltd.	Changwon Noorie Energy Co., Ltd. Shares		7,509	Hana Bank
	Imha Susang Taeyanggwang Co.,Ltd.	Imha Susang Taeyanggwang Co.,Ltd.Shares		6,332	Hana Bank

(*1) As of March 31, 2025, the entire shares in related associates held by the Group are pledged as collateral to the financial institutions.
(*2) As of March 31, 2025, the book value of entire shares held by the Group.

38. Related party disclosures (cont'd)

Details of certification of payment provided by Group with related parties as of March 31, 2025 are as follows (USD in thousands):

Provided by	Provided to	Financial institution	Amount		Period
Korea Hydro & Nuclear Power Co., Ltd.	Chuncheon Green Energy Co., Ltd.(*)	Hana Bank and others		-	2022.06.29~2038.08.05
KHNP USA LLC	KAS INVESTMENT I LLC	Woori America Bank	USD	9,770	2023.10.05~2025.10.04
KHNP USA LLC	KAS INVESTMENT II LLC	Woori America Bank	USD	9,730	2023.10.05~2025.10.04

(*) The certification of payment provided pertains to the funding supplementation agreement for Chuncheon Green Energy Co., Ltd.'s construction excess project costs and others. The Group assumes the obligation to make payments based on the investment ratio for excess project costs incurred by the guaranteed company before the completion date. After the comprehensive completion date, the debt guarantee is released.

Details of derivatives transactions with related parties as of March 31, 2025 are as follows: (USD, HKD, CHF in thousands, Korean won in millions, KRW/USD, KRW/HKD, KRW/CHF)

			Contract amount				Contract interest rate per annum		Contract exchange rate (In won)	
	Counter party (*)	Contract year	Pay		Receive		Pay	Receive		
Currency Swap	Korea Development Bank	2015.06.15~ 2025.06.15	KRW	111,190	USD	100,000	2.62%	3.25%	₩	1,111.90
		2017.07.25~ 2027.07.25	KRW	111,610	USD	100,000	2.31%	3.13%		1,116.10
		2018.04.03~ 2028.03.13	KRW	108,600	HKD	800,000	2.69%	3.35%		135.75
		2019.07.19~ 2027.07.19	KRW	119,978	CHF	100,000	1.43%	0.05%		1,199.78
		2021.04.27~ 2026.04.27	KRW	111,400	USD	100,000	0.93%	1.25%		1,114.00
		2022.07.27~ 2027.07.27	KRW	262,000	USD	200,000	3.63%	4.25%		1,310.00
		2024.01.18~ 2028.07.18	KRW	257,880	USD	200,000	3.80%	5.00%		1,289.40
		2024.01.18~ 2028.07.18	KRW	128,940	USD	100,000	3.69%	5.00%		1,289.40
		2024.07.29~ 2029.07.29	KRW	138,540	USD	100,000	3.19%	4.63%		1,385.40

(*) The Group recognized gain on valuation of derivatives instruments of ₩11,163 million and loss on valuation of derivatives instruments of ₩439 million. It also recognized gain on transactions of derivatives instruments of ₩7,452 million and loss on transactions of derivatives instruments of ₩438 million.

39. Supplementary cash flow information

Significant non-cash transactions for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Transfer of bonds and long-term borrowings to current portion	₩ 8,727	₩ 8,995
Transfer of provisions for decommissioning costs to current portion	115,849	137,062
Transfer of construction-in-progress to property, plant and equipment	42,851	1,997
Recognition of assets retirement costs based on provision for restoration	66,315	198,945
Transfer of spent fuel management charges to accrued expenses	75,812	243,424
Transfer of inventories to storage of nuclear power fuel	358,877	391,967
Transfer of advanced payments to construction-in-progress	1,124	151,135
Transfer of advanced payments to right-of-use assets	2,799	-
Increase (decrease) in other payables from acquisition of property, plant and equipment	(138,018)	32,376

Changes in liabilities arising from financing activities for the three-month periods ended March 31, 2025 and 2024 are as follows (Korean won in millions):

	For the three-month period ended March 31, 2025						
		Cash flow		Non-cash change			
	January 1	Decrease	Increase	Acquisition	Exchange rate fluctuation	Others	March 31
Current portion of lease liabilities	₩ 19,656	₩ (3,405)	₩ -	₩ -	₩ -	₩ 4,987	₩ 21,238
Lease liabilities	156,262	(1)	-	3,677	172	1,469	161,579
Current portion of long-term borrowings	34,000	(8,888)	-	-	-	8,452	33,564
Long-term borrowings	212,256	-	-	-	-	(8,452)	203,804
Current portion of bonds	1,110,342	-	-	-	(1,050)	276	1,109,568
Bonds	13,555,191	-	278,629	-	(7,761)	2,635	13,828,694
Dividends payable	-	-	-	-	-	368,513	368,513
Derivative assets(liabilities), net	(716,480)	(2,455)	21,790	-	-	(46,405)	(743,550)
	₩ 14,371,227	₩ (14,749)	₩ 300,419	₩ 3,677	₩ (8,639)	₩ 331,475	₩ 14,983,410

39. Supplementary cash flow information (cont'd)

	For the three-month period ended March 31, 2024						
		Cash flow		Non-cash change			
	January 1	Decrease	Increase	Acquisition	Exchange rate fluctuation	Others	March 31
Current portion of lease liabilities	₩ 16,452	₩ (4,124)	₩ -	₩ -	₩ -	₩ 3,563	₩ 15,891
Lease liabilities	126,753	-	-	4,592	111	(1,774)	129,682
Short-term borrowings	251,576	-	-	-	2,296	-	253,872
Current portion of long-term borrowings	42,936	(9,594)	-	-	-	8,889	42,231
Long-term borrowings	246,256	-	-	-	-	(8,889)	237,367
Current portion of bonds	885,367	(130,000)	-	-	(6,607)	(12)	748,748
Bonds	12,220,356	-	598,443	-	163,276	1,920	12,983,995
Dividends payable	1,560,120	(780,060)	-	-	-	-	780,060
Derivative assets(liabilities), net	(222,178)	(2,004)	8,944	-	-	(162,650)	(377,888)
	₩ 15,127,638	₩ (925,782)	₩ 607,387	₩ 4,592	₩ 159,076	₩ (158,953)	₩ 14,813,958

40. Commitment and contingencies

Details of contingent liability as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
	Litigations in progress	Litigation value	Litigations in progress	Litigation value
Pending lawsuits(defendant)(*)	78 cases	₩ 213,776	82 cases	₩ 210,981
Pending lawsuits(plaintiff)	27 cases	92,467	30 cases	87,622

(*) As of March 31 2025, the Group has a total of 16 lawsuits related to ordinary wages and 10 lawsuits related to other wages in process at the Supreme Court and other courts. The amount includes the wage litigation value of ₩77,270 million, and as of March 31, 2025, the Group has reserved ₩340,637 million of provisions for litigations in respect to current ongoing wage litigations. Although the final results cannot be predicted for case other than cases for which provisions for litigation are recognized, management expects that the outcome of the lawsuit will not have a significant impact on the Group's operations or financial status.

As of March 31, 2025, the Group is involved in 5 arbitration cases other than ongoing lawsuits. The major arbitration cases as of March 31, 2025 are as follows:

An arbitration application has been filed against the Korea Electric Power Corporation regarding the inadequate performance level of the anchor attachment for Hanul Units 3 and 4, related to the payment of damages. However, it is not reasonably possible to estimate the outflow amount and timing of resources due to the results of this arbitration.

An arbitration application has been filed against the Samsung C&T Consortium (Samsung C&T Corporation, Doosan Energy Corporation, Hanwha Corporation) with the Korean Commercial Arbitration Board regarding the adjustment of the contract amount for the main facility construction of Saeul Units 3 and 4 (formerly Shin-Kori Units 5 and 6). However, it is not reasonably possible to estimate the outflow amount and timing of resources due to the results of this arbitration.

40. Commitment and contingencies (cont'd)

Lines of credit provided by financial institutions as of March 31, 2025 are as follows (Korean won in millions, USD, EUR and AED in thousands):

	Financial institution	Currency	Guarantee limit
Commitments on Bank-overdraft	Woori Bank	KRW	50,000
	Nonghyup Bank	KRW	100,000
	Hana Bank	KRW	50,000
	Kookmin Bank	KRW	100,000
	Korea Development Bank	KRW	100,000
Trade finance	Mitsui Sumitomo Banking Corporation	USD	100,000
	DBS Bank	USD	100,000
	Societe Generale	USD	100,000
	Kookmin Bank	USD	100,000
	Credit Agricole	USD	200,000
Certification of payment on L/C	Nonghyup Bank	USD	50,000
Certification of Performance guarantee on contact	National Bank of Pakistan	USD	477
	Shinhan Bank	USD	370,794
	Nonghyup Bank	EUR	51,536
	Nonghyup Bank	USD	247,757
	The Export-Import Bank of Korea	USD	400
	Hana Bank	AED	989
Loan limit	Korea Development Bank and others	KRW	251,600
	Kookmin Bank and others	KRW	230,800
	Hana Bank	KRW	4,000
	Woori Bank	KRW	1,600
	Nonghyup Bank	KRW	2,000
	The Export-Import Bank of Korea	USD	750,000
Limit amount available for card	Nonghyup Card Co., Ltd.	KRW	13,238
	Woori Card Co., Ltd.	KRW	4,900
	Industrial Bank of Korea	KRW	20
Others	Industrial Bank of Korea	KRW	20,000
	Nonghyup Bank	KRW	25,000
	Nonghyup Bank	USD	105,000
	Woori Bank	KRW	2,000
	Shinhan Bank	KRW	10,000
	Hana Bank	USD	20,530
	Hana Bank	KRW	8,000

The Group voluntarily suspended operations of the Gangneung hydroelectric generating plant, with a carrying amount of ₩58,409 million as of March 31, 2025, to improve the quality of water used in generating electricity. The expenses related to the suspension of operations of ₩904 million and depreciation on the utility plant amounting to ₩196 million are charged to other expenses for the three-month period ended March 31, 2025. Regarding the improvement of water quality, the results of damages compensation for the local residents cannot be reasonably estimated, and the Group is under negotiations with Gangneung City and related stakeholders to restart the Gangneung hydroelectric generating plant as of March 31, 2025.

40. Commitment and contingencies (cont'd)

Major contracts related to constructions:

Agreements for the purchase of property, plant and equipment as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025	December 31, 2024
Agreements for the purchase of property, plant and equipment (*)	₩ 24,061,462	₩ 34,826,703

(*) The above amount is the total business standard amount of the construction work.

Contractual amounts for construction of Saeul units (#3,4) (former, Shin-Gori units #5,6), and Shin-Hanul units (#3,4) as of March 31, 2025 and December 31, 2024 are as follows (Korean won in millions):

	March 31, 2025		December 31, 2024	
	Contractual amounts	Remaining balance	Contractual amounts	Remaining balance
Construction of Saeul units (#3,4)	₩ 11,718,217	₩ 1,432,970	₩ 11,718,217	₩ 1,748,342
Construction of Shin-Hanul units (#3,4)	12,343,245	10,661,592	12,343,245	10,964,638
	₩ 24,061,462	₩ 12,094,562	₩ 24,061,462	₩ 12,712,980

Purchase commitments for uranium

The Group has various purchase commitments for uranium, and the details of the major contracts as of March 31, 2025 are as follows:

	Contract Year	Quantity
Concentrate	2025~2033	20,737 Ton U3O8
Transformation	2025~2030	17,392 Ton U
Enrichment	2025~2035	27,829 Ton SWU
Fabrication (light-water reactor)	2025~2026	809 Ton U
Fabrication (heavy-water reactor)	2025~2026	353 Ton U
Fabrication (initial core)	2024~2033	208 Ton U

40. Commitment and contingencies (cont'd)

Details of collateral provided by the Group for long-term borrowings as of March 31, 2025 are as follows (Korean won in millions):

	Type	Loan amounts		Loan limit		Maximum amount guaranteed		Financial institution
Long-term borrowings(*1)	Facility loan	₩	57,237	₩	251,600	₩	327,080	Korea Development Bank and others
Long-term borrowings(*2)	Facility loan		175,550		230,800		276,960	Kookmin Bank and others
		₩	232,787	₩	482,400	₩	604,040	

(*1) As of March 31, 2025, all shares of Gyeonggi Green Energy Co., Ltd., one of the Group's subsidiaries, were provided as collateral related to the long-term borrowings above by shareholders including the Group. Additionally, pledge for transfer of rights of long-term borrowings, pledge for insurance claims, pledged for plants and other pledges were established.
(*2) As of March 31, 2025, all shares of Incheon Fuel Cell Co., Ltd., one of the Group's subsidiaries, were provided as collateral related to the long-term borrowings above by shareholders including the Group. Additionally, pledge for transfer of rights of long-term borrowings, pledge for insurance claims, pledged for plants and other pledges were established.

Uncertainty of Impact of Ukraine Crisis

The ongoing armed conflict in Ukraine area which began in February 2022 and international sanctions imposed against Russia related thereto may affect entities under sanction, entities doing business with Ukraine or Russia and entities exposed directly or indirectly to industries or economy of Ukraine or Russia. The Group cannot make a reasonable estimation on the future financial impact of the recent conflict in Ukraine.

The Group is obligated to supply above a certain amount of its total power generation from new and renewable energy sources each year under the "Act on the Promotion of Development, Use, and Dissemination of New and Renewable Energy".

According to the law, the supplier can meet this requirement by either utilizing its own power generation facilities or by purchasing Renewable Energy Certificates (hereinafter referred to as "REC"). The costs incurred for fulfilling this obligation are reimbursed by Korea Electric Power Corporation in accordance with relevant regulations.

The Group has entered into the fixed-price contracts with multiple counterparties for the purchase of RECs over a certain period to fulfill its obligations. The purchase amounts paid to the counterparties can be reimbursed by Korea Electric Power Corporation during the contract period.

The Group is currently in discussions with the Korea Electric Power Corporation, the contracting party, regarding dispute resolution procedures and extension costs related to equipment damage and extension under the OSS contract for the UAE nuclear power plant. The Group cannot make a reasonable estimation on the potential for inflow of economic benefits resulting from the outcomes of these negotiations as of March 31, 2025.

EY 한영
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Independent auditor's report

(English translation of a report originally issued in Korean)

The Shareholder and Board of Directors
Korea Hydro & Nuclear Power Co., Ltd.

Opinion

We have audited the consolidated financial statements of Korea Hydro & Nuclear Power Co., Ltd. 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 profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2024, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2024 in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions in the Republic of Korea.

Basis for opinion

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

Emphasis of matter

We draw attention to Note 2 to the consolidated financial statements, which describes that the Group's consolidated financial statements has been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. Pursuant to its Article 2-5, the Group applies International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") 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 KIFRS in order for the Group to be in full compliance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion
- .

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

Ernst & Young Han Young

March 11, 2025

This audit report is effective as of March 11, 2025, the independent auditor's report date. Accordingly, certain subsequent events or circumstances, which may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of December 31, 2024 and 2023

(Korean won in millions)

	Notes		December 31,		December 31,
Assets					
Current assets:					
Cash and cash equivalents	5,36,37	₩	248,046	₩	950,472
Current financial assets, net	6,9,36,37		827,775		440,056
Trade and other receivables, net	7,27,36,37		2,053,703		2,095,724
Inventories	10		7,314,062		6,472,159
Current tax assets			209		748
Current non-financial assets	11		375,730		269,835
Total current assets			10,819,525		10,228,994
Non-current assets:					
Non-current financial assets, net	6,8,9,36,37		2,138,022		1,649,542
Non-current trade and other receivables, net	7,36,37		87,116		74,670
Property, plant and equipment, net	13,15,19,22		56,620,500		56,132,389
Intangible assets, net	14,15,22		160,860		135,360
Investments in associates and joint ventures	12		240,575		236,178
Deferred tax assets			2,499,345		2,162,123
Non-current non-financial assets	11		315,403		293,693
Net defined benefit asset	20		3,280		3,113
Total non-current assets			62,065,101		60,687,068
Total assets		₩	**72,884,626**	₩	**70,916,062**

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of December 31, 2024 and 2023 (cont'd)
(Korean won in millions)

	Notes		December 31,		December 31,
Liabilities					
Current liabilities:					
Trade and other payables	17,19,25,36,37,39	₩	1,615,971	₩	3,019,670
Current financial liabilities, net	6,16,18,36,37		1,145,983		1,185,049
Income tax payable			368,937		295,544
Current non-financial liabilities	23,27,37		238,450		385,180
Current provisions	21		1,407,142		1,496,850
Total current liabilities			4,776,483		6,382,293
Non-current liabilities:					
Non-current trade and other payables	17,19,36,37		1,415,153		1,665,573
Non-current financial liabilities, net	6,16,18,36,37		13,795,176		12,573,823
Non-current non-financial liabilities	23		5,325		5,324
Employee benefit obligation	20		40,481		2,911
Deferred tax liabilities			20,390		12,334
Non-current provisions	21,40		27,368,773		25,388,692
Total non-current liabilities			42,645,298		39,648,657
Total liabilities		₩	**47,421,781**	₩	**46,030,950**
Equity					
Contributed capital	24	₩	10,704,515	₩	10,704,515
Retained earnings	25		14,622,162		14,122,427
Other components of equity	26		139,682		50,211
Equity attributable to owners of the Parent Company			25,466,359		24,877,153
Non-controlling interests			(3,514)		7,959
Total equity			**25,462,845**		**24,885,112**
Total liabilities and equity		₩	**72,884,626**	₩	**70,916,062**

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

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of profit or loss and other comprehensive income
for each of the two years in the period ended December 31, 2024
(Korean won in millions)

	Notes		2024		2023
Sales	4,13,27	₩	13,602,066	₩	10,978,255
Cost of sales	13,34		11,732,439		9,878,523
Gross profit			**1,869,627**		**1,099,732**
Selling and administrative expenses	28,34		267,905		307,003
Operating profit			**1,601,722**		**792,729**
Other income	29		77,546		85,832
Other expenses	29		177,775		43,979
Other losses, net	30		(38,948)		(21,608)
Finance income	6,31,36		716,123		269,211
Finance costs	6,32,36		1,411,878		895,082
Loss on investments in associates and joint ventures, net	12		(18,263)		(2,455)
Profit before income tax			**748,527**		**184,648**
Income tax expense	33		175,797		62,509
Profit for the year		₩	**572,730**	₩	**122,139**
Other comprehensive income (loss), net of tax					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Remeasurement loss on defined benefit plans	20	₩	(83,230)	₩	(2,135)
Share of other comprehensive loss of associates and jount ventures			(19)		(1)
Gain on valuation of financial assets at fair value through other comprehensive income	8,26		77,581		40,453
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain on foreign currency translation of overseas operations			3,613		388
Share of other comprehensive income of associates and joint venture	12,26		7,491		279
Other comprehensive income, net of tax			5,436		38,984
Total comprehensive income, net of tax		₩	**578,166**	₩	**161,123**
Profit (loss) for the year attributable to:					
Owners of the Parent Company		₩	582,989	₩	132,599
Non-controlling interests			(10,259)		(10,460)
		₩	572,730	₩	122,139
Total comprehensive income (loss) for the year attributable to:					
Owners of the Parent Company		₩	589,315	₩	171,488
Non-controlling interests			(11,149)		(10,365)
		₩	578,166	₩	161,123
Earnings per share in Korean won:					
Basic earnings per share	35	₩	2,405	₩	547
Diluted earnings per share	35		2,405		547

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

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for each of the two years in the period ended December 31, 2024
(Korean won in millions)

	Contributed capital	Retained earnings	Other components of equity	Equity attributable to the owners of the Parent Company	Non-controlling interest	Total equity
As of January 1, 2023	**₩ 10,704,515**	**₩ 15,552,080**	**₩ 8,904**	**₩ 26,265,499**	**₩ 15,560**	**₩ 26,281,059**
Total comprehensive income (loss)						
Profit (loss) for the year	-	132,599	-	132,599	(10,460)	122,139
Items that will not to be reclassified to profit or loss in subsequent periods:						
Remeasurement loss on defined benefit plans	-	(2,131)	-	(2,131)	(4)	(2,135)
Share of loss of associates and joint ventures, net of tax	-	(1)	-	(1)	-	(1)
Gain on valuation of financial assets at fair value through other comprehensive income	-	-	40,353	40,353	100	40,453
Items that may be reclassified to profit or loss in subsequent periods:						
Gain (loss) on foreign currency translation of overseas operations	-	-	389	389	(1)	388
Share of other comprehensive income of associates and joint ventures	-	-	279	279	-	279
Transactions with owners of the Parent Company recognized directly in equity:						
Paid-in capital increase of subsidiaries	-	-	-	-	2,926	2,926
Subsidiaries' capital reduction with refund	-	-	-	-	(162)	(162)
Dividends	-	(1,560,120)	-	(1,560,120)	-	(1,560,120)
Others	-	-	286	286	-	286
As of December 31, 2023	**₩ 10,704,515**	**₩ 14,122,427**	**₩ 50,211**	**₩ 24,877,153**	**₩ 7,959**	**₩ 24,885,112**
As of January 1, 2024	**₩ 10,704,515**	**₩ 14,122,427**	**₩ 50,211**	**₩ 24,877,153**	**₩ 7,959**	**₩ 24,885,112**
Total comprehensive income (loss)						
Profit (loss) for the year	-	582,990	-	582,990	(10,260)	572,730
Items that will not to be reclassified to profit or loss in subsequent periods:						
Remeasurement loss on defined benefit plans	-	(83,236)	-	(83,236)	6	(83,230)
Share of loss of associates and joint ventures, net of tax	-	(19)	-	(19)	-	(19)
Gain on valuation of financial assets at fair value through other comprehensive income	-	-	78,476	78,476	(895)	77,581
Items that may be reclassified to profit or loss in subsequent periods:						
Gain (loss) on foreign currency translation of overseas operations	-	-	3,614	3,614	(1)	3,613
Share of other comprehensive income of associates and joint ventures	-	-	7,491	7,491	-	7,491
Transactions with owners of the Parent Company recognized directly in equity:						
Paid-in capital increase of subsidiaries	-	-	3	3	13	16
Subsidiaries' capital reduction with refund	-	-	-	-	(336)	(336)
Others	-	-	(113)	(113)	-	(113)
As of December 31, 2024	**₩ 10,704,515**	**₩ 14,622,162**	**₩ 139,682**	**₩ 25,466,359**	**₩ (3,514)**	**₩ 25,462,845**

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

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2024
(Korean won in millions)

		2024		2023
Operating activities				
Profit for the year	₩	572,730	₩	122,139
Adjustments for:				
Income tax expense		175,797		62,509
Depreciation of property, plant and equipment		2,907,655		3,030,086
Amortization of nuclear fuel		2,278,551		1,370,619
Amortization of intangible assets		29,951		34,379
Depreciation of idle assets		3,642		3,683
Retirement benefit expense		77,100		70,694
Other bad debt expenses		24		18
Loss on investments in associates and joint ventures, net		18,263		2,456
Loss on disposal of property, plant and equipment		26,559		27,987
Loss on obsolenscence of inventories		1,027		1,417
Loss on disposal of inventories		9,371		1,263
Provisions for decommissioning costs		168,326		392,405
Provisions for litigation		345,923		108,651
Other provisions		157,957		49,635
Provisions for employee benefits		255,841		194,131
Interest expense		800,867		704,351
Loss on valuation of financial assets at fair value through profit or loss		5,766		17,431
Loss on valuation of derivative instruments		-		5,591
Loss on transactions of derivative instruments		4,157		42,732
Loss on foreign currency translation		591,759		116,953
Loss on foreign exchange transaction		11,356		9,411
Loss from lease cancellation		15		1
Miscellaneous non-operating losses		14,097		7,220
Gain on disposals of property, plant and equipment		(367)		(978)
Gain on valuation of inventories		(713)		(262)
Reversal of impairment loss on inventories		-		(2)
Gain on assets contributed		(92)		(105)
Gain from infrastructure fund		(58)		(60)
Reversal of provisions for decommissioning costs		(584,084)		(147,991)
Reversal of provisions for litigations		-		(7,368)
Reversal of other provisions		-		(3,834)
Interest income		(70,620)		(68,533)
Dividend income		(4,307)		(7,290)
Gain on sale of financial assets		(25,721)		(3,366)
Gain on valuation of financial assets at fair value through profit or loss		(9,430)		(17,886)
Gain on valuation of derivative instruments		(563,274)		(113,699)
Gain on transactions of derivative instruments		(38,131)		(54,010)
Gain on foreign currency translation		(11,737)		(4,949)
Gain on foreign exchange transaction		-		(1,755)
Gain from lease cancellation		(8)		(285)
Miscellaneous non-operating gains		(22)		-
	₩	6,575,440	₩	5,821,250

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2024 (cont'd)

(Korean won in millions)

		2024		2023
Changes in operating assets and liabilities:				
Current trade receivables	₩	332,257	₩	(677,783)
Due from customers for contract work		-		3,837
Current other receivables		105,414		40,295
Current accrued income		(245,896)		(131,809)
Current other receivables		(60,039)		(4,946)
Current advanced payments		(290,937)		(161,065)
Current prepaid expenses		4,918		(1,801)
Other current non-financial assets		(5,981)		(13,890)
Inventories		(1,376,242)		(1,336,766)
Current deposits received		(14,497)		(152)
Current trade payables		(67,193)		11,074
Current other payables		(306,912)		(466,771)
Current accrued expenses		(442,609)		(364,841)
Current leasehold deposits received		(60)		766
Current other deposits received		328		(190)
Current advance received		61		(196)
Due to customers for contract work		(78,719)		181,367
Current withholdings		5,862		(1,695)
Current unearned revenue		470		1,210
Other current non-financial liabilities		(74,410)		98,691
Provisions for employee benefits		(269,631)		(225,098)
Provisions for others		(107,140)		(95,851)
Provisions for decommissioning cost of nuclear plants		(123,877)		(148,756)
Other long-term employee benefits liabilities		(99)		(362)
Payment of retirement benefits		(106,749)		(54,069)
Changes in plan assets		(53,156)		(64,996)
		(3,174,837)		(3,413,797)
Interest received		65,148		59,449
Interest paid		(486,708)		(425,549)
Dividends received		4,675		9,620
Income tax paid		(434,229)		(258,157)
Net cash flows provided by operating activities	₩	**3,122,219**	₩	**1,914,955**

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2024 (cont'd)

(Korean won in millions)

		2024		2023
Investing activities				
Net decrease (increase) in current financial assets measured at fair value through profit or loss	₩	(298,156)	₩	22,900
Acquisition of short-term financial assets		(218,012)		(115,614)
Proceeds from disposal of short-term financial instruments		213,012		105,161
Acquisition of short-term loans		(2,809)		(11,731)
Repayment of short-term loans		232		266
Increase in short-term guarantee deposits		-		(6)
Collection of current guarantee deposits		4		-
Acquisition of non-current financial assets at fair value through profit or loss		(230,591)		(518,137)
Proceeds from disposal of non-current financial assets at fair value through profit or loss		209,471		637,627
Acquisition of non-current financial assets at fair value through other comprehensive income		(4,000)		(14,630)
Acquistion of long-term financial assets		(219,336)		(365,164)
Proceeds from disposal of long-term financial instruments		214,433		208,093
Increase in long-term loans		(8,992)		(10,868)
Collection of long-term loans		13,341		13,067
Increase in long-term guarantee deposits		(31,320)		(24,825)
Collection of long-term guarantee deposits		22,508		19,050
Payment of non-current advanced payments		(166,416)		(133,127)
Acquisition of investments in associates and joint ventures		(7,174)		(22,355)
Proceeds from disposal of investments in associates and joint ventures		375		430
Acquisition of land		(1)		(154)
Proceeds from disposal of land		423		2,377
Acquisition of buildings		-		(88)
Proceeds from disposal of buildings		720		666
Acquisition of machineries		(23,245)		(22,842)
Proceeds from disposal of machineries		-		1,245
Acquisition of vehicles		(999)		(365)
Proceeds from disposal of vehicles		50		128
Acquisition of fixtures and furniture		(69,209)		(48,527)
Proceeds from disposal of fixtures and furniture		106		6
Acquisition of tools		(2,229)		(2,880)
Proceeds from disposal of tools		15		12
Acquisition of construction-in-progress		(2,341,741)		(2,742,347)
Acquisition of intangible assets		(51,345)		(25,188)
Net cash flows used in investing activities	₩	**(3,000,885)**	₩	**(3,047,820)**

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2024 (cont'd)

(Korean won in millions)

	2024	2023
Financing activities		
Net increase (decrease) in short-term borrowings	₩ (255,280)	₩ 252,856
Repayment of current portion of long-term borrowings	(42,936)	(37,801)
Repayment of current portion of long-term bonds	(893,016)	(1,409,020)
Proceeds from bonds issuance	1,849,616	2,225,163
Settlement of derivative instruments	102,947	123,933
Decrease in lease liabilities	(25,218)	(20,059)
Dividends paid	(1,560,120)	-
Paid-in capital increase of subsidiaries	15	2,926
Subsidiaries' capital reduction with refund	(336)	(162)
Net cash flows provided by (used in) financing activities	**(824,328)**	**1,137,836**
Net foreign exchange difference	**568**	**(7,868)**
Net decrease in cash and cash equivalents	**(702,426)**	**(2,897)**
Cash and cash equivalents at the beginning of year	**950,472**	**953,369**
Cash and cash equivalents at the end of year	**₩ 248,046**	**₩ 950,472**

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

1. General information of the Company

1.1 The Parent Company

Korea Hydro & Nuclear Power Co., Ltd. ("KHNP" or the "Company") was incorporated on April 2, 2001 through the split-off of the power generation division of Korea Electric Power Corporation ("KEPCO") in accordance with the Act on Promotion of Restructuring the Electric Power Industry. As of December 31, 2024, KHNP owns and operates 26 nuclear generating units (26,050MW), 37 hydroelectric generating units (607MW), 16 pumped-storage facilities (4,700MW) and 69 new renewable energy generating units (105MW). As of December 31, 2024, KHNP's generation capacity is 148 total units (31,462MW).

As of December 31, 2024, KEPCO holds 100% of KHNP's outstanding shares.

1.2 Consolidated subsidiaries

Details of the Group's consolidated subsidiaries as of December 31, 2024 and 2023 are as follows:

				Percentage of ownership	
Company	Key operating activities	Location	Reporting date	December 31, 2024	December 31, 2023
KHNP Canada Energy Ltd.	Overseas Investment	Canada	December 31	100.00%	100.00%
Gyeonggi Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	62.01%	62.01%
Korea Waterbury Uranium Limited Partnership	Overseas Investment	Canada	December 31	70.12%	70.03%
Incheon Fuel Cell Co., Ltd.	Electricity and heat generation	Korea	December 31	60.00%	60.00%
First Keepers Co., Ltd.	Facility management	Korea	December 31	100.00%	100.00%
Secutec Co., Ltd.	Facility security	Korea	December 31	100.00%	100.00%
KHNP USA LLC	Overseas Investment	USA	December 31	100.00%	100.00%
Energy Innovation Growth Fund 1	Investment Trust	Korea	December 31	67.42%	67.42%
KHNP Chile SpA	Overseas Investment	Chile	December 31	100.00%	100.00%
LSG Hydro Power Ltd.	Overseas Investment	Pakistan	December 31	99.99%	99.99%
Digital Innovation Growth Fund	Investment Trust	Korea	December 31	76.92%	76.92%

1. General information of the Company (cont'd)

1.2 Consolidated subsidiaries (cont'd)

The summarized financial information on subsidiaries as of December 31, 2024 and for the year then ended is as follows (Korean won in millions):

Company	Assets	Liabilities	Sales	Profit (loss) for the year
KHNP Canada Energy Ltd.	₩ 180,220	₩ 20,431	₩ -	₩ 506
Gyeonggi Green Energy Co., Ltd.	160,060	226,650	60,769	(31,941)
Korea Waterbury Uranium Limited Partnership	20,773	62	-	(142)
Incheon Fuel Cell Co., Ltd.	249,022	233,049	91,097	(5,805)
First Keepers Co., Ltd.	24,800	13,930	95,836	4,546
Secutec Co., Ltd.	17,416	11,980	78,011	1,968
KHNP USA LLC	2,170	400	1,196	186
Energy Innovation Growth Fund 1	40,554	894	-	(899)
KHNP Chile SpA	6,081	4,818	-	(60)
LSG Hydro Power Ltd.	629	12	-	(187)
Digital Innovation Growth Fund	11,989	172	-	1,745

Significant restrictions related to subsidiaries are as follows:

	Significant Restrictions in Details
Gyeonggi Green Energy Co., Ltd.	Acquisition or disposal of assets by more than ₩10 billion, change in the capacity of cogeneration units (except for the change due to performance improvement of equipment or maintenance) will require unanimous consent of all directors.
Incheon Fuel Cell Co., Ltd.	Acquisition or disposal of assets by more than ₩20 billion, change in the capacity of cogeneration units (except for the change due to performance improvement of equipment or maintenance) will require unanimous consent of all directors.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") were prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. Pursuant to its Article 2-5, the Group applies International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") 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 KIFRS in order for the Group to be in full compliance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

The accompanying consolidated financial statements have been translated into English from Korean consolidated financial statements. In the event of any differences in interpreting the consolidated financial statements or the independent auditor's report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements were authorized for issue by the Board of Directors on February 14, 2025, which will be submitted for final approval to the shareholders' meeting to be held on March 28, 2025.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- ✓ derivative financial instruments measured at fair value;
- ✓ financial assets at fair value through other comprehensive income;
- ✓ financial assets at fair value through profit or loss; and
- ✓ defined benefit liabilities recognized at the net of the total present value of defined benefit obligations less the fair value of plan assets.

2.3 Functional and presentation currency

The financial statements of the Group are prepared in functional currency of the respective operation. These consolidated financial statements are presented in Korean won, which is the Group's functional currency and the currency of the primary economic environment in which the Group operates.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with KIFRS requires management to make estimates and assumptions based on management's best judgment that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. At the end of the reporting period, if estimates and assumptions based on management's best judgment differ from the actual environment, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Meanwhile, the Group considers climate-related risks associated with climate change and the establishment of global greenhouse gas reduction scheme in estimates and assumptions. Climate-related risks increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Basis of preparation (cont'd)

2.4 Use of estimates and judgments (cont'd)

(i) The 30-year designed life of Wolsong unit 1 nuclear power plant of the Group had expired on November 20, 2012. On February 27, 2015, however, approval from the Nuclear Safety and Security Commission (NSSC) was received to continue its operation until November 20, 2022.

According to the 8th Basic Plan for Electricity Supply and Demand announced by the Ministry of Trade, Industry and Energy, Wolsong unit 1 nuclear power plant was excluded from the supply facility and decision was to be made on the closing time during the first half of 2018. On June 15, 2018, the board of directors of the Company has decided to shut down the Wolsong unit 1 assessing comprehensively the feasibility of continuing operation, such as economic efficiency and regional acceptance. On December 24, 2019, the Nuclear Safety and Security Commission (NSSC) deliberated and voted on a proposed change in the operation of the Wolsong unit 1, and finalized the change in operation (permanent suspension).

In addition, the Board of Directors of the Company has also decided to discontinue the construction of Cheonji unit 1 and 2 and Daejin unit 1 and 2 pursuant to the follow-up measures of government policy. For this reason, the Group recognized impairment loss and other expenses, as of December 31, 2018.

Among the new nuclear power plants under construction, Shin-Hanul unit 3 and 4, which were approved for power generation business, are not included in the decision to suspend construction approved by the board of directors of the Company. The Group has judged there is a high possibility of a construction stoppage following the government's recommendation. For this reason, the Group recognized impairment loss, as of December 31, 2018 as the Group believes that there was a significant change in its operating environment as of the date of the board of directors' decision.

However, the Group has identified indications that the above-mentioned impairment losses may no longer exist or have been reduced considering that the management of the Company reported to the board of directors on the progress related to Shin-Hanul units 3 and 4 including the resumption of the suspended project according to the 'New Government Energy Policy Direction', related permissions and approvals, and major contracts; and that the Ministry of Trade, Industry and Energy established the 10th Basic Plan for Electricity Supply and Demand which includes Shin-Hanul units 3 and 4 in supply facilities, etc. for the year ended December 31, 2023. Accordingly, the Group recognized the reversal of impairment loss related to Shin-Hanul units 3 and 4 for the year ended December 31, 2023 (See Note 13).

As of December 31, 2024, there is no indication that the impairment loss mentioned above, other than the impairment loss related to Shin-Hanul units 3 and 4, no longer exists or may have been reduced.

(ii) Measurement of property, plant and equipment, estimation on provision for decommissioning costs

The Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Management's judgments could affect the determination of estimated economic useful lives. The Group is required to record a liability for the dismantling (demolition) of nuclear power plants and disposal of spent fuel and low and intermediate radioactive wastes. When there is a possibility that resources may be leaked to fulfill the obligation, and the amount required to fulfill the obligation can be estimated reliably, it is recognized as a liability. The measurement of such liability is subject to change based on change in estimated cash flow, inflation rate, discount rate, and passage of time.

(iii) Income tax expense

The Group recognized current and deferred income tax based on the best estimate for the income tax effects expected to be borne as a result of business activities up to the end of the reporting period. Actual future tax liability may not be consistent with the recognized assets and liabilities and this difference may affect current and deferred tax assets and liabilities at the time the final tax effect is finalized.

2. Basis of preparation (cont'd)

2.4 Use of estimates and judgments (cont'd)

(iv) Valuations of financial instruments at fair values

When measuring the fair value of an asset or a liability, the Group uses inputs that are not based on observable market data. Information about the assumptions made in measuring fair values and sensitivity analysis on the fair value of financial instruments are included in Note 37. The management believes that methods and assumptions in measuring the fair value of an asset or a liability are appropriate.

(v) Defined benefit liabilities

The Group offers its employees defined benefit plans. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. For actuarial valuations, certain inputs such as discount rates and future salary increases are estimated. Defined benefit plans contain significant uncertainness in estimations due to its long-term nature.

(vi) Construction contracts

For each performance obligation settled over the period, the Group recognizes revenue over the period by measuring the progress to the completion of the performance obligation (hereinafter, the "percentage-of-completion"). For each performance obligation that is fulfilled over the period, one method of measuring progress is applied consistently to similar performance obligations in similar situations. The Group calculates the progress of the performance obligation in accordance with the cost-based input method. In applying this cost-based input method, it is necessary to estimate and judge in terms of future efforts or inputs, items that are not related to performance obligations among accrued costs, and items that change in performance obligations. Total revenue is measured based on the contract price initially agreed, but the measurement of revenue is affected by various uncertainties related to the outcome of future events.

2. Basis of preparation (cont'd)

2.5 Changes in accounting policies

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2024.

(i) Amendments to KIFRS 1001 - *Classification of Liabilities as Current or Non-current*
The amendments to KIFRS 1001 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• what is meant by a right to defer settlement;
• that a right to defer must exist at the end of the reporting period;
• that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
• that terms of a liability that could result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument, recognising it separately from the liability as an equity component of a compound financial instrument.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
The amendments had no material impact on the Group's consolidated financial statements.

(ii) Amendments to KIFRS 1007 and KIFRS 1107 - *Supplier Finance Arrangements*

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
The amendments had no material impact on the Group's consolidated financial statements.
(iii) Amendments to KIFRS 1116 - *Lease Liability in a Sale and Leaseback*

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.
The amendments had no material impact on the Group's consolidated financial statements.

2.6 Presentation of Financial statements

The Group disaggregates and prepares the accounts presented in the consolidated financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

3. Material Accounting Policies

The material accounting policies applied by the Group in accordance with KIFRS in preparation of these consolidated financial statements are included below. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except for those as disclosed in Note 2.5.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group except for acquisitions from entites or business under common control.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed income or loss in the period in which costs is incurred and service is provided, except if related to issue debt or equity securities are recognized in accordance with KIFRS 1032 *Financial Instruments: Presentation* and KIFRS 1109 *Financial Instruments: Recognition and Measurement*.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. Replacement awards, which is part of the consideration transferred to the acquiree, and remuneration for service after business combination are determined based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3. Material Accounting Policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(vii) Acquisitions from entities under common control

The assets and liabilities acquired under business combinations under common control are recognized at the carrying amounts recognized previously in the consolidated financial statements of the ultimate parent. The difference between consideration transferred and carrying amounts of net assets acquired is recognized as part of other capital adjustmnents.

3. Material Accounting Policies (cont'd)

3.2 Revenue from contracts with customers

The Group recognizes revenue by applying the five-step approach (Step 1: Identify the contract(s) with a customer, Step 2: Identify the performance obligations in the contract, Step 3: Determine the transaction price, Step 4: Allocate the transaction price to the performance obligations in the contract, Step 5: Recognize revenue when the entity satisfied a performance obligation).

Identify the performance obligations in the contract
The Group identifies the power supply in the power exchange under the Power Market Operating Rules as a single performance obligation as a series of distinct goods or services. In addition to power supply, the Group carries out other projects such as profits from overseas projects through contracts with customers and identifies performance obligations that are distinct from each contract.

Variable Price
If the contract with the customer includes a variable amount, the transaction price consists of fixed and variable consideration, and the transaction price is estimated at one of the expected or most likely amounts. The variable price shall be included in the transaction price only to the extent that it is highly probable that a significant portion of the cumulative revenue recognition amount will not be reversed (returned) when the uncertainty is subsequently resolved. The amount of money that the company does not expect to have rights from the consideration received or received by the company shall be counted as a refund liability.

Allocate the transaction price to the performance obligations in the contract
The Group allocates the transaction price based on the relative stand-alone selling price to the various performance obligations identified in a single contract.

Performance obligations satisfied over time
The Group provides customers with power supply, power plant operation and management services, and construction services over the period. The Group recognized revenue by dividing the performance of the performance obligation by percentage-of-completion calculated on a reasonable basis. The Group recognizes revenue over time on a percentage-of-completion basis, when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, or the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. Material Accounting Policies (cont'd)

3.3 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in KIFRS 1116.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group adjusts interest rates from various external financial information to reflect the terms of the lease and the characteristics of the lease asset and calculates the incremental borrowing rate.

The Group adjusts interest rates from various external financial information to reflect the terms of the lease and the characteristics of the lease asset and calculates the incremental borrowing rate.

3. Material Accounting Policies (cont'd)

3.3 Leases (cont'd)

Lease payments included in the measurement of the lease liability comprise the following:
- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property separately from the other assets in 'property, plant and equipment' in the consolidated statement of financial position, and lease liabilities in 'trade and other payables' in the statement of financial position.

Short-term leases and low-value assets
The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease fee associated with such a lease as an expense in accordance with the straight-line method over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classified the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies KIFRS 1115 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in KIFRS 1109 to the net investment in the lease (See Note 3.19). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

3. Material Accounting Policies (cont'd)

3.4 Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency using the reporting date's exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical costs are retranslated to the functional currency at the exchange rate at the dates of the transactions.

Both the foreign currency differences arising at the time of settlement of monetary items and the foreign currency differences arising from the conversion of monetary items are recognized in profit or loss. If gains or losses arising from non-monetary items are recognized in other comprehensive income, the exchange rate fluctuation effects included in the gains and losses are also recognized in other comprehensive income, and if they are recognized in profit or loss, the exchange rate fluctuation effect is also recognized in profit or loss.

(ii) Overseas business establishment

If the functional currency of a foreign operation is different from the presentation currency of the Group, the management performance and financial status are converted into the presentation currency according to the following methods. If the functional currency of a foreign operation is not the currency of the hyperinflationary economy, the assets and liabilities in the statement of financial position (including the comparative statement of financial position) are converted to the closing exchange rate at the end of the relevant reporting period, and the income and expenses of the statement of comprehensive income (including the comparative statement of comprehensive income) are converted to the exchange rate at the date of the transaction, and the foreign exchange differences arising from the currency are recognized in other comprehensive income.

The fair value adjustment for the carrying amount of goodwill and assets and liabilities arising from the acquisition of a foreign operation is regarded as assets and liabilities of a foreign operation and is presented in the functional currency of a foreign operation, and the closing exchange rate is applied to the Won along with other assets and liabilities of a foreign operation.

When disposing of a foreign operation, the accumulated foreign exchange differences related to a foreign operation recognized as a separate capital item from other comprehensive income are reclassified from equity to profit or loss at the time of recognition of the foreign operation's disposal gains or losses. When a subsidiary, including a foreign operation, is partially disposed of, its proportionate share of the accumulated foreign exchange differences recognized in other comprehensive income is reverted to the non-controlling interest of the foreign operation, and in other cases, only its proportionate share is reclassified to profit or loss among the accumulated foreign exchange differences recognized in other comprehensive income when the foreign operation is partially disposed of.

3. Material Accounting Policies (cont'd)

3.5 Borrowing costs

The Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognized in expense as incurred. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use or sale. Financial assets and inventories that are manufactured or otherwise produced over a short period of time are not qualifying assets. Assets that are ready for their intended use or sale when acquired are not qualifying assets.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the Group capitalizes during a period shall not exceed the amount of borrowing costs incurred during that period.

3.6 Government grants

Government grants are not recognized unless there is reasonable assurance that the Group will comply with the grant's conditions and that the grant will be received.

Government grants whose primary condition is that the Group purchase, construct or otherwise acquire long-term assets are deducted in calculating the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset as a reduction to depreciation expense.

Government grants which are intended to compensate the Group for expenses incurred are recognized as other income (government grants) in profit or loss over the periods in which the Group recognizes the related costs as expenses. 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 income or loss in the period in which they become receivable.

3. Material Accounting Policies (cont'd)

3.7 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are employee benefits that are due to be settled within 12 months after the end of the period in which the employees render the related service. When an employee has rendered service to the Group during an accounting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as profit or loss.

(ii) Other long-term employee benefits

Other long-term employee benefits include employee benefits that are settled beyond 12 months after the end of the period in which the employees render the related service and are calculated at the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods. Remeasurements are recognized in profit or loss in the period in which they arise.

(iii) Retirement benefits: defined contribution plans

When an employee has rendered service to the Group during a period, the contributions owed to the defined contribution plan in exchange for the service is recognized in profit or loss unless it is included in the cost of the asset. The Group recognizes the contribution payable to a defined contribution plan in exchange for that service as an accrued expense, after deducting any contributions already paid. If the contributions already paid exceed the contribution due for service before the end of the reporting period, the Group recognizes that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

(iv) Retirement benefits: defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amounts and deducting the fair value of any plan assets.

The calculation is performed annually by an independent actuary using the projected unit credit method. 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.

Remeasurements of net defined benefit liabilities, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments, net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss in curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. Material Accounting Policies (cont'd)

3.8 Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

The interest and fines related to income taxes are applied to KIFRS 1012 '*Income Taxes'* if they are determined to income tax and applied to KIFRS 1037 '*Provisions, Contingent Liabilities and Contingent Assets* if they are not'.

(i) Current income tax

Current income tax is the expected income tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit of future periods, and non-taxable or non-deductible items from the accounting profit.

(ii) Deferred tax

The measurement of deferred tax liabilities and deferred tax 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. The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Group recognizes a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries and associates, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets reflect 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 liabilities are offset only if there is a legally enforceable right to offset the related current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority and they intend to settle current income tax liabilities and assets on a net basis.

3. Material Accounting Policies (cont'd)

3.9 Property, plant and equipment

Property, plant and equipment are initially measured at cost. The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent to initial recognition, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment, except for land, are depreciated over estimated useful lives that appropriately reflect the pattern in which the asset's future economic benefits are expected to be consumed, either on a straight-line basis or on a Unit-of-production basis.

A component that is significant compared to the total cost of property, plant and equipment is depreciated over its separate useful life.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit or loss.

The estimated useful lives and depreciation methods of the Group's property, plant and equipment are as follows:

	Method	Useful lives (years)
Buildings	Straight-line	8 ~ 32
Structures	Straight-line	8 ~ 50
Machinery	Straight-line	6 ~ 32
Vehicles	Straight-line	4
Right of Use	Straight-line	1 ~ 65
Asset retirement costs of nuclear power plants	Straight-line	30, 40, 60
Asset retirement costs of spent fuel	Unit-of-production	-
Loaded nuclear fuel	Unit-of-production	-
Loaded heavy water	Straight-line	30
Others	Straight-line	4 ~ 9

The estimated residual value, useful lives and the depreciation method are reviewed at least at the end of each reporting period and, if expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates.

Subsequent expenditures are capitalized only if the future economic benefits associated with that expenditures are likely to flow into the Group.

3. Material Accounting Policies (cont'd)

3.10 Intangible assets

Intangible assets are measured initially at cost and, subsequently, are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization of intangible assets except for goodwill is calculated on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The residual value of intangible assets is zero. However, as there are no foreseeable limits to the periods over which some of other intangible assets are expected to be available for use, this intangible asset is determined as having an indefinite useful life and not amortized.

The estimated useful lives and amortization methods of the Group's intangible assets with finite useful lives are as follows:

	Method	Useful lives (years)
Computer software	Straight-line	4
Industrial rights	Straight-line	5, 10
Development cost	Straight-line	5
Loading and unloading facilities rights	Straight-line	20
Others	Straight-line	5 ~ 50

Amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at the end of each reporting period. The useful lives of intangible assets that are not being amortized are reviewed at the end of each reporting period to determine whether events and circumstances continue to support indefinite useful life assessments for those assets. Changes are accounted for as changes in accounting estimates.

(i) Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

On the other hand, the cost of development recognized as an asset is directly deducted from the acquisition cost by applying the cost model, and the accumulated amortization and accumulated impairment losses are amortized over the expected duration of economic benefits from the time the development is completed to be used and calculated as cost of sales. The Group conducts an annual impairment test for the development cost recognized as an asset during the development period.

(ii) Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognized in profit or loss as incurred.

3. Material Accounting Policies (cont'd)

3.11 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than assets arising from construction contracts, employee benefits, inventories, deferred tax assets and non-current assets held for sale, are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, irrespective of whether there is any indication of impairment, are tested for impairment annually by comparing their recoverable amount to their carrying amount.

Management estimates the recoverable amount of an individual asset. If it is impossible to measure the individual recoverable amount of an asset, then management estimates the recoverable amount of cash-generating unit ("CGU"). For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. The Group determined that individual operating entities are CGUs. The value-in-use is estimated by applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimated future cash flows have not been adjusted, to the estimated future cash flows expected to be generated by the asset or CGU.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or a CGU exceeds its recoverable amount.

3.12 Inventories

The cost of inventories is based on the weighted average principle, and includes expenditures for acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition.

Inventories are measured at the lower of cost and net realizable value. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in net realizable value is recognized as a reduction in the amount of inventories recognized as a cost of goods sold in the period in which the reversal occurs.

3.13 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision. Where the effect of the time value of money is material, provisions are determined at the present value of the expected future cash flows.

When some or all of the expenditures required to settle a provision are expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. A provision is used only for expenditures for which the provision was originally recognized.

3. Material Accounting Policies (cont'd)

3.13 Provisions (cont'd)

(i) Provision for decommissioning costs of nuclear power plants

The Group recognizes provisions for the best estimate of expenditures of removing, dismantling, or restoring the site to its original state after the end of economic use of the nuclear power plant.

(ii) Provision for disposal of spent nuclear fuel

Under the Radioactive Waste Management Act, the Group is levied to pay the spent nuclear fuel fund for the management of spent nuclear fuel. The Group recognizes the provision best estimate of expenditures of the payments.

(iii) Provision for low and intermediate radioactive wastes

Under the Radioactive Waste Management Act, the Group recognizes the provision for the disposal of low and intermediate radioactive wastes in best estimate of the expenditures required to settle the present obligation.

(iv) Provision for power plant regional support program

Power plant regional support programs consist of scholarship programs to local students, local economy support programs, local culture support programs, environment development programs, and local welfare programs. The Group recognizes the provisions in relation to power plant regional support program at the estimated cash outflows as required by related laws and regulations.

(v) Provision for Renewable Portfolio Standard ("RPS")

The Group is obligated to supply more than a certain amount of its total power generated through the mandatory use of new and renewable energy in a year pursuant to *Act on Promotion of the Development, Use and Diffusion of New and Renewable Energy*, and recognizes the provisions for the obligations unfulfilled at the end of the reporting period.

(vi) Provision for greenhouse gases emission

Pursuant to *Act on the Allocation and Trading of Greenhouse Gas Emissions Permits,* the Group calculates the carbon emissions based on the amount of power generated annually and recognizes the provisions by estimating the costs of emission rights purchased and emission permits borrowed from the subsequent years to offset emissions exceeding the emission permits allocated free of charge by the government for the applicable year, if any.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents, for example in the case of preferred shares when it has a short maturity with a specified redemption date.

3. Material Accounting Policies (cont'd)

3.15 Non-derivative financial assets

(i) Recognition and Initial measurement

Trade receivable and issued debt securities are initially recognized at the time of issue. Other financial assets or financial liabilities are recognized becomes a party to the contractual provisions of the instrument.

With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value. Upon initial recognition, financial assets and financial liabilities are measured at their fair value plus, in the case of a financial asset or financial liabilities not at fair value through

(ii) Classification and subsequent measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

Financial assets are not reclassified unless there is a change in business model, and if there is a change in business model, all financial assets are reclassified at the beginning of the subsequent reporting period.

The Group measures financial assets at amortized cost if both of the following conditions are met and are not designated as at fair value through profit or loss:

- 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.

The Group measures debt instruments at FVOCI if both of the following conditions are met and are not designated as at fair value through profit or loss:

- 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.

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 KIFRS 1032 *Financial Instruments: Presentation and are not held for trading*. However, once classification is designated, it cannot be subsequently changed.

Financial assets not measured at amortized cost or fair value through other comprehensive income are measured fair value through profit or loss. These financial assets include derivative assets. Financial assets initially measured at amortized cost or fair value through other comprehensive income; may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. However, once classification is designated, it cannot be subsequently changed.

The Group assesses the level of a portfolio of financial assets in a way that best reflects how the business model is managed. Accordingly, the Group considers the following information:

- the stated policies and objectives of the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities of expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risk that affects the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and

3. Material Accounting Policies (cont'd)

3.15 Non-derivative financial assets (cont'd)

- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

A portfolio of financial assets that meets the definition of short-term trading or whose performance is evaluated on a fair value basis is measured at fair value through profit or loss.

The principal is defined as the fair value at the initial recognition of the financial assets. Interest is comprised of time value of money, value for the credit risk associated with principal and other costs such as basic financing risks and costs.

When assessing whether contractual cash flows consist solely of payments for principal and interest, the Group takes into account contractual terms. If the financial assets include contractual terms that change the timing or amount of cash flows in the contract, it is necessary to determine whether the cash flows that may occur during the period of the financial assets consist solely of principal payments.

The Group consider the followings:

- conditions that change the amount or timing of cash flows;
- provision to adjust contractual nominal interest rate, including variable interest rate characteristics; and
- characteristics of repayment and maturity extension.

The amount of the repayment represents the interest on the principal and remaining balance, and if it includes reasonable additional compensation for the early settlement of the contract, early repayment characteristics are consistent with the conditions under which principal and interest that paid on a particular day.

In addition, financial assets acquired at a significantly discount or additional premium, the amount of repayments consists substantially of contractual principal and interest amounts, and the characteristics of fair value at initial recognition is insignificant, the Group determined that these conditions are satisfied.

(iii) Derecognition of financial assets

The Group derecognizes non-derivative financial assets when the contractual rights to the cash flows from the financial asset expire, or the Group transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in a transferred financial asset that is created or retained by the Group is recognized as a separate asset or liability.

If the Group retains substantially all the risks and rewards of ownership of the transferred financial assets, the Group continues to recognize the transferred financial assets and recognizes financial liabilities for the consideration received.

(iv) Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset, and the net amount is presented in the consolidated statement of financial position only when the Group currently has a legally enforceable right to offset the recognized amounts, and there is the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Non-derivative financial liabilities

The Group classified non-derivative financial liabilities into financial liabilities at fair value through profit or loss or as other financial liabilities in accordance with the substance of the contractual arrangement and the definition of financial liabilities. The Group recognized financial liabilities in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

3. Material Accounting Policies (cont'd)

3.16 Non-derivative financial liabilities (cont'd)

(i) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at financial liabilities at fair value through profit or loss when the financial liability is either held for trading or it is designated as financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Upon initial recognition, transaction costs are recognized in profit or loss when incurred.

(ii) Other financial liabilities

Non-derivative financial liabilities other than financial liabilities at fair value through profit or loss are classified as other financial liabilities. At the date of initial recognition, other financial liabilities are measured at fair value minus transaction costs that are directly attributable to the acquisition. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

(iii) Elimination of financial liabilities

The Group eliminates financial liabilities only when the contractual obligation of the financial liability is fulfilled, canceled or expires. When the contractual terms of a financial liability change and the cash flows change substantially, the Group eliminates the existing liabilities and recognizes the new financial liabilities as fair value based on the new contract.

The difference between the book value and the value paid (including transferred non-cash assets and liabilities incurred) when removing financial liabilities is recognized as the profit and loss for the period.

3.17 Derivative financial instruments

Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

(i) Hedge accounting

The Group holds forward exchange contracts, interest rate swaps, currency swaps and other derivative contracts to manage interest rate risk and foreign exchange risk. The Group designated derivatives as hedging instruments to hedge the risk of changes in the fair value of assets, liabilities or firm commitments (a fair value hedge) and foreign currency risk of highly probable forecasted transactions or firm commitments (a cash flow hedge).

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions, together with the methods that will be used to assess the effectiveness in offsetting changes in fair values or cash flows of the hedged item.

(ii) Other derivative financial instruments

Changes in the fair value of other derivative financial instrument not designated as a hedging instrument are recognized immediately in profit or loss.

3. Material Accounting Policies (cont'd)

3.18 Greenhouse gases emission right

The Group accounts for greenhouse gases emission right and the relevant liability as below pursuant to the Act on Allocation and Trading of Greenhouse Gas Emission.

(i) Greenhouse gases emission right

Greenhouse gases emission right consists of emission allowances which are allocated from the government free of charge or purchased from the market. The cost includes any directly attributable costs incurred during the normal course of business.

Emission rights held for the purpose of performing the obligation is classified as intangible asset and the portion to be submitted to the government within one year from the end of the reporting period is classified as current assets. Emission rights classified as intangible asset is initially measured at cost and after initial recognition, are carried at cost less accumulated impairment losses.

The Group derecognizes an emission right asset when the emission allowance is unusable, disposed or submitted to government in which the future economic benefits are no longer expected to be probable.

(ii) Emission liability

Emission liability is a present obligation of submitting emission rights to the government with regard to emission of greenhouse gas. Emission liability is recognized when it is probable that outflows of resources will be required to settle the obligation and the costs required to perform the obligation are reliably estimable. Emission liability is an amount of estimated obligations for emission rights to be submitted to the government for the performing period. The emission liability is measured based on the expected quantity of emission for the performing period in excess of emission allowance in possession and the unit price for such emission rights in the market at the end of the reporting period. The Group derecognizes an emission liability when the emission allowance is submitted to government.

3.19 Impairment of financial assets

The Group recognizes loss allowance for expected credit losses on the following assets.

- amortized cost of a financial asset;
- financial liability measured at FVOCI; and
- contract assets as defined in KIFRS 1115.

The Group measures loss allowance for expected credit losses, except for the following financial assets measured at the expected credit loss of 12 months:

- debt securities whose credit is determined to be at low risk at the end of the reporting period; and
- other debt securities and bank deposits that do not have a significant increase in credit risk (i.e. default risk arising over the expected life of the financial asset).

The Group has chosen to measure the loss allowance at an amount equal to lifetime expected credit losses for the trade receivables and contract assets.

When determining whether the credit risk of a financial asset has significantly increased since the initial recognition and when estimating expected credit losses, the Group considers information that can be used and reasonably supported, without undue cost or effort. This includes qualitative and quantitative information and analysis based on past experience and known credit ratings of the Group, including future-oriented information.

The Group assumes that the credit risk of a financial asset is significantly increased when past due days exceeds 30 days.

3. Material Accounting Policies (cont'd)

3.19 Impairment of financial assets (cont'd)

The Group considers a default on the financial asset if:

- the debtor does not engage in any activity with the Group and is not likely to fully fulfill the credit obligations to the Group.

The Group considers the credit risk to be low if the credit risk rating of the debt securities is at the level understood internationally by the definition of "investment grade".

Lifetime ECL is resulted from all possible default events over the expected life.

A financial 12-month ECLs is resulted from possible default events within the 12 months after the reporting date (Or if the expected life of the instrument is less than 12 months).

The longest period to consider when measuring expected credit losses is the longest term for which the Group is exposed to credit risk.

(i) Measurement of expected credit loss

Expected credit loss is a probability weighted estimate of credit loss. Credit loss is measured as the present value of all cash deficiency (i.e., the difference between all contract cash flows that are expected to be paid and all contract cash flows that are expected to be received). Expected credit losses are discounted at the effective interest rate of the financial asset.

(ii) Credit-impaired financial assets

At the end of each reporting period, the Group assesses the financial assets measured at amortized cost and other comprehensive income - whether the creditworthiness of the debt securities measured at fair value has been impaired. If there is more than one event that adversely affects the estimated future cash flows of a financial asset, the financial asset is impaired.

The evidence that the credit of a financial asset is impaired includes the following observable information:

- significant financial difficulties of issuer or borrower;
- breach of contract, such as default or delinquency over 90 days;
- inevitable mitigation of initial borrowing conditions for economic or contractual reasons related to the borrower's financial difficulties;
- possibility of bankruptcy of borrowers or other possibility of financial restructuring; and
- due to financial difficulties, the active market for the financial assets is extinguished.

(iii) Presentation of provision for credit loss on statement of financial position

The allowance for losses on financial assets measured at amortized cost is deducted from the carrying amount of the asset.

The allowance for losses on debt securities measured at fair value through other comprehensive income is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

(iv) Write-off

If there is no reasonable expectation of recovery of all or part of the contract cash flows of a financial asset, the asset is derecognized. For individual customers, the Group derecognizes the carrying amount if the financial asset is overdue for more than 180 days based on historical experience with the recovery of similar assets and assesses whether there is a reasonable expectation of recovery for the enterprise customer, evaluate timing and amount separately. The Group does not expect that proceeds recovered will be significant. However, derecognized financial assets can be subject to collection activities in accordance with the collection procedure of the amount due to the Group.

3. Material Accounting Policies (cont'd)

3.20 Contributed capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.21 Finance income and finance costs

Finance income comprises interest income on funds invested (including financial assets measured at fair value through other comprehensive income), dividend income, gains on the disposal of financial assets measured at fair value through other comprehensive income, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date when the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. Interest expense on borrowings is recognized as it accrues in profit or loss, using the effective interest method.

3.22 Earnings per share

The Group presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholder of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

3. Material Accounting Policies (cont'd)

3.23 Standards issued but not yet effective

The following new standards and amendments to existing standards have been published for annual periods beginning on or after January 1, 2024, and the Group has not early adopted them.

(i) Amendments to KIFRS 1021 - *Lack of exchangeability*

The amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.
The amendments are not expected to have a material impact on the Group's consolidated financial statements.

(ii) Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

The amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments* include the following:
• clarifying that a financial liability is derecognized on the settlement date and introducing an accounting policy choice to derecognize financial liabilities that are settled by using electronic payment system before the settlement date (if specific criteria are met);
• providing additional guidance as to how to assess contractual cash flows of financial assets that include environmental, social and governance (ESG)-linked features and similar features;
• clarifying what constitutes non-recourse features and the characteristics of contractually linked financial instruments; and
• introducing new disclosures for financial instruments with contingent features and adding a disclosure requirement for equity instruments measured at fair value through other comprehensive income.

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, but only for the amendments for the classification of financial assets and related disclosures. The Group does not plan to early apply the amendments.

3. Material Accounting Policies (cont'd)

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

(iii) Annual Improvements to KIFRS -Volume 11

Annual Improvements to KIFRS - Volume 11 have been announced for the purpose of improving consistency of requirements set out in each standard, enhancing clarity, and providing better understanding of the amendments.

· Amendments to KIFRS 1101 *First-time adoption of KIFRS: Hedge accounting by a first-time adopter*

· Amendments to KIFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition, Guidance for application of amendments in practice*
· Amendments to KIFRS 1109 *Financial Instruments: Accounting for derecognition of lease liabilities and definition of transaction prices*
· Amendments to KIFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
· Amendments to KIFRS 1007 *Statement of Cash Flows: Cost Method*

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the consolidated financial statements.

4. Segment information

The Group's segments are determined based on components of the Group that are engaged in revenue generating activities and for which discrete financial information is available that is regularly reported to the Chief Operating Decision Maker ("CODM") for the purpose of resource allocation and assessment of performance. Under KIFRS 1108 *Operating Segments*, the Group's segment consists of electric power generation (nuclear power and others) and other business responsible for overseas. The price of transactions between reportable segments is determined based on the market transaction price applied to independent third-party transactions. Each segment is the basis for reporting the Group's primary segment information and the accounting policies for each reportable segment are the same as those described in the summary of Material accounting policies.

The following table presents revenue and operating profit from the reportable segments for each of the two years in the period ended December 31, 2024 (Korean won in millions):

	2024			
	Electric power generation	Others	Consolidation adjustments	Consolidated totals
Revenue from external customers	₩ 13,599,746	₩ 2,320	₩ -	₩ 13,602,066
Intersegment revenue	-	172,723	(172,723)	-
Segment revenue	₩ 13,599,746	₩ 172,723	₩ (172,723)	₩ 13,602,066
Segment operating profit	₩ 1,562,428	₩ 7,160	₩ 32,135	₩ 1,601,723
Other expenses, net	(98,119)	(1,006)	(1,104)	(100,229)
Other profit (loss), net	(43,642)	38	4,656	(38,948)
Finance income	718,250	3,530	(5,657)	716,123
Finance costs	1,415,407	527	(4,056)	1,411,878
Gain (loss) on investments in associates and joint ventures, net	(13,571)	(24,877)	20,185	(18,263)
Income tax expense	173,805	1,531	461	175,797

4. Segment information (cont'd)

	2023							
	Electric power generation		Others		Consolidation adjustments		Consolidated totals	
Revenue from external customers	₩	10,975,932	₩	2,323	₩	-	₩	10,978,255
Intersegment revenue		-		161,678		(161,678)		-
Segment revenue	₩	10,975,932	₩	164,001	₩	(161,678)	₩	10,978,255
Segment operating profit	₩	782,149	₩	3,499	₩	7,081	₩	792,729
Other income (expenses), net		43,728		(1,016)		(859)		41,853
Other profit (loss), net		(21,681)		73		-		(21,608)
Finance income		273,761		1,060		(5,610)		269,211
Finance costs		896,951		271		(2,140)		895,082
Gain (loss) on investments in associates and joint ventures, net		586		(3,042)		-		(2,456)
Income tax expense		62,029		784		(304)		62,509

For each of the two years in the period ended December 31, 2024, depreciation and amortization expenses for electric power generation projects (nuclear power and others) are ₩5,215,000 million and ₩4,434,072 million, respectively, and depreciation and amortization expenses for other business segments amount to ₩1,157 million and ₩1,012 million, respectively.

4. Segment information (cont'd)

Details of assets and liabilities by operating segments as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024			
	Electric power generation	Others	Consolidation adjustments	Consolidated totals
Total assets	₩ 72,917,441	₩ 304,716	₩ (337,531)	₩ 72,884,626
Investments in associates and joint ventures	242,880	22,150	(24,455)	240,575
Acquisition of non-current assets	2,662,159	275	(76)	2,662,358
Total liabilities	47,542,561	52,700	(173,480)	47,421,781

	December 31, 2023			
	Electric power generation	Others	Consolidation adjustments	Consolidated totals
Total assets	₩ 70,974,363	₩ 273,973	₩ (332,274)	₩ 70,916,062
Investments in associates and joint ventures	237,562	22,150	(23,534)	236,178
Acquisition of non-current assets	2,997,991	557	(677)	2,997,871
Total liabilities	46,113,147	41,539	(123,736)	46,030,950

The Group is headquartered in Korea, with substantially all of its assets located in Korea and substantially all of its revenue is generated domestically. Also, most non-current assets are located in Korea.

For each of the two years in the period ended December 31, 2024, the Group recognized total revenues of ₩13,602,066 million and ₩10,978,255 million, respectively. Also, the Group recognized total revenues from KEPCO, the Group's largest customer, of ₩13,210,616 million and ₩10,777,083 million, respectively. There is no single other customer that accounts for more than 10% of the consolidated sales for each of the two years in the period ended December 31, 2024.

5. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
Cash equivalents	₩	8,738	₩	5,178
Short-term instruments classified as cash equivalents		239,308		945,294
	₩	248,046	₩	950,472

Restricted cash and cash equivalents as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
Short-term instruments classified as cash equivalents(*)	₩	18,416	₩	19,262

(*) This is a deposit for which the right of pledge is established in relation to the Group's borrowings (See Note 40.7).

6. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				December 31, 2023			
	Current		Non-current(*)		Current		Non-current	
Financial assets designated as at fair value through profit or loss:								
Financial assets designated as at fair value through profit or loss(*)	₩	-	₩	148,323	₩	-	₩	163,717
Financial assets at fair value through profit or loss:								
Derivative assets		157,330		588,519		86,123		248,435
Beneficiary certificate(*)		-		146,043		130,060		101,470
Others(*)		455,370		13,948		2,700		17,075
		612,700		748,510		218,883		366,980
	₩	612,700	₩	896,833	₩	218,883	₩	530,697

(*) As of December 31, 2024, the Group invested ₩296,496 million in financial assets exclusively for payment of decommissioning costs of nuclear power plants. These are financial assets that cannot be used for any other purposes with a restricted access period exceeding 12 months subsequent to December 31, 2024. Therefore, these assets have been categorized as non-current assets.

Details of derivative instruments as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				December 31, 2023			
	Current		Non-current		Current		Non-current	
Derivative assets:								
Foreign currency forward	₩	-	₩	-	₩	432	₩	-
Foreign currency swaps		157,330		588,519		85,691		248,435
	₩	157,330	₩	588,519	₩	86,123	₩	248,435
Derivative liabilities:								
Foreign currency swaps	₩	1,640	₩	27,729	₩	5,170	₩	107,210

There are no foreign currency forward contracts as of December 31, 2024.

6. Financial assets at fair value through profit or loss (cont'd)

Details of foreign currency swap contracts as of December 31, 2024 are as follows (Korean won in millions, USD, HKD, CHF in thousands, KRW/USD, KRW/HKD, KRW/CHF):

			Amount of contract		Interest rate of contract		Contractual foreign exchange rate
	Counterparty	Period	Pay	Receive	Pay	Receive	
Held for trading (*)	Nomura Financial Investment (Korea) Co., Ltd.	Jun. 15, 2015 – Jun. 15, 2025	KRW 111,190	USD 100,000	2.60%	3.25%	1,111.90
	Korea Development Bank	Jun. 15, 2015 – Jun. 15, 2025	KRW 111,190	USD 100,000	2.62%	3.25%	1,111.90
	Woori Bank	Jun. 15, 2015 – Jun. 15, 2025	KRW 55,595	USD 50,000	2.62%	3.25%	1,111.90
	Hana Bank	Jun. 15, 2015 – Jun. 15, 2025	KRW 55,595	USD 50,000	2.62%	3.25%	1,111.90
	Woori Bank	Jul. 25, 2017 – Jul. 25, 2027	KRW 111,610	USD 100,000	2.25%	3.13%	1,116.10
	Korea Development Bank	Jul. 25, 2017 – Jul. 25, 2027	KRW 111,610	USD 100,000	2.31%	3.13%	1,116.10
	Hana Bank	Jul. 25, 2017 – Jul. 25, 2027	KRW 111,610	USD 100,000	2.31%	3.13%	1,116.10
	Korea Development Bank	Apr. 3, 2018 – Mar. 13, 2028	KRW 108,600	HKD 800,000	2.69%	3.35%	135.75
	Shinhan Bank	Apr. 16, 2018 – Mar. 13, 2028	KRW 115,387	HKD 850,000	2.66%	3.35%	135.75
	Korea Development Bank	Jul. 19, 2019 – Jul. 19, 2027	KRW 119,978	CHF 100,000	1.43%	0.05%	1,199.78
	Woori Bank	Apr. 27, 2021 – Apr. 27, 2026	KRW 222,800	USD 200,000	0.93%	1.25%	1,114.00
	Shinhan Bank	Apr. 27. 2021 – Apr. 27, 2026	KRW 111,400	USD 100,000	0.92%	1.25%	1,114.00
	Korea Development Bank	Apr. 27, 2021 – Apr. 27. 2026	KRW 111,400	USD 100,000	0.93%	1.25%	1,114.00
	Nonghyup Bank	Apr. 27, 2021 – Apr. 27, 2026	KRW 111,400	USD 100,000	0.93%	1.25%	1,114.00
	Woori Bank	Jul. 27, 2022 – Jul. 27, 2027	KRW 262,000	USD 200,000	3.62%	4.25%	1,310.00
	The Export-Import Bank of Korea	Jul. 27, 2022 – Jul. 27, 2027	KRW 131,000	USD 100,000	3.63%	4.25%	1,310.00
	Kookmin Bank	Jul. 27. 2022 – Jul. 27, 2027	KRW 131,000	USD 100,000	3.62%	4.25%	1,310.00
	Hana Bank	Jul. 27, 2022 – Jul. 27. 2027	KRW 131,000	USD 100,000	3.61%	4.25%	1,310.00
	Korea Development Bank	Jul. 27, 2022 – Jul. 27. 2027	KRW 262,000	USD 200,000	3.63%	4.25%	1,310.00
	The Export-Import Bank of Korea	Oct. 6, 2022 – Oct. 6, 2032	KRW 349,829	HKD 1,935,000	4.87%	5.16%	180.79
	JP Morgan	Oct. 6, 2022 – Oct. 6, 2032	KRW 75,194	HKD 415,000	5.00%	5.16%	181.19
	The Export-Import Bank of Korea	Jun. 7, 2023 – Jun. 7, 2030	KRW 172,982	HKD 1,037,000	4.25%	4.51%	166.81
	Hana Bank	Jan. 18, 2024 – Jul. 18, 2028	KRW 128,940	USD 100,000	3.73%	5.00%	1,289.40
	JP Morgan	Jun. 8, 2024 – Jul. 18, 2028.	KRW 128,940	USD 100,000	3.85%	5.00%	1,289.40
	Korea Development Bank	Jan. 18, 2024 – Jul. 18, 2028	KRW 257,880	USD 200,000	3.80%	5.00%	1,289.40
	Korea Development Bank	Jan. 18, 2024 – Jul. 18, 2028	KRW 128,940	USD 100,000	3.69%	5.00%	1,289.40
	Hana Bank	Jul. 29, 2024 – Jul. 29, 2029	KRW 138,540	USD 100,000	3.15%	4.63%	1,385.40
	Shinhan Bank	Jul. 29, 2024 – Jul. 29, 2029	KRW 138,540	USD 100,000	3.15%	4.63%	1,385.40
	Kookmin Bank	Jul. 29, 2024 – Jul. 29, 2029	KRW 138,540	USD 100,000	3.16%	4.63%	1,385.40
	Woori Bank	Jul. 29, 2024 – Jul. 29, 2029	KRW 138,540	USD 100,000	3.17%	4.63%	1,385.40
	Korea Development Bank	Jul. 29, 2024 – Jul. 29, 2029	KRW 138,540	USD 100,000	3.19%	4.63%	1,385.40

6. Financial assets at fair value through profit or loss (cont'd)

(*) The Group contracted derivative financial instruments for the purpose of hedging risk but classified them as derivative financial instruments held for trading, since those derivatives do not meet the applicable requirements of applying hedge accounting under KIFRS 1109 *Financial Instruments*.

Net gains (losses) on valuation and transaction of derivatives (not designated as in hedging relationships) for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	Gain (loss) on valuation		Gain (loss) on transaction	
	2024	2023	2024	2023
Foreign currency forwards	₩ -	₩ 432	₩ 3,735	₩ 8,695
Foreign currency swaps	563,274	107,676	30,239	2,583
	₩ 563,274	₩ 108,108	₩ 33,974	₩ 11,278

7. Trade and other receivables

Trade and other receivables as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				December 31, 2023			
	Gross amount	Allowance for doubtful accounts	Amortization of present value discount	Carrying amount	Gross amount	Allowance for doubtful accounts	Amortization of present value discount	Carrying amount
Current assets:								
Trade receivables	₩ 1,337,910	₩ -	₩ -	₩ 1,337,910	₩ 1,662,668	₩ -	₩ -	₩ 1,662,668
Other receivables	719,347	(3,185)	(370)	715,792	436,569	(3,185)	(328)	433,056
	2,057,257	(3,185)	(370)	2,053,702	2,099,237	(3,185)	(328)	2,095,724
Non-current assets:								
Other receivables	88,774	-	(1,658)	87,116	76,167	-	(1,497)	74,670
	₩ 2,146,031	₩ (3,185)	₩ (2,028)	₩ 2,140,818	₩ 2,175,404	₩ (3,185)	₩ (1,825)	₩ 2,170,394

Other receivables as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				December 31, 2023			
	Gross amount	Allowance for doubtful accounts	Present value discount	Carrying amount	Gross amount	Allowance for doubtful accounts	Present value discount	Carrying amount
Current assets:								
Non-trade receivables	₩ 189,332	₩ (3,185)	₩ -	₩ 186,147	₩ 142,994	₩ (3,185)	₩ -	₩ 139,809
Accrued income	413,252	-	-	413,252	257,948	-	-	257,948
Guarantee deposits	49,181	-	(370)	48,811	28,083	-	(328)	27,755
Other current receivables	67,582	-	-	67,582	7,544	-	-	7,544
	719,347	(3,185)	(370)	715,792	436,569	(3,185)	(328)	433,056
Non-current assets:								
Non-trade receivables	41,021	-	-	41,021	31,667	-	-	31,667
Accrued income	2,091	-	-	2,091	1,053	-	-	1,053
Guarantee deposits	45,662	-	(1,658)	44,004	43,447	-	(1,497)	41,950
	88,774	-	(1,658)	87,116	76,167	-	(1,497)	74,670
	₩ 808,121	₩ (3,185)	₩ (2,028)	₩ 802,908	₩ 512,736	₩ (3,185)	₩ (1,825)	₩ 507,726

7. Trade and other receivables (cont'd)

Trade and other receivables are measured at amortized cost. For electricity sales revenue, the average trade receivables turnover is 2 business days from the billing date. Interest is charged on trade receivables after 2 business days from due date based on interest rates of overdue open market loans.

The aging analysis of trade receivables as of December 31, 2024 and 2023 is as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Receivables (not overdue, not impaired)	₩ 1,337,910	₩ 1,662,668
Receivables (overdue, not impaired)	-	-
Receivables (other)	-	-
	1,337,910	1,662,668
Less: allowance for doubtful accounts	-	-
Less: present value discount	-	-
	₩ 1,337,910	₩ 1,662,668

At the end of each reporting period, the Group assesses whether the credit to trade receivables is impaired. The Group recognizes loss allowances for significant items of trade receivables individually when there is any objective evidence of impairment, and classifies the trade receivables that are not individually assessed as the trade receivables subject to collective assessment. Also, the Group recognizes loss allowances based on an "expected credit loss" (ECL) model.

The aging analysis of other receivables as of December 31, 2024 and 2023 is as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Receivables (not overdue, not impaired)	₩ 804,936	₩ 509,551
Receivables (overdue, not impaired)	-	-
Receivables (other)	3,185	3,185
0~60 days	-	-
60~90 days	-	-
90~120 days	-	-
120~365 days	-	-
Over 365 days	3,185	3,185
	808,121	512,736
Less: allowance for doubtful accounts	(3,185)	(3,185)
Less: present value discount	(2,028)	(1,825)
	₩ 802,908	₩ 507,726

At the end of each reporting period, the Group assesses whether the credit to other receivables is impaired. The Group recognizes loss allowances for significant items of other receivables individually when there is any objective evidence of impairment, and classifies the other receivables that are not individually assessed as the other receivables subject to collective assessment. Also, the Group recognizes loss allowances based on an "expected credit loss" (ECL) model.

7. Trade and other receivables (cont'd)

Changes in allowances for doubtful accounts for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024				2023			
	Trade receivables		Other receivables		Trade receivables		Other receivables	
Beginning balance	₩	-	₩	3,185	₩	-	₩	3,185
Bad debt expenses		-		24		-		18
Write-offs		-		(24)		-		(18)
Ending balance	₩	-	₩	3,185	₩	-	₩	3,185

8. Financial assets at fair value through other comprehensive income

Changes in financial assets at fair value through other comprehensive income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024						
	January 1	Acquisitions	Disposals	Gain on valuation	Impairment	Others	December 31
Equity securities:							
Listed equity securities	₩ 133,036	₩ -	₩ -	₩ 23,949	₩ -	₩ -	₩ 156,985
Unlisted equity securities	240,367	4,000	-	86,362	-	-	330,729
	373,403	4,000	-	110,311	-	-	487,714
Debit securities:							
Corporate bonds	4,626	-	-	419	-	-	5,045
	₩ 378,029	₩ 4,000	₩ -	₩ 110,730	₩ -	₩ -	₩ 492,759
Non-current financial assets at fair value through other comprehensive income	₩ 378,029	₩ 4,000	₩ -	₩ 110,730	₩ -	₩ -	₩ 492,759

	2023						
	January 1	Acquisitions	Disposals	Gain (loss) on valuation	Impairment	Others	December 31
Equity securities:							
Listed equity securities	₩ 85,679	₩ -	₩ -	₩ 47,357	₩ -	₩ -	₩ 133,036
Unlisted equity securities	230,399	10,550	-	(582)	-	-	240,367
	316,078	10,550	-	46,775	-	-	373,403
Debit securities:							
Corporate bonds	528	4,080	-	18	-	-	4,626
	₩ 316,606	₩ 14,630	₩ -	₩ 46,793	₩ -	₩ -	₩ 378,029
Non-current financial assets at fair value through other comprehensive income	₩ 316,606	₩ 14,630	₩ -	₩ 46,793	₩ -	₩ -	₩ 378,029

8. 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 and 2023 are as follows (Korean won in millions):

	December 31, 2024				
	Shares	Ownership	Acquisition cost	Carrying amount	Fair value
Listed securities:					
Denison Mines Corp.	58,248,500	6.50%	₩ 36,799	₩ 155,671	₩ 155,671
Ihsung CNI Co., Ltd.	142,860	4.43%	1,500	1,314	1,314
			38,299	156,985	156,985
Unlisted securities:					
Korea Power Exchange(*1)	-	14.28%	18,263	31,031	31,031
SET Holding(*1)	1,100,220	2.50%	229,255	258,974	258,974
HeeMang Sunlight Power Co., Ltd.(*3)	78,600	8.33%	393	393	393
SGC Green Power Co., Ltd.(*1)	580,000	5.00%	2,900	5,570	5,570
Le Soleil KHNP, Inc.(*3)	137,600	19.00%	1,376	1,376	1,376
Orano Expansion(*3)	5,742,405	4.72%	-	-	-
Ihsung CNI Co., Ltd.(*1)	127,660	3.96%	1,500	2,161	2,161
H robotics Co., Ltd.(*2)	422,832	3.30%	1,000	156	156
Goodtcells Co., Ltd.(*2)	11,364	0.33%	500	571	571
iPS Bio Co., Ltd.(*2)	1,975	3.13%	1,000	896	896
Nine B Co., Ltd.(*3)	5,000	4.96%	1,000	1,000	1,000
Common Computer Co., Ltd.(*1)	3,856	1.64%	1,000	1,189	1,189
H robotics Co., Ltd.(*3)	480,769	3.75%	3,000	176	176
Fine Powerx Co., Ltd.(*1)	72,633	4.58%	1,500	1,610	1,610
Agencore Co., Ltd.(*3)	175,779	7.70%	2,200	2,514	2,514
SamHong Machinery Co., Ltd.(*3)	617,535	9.81%	7,000	8,318	8,318
Aloha Factory Co., Ltd.(*2)	2,970	3.70%	1,000	552	552
Daily Shot(*3)	1,695	1.72%	1,001	1,250	1,250
Mediquitous Co., Ltd.(*1)	5,080	0.58%	1,250	1,442	1,442
Black Materials Co., Ltd.(*3)	37,038	8.31%	500	500	500
Monite Co., Ltd.(*3)	166,667	7.14%	1,000	1,000	1,000
Enersys Co., Ltd.(*3)	9,763	19.62%	2,050	2,050	2,050
Kalman Co., Ltd(*3)	23,172	9.54%	1,000	1,000	1,000
Himet Co., Ltd(*3)	1,754,386	13.93%	5,000	5,000	5,000
BOBAEK C&S CO., LTD(*3)	13,246	0.87%	2,000	2,000	2,000
			286,688	330,729	330,729
Debit securities:					
Aron Flying Ship Co., Ltd.(*2)			491	535	535
Inno Platech Co., Ltd.(*3)			1,080	1,194	1,194
Daebon Tech Co., Ltd.(*3)			3,000	3,316	3,316
			4,571	5,045	5,045
			₩ 329,558	₩ 492,759	₩ 492,759

(*1) The Group has estimated the fair value by using the income approach method (discounted cash flows method) and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the year ended December 31, 2024.
(*2) The Group has estimated the fair value by using the market approach method (recent transaction method) and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the year ended December 31, 2024.

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

(*3) This financial asset at fair value through other comprehensive income does not have a quoted market price in an active market, and its fair value cannot be reliably measured. Therefore, it is measured at cost.

	December 31, 2023				
	Shares	Ownership	Acquisition cost	Carrying amount	Fair value
Listed securities:					
Denison Mines Corp.	58,248,500	6.84%	₩ 36,799	₩ 131,709	₩ 131,709
Ihsung CNI Co., Ltd.	142,860	4.81%	1,500	1,327	1,327
			38,299	133,036	133,036
Unlisted securities:					
Korea Power Exchange(*1)	-	14.28%	18,263	33,887	33,887
SET Holding(*1)	1,100,220	2.50%	229,255	165,923	165,923
HeeMang Sunlight Power Co., Ltd.(*3)	78,600	8.33%	393	393	393
SGC Green Power Co., Ltd.(*1)	580,000	5.00%	2,900	6,249	6,249
Lesoleil KHNP, Inc.(*3)	137,600	19.00%	1,376	1,376	1,376
Orano Expansion(*3)	5,742,405	4.72%	-	-	-
Ihsung CNI Co., Ltd.(*1)	127,660	4.30%	1,500	1,938	1,938
H robotics Co., Ltd.(*2)	422,832	3.77%	1,000	2,639	2,639
Goodtcells Co., Ltd.(*2)	11,364	0.33%	500	399	399
iPS Bio Co., Ltd.(*2)	1,975	3.13%	1,000	897	897
Nine B Co., Ltd.(*3)	5,000	4.96%	1,000	1,000	1,000
Common Computer Co., Ltd.(*1)	3,856	1.64%	1,000	1,154	1,154
H robotics Co., Ltd.(*3)	480,769	4.28%	3,000	3,000	3,000
Fine Powerx Co., Ltd.(*1)	72,633	4.58%	1,500	1,772	1,772
Agencore Co., Ltd.(*3)	175,779	8.32%	2,200	2,200	2,200
SamHong Machinery Co., Ltd.(*3)	476,192	8.98%	5,000	5,000	5,000
Aloha Factory(*2)	2,970	3.70%	1,000	739	739
Dailyshot Co., Ltd.(*3)	1,695	1.85%	1,001	1,001	1,001
Mediquitous Co., Ltd.(*1)	5,080	0.64%	1,250	1,250	1,250
Black Materials Co., Ltd.(*3)	37,038	8.31%	500	500	500
Monite Co., Ltd.(*3)	166,667	14.29%	1,000	1,000	1,000
ENERSYS CO.,LTD.(*3)	9,763	19.62%	2,050	2,050	2,050
Kalman Co., Ltd(*3)	23,172	10.02%	1,000	1,000	1,000
Himet Co.,Ltd.(*3)	1,754,386	13.93%	5,000	5,000	5,000
			282,688	240,367	240,367
Debit securities:					
Aron Flying Ship Co.,Ltd.(*2)			491	546	546
Inno Platech Co., Ltd.(*3)			1,080	1,080	1,080
Daebon Tech Co., Ltd.(*3)			3,000	3,000	3,000
			4,571	4,626	4,626
			₩ 325,558	₩ 378,029	₩ 378,029

(*1) The Group has estimated the fair value by using the income approach method (discounted cash flows method) and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the year ended December 31, 2023.
(*2) The Group has estimated the fair value by using the market approach method (recent transaction method) and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the year ended December 31, 2023.
(*3) This financial asset at fair value through other comprehensive income does not have a quoted market price in an active market, and its fair value cannot be reliably measured. Therefore it is measured at cost.

9. Other financial assets

Other financial assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Financial instruments	₩ 208,614	₩ 669,494	₩ 203,614	₩ 663,621
Loans	6,461	78,936	17,559	77,195
	₩ 215,075	₩ 748,430	₩ 221,173	₩ 740,816

Details of financial instruments as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	Current	Non-current(*)	Current	Non-current
Time deposit	₩ 18,614	₩ 129,494	₩ 13,614	₩ 123,591
Others	190,000	540,000	190,000	540,030
	₩ 208,614	₩ 669,494	₩ 203,614	₩ 663,621

(*) As of December 31, 2024, the Group set aside ₩660,000 million for decommissioning costs for nuclear power plants. These funds are financial assets that cannot be used for any other purposes with a restricted access period exceeding 12 months subsequent to December 31, 2024. Therefore, these assets have been categorized as non-current financial assets.

Details of loans as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Loans for tuition(*1)	₩ 4,676	₩ 66,532	₩ 5,236	₩ 69,681
Loans for housing(*2)	423	3,053	481	3,636
Other loans(*3)	1,380	18,232	11,897	12,465
Less: present value discount	(18)	(8,881)	(55)	(8,587)
	₩ 6,461	₩ 78,936	₩ 17,559	₩ 77,195

(*1) The annual interest rate on loans for tuition is 0%, under a condition of a 5 to 7-year installment repayment with 2 to 3-year grace period.
(*2) The annual interest rate on loans for housing is 3.21%, under the condition of a 15 to 20-year installment repayment.
(*3) The annual interest rate on other loans is 4.60% to 5.80%, under the condition of installment repayment.

9. Other financial assets (cont'd)

Details of loans as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024			
	Gross amount	Present value discount	Allowance for doubtful accounts	Carrying amount
Loans for tuition	₩ 71,208	₩ (8,899)	₩ -	₩ 62,309
Loans for housing	3,476	-	-	3,476
Other loans	19,612	-	-	19,612
	₩ 94,296	₩ (8,899)	₩ -	₩ 85,397

	December 31, 2023			
	Gross amount	Present value discount	Allowance for doubtful accounts	Carrying amount
Loans for tuition	₩ 74,917	₩ (8,642)	₩ -	₩ 66,275
Loans for housing	4,117	-	-	4,117
Other loans	24,362	-	-	24,362
	₩ 103,396	₩ (8,642)	₩ -	₩ 94,754

10. Inventories

Inventories as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024			December 31, 2023		
	Acquisition cost	Valuation allowance	Carrying amount	Acquisition cost	Valuation allowance	Carrying amount
Raw materials	₩ 4,093,848	₩ -	₩ 4,093,848	₩ 3,721,802	₩ -	₩ 3,721,802
Supplies	2,955,361	-	2,955,361	2,533,481	-	2,533,481
Inventory-in-transit	264,853	-	264,853	216,876	-	216,876
	₩ 7,314,062	₩ -	₩ 7,314,062	₩ 6,472,159	₩ -	₩ 6,472,159

11. Non-financial assets

Non-financial assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Advanced payments	₩ 284,679	₩ 302,770	₩ 186,011	₩ 270,286
Prepaid expenses	51,976	12,633	49,503	9,313
Others	39,075	-	34,321	14,094
	₩ 375,730	₩ 315,403	₩ 269,835	₩ 293,693

12. Investments in associates and joint ventures

Investments in associates and joint ventures as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024					
Company	Key operating activities	Location	Reporting Date	Owner-ship	Acquisition cost	Carrying amount
<Associates>						
Korea Offshore Wind Power Co., Ltd.(*1)	Offshore wind resources development	Korea	December 31	12.50%	₩ 26,600	₩ 24,863
Noeul Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	29.00%	1,740	-
Busan Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	29.00%	5,243	2,334
Korea Hydro & Nuclear Power KNP Co., Ltd	Electric material agency	Korea	December 31	28.98%	537	674
KEPCO Solar Co., Ltd.(*1)	Photovoltaic power generation electricity resources development	Korea	December 31	8.38%	16,750	17,697
KEPCO ES Co., Ltd.(*1)	Energy-efficient equipment investment services business	Korea	December 31	8.33%	25,000	26,059
Gwangyang Green Energy Co., Ltd.	Biomass generation	Korea	December 31	20.00%	26,800	24,217
Hanwha Solar Power Private equity investment trust	Investment trust	Korea	December 31	49.00%	6,108	6,119
Godeok Clean Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	40.00%	5,560	5,301
Bigeum Resident Solar Power Generation Co., Ltd.	Photovoltaic power generation	Korea	December 31	27.31%	11,213	7,908
Gangneung Sacheon Fuel Cell Co., Ltd.	Electricity and heat generation	Korea	December 31	41.00%	5,695	9,306
Chuncheon Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	45.00%	9,540	17,672
Green Radiation Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	December 31	10.00%	20	-
Environment and Energy Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	December 31	10.54%	11	3
Changwon SG Energy Co., Ltd(*1)	Renewable energy business	Korea	December 31	18.78%	900	682
Songsan Green Energy Co., Ltd(*7)	Electricity and heat generation	Korea	December 31	60.00%	8,400	7,908
Dreams Co..Ltd(*1,2)	Research & Technology development Commercialization	Korea	December 31	11.00%	11	11
DEEP AI CO.,LTD(*1,2)	Research & Technology development Commercialization	Korea	December 31	1.32%	11	11
					150,139	150,765
<Joint ventures>						
Waterbury Lake Uranium Limited Partnership(*3,4)	Uranium resources development	Canada	December 31	29.68%	20,753	23,756
Cheongsong Noraesan Wind Power Co., Ltd.(*4)	Wind power generation	Korea	December 31	29.01%	3,200	4,316
Saemangeum Solar Power Co., Ltd.(*5)	Solar power generation	Korea	December 31	81.01%	26,400	23,277
KAS INVESTMENT I LLC(*4,6)	Overseas Investment	USA	September 30	29.89%	23,437	6,078
KAS INVESTMENT II LLC(*4,6)	Overseas Investment	USA	September 30	29.89%	23,343	6,039
Guadalupe Solar SpA(*5)	Overseas Investment	Chile	December 31	60.00%	1,397	781
Changwon Nu-ri Energy Co., Ltd.(*5)	Electricity and heat generation	Korea	December 31	61.00%	8,095	7,658
Yangyang Offshore Wind Power Co., Ltd.(*4)	Wind power generation	Korea	December 31	29.00%	10,498	8,643
Jeonju Bio Green Energy Co., Ltd.(*5)	Electricity and heat generation	Korea	December 31	65.00%	3,250	2,567
Hadong E-factory Co., Ltd.(*4)	Electricity and heat generation	Korea	December 31	29.99%	350	344
Imha Susang Taeyanggwang Co.,Ltd.(*2,4)	Solar power generation	Korea	December 31	49.00%	7,174	6,351
					127,897	89,810
					₩ 278,036	₩ 240,575

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

(*1) Although the Group holds less than 20% equity interest in the investee, the investee has been classified as an investment in associates, as the Group determines that it could exercise significant influence over the investee.
(*2) This entity was newly included as associates and joint ventures of the Group due to new investments for the year ended December 31, 2024.
(*3) The above acquisition cost is the carrying amount at the time of change in the consolidation range. The initial acquisition cost of the Waterbury Lake Uranium Limited Partnership held by the Korea Waterbury Uranium Limited Partnership was ₩26,602 million.
(*4) Although the Group holds less than 50% of equity interest in the investee, the investee is classified as an investment in joint venture since unanimous consent is required for making decision on activities related to the investee.
(*5) Although the Group holds over 50% of equity interest in the investee, the investee is classified as an investment in joint venture since unanimous consent is required for making decision on activities related to the investee.
(*6) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of September 30, 2024, the most recent financial statements, were used.
(*7) Although the Group holds over 50% of equity interest in the investee, the investee is classified as associate since the Group does not exercise control over the decision of significant financial and operating polices in accordance with shareholders' agreements.

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

	December 31, 2023					
Company	Key operating activities	Location	Reporting Date	Owner-ship	Acquisition cost	Carrying amount
<Associates>						
Korea Offshore Wind Power Co., Ltd.(*1)	Offshore wind resources development	Korea	December 31	12.50%	₩ 26,600	₩ 23,827
Noeul Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	29.00%	1,740	-
Busan Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	29.00%	5,243	3,260
Korea Hydro & Nuclear Power KNP Co., Ltd	Electric material agency	Korea	December 31	28.98%	537	467
KEPCO Solar Co., Ltd.(*1)	Photovoltaic power generation electricity resources development	Korea	December 31	8.38%	16,750	17,599
KEPCO ES Co., Ltd.(*1)	Energy-efficient equipment investment services business	Korea	December 31	8.33%	25,000	25,598
Gwangyang Green Energy Co., Ltd.	Biomass generation	Korea	December 31	20.00%	26,800	24,638
Hanwha Solar Power Private equity investment trust	Investment trust	Korea	December 31	49.00%	6,482	6,496
Godeok Clean Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	40.00%	5,560	4,722
Bigeum Resident Solar Power Generation Co., Ltd.	Photovoltaic power generation	Korea	December 31	29.90%	1	-
Gangneung Sacheon Fuel Cell Co., Ltd.	Electricity and heat generation	Korea	December 31	41.00%	5,695	7,869
Chuncheon Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	45.00%	9,540	8,901
Green Radiation Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	December 31	10.00%	20	26
Environment and Energy Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	December 31	10.54%	11	10
Changwon SG Energy Co., Ltd(*1,2)	Renewable energy business	Korea	December 31	18.78%	900	783
Songsan Green Energy Co., Ltd(*7)	Electricity and heat generation	Korea	December 31	60.00%	8,400	8,323
					139,279	132,519
<Joint ventures>						
Waterbury Lake Uranium Limited Partnership(*3,4)	Uranium resources development	Canada	December 31	30.65%	20,753	22,612
Cheongsong Noraesan Wind Power Co., Ltd.(*4)	Wind power generation	Korea	December 31	29.01%	3,200	3,756
Saemangeum Solar Power Co., Ltd.(*5)	Solar power generation	Korea	December 31	81.01%	26,400	23,419
KAS INVESTMENT I LLC(*4,6)	Overseas Investment	USA	September 30	29.89%	23,437	15,784
KAS INVESTMENT II LLC(*4,6)	Overseas Investment	USA	September 30	29.89%	23,343	15,709
Guadalupe Solar SpA(*5)	Overseas Investment	Chile	December 31	60.00%	1,397	1,200
Changwon Nu-ri Energy Co., Ltd.(*5)	Electricity and heat generation	Korea	December 31	61.00%	8,095	8,027
Yangyang Offshore Wind Power Co., Ltd.(*2,4)	Wind power generation	Korea	December 31	29.00%	10,498	9,608
Jeonju Bio Green Energy Co., Ltd.(*2,5)	Electricity and heat generation	Korea	December 31	65.00%	3,250	3,195
Hadong E-factory Co., Ltd.(*2,4)	Electricity and heat generation	Korea	December 31	29.99%	350	349
					120,723	103,659
					₩ 260,002	₩ 236,178

(*1) Although the Group holds less than 20% equity interest in the investee, the investee has been classified as an investment in associates, as the Group determines that it could exercise significant influence over the investee.
(*2) This entity was newly included as associates and joint ventures of the Group due to new investments for the year ended December 31, 2023.
(*3) The above acquisition cost is the carrying amount at the time of change in the consolidation range. The initial acquisition cost of the Waterbury Lake Uranium Limited Partnership held by the Korea Waterbury Uranium Limited Partnership was ₩26,602 million.

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

(*4) Although the Group holds less than 50% of equity interest in the investee, the investee is classified as an investment in joint venture since unanimous consent is required for making decision on activities related to the investee.
(*5) Although the Group holds over 50% of equity interest in the investee, the investee is classified as an investment in joint venture since unanimous consent is required for making decision on activities related to the investee .
(*6) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of September 30, 2023, the most recent financial statements, were used.
(*7) Although the Group holds over 50% of equity interest in the investee, the investee is classified as associate since the Group does not exercise control over the decision of significant financial and operating polices in accordance with shareholders' agreements.

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

Changes in investments in associates and joint ventures for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024						
	January 1	Acquisition	Share of profit (loss) and others	Changes in equity and others	Disposals	Others	December 31
<Associates>							
Korea Offshore Wind Power Co., Ltd.	₩ 23,827	₩ -	₩ 1,036	₩ -	₩ -	₩ -	₩ 24,863
Noeul Green Energy Co., Ltd.	-	-	-	-	-	-	-
Busan Green Energy Co., Ltd.	3,260	-	(911)	-	-	(15)	2,334
Korea Hydro & Nuclear Power KNP Co., Ltd	467	-	207	-	-	-	674
KEPCO Solar Co., Ltd.	17,599	-	520	-	-	(422)	17,697
KEPCO ES Co., Ltd.	25,598	-	729	-	-	(268)	26,059
Gwangyang Green Energy Co., Ltd.	24,638	-	(421)	-	-	-	24,217
Hanwha Solar Power Private equity investment trust	6,496	-	357	-	(374)	(360)	6,119
Godeok Clean Energy Co., Ltd.	4,722	-	579	-	-	-	5,301
Bigeum Resident Solar Power Generation Co., Ltd.(*1)	-	9,525	(1,560)	(57)	-	-	7,908
Gangneung Sacheon Fuel Cell Co., Ltd.	7,869	-	1,437	-	-	-	9,306
Chuncheon Green Energy Co., Ltd.	8,901	-	8,771	-	-	-	17,672
Green Radiation Co., Ltd	26	-	(26)	-	-	-	-
Environment and Energy Co., Ltd	10	-	(5)	(2)	-	-	3
Changwon SG Energy Co., Ltd	783	-	(101)	-	-	-	682
Songsan Green Energy Co., Ltd	8,323	-	(415)	-	-	-	7,908
Dreams Co..Ltd	-	11	-	-	-	-	11
DEEP AI CO.,LTD.	-	11	-	-	-	-	11
	132,519	9,547	10,197	(59)	(374)	(1,065)	150,765
<Joint ventures>							
Waterbury Lake Uranium Limited Partnership	22,612	-	73	1,071	-	-	23,756
Cheongsong Noraesan Wind Power Co., Ltd.	3,756	-	560	-	-	-	4,316
Saemangeum Solar Power Co., Ltd.	23,419	-	(142)	-	-	-	23,277
KAS INVESTMENT I LLC(*2)	15,784	-	(12,916)	3,210	-	-	6,078
KAS INVESTMENT II LLC(*2)	15,709	-	(12,868)	3,198	-	-	6,039
Guadalupe Solar SpA	1,200	-	(431)	12	-	-	781
Changwon Nu-ri Energy Co., Ltd	8,027	-	(369)	-	-	-	7,658
Yangyang Offshore Wind Power Co., Ltd	9,608	-	(912)	(53)	-	-	8,643
Jeonju Bio Green Energy Co.,Ltd	3,195	-	(628)	-	-	-	2,567
Hadong E-factory Co., Ltd	349	-	(5)	-	-	-	344
Imha Susang Taeyanggwang Co.,Ltd	-	7,174	(823)	-	-	-	6,351
	103,659	7,174	(28,461)	7,438	-	-	89,810
	₩ 236,178	₩ 16,721	₩ (18,264)	₩ 7,379	₩ (374)	₩ (1,065)	₩ 240,575

(*1) For the year ended December 31, 2024, long-term loan to Bigeum Resident Solar Power Generation Co., Ltd. is converted to equity.
(*2) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of September 30, 2024 the most recent financial statements, were used.

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

	2023						
	January 1	Acquisition	Share of profit (loss) and others	Changes in equity and others	Disposals	Others	December 31
<Associates>							
Korea Offshore Wind Power Co., Ltd.	₩ 23,106	₩ -	₩ 721	₩ -	₩ -	₩ -	₩ 23,827
Noeul Green Energy Co., Ltd.	-	-	-	-	-	-	-
Busan Green Energy Co., Ltd.	4,396	-	(1,137)	-	-	1	3,260
Korea Hydro & Nuclear Power KNP Co., Ltd	280	-	187	-	-	-	467
KEPCO Solar Co., Ltd.	18,242	-	701	-	-	(1,344)	17,599
KEPCO ES Co., Ltd.	25,938	-	449	-	-	(789)	25,598
Gwangyang Green Energy Co., Ltd.	25,043	-	(405)	-	-	-	24,638
Hanwha Solar Power Private equity investment trust	6,931	-	366	(1)	(428)	(372)	6,496
Godeok Clean Energy Co., Ltd.	4,419	-	303	-	-	-	4,722
Bigeum Resident Solar Power Generation Co., Ltd.(*1)	-	-	(414)	414	-	-	-
Gangneung Sacheon Fuel Cell Co., Ltd.	4,276	-	3,593	-	-	-	7,869
Chuncheon Green Energy Co., Ltd.	9,156	-	(204)	(51)	-	-	8,901
Green Radiation Co., Ltd	11	-	15	-	-	-	26
Environment and Energy Co., Ltd	10	-	-	-	-	-	10
Changwon SG Energy Co., Ltd	-	900	(117)	-	-	-	783
Songsan Green Energy Co., Ltd(*3)	-	-	-	-	-	8,323	8,323
	121,808	900	4,058	362	(428)	5,819	132,519
<Joint ventures>							
Waterbury Lake Uranium Limited Partnership	21,750	-	70	792	-	-	22,612
Cheongsong Noraesan Wind Power Co., Ltd.	4,264	-	357	-	-	(865)	3,756
Saemangeum Solar Power Co., Ltd.	23,551	-	(132)	-	-	-	23,419
KAS INVESTMENT I LLC(*2)	18,247	-	(2,223)	(240)	-	-	15,784
KAS INVESTMENT II LLC(*2)	18,173	-	(2,225)	(239)	-	-	15,709
Guadalupe Solar SpA	913	-	321	(34)	-	-	1,200
Songsan Green Energy Co., Ltd(*3)	1,387	7,000	(25)	(39)	-	(8,323)	-
Changwon Nu-ri Energy Co., Ltd	497	7,595	(27)	(38)	-	-	8,027
Yangyang Offshore Wind Power Co., Ltd	-	10,498	(890)	-	-	-	9,608
Jeonju Bio Green Energy Co., Ltd	-	3,250	(55)	-	-	-	3,195
Hadong E-factory Co., Ltd	-	350	-	(1)	-	-	349
	88,782	28,693	(4,829)	201	-	(9,188)	103,659
	₩ 210,590	₩ 29,593	₩ (771)	₩ 563	₩ (428)	₩ (3,369)	₩ 236,178

(*1) For the year ended December 31, 2023, share of loss of an associate Bigeum Resident Solar Power Generation Co., Ltd. is recognized at ₩1,687 million for long-term loan to the associate, considering it as a long-term investment stake.
(*2) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of September 30, 2023, the most recent financial statements, were used.
(*3) For the year ended December 31, 2023, due to the acquisition of additional shares resulting in changes to the shareholder composition, Songsan Green Energy Co., Ltd has been reclassified as an associate from a joint venture, considering the minimum voting rights required for deciding significant operational and financial policies.

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

The summarized financial information on investments accounted for using the equity method as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 is as follows (Korean won in millions):

	December 31, 2024		2024	
	Total assets	Total liabilities	Revenue	Net profit (loss)
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 330,373	₩ 131,470	₩ 41,489	₩ 8,286
Noeul Green Energy Co., Ltd.	95,569	108,793	47,999	4,787
Busan Green Energy Co., Ltd.	142,942	134,894	66,924	(3,140)
Korea Hydro & Nuclear Power KNP Co., Ltd.	4,324	1,444	7,949	716
KEPCO Solar Co., Ltd.	240,555	29,240	20,788	6,210
KEPCO ES Co., Ltd.	318,640	5,936	6,384	8,758
Gwangyang Green Energy Co., Ltd.	547,208	426,210	-	(2,105)
Hanwha Solar Power Private equity investment trust(*1)	12,664	178	722	689
Godeok Clean Energy Co., Ltd.	130,520	117,267	49,187	1,465
Bigeum Resident Solar Power Generation Co., Ltd.	441,227	412,276	10,812	(6,845)
Gangneung Sacheon Fuel Cell Co., Ltd.	148,459	125,975	45,534	5,768
Chuncheon Green Energy Co., Ltd.	234,506	195,354	68,010	11,494
Green Radiation Co., Ltd.	521	663	613	(272)
Environment and Energy Co., Ltd.	31	-	-	(36)
Changwon SG Energy Co., Ltd	4,879	1,328	3,343	(539)
Songsan Green Energy Co., Ltd	120,001	106,939	121	(692)
Dreams Co..Ltd	233	183	208	(49)
DEEP AI CO.,LTD.	813	449	240	(319)
<Joint ventures>				
Waterbury Lake Uranium Limited Partnership	80,803	761	-	-
Cheongsong Noraesan Wind Power Co., Ltd.	53,373	38,705	6,788	1,599
Saemangeum Solar Power Co., Ltd.	34,377	5,643	-	(176)
KAS INVESTMENT I LLC(*1,2)	20,361	28	(40,343)	(43,213)
KAS INVESTMENT II LLC(*1,2)	20,232	28	(40,189)	(43,048)
Guadalupe Solar SpA	10,476	9,339	1,408	(574)
Changwon Nu-ri Energy Co., Ltd.	71,178	58,630	333	(606)
Yangyang Offshore Wind Power Co., Ltd	210,853	181,052	-	(5,391)
Jeonju Bio Green Energy Co., Ltd	4,130	181	-	(967)
Hadong E-factory Co., Ltd	2,331	1,204	-	(17)
Imha Susang Taeyanggwang Co.,Ltd	36,413	23,546	-	(1,679)

(*1) Revenue is gain and loss from investment shares held by the entity.

(*2) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of September 30, 2024, the most recent financial statements, were used.

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

	December 31, 2023		2023	
	Total assets	Total liabilities	Revenue	Net profit (loss)
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 334,444	₩ 143,827	₩ 40,313	₩ 6,497
Noeul Green Energy Co., Ltd.	89,861	107,834	24,017	920
Busan Green Energy Co., Ltd.	160,299	149,060	69,108	(3,920)
Korea Hydro & Nuclear Power KNP Co., Ltd.	3,063	899	7,618	645
KEPCO Solar Co., Ltd.	246,273	36,127	23,234	8,367
KEPCO ES Co., Ltd.	322,529	15,367	14,151	5,384
Gwangyang Green Energy Co., Ltd.	370,778	247,675	-	(2,034)
Hanwha Solar Power Private equity investment trust(*1)	13,444	186	820	747
Godeok Clean Energy Co., Ltd.	139,352	127,545	22,671	2,426
Bigeum Resident Solar Power Generation Co., Ltd.	303,462	309,185	-	(3,031)
Gangneung Sacheon Fuel Cell Co., Ltd.	138,761	119,779	23,523	9,191
Chuncheon Green Energy Co., Ltd.	217,336	197,676	6,052	(497)
Green Radiation Co., Ltd.	1,038	812	298	100
Environment and Energy Co., Ltd.	89	-	-	(4)
Changwon SG Energy Co., Ltd	5,738	1,649	436	(703)
Songsan Green Energy Co., Ltd	46,016	32,262	-	(100)
<Joint ventures>				
Waterbury Lake Uranium Limited Partnership	74,320	550	-	-
Cheongsong Noraesan Wind Power Co., Ltd.	54,087	41,352	6,780	1,240
Saemangeum Solar Power Co., Ltd.	34,905	5,994	-	(162)
KAS INVESTMENT I LLC(*1,2)	52,806	-	(7,436)	(7,437)
KAS INVESTMENT II LLC(*1,2)	52,555	1	(7,444)	(7,445)
Guadalupe Solar SpA	10,646	8,811	1,684	626
Changwon Nu-ri Energy Co., Ltd.	13,183	29	-	(44)
Yangyang Offshore Wind Power Co., Ltd	111,682	78,552	-	(3,069)
Jeonju Bio Green Energy Co., Ltd	4,916	-	-	(84)
Hadong E-factory Co., Ltd	1,544	399	-	(13)

(*1) Revenue is gain and loss from investment shares held by the entity.

(*2) The closing process of the joint venture's financial statements was not completed before the Group's financial statements date, so the financial statements of September 30, 2023, the most recent financial statements, were used.

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

The unrecognized investment equity pertaining to the losses of associates and joint ventures as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	Unrecognized profit (loss)	Accumulated unrecognized loss	Unrecognized loss	Accumulated unrecognized loss
Noeul Green Energy Co., Ltd.	₩ (1,378)	₩ 3,835	₩ (257)	₩ 5,213
Bigeum Resident Solar Power Generation Co., Ltd.	-	-	(436)	-
Green Radiation Co., Ltd.	11	11	-	-

13. Property, plant and equipment

Property, plant and equipment as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	₩ 2,819,404	₩ -	₩ -	₩ -	₩ 2,819,404
Buildings	10,154,634	(343)	(4,771,486)	(2,343)	5,380,462
Structures	6,106,570	(6,513)	(3,049,346)	(4,029)	3,046,682
Machinery	35,873,985	(1,552)	(16,871,876)	(419,939)	18,580,618
Ships	1,851	-	(1,152)	-	699
Vehicles	120,184	(92)	(102,836)	-	17,256
Fixtures and furniture	782,679	(278)	(607,674)	(37)	174,690
Tools	580,106	(329)	(516,693)	-	63,084
Construction-in-progress	12,678,926	-	-	(19,994)	12,658,932
Right-of-use assets	2,848,321	-	(868,003)	-	1,980,318
Asset retirement costs	18,065,227	-	(8,177,107)	(146,423)	9,741,697
Others	17,806,439	-	(15,649,781)	-	2,156,658
	₩ 107,838,326	₩ (9,107)	₩ (50,615,954)	₩ (592,765)	₩ 56,620,500

	December 31, 2023				
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	₩ 2,751,301	₩ -	₩ -	₩ -	₩ 2,751,301
Buildings	9,555,101	(383)	(4,399,239)	(2,343)	5,153,136
Structures	5,921,626	(7,105)	(2,841,895)	(4,029)	3,068,597
Machinery	31,811,602	(3,421)	(15,435,708)	(419,994)	15,952,479
Ships	1,849	-	(1,053)	-	796
Vehicles	104,829	(80)	(87,570)	-	17,179
Fixtures and furniture	693,996	(274)	(551,114)	(37)	142,571
Tools	543,657	(3)	(482,640)	-	61,014
Construction-in-progress	15,037,703	-	-	(19,994)	15,017,709
Right-of-use assets	2,746,377	-	(755,292)	-	1,991,085
Asset retirement costs	16,794,575	-	(6,915,394)	(146,423)	9,732,758
Others	16,804,403	-	(14,560,639)	-	2,243,764
	₩ 102,767,019	₩ (11,266)	₩ (46,030,544)	₩ (592,820)	₩ 56,132,389

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

Changes in property, plant and equipment for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024					
	January 1	Acquisitions/ Capitalization	Disposals/ Decreases	Depreciation (*5)	Others	December 31
Land	₩ 2,751,301	₩ 1	₩ (307)	₩ -	₩ 68,409	₩ 2,819,404
Buildings	5,153,519	-	(1,838)	(373,484)	602,608	5,380,805
(Government grants)	(383)	-	-	40	-	(343)
Structures	3,075,702	-	(729)	(209,590)	187,812	3,053,195
(Government grants)	(7,105)	-	-	592	-	(6,513)
Machinery	15,955,900	22,257	(24,455)	(1,499,565)	4,128,033	18,582,170
(Government grants)(*3,4)	(3,421)	-	-	1,867	2	(1,552)
Ships	796	-	-	(107)	10	699
Vehicles	17,259	999	-	(13,375)	12,465	17,348
(Government grants)	(80)	-	-	42	(54)	(92)
Fixtures and Furniture	142,845	69,209	(157)	(75,870)	38,941	174,968
(Government grants)	(274)	-	-	97	(101)	(278)
Tools	61,017	2,229	-	(37,152)	37,319	63,413
(Government grants)	(3)	-	-	87	(413)	(329)
Construction-in-progress(*1,3)	15,017,709	2,417,923	-	-	(4,776,700)	12,658,932
Right-of-use assets	1,991,085	87,854	(450)	(114,888)	16,717	1,980,318
Asset retirement costs	9,732,758	-	-	(1,809,276)	1,818,215	9,741,697
Others(*2)	2,243,764	-	-	(1,089,143)	1,002,037	2,156,658
	₩ 56,132,389	₩ 2,600,472	₩ (27,936)	₩ (5,219,725)	₩ 3,135,300	₩ 56,620,500

(*1) Other increases or decreases in construction-in-progress include ₩432,160 million of borrowing cost capitalization.
(*2) Other increases or decreases in others are the amount transferred to the stored nuclear fuel from inventories.
(*3) The amount transferred from acquisition costs of construction-in-progress and machinery into other payables is ₩75,195 million.
(*4) Other increases or decreases in machinery include ₩10,547 million of transfer from equipment and spare parts to machinery.
(*5) Depreciation include ₩3,595 million of depreciation of idle assets and ₩29,924 million of transfer of construction-in-progress and others.

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

	2023					
	January 1	Acquisitions/ Capitalization	Disposals/ Decreases	Depreciation(*5)	Others	December 31
Land	₩ 2,750,738	₩ 154	₩ (1,742)	₩ -	₩ 2,151	₩ 2,751,301
Buildings	5,331,832	88	(857)	(365,750)	188,206	5,153,519
(Government grants)	(423)	-	-	40	-	(383)
Structures	3,220,191	-	(242)	(201,097)	56,850	3,075,702
(Government grants)	(7,697)	-	-	592	-	(7,105)
Machinery	16,327,368	3,378	(28,749)	(1,347,161)	1,001,064	15,955,900
(Government grants)(*3,4)	(5,376)	-	-	1,955	-	(3,421)
Ships	149	-	-	(54)	701	796
Vehicles	27,104	365	(16)	(13,288)	3,094	17,259
(Government grants)	(83)	-	-	36	(33)	(80)
Fixtures and Furniture	143,773	48,527	(6)	(65,850)	16,401	142,845
(Government grants)	(76)	-	-	74	(272)	(274)
Tools	74,230	2,880	-	(38,581)	22,488	61,017
(Government grants)	(5)	-	-	2	-	(3)
Construction-in -progress(*1,3)	12,946,650	2,766,427	-	-	(695,368)	15,017,709
Right-of-use assets	1,870,227	226,662	(445)	(106,655)	1,296	1,991,085
Asset retirement costs	11,270,364	-	-	(1,245,486)	(292,120)	9,732,758
Others(*2)	2,464,905	-	-	(1,048,420)	827,279	2,243,764
	₩ 56,413,871	₩ 3,048,481	₩ (32,057)	₩ (4,429,643)	₩ 1,131,737	₩ 56,132,389

(*1) Other increases or decreases in construction-in-progress include ₩417,489 million of borrowing cost capitalization.
(*2) Other increases or decreases in others are the amount transferred to the stored nuclear fuel from inventories.
(*3) The amount transferred from acquisition costs of construction-in-progress into other payables is ₩4,616 million.
(*4) Other increases or decreases in machinery include ₩81,827 million of transfer from equipment and spare parts to machinery.
(*5) Depreciation include ₩3,636 million of depreciation of idle assets and ₩25,302 million of transfer of construction-in-progress and others.

For each of the two years in the period ended December 31, 2024, the Group recognized revenue of ₩66,501 and ₩7,099 million and cost of sales of ₩37,023 and ₩11,531 million in profit or loss, respectively, both of which resulted from sales of goods produced prior to the management's intended use of property, plant and equipment.

14. Intangible assets

Intangible assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024									
	Acquisition cost		Government grants		Accumulated amortization		Accumulated impairment losses		Carrying amount	
Computer software	₩	199,343	₩	(43)	₩	(164,616)	₩	(1)	₩	34,683
Industrial rights		4,057		-		(2,920)		-		1,137
Development cost		206,027		-		(178,962)		-		27,065
Intangible assets under development		51,928		-		-		-		51,928
Land use rights		2,706		-		(2,382)		-		324
Goodwill		176		-		-		-		176
Others:										
Loading and unloading facilities rights		26,282		-		(11,024)		-		15,258
Dam use rights		6,274		-		(2,479)		-		3,795
Memberships		1,158		-		-		(359)		799
Others		75,826		-		(49,982)		(149)		25,695
	₩	573,777	₩	(43)	₩	(412,365)	₩	(509)	₩	160,860

	December 31, 2023									
	Acquisition cost		Government grants		Accumulated amortization		Accumulated impairment losses		Carrying amount	
Computer software	₩	183,043	₩	(60)	₩	(145,754)	₩	(1)	₩	37,228
Industrial rights		4,057		-		(2,725)		-		1,332
Development cost		183,303		-		(175,260)		-		8,043
Intangible assets under development		42,324		-		-		-		42,324
Land use rights		2,706		-		(2,124)		-		582
Goodwill		176		-		-		-		176
Others:										
Loading and unloading facilities rights		26,282		-		(9,752)		-		16,530
Dam use rights		6,274		-		(2,334)		-		3,940
Memberships		1,158		-		-		(359)		799
Others		68,883		-		(44,328)		(149)		24,406
	₩	518,206	₩	(60)	₩	(382,277)	₩	(509)	₩	135,360

14. Intangible assets (cont'd)

Changes in intangible assets for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024					
	January 1	Acquisition/ Capitalization	Disposal	Amortization (*2)	Others	December 31
Computer software	₩ 37,288	₩ 12,593	₩ (3)	₩ (18,925)	₩ 3,773	₩ 34,726
(government grants)	(60)	-	-	18	(1)	(43)
Industrial rights	1,332	-	-	(195)	-	1,137
Development cost	8,043	-	-	(3,702)	22,724	27,065
Intangible assets under development(*1)	42,324	38,752	-	-	(29,148)	51,928
Land use rights	582	-	-	(258)	-	324
Goodwill	176	-	-	-	-	176
Others:						
Loading and unloading facilities rights	16,530	-	-	(1,272)	-	15,258
Dam use rights	3,940	-	-	(145)	-	3,795
Memberships	799	-	-	-	-	799
Others	24,406	-	-	(5,654)	6,943	25,695
	₩ 135,360	₩ 51,345	₩ (3)	₩ (30,133)	₩ 4,291	₩ 160,860

(*1) Other increases or decreases in intangible assets under development include ₩2,442 million in borrowing cost capitalization.
(*2) Amortization include ₩47 million of amortization of idle assets and ₩135 million of transfer of construction-in-progress and others.

	2023					
	January 1	Acquisition/ Capitalization	Disposal	Amortization (*2)	Others	December 31
Computer software	₩ 49,029	₩ 6,025	₩ -	₩ (20,903)	₩ 3,137	₩ 37,288
(government grants)	(62)	-	-	38	(36)	(60)
Industrial rights	1,482	-	-	(195)	45	1,332
Development cost	8,441	-	-	(4,809)	4,411	8,043
(government grants)	(1)	-	-	1	-	-
Intangible assets under development(*1)	26,374	19,163	-	-	(3,213)	42,324
Land use rights	841	-	-	(259)	-	582
Goodwill	176	-	-	-	-	176
Others:						
Loading and unloading facilities rights	17,802	-	-	(1,272)	-	16,530
Dam use rights	4,085	-	-	(145)	-	3,940
Memberships	799	-	-	-	-	799
Others	27,791	-	-	(7,028)	3,643	24,406
	₩ 136,757	₩ 25,188	₩ -	₩ (34,572)	₩ 7,987	₩ 135,360

(*1) Other increases or decreases in intangible assets under development include ₩1,805 million in borrowing cost capitalization.
(*2) Amortization include ₩47 million of amortization of idle assets and ₩146 million of transfer of construction-in-progress and others.

15. Borrowing costs

Borrowing costs capitalized for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		December 31, 2024		December 31, 2023
Amount of capitalization:				
Construction-in-progress	₩	444,795	₩	429,308
Intangible assets under development and others		432,160		417,489
	₩	12,635	₩	11,819
Capitalization ratio		3.42%		3.22%

16. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				December 31, 2023			
	Current		Non-current		Current		Non-current	
Financial liabilities at fair value through profit or loss								
Derivative instruments	₩	1,640	₩	27,729	₩	5,170	₩	107,210

17. Trade and other payables

Trade and other payables as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				December 31, 2023			
	Current		Non-current		Current		Non-current	
Trade payables	₩	36,443	₩	-	₩	103,618	₩	-
Other payables(*)		1,005,044		1,258,891		801,647		1,538,820
Accrued expenses		549,600		-		532,873		-
Leasehold deposits received		2,349		-		2,409		-
Other deposits received		2,879		-		2,551		-
Lease liabilities		19,656		156,262		16,452		126,753
Dividends payable		-		-		1,560,120		-
	₩	1,615,971	₩	1,415,153	₩	3,019,670	₩	1,665,573

(*) As of December 31, 2024 and 2023, ₩1,349,740 million and ₩1,616,687 million, respectively, are other payables related to spent fuel management charges and are to be paid out in installments over a 15-year period from 2014.

18. Borrowings and bonds

Borrowings and bonds as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Current liabilities:		
Short-term borrowings	₩ -	₩ 251,576
Current portion of long-term borrowings	34,000	42,936
Current portion of bonds	1,111,000	885,364
Add: premium on bonds	-	263
Less: discount on bonds	(658)	(260)
	1,144,342	1,179,879
Non-current liabilities:		
Long-term borrowings	212,256	246,256
Bonds	13,601,142	12,259,709
Less: discount on bonds	(45,951)	(39,353)
	13,767,447	12,466,612
	₩ 14,911,789	₩ 13,646,491

Short-term borrowings as of December 31, 2024 and 2023 are as follows (Korean won in millions, USD in thousands):

There were no short-term borrowings as of December 31, 2024.

	December 31, 2023							
	Financial institution	Type	Rate	Interest rate(*)	Maturity	Foreign currency		Won equivalents
Short-term borrowings in Korean won	The Export-Import Bank of Korea	Trade finance	Fixed	4.00%	Sep. 27, 2024		-	₩ 200,000
Short-term borrowings in foreign currency	The Export-Import Bank of Korea	Trade finance	Fixed	5.49%	Sep. 27, 2024	USD	40,000	51,576
								₩ 251,576

(*) Interest rates are measured as of December 31, 2023.

18. Borrowings and bonds (cont'd)

Long-term borrowings as of December 31, 2024 and 2023 are as follows (Korean won in millions):

Financial institution	Type	Rate	Interest rate	Maturity	December 31, 2024	December 31, 2023
Korea Energy Agency	Resource development loan	Floating	Treasury notes-2.25%	Sep. 15, 2024	₩ -	₩ 135
Korea Energy Agency	Resource development loan	Floating	Treasury notes-2.25%	Mar. 15, 2025	141	706
Korea Energy Agency	Resource development loan	Floating	Treasury notes-2.25%	Dec. 15, 2025	181	362
Korea Energy Agency	Resource development loan	Floating	Treasury notes-2.25%	-	4,445	4,445
Korea Development Bank	Facility loan	Fixed	4.60%	Jun. 24, 2028	10,690	14,295
Samsung Life Insurance Co., Ltd.	Facility loan	Fixed	4.60%	Jun. 24, 2028	4,904	6,558
Samsung Fire & Marine Insurance Co., Ltd.	Facility loan	Fixed	4.60%	Jun. 24, 2028	8,582	11,475
KB Insurance Co., Ltd.	Facility loan	Fixed	4.60%	Jun. 24¸ 2028	8,091	10,820
Hyundai Marine & Fire Insurance Co., Ltd.	Facility loan	Fixed	4.60%	Jun. 24, 2028	7,356	9,836
DB Insurance Co., Ltd.	Facility loan	Fixed	4.60%	Jun. 24, 2028	4,904	6,558
Hana Bank	Facility loan	Fixed	4.60%	Jun. 24, 2028	4,904	6,558
Samsung Life Insurance Co., Ltd.	Facility loan	Floating	Corporate bonds+1.1%	Jun. 24¸ 2028	4,904	6,558
Shinhan Bank	Facility loan	Floating	Corporate bonds+1.1%	Jun. 24, 2028	7,356	9,836
Kookmin Bank	Facility loan	Floating	91-Day CDs + 1.79%	Jun. 30, 2031	34,211	40,789
Korean Federation of Community Credit Cooperatives	Facility loan	Fixed	3.60%	Jun. 30, 2031	23,947	28,553
KB life Insurance Co., Ltd.	Facility loan	Fixed	3.60%	Jun. 30¸ 2031	19,158	22,842
Samsung Fire & Marine Insurance Co., Ltd.	Facility loan	Fixed	3.60%	Jun. 30, 2031	19,156	22,842
Energy Infra Asset Management Co., Ltd.	Facility loan	Fixed	3.60%	Jun. 30, 2031	14,026	16,724
KB Asset Management Co., Ltd.	Facility loan	Fixed	6.00%	Mar. 31, 2037	34,800	34,800
Energy Infra Asset Management Co., Ltd.	Facility loan	Fixed	6.00%	Mar. 31, 2037	34,500	34,500
					246,256	289,192
	Less: current portion				(34,000)	(42,936)
					₩ 212,256	₩ 246,256

18. Borrowings and bonds (cont'd)

Bonds in Korean won as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	Issue	Maturity	Rate	Interest rate	December 31, 2024	December 31, 2023
Corporate bond #9-1	Oct. 16, 2009	Oct. 16, 2024	-	-	₩ -	₩ 30,000
Corporate bond #9-2	Oct. 16, 2009	Oct. 16, 2029	Fixed	5.74%	70,000	70,000
Corporate bond #11	Nov. 6, 2009	Nov. 6, 2029	Fixed	5.84%	100,000	100,000
Corporate bond #17-2	Dec. 10, 2010	Dec. 10, 2040	Fixed	5.06%	100,000	100,000
Corporate bond #26-2	Mar. 25, 2011	Mar. 25, 2031	Fixed	4.89%	100,000	100,000
Corporate bond #27-3	Apr. 15, 2011	Apr. 15, 2031	Fixed	4.88%	100,000	100,000
Corporate bond #28	Jul. 1, 2011	Jul. 1, 2026	Fixed	4.56%	100,000	100,000
Corporate bond #29-3	Dec. 8, 2011	Dec. 8, 2031	Fixed	4.26%	100,000	100,000
Corporate bond #30-3	Jan. 19, 2012	Jan. 19, 2032	Fixed	4.24%	50,000	50,000
Corporate bond #31-3	Mar. 20, 2012	Mar. 20, 2032	Fixed	4.32%	150,000	150,000
Corporate bond #32-3	Apr. 26, 2012	Apr. 26, 2032	Fixed	4.14%	130,000	130,000
Corporate bond #33-2	May 18, 2012	May 18, 2032	Fixed	4.01%	100,000	100,000
Corporate bond #34-2	Jul. 13, 2012	Jul. 13, 2032	Fixed	3.71%	100,000	100,000
Corporate bond #35-3	Jan. 18, 2013	Jan. 18, 2033	Fixed	3.32%	100,000	100,000
Corporate bond #36-3	Mar. 28, 2013	Mar. 28, 2033	Fixed	3.19%	100,000	100,000
Corporate bond #37-3	Apr. 26, 2013	Apr. 26, 2033	Fixed	3.12%	120,000	120,000
Corporate bond #38-3	Jul. 19, 2013	Jul. 19, 2033	Fixed	3.88%	90,000	90,000
Corporate bond #41-2	Jan. 17, 2014	Jan. 17, 2024	-	-	-	130,000
Corporate bond #42-2	Apr. 25, 2014	Apr. 25, 2024	-	-	-	100,000
Corporate bond #42-3	Apr. 25, 2014	Apr. 25, 2034	Fixed	3.89%	100,000	100,000
Corporate bond #43-2	Dec. 18, 2014	Dec. 18, 2024	-	-	-	220,000
Corporate bond #43-3	Dec. 18, 2014	Dec. 18, 2034	Fixed	3.07%	90,000	90,000
Corporate bond #44-2	Jun. 29, 2015	Jun. 29, 2025	Fixed	2.70%	40,000	40,000
Corporate bond #44-3	Jun. 29, 2015	Jun. 29, 2035	Fixed	2.94%	150,000	150,000
Corporate bond #45-2	Apr. 27, 2017	Apr. 27, 2027	Fixed	2.44%	50,000	50,000
Corporate bond #45-3	Apr. 27, 2017	Apr. 27, 2037	Fixed	2.60%	110,000	110,000
Corporate bond #46-2	Sep. 18, 2017	Sep. 18, 2027	Fixed	2.37%	80,000	80,000
Corporate bond #46-3	Sep. 18, 2017	Sep. 18, 2047	Fixed	2.41%	150,000	150,000
Corporate bond #47-2	Oct. 17, 2017	Oct. 17, 2027.	Fixed	2.50%	70,000	70,000
Corporate bond #47-3	Oct. 17, 2017	Oct. 17, 2047	Fixed	2.47%	80,000	80,000
Corporate bond #48-3	Mar. 13, 2018	Mar. 13, 2028	Fixed	2.86%	30,000	30,000
Corporate bond #48-4	Mar. 13, 2018	Mar. 13, 2048	Fixed	2.94%	90,000	90,000
Corporate bond #49-2	May 11, 2018	May 11, 2038	Fixed	2.90%	170,000	170,000
Corporate bond #49-3	May 11, 2018	May 11, 2048	Fixed	2.88%	60,000	60,000
Corporate bond #50-2	Jun. 5, 2018	Jun. 5, 2038	Fixed	2.84%	200,000	200,000
Corporate bond #50-3	Jun. 5, 2018	Jun. 5, 2048	Fixed	2.81%	70,000	70,000
Corporate bond #51-2	Oct. 26, 2018	Oct. 26, 2048	Fixed	2.25%	50,000	50,000
Corporate bond #52-1	Jun. 5, 2019	Jun. 5, 2024	-	-	-	40,000
Corporate bond #52-2	Jun. 5, 2019	Jun. 5, 2039	Fixed	1.81%	120,000	120,000
Corporate bond #52-3	Jun. 5, 2019	Jun. 5, 2049	Fixed	1.82%	140,000	140,000
Corporate bond #53-1	Oct. 16, 2019	Oct. 16, 2024	-	-	-	60,000
Corporate bond #53-2	Oct. 16, 2019	Oct. 16, 2039	Fixed	1.59%	100,000	100,000
Corporate bond #53-3	Oct. 16, 2019	Oct. 16, 2049	Fixed	1.58%	90,000	90,000
Corporate bond #54-2	Nov. 27, 2019	Nov. 27, 2039	Fixed	1.76%	70,000	70,000
Corporate bond #54-3	Nov. 27, 2019	Nov. 27, 2049	Fixed	1.70%	70,000	70,000
Corporate bond #55-1	Apr. 2, 2020	Apr. 2, 2040	Fixed	1.80%	50,000	50,000
Corporate bond #55-2	Apr. 2. 2020	Apr. 2, 2050	Fixed	1.80%	50,000	50,000
Corporate bond #56-1	Apr. 28, 2020	Apr. 28, 2025	Fixed	1.62%	60,000	60,000

18. Borrowings and bonds (cont'd)

	Issue	Maturity	Rate	Interest rate	December 31, 2024	December 31, 2023
Corporate bond #56-2	Apr. 28, 2020	2040.04.28	Fixed	1.81%	90,000	90,000
Corporate bond #56-3	Apr. 28, 2020	2050.04.28	Fixed	1.83%	150,000	150,000
Corporate bond #57-1	May 25, 2020	2025.05.25	Fixed	1.38%	100,000	100,000
Corporate bond #57-2	May 25, 2020	2040.05.25	Fixed	1.57%	70,000	70,000
Corporate bond #57-3	May 25, 2020	2050.05.25	Fixed	1.59%	80,000	80,000
Corporate bond #58-1	Jun. 15, 2020	2025.06.15	Fixed	1.34%	80,000	80,000
Corporate bond #58-2	Jun. 15, 2020	2040.06.15	Fixed	1.63%	70,000	70,000
Corporate bond #58-3	Jun. 15, 2020	2050.06.15	Fixed	1.66%	100,000	100,000
Corporate bond #59-1	Nov. 23, 2020	2025.11.23	Fixed	1.47%	60,000	60,000
Corporate bond #59-2	Nov. 23, 2020	2040.11.23	Fixed	1.80%	70,000	70,000
Corporate bond #59-3	Nov. 23, 2020	2050.11.23	Fixed	1.78%	90,000	90,000
Corporate bond #60-1	Jun. 29, 2021	2026.06.29	Fixed	1.96%	30,000	30,000
Corporate bond #60-2	Jun. 29, 2021	Jun. 29, 2041	Fixed	2.31%	70,000	70,000
Corporate bond #60-3	Jun. 29, 2021	Jun. 29, 2051	Fixed	2.31%	160,000	160,000
Corporate bond #61-1	Oct. 14, 2021	Oct. 14, 2026	Fixed	2.34%	50,000	50,000
Corporate bond #61-2	2021.10.14	Oct. 14, 2041	Fixed	2.49%	90,000	90,000
Corporate bond #61-3	Oct. 14, 2021	Oct. 14, 2051	Fixed	2.45%	160,000	160,000
Corporate bond #62-1	Nov. 3, 2021	Nov. 3, 2026	Fixed	2.55%	100,000	100,000
Corporate bond #62-2	Nov. 3, 2021	Nov. 3, 2041	Fixed	2.60%	50,000	50,000
Corporate bond #62-3	Nov. 3, 2021.	Nov. 3, 2051	Fixed	2.59%	90,000	90,000
Corporate bond #63-1	Feb. 17, 2022	Feb. 17, 2027	Fixed	2.81%	40,000	40,000
Corporate bond #63-2	Feb. 17, 2022	Feb. 17, 2042	Fixed	3.04%	60,000	60,000
Corporate bond #63-3	Feb. 17, 2022	Feb. 17, 2052	Fixed	2.97%	50,000	50,000
Corporate bond #64-1	Mar. 11, 2022	Mar. 11, 2042	Fixed	3.10%	70,000	70,000
Corporate bond #64-2	Mar. 11, 2022	Mar. 11, 2052	Fixed	3.02%	80,000	80,000
Corporate bond #65-1	Apr. 22, 2022	Apr. 22, 2027	Fixed	3.68%	30,000	30,000
Corporate bond #65-2	Apr. 22, 2022	Apr. 22, 2042	Fixed	3.84%	60,000	60,000
Corporate bond #65-3	Apr. 22, 2022	Apr. 22, 2052	Fixed	3.72%	20,000	20,000
Corporate bond #66-1	May 31, 2022	May 31, 2027	Fixed	3.68%	80,000	80,000
Corporate bond #66-2	May 31, 2022	May 31, 2042	Fixed	3.72%	10,000	10,000
Corporate bond #66-3	May 31, 2022	May 31, 2052	Fixed	3.62%	10,000	10,000
Corporate bond #67-1	Jul. 29, 2022	Jul. 29, 2027	Fixed	3.86%	20,000	20,000
Corporate bond #67-2	Jul. 29, 2022	Jul. 29, 2042	Fixed	3.89%	20,000	20,000
Corporate bond #67-3	Jul. 29, 2022	Jul. 29, 2052	Fixed	3.82%	30,000	30,000
Corporate bond #68-1	Nov. 23, 2022	Nov. 23, 2025	Fixed	5.48%	70,000	70,000
Corporate bond #68-2	Nov. 23, 2022	Nov. 23, 2027	Fixed	5.50%	50,000	50,000
Corporate bond #69-1	Dec. 20, 2022	Dec. 20, 2025	Fixed	4.55%	260,000	260,000
Corporate bond #69-2	Dec. 20, 2022	Dec. 20, 2027	Fixed	4.45%	180,000	180,000
Corporate bond #69-3	Dec. 20, 2022	Dec. 20, 2032	Fixed	4.40%	30,000	30,000
Corporate bond #70-1	Feb. 22, 2023	Feb. 22, 2028	Fixed	4.10%	90,000	90,000
Corporate bond #70-2	Feb. 22, 2023	Feb. 22, 2033	Fixed	4.15%	40,000	40,000
Corporate bond #70-3	Feb. 22, 2023	Feb. 22, 2043	Fixed	4.08%	20,000	20,000
Corporate bond #71-1	Mar. 7, 2023	Mar. 7, 2028	Fixed	4.13%	50,000	50,000
Corporate bond #71-2	Mar. 7, 2023	Mar. 7, 2033	Fixed	4.18%	30,000	30,000
Corporate bond #72-1	Apr. 26, 2023	Apr. 26, 2028	Fixed	3.91%	130,000	130,000
Corporate bond #72-2	Apr. 26, 2023	Apr. 26, 2043	Fixed	4.00%	90,000	90,000
Corporate bond #73-1	May 22, 2023	May 22, 2028	Fixed	3.87%	120,000	120,000
Corporate bond #73-2	May 22, 2023	May 22, 2033	Fixed	4.02%	10,000	10,000
Corporate bond #73-3	May 22, 2023	May 22, 2043	Fixed	4.06%	140,000	140,000
Corporate bond #74-1	Jun. 8, 2023	Jun. 8, 2028	Fixed	4.00%	160,000	160,000
Corporate bond #74-2	Jun. 8, 2023	Jun. 8, 2043	Fixed	4.16%	50,000	50,000
Corporate bond #74-3	Jun. 8, 2023	Jun. 8, 2053	Fixed	4.16%	100,000	100,000
Corporate bond #75-1	Oct. 30, 2023	Oct. 30, 2026	Fixed	4.57%	70,000	70,000
Corporate bond #75-2	Oct. 30, 2023	Oct. 30, 2028	Fixed	4.75%	40,000	40,000
Corporate bond #75-3	Oct. 30, 2023	Oct. 30, 2053	Fixed	4.58%	80,000	80,000
Corporate bond #76-1	Nov. 10, 2023	Nov. 10, 2026	Fixed	4.34%	80,000	80,000

18. Borrowings and bonds (cont'd)

	Issue	Maturity	Rate	Interest rate	December 31, 2024	December 31, 2023
Corporate bond #76-2	Nov. 10, 2023	Nov. 10, 2043	Fixed	4.29%	50,000	50,000
Corporate bond #76-3	Nov. 10, 2023	Nov. 10, 2053	Fixed	4.25%	80,000	80,000
Corporate bond #77-1	Mar. 5, 2024	Mar. 5, 2029	Fixed	3.75%	150,000	-
Corporate bond #77-2	Mar. 5, 2024	Mar. 5, 2034	Fixed	3.84%	100,000	-
Corporate bond #77-3	Mar. 5, 2024	Mar. 5, 2044	Fixed	3.83%	60,000	-
Corporate bond #78-1	Mar. 25, 2024	Mr. 25, 2029	Fixed	3.62%	100,000	-
Corporate bond #78-2	Mar. 25, 2024	Mar. 25, 2034	Fixed	3.74%	90,000	-
Corporate bond #78-3	Mar. 25, 2024	Mar. 25, 2044	Fixed	3.72%	100,000	-
Corporate bond #79-1	May 28, 2024	May 28, 2029	Fixed	3.61%	120,000	-
Corporate bond #79-2	May 28, 2024	May 28, 2034	Fixed	3.80%	70,000	-
Corporate bond #79-3	May 28, 2024	May 28, 2044	Fixed	3.71%	70,000	-
Corporate bond #80-1	Jun. 28, 2024	Jun. 28, 2029	Fixed	3.39%	60,000	-
Corporate bond #80-2	Jun. 28, 2024	Jun. 28, 2034	Fixed	3.55%	130,000	-
Corporate bond #80-3	Jun. 28, 2024	Jun. 28, 2054	Fixed	3.45%	120,000	-
					9,480,000	8,890,000
	Less: discount on bonds				(18,107)	(17,259)
	Less: current portion				(669,634)	(579,877)
					₩ 8,792,259	₩ 8,292,864

Foreign bonds as of December 31, 2024 and 2023 are as follows (Korean won in millions, USD, HKD, CHF in thousands):

	Issue	Maturity	Rate	Interest rate	December 31, 2024 Foreign currency		December 31, 2024 Won equivalents	December 31, 2023 Foreign currency		December 31, 2023 Won equivalents
Global bond #7	Jun. 15, 2015	Jun. 15, 2025	Fixed	3.25%	USD	300,000	₩ 441,000	USD	300,000	₩ 386,820
Global bond #8	Jul. 25, 2017	Jul. 25, 2027	Fixed	3.13%	USD	300,000	441,000	USD	300,000	386,820
Global bond #10	Apr. 27, 2021	Apr. 27, 2026	Fixed	1.25%	USD	500,000	735,000	USD	500,000	644,700
Global bond #11	Jul. 27, 2022	Jul. 27, 2027	Fixed	4.25%	USD	700,000	1,029,000	USD	700,000	902,580
Global bond #12	Jul. 18, 2023	Jul. 18, 2028	Fixed	5.00%	USD	500,000	735,000	USD	500,000	644,700
Global bond #13	Jul. 29, 2024	Jul. 29, 2029	Fixed	4.63%	USD	500,000	735,000		-	-
Foreign FRN 1	Mar. 13, 2018	Mar. 13, 2028	Fixed	3.35%	HKD	1,650,000	312,345	HKD	1,650,000	272,349
Foreign FRN 2	Oct. 6, 2022	Oct. 6, 2032	Fixed	5.16%	HKD	1,935,000	366,296	HKD	1,935,000	319,391
	Nov. 1, 2022	Oct. 6, 2032			HKD	415,000	78,560	HKD	415,000	68,500
Foreign FRN 3	Jun. 7, 2023	Jun. 7, 2030	Fixed	4.51%	HKD	1,037,000	196,304	HKD	1,037,000	171,167
Swiss franc bond #1	Jul. 19, 2019	Jul. 19, 2024	-	-		-	-	CHF	200,000	305,364
Swiss franc bond #2	Jul. 19, 2019	Jul. 19, 2027	Fixed	0.05%	CHF	100,000	162,637	CHF	100,000	152,682
							5,232,142			4,255,073
	Add: premium on bonds						(28,502)			(22,354)
	Less: discount on bonds						-			263
	Less: current portion						(440,708)			(305,490)
							₩ 4,762,932			₩ 3,927,492

18. Borrowings and bonds (cont'd)

As of December 31, 2024 and 2023, the repayment plan on borrowings and bonds payables are as follows (Korean won in millions):

	December 31, 2024		
	Borrowings	Bonds	Total
Within 1 year	₩ 34,000	₩ 1,111,000	₩ 1,145,000
Within 1 ~ 5 years	113,011	6,399,983	6,512,994
Afterward	99,245	7,201,159	7,300,404
	₩ 246,256	₩ 14,712,142	₩ 14,958,398

	December 31, 2023		
	Borrowings	Bonds	Total
Within 1 year	₩ 294,512	₩ 885,364	₩ 1,179,876
Within 1 ~ 5 years	130,011	5,710,651	5,840,662
Afterward	116,245	6,549,058	6,665,303
	₩ 540,768	₩ 13,145,073	₩ 13,685,841

19. Leases

Details of right-of-use assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		
	Acquisition cost	Accumulated depreciation	Carrying amount
Land	₩ 11,561	₩ (1,870)	₩ 9,691
Buildings	50,920	(27,752)	23,168
Structures	2,570,581	(765,083)	1,805,498
Vehicles	15,020	(12,145)	2,875
Machinery	52,884	(26,503)	26,381
Other right-of-use assets	147,355	(34,650)	112,705
	₩ 2,848,321	₩ (868,003)	₩ 1,980,318

	December 31, 2023		
	Acquisition cost	Accumulated depreciation	Carrying amount
Land	₩ 11,222	₩ (1,543)	₩ 9,679
Buildings	36,761	(19,470)	17,291
Structures	2,526,395	(676,535)	1,849,860
Vehicles	12,402	(9,774)	2,628
Machinery	24,715	(19,515)	5,200
Other right-of-use assets	134,882	(28,455)	106,427
	₩ 2,746,377	₩ (755,292)	₩ 1,991,085

Changes in right-of-use assets for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024					
	January 1	Increase	Decrease	Depreciation	Others	December 31
Land	₩ 9,679	₩ 14	₩ (105)	₩ (407)	₩ 510	₩ 9,691
Buildings	17,291	11,377	(274)	(9,538)	4,312	23,168
Structures	1,849,860	44,186	-	(88,548)	-	1,805,498
Vehicles	2,628	2,666	(68)	(3,211)	860	2,875
Machinery	5,200	26,166	-	(6,988)	2,003	26,381
Other right-of-use assets	106,427	3,445	(3)	(6,196)	9,032	112,705
	₩ 1,991,085	₩ 87,854	₩ (450)	₩ (114,888)	₩ 16,717	₩ 1,980,318

	2023					
	January 1	Increase	Decrease	Depreciation	Others	December 31
Land	₩ 12,986	₩ 831	₩ (126)	₩ (1,156)	₩ (2,856)	₩ 9,679
Buildings	13,441	8,021	(290)	(7,251)	3,370	17,291
Structures	1,719,093	214,470	-	(83,703)	-	1,849,860
Vehicles	2,090	2,260	(29)	(2,657)	964	2,628
Machinery	9,019	1,080	-	(5,878)	979	5,200
Other right-of-use assets	113,598	-	-	(6,010)	(1,161)	106,427
	₩ 1,870,227	₩ 226,662	₩ (445)	₩ (106,655)	₩ 1,296	₩ 1,991,085

19. Leases (cont'd)

The amounts of lease liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				December 31, 2023			
	Minimum lease payments		Present value of minimum lease payments		Minimum lease payments		Present value of minimum lease payments	
Within 1 year	₩	22,297	₩	19,656	₩	17,316	₩	16,452
Within 1 ~ 5 years		59,176		42,637		33,691		22,656
Afterward		164,033		113,625		150,765		104,097
	₩	245,506	₩	175,918	₩	201,772	₩	143,205

Changes in liabilities related to lease contracts for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024											
	January 1		Increase		Decrease		Accretion		Others		December 31	
Lease liabilities	₩	143,205	₩	41,292	₩	(29,939)	₩	4,282	₩	17,078	₩	175,918

	2023											
	January 1		Increase		Decrease		Accretion		Others		December 31	
Lease liabilities	₩	152,649	₩	9,998	₩	(24,425)	₩	3,703	₩	1,280	₩	143,205

The amounts recognized in profit or loss by the Group in relation to leases for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Depreciation of right-of-use assets(*)	₩	114,888	₩	106,655
Interest on lease liabilities(*)		4,282		3,703
Expenses relating to short-term leases		20,118		20,494
Expenses relating to leases of low-value assets		1,370		1,398
Loss on translation of lease liabilities		415		67
Gain on translation of lease liabilities		(39)		(23)
Loss from lease cancellation		15		1
Gain from lease cancellation		(8)		(285)
Gain on modification of lease		-		(1)
	₩	141,041	₩	132,009

(*) The amounts above include those capitalized to property, plant and equipment and others.

20. Retirement benefit obligations

20.1 Defined contribution plans

For each of the two years in the period ended December 31, 2024, retirement benefit expenses of ₩42,338 million and ₩40,485 million, respectively, are recognized in the consolidated statements of comprehensive income and represent contribution amounts paid to retirement benefit plans in accordance with a ratio defined in retirement benefit plans.

Costs related to the defined contribution plans for each of the two years in the period ended December 31, 2024 are recognized in profit or loss and others as follows (Korean won in millions):

	2024		2023	
Cost of sales	₩	31,290	₩	29,106
Selling and administrative expenses		1,421		1,508
Others (construction-in-progress, etc.)		9,627		9,871
	₩	42,338	₩	40,485

20.2 Defined benefit plans

The principal assumptions as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Discount rate	3.57% ~ 5.06%	4.25% ~ 5.44%
Future salary increase	2.00% ~ 7.46%	2.00% ~ 7.46%

Details of the Group's expenses relating to its defined benefit plans for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Current service cost	₩	86,939	₩	78,825
Interest expense		35,070		38,814
Interest income from plan assets		(36,210)		(38,319)
Transfer to others(*)		(21,466)		(22,178)
	₩	64,333	₩	57,142

(*) It includes ₩12,767 million transferred to ordinary development expense and other profit or loss accounts and ₩8,699 million transferred to construction-in-progress for the year ended December 31, 2024.

20. Retirement benefit obligations (cont'd)

20.2 Defined benefit plans (cont'd)

Costs related to the defined benefit plans recognized in profit or loss for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		2024		2023
Cost of sales	₩	60,541	₩	53,738
Selling and administrative expenses		3,792		3,404
	₩	64,333	₩	57,142

The amounts recognized in the consolidated statements of financial position related to defined benefit plans as of December 31, 2024 and 2023 are as follows (Korean won in millions):

		December 31, 2024		December 31, 2023
Present value of defined benefit obligations	₩	949,400	₩	822,757
Fair value of plan assets		(912,805)		(823,664)
Net defined benefit liabilities	₩	39,875	₩	2,206
Net defined benefit assets	₩	(3,280)	₩	(3,113)

Changes in the present values of retirement benefit obligations for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		2024		2023
Beginning balance	₩	822,757	₩	757,928
Current service cost		86,939		78,825
Interest expense		35,070		38,814
Remeasurement		111,382		1,259
Actual payments		(106,748)		(54,069)
Ending balance	₩	949,400	₩	822,757

Changes in the fair values of plan assets for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		2024		2023
Beginning balance	₩	823,664	₩	723,418
Interest income from plan assets		36,210		38,319
Remeasurement		(224)		(3,069)
Contribution from the employer		139,785		106,052
Actual payments		(86,630)		(41,056)
Ending balance	₩	912,805	₩	823,664

In addition, accumulated remeasurement gain amounting to ₩131,072 million and ₩214,302 million were recognized in accumulated other comprehensive income as of December 31, 2024 and 2023, respectively.

20. Retirement benefit obligations (cont'd)

20.2 Defined benefit plans (cont'd)

The types of plan assets and fair value of plan assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
Equity instruments	₩	-	₩	-
Debt instruments		-		-
Bank deposits		-		-
Others		912,805		823,664
	₩	912,805	₩	823,664

The actual returns on plan assets for each of the two years in the period ended December 31, 2024 are ₩35,986 million and ₩35,250 million, respectively.

Remeasurement recognized in other comprehensive income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Actuarial changes arising from changes in demographic assumptions	₩	(254)	₩	(28,859)
Actuarial changes arising from changes in financial assumptions		62,932		62,267
Actuarial changes arising from experience adjustments		48,704		(32,149)
Return on plan assets		224		3,069
	₩	111,606	₩	4,328

The amounts recognized in the consolidated statements of financial position related to employee benefits obligations other than retirement benefit obligation as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
Other long-term employee benefit liabilities				
Long-term employee paid annual leave	₩	606	₩	705

21. Provisions

21.1 Provisions

Details of provisions as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Provisions for employee benefits	₩ 245,159	₩ -	₩ 231,785	₩ -
Provisions for litigation	-	451,631	-	110,931
Provisions for decommissioning cost	953,922	26,849,882	1,089,842	25,240,461
Decommissioning provisions for nuclear plants	79,501	23,192,872	81,684	21,565,203
Decommissioning provisions for fuel spent	799,385	2,124,360	940,586	1,985,149
Decommissioning provisions for low to medium level waste	75,036	1,532,650	67,572	1,690,109
Others	208,061	67,260	175,223	37,300
Provisions for power plant regional support program	130,256	-	130,034	-
Provisions for renewable energy portfolio standard	-	-	10,311	-
Others	72,002	67,260	34,878	37,300
Provisions for greenhouse gases emission	5,803	-	-	-
	₩ 1,407,142	₩ 27,368,773	₩ 1,496,850	₩ 25,388,692

21. Provisions (cont'd)

21.1 Provisions (cont'd)

Changes in provisions for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024						
	January 1	Accrual	Transfer	Payment	Reversal	Others	December 31
Provisions for employee benefits	₩ 231,785	₩ 283,140	₩ -	₩ (269,766)	₩ -	₩ -	₩ 245,159
Provisions for litigation	110,931	345,923	-	(5,223)	-	-	451,631
Provisions for decommissioning costs	26,330,303	1,986,541	658,361	(587,266)	(584,084)	(51)	27,803,804
Decommissioning provisions for nuclear plants	21,646,887	1,098,736	593,772	(66,971)	-	(51)	23,272,373
Decommissioning provisions for fuel spent	2,925,735	842,753	-	(463,388)	(381,355)	-	2,923,745
Decommissioning provisions for low to medium level waste	1,757,681	45,052	64,589	(56,907)	(202,729)	-	1,607,686
Others	212,523	1,014,443	1,999	(953,644)	-	-	275,321
Provisions for power plant regional support program	130,034	55,761	-	(55,539)	-	-	130,256
Provisions for renewable energy portfolio standard	10,311	851,728	-	(862,039)	-	-	-
Others	72,178	100,533	1,999	(35,448)	-	-	139,262
Provisions for greenhouse gases emission	-	6,421	-	(618)	-	-	5,803
	₩ 26,885,542	₩ 3,630,047	₩ 660,360	₩ (1,815,899)	₩ (584,084)	₩ (51)	₩ 28,775,915

	2023						
	January 1	Accrual	Transfer	Payment	Reversal	Others	December 31
Provisions for employee benefits	₩ 242,195	₩ 214,807	₩ -	₩ (225,217)	₩ -	₩ -	₩ 231,785
Provisions for litigation	9,648	108,651	-	-	(7,368)	-	110,931
Provisions for decommissioning costs	26,302,577	1,935,382	603,249	(527,766)	(1,983,087)	(52)	26,330,303
Decommissioning provisions for nuclear plants	23,035,427	17,636	554,743	(61,932)	(1,898,935)	(52)	21,646,887
Decommissioning provisions for fuel spent	1,426,918	1,877,827	-	(379,010)	-	-	2,925,735
Decommissioning provisions for low to medium level waste	1,840,232	39,919	48,506	(86,824)	(84,152)	-	1,757,681
Others	252,830	638,794	3,517	(678,784)	(3,834)	-	212,523
Provisions for power plant regional support program	144,504	51,814	-	(66,284)	-	-	130,034
Provisions for renewable energy portfolio standard	-	582,933	-	(572,622)	-	-	10,311
Others	108,326	-	3,517	(39,486)	(179)	-	72,178
Provisions for greenhouse gases emission	-	4,047	-	(392)	(3,655)	-	-
	₩ 26,807,250	₩ 2,897,634	₩ 606,766	₩ (1,431,767)	₩ (1,994,289)	₩ (52)	₩ 26,885,542

Estimates of discount rates, inflation, etc. used by management to calculate the provisions of decommissioning, restoration and cleanup costs are listed in Note 37.2.4.

21. Provisions (cont'd)

21.2 Greenhouse gases emission right and emission liability

Details of allowances received free of charge from the government for each planned period as of December 31, 2024 are as follows (in ten thousands of ton(tCO2-eq)):

	3rd planned period					
	2021	2022	2023	2024	2025	Total
Allowance received free of charge from the government(*)	294	294	294	272	272	1,426

Changes in greenhouse gas emissions for each of the two years in the period ended December 31, 2024 are as follows (in ten thousands of ton(tCO2-eq), Korean won in millions):

	2024											
	3rd planned period											
	2021		2022		2023		2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning and free allocation	294	-	294	-	294	-	272	-	272	-	1,426	-
Purchase (Sell)	1	-	10	-	11	-	5	-	-	-	27	-
Government submission	(311)	-	(306)	-	(305)	-	-	-	-	-	(922)	-
Borrowing (carrying forward)	22	-	7	-	-	-	-	-	-	-	29	-
Others	(6)	-	(5)	-	-	-	-	-	-	-	(11)	-
Ending	-	-	-	-	-	-	277	-	272	-	549	-

	2023											
	3rd planned period											
	2021		2022		2023		2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning and free allocation(*)	294	-	294	-	294	-	272	-	272	-	1,426	-
Purchase (Sell)	1	-	10	-	5	-	-	-	-	-	16	-
Government submission	(311)	-	(306)	-	-	-	-	-	-	-	(617)	-
Borrowing (carrying forward)	22	-	7	-	-	-	-	-	-	-	29	-
Others	(6)	-	(5)	-	-	-	-	-	-	-	(11)	-
Ending	-	-	-	-	299	-	272	-	272	-	843	-

(*) Reallocation for the years 2024 and 2025 have been made for the years 2024 and 2025 for the year ended December 31, 2023.

The Group does not have any greenhouse gas emissions rights pledged as collateral as of December 31, 2024.

There are no greenhouse gas emissions rights held for short-term trading profits as of December 31, 2024.

Estimated greenhouse gas emission of the Group for the compliance year of 2024 is 3,400 thousand tCO2-eq.

22. Government grants

Details of government grants as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Property, plant and equipment		
Buildings	₩ 343	₩ 383
Structures	6,513	7,105
Machinery	1,552	3,421
Vehicles	92	80
Fixtures and furniture	278	274
Tools and equipment	329	3
	9,107	11,266
Intangible assets		
Computer software	43	60
	43	60
	₩ 9,150	₩ 11,326

Changes in government grants for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024			
	January 1	Depreciation/ Amortization offset	Others	December 31
Property, plant and equipment:				
Buildings	₩ 383	₩ (40)	₩ -	₩ 343
Structures	7,105	(592)	-	6,513
Machinery	3,421	(1,867)	(2)	1,552
Vehicles	80	(42)	54	92
Fixtures and furniture	274	(97)	101	278
Tools and equipment	3	(87)	413	329
	11,266	(2,725)	566	9,107
Intangible assets:				
Computer software	60	(18)	1	43
	60	(18)	1	43
	₩ 11,326	₩ (2,743)	₩ 567	₩ 9,150

22. Government grants (cont'd)

	2023			
	January 1	Depreciation/ Amortization offset	Others	December 31
Property, plant and equipment:				
Buildings	₩ 423	₩ (40)	₩ -	₩ 383
Structures	7,697	(592)	-	7,105
Machinery	5,376	(1,955)	-	3,421
Vehicles	83	(36)	33	80
Fixtures and furniture	76	(74)	272	274
Tools and equipment	5	(2)	-	3
	13,660	(2,699)	305	11,266
Intangible assets:				
Computer software	62	(38)	36	60
Development costs	1	(1)	-	-
	63	(39)	36	60
	₩ 13,723	₩ (2,738)	₩ 341	₩ 11,326

23. Non-financial liabilities

Non-financial liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Advance received	₩ 87	₩ -	₩ 23	₩ -
Due to customers for contract work	102,648	-	181,367	-
Unearned revenue	4,801	-	4,328	-
Withholdings	48,451	-	42,639	-
Others	82,463	5,324	156,823	5,324
	₩ 238,450	₩ 5,324	₩ 385,180	₩ 5,324

24. Contributed capital

Details of contributed capital as of December 31, 2024 and 2023 are as follows (Korean won in millions, except for number of shares and par value per share):

	Number of shares authorized	Number of shares issued	Par value per share	December 31, 2024	December 31, 2023
Common stock	500,000,000	242,442,838	₩ 5,000	₩ 1,212,214	₩ 1,212,214

Number of shares issued as of December 31, 2024 and 2023 are as follows:

	2024	2023
Number of shares issued	242,442,838	242,442,838

Share premium as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Paid-in capital in excess of par value	₩ 9,492,301	₩ 9,492,301

25. Retained earnings and dividends

Details of retained earnings as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Legal reserve(*)	₩ 606,107	₩ 606,107
Voluntary reserves	10,794,375	10,642,737
Unappropriated retained earnings	3,221,680	2,873,583
	₩ 14,622,162	₩ 14,122,427

(*) The legal reserve cannot be used for cash dividends and may be used to reduce a deficit or to be transferred to common stock.

Details of voluntary reserves as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Reserve for business expansion	₩ 5,355,193	₩ 5,203,555
Others(*)	5,439,182	5,439,182
	₩ 10,794,375	₩ 10,642,737

(*) The Group has appropriated the majority of its tax credits as a reserve for business rationalization in accordance with the Restriction of Special Taxation Act (“Act”) until 2002. This reserve could only be used for the preservation of deficits carried forward and transfer to capital. However, on December 11, 2002, the Act was amended and the reserve for business rationalization was changed to the voluntary reserve due to the deletion of the relevant clauses in the amendment.

Changes in retained earnings for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024	2023
Beginning balance	₩ 14,122,427	₩ 15,552,080
Profit for the year attributable to owners of the parent	582,990	132,599
Dividends paid	-	(1,560,120)
Changes in retained earnings of equity method investees	(19)	(1)
Remeasurements of the defined benefit plan, net of tax	(83,236)	(2,131)
Ending balance	₩ 14,622,162	₩ 14,122,427

Dividends paid for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions, except for number of shares and dividends for share):

	2024				
	Number of shares issued	Treasury stocks	Number of dividend shares	Dividends for share	Dividends
Common stock	242,442,838	-	242,442,838	₩ -	₩ -

	2023				
	Number of shares issued	Treasury stocks	Number of dividend shares	Dividends for share	Dividends
Common stock	242,442,838	-	242,442,838	₩ 6,435	₩ 1,560,120

(*) Dividends payable as of December 31, 2023 is ₩1,560,120 million.

25. Retained earnings and dividends (cont'd)

Changes in remeasurements of the defined benefit plans for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Beginning balance	₩	214,273	₩	216,404
Changes for the year		(111,606)		(4,328)
Tax effect		28,376		2,193
Changes in non-controlling interests		(6)		4
Ending balance	₩	131,037	₩	214,273

The statements of appropriation of retained earnings for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
I. Unappropriated retained earnings				
Unappropriated retained earnings carried forward from the prior year	₩	2,802,145	₩	4,364,600
Profit for the year		567,267		151,638
Remeasurements of the defined benefit plans, net of tax		(82,535)		(2,335)
Interim dividend		-		(1,560,120)
		3,286,877		2,953,783
II. Transfer from voluntary reserves		-		-
III. Total (I + II)		3,286,877		2,953,783
IV. Appropriation of retained earnings				
Dividends		368,513		-
Voluntary reserves		198,754		151,638
		567,267		151,638
V. Unappropriated retained earnings to be carried forward to the next year (III – IV)	₩	2,719,610	₩	2,802,145

Appropriation dates for 2024 and 2023 fiscal years are March 28, 2025 and March 22, 2024, respectively.

The above statement of appropriation of retained earnings is based on the separate financial statements of the parent company.

26. Other components of equity

Other components of equity as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Accumulated other comprehensive loss	₩ 140,377	₩ 50,796
Other equity	(695)	(585)
	₩ 139,682	₩ 50,211

Changes in accumulated other comprehensive income (loss) for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024			
	Gain (loss) on valuation of financial assets at fair value through other comprehensive income (loss)	Share of other comprehensive income (loss) of associates and joint ventures	Gain (loss) from translation of foreign operations	Total
Beginning balance	₩ 47,737	₩ (234)	₩ 3,293	₩ 50,796
Change for the year	110,730	7,491	3,612	121,833
Tax effect	(33,149)	-	-	(33,149)
Changes in non-controlling interests	895	-	2	897
Ending balance	₩ 126,213	₩ 7,257	₩ 6,907	₩ 140,377

	2023			
	Gain (loss) on valuation of financial assets at fair value through other comprehensive income (loss)	Share of other comprehensive income (loss) of associates and joint ventures	Gain from translation of foreign operations	Total
Beginning balance	₩ 7,384	₩ (513)	₩ 2,903	₩ 9,774
Change for the year	46,793	279	389	47,461
Tax effect	(6,340)	-	-	(6,340)
Changes in non-controlling interests	(100)	-	1	(99)
Ending balance	₩ 47,737	₩ (234)	₩ 3,293	₩ 50,796

Other equity as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Changes from paid-in capital increase of subsidiaries, etc.	₩ (695)	₩ (585)

27. Revenue

Details of revenues for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024			2023		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Sales of electric power	₩ 13,297,436	₩ -	₩ 13,297,436	₩ 10,759,048	₩ -	₩ 10,759,048
Service revenue	32,514	64,879	97,393	107,023	83,247	190,270
Construction contract revenue	-	207,237	207,237	-	28,937	28,937
	₩ 13,329,950	₩ 272,116	₩ 13,602,066	₩ 10,866,071	₩ 112,184	₩ 10,978,255

Changes in the total construction contract balances for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024			
	January 1	Increase (*)	Revenue recognition	December 31
Overseas nuclear power project	₩ 3,434,625	₩ 430,996	₩ (207,237)	₩ 3,658,384

	2023			
	January 1	Increase (*)	Revenue recognition	December 31
Overseas nuclear power project	₩ 3,130,918	₩ 332,644	₩ (28,937)	₩ 3,434,625

(*) The increase for the year ended December 31, 2024 is due to the rise in contract amount resulting from new orders and foreign currency translation. And, the increase for the year ended December 31, 2023 is due to the rise in contract amount resulting from new orders and foreign currency translation.

Details of accumulated earned revenues, expenses and net income related to construction-in-progress for each of the two years in the period ended December 31, 2024 are as follows (Korea won in millions):

	2024		
	Accumulated earned revenue	Accumulated expenses	Accumulated net income
Overseas nuclear power project	₩ 240,011	₩ 193,934	₩ 46,077

	2023		
	Accumulated earned revenue	Accumulated expenses	Accumulated net income
Overseas nuclear power project	₩ 32,774	₩ 26,007	₩ 6,767

27. Revenue (cont'd)

Details of dues from and dues to customers for contract work as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				December 31, 2023			
	Due from customers for contract work (*)		Due to customers for contract work (*)		Due from customers for contract work (*)		Due to customers for contract work (*)	
Overseas nuclear power project	₩	-	₩	102,648	₩	-	₩	181,367

(*) Due from customers for contract work are included in trade and other receivables and due to customers for contract work are included in current non-financial liabilities. The amount recognized as construction revenue for the year ended December 31, 2024 from due to customers for contract work at the year ended December 31,2023 is 181,367 million won.

As of December 31, 2024, it is the contact which is recognized with percentage of completion basis by applying accrued cost input method, and the main contracts over 5% of total sales for the year ended December 31, 2023 are as follows. On the other hand, the Group determined to not disclose 'rate of progress, due from customers for contract work, and receivables from construction contracts' in terms of those are applicable to non-disclosure items according to relevant laws or contracts under KIFRS 1115 129.2(2). The Group reported the non-disclosed items to audit committee and did not disclose or open the omitted items through any method.

	Contract date	Contractual completion date
Nuclear power plant business in Egypt El Dabaa	2022.08.25	2029.04.08

The information on contracts where revenue is recognized based on percentage-of-completion by applying the cost-based input method for each business segment is as follows (Korean won in millions):

	Effect from changes in accounting estimates									
	Expected loss on construction contracts		Changes in estimates of contract revenue and costs		Impact on current profit or loss		Impact on future profit or loss		Changes in estimated total contract costs	
Electric power generation segment	₩	-	₩	131,828	₩	8,914	₩	122,914	₩	299,168
	₩	-	₩	131,828	₩	8,914	₩	122,914	₩	299,168

	Revenue recognized from performance obligations fulfilled in the prior term		Due from customers for contract work				Trade receivables (Accounts receivables)			
			Total amount		Allowance for bad debt		Total amount		Allowance for bad debt	
Electric power generation segment	₩	-	₩	-	₩	-	₩	30,427	₩	-
	₩	-	₩	-	₩	-	₩	30,427	₩	-

28. Selling and administrative expenses

Selling and administrative expenses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Salaries	₩	64,672	₩	54,335
Retirement benefits		5,213		4,912
Employee welfare		9,945		10,422
Insurance		1,562		1,448
Depreciation of property, plant and equipment		52,301		47,524
Amortization of intangible assets		15,211		16,583
Commission		41,093		34,805
Advertisement		14,362		12,220
Education and training		198		187
Vehicles		103		119
Publication		637		639
Business engagement		103		128
Rents		11,133		11,005
Communication		697		659
Taxes and dues		1,573		2,002
Supplies		667		598
Utilities		1,923		1,942
Repairs		19,196		15,297
Ordinary development		1,652		5,212
Travel		2,020		1,566
Clothing		376		57
Labor welfare fund contribution		436		-
Subscription		317		292
Others		22,515		85,051
	₩	267,905	₩	307,003

Details of others of selling and administrative expenses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Other wages	₩	9,048	₩	74,605
Compliance costs		26		41
Award costs		532		546
Registration costs		2		16
Litigation costs		10,872		8,110
Meeting costs		2,035		1,731
Freight expenses		-		1
Research and analysis expenses		-		1
	₩	22,515	₩	85,051

29. Other income and expenses

Details of other income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Gain on assets contributed	₩	92	₩	105
Reparations		10,564		12,660
Gain from infrastructure fund		58		60
Rental income		9,154		8,134
Others		57,678		64,873
	₩	77,546	₩	85,832

Details of others in other income for each of the two years in the period ended December 31, 2024 are as follows:

	2024		2023	
Grants of development of vocational skills	₩	887	₩	804
Rent management fee		109		124
Trustee training and technical support income		1,598		1,142
Contract deposit recovered from termination of contract		252		100
Others		54,832		62,703
	₩	57,678	₩	64,873

Details of other expenses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Depreciation of idle assets	₩	3,642	₩	3,683
Other bad debt expenses		24		18
Donations		118,228		23,557
Others		55,881		16,721
	₩	177,775	₩	43,979

29. Other income and expenses (cont'd)

Details of others in other expenses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Operating cost of the sports center	₩	9,106	₩	8,921
Perform technical support costs		41		9
Loss on settlement of research and development grants		393		388
Maintenance expenses related to the idle assets		1,741		1,494
Surcharge on taxes and dues		18,065		1,935
Others		26,535		3,974
	₩	55,881	₩	16,721

30. Other gains and losses

Other gains and losses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Gain on disposals of property, plant and equipment	₩	367	₩	978
Gain on foreign currency translations (*)		7,099		2,277
Gain on foreign currency transactions (*)		6,731		26,833
Others		2,250		2,086
Loss on disposals of property, plant and equipment		(26,559)		(27,987)
Loss on foreign currency translation (*)		(2,026)		(1,387)
Loss on foreign currency transactions (*)		(16,370)		(21,727)
Others		(10,440)		(2,681)
	₩	(38,948)	₩	(21,608)

(*) Gains (losses) on foreign currency translations and foreign currency transactions arising from operating activities.

30. Other gains and losses (cont'd)

Details of others in other gains for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		2024		2023
Gain on valuation of inventories	₩	713	₩	262
Gain on disposal of inventories		1,465		-
Gain on reversal of inventories		-		2
Gain on disposal of waste		-		1,488
Gain from lease cancellation		8		285
Others		64		49
	₩	2,250	₩	2,086

Details of others in other losses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		2024		2023
Loss on inventory obsolescence	₩	(1,027)	₩	(1,417)
Loss on disposal of inventories		(9,371)		(1,263)
Loss from lease cancellation		(15)		(1)
Others		(27)		-
	₩	(10,440)	₩	(2,681)

31. Finance income

Details of finance income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		2024		2023
Interest income	₩	70,620	₩	68,533
Dividend income		4,308		7,290
Gain on disposal of financial instruments assets		25,721		3,366
Gain on valuation of financial assets at fair value through profit or loss		9,431		17,886
Gain on valuation of derivative instruments		563,274		113,699
Gain on transactions of derivative instruments		38,131		54,010
Gain on foreign currency translation (*)		4,638		2,672
Gain on foreign currency transactions (*)		-		1,755
	₩	716,123	₩	269,211

(*) Gain on foreign currency translation and foreign currency transactions arising from financing activities and investing activities.

Details of interest income included in finance income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		2024		2023
Cash and cash equivalents	₩	18,369	₩	28,646
Financial assets at fair value through profit or loss		10,479		23,174
Financial instruments		34,462		10,722
Loans		3,062		2,346
Trade and other receivables		4,248		3,645
	₩	70,620	₩	68,533

32. Finance costs

Details of finance costs for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Interest expense	₩	800,867	₩	704,351
Loss on valuation of financial assets at fair value through profit or loss		5,766		17,431
Loss on valuation of derivative instruments		-		5,591
Loss on transactions of derivative instruments		4,157		42,732
Loss on foreign currency translation (*)		589,732		115,566
Loss on foreign currency transactions (*)		11,356		9,411
	₩	1,411,878	₩	895,082

(*) Loss on foreign currency translation and foreign currency transactions arising from financing activities.

Details of interest expenses included in finance costs for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Trade and other payables	₩	1,073	₩	2,054
Short-term borrowings		11,766		13,589
Long-term borrowings		13,290		14,550
Bonds		484,407		412,021
Other financial liabilities (*)		735,126		691,445
		1,245,662		1,133,659
Less: capitalization of borrowing costs		(444,795)		(429,308)
	₩	800,867	₩	704,351

(*) Interest expenses related to provisions for decommissioning costs of nuclear power plants and others are included.

33. Income tax expense

The components of income tax expense for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		2024		2023
Current income tax expense:	₩	502,712	₩	295,152
Current income tax		521,895		305,276
Adjustment due to changes in estimates related to past prior years		(14,410)		(5,977)
Income tax credited directly to equity		(4,773)		(4,147)
Deferred tax expense:		(326,915)		(232,643)
Changes in temporary differences		(333,238)		(240,918)
Changes in tax rate or tax law		(2,696)		8,688
Changes in deferred tax related to current tax loss carryforwards		(1,427)		-
Changes of unrecognized tax losses, tax credit and temporary differences for prior year		10,446		(413)
Income tax expense	₩	175,797	₩	62,509

The income taxes are calculated using the statutory tax rates differs from the actual amount for each of the two years in the period ended December 31, 2024 for the following reasons (Korean won in millions):

		2024		2023
Profit before income tax	₩	748,527	₩	184,647
Tax effect at the rate of 26.4% (prior year : 23.1%)		197,612		42,654
Adjustments:				
Effect of applying gradual tax rate		(10,360)		4,266
Non-taxable income		(277)		(381)
Non-deductible expense		6,233		2,895
Tax credits and deduction		(26,396)		(16,053)
Changes of unrecognized tax losses, tax credit and temporary differences for prior year		10,446		(413)
Effects of tax loss which are not recognized in deferred tax assets		3,163		5,966
Effects of change in tax rate on deferred tax		(2,695)		8,688
Others		12,481		20,864
		(7,405)		25,832
Adjustment for prior years		(14,410)		(5,977)
Income tax expense	₩	175,797	₩	62,509
Effective tax rate		23.49%		33.85%

33. Income tax expense (cont'd)

Details of tax items recognized in other comprehensive income (loss) for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024	2023
Income tax credited directly to equity		
Tax items in other comprehensive income:		
Gain on valuation of financial assets at FVOCI	₩ (33,149)	₩ (6,340)
Remeasurements of the defined benefit plan	28,376	2,193
	₩ (4,773)	₩ (4,147)

Details of deferred tax assets (liabilities) as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	2024			
	Beginning balance	Amounts recognized in profit (loss) for the year	Amounts recognized in cumulative other comprehensive income (loss)	Ending balance
Deferred tax by temporary difference:				
Long-term employee benefits	₩ 80,448	₩ (11,613)	₩ 28,376	₩ 97,211
Property, plant and equipment, net	(4,780,878)	(188,265)	-	(4,969,143)
Intangible assets	2,547	(2,456)	-	91
Financial assets at fair value through profit or loss	(3)	-	-	(3)
Financial assets at fair value through other comprehensive income	1,701	1,599	(33,149)	(29,849)
Provision	6,822,379	516,538	-	7,338,917
Accrued income	(1,931)	(199)	-	(2,130)
Advanced depreciation provision	(3,584)	-	-	(3,584)
Others	27,163	16,907	-	44,070
Tax loss carryforwards	1,947	1,428	-	3,375
	₩ 2,149,789	₩ 333,939	₩ (4,773)	₩ 2,478,955

33. Income tax expense (cont'd)

	2023							
		Beginning balance		Amounts recognized in profit (loss) for the year		Amounts recognized in cumulative other comprehensive income (loss)		Ending balance
Deferred tax by temporary difference:								
Long-term employee benefits	₩	85,277	₩	(7,022)	₩	2,193	₩	80,448
Property, plant and equipment, net		(5,049,233)		268,355		-		(4,780,878)
Intangible assets		3,499		(952)		-		2,547
Financial assets at fair value through profit or loss		(3)		-		-		(3)
Financial assets at fair value through other comprehensive income		7,641		400		(6,340)		1,701
Provision		6,846,124		(23,745)		-		6,822,379
Accrued income		(917)		(1,014)		-		(1,931)
Advanced depreciation provision		(3,593)		9		-		(3,584)
Others		27,020		143		-		27,163
Tax loss carryforwards		1,030		917		-		1,947
	₩	1,916,845	₩	237,091	₩	(4,147)	₩	2,149,789

Details of deferred taxes as of December 31, 2024 and 2023 are as follows (Korean won in million):

		December 31, 2024		December 31, 2023
Deferred tax assets	₩	2,499,345	₩	2,162,123
Deferred tax liabilities		20,390		12,334

The amounts of the deductible temporary differences not recognized as deferred tax assets and the taxable temporary differences not recognized as unused tax losses, unused tax credits, and deferred tax liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

		December 31, 2024		December 31, 2023
Deductible temporary difference	₩	250,525	₩	130,906
Tax loss carry forwards		118,301		20,039
Tax credit carry forwards		2,294		2,242
Taxable temporary difference		136,371		127,319

34. Expenses classified by nature

Details of expenses classified by nature for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		
	Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩ -	₩ 1,018,959	₩ 1,018,959
Salaries	64,672	1,251,444	1,316,116
Retirement benefits	5,213	91,831	97,044
Employee welfare	9,945	147,390	157,335
Insurance expenses	1,562	52,277	53,839
Depreciation of property, plant and equipment	52,301	2,838,713	2,891,014
Amortization of nuclear fuel	-	2,278,551	2,278,551
Amortization of intangible assets	15,211	11,024	26,235
Commission	41,093	159,956	201,049
Decommissioning provisions for nuclear plants	-	(9,985)	(9,985)
Reversal of provisions for fuel spent	-	(268,066)	(268,066)
Reversal of provisions for low to medium level waste	-	(157,677)	(157,677)
Other provisions	-	86,522	86,522
Advertisement	14,362	4,593	18,955
Training	198	1,814	2,012
Vehicles	103	696	799
Publication expenses	637	525	1,162
Business expenses	103	271	374
Rent	11,133	98,537	109,670
Communication	697	2,225	2,922
Taxes and dues	1,573	351,299	352,872
Supplies expenses	667	3,771	4,438
Utilities	1,923	10,255	12,178
Repairs	19,196	2,415,293	2,434,489
Ordinary development expenses	1,652	516,847	518,499
Travel expenses	2,020	7,409	9,429
Clothing expenses	376	2,711	3,087
Labor welfare fund contribution	436	5,713	6,149
Subscription	317	13,952	14,269
Others	22,515	775,618	798,133
	₩ 267,905	₩ 11,732,438	₩ 12,000,343

34. Expenses classified by nature (cont'd)

	2023		
	Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩ -	₩ 1,020,256	₩ 1,020,256
Salaries	54,335	1,005,659	1,059,994
Retirement benefits	4,912	82,844	87,756
Employee welfare	10,422	144,846	155,268
Insurance expenses	1,448	48,178	49,626
Depreciation of property, plant and equipment	47,524	2,966,063	3,013,587
Amortization of nuclear fuel	-	1,370,619	1,370,619
Amortization of intangible assets	16,583	12,595	29,178
Commission	34,805	149,206	184,011
Reversal of decommissioning provisions for nuclear plants	-	(46,204)	(46,204)
Provisions for fuel spent	-	334,851	334,851
Reversal of provisions for low to medium level waste	-	(44,233)	(44,233)
Other provisions	-	108,103	108,103
Advertisement	12,220	2,929	15,149
Training	187	1,514	1,701
Vehicles	119	643	762
Publication expenses	639	469	1,108
Business expenses	128	222	350
Rent	11,005	97,882	108,887
Communication	659	2,026	2,685
Taxes and dues	2,002	338,615	340,617
Supplies expenses	598	3,433	4,031
Utilities	1,942	9,638	11,580
Repairs	15,296	1,298,851	1,314,147
Ordinary development expenses	5,213	444,657	449,870
Travel expenses	1,567	6,425	7,992
Clothing expenses	57	2,405	2,462
Subscription	292	13,207	13,499
Others	85,049	502,825	587,874
	₩ 307,002	₩ 9,878,524	₩ 10,185,526

35. Earnings per share

Basic earnings per share for each of the two years in the period ended December 31, 2024 are as follow (Korean won):

	2024		2023	
Basic earnings per share	₩	2,405	₩	547

Details of profits for the year attributable to owners of the parent and weighted average number of common shares outstanding for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Profit for the year attributable to owners of the parent	₩	582,990	₩	132,599
Weighted average number of common stock		242,442,838		242,442,838

Because the Group has no dilutive potential common stock, diluted earnings (loss) per share and the details of calculations are equal to basic earnings (loss) per share.

36. Categories of financial instruments

Details of financial assets by category as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024			
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Current financial assets:				
Cash and cash equivalents	₩ -	₩ 248,046	₩ -	₩ 248,046
Current financial assets				
Financial assets at fair value through profit or loss	455,370	-	-	455,370
Loans	-	6,461	-	6,461
Short-term financial instruments	-	208,614	-	208,614
Derivative assets	157,330	-	-	157,330
	612,700	215,075	-	827,775
Trade and other receivables	-	2,053,702	-	2,053,702
	612,700	2,516,823	-	3,129,523
Non-current financial assets:				
Non-current financial assets				
Financial assets at fair value through profit or loss	308,314	-	-	308,314
Financial assets at fair value through other comprehensive income	-	-	492,759	492,759
Long-term loans	-	78,936	-	78,936
Long-term financial instruments	-	669,494	-	669,494
Derivative assets	588,519	-	-	588,519
	896,833	748,430	492,759	2,138,022
Trade and other receivables	-	87,116	-	87,116
	896,833	835,546	492,759	2,225,138
	₩ 1,509,533	₩ 3,352,369	₩ 492,759	₩ 5,354,661

36. Categories of financial instruments (cont'd)

	December 31, 2023			
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Current financial assets:				
Cash and cash equivalents	₩ -	₩ 950,472	₩ -	₩ 950,472
Current financial assets				
Financial assets at fair value through profit or loss	132,760	-	-	132,760
Loans	-	17,559	-	17,559
Short-term financial instruments	-	203,614	-	203,614
Derivative assets	86,123	-	-	86,123
	218,883	221,173	-	440,056
Trade and other receivables	-	2,095,724	-	2,095,724
	218,883	3,267,369	-	3,486,252
Non-current financial assets:				
Non-current financial assets				
Financial assets at fair value through profit or loss	282,262	-	-	282,262
Financial assets at fair value through other comprehensive income	-	-	378,029	378,029
Long-term loans	-	77,195	-	77,195
Long-term financial instruments	-	663,621	-	663,621
Derivative assets	248,435	-	-	248,435
	530,697	740,816	378,029	1,649,542
Trade and other receivables	-	74,670	-	74,670
	530,697	815,486	378,029	1,724,212
	₩ 749,580	₩ 4,082,855	₩ 378,029	₩ 5,210,464

36. Categories of financial instruments (cont'd)

Details of financial liabilities by category as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		
	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Current financial liabilities			
Short-term borrowings	₩ -	₩ -	₩ -
Current portion of long-term borrowings	-	34,000	34,000
Bonds	-	1,110,342	1,110,342
Derivative liabilities	1,640	-	1,640
	1,640	1,144,342	1,145,982
Trade and other payables	-	1,615,971	1,615,971
	1,640	2,760,313	2,761,953
Non-current financial liabilities:			
Non-current financial liabilities			
Long-term borrowings	-	212,256	212,256
Bonds	-	13,555,191	13,555,191
Derivative liabilities	27,729	-	27,729
	27,729	13,767,447	13,795,176
Trade and other payables	-	1,415,153	1,415,153
	27,729	15,182,600	15,210,329
	₩ 29,369	₩ 17,942,913	₩ 17,972,282

	December 31, 2023		
	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Current financial liabilities			
Short-term borrowings	₩ -	₩ 251,576	₩ 251,576
Current portion of long-term borrowings	-	42,936	42,936
Bonds	-	885,367	885,367
Derivative liabilities	5,170	-	5,170
	5,170	1,179,879	1,185,049
Trade and other payables	-	3,019,670	3,019,670
	5,170	4,199,549	4,204,719
Non-current financial liabilities:			
Non-current financial liabilities			
Long-term borrowings	-	246,256	246,256
Bonds	-	12,220,356	12,220,356
Derivative liabilities	107,210	-	107,210
	107,210	12,466,612	12,573,822
Trade and other payables	-	1,665,573	1,665,573
	107,210	14,132,185	14,239,395
	₩ 112,380	₩ 18,331,734	₩ 18,444,114

36. Categories of financial instruments (cont'd)

Details of net gains (losses) of financial instruments by category for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

Categories	Description	2024	2023
Financial assets at amortized cost	Cash and cash equivalents-interest income	₩ 18,369	₩ 28,646
	Financial instruments-interest income	34,462	10,722
	Loans-interest income	3,062	2,346
	Trade and other receivables-interest income	4,248	3,645
	Loss on fluctuation of exchange rate in foreign currency, net	(942)	(1,741)
Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss-interest income	10,479	23,174
	Financial assets at fair value through profit or loss-valuation income	3,665	455
	Gain on disposals of financial assets, net	25,722	3,366
	Dividend income	3,604	3,917
	Gain on valuation of derivative instruments, net	481,132	93,028
	Gain on transactions of derivative instruments, net	38,131	54,010
Financial assets at fair value through other comprehensive income	Gain on valuation of fair value through other comprehensive income (before tax), net	110,730	46,793
	Dividend income	704	3,373
Financial liabilities measured at fair value through profit or loss	Gain on valuation of derivative instruments, net	82,142	15,080
	Loss on transactions of derivative instruments, net	(4,157)	(42,732)
Financial liabilities at amortized cost	Loss on fluctuation of exchange rate in foreign currency, net	(600,074)	(112,813)
	Interest expense	(140,507)	(97,585)

37. Risk management

37.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue while maximizing the return to shareholder through the optimization of the debt and equity balance. Management of the Group regularly reviews the capital structure and maintains the optimal capital structure through short- and long-term borrowings and bond issuance.

The capital structure of the Group consists of net debt (offset by cash and cash equivalents, etc.) and equity. The Group's overall capital risk management strategy remains consistent with the prior year.

Details of the Group's capital risk management items as of December 31, 2024 and 2023 are as follows (Korean won in millions):

		December 31, 2024		December 31, 2023
Total borrowings and bonds	₩	14,911,789	₩	13,646,491
Cash and cash equivalents and other.(*)		456,660		1,154,086
Net borrowings		14,455,129		12,492,405
Total equity	₩	25,462,845	₩	24,885,112
Ratio of net borrowings to total shareholder's equity		56.77%		50.20%

(*) It consists of cash and cash equivalents and short-term financial instruments.

37.2 Financial risk management

The Group is exposed to various risks related to its financial instruments, such as, market risk (currency risk, interest rate risk, price risk) and credit risk. The goal of financial risk management is to reduce and eliminate the financial risks to acceptable levels by identifying sources of potential risks to the Group's financial performance.

The Group uses derivative instruments to hedge certain risk exposures such as foreign currency risk. The Group's overall financial risk management strategy remains consistent with the prior year.

37.2.1 Risk management policy

The Group's management is responsible for the establishment and supervision of the financial risk management system. Management established a risk management committee to develop and supervise the risk management policy of the Group. The committee regularly reports on its activities to the management.

The Group's risk management policy is designed to identify and analyze the risks facing the Group, establish appropriate risk limits and controls, and ensure that the risks do not exceed the limits. Risk management policies and systems are regularly reviewed to reflect market conditions and changes in the activities of the Group.

37. Risk management (cont'd)

37.2.2 Credit risk

Credit risk is the risk of finance loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to the risk smainly arises from the Group's sales activities, as well as from derivatives and debt securities. There are also credit risks arising from financial guarantees and unused loan agreements. For banks and financial institutions, the credit risk from them is limited as the Group makes transactions with reputable financial instituions. For general accounts, the Group evalutates the customer's credit based on the customer's financial position, past experience, and other factors.

Credit risk management

The Group uses publicly available information and its own internal data related to trade 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 trade receivables are due from governmental entities (i.e., KEPCO and others), the Group does not have significant credit risk exposure. Regarding its debt securities, the Group continuously monitors credit ratings issued by credit agencies, and the Group's working capital (i.e., cash) is deposited at financial institutions with a high credit rating.

Impairment & allowance account

In accordance with the Group's policies, individual financial assets above the materiality are regularly reviewed. The allowance for individually reviewed trade receivable shall be determined by evaluating the loss incurred as of the end of the reporting period, which applies to all material trade receivables. For such assessment, the Group considers the amount of collateral obtained (including the recoverability) for the individual financial assets and the expected recoverable amounts.

The Group maximum exposures to credit risk as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Cash and cash equivalents	₩ 248,046	₩ 950,472
Financial instruments	878,108	867,235
Financial assets at fair value through profit or loss	763,684	415,022
Derivative assets	745,849	334,558
Loans	85,397	94,754
Trade and other receivables	2,140,818	2,170,394

There are no financial assets or non-financial assets acquired or received as a result of exercise of rights to collaterals received or additionally obtained to adjust credit limits.

37. Risk management (cont'd)

37.2.3 Market risk

The Group is exposed to market risks in which the fair value of the financial instruments or future cash flows change due to changes in market prices. Market risk consists of interest rate risk, currency risk and other price risk.

37.2.4 Sensitivity analysis

Major assets and liabilities with uncertanties in underlying assumptions

(i) Defined benefit obligations

Changes in the Group's defined benefit obligations due to changes in underlying assumptions as of December 31, 2024 and 2023 are as follows (Korean won in millions):

Assumption	Accounts	December 31, 2024 1%p increase	December 31, 2024 1%p decrease	December 31, 2023 1%p increase	December 31, 2023 1%p decrease
Future salary increase rate	Defined benefit obligations	₩ 93,765	₩ (81,747)	₩ 81,773	₩ (71,331)
Discount rate	Defined benefit obligations	(86,406)	101,253	(73,705)	86,330

(ii) Provisions for decommissioning costs

Details of underlying assumptions used to estimate provision for decommissioning cost as of December 31, 2024 and 2023 are as follows:

Accounts	Assumptions	December 31, 2024	December 31, 2023
Nuclear plants	Inflation rate	2.02%	1.91%
	Discount rate	2.78%	2.76%
Fuel spent	Inflation rate	1.91%	1.91%
	Discount rate	2.49%	2.49%
Low to medium level waste	Inflation rate	3.32%	3.89%
	Discount rate	4.17%	3.65%

The following is a sensitivity analysis of provisions for decommissioning costs assuming 0.1% points increase or decrease in the underlying assumptions as of December 31, 2024 and 2023 (Korean won in millions):

	December 31, 2024 0.1%p increase	December 31, 2024 0.1%p decrease	December 31, 2023 0.1%p increase	December 31, 2023 0.1%p decrease
Discount rate:				
Nuclear plants	₩ (464,727)	₩ 481,899	₩ (418,570)	₩ 432,847
Fuel spent	(129,983)	130,679	(130,065)	130,761
Low to medium level waste	(11,363)	11,478	(13,538)	13,683
Inflation rate:				
Nuclear plants	507,814	(490,386)	458,047	(443,531)
Fuel spent	133,847	(128,527)	133,931	(128,607)
Low to medium level waste	11,167	(11,075)	13,291	(13,174)

37. Risk management (cont'd)

37.2.4 Sensitivity analysis (cont'd)

Impact of management's estimate on the consolidated financial statements

(i) Foreign currency risk

The Group is exposed to the risk of exchange rate fluctuations due to transactions denominated in foreign currency. The carrying amounts of the Group's monetary assets and liabilities denominated in foreign currencies as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024						
	AED	USD	EUR	HKD	CHF	Others(*)	Total
Assets:							
Cash and cash equivalents	₩ 1,841	₩ 3,377	₩ 2,403	₩ -	₩ -	₩ 4,046	₩ 11,667
Trade and other receivables	5,867	134,797	15,906	-	-	1,824	158,394
Loans	-	18,492	-	-	-	-	18,492
Total assets denominated in foreign currency	7,708	156,666	18,309	-	-	5,870	188,553
Liabilities:							
Trade and other payables	1,172	78,066	8,189	11,140	1,129	2,255	101,951
Borrowings	-	-	-	-	-	-	-
Bonds	-	4,113,531	-	953,128	162,625	-	5,229,284
Total liabilities denominated in foreign currency	1,172	4,191,597	8,189	964,268	163,754	2,255	5,331,235
Net exposure	₩ 6,536	₩ (4,034,931)	₩ 10,120	₩ (964,268)	₩ (163,754)	₩ 3,615	₩ (5,142,682)

(*) Others include CAD, CZK, EGP, PKR, JPY, GBP, RON, PLN and RUB.

	December 31, 2023						
	AED	USD	EUR	HKD	CHF	Others(*)	Total
Assets:							
Cash and cash equivalents	₩ 740	₩ 641,346	₩ 15,455	₩ -	₩ -	₩ 4,337	₩ 661,878
Trade and other receivables	5,162	71,881	7	-	-	30	77,080
Loans	-	14,142	-	-	-	-	14,142
Total assets denominated in foreign currency	5,902	727,369	15,462	-	-	4,367	753,100
Liabilities:							
Trade and other payables	1,646	39,879	57,718	9,802	34	4,678	113,757
Borrowings	-	51,576	-	-	-	-	51,576
Bonds	-	2,946,556	-	828,569	457,905	-	4,233,030
Total liabilities denominated in foreign currency	1,646	3,038,011	57,718	838,371	457,939	4,678	4,398,363
Net exposure	₩ 4,256	₩ (2,310,642)	₩ (42,256)	₩ (838,371)	₩ (457,939)	₩ (311)	₩ (3,645,263)

(*) Others include CAD, CZK, EGP, PKR, JPY and RUB.

37. Risk management (cont'd)

37.2.4 Sensitivity analysis (cont'd)

Foreign exchange rates as of December 31, 2024 and 2023 are as follows (Korean won in each currency):

	2024		2023	
	Average exchange rate	Ending exchange rate	Average exchange rate	Ending exchange rate
USD	1,363.97	1,470.00	1,305.41	1,289.40
EUR	1,475.05	1,528.73	1,412.36	1,426.59
CAD	995.49	1,023.96	967.38	974.64
CHF	1,549.06	1,626.38	1,454.10	1,526.82
HKD	174.81	189.3	166.75	165.06
CZK	58.73	60.68	58.87	57.76
AED	371.36	400.22	355.42	351.07
EGP	30.93	28.91	42.61	41.69
PKR	4.90	5.28	4.68	4.57
RUB	14.74	13.30	15.46	14.57
JPY	9.0036	9.3648	9.3124	9.1266
RON	296.51	307.27	285.56	287.02
PLN	342.57	357.33	-	-

A sensitivity analysis on the Group's profit before income tax and equity assuming 10% increase or decrease in foreign exchange rates as of December 31, 2024 and 2023 is as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	10% increase	10% decrease	10% increase	10% decrease
Increase (decrease) in profit before income tax	₩ (514,268)	₩ 514,268	₩ (364,526)	₩ 364,526
Increase (decrease) in equity(*)	(514,268)	514,268	(364,526)	364,526

(*) The impact on equity before the effect of income taxes, which is the same as the effect of profit before income taxes.

The sensitivity analysis above is conducted for monetary assets and liabilities denominated in foreign currencies other than functional currency as of December 31, 2024 and 2023.

(ii) Interest rate risk

The Group is exposed to interest rate risk due to its borrowing with floating interest rates. 1% points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The Group's floating-rate long-term borrowings and bonds as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024	December 31, 2023
Long-term borrowings (including current portion)	₩ 51,238	₩ 62,831
	₩ 51,238	₩ 62,831

37. Risk management (cont'd)

37.2.4 Sensitivity analysis (cont'd)

A sensitivity analysis on the Group's long-term borrowings and bonds assuming 1% points increase or decrease in interest rates as of December 31, 2024 and 2023 is as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Increase (decrease) in profit for the year before taxes	₩ (512)	₩ 512	₩ (628)	₩ 628
Increase (decrease) in shareholder's equity (*)	(512)	512	(628)	628

(*) The impact on equity before the effect of income taxes, which is the same as the effect of profit before income taxes.

To manage its interest rate risks, the Group in addition to maintaining an appropriate mix of fixed and floating rate borrowings, has entered into certain interest rate swap agreements.

37.2.5 Liquidity risk

The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In addition, the Group has established credit lines on its trade finance and bank-overdrafts, and through payment guarantees it has received, it maintains an adequate credit (borrowing) facility. In addition, in case of major construction investment, the Group has the ability to use reserve cash or utilize long-term borrowings.

Details of remaining maturities of the Group's non-derivative financial liabilities based on agreement terms are as follows. The amount disclosed below represents the undiscounted cash flows the Group is obligated to pay in the future on the earliest repayment date:

Contractual remaining maturities of the Group's non-derivative liabilities, including interest payments, as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Borrowings and bonds	₩ 1,651,585	₩ 1,672,332	₩ 6,403,404	₩ 9,636,866	₩ 19,364,187
Trade and other payables	1,741,134	390,248	835,232	398,942	3,365,556
	₩ 3,392,719	₩ 2,062,580	₩ 7,238,636	₩ 10,035,808	₩ 22,729,743

	December 31, 2023				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Borrowings and bonds	₩ 1,615,735	₩ 1,501,772	₩ 5,749,499	₩ 8,922,266	₩ 17,789,272
Trade and other payables	2,955,059	372,021	1,174,542	387,126	4,888,748
	₩ 4,570,794	₩ 1,873,793	₩ 6,924,041	₩ 9,309,392	₩ 22,678,020

37. Risk management (cont'd)

37.2.5 Liquidity risk (cont'd)

As the Group manages its liquidity based on its net asset and net liability balances, the Group's liquidity risk management analysis includes its non-derivative financial assets.

Details of the Group's contractual expected holding period of its non-derivative financial assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				
	Under 1 year	1~5 years	Over 5 years	Other(*)	Total
Cash and cash equivalents	₩ 248,046	₩ -	₩ -	₩ -	₩ 248,046
Financial assets at fair value through profit or loss	455,370	-	-	308,314	763,684
Financial instruments	208,614	-	-	669,494	878,108
Financial assets at fair value through other comprehensive income	-	-	-	492,759	492,759
Loans	6,479	25,119	62,698	-	94,296
Trade and other receivables	2,054,072	45,662	43,112	-	2,142,846
	₩ 2,972,581	₩ 70,781	₩ 105,810	₩ 1,470,567	₩ 4,619,739

	December 31, 2023				
	Under 1 year	1~5 years	Over 5 years	Other(*)	Total
Cash and cash equivalents	₩ 950,472	₩ -	₩ -	₩ -	₩ 950,472
Financial assets at fair value through profit or loss	132,760	-	-	282,262	415,022
Financial instruments	203,614	-	-	663,621	867,235
Financial assets at fair value through other comprehensive income	-	-	-	378,029	378,029
Loans	17,614	26,303	59,479	-	103,396
Trade and other receivables	2,096,052	43,447	32,720	-	2,172,219
	₩ 3,400,512	₩ 69,750	₩ 92,199	₩ 1,323,912	₩ 4,886,373

(*) Maturity period cannot be reasonably estimated.

Remaining maturities of the Group's derivative liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Cash inflow	₩ 81	₩ 81	₩ 735,081	₩ 448,920	₩ 1,184,163
Cash outflow	(1,740)	(1,740)	(694,001)	(428,789)	(1,126,270)
	₩ (1,659)	₩ (1,659)	₩ 41,080	₩ 20,131	₩ 57,893

	December 31, 2023				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Cash inflow	₩ 20,201	₩ 20,256	₩ 962,614	₩ 639,174	₩ 1,642,245
Cash outflow	(25,254)	(22,685)	(982,195)	(681,162)	(1,711,296)
	₩ (5,053)	₩ (2,429)	₩ (19,581)	₩ (41,988)	₩ (69,051)

37. Risk management (cont'd)

37.3 Fair value estimate

The fair value of the Group's financial instruments traded in an active market (i.e., financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income) is calculated on the basis of quoted market price at the end of the reporting period. The quoted market price of the Group's financial assets is bid price.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Group uses that technique.

For trade receivables and payables, the Group considers the carrying value, net of impairment, as fair value. While for disclosure purposes, the fair value of non-current financial liabilities is estimated by discounting a financial instruments with similar contractual cash flows based on the effective interest method.

37.3.1 Fair value and carrying amount

The carrying amounts and fair values of financial assets and financial liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value:				
Financial assets at fair value through other comprehensive income	₩ 492,759	₩ 492,759	₩ 378,029	₩ 378,029
Financial assets at fair value through profit or loss	763,684	763,684	415,022	415,022
Derivative instruments held for trading	745,849	745,849	334,558	334,558
	₩ 2,002,292	₩ 2,002,292	₩ 1,127,609	₩ 1,127,609
Financial assets at amortized cost:				
Loans	₩ 85,397	₩ 85,397	₩ 94,754	₩ 94,754
Trade and other receivables	2,140,818	2,140,818	2,170,394	2,170,394
Cash and cash equivalents	248,046	248,046	950,472	950,472
Financial instruments	878,108	878,108	867,235	867,235
	₩ 3,352,369	₩ 3,352,369	₩ 4,082,855	₩ 4,082,855
Financial liabilities at fair value:				
Derivative instruments held for trading	₩ 29,369	₩ 29,369	₩ 112,380	₩ 112,380
Financial liabilities at amortized cost:				
Bonds	₩ 14,665,533	₩ 14,001,979	₩ 13,105,723	₩ 12,494,723
Short-term borrowings	-	-	251,576	251,576
Long-term borrowings	246,256	246,256	289,192	289,192
Trade and other payables	3,031,124	3,031,124	4,685,243	4,685,243
	₩ 17,942,913	₩ 17,279,359	₩ 18,331,734	₩ 17,720,734

37. Risk management (cont'd)

37.3.2 Interest rates used in calculating fair values

Interest rates used to discount expected cash flows were determined by adding credit spreads to government bond yields at the end of the reporting period.

37.3.3 Fair value hierarchy

The Group classifies fair value measurement based on a fair value hierarchy that reflects the significance of the input variables used in fair value measurement. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, classified as Level 1, 2 or 3.

	Significance of the input variables
Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
Level 3	Inputs that are not based on observable market data.

The fair values of financial instruments by hierarchy level as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss	₩ -	₩ 751,866	₩ 11,818	₩ 763,684
Financial assets at fair value through other comprehensive income	156,985	-	335,774	492,759
Derivative financial instruments held for trading	-	745,849	-	745,849
Financial liabilities at fair value:				
Derivative liabilities	-	29,369	-	29,369

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss	₩ -	₩ 403,807	₩ 11,215	₩ 415,022
Financial assets at fair value through other comprehensive income	133,036	-	244,993	378,029
Derivative financial instruments held for trading	-	334,558	-	334,558
Financial liabilities at fair value:				
Derivative liabilities	-	112,380	-	112,380

The fair value of financial assets at fair value through other comprehensive income traded in the market is determined by the closing purchase price disclosed at the end of the reporting period, and the fair value of financial assets at fair value through other comprehensive income without marketability is determined by the fair value evaluation results from external assessment institutions.

Financial assets measured at level 3 in the fair value hierarchy as of the end of the current term include investments in Korea Electric Power Exchange and SET Holding etc., as described in Note 8. They were measured by estimating future cash flows in consideration of expected operating revenue and cost structure, which then were discounted by the weighted average capital costs considering capital structure, etc. In addition, the Group measured the fair value of the derivative using a cash flow discount model that reflected credit risk and used the inputs (credit risk, interest rate, and exchange rate) considering the key economic indicators and economic environment of the derivative to be assessed.

37. Risk management (cont'd)

37.3.3 Fair value hierarchy (cont'd)

Changes in financial assets at fair value through other comprehensive income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024									
	Beginning balance		Acquisition (Disposal)		Measurement of fair values		Others		Ending balance	
Financial assets at fair value through other comprehensive income	₩	378,029	₩	4,000	₩	110,730	₩	-	₩	492,759

	2023									
	Beginning balance		Acquisition (Disposal)		Measurement of fair values		Others		Ending balance	
Financial assets at fair value through other comprehensive income	₩	316,606	₩	14,630	₩	46,793	₩	-	₩	378,029

38. Related party disclosures

Details of the Group's related parties as of December 31, 2024 are as follows:

Relationship	Related party
Parent company	Korea Electric Power Corporation
Subsidiaries	KHNP Canada Energy Ltd.
	Gyeonggi Green Energy Co., Ltd.
	Korea Waterbury Uranium Limited Partnership
	Incheon Fuel Cell Co., Ltd.
	First Keepers Co., Ltd.
	utec Co., Ltd.
	KHNP USA LLC
	Energy Innovation Growth Fund 1
	KHNP Chile SpA
	LSG Hydro Power Ltd.
	Digital Innovation Growth Fund
Associates	Korea Offshore Wind Power Co., Ltd.
	Noeul Green Energy Co., Ltd.
	Busan Green Energy Co., Ltd.
	Korea Hydro & Nuclear Power KNP Co., Ltd.
	KEPCO Solar Co., Ltd.
	KEPCO ES Co., Ltd.
	Gwangyang Green Energy Co., Ltd.
	Godeok Clean Energy Co., Ltd.
	Hanwha Solar Power Private equity investment trust
	Bigeum Resident Solar Power Generation Co., Ltd.
	Gangneung Sacheon Fuel Cell Co., Ltd.
	Songsan Green Energy Co., Ltd.
	Chuncheon Green Energy Co., Ltd.
	Green Radiation Co., Ltd.
	Environment and Energy Co., Ltd.
	Changwon SG Energy Co., Ltd.
	Dreams Co..Ltd
	DEEP AI CO.,LTD.
Joint ventures	Waterbury Lake Uranium Limited Partnership
	Cheongsong Noraesan Wind Power Co., Ltd.
	Saemangeum Solar Power Co., Ltd.
	KAS INVESTMENT I LLC
	KAS INVESTMENT II LLC
	Guadalupe Solar SpA
	Changwon Noorie Energy Co., Ltd.
	Yangyang Offshore Wind Power Co., Ltd.
	Jeonju Bio Green Energy Co., Ltd.
	Hadong E-factory Co., Ltd.
	Imha Susang Taeyanggwang Co.,Ltd.
Other related parties	Korea Midland Power Co., Ltd.
	Korea East-West Power Co., Ltd.
	Korea South-East Power Co., Ltd.
	Korea Western Power Co., Ltd.
	Korea Southern Power Co., Ltd.
	KEPCO Engineering & Construction Company Inc.
	KEPCO Plant Service & Engineering Co., Ltd.
	KEPCO Nuclear Fuel Co., Ltd.
	KEPCO Knowledge, Data & Network Co., Ltd.
	Korea Power Exchange
	Korea Electronic Power Industrial Development Co., Ltd.
	Korea Development Bank
	HeeMang Sunlight Power Co., Ltd.
	Energy Infra Asset Management Co., Ltd.
	KW Nuclear Components Co., Ltd.
	Nawah Energy Company
	G-TOPS Co., Ltd.
	KAS Holdings I LLC
	KAS Holdings II LLC and others

38. Related party disclosures (cont'd)

The transactions with the related parties for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		Sales and others		Purchases and others	
Related party	Transaction	2024	2023	2024	2023
Korea Electric Power Corporation	Sales of electricity and others/ Electricity charges and others	₩ 13,961,742	₩ 11,282,252	₩ 1,084,016	₩ 1,000,132
	Dividend income	-	-	-	1,560,120
Korea Offshore Wind Power Co., Ltd.	REC Calculates and others/ REC Purchases	1,120	541	6,911	3,768
Noeul Green Energy Co., Ltd.	REC Calculates and others/ REC Purchases	7,942	8,311	20,833	10,466
Busan Green Energy Co., Ltd.	REC Calculates and others/ REC Purchases	11,776	10,715	28,272	23,211
Godeok Clean Energy Co., Ltd.	REC Calculates and others/ REC Purchases	11,355	4,684	35,055	11,545
KEPCO Solar Co., Ltd.	Dividend income/ REC Purchases	420	1,342	1,464	552
KEPCO ES Co., Ltd.	Dividend income	265	790	-	-
Gwangyang Green Energy Co., Ltd.	Service income	798	971	-	-
Hanwha Solar Power Private equity investment trust	Dividend income and others	346	405	-	-
Bigeum Resident Solar Power Generation Co., Ltd.	Interest income and others	728	885	285	-
Gangneung Sacheon Fuel Cell Co., Ltd.	Service income/ REC Purchase	8,343	133	32,689	1,324
Chuncheon Green Energy Co., Ltd.	REC Calculates and others	11,010	-	39,333	-
Changwon SG Energy Co., Ltd	Consignment operation income and others	-	-	1,080	-
Songsan Green Energy Co., Ltd	Service income	172	-	-	-
Green Radiation Co., Ltd.	Ordinary development expense	-	-	45	11
Dreams Co..Ltd	Other income	-	-	30	-
DEEP AI CO.,LTD.	Ordinary development expense and others	-	-	30	-
Cheongsong Noraesan Wind Power Co., Ltd.	Dividend income/ REC Purchases	-	865	2,048	882
Yangyang Offshore Wind Power Co., Ltd.	Service income and others	201	169	-	-
Jeonju Bio Green Energy Co., Ltd.	Service income	170	-	-	-
Changwon Nu-ri Energy o., Ltd.	Service income	171	-	-	-
Korea Midland Power Co., Ltd.	Rental income	8	8	-	-
Korea South-East Power Co., Ltd.	REC Purchases	-	-	4,868	3,158
Korea East-West Power Co., Ltd.	RPS sales income/ REC Purchases	92	67	-	1,350
Korea Western Power Co., Ltd.	Rental income	22	25	-	-
Korea Southern Power Co., Ltd.	Commission fee	-	-	8	-
KEPCO Engineering & Construction Company Inc.	Rent income/ Technical service and others	20,878	81	317,615	202,064
KEPCO Plant Service & Engineering Co., Ltd.	Rental income, Revenue from entrusted education and training / Construction fees and others	9,520	3,025	1,046,941	504,176
KEPCO Nuclear Fuel Co., Ltd.	Nuclear power plant fuel purchase and others	14	15	276,654	319,648
KEPCO Knowledge, Data & Network Co., Ltd.	Rental income and others/ IT Outsourcing fees and others	9	7	82,441	56,140
Korea Power Exchange	Commission fees and others	-	-	20,485	19,365
Korea Development Bank	Interest income/ Interest expense	10,230	5,243	110	755
HeeMang Sunlight Power Co., Ltd.	REC Calculates/ REC Purchases	-	3	35	54
Nawah Energy Company	Service income	55,001	81,652	-	-
KW Nuclear Components Co., Ltd.	Maintenance expenses	-	-	6,880	14,114
Korea Electronic Power Industrial Development Co., Ltd.	Maintenance expenses	25	-	7,685	6,797
G-TOPS Co., Ltd.	Purchase of raw materials	-	-	8	1
Guadalupe Solar SpA	Interest income and others	189	233	-	-
Energy Infra Asset Management Co., Ltd.	Interest expense	-	-	2,631	2,701
		₩ 14,112,547	₩ 11,402,422	₩ 3,018,452	₩ 3,742,334

38. Related party disclosures (cont'd)

Receivables and payables arising from the related party transactions as of December 31, 2024 and 2023 are as follows (Korean won in millions):

Related party	Transaction	Trade receivable and others: December 31, 2024	Trade receivable and others: December 31, 2023	Trade payable and others: December 31, 2024	Trade payable and others: December 31, 2023
Korea Electric Power Corporation	Trade receivables	₩ 1,249,973	₩ 1,590,615	₩ -	₩ -
	Other receivables and others	671,449	448,342	-	-
	Other payables and others	-	-	232,599	1,729,324
Korea Offshore Wind Power Co., Ltd.	Trade receivables and others	1,115	102	-	-
	Other payables	-	-	1,268	-
Noeul Green Energy Co., Ltd.	Other receivables and others	27,043	18,356	-	-
	Other payables	-	-	3,699	3,005
Busan Green Energy Co., Ltd.	Other receivables and others	43,790	32,720	-	-
	Other payables	-	-	4,799	3,642
Godeok Clean Energy Co., Ltd.	Other receivables	10,118	4,562	-	-
	Other payables	-	-	3,022	5,287
KEPCO Solar Co., Ltd.	Other receivables	-	874	-	-
KEPCO ES Co., Ltd.	Other receivables	-	790	-	-
Gwangyang Green Energy Co., Ltd.	Trade receivables	878	1,069	-	-
Bigeum Resident Solar Power Generation Co., Ltd.	Trade receivables	273	406	-	-
	Loan and others	1,796	10,841	-	-
Gangneung Sacheon Fuel Cell Co., Ltd.	Trade receivables	8,343	-	-	-
	Other payables	-	-	3,201	-
Chuncheon Green Energy Co., Ltd.	Other receivables	10,870	-	-	-
	Other payables	-	-	8,881	-
Songsan Green Energy Co., Ltd	Other receivables	190	-	-	-
Changwon Nu-ri Energy Co., Ltd.	Other receivables	188	-	-	-
Jeonju Bio Green Energy Co., Ltd.	Other receivables	187	-	-	-
Saemangeum Solar Power Co., Ltd.	Other receivables and others	4,368	4,368	-	-
Yangyang Offshore Wind Power Co., Ltd.	Other receivables	55	55	-	-
Green Radiation Co., Ltd.	Other payables	-	-	30	-
Dreams Co..Ltd	Other receivables	1	-	-	-
	Other payables	-	-	30	-
DEEP AI CO.,LTD.	Other receivables	1	-	-	-
	Other payables	-	-	30	-
Korea Southern Power Co., Ltd.	Other payables	-	-	-	179
Korea South-East Power Co., Ltd.	Other payables	-	-	-	-
KEPCO Engineering & Construction Comapny Inc.	Other payables and others	-	-	48,526	18,623
KEPCO Plant Service & Engineering Co., Ltd.	Other receivables	550	77	-	-
	Other payables and others	-	-	72,470	85,119
KEPCO Nuclear Fuel Co., Ltd.	Other receivables and others	-	34,801	-	-
	Trade payables and others	-	-	27,330	36,807
KEPCO Knowledge, Data & Network Co., Ltd.	Other receivables and others	-	1,106	-	-
	Other payables and others	-	-	3,400	-
Korea Power Exchange	Other payables	-	-	11	1,745
Korea Development Bank	Advanced payment and others	1,208	1,249	-	-
	Accrued expense	-	-	9	9
	Borrowings	-	-	10,690	14,295
Nawah Energy Company	Trade receivables	43,012	60,437	-	-
Korea Electrionc Power Industrial Development Co., Ltd.	Other payables	-	-	243	-
HeeMang Sunlight Power Co., Ltd.	Other receivables	-	-	-	-
Energy Infra Asset Management Co., Ltd.	Borrowings	-	-	48,527	51,224
Guadalupe Solar SpA	Loan	3,352	3,160	-	-
	Advanced receivables	-	-	-	19
KAS Holdings I LLC	Loan	7,645	5,469	-	-
KAS Holdings II LLC	Loan	7,698	5,513	-	-
		₩ 2,094,103	₩ 2,224,912	₩ 468,765	₩ 1,949,278

38. Related party disclosures (cont'd)

Loans with related parties as of December 31, 2024 are as follows (Korean won in millions):

Relationship	Company name	December 31, 2023	Borrowings	Repayments	Others(*)	December 31, 2024
Associates	Bigeum Resident Solar Power Generation Co., Ltd.	₩ 9,525	₩ -	₩ -	₩ (9,525)	₩ -
Joint ventures	Guadalupe Solar SpA	3,161	-	(232)	423	3,352
Other related parties	KAS Holdings I LLC	5,469	1,165	-	883	7,517
	KAS Holdings II LLC	5,513	1,165	-	889	7,567
		₩ 23,668	₩ 2,330	₩ (232)	₩ (7,330)	₩ 18,436

(*) For the year ended December 31, 2024, long-term loan to Bigeum Resident Solar Power Generation Co., Ltd. is converted to equity.

Financial transactions with related parties for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

(i) Loans and capital investments

	2024				
		Transaction			
	Company name	Borrowings	Repayments	Cash contribution	In-kind contribution
Associates	Dreams Co..Ltd	₩ -	₩ -	₩ -	₩ 11
	DEEP AI CO.,LTD.	-	-		11
Joint ventures	Guadalupe Solar SpA	-	232	-	-
	Imha Susang Taeyanggwang Co.,Ltd.	-	-	7,174	-
Other related parties	KAS Holdings I LLC	1,161	-	-	-
	KAS Holdings II LLC	1,170	-	-	-
		₩ 2,331	₩ 232	₩ 7,174	₩ 22

(ii) Borrowings

	2024				
	Company name	Type	January 1	Repayments, net	December 31
Others	Korea Development Bank(*1,2)	Facility loan	₩ 14,295	₩ (3,605)	₩ 10,690
	Energy Infra Asset Management Co., Ltd.(*1,2)	Facility loan	51,224	(2,698)	48,526
			₩ 65,519	₩ (6,303)	₩ 59,216

(*1) Details of collaterals pledged for related parties are described in Note 40.7
(*2) The interest expense recognized by the borrowing transaction with the related parties is ₩2,741 million for the year ended December 31, 2024.

38. Related party disclosures (cont'd)

(iii) Loans and capital investments

	2023						
		Transaction				Cash	
	Company name	Borrowings		Repayments		contribution	
Associates	Changwon SG Energy Co., Ltd.	₩	-	₩	-	₩	900
	Songsan Green Energy Co., Ltd.		-		-		7,000
Joint ventures	Yangyang Offshore Wind Power Co., Ltd.		-		-		10,498
	Jeonju Bio Green Energy Co., Ltd.		-		-		3,250
	Changwon Noorie Energy Co., Ltd.		-		-		7,595
	Hadong E-factory Co., Ltd.		-		-		350
	Guadalupe Solar SpA		-		225		-
Other related parties	KAS Holdings I LLC		5,495		-		-
	KAS Holdings II LLC		5,540		-		-
		₩	11,035	₩	225	₩	29,593

(iv) Borrowings

	2023							
	Company name	Type	January 1		Repayments, net		December 31	
Others	Korea Development Bank(*1,2)	Facility loan	₩	17,740	₩	(3,445)	₩	14,295
	Energy Infra Asset Management Co., Ltd.(*1,2)	Facility loan		53,382		(2,158)		51,224
			₩	71,122	₩	(5,603)	₩	65,519

(*1) Details of collaterals pledged for related parties are described in Note 40.7.
(*2) The interest expense recognized by the borrowing transaction with the related parties is ₩3,456 million for the year ended December 31, 2023.

Compensations to key management personnel of the Company for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024		2023	
Salaries	₩	827	₩	765
Retirement benefits		51		52
	₩	878	₩	817

38. Related party disclosures (cont'd)

Details of collaterals provided to the related parties as of December 31, 2024 are as follows (Korean won in millions):

Provided by	Provided to	Assets pledged(*1)	Amount pledged(*2)	Financial institution
Korea Hydro & Nuclear Power Co., Ltd.	Korea Offshore Wind Power Co., Ltd.	Korea Offshore Wind Power Co., Ltd. Shares	₩ 24,863	Woori Bank and others
	Noeul Green Energy Co., Ltd.	Noeul Green Energy Co., Ltd. Shares	-	Hana Bank and others
	Busan Green Energy Co., Ltd.	Busan Green Energy Co., Ltd. Shares	2,334	Shinhan Bank and others
	Godeok Clean Energy Co., Ltd.	Godeok Clean Energy Co., Ltd. Shares	5,301	Kookmin Bank and others
	Bigeum Resident Solar Power Generation Co., Ltd.	Bigeum Resident Solar Power Generation Co., Ltd. Shares	7,908	Kookmin Bank and others
	Cheongsong Noraesan Wind Power Co., Ltd.	Cheongsong Noraesan Wind Power Co., Ltd. Shares	4,316	Woori Bank and others
	Gwangyang Green Energy Co., Ltd.	Gwangyang Green Energy Co., Ltd. Shares	24,217	Shinhan Bank and others
	Gangneung Sacheon Fuel Cell Co., Ltd.	Gangneung Sacheon Fuel Cell Co., Ltd. Shares	9,306	Hana Bank and others
	Chuncheon Green Energy Co., Ltd.	Chuncheon Green Energy Co., Ltd. Shares	17,672	Hana Bank and others
	Yangyang Offshore Wind Power Co., Ltd.	Yangyang Offshore Wind Power Co., Ltd. Shares	8,643	Kookmin Bank and others
	Songsan Green Energy Co., Ltd.	Songsan Green Energy Co., Ltd. Shares	7,908	Hana Bank
	Changwon Noorie Energy Co., Ltd.	Changwon Noorie Energy Co., Ltd. Shares	7,658	Hana Bank
	Imha Susang Taeyanggwang Co.,Ltd.	Imha Susang Taeyanggwang Co.,Ltd.Shares	6,351	Hana Bank

(*1) As of December 31, 2024, the entire shares in related associates held by the Group are pledged as collateral to the financial institutions.
(*2) As of December 31, 2024, the book value of entire shares held by the Company.

Details of certification of payment provided by the Group with the related parties as of December 31, 2024 are as follows (USD in thousands):

Provided by	Provided to	Financial institution	Amount		Period
Korea Hydro & Nuclear Power Co., Ltd.	Chuncheon Green Energy Co., Ltd.(*)	Hana Bank and others		-	Jun. 29, 2022 - Aug. 5, 2038
KHNP USA LLC	KAS Holdings I LLC	Woori America Bank	USD	9,770	Oct. 5, 2023 - Oct. 4, 2025
KHNP USA LLC	KAS Holdings II LLC	Woori America Bank	USD	9,730	Oct. 5, 2023 - Oct. 4, 2025

(*) The certification of payment provided pertains to the funding supplementation agreement for Chuncheon Green Energy Co., Ltd.'s construction excess project costs and others. The Group assumes the obligation to make payments based on the investment ratio for excess project costs incurred by the guaranteed company before the completion date. After the comprehensive completion date, the debt guarantee is released.

38. Related party disclosures (cont'd)

Details of derivatives transactions with the related parties as of December 31, 2024 are as follows: (USD, HKD, CHF in thousands, Korean won in millions, KRW/USD, KRW/HKD, KRW/CHF)

			Contract amount				Contract interest rate per annum		
	Counter party (*)	Contract period	Sell		Buy		Sell	Buy	Contract exchange rate
Currency Swap(*)	Korea Development Bank	Jun. 15, 2015 - Jun. 15, 2025	KRW	111,190	USD	100,000	2.62%	3.25%	1,111.90
		Jul. 25, 2017 - Jul. 25, 2027	KRW	111,610	USD	100,000	2.31%	3.13%	1,116.10
		Apr. 3, 2018 - Mar. 13, 2028	KRW	108,600	HKD	800,000	2.69%	3.35%	135.75
		Jul. 29, 2019 - Jul. 19, 2027	KRW	119,978	CHF	100,000	1.43%	0.05%	1,199.78
		Apr. 27, 2021 - Apr. 27, 2026	KRW	111,400	USD	100,000	0.93%	1.25%	1,114.00
		Jul. 27, 2022 – Jul. 27, 2027	KRW	262,000	USD	200,000	3.63%	4.25%	1,310.00
		Jan. 18, 2024 – Jul. 18, 2028	KRW	257,880	USD	200,000	3.80%	5.00%	1,289.40
		Jan. 18, 2024 - Jul. 18, 2028	KRW	128,940	USD	100,000	3.69%	5.00%	1,289.40
		Jul. 29, 2024 - Jul. 29, 2029	KRW	138,540	USD	100,000	3.19%	4.63%	1,385.40

(*) The Group recognized the gains on valuation of derivatives instruments of ₩177,772 million. It also recognized the gains on transactions of derivatives instruments of ₩10,577 million and loss on transactions of derivatives instruments of ₩1,311 million.

39. Supplementary cash flow information

Significant non-cash transactions for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024	2023
Transfer of bonds and long-term borrowings to current portion	₩ 1,090,458	₩ 894,293
Transfer of provisions for decommissioning costs to current portion	384,374	1,045,628
Transfer of construction-in-progress to property, plant and equipment	4,575,803	741,718
Recognition(Reversal) of assets retirement costs based on provision for restoration	1,818,215	(292,120)
Transfer of spent fuel management charges to accrued expenses	463,388	379,010
Transfer of inventories to storage of nuclear power fuel	1,002,037	827,279
Increase in dividends payables	-	1,560,120
Transfer of advanced payments to property, plant and equipment	329,078	264,336
Transfer of advanced payments to investment shares	-	7,238
Transfer of loan to investment shares	9,525	-
Increase in other payables from acquisition of property, plant and equipment	75,195	4,616
Transfer of supplies to machinery with equipment and spare parts	10,547	81,827

Changes in liabilities arising from financing activities for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	2024						
		Cash flow		Non-cash change			
	January 1	Decrease	Increase	Acquisition	Exchange rate fluctuation	Others	December 31
Current portion of lease liabilities	₩ 16,452	₩ (25,195)	₩ -	₩ 99	₩ -	₩ 28,300	₩ 19,656
Lease liabilities	126,753	(23)	-	41,193	361	(12,022)	156,262
Short-term borrowings	251,576	(955,280)	700,000	-	3,704	-	-
Current portion of long-term borrowings	42,936	(42,936)	-	-	-	34,000	34,000
Long-term borrowings	246,256	-	-	-	-	(34,000)	212,256
Current portion of bonds	885,367	(893,016)	-	-	61,796	1,056,195	1,110,342
Bonds	12,220,356	-	1,849,616	-	532,731	(1,047,512)	13,555,191
Dividends payable	1,560,120	(1,560,120)	-	-	-	-	-
Derivative assets, net	(222,178)	(4,157)	107,104	-	-	(597,249)	(716,480)
	₩ 15,127,638	₩ (3,480,727)	₩ 2,656,720	₩ 41,292	₩ 598,592	₩ (572,288)	₩ 14,371,227

39. Supplementary cash flow information (cont'd)

	2023						
		Cash flow		Non-cash change			
	January 1	Decrease	Increase	Acquisition	Exchange rate fluctuation	Others	December 31
Current portion of lease liabilities	₩ 17,582	₩ (20,059)	₩ -	₩ -	₩ -	₩ 18,929	₩ 16,452
Lease liabilities	135,067	-	-	9,998	45	(18,357)	126,753
Short-term borrowings	-	(1,521,755)	1,774,611	-	(296)	(984)	251,576
Current portion of long-term borrowings	42,051	(37,801)	-	-	-	38,686	42,936
Long-term borrowings	284,942	-	-	-	-	(38,686)	246,256
Current portion of bonds	1,399,337	(1,409,020)	-	-	30,803	864,247	885,367
Bonds	10,768,590	-	2,225,163	-	74,650	(848,047)	12,220,356
Dividends payable	-	-	-	-	-	1,560,120	1,560,120
Derivative assets, net	(226,725)	(42,731)	166,664	-	-	(119,386)	(222,178)
	₩ 12,420,844	₩ (3,031,366)	₩ 4,166,438	₩ 9,998	₩ 105,202	₩ 1,456,522	₩ 15,127,638

40. Commitment and contingencies

Ongoing litigations as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024			December 31, 2023		
	Litigations in progress	Litigation value		Litigations in progress	Litigation value	
Pending lawsuits(defendant)(*)	82 cases	₩	210,981	65 cases	₩	97,943
Pending lawsuits(plaintiff)	30 cases		87,622	26 cases		60,424

(*) The amount includes the wage litigation value of ₩77,428 million, and as of December 31, 2024, the Group has reserved ₩340,686 million of provisions for litigations in respect to current ongoing wage litigations. Although the final results cannot be predicted for case other than cases for which provisions for litigation are recognized, management expects that the outcome of the lawsuit will not have a significant impact on the Group's operations or financial status.

As of December 31, 2024, the Group is involved in 4 arbitration cases other than ongoing lawsuits. The key arbitration cases as of December 31, 2024 are as follows:

An arbitration application has been filed against Westinghouse Electric Company LLC with the Korean Commercial Arbitration Board regarding the determination of whether it falls under the scope of nuclear power plants export control procedures. However, it is not reasonably possible to estimate the outflow amount and timing of resources due to the results of this arbitration.

An arbitration application has been filed against the Korea Electric Power Corporation regarding the inadequate performance level of the anchor attachment for Hanul Units 3 and 4, related to the payment of damages. However, it is not reasonably possible to estimate the outflow amount and timing of resources due to the results of this arbitration.

An arbitration application has been filed against the Samsung C&T Consortium (Samsung C&T Corporation, Doosan Energy Corporation, Hanwha Corporation) with the Korean Commercial Arbitration Board regarding the adjustment of the contract amount for the main facility construction of Saeul Units 3 and 4 (formerly Shin-Kori Units 5 and 6). However, it is not reasonably possible to estimate the outflow amount and timing of resources due to the results of this arbitration.

40. Commitment and contingencies (cont'd)

Details of lines of credit provided by financial institutions as of December 31, 2024 are as follows (Korean won in millions, USD, EUR in thousands):

	Financial institution	Currency	Guarantee limit	Currency	Outstanding amount
Commitments on Bank-overdraft	Woori Bank	KRW	50,000	KRW	-
	Nonghyup Bank	KRW	100,000	KRW	-
	Hana Bank	KRW	50,000	KRW	-
	Kookmin Bank	KRW	100,000	KRW	-
	Korea Development Bank	KRW	100,000	KRW	-
Trade finance	Mitsui Sumitomo Banking Corporation	USD	100,000	USD	-
	DBS Bank	USD	250,000	USD	-
	Societe Generale	USD	100,000	USD	-
	Kookmin Bank	USD	100,000	USD	-
	Shinhan Bank	USD	100,000	USD	-
	Credit Agricole	USD	200,000	USD	-
Certification of payment on L/C	Nonghyup Bank	USD	50,000	USD	-
Certification of Performance guarantee on contact	National Bank of Pakistan	USD	477	USD	477
	Shinhan Bank	USD	370,794	USD	370,794
	Nonghyup Bank	USD	247,357	USD	247,357
	Hana Bank	USD	302	USD	302
Loan limit	Korea Development Bank and others	KRW	251,600	KRW	-
	Kookmin Bank and others	KRW	276,960	KRW	179,800
	Hana Bank	KRW	4,000	KRW	-
	Woori Bank	KRW	1,600	KRW	-
	Nonghyup Bank	KRW	2,000	KRW	-
Certification of bidding	The Export-Import Bank of Korea	EUR	10,000	EUR	10,000
Limit amount available for card	Nonghyup Card Co., Ltd.	KRW	13,104	KRW	2,545
	Woori Card Co., Ltd.	KRW	4,400	KRW	1,461
	Industrial Bank of Korea	KRW	20	KRW	-
Others	Industrial Bank of Korea	KRW	20,000	KRW	-
	Nonghyup Bank	KRW	25,000	KRW	-
	Nonghyup Bank	USD	105,000	EUR	51,784
	Woori Bank	KRW	2,000	KRW	-
	Shinhan Bank	KRW	10,000	KRW	-
	Hana Bank	USD	10,268	USD	10,268
	Hana Bank	KRW	8,000	KRW	-
	Hana Bank	KRW	1,000	KRW	73
	Hana Bank	KRW	50,000	KRW	-

40. Commitment and contingencies (cont'd)

The Group voluntarily suspended operations of the Gangneung hydroelectric generating plant, with a carrying amount of ₩59,313 million as of December 31, 2024, to improve the quality of water used in generating electricity. The expenses related to the suspension of operations of ₩3,642 million and depreciation on the utility plant amounting to ₩1,741 million are charged to other expenses for the year ended December 31, 2024. Regarding the improvement of water quality, the results of damages compensation for the local residents cannot be reasonably estimated, and the Group is under negotiations with Gangneung City and related stakeholders to restart the Gangneung hydroelectric generating plant as of December 31, 2024.

Major contracts related to constructions:

Agreements for the purchase of property, plant and equipment as of December 31, 2024 and 2023 are as follows (Korean won in millions)

	December 31, 2024	December 31, 2023
Agreements for the purchase of property, plant and equipment (*)	₩ 34,826,703	₩ 32,073,545

(*) The above amount is the total business standard amount of the construction work.

Contractual amounts for construction of Saeul units (#3,4) (former, Shin-Gori units #5,6), Shin-Hanul units (#1,2) and Shin-Hanul units (#3,4) as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	December 31, 2024		December 31, 2023	
	Contractual amounts	Remaining balance	Contractual amounts	Remaining balance
Construction of Saeul units (#3,4)	₩ 11,718,217	₩ 1,748,342	₩ 9,800,424	₩ 1,113,349
Construction of Shin-Hanul units (#1,2)(*)	10,765,241	-	10,592,760	-
Construction of Shin-Hanul units (#3,4)	12,343,245	10,964,638	11,680,361	10,935,737
	₩ 34,826,703	₩ 12,712,980	₩ 32,073,545	₩ 12,049,086

(*) The project budget amount as of December 31, 2024, includes the amount of Shin-Hanul Unit 1 completed for the year ended December 31, 2022. And Shin-Hanul Unit 2 is in commercial operation as of December 31, 2024.

The Group has various purchase commitments for uranium, and the details of the major contracts as of December 31, 2024 are as follows:

	Contract Year	Quantity
Concentrate	2024~2033	22,282 Ton U3O8
Transformation	2024~2030	14,391 Ton U
Enrichment	2024~2035	26,943 Ton SWU
Fabrication (light-water reactor)	2023~2024	371 Ton U
Fabrication (heavy-water reactor)	2023~2024	238 Ton U
Fabrication (initial core)	2023~2031	208 Ton U

40. Commitment and contingencies (cont'd)

Details of collateral provided by the Group for long-term borrowings as of December 31, 2024 are as follows (Korean won in millions):

	Type	Loan amounts		Loan limit		Maximum amount guaranteed		Financial institution
Long-term borrowings(*1)	Facility loan	₩	61,689	₩	251,600	₩	327,080	Korea Development Bank and others
Long-term borrowings(*2)	Facility loan		179,800		230,800		276,960	Kookmin Bank and others
		₩	241,487	₩	482,400	₩	604,040	

(*1) As of December 31, 2024, all shares of Gyeonggi Green Energy Co., Ltd., one of the Group's subsidiaries, were provided as collateral related to the long-term borrowings above by shareholders including the Group. Additionally, pledge for transfer of rights of long-term borrowings, pledge for insurance claims, pledged for plants and other pledges were established.
(*2) As of December 31, 2024, all shares of Incheon Fuel Cell Co., Ltd., one of the Group's subsidiaries, were provided as collateral related to the long-term borrowings above by shareholders including the Group. Additionally, pledge for transfer of rights of long-term borrowings, pledge for insurance claims, pledged for plants and other pledges were established.

Uncertainty of Impact of Ukraine Crisis

The ongoing armed conflict in Ukraine area which began in February 2022 and international sanctions imposed against Russia related thereto may affect entities under sanction, entities doing business with Ukraine or Russia and entities exposed directly or indirectly to industries or economy of Ukraine or Russia. The Group cannot make a reasonable estimation on the future financial impact of the recent conflict in Ukraine.

The consolidated entity is obligated to supply above a certain amount of its total power generation from new and renewable energy sources each year under the "Act on the Promotion of Development, Use, and Dissemination of New and Renewable Energy". According to the law, the supplier can meet this requirement by either utilizing its own power generation facilities or by purchasing Renewable Energy Certificates (hereinafter referred to as "REC"). The costs incurred for fulfilling this obligation are reimbursed by Korea Electric Power Corporation in accordance with relevant regulations.
The consolidated entity has entered into the fixed-price contracts with multiple counterparties for the purchase of RECs over a certain period to fulfill its obligations. The purchase amounts paid to the counterparties can be reimbursed by Korea Electric Power Corporation during the contract period.

Details of fixed-price contracts among RECs purchase agreements entered into by the consolidated entity as of December 31, 2024 are as follows:

	Contract capacity(kW)	Current purchase quantity (REC).	Average remaining contract period	Average contract price	
Fixed-price contract(*)	2,768,171	5,089,947	195 months	₩	176,366

(*) Contract Type: SMP + REC or SMP + REC * Weighting.

The consolidated entity is currently in discussions with the contracting parties regarding dispute resolution procedures and extension costs related to equipment damage and extension under the OSS contract for the UAE nuclear power plant. The Group cannot make a reasonable estimation on the potential for inflow of economic benefits resulting from the outcomes of these negotiations.

41. Event after the reporting period

The Group issued new bonds for funding facility investments subsequent to the end of the reporting period, and details of bonds newly issued are as follows (Korean won in millions):

	Issued date	Maturity	Interest rate	Amount	
Corporate bond #81	2025.02.10	2030.02.10	2.96%	₩	60,000
Overseas private placement bonds #4	2025.03.05	2028.03.05	4.10%		218,963

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Independent auditor's report

(English Translation of a Report Originally Issued in Korean)

The Shareholder and Board of Directors
Korea Hydro & Nuclear Power Co., Ltd.

Opinion

We have audited the consolidated financial statements of Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2023, and the notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2023 in accordance with the Accounting Standards for Public Enterprises and Quasi-governmental Institutions in the Republic of Korea ("Government Accounting Standards").

Basis for opinion

We conducted our audit in accordance with Korean Standards on Auditing ("KSA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements of 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 the ethical 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 describes that the Group's consolidated financial statements were prepared in accordance with Government Accounting Standards. Pursuant to its Article 2-5, the Group applies International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") where specific accounting treatments are not prescribed by Government Accounting Standards in the Republic of Korea. There are no accounts of which accounting treatment is materially different compared to KIFRS pursuant to the application of Government Accounting 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 the Government Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Ernst & Young Han Young

March 11, 2024

This audit report is effective as of March 11, 2024, the independent auditor's report date. Accordingly, certain subsequent events or circumstances, which may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of December 31, 2023 and 2022

(Korean won in millions)

	Notes	2023		2022	
Assets					
Current assets:					
Cash and cash equivalents	5,36,37	₩	950,472	₩	953,369
Current financial assets, net	6,9,36,37		440,056		468,554
Trade and other receivables, net	7,27,36,37		2,095,724		1,293,319
Inventories	10		6,472,159		6,046,917
Current tax assets			748		721
Current non-financial assets	11		269,835		99,695
Total current assets			10,228,994		8,862,575
Non-current assets:					
Non-current financial assets, net	6,8,9,36,37		1,649,542		1,542,908
Non-current trade and other receivables, net	7,36,37		74,670		36,307
Property, plant and equipment, net	13,15,19,22		56,132,389		56,413,871
Intangible assets, net	14,15,22		135,360		136,757
Investments in associates and joint ventures	12		236,178		210,590
Deferred tax assets			2,162,123		1,923,018
Non-current non-financial assets	11		293,693		412,526
Net defined benefit asset	20		3,113		-
Total non-current assets			60,687,068		60,675,977
Total assets		**₩**	**70,916,062**	**₩**	**69,538,552**

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of December 31, 2023 and 2022 (cont'd)
(Korean won in millions)

	Notes		2023		2022
Liabilities					
Current liabilities:					
Trade and other payables	17,19,25,36,37,39	₩	3,019,670	₩	1,461,379
Current financial liabilities, net	6,16,18,36,37		1,185,049		1,447,707
Income tax payable			295,544		254,322
Current non-financial liabilities	23,27,37		385,180		105,708
Current provisions	21		1,496,850		935,461
Total current liabilities			6,382,293		4,204,577
Non-current liabilities:					
Non-current trade and other payables	17,19,36,37		1,665,573		1,959,390
Non-current financial liabilities, net	6,16,18,36,37		12,573,823		11,174,672
Non-current non-financial liabilities	23		5,324		5,315
Employee benefit obligation	20		2,911		35,577
Deferred tax liabilities			12,334		6,173
Non-current provisions	21,40		25,388,692		25,871,789
Total non-current liabilities			39,648,657		39,052,916
Total liabilities		₩	**46,030,950**	₩	**43,257,493**
Equity					
Contributed capital	24	₩	10,704,515	₩	10,704,515
Retained earnings	25		14,122,427		15,552,080
Other components of equity	26		50,211		8,904
Equity attributable to owners of the parent			24,877,153		26,265,499
Non-controlling interests			7,959		15,560
Total equity			**24,885,112**		**26,281,059**
Total liabilities and equity		₩	**70,916,062**	₩	**69,538,552**

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

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of profit or loss and other comprehensive income
for each of the two years in the period ended December 31, 2023
(Korean won in millions)

	Notes		2023		2022
Sales	4,13,27	₩	10,978,255	₩	10,607,651
Cost of sales	13,34		9,878,523		9,721,052
Gross profit			**1,099,732**		**886,599**
Selling and administrative expenses	28,34		307,003		241,454
Operating profit			**792,729**		**645,145**
Other income	29		85,832		25,856
Other expenses	29		43,979		70,425
Other gains (losses), net	30		(21,608)		120,141
Finance income	6,31,36		269,211		400,189
Finance costs	6,32,36		895,082		1,074,710
Gain (loss) on investments in associates and joint ventures, net	12		(2,455)		1,408
Profit before income tax			**184,648**		**47,604**
Income tax expense	33		62,509		109,592
Profit (loss) for the year		₩	**122,139**	₩	**(61,988)**
Other comprehensive income (loss), net of tax					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Remeasurement gain (loss) on defined benefit plans	20	₩	(2,135)	₩	134,395
Share of other comprehensive gain (loss) of associates and jount ventures			(1)		52
Gain on valuation of financial assets at fair value through other comprehensive income	8,26		40,453		16,547
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain on foreign currency translation of overseas operations			388		112
Share of other comprehensive income of associates and joint venture	12,26		279		1,939
Other comprehensive income, net of tax			38,984		153,045
Total comprehensive income, net of tax		₩	**161,123**	₩	**91,057**
Profit (loss) for the year attributable to:					
Owners of the parent		₩	132,599	₩	(36,672)
Non-controlling interests			(10,460)		(25,316)
		₩	122,139	₩	(61,988)
Total comprehensive income (loss) for the year attributable to:					
Owners of the parent		₩	171,488	₩	116,798
Non-controlling interests			(10,365)		(25,741)
		₩	161,123	₩	91,057
Earnings (loss) per share in Korean won:					
Basic earnings (loss) per share	35	₩	547	₩	(151)
Diluted earnings (loss) per share	35		547		(151)

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

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for each of the two years in the period ended December 31, 2023

(Korean won in millions)

	Contributed capital	Retained earnings	Other components of equity	Equity attributable to the owners of the parent	Non-controlling interest	Total equity
As of January 1, 2022	**10,704,515**	**15,590,335**	**(9,780)**	**26,285,070**	**32,574**	**26,317,644**
Total comprehensive income (loss)						
Loss for the year	-	(36,672)	-	(36,672)	(25,316)	(61,988)
Items that will not to be reclassified to profit or loss in subsequent periods:						
Remeasurement gain on defined benefit plans	-	134,369	-	134,369	26	134,395
Share of gain of associates and joint ventures, net of tax	-	52	-	52	-	52
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	-	-	16,999	16,999	(452)	16,547
Items that may be reclassified to profit or loss in subsequent periods:						
Gain on foreign currency translation of overseas operations	-	-	112	112	-	112
Share of other comprehensive income of associates and joint ventures	-	-	1,939	1,939	-	1,939
Transactions with owners of the parent recognized directly in equity:						
Paid-in capital increase of subsidiaries	-	-	-	-	5,820	5,820
Changes in consolidation scope	-	-	-	-	2,908	2,908
Dividends	-	(136,010)	-	(136,010)	-	(136,010)
Others	-	6	(366)	(360)	-	(360)
As of December 31, 2022	**₩ 10,704,515**	**₩ 15,552,080**	**₩ 8,904**	**₩ 26,265,499**	**₩ 15,560**	**₩ 26,281,059**
As of January 1, 2023	**₩ 10,704,515**	**₩ 15,552,080**	**₩ 8,904**	**₩ 26,265,499**	**₩ 15,560**	**₩ 26,281,059**
Total comprehensive income (loss)						
Profit (loss) for the year	-	132,599	-	132,599	(10,460)	122,139
Items that will not to be reclassified to profit or loss in subsequent periods:						
Remeasurement loss on defined benefit plans	-	(2,131)	-	(2,131)	(4)	(2,135)
Share of gain of associates and joint ventures, net of tax	-	(1)	-	(1)	-	(1)
Gain on valuation of financial assets at fair value through other comprehensive income	-	-	40,353	40,353	100	40,453
Items that may be reclassified to profit or loss in subsequent periods:						
Gain(loss) on foreign currency translation of overseas operations	-	-	389	389	(1)	388
Share of other comprehensive income of associates and joint ventures	-	-	279	279	-	279
Transactions with owners of the parent recognized directly in equity:						
Paid-in capital increase of subsidiaries	-	-	-	-	2,926	2,926
Subsidiaries' capital reduction with refund	-	-	-	-	(162)	(162)
Dividends	-	(1,560,120)	-	(1,560,120)	-	(1,560,120)
Others	-	-	286	286	-	286
As of December 31, 2023	**₩ 10,704,515**	**₩ 14,122,427**	**₩ 50,211**	**₩ 24,877,153**	**₩ 7,959**	**₩ 24,885,112**

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

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2023
(Korean won in millions)

		2023		2022
Operating activities				
Profit (loss) for the year	₩	122,139	₩	(61,988)
Adjustments for:				
Income tax expense		62,509		109,592
Depreciation of property, plant and equipment		3,030,086		2,709,668
Amortization of nuclear fuel		1,370,619		1,322,726
Amortization of intangible assets		34,379		37,067
Depreciation of idle assets		3,683		3,635
Impairment loss on property, plant and equipment		-		37,311
Reversal of impairment loss on property, plant and equipment		-		(134,735)
Impairment loss on intangible assets		-		150
Retirement benefit expense		70,694		91,241
Provision for other allowance for doubtful accounts		18		-
Gain (loss) on investments in associates and joint ventures, net		2,456		(1,408)
Loss on disposal of property, plant and equipment		27,987		18,742
Loss on obsolenscence of inventories		1,417		91
Loss on disposal of inventories		1,263		2,355
Provisions for decommissioning costs		392,405		382,893
Provisions for litigation		108,651		15,246
Other provisions		49,635		43,851
Provisions for employee benefits		194,131		186,594
Interest expense		704,351		574,909
Loss on sale of financial assets		-		1,334
Loss on valuation of financial assets at fair value through profit or loss		17,431		13,450
Loss on valuation of derivative instruments		5,591		96,289
Loss on transactions of derivative instruments		42,732		15,846
Loss on foreign currency translation		116,953		183,014
Loss on foreign exchange		9,411		193,410
Loss from lease cancellation		1		1
Miscellaneous non-operating losses		7,220		-
Gain on disposals of property, plant and equipment		(978)		(5,676)
Gain on valuation of inventories		(262)		-
Gain on disposals of inventories		-		(18)
Reversal of impairment loss on inventories		(2)		-
Gain on assets contributed		(105)		(105)
Gain from infrastructure fund		(60)		(3)
Reversal of provisions for greenhouse gas emission		(147,991)		-
Reversal of provisions for decommissioning costs		(7,368)		-
Reversal of other provisions		(3,834)		(4,250)
Interest income		(68,533)		(45,348)
Dividend income		(7,290)		(4,601)
Gain on sale of financial assets		(3,366)		(353)
Gain on valuation of financial assets at fair value through profit or loss		(17,886)		(2,690)
Gain on valuation of derivative instruments		(113,699)		(155,809)
Gain on transactions of derivative instruments		(54,010)		(117,818)
Gain on foreign currency translation		(4,949)		(74,395)
Gain on foreign exchange		(1,755)		(43)
Gain from lease cancellation		(285)		(3)
Miscellaneous non-operating gains		-		(34)
	₩	5,821,250	₩	5,492,126

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2023 (cont'd)

(Korean won in millions)

		2023		2022
Changes in operating assets and liabilities:				
Current trade receivables	₩	(677,783)	₩	97,038
Due from customers for contract work		3,837		(3,837)
Current other receivables		40,295		68,558
Current accrued income		(131,809)		(55,757)
Current other receivables		(4,946)		-
Current advanced payments		(161,065)		(24,418)
Current prepaid expenses		(1,801)		10,111
Other current non-financial assets		(13,890)		(3,445)
Inventories		(1,336,766)		(1,349,276)
Current deposits received		(152)		(457)
Current trade payables		11,074		(101,291)
Current other payables		(466,771)		(185,678)
Current accrued expenses		(364,841)		(323,506)
Current leasehold deposits received		766		97
Current other deposits received		(190)		1,259
Current advance received		(196)		8
Due to customers for contract work		181,367		-
Current withholdings		(1,695)		2,516
Current unearned revenue		1,210		527
Other current non-financial liabilities		98,691		40,807
Provisions for employee benefits		(225,098)		(211,676)
Provisions for others		(95,851)		(62,270)
Provisions for decommissioning cost of nuclear plants		(148,756)		(120,968)
Non-current employee benefit obligation		(362)		(272)
Payment of retirement benefits		(54,069)		(50,815)
Changes in plan assets		(64,996)		(87,569)
		(3,413,797)		(2,360,314)
Interest received		59,449		43,165
Interest paid		(425,549)		(342,362)
Dividends received		9,620		5,229
Income tax paid		(258,157)		(164,267)
Net cash flows provided by operating activities	₩	**1,914,955**	₩	**2,611,589**

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2023 (cont'd)

(Korean won in millions)

		2023		2022
Investing activities				
Net decrease (increase) in current financial assets measured at fair value through profit or loss	₩	22,900	₩	(94,200)
Acquisition of short-term financial assets		(115,614)		(16,000)
Proceeds from disposal of short-term financial instruments		105,161		34,000
Acquisition of short-term loans		(11,731)		-
Repayment of short-term loans		266		270
Collection of current guarantee deposits		(6)		-
Acquisition of non-current financial assets at fair value through profit or loss		(518,137)		(347,614)
Proceeds from disposal of non-current financial assets at fair value through profit or loss		637,627		471,375
Acquisition of non-current financial assets at fair value through other comprehensive income		(14,630)		(9,451)
Acquistion of long-term financial assets		(365,164)		(287,935)
Proceeds from disposal of long-term financial instruments		208,093		125,971
Increase in long-term loans		(10,868)		(9,789)
Collection of long-term loans		13,067		9,601
Increase in long-term guarantee deposits		(24,825)		(20,507)
Collection of long-term guarantee deposits		19,050		29,751
Payment of non-current advanced payments		(133,127)		(93,530)
Changes in scope of consolidation		-		822
Acquisition of investments in associates and joint ventures		(22,355)		(11,785)
Proceeds from disposal of investments in associates and joint ventures		430		203
Acquisition of land		(154)		-
Proceeds from disposal of land		2,377		6,649
Acquisition of buildings		(88)		(51)
Proceeds from disposal of buildings		666		1,183
Acquisition of structures		-		(9)
Acquisition of machineries		(22,842)		(32,178)
Proceeds from disposal of machineries		1,245		5
Acquisition of vehicles		(365)		(251)
Proceeds from disposal of vehicles		128		172
Acquisition of fixtures and furniture		(48,527)		(64,257)
Proceeds from disposal of fixtures and furniture		6		10
Acquisition of tools		(2,880)		(4,332)
Proceeds from disposal of tools		12		14
Acquisition of construction-in-progress		(2,742,347)		(1,728,895)
Acquisition of intangible assets		(25,188)		(29,759)
Net cash flows used in investing activities	₩	**(3,047,820)**	₩	**(2,070,517)**

(Continued)

Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2023 (cont'd)

(Korean won in millions)

		2023		2022
Financing activities				
Net increase (decrease) in short-term borrowings	₩	252,856	₩	(903,872)
Repayment of current portion of long-term borrowings		(37,801)		(32,661)
Repayment of current portion of long-term bonds		(1,409,020)		(1,595,650)
Proceeds from bonds issuance		2,225,163		2,496,381
Settlement of derivative instruments		123,933		234,457
Decrease in lease liabilities		(20,059)		(18,540)
Dividends paid		-		(136,010)
Paid-in capital increase of subsidiaries		2,926		5,819
Subsidiaries' capital reduction with refund		(162)		-
Net cash flows provided by financing activities		**1,137,836**		**49,924**
Net foreign exchange difference		**(7,868)**		**(56)**
Net increase (decrease) in cash and cash equivalents		**(2,897)**		**590,940**
Cash and cash equivalents at the beginning of year		**953,369**		**362,429**
Cash and cash equivalents at the end of year	**₩**	**950,472**	**₩**	**953,369**

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

1. General information of the Company

1.1 The parent company

Korea Hydro & Nuclear Power Co., Ltd. ("KHNP" or the "Company") was incorporated on April 2, 2001 through the split-off of the power generation division of Korea Electric Power Corporation ("KEPCO") in accordance with the Act on Promotion of Restructuring the Electric Power Industry. As of December 31, 2023, KHNP owns and operates 25 nuclear generating units (24,650MW), 37 hydroelectric generating units (607MW), 16 pumped-storage facilities (4,700MW) and 60 new renewable energy generating units (78MW). As of December 31, 2023, KHNP's generation capacity is 138 total units (30,035MW).

As of December 31, 2023, KEPCO holds 100% of KHNP's outstanding shares.

1.2 Consolidated subsidiaries

Details of consolidated subsidiaries as of December 31, 2023 and 2022 are as follows:

				Percentage of ownership	
Company	Key operating activities	Location	Reporting date	December 31, 2023	December 31, 2022
KHNP Canada Energy Ltd.	Overseas Investment	Canada	December 31	100.00%	100.00%
Gyeonggi Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	62.01%	62.01%
Korea Waterbury Uranium Limited Partnership	Overseas Investment	Canada	December 31	70.03%	70.00%
Incheon Fuel Cell Co., Ltd.	Electricity and heat generation	Korea	December 31	60.00%	60.00%
First Keepers Co., Ltd.	Facility management	Korea	December 31	100.00%	100.00%
Secutec Co., Ltd.	Facility security	Korea	December 31	100.00%	100.00%
KHNP USA LLC	Overseas Investment	USA	December 31	100.00%	100.00%
Energy Innovation Growth Fund 1	Investment Trust	Korea	December 31	67.42%	67.42%
KHNP Chile SpA	Overseas Investment	Chile	December 31	100.00%	100.00%
LSG Hydro Power Ltd.	Overseas Investment	Pakistan	December 31	99.99%	99.80%
KHNP Spain, S.L.(*)	Overseas Investment	Spain	-	-	100.00%
Digital Innovation Growth Fund	Investment Trust	Korea	December 31	76.92%	76.92%

(*) Excluded from the scope of consolidation as being liquidated for the year ended December 31, 2023.

1. General information of the Company (cont'd)

1.2 Consolidated subsidiaries (cont'd)

Summarized financial information of subsidiaries as of December 31, 2023 and for the year ended is as follows (Korean won in millions):

Company	Assets	Liabilities	Sales	Profit (loss) for the year
KHNP Canada Energy Ltd.	₩ 155,242	₩ 12,379	₩ -	₩ 392
Gyeonggi Green Energy Co., Ltd.	180,176	214,822	80,630	(28,549)
Korea Waterbury Uranium Limited Partnership	20,772	44	-	(67)
Incheon Fuel Cell Co., Ltd.	259,169	237,409	96,924	(4,112)
First Keepers Co., Ltd.	18,698	12,437	90,575	2,689
Secutec Co., Ltd.	16,038	11,797	72,284	699
KHNP USA LLC	1,517	140	1,142	166
Energy Innovation Growth Fund 1	43,725	419	-	(766)
KHNP Chile SpA	5,555	4,219	-	(66)
LSG Hydro Power Ltd.	717	8	-	(219)
KHNP Spain, S.L.(*)	-	-	-	(1)
Digital Innovation Growth Fund	11,624	96	-	(266)

(*) Includes sales and profit (loss) for the period before being liquidated in the current year.

Significant restrictions related to subsidiaries are as follows:

	Significant Restrictions in Details
Gyeonggi Green Energy Co., Ltd.	Acquisition or disposal of assets by more than ₩10 billion, change in the capacity of cogeneration units (except for the change due to performance improvement of equipment or maintenance) will require unanimous consent of all directors.
Incheon Fuel Cell Co., Ltd.	Acquisition or disposal of assets by more than ₩20 billion, change in the capacity of cogeneration units (except for the change due to performance improvement of equipment or maintenance) will require unanimous consent of all directors.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of Korea Hydro & Nuclear Power Co., Ltd. and its subsidiaries (collectively referred to as the "Group") have been prepared in accordance with Accounting Standards for Public Enterprises and Quasi-governmental Institutions in the Republic of Korea ("Government Accounting Standards") pursuant to the *Act on the Management of Public Institutions* and the *Decree on Accounting for Public Corporations and Quasi-governmental Institutions*. In compliance with Article 2, Paragraph 5 of the Government Accounting Standards above, for those matters not specified in the regulations and standard above, the consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"), a standard adopted in accordance with International Financial Reporting Standards by the Korean Accounting Standards Board. There are no important matters that have been applied differently from KIFRS under the Regulation.

The accompanying consolidated financial statements have been translated into English from Korean consolidated financial statements. In the event of any differences in interpreting the consolidated financial statements or the independent auditor's report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements were authorized for issue by the Board of Directors on February 6, 2024, which will be submitted for final approval to the shareholders' meeting to be held on March 22, 2024.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- ✓ derivative financial instruments measured at fair value;
- ✓ financial assets at fair value through other comprehensive income;
- ✓ financial assets at fair value through profit or loss; and
- ✓ defined benefit liabilities recognized at the net of the total present value of defined benefit obligations less the fair value of plan assets.

2.3 Functional and presentation currency

The financial statements of the Group are prepared in functional currency of the respective operation. These consolidated financial statements are presented in Korean won, which is the Group's functional currency and the currency of the primary economic environment in which the Group operates.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with KIFRS requires management to make estimates and assumptions based on management's best judgment that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. At the end of the reporting period, if estimates and assumptions based on management's best judgment differ from the actual environment, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Meanwhile, the Group considers climate-related risks associated with climate change and the establishment of global greenhouse gas reduction scheme in estimates and assumptions. Climate-related risks increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Basis of preparation (cont'd)

2.4 Use of estimates and judgments (cont'd)

(i) The 30-year designed life of Wolsong unit 1 nuclear power plant of the Group had expired on November 20, 2012. On February 27, 2015, however, approval from the Nuclear Safety and Security Commission (NSSC) was received to continue its operation until November 20, 2023.

According to the 8th Basic Plan for Electricity Supply and Demand announced by the Ministry of Trade, Industry and Energy, Wolsong unit 1 nuclear power plant was excluded from the supply facility and decided on the closing time during the first half of 2018. On June 15, 2018, the board of directors of the Company has decided to shut down the Wolsong unit 1 assessing comprehensively the feasibility of continuing operation, such as economic efficiency and regional acceptance. On December 24, 2019, the Nuclear Safety and Security Commission (NSSC) deliberated and voted on a proposed change in the operation of the Wolsong unit 1, and finalized the change in operation (permanent suspension).

In addition, the Board of Directors of the Company has also decided to discontinue the construction of Cheonji unit 1 and 2 and Daejin unit 1 and 2 pursuant to the follow-up measures of government policy. For this reason, the Group recognized impairment loss and other expenses, as of December 31, 2018.

Among the new nuclear power plants under construction, Shin-Hanul unit 3 and 4, which were approved for power generation business, are not included in the decision to suspend construction approved by the board of directors of the Company. The Group has judged there is a high possibility of a construction stoppage following the government's recommendation. For this reason, the Group recognized impairment loss, as of December 31, 2018 as the Group believes that there was a significant change in its operating environment as of the date of the board of directors' decision.

However, the Group has identified indications that the above-mentioned impairment losses may no longer exist or have been reduced considering that the management of the Company reported to the board of directors on the progress related to Shin-Hanul units 3 and 4 including the resumption of the suspended project according to the 'New Government Energy Policy Direction', related permissions and approvals, and major contracts; and that the Ministry of Trade, Industry and Energy established the 10th Basic Plan for Electricity Supply and Demand which includes Shin-Hanul units 3 and 4 in supply facilities, etc. for the year ended December 31, 2022. Accordingly, the Group recognized the reversal of impairment loss related to Shin-Hanul units 3 and 4 for the year ended December 31, 2022 (See Note 13).

As of December 31, 2023, there is no indication that the impairment loss mentioned above, other than the impairment loss related to Shin-Hanul units 3 and 4, no longer exists or may have been reduced.

(ii) Measurement of property, plant and equipment, estimation on provision for decommissioning costs

The Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Management's judgments could affect the determination of estimated economic useful lives. The Group is required to record a liability for the dismantling (demolition) of nuclear power plants and disposal of spent fuel and low and intermediate radioactive wastes. When there is a possibility that resources may be leaked to fulfill the obligation, and the amount required to fulfill the obligation can be estimated reliably, it is recognized as a liability. The measurement of such liability is subject to change based on change in estimated cash flow, inflation rate, discount rate, and passage of time.

(iii) Income tax expense

The Group recognized current and deferred income tax based on the best estimate for the income tax effects expected to be borne as a result of business activities up to the end of the reporting period. Actual future tax liability may not be consistent with the recognized assets and liabilities and this difference may affect current and deferred tax assets and liabilities at the time the final tax effect is finalized.

2. Basis of preparation (cont'd)

2.4 Use of estimates and judgments (cont'd)

(iv) Valuations of financial instruments at fair values

When measuring the fair value of an asset or a liability, the Group uses inputs that are not based on observable market data. Information about the assumptions made in measuring fair values and sensitivity analysis on the fair value of financial instruments are included in Note 37. The management believes that methods and assumptions in measuring the fair value of an asset or a liability are appropriate.

(v) Defined benefit liabilities

The Group offers its employees defined benefit plans. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. For actuarial valuations, certain inputs such as discount rates and future salary increases are estimated. Defined benefit plans contain significant uncertainness in estimations due to its long-term nature.

(vi) Construction contracts

For each performance obligation settled over the period, the Group recognizes revenue over the period by measuring the progress to the completion of the performance obligation (hereinafter, the "percentage-of-completion"). For each performance obligation that is fulfilled over the period, one method of measuring progress is applied consistently to similar performance obligations in similar situations. The Group calculates the progress of the performance obligation in accordance with the cost-based input method. In applying this cost-based input method, it is necessary to estimate and judge in terms of future efforts or inputs, items that are not related to performance obligations among accrued costs, and items that change in performance obligations. Total revenue is measured based on the contract price initially agreed, but the measurement of revenue is affected by various uncertainties related to the outcome of future events.

2. Basis of preparation (cont'd)

2.5 Changes in accounting policies

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2023.

(i) Amendments to KIFRS 1012, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

This amendment to KIFRS 1012 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no material impact on the Group's consolidated financial statements.

(ii) Amendments to KIFRS 1012, *Income Taxes – International Tax Reform - Pillar Two Model Rules*

The amendments to KIFRS 1012 have been introduced in response to the OECD's BEPS Pillar Two Model Rules and include:
• a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules; and
• disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim periods ending on or before December 31, 2023.

The amendments had no material impact on the Group's consolidated financial statements.

The following new or amended standards are not considered to have a material effect on the Group's financial statements.

- ✓ KIFRS 1117 *Insurance Contracts* and its amendments
- ✓ *Disclosure of Accounting Policies* (KIFRS 1001 *Presentation of Financial Statements*)
- ✓ *Definition of Accounting Estimates* (KIFRS 1008 *Accounting policies, Changes in Accounting Estimates and Errors*)

2.6 Presentation of Financial statements

The Group disaggregates and prepares the accounts presented in the consolidated financial statements in accordance with the Government Accounting Standards.

3. Material Accounting Policies

The material accounting policies applied by the Group in preparation of these consolidated financial statements are included below. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except for those as disclosed in Note 2.5.

The Group has applied amendments to the disclosure of accounting policies (KIFRS 1001 *Presentation of Financial Statements*) for the reporting period beginning on January 1, 2023. This amendment requires disclosure of 'material' accounting policies rather than 'significant' accounting policies. These amendments do not result in changes to accounting policies, but affect the information on accounting policies that are disclosed.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group except for acquisitions from entites or business under common control.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed income or loss in the period in which costs is incurred and service is provided, except if related to issue debt or equity securities are recognized in accordance with KIFRS 1032 *Financial Instruments: Presentation* and KIFRS 1109 *Financial Instruments: Recognition and Measurement*.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree’s employees (acquiree’s awards), then all or a portion of the amount of the acquirer’s replacement awards is included in measuring the consideration transferred in the business combination. Replacement awards, which is part of the consideration transferred to the acquiree, and remuneration for service after business combination are determined based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree’s awards and the extent to which the replacement awards relate to pre-combination service.

(ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Changes in the Group’s interest in subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3. Material Accounting Policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(vii) Acquisitions from entities under common control

The assets and liabilities acquired under business combinations under common control are recognized at the carrying amounts recognized previously in the consolidated financial statements of the ultimate parent. The difference between consideration transferred and carrying amounts of net assets acquired is recognized as part of other capital adjustmnents.

3. Material Accounting Policies (cont'd)

3.2 Revenue from contracts with customers

The Group recognizes revenue by applying the five-step approach (Step 1: Identify the contract(s) with a customer, Step 2: Identify the performance obligations in the contract, Step 3: Determine the transaction price, Step 4: Allocate the transaction price to the performance obligations in the contract, Step 5: Recognize revenue when the entity satisfied a performance obligation).

Identify the performance obligations in the contract
The Group identifies the power supply in the power exchange under the Power Market Operating Rules as a single performance obligation as a series of distinct goods or services. In addition to power supply, the Group carries out other projects such as profits from overseas projects through contracts with customers and identifies performance obligations that are distinct from each contract.

Variable Price
If the contract with the customer includes a variable amount, the transaction price consists of fixed and variable consideration, and the transaction price is estimated at one of the expected or most likely amounts. The variable price shall be included in the transaction price only to the extent that it is highly probable that a significant portion of the cumulative revenue recognition amount will not be reversed (returned) when the uncertainty is subsequently resolved. The amount of money that the company does not expect to have rights from the consideration received or received by the company shall be counted as a refund liability.

Allocate the transaction price to the performance obligations in the contract
The Group allocates the transaction price based on the relative stand-alone selling price to the various performance obligations identified in a single contract.

Performance obligations satisfied over time
The Group provides customers with power supply, power plant operation and management services, and construction services over the period. The Group recognized revenue by dividing the performance of the performance obligation by percentage-of-completion calculated on a reasonable basis. The Group recognizes revenue over time on a percentage-of-completion basis, when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, or the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. Material Accounting Policies (cont'd)

3.3 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in KIFRS 1116.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group adjusts interest rates from various external financial information to reflect the terms of the lease and the characteristics of the lease asset and calculates the incremental borrowing rate.

The Group adjusts interest rates from various external financial information to reflect the terms of the lease and the characteristics of the lease asset and calculates the incremental borrowing rate.

3. Material Accounting Policies (cont'd)

3.3 Leases (cont'd)

Lease payments included in the measurement of the lease liability comprise the following:
- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property separately from the other assets in 'property, plant and equipment' in the consolidated statement of financial position, and lease liabilities in 'trade and other payables' in the statement of financial position.

Short-term leases and low-value assets
The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease fee associated with such a lease as an expense in accordance with the straight-line method over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classified the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies KIFRS 1115 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in KIFRS 1109 to the net investment in the lease (See Note 3.19). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

3. Material Accounting Policies (cont'd)

3.4 Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency using the reporting date's exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical costs are retranslated to the functional currency at the exchange rate at the dates of the transactions.

Both the foreign currency differences arising at the time of settlement of monetary items and the foreign currency differences arising from the conversion of monetary items are recognized in profit or loss. If gains or losses arising from non-monetary items are recognized in other comprehensive income, the exchange rate fluctuation effects included in the gains and losses are also recognized in other comprehensive income, and if they are recognized in profit or loss, the exchange rate fluctuation effect is also recognized in profit or loss.

(ii) Overseas business establishment

If the functional currency of a foreign operation is different from the presentation currency of the Group, the management performance and financial status are converted into the presentation currency according to the following methods. If the functional currency of a foreign operation is not the currency of the hyperinflationary economy, the assets and liabilities in the statement of financial position (including the comparative statement of financial position) are converted to the closing exchange rate at the end of the relevant reporting period, and the income and expenses of the statement of comprehensive income (including the comparative statement of comprehensive income) are converted to the exchange rate at the date of the transaction, and the foreign exchange differences arising from the currency are recognized in other comprehensive income.

The fair value adjustment for the carrying amount of goodwill and assets and liabilities arising from the acquisition of a foreign operation is regarded as assets and liabilities of a foreign operation and is presented in the functional currency of a foreign operation, and the closing exchange rate is applied to the Won along with other assets and liabilities of a foreign operation.

When disposing of a foreign operation, the accumulated foreign exchange differences related to a foreign operation recognized as a separate capital item from other comprehensive income are reclassified from equity to profit or loss at the time of recognition of the foreign operation's disposal gains or losses. When a subsidiary, including a foreign operation, is partially disposed of, its proportionate share of the accumulated foreign exchange differences recognized in other comprehensive income is reverted to the non-controlling interest of the foreign operation, and in other cases, only its proportionate share is reclassified to profit or loss among the accumulated foreign exchange differences recognized in other comprehensive income when the foreign operation is partially disposed of.

3. Material Accounting Policies (cont'd)

3.5 Borrowing costs

The Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognized in expense as incurred. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use or sale. Financial assets and inventories that are manufactured or otherwise produced over a short period of time are not qualifying assets. Assets that are ready for their intended use or sale when acquired are not qualifying assets.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the Group capitalizes during a period shall not exceed the amount of borrowing costs incurred during that period.

3.6 Government grants

Government grants are not recognized unless there is reasonable assurance that the Group will comply with the grant's conditions and that the grant will be received.

Government grants whose primary condition is that the Group purchase, construct or otherwise acquire long-term assets are deducted in calculating the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset as a reduction to depreciation expense.

Government grants which are intended to compensate the Group for expenses incurred are recognized as other income (government grants) in profit or loss over the periods in which the Group recognizes the related costs as expenses. 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 income or loss in the period in which they become receivable.

3. Material Accounting Policies (cont'd)

3.7 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are employee benefits that are due to be settled within 12 months after the end of the period in which the employees render the related service. When an employee has rendered service to the Group during an accounting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as profit or loss.

(ii) Other long-term employee benefits

Other long-term employee benefits include employee benefits that are settled beyond 12 months after the end of the period in which the employees render the related service and are calculated at the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods. Remeasurements are recognized in profit or loss in the period in which they arise.

(iii) Retirement benefits: Defined contribution plans

When an employee has rendered service to the Group during a period, the contributions owed to the defined contribution plan in exchange for the service is recognized in profit or loss unless it is included in the cost of the asset. The Group recognizes the contribution payable to a defined contribution plan in exchange for that service as an accrued expense, after deducting any contributions already paid. If the contributions already paid exceed the contribution due for service before the end of the reporting period, the Group recognizes that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

(iv) Retirement benefits: Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amounts and deducting the fair value of any plan assets.

The calculation is performed annually by an independent actuary using the projected unit credit method. 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.

Remeasurements of net defined benefit liabilities, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments, net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss in curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. Material Accounting Policies (cont'd)

3.8 Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

The interest and fines related to income taxes are applied to KIFRS 1012 '*Income Taxes'* if they are determined to income tax and applied to KIFRS 1037 '*Provisions, Contingent Liabilities and Contingent Assets* if they are not'.

(i) Current income tax

Current income tax is the expected income tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit of future periods, and non-taxable or non-deductible items from the accounting profit.

(ii) Deferred tax

The measurement of deferred tax liabilities and deferred tax 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. The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Group recognizes a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries and associates, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets reflect 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 liabilities are offset only if there is a legally enforceable right to offset the related current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority and they intend to settle current income tax liabilities and assets on a net basis.

3. Material Accounting Policies (cont'd)

3.9 Property, plant and equipment

Property, plant and equipment are initially measured at cost. The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent to initial recognition, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment, except for land, are depreciated over estimated useful lives that appropriately reflect the pattern in which the asset's future economic benefits are expected to be consumed, either on a straight-line basis or on a Unit-of-production basis.

A component that is significant compared to the total cost of property, plant and equipment is depreciated over its separate useful life.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit or loss.

The estimated useful lives and depreciation methods of the Group's property, plant and equipment are as follows:

	Method	Useful lives (years)
Buildings	Straight-line	8 ~ 32
Structures	Straight-line	8 ~ 50
Machinery	Straight-line	6 ~ 32
Vehicles	Straight-line	4
Right of Use	Straight-line	1 ~ 65
Asset retirement costs of nuclear power plants	Straight-line	30, 40, 60
Asset retirement costs of spent fuel	Unit-of-production	-
Loaded nuclear fuel	Unit-of-production	-
Loaded heavy water	Straight-line	30
Others	Straight-line	4 ~ 9

The estimated residual value, useful lives and the depreciation method are reviewed at least at the end of each reporting period and, if expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates.

Subsequent expenditures are capitalized only if the future economic benefits associated with that expenditures are likely to flow into the Group.

3. Material Accounting Policies (cont'd)

3.10 Intangible assets

Intangible assets are measured initially at cost and, subsequently, are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization of intangible assets except for goodwill is calculated on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The residual value of intangible assets is zero. However, as there are no foreseeable limits to the periods over which some of other intangible assets are expected to be available for use, this intangible asset is determined as having an indefinite useful life and not amortized.

The estimated useful lives and amortization methods of the Group's intangible assets with finite useful lives are as follows:

	Method	**Useful lives (years)**
Computer software	Straight-line	4
Industrial rights	Straight-line	5, 10
Development cost	Straight-line	5
Loading and unloading facilities rights	Straight-line	20
Others	Straight-line	5 ~ 50

Amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at the end of each reporting period. The useful lives of intangible assets that are not being amortized are reviewed at the end of each reporting period to determine whether events and circumstances continue to support indefinite useful life assessments for those assets. Changes are accounted for as changes in accounting estimates.

(i) Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

On the other hand, the cost of development recognized as an asset is directly deducted from the acquisition cost by applying the cost model, and the accumulated amortization and accumulated impairment losses are amortized over the expected duration of economic benefits from the time the development is completed to be used and calculated as cost of sales. The Group conducts an annual impairment test for the development cost recognized as an asset during the development period.

(ii) Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognized in profit or loss as incurred.

3. Material Accounting Policies (cont'd)

3.11 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than assets arising from construction contracts, employee benefits, inventories, deferred tax assets and non-current assets held for sale, are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, irrespective of whether there is any indication of impairment, are tested for impairment annually by comparing their recoverable amount to their carrying amount.

Management estimates the recoverable amount of an individual asset. If it is impossible to measure the individual recoverable amount of an asset, then management estimates the recoverable amount of cash-generating unit ("CGU"). For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. The Group determined that individual operating entities are CGUs. The value-in-use is estimated by applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimated future cash flows have not been adjusted, to the estimated future cash flows expected to be generated by the asset or CGU.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or a CGU exceeds its recoverable amount.

3.12 Inventories

The cost of inventories is based on the weighted average principle, and includes expenditures for acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition.

Inventories are measured at the lower of cost and net realizable value. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in net realizable value is recognized as a reduction in the amount of inventories recognized as a cost of goods sold in the period in which the reversal occurs.

3.13 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision. Where the effect of the time value of money is material, provisions are determined at the present value of the expected future cash flows.

When some or all of the expenditures required to settle a provision are expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. A provision is used only for expenditures for which the provision was originally recognized.

3. Material Accounting Policies (cont'd)

3.13 Provisions (cont'd)

(i) Provision for decommissioning costs of nuclear power plants

The Group recognizes provisions for the best estimate of expenditures of removing, dismantling, or restoring the site to its original state after the end of economic use of the nuclear power plant.

(ii) Provision for disposal of spent nuclear fuel

Under the Radioactive Waste Management Act, the Group is levied to pay the spent nuclear fuel fund for the management of spent nuclear fuel. The Group recognizes the provision best estimate of expenditures of the payments.

(iii) Provision for low and intermediate radioactive wastes

Under the Radioactive Waste Management Act, the Group recognizes the provision for the disposal of low and intermediate radioactive wastes in best estimate of the expenditures required to settle the present obligation.

(iv) Provision for power plant regional support program

Power plant regional support programs consist of scholarship programs to local students, local economy support programs, local culture support programs, environment development programs, and local welfare programs. The Group recognizes the provisions in relation to power plant regional support program at the estimated cash outflows as required by related laws and regulations.

(v) Provision for Renewable Portfolio Standard ("RPS")

The Group is obligated to supply more than a certain amount of its total power generated through the mandatory use of new and renewable energy in a year pursuant to *Act on Promotion of the Development, Use and Diffusion of New and Renewable Energy*, and recognizes the provisions for the obligations unfulfilled at the end of the reporting period.

(vi) Provision for greenhouse gases emission

Pursuant to *Act on the Allocation and Trading of Greenhouse Gas Emissions Permits,* the Group calculates the carbon emissions based on the amount of power generated annually and recognizes the provisions by estimating the costs of emission rights purchased and emission permits borrowed from the subsequent years to offset emissions exceeding the emission permits allocated free of charge by the government for the applicable year, if any.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents, for example in the case of preferred shares when it has a short maturity with a specified redemption date.

profit or loss, transaction costs that are directly attributable to the asset's acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

3. Material Accounting Policies (cont'd)

3.15 Non-derivative financial assets

(i) Recognition and Initial measurement

Trade receivable and issued debt securities are initially recognized at the time of issue. Other financial assets or financial liabilities are recognized becomes a party to the contractual provisions of the instrument.

With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value. Upon initial recognition, financial assets and financial liabilities are measured at their fair value plus, in the case of a financial asset or financial liabilities not at fair value through

(ii) Classification and subsequent 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.

Financial assets are not reclassified unless there is a change in business model, and if there is a change in business model, all financial assets are reclassified at the beginning of the subsequent reporting period.

The Group measures financial assets at amortized cost if both of the following conditions are met and are not designated as at fair value through profit or loss:

- 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.

The Group measures debt instruments at fair value through OCI if both of the following conditions are met and are not designated as at fair value through profit or loss:

- 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.

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 KIFRS 1032 Financial Instruments: '*Presentation and are not held for trading'*. However, once classification is designated, it cannot be subsequently changed.

Financial assets not measured at amortized cost or fair value through other comprehensive income are measured fair value through profit or loss. These financial assets include derivative assets. Financial assets initially measured at amortized cost or fair value through other comprehensive income; may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. However, once classification is designated, it cannot be subsequently changed.

The Group assesses the level of a portfolio of financial assets in a way that best reflects how the business model is managed. Accordingly, the Group considers the following information:

- The stated policies and objectives of the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities of expected cash outflows or realizing cash flows through the sale of the assets,
- How the performance of the portfolio is evaluated and reported to the Group's management,
- The risk that affects the performance of the business model (and the financial assets held within that business model) and how those risks are managed, and

3. Material Accounting Policies (cont'd)

3.15 Non-derivative financial assets (cont'd)

- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

A portfolio of financial assets that meets the definition of short-term trading or whose performance is evaluated on a fair value basis is measured at fair value through profit or loss.

The principal is defined as the fair value at the initial recognition of the financial assets. Interest is comprised of time value of money, value for the credit risk associated with principal and other costs such as basic financing risks and costs.

When assessing whether contractual cash flows consist solely of payments for principal and interest, the Group takes into account contractual terms. If the financial assets include contractual terms that change the timing or amount of cash flows in the contract, it is necessary to determine whether the cash flows that may occur during the period of the financial assets consist solely of principal payments.

The Group consider the followings:

- Conditions that change the amount or timing of cash flows,
- Provision to adjust contractual nominal interest rate, including variable interest rate characteristics, and
- Characteristics of repayment and maturity extension.

The amount of the repayment represents the interest on the principal and remaining balance, and if it includes reasonable additional compensation for the early settlement of the contract, early repayment characteristics are consistent with the conditions under which principal and interest that paid on a particular day.

In addition, financial assets acquired at a significantly discount or additional premium, the amount of repayments consists substantially of contractual principal and interest amounts, and the characteristics of fair value at initial recognition is insignificant, the Group determined that these conditions are satisfied.

(iii) Derecognition of financial assets

The Group derecognizes non-derivative financial assets when the contractual rights to the cash flows from the financial asset expire, or the Group transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in a transferred financial asset that is created or retained by the Group is recognized as a separate asset or liability.

If the Group retains substantially all the risks and rewards of ownership of the transferred financial assets, the Group continues to recognize the transferred financial assets and recognizes financial liabilities for the consideration received.

(iv) Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset, and the net amount is presented in the consolidated statement of financial position only when the Group currently has a legally enforceable right to offset the recognized amounts, and there is the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Non-derivative financial liabilities

The Group classified non-derivative financial liabilities into financial liabilities at fair value through profit or loss or as other financial liabilities in accordance with the substance of the contractual arrangement and the definition of financial liabilities. The Group recognized financial liabilities in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

3. Material Accounting Policies (cont'd)

3.16 Non-derivative financial liabilities (cont'd)

(i) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at financial liabilities at fair value through profit or loss when the financial liability is either held for trading or it is designated as financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Upon initial recognition, transaction costs are recognized in profit or loss when incurred.

(ii) Other financial liabilities

Non-derivative financial liabilities other than financial liabilities at fair value through profit or loss are classified as other financial liabilities. At the date of initial recognition, other financial liabilities are measured at fair value minus transaction costs that are directly attributable to the acquisition. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

(iii) Elimination of financial liabilities

The Group eliminates financial liabilities only when the contractual obligation of the financial liability is fulfilled, canceled or expires. When the contractual terms of a financial liability change and the cash flows change substantially, the Group eliminates the existing liabilities and recognizes the new financial liabilities as fair value based on the new contract.

The difference between the book value and the value paid (including transferred non-cash assets and liabilities incurred) when removing financial liabilities is recognized as the profit and loss for the period.

3.17 Derivative financial instruments

Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

(i) Hedge accounting

The Group holds forward exchange contracts, interest rate swaps, currency swaps and other derivative contracts to manage interest rate risk and foreign exchange risk. The Group designated derivatives as hedging instruments to hedge the risk of changes in the fair value of assets, liabilities or firm commitments (a fair value hedge) and foreign currency risk of highly probable forecasted transactions or firm commitments (a cash flow hedge).

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions, together with the methods that will be used to assess the effectiveness in offsetting changes in fair values or cash flows of the hedged item.

(ii) Other derivative financial instruments

Changes in the fair value of other derivative financial instrument not designated as a hedging instrument are recognized immediately in profit or loss.

3. Material Accounting Policies (cont'd)

3.18 Greenhouse gases emission right

The Group accounts for greenhouse gases emission right and the relevant liability as below pursuant to the Act on Allocation and Trading of Greenhouse Gas Emission.

(i) Greenhouse gases emission right

Greenhouse gases emission right consists of emission allowances which are allocated from the government free of charge or purchased from the market. The cost includes any directly attributable costs incurred during the normal course of business.

Emission rights held for the purpose of performing the obligation is classified as intangible asset and the portion to be submitted to the government within one year from the end of the reporting period is classified as current assets. Emission rights classified as intangible asset is initially measured at cost and after initial recognition, are carried at cost less accumulated impairment losses.

The Group derecognizes an emission right asset when the emission allowance is unusable, disposed or submitted to government in which the future economic benefits are no longer expected to be probable.

(ii) Emission liability

Emission liability is a present obligation of submitting emission rights to the government with regard to emission of greenhouse gas. Emission liability is recognized when it is probable that outflows of resources will be required to settle the obligation and the costs required to perform the obligation are reliably estimable. Emission liability is an amount of estimated obligations for emission rights to be submitted to the government for the performing period. The emission liability is measured based on the expected quantity of emission for the performing period in excess of emission allowance in possession and the unit price for such emission rights in the market at the end of the reporting period. The Group derecognizes an emission liability when the emission allowance is submitted to government.

3.19 Impairment of financial assets

The Group recognizes loss allowance for expected credit losses on the following assets.

- Amortized cost of a financial asset,
- Financial liability measured at fair value through other comprehensive income, and
- Contract assets as defined in KIFRS 1115.

The Group measures loss allowance for expected credit losses, except for the following financial assets measured at the expected credit loss of 12 months.

- Debt securities whose credit is determined to be at low risk at the end of the reporting period, and
- Other debt securities and bank deposits that do not have a significant increase in credit risk (i.e. default risk arising over the expected life of the financial asset).

The Group has chosen to measure the loss allowance at an amount equal to lifetime expected credit losses for the trade receivables and contract assets.

When determining whether the credit risk of a financial asset has significantly increased since the initial recognition and when estimating expected credit losses, the Group considers information that can be used and reasonably supported, without undue cost or effort. This includes qualitative and quantitative information and analysis based on past experience and known credit ratings of the Group, including future-oriented information.

The Group assumes that the credit risk of a financial asset is significantly increased when past due days exceeds 30 days.

3. Material Accounting Policies (cont'd)

3.19 Impairment of financial assets (cont'd)

The Group considers a default on the financial asset if:

- If the debtor does not engage in any activity with the Group and is not likely to fully fulfill the credit obligations to the Group,

The Group considers the credit risk to be low if the credit risk rating of the debt securities is at the level understood internationally by the definition of "investment grade".

Lifetime ECL is resulted from all possible default events over the expected life.

A financial 12-month ECLs is resulted from possible default events within the 12 months after the reporting date (Or if the expected life of the instrument is less than 12 months).

The longest period to consider when measuring expected credit losses is the longest term for which the Group is exposed to credit risk.

(i) Measurement of expected credit loss

Expected credit loss is a probability weighted estimate of credit loss. Credit loss is measured as the present value of all cash deficiency (i.e., the difference between all contract cash flows that are expected to be paid and all contract cash flows that are expected to be received). Expected credit losses are discounted at the effective interest rate of the financial asset.

(ii) Credit-impaired financial assets

At the end of each reporting period, the Group assesses the financial assets measured at amortized cost and other comprehensive income - whether the creditworthiness of the debt securities measured at fair value has been impaired. If there is more than one event that adversely affects the estimated future cash flows of a financial asset, the financial asset is impaired.

The evidence that the credit of a financial asset is impaired includes the following observable information:

- Significant financial difficulties of issuer or borrower,
- Breach of contract, such as default or delinquency over 90 days,
- Inevitable mitigation of initial borrowing conditions for economic or contractual reasons related to the borrower's financial difficulties,
- Possibility of bankruptcy of borrowers or other possibility of financial restructuring, and
- Due to financial difficulties, the active market for the financial assets is extinguished.

(iii) Presentation of provision for credit loss on statement of financial position

The allowance for losses on financial assets measured at amortized cost is deducted from the carrying amount of the asset.

The allowance for losses on debt securities measured at fair value through other comprehensive income is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

(iv) Write-off

If there is no reasonable expectation of recovery of all or part of the contract cash flows of a financial asset, the asset is derecognized. For individual customers, the Group derecognizes the carrying amount if the financial asset is overdue for more than 180 days based on historical experience with the recovery of similar assets and assesses whether there is a reasonable expectation of recovery for the enterprise customer, evaluate timing and amount separately. The Group does not expect that proceeds recovered will be significant. However, derecognized financial assets can be subject to collection activities in accordance with the collection procedure of the amount due to the Group.

3. Material Accounting Policies (cont'd)

3.20 Contributed capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.21 Finance income and finance costs

Finance income comprises interest income on funds invested (including financial assets measured at fair value through other comprehensive income), dividend income, gains on the disposal of financial assets measured at fair value through other comprehensive income, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date when the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. Interest expense on borrowings is recognized as it accrues in profit or loss, using the effective interest method.

3.22 Earnings per share

The Group presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholder of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

3. Material Accounting Policies (cont'd)

3.23 Standards issued but not yet effective

The following new standards and amendments to existing standards have been published for annual periods beginning on or after January 1, 2023, and the Group has not early adopted them.

(i) Amendments to KIFRS 1001 *Presentation of Financial statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants*

The amendments issued in 2020 and 2022 specify the requirements for classifying liabilities as current or non-current and require disclosure of non-current liabilities with covenants to be complied with in the future. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted.

(ii) Amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures - Supplier finance arrangements*

The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The Group is currently assessing the impact of the amendments considering the disclosure requirements for the arrangements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Group cannot determine the impact of the application of the amendments and is monitoring the process of amendments.

The following amendments are not considered to have a significant impact on the Group.

- ✓ *Lease Liability in a Sale and Leaseback* (KIFRS 1116 *Leases*)
- ✓ *Lack of Exchangeability* (KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates*, KIFRS 1101 *First-time adoption of KIFRS*).

4. Segment information

The Group’s segments are determined based on components of the Group that are engaged in revenue generating activities and for which discrete financial information is available that is regularly reported to the Chief Operating Decision Maker (“CODM”) for the purpose of resource allocation and assessment of performance. Under KIFRS 1108 *Operating Segments*, the Group's segment consists of electric power generation (nuclear power and others) and other business responsible for overseas. The price of transactions between reportable segments is determined based on the market transaction price applied to independent third-party transactions. Each segment is the basis for reporting the Group's primary segment information and the accounting policies for each reportable segment are the same as those described in the summary of Material accounting policies.

The following table presents revenue and operating profit from the reportable segments for each of the two years in the period ended December 31, 2023 (Korean won in millions):

	December 31, 2023			
	Electric power generation	Others	Consolidation adjustments	Consolidated totals
Revenue from external customers	₩ 10,975,932	₩ 164,001	₩ (161,678)	₩ 10,978,255
Intersegment revenue	10,975,932	2,323	-	10,978,255
Segment revenue	₩ -	₩ 161,678	₩ (161,678)	₩ -
Segment operating profit	782,149	3,499	7,081	792,729
Other income (expenses), net	43,728	(1,016)	(859)	41,853
Other profit (loss), net	(21,681)	73	-	(21,608)
Finance income	273,761	1,060	(5,610)	269,211
Finance costs	896,951	271	(2,140)	895,082
Gain (loss) on investments in associates and joint ventures, net	-	-	(2,456)	(2,456)
Income tax expense	62,029	784	(304)	62,509

	December 31, 2022			
	Electric power generation	Others	Consolidation adjustments	Consolidated totals
Revenue from external customers	₩ 10,605,809	₩ 155,129	₩ (153,287)	₩ 10,607,651
Intersegment revenue	10,605,764	1,887	-	10,607,651
Segment revenue	₩ 45	₩ 153,242	₩ (153,287)	₩ -
Segment operating profit	645,891	3,732	(4,477)	645,146
Other income (expenses), net	(50,983)	(517)	6,931	(44,569)
Other profit (loss), net	154,147	37	(34,043)	120,141
Finance income	402,192	475	(2,478)	400,189
Finance costs	1,075,382	269	(941)	1,074,710
Gain (loss) on investments in associates and joint ventures, net	(15,512)	-	16,920	1,408
Income tax expense	108,062	957	573	109,592

For each of the two years in the period ended December 31, 2023, depreciation and amortization expenses for electric power generation projects (nuclear power and others) are ₩4,403,072 million and ₩4,068,381 million, respectively, and depreciation and amortization expenses for other business segments amount to ₩1,012 million and ₩1,079 million, respectively.

4. Segment information (cont'd)

Details of assets and liabilities by operating segments as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Electric power generation	Others	Consolidation adjustments	Consolidated totals
Total assets	₩ 70,974,363	₩ 273,973	₩ (332,274)	₩ 70,916,062
Investments in associates and joint ventures	237,562	22,150	(23,534)	236,178
Acquisition of non-current assets	2,997,991	557	(677)	2,997,871
Total liabilities	46,113,147	41,539	(123,736)	46,030,950

	December 31, 2022			
	Electric power generation	Others	Consolidation adjustments	Consolidated totals
Total assets	₩ 69,618,102	₩ 213,129	₩ (292,679)	₩ 69,538,552
Investments in associates and joint ventures	208,397	22,150	(19,957)	210,590
Acquisition of non-current assets	1,966,773	523	(2,249)	1,965,047
Total liabilities	43,312,667	34,511	(89,684)	43,257,494

The Group is headquartered in Korea, with substantially all of its assets located in Korea and substantially all of its revenue is generated domestically. Also, most non-current assets are located in Korea.

For each of the two years in the period ended December 31, 2023, the Group recognized total revenues of ₩10,978,255 million and ₩10,607,651 million, respectively. Also, the Group recognized total revenues from KEPCO, the Group's largest customer, of ₩10,777,083 million and ₩10,367,347 million, respectively. There is no single other customer that accounts for more than 10% of the consolidated sales for the years December 31, 2023 and 2022.

5. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Cash equivalents	₩	5,178	₩	1,569
Short-term instruments classified as cash equivalents		945,294		951,800
	₩	950,472	₩	953,369

Restricted cash and cash equivalents as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Short-term instruments classified as cash equivalents(*)	₩	19,262	₩	38,417

(*) This is a deposit for which the right of pledge is established in relation to the Group's borrowings (See Note 40.7).

6. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				December 31, 2022			
	Current		Non-current(*)		Current		Non-current	
Financial assets designated as at fair value through profit or loss:								
Financial assets designated as at fair value through profit or loss(*)	₩	-	₩	163,717	₩	-	₩	218,330
Financial assets at fair value through profit or loss:								
Derivative assets		86,123		248,435		102,081		252,103
Beneficiary certificate(*)		130,060		101,470		-		116,628
Others(*)		2,700		17,075		155,600		63,033
		218,883		366,980		257,681		431,764
	₩	218,883	₩	530,697	₩	257,681	₩	650,094

(*) As of December 31, 2023, the Group invested ₩271,047 million in financial assets exclusively for payment of decommissioning costs of nuclear power plants. These are financial assets that cannot be used for any other purposes with a restricted access period exceeding 12 months subsequent to December 31, 2023. Therefore, these assets have been categorized as non-current assets.

6. Financial assets at fair value through profit or loss (cont'd)

Details of derivative instruments as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Derivative assets:				
Foreign currency forward	₩ 432	₩ -	₩ -	₩ -
Foreign currency swaps	85,691	248,435	102,081	252,103
	86,123	248,435	102,081	252,103
Derivative liabilities:				
Foreign currency swaps	₩ 5,170	107,210	6,319	121,140

Details of foreign currency forward contracts as of December 31, 2023 are as follows (Korean won in millions, EUR in thousands, KRW/EUR):

	Counterparty	Period	Amount of contract		Contractual foreign exchange rate
			Pay	Receive	
Held for trading(*)	JP Morgan	2023.12.08~2024.01.05	KRW 41,535	EUR 29,419	1,411.83

(*) The Group contracted derivative financial instruments for the purpose of hedging but classified them as derivative financial instruments held for trading, since those derivatives do not meet the criteria required for applying the hedge accounting under KIFRS 1109 *Financial Instruments.*

6. Financial assets at fair value through profit or loss (cont'd)

Details of foreign currency swap contracts as of December 31, 2023 are as follows (Korean won in millions, USD, HKD, CHF in thousands, KRW/USD, KRW/HKD, KRW/CHF):

			Amount of contract		Interest rate of contract		Contractual foreign exchange rate
	Counterparty	Period	Pay	Receive	Pay	Receive	
Held for trading (*)	Nomura Financial Investment (Korea) Co., Ltd.	2015.06.15~2025.06.15	KRW 111,190	USD 100,000	2.60%	3.25%	1,111.90
	Korea Development Bank	2015.06.15~2025.06.15	KRW 111,190	USD 100,000	2.62%	3.25%	1,111.90
	Woori Bank	2015.06.15~2025.06.15	KRW 55,595	USD 50,000	2.62%	3.25%	1,111.90
	Hana Bank	2015.06.15~2025.06.15	KRW 55,595	USD 50,000	2.62%	3.25%	1,111.90
	Woori Bank	2017.07.25~2027.07.25	KRW 111,610	USD 100,000	2.25%	3.13%	1,116.10
	Korea Development Bank	2017.07.25~2027.07.25	KRW 111,610	USD 100,000	2.31%	3.13%	1,116.10
	Hana Bank	2017.07.25~2027.07.25	KRW 111,610	USD 100,000	2.31%	3.13%	1,116.10
	Korea Development Bank	2018.04.03~2028.03.13	KRW 108,600	HKD 800,000	2.69%	3.35%	135.75
	Shinhan Bank	2018.04.16~2028.03.13	KRW 115,387	HKD 850,000	2.66%	3.35%	135.75
	Citibank	2019.07.19~2024.07.19	KRW 239,956	CHF 200,000	1.44%	0.00%	1,199.78
	Korea Development Bank	2019.07.19~2027.07.19	KRW 119,978	CHF 100,000	1.43%	0.05%	1,199.78
	Woori Bank	2021.04.27~2026.04.27	KRW 222,800	USD 200,000	0.93%	1.25%	1,114.00
	Shinhan Bank	2021.04.27~2026.04.27	KRW 111,400	USD 100,000	0.92%	1.25%	1,114.00
	Korea Development Bank	2021.04.27~2026.04.27	KRW 111,400	USD 100,000	0.93%	1.25%	1,114.00
	NongHyup Bank	2021.04.27~2026.04.27	KRW 111,400	USD 100,000	0.93%	1.25%	1,114.00
	Woori Bank	2022.07.27~2027.07.27	KRW 262,000	USD 200,000	3.62%	4.25%	1,310.00
	The Export-Import Bank of Korea	2022.07.27~2027.07.27	KRW 131,000	USD 100,000	3.63%	4.25%	1,310.00
	Kookmin Bank	2022.07.27~2027.07.27	KRW 131,000	USD 100,000	3.62%	4.25%	1,310.00
	Hana Bank	2022.07.27~2027.07.27	KRW 131,000	USD 100,000	3.61%	4.25%	1,310.00
	Korea Development Bank	2022.07.27~2027.07.27	KRW 262,000	USD 200,000	3.63%	4.25%	1,310.00
	The Export-Import Bank of Korea	2022.10.06~2032.10.06	KRW 349,829	HKD 1,935,000	4.87%	5.16%	180.79
	JP Morgan	2022.10.06~2032.10.06	KRW 75,194	HKD 415,000	5.00%	5.16%	181.19
	The Export-Import Bank of Korea	2023.06.07~2030.06.07	KRW 172,982	HKD 1,037,000	4.25%	4.51%	166.81

(*) The Group contracted derivative financial instruments for the purpose of hedging risk but classified them as derivative financial instruments held for trading, since those derivatives do not meet the applicable requirements of applying hedge accounting under KIFRS 1109, '*Financial Instruments'*.

6. Financial assets at fair value through profit or loss (cont'd)

Net gain (loss) on valuation and transaction of derivatives (not designated as in hedging relationships) for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	Gain (loss) on valuation		Gain (loss) on transaction	
	2023	2022	2023	2022
Foreign currency forwards	₩ 432	₩ 5,934	₩ 8,695	₩ (2,446)
Foreign currency swaps	107,676	53,586	2,583	104,418
	₩ 108,108	₩ 59,520	₩ 11,278	₩ 101,972

7. Trade and other receivables

Trade and other receivables as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				December 31, 2022			
	Gross amount	Allowance for doubtful accounts	Amortization of present value discount	Carrying amount	Gross amount	Allowance for doubtful accounts	Amortization of present value discount	Carrying amount
Current assets:								
Trade receivables	₩ 1,662,668	₩ -	₩ -	₩ 1,662,668	₩ 984,096	₩ -	₩ -	₩ 984,096
Current contract assets	-	-	-	-	3,837	-	-	3,837
Other receivables	436,569	(3,185)	(328)	433,056	308,707	(3,185)	(136)	305,386
	2,099,237	(3,185)	(328)	2,095,724	1,296,640	(3,185)	(136)	1,293,319
Non-current assets:								
Other receivables	76,167	-	(1,497)	74,670	37,333	-	(1,026)	36,307
	₩ 2,175,404	₩ (3,185)	₩ (1,825)	₩ 2,170,394	₩ 1,333,973	₩ (3,185)	₩ (1,162)	₩ 1,329,626

Other receivables as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				December 31, 2022			
	Gross amount	Allowance for doubtful accounts	Present value discount	Carrying amount	Gross amount	Allowance for doubtful accounts	Present value discount	Carrying amount
Current assets:								
Non-trade receivables	₩ 142,994	₩ (3,185)	₩ -	₩ 139,809	₩ 120,675	(3,185)	-	117,490
Accrued income	257,948	-	-	257,948	157,164	-	-	157,164
Guarantee deposits	28,083	-	(328)	27,755	28,271	-	(136)	28,135
Other current receivables	7,544	-	-	7,544	2,597	-	-	2,597
	436,569	(3,185)	(328)	433,056	308,707	(3,185)	(136)	305,386
Non-current assets:								
Non-trade receivables	31,667	-	-	31,667	-	-	-	-
Accrued income	1,053	-	-	1,053	-	-	-	-
Guarantee deposits	43,447	-	(1,497)	41,950	37,333	-	(1,026)	36,307
	76,167	-	(1,497)	74,670	37,333	-	(1,026)	36,307
	₩ 512,736	₩ (3,185)	₩ (1,825)	₩ 507,726	₩ 346,040	₩ (3,185)	₩ (1,162)	₩ 341,693

7. Trade and other receivables (cont'd)

Trade and other receivables are measured at amortized cost. For electricity sales revenue, the average trade receivables turnover is 2 business days from the billing date. Interest is charged on trade receivables after 2 business days from due date based on interest rates of overdue open market loans.

Aging analysis of the trade receivables as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Receivables (not overdue, not impaired)	₩ 1,662,668	₩ 987,933
Receivables (overdue, not impaired)	-	-
Receivables (other)	-	-
	1,662,668	987,933
Less: allowance for doubtful accounts	-	-
Less: present value discount	-	-
	₩ 1,662,668	₩ 987,933

At the end of each reporting period, the Group assesses whether the credit to trade receivables is impaired. The Group recognizes loss allowances for significant items of trade receivables individually when there is any objective evidence of impairment, and classifies the trade receivables that are not individually assessed as the trade receivables subject to collective assessment. Also, the Group recognizes loss allowances based on an 'expected credit loss' (ECL) model. Trade receivables (not overdue, not impaired) include current contract assets amounting to ₩3,837 million as of December 31, 2022

Aging analysis of other receivables as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Receivables (not overdue, not impaired)	₩ 509,551	₩ 342,855
Receivables (overdue, not impaired)	-	-
Receivables (other)	3,185	3,185
0~60 days	-	-
60~90 days	-	-
90~120 days	-	-
120~365 days	-	-
Over 365 days	3,185	3,185
	512,736	346,040
Less: allowance for doubtful accounts	(3,185)	(3,185)
Less: present value discount	(1,825)	(1,162)
	₩ 507,726	₩ 341,693

At the end of each reporting period, the Group assesses whether the credit to other receivables is impaired. The Group recognizes loss allowances for significant items of other receivables individually when there is any objective evidence of impairment, and classifies the other receivables that are not individually assessed as the other receivables subject to collective assessment. Also, the Group recognizes loss allowances based on an 'expected credit loss' (ECL) model.

7. Trade and other receivables (cont'd)

Changes in the allowance for doubtful accounts for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Beginning balance	₩ -	₩ 3,185	₩ -	₩ 3,185
Bad debt expenses	-	18	-	-
Write-offs	-	(18)	-	-
Ending balance	₩ -	₩ 3,185	₩ -	₩ 3,185

8. Financial assets at fair value through other comprehensive income

Changes in financial assets at fair value through other comprehensive income for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023						
	January 1	Acquisitions	Disposals	Gain (loss) on valuation	Impairment losses	Others	December 31
Equity securities:							
Listed equity securities	₩ 85,679	₩ -	₩ -	₩ 47,357	₩ -	₩ -	₩ 133,036
Unlisted equity securities	230,399	10,550	-	(582)	-	-	240,367
	316,078	10,550	-	46,775	-	-	373,403
Debit securities:							
Corporate bonds	528	4,080	-	18	-	-	4,626
	₩ 316,606	₩ 14,630	₩ -	₩ 46,793	₩ -	₩ -	₩ 378,029
Non-current financial assets at fair value through other comprehensive income	₩ 316,606	₩ 14,630	₩ -	₩ 46,793	₩ -	₩ -	₩ 378,029

	2022						
	January 1	Acquisitions (*)	Disposals	Gain (loss) on valuation	Impairment losses	Others	December 31
Equity securities:							
Listed equity securities	₩ 96,098	₩ -	₩ -	₩ (10,419)	₩ -	₩ -	₩ 85,679
Unlisted equity securities	184,714	9,471	-	36,234	-	(20)	230,399
	280,812	9,471	-	25,815	-	(20)	316,078
Debit securities:							
Corporate bonds	491	-	-	29	-	8	528
	₩ 281,303	₩ 9,471	₩ -	₩ 25,844	₩ -	₩ (12)	₩ 316,606
Non-current financial assets at fair value through other comprehensive income	₩ 281,303	₩ 9,471	₩ -	₩ 25,844	₩ -	₩ (12)	₩ 316,606

(*)The amount of acquisitions for the year ended December 31, 2022 includes an increase of ₩ 20 million due to an investment-in-kind.

8. 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 and 2022 are as follows (Korean won in millions):

	December 31, 2023				
	Shares	Ownership	Acquisition cost	Carrying amount	Fair value
Listed securities:					
Denison Mines Corp.	58,248,500	6.84%	₩ 36,799	₩ 131,709	₩ 131,709
Ihsung CNI Co., Ltd.	142,860	4.81%	1,500	1,327	1,327
			38,299	133,036	133,036
Unlisted securities:					
Korea Power Exchange(*1)	-	14.28%	18,263	33,887	33,887
SET Holding(*1)	1,100,220	2.50%	229,255	165,923	165,923
HeeMang Sunlight Power Co., Ltd.(*3)	78,600	8.33%	393	393	393
SGC Green Power Co., Ltd.(*1)	580,000	5.00%	2,900	6,249	6,249
Le Soleil KHNP, Inc.(*3)	137,600	19.00%	1,376	1,376	1,376
Orano Expansion(*3)	5,742,405	4.72%	-	-	-
Ihsung CNI Co., Ltd.(*1)	127,660	4.30%	1,500	1,938	1,938
H robotics Co., Ltd.(*2)	422,832	3.77%	1,000	2,639	2,639
Goodtcells Co., Ltd.(*2)	11,364	0.33%	500	399	399
iPS Bio Co., Ltd.(*2)	1,975	3.13%	1,000	897	897
Nine B Co., Ltd.(*3)	5,000	4.96%	1,000	1,000	1,000
Common Computer Co., Ltd.(*1)	3,856	1.64%	1,000	1,154	1,154
H robotics Co., Ltd.(*3)	480,769	4.28%	3,000	3,000	3,000
Fine Powerx Co., Ltd.(*1)	72,633	4.58%	1,500	1,772	1,772
Agencore Co., Ltd.(*3)	175,779	8.32%	2,200	2,200	2,200
SamHong Machinery Co., Ltd.(*3)	476,192	8.98%	5,000	5,000	5,000
Aloha Factory Co., Ltd.(*2)	2,970	3.70%	1,000	739	739
Daily Shot(*3)	1,695	1.85%	1,001	1,001	1,001
Mediquitous Co., Ltd.(*1)	5,080	0.64%	1,250	1,250	1,250
Black Materials Co., Ltd.(*3)	37,038	8.31%	500	500	500
Monite Co., Ltd.(*3)	166,667	14.29%	1,000	1,000	1,000
Enersys Co., Ltd.(*3)	9,763	19.62%	2,050	2,050	2,050
Kalman Co., Ltd(*3)	23,172	10.02%	1,000	1,000	1,000
Himet Co., Ltd(*3)	1,754,386	13.93%	5,000	5,000	5,000
			282,688	240,367	240,367
Debit securities:					
Aron Flying Ship Co., Ltd.(*2)			491	546	546
Inno Platech Co., Ltd.(*3)			1,080	1,080	1,080
Daebon Tech Co., Ltd.(*3)			3,000	3,000	3,000
			4,571	4,626	4,626
			₩ 325,558	₩ 378,029	₩ 378,029

(*1) The Group has estimated the fair value by using the income approach method and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the year ended December 31, 2023.
(*2) The Group has estimated the fair value by using the market approach method and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the year ended December 31, 2023.
(*3) This financial asset at fair value through other comprehensive income does not have a quoted market price in an active market, and its fair value cannot be reliably measured, therefore it is measured at cost.

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

	December 31, 2022				
	Shares	Ownership	Acquisition cost	Carrying amount	Fair value
Listed securities:					
Denison Mines Corp.	58,248,500	7.08%	₩ 36,799	₩ 84,450	₩ 84,450
Ihsung CNI Co., Ltd.	142,860	4.81%	1,500	1,229	1,229
			38,299	85,679	85,679
Unlisted securities:					
Korea Power Exchange(*1)	-	14.28%	18,263	35,397	35,397
SET Holding(*1)	1,100,220	2.50%	229,255	163,580	163,580
HeeMang Sunlight Power Co., Ltd.(*3)	78,600	8.33%	393	393	393
SGC Green Power Co., Ltd.(*1)	580,000	5.00%	2,900	7,855	7,855
Le Soleil KHNP, Inc.(*3)	137,600	19.00%	1,376	1,376	1,376
Orano Expansion(*3)	5,742,405	4.72%	-	-	-
Ihsung CNI Co., Ltd.(*1)	127,660	4.30%	1,500	2,017	2,017
H robotics Co., Ltd.(*2)	422,832	3.77%	1,000	2,639	2,639
Goodtcells Co., Ltd.(*2)	11,364	0.34%	500	348	348
iPS Bio Co., Ltd.(*2)	1,975	3.13%	1,000	843	843
Nine B Co., Ltd.(*3)	5,000	4.96%	1,000	1,000	1,000
Common Computer Co., Ltd.(*3)	3,856	1.87%	1,000	1,000	1,000
H robotics Co., Ltd.(*3)	480,769	4.28%	3,000	3,000	3,000
Fine Powerx Co., Ltd.(*3)	72,633	4.92%	1,500	1,500	1,500
Agencore Co., Ltd.(*3)	104,350	5.67%	1,200	1,200	1,200
SamHong Machinery Co., Ltd.(*3)	476,192	19.23%	5,000	5,000	5,000
Aloha Factory Co., Ltd.(*3)	2,970	3.61%	1,000	1,000	1,000
Daily Shot(*3)	339	1.85%	1,001	1,001	1,001
Mediquitous Co., Ltd.(*3)	5,080	0.69%	1,250	1,250	1,250
			272,138	230,399	230,399
Debit securities:					
Aron Flying Ship Co., Ltd.(*2)			491	528	528
			491	528	528
			₩ 310,928	₩ 316,606	₩ 316,606

(*1) The Group has estimated the fair value by using the income approach method and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the year ended December 31, 2022.
(*2) The Group has estimated the fair value by using the market approach method and has recognized the difference between its fair value and book value as gain or loss on valuation of financial assets at fair value through other comprehensive income for the year ended December 31, 2022.
(*3) This financial asset at fair value through other comprehensive income does not have a quoted market price in an active market, and its fair value cannot be reliably measured, therefore it is measured at cost.

9. Other financial assets

Other financial assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				December 31, 2022			
	Current		Non-current		Current		Non-current	
Financial instruments	₩	203,614	₩	663,621	₩	193,161	₩	505,803
Loans		17,559		77,195		17,712		70,405
	₩	221,173	₩	740,816	₩	210,873	₩	576,208

Details of financial instruments as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				December 31, 2022			
	Current		Non-current(*)		Current		Non-current	
Time deposit	₩	13,614	₩	123,591	₩	3,161	₩	105,803
Others		190,000		540,030		190,000		400,000
	₩	203,614	₩	663,621	₩	193,161	₩	505,803

(*) As of December 31, 2023, the Group set aside ₩655,030 million for decommissioning costs for nuclear power plants. These funds are financial assets that cannot be used for any other purposes with a restricted access period exceeding 12 months subsequent to December 31, 2023. Therefore, these assets have been categorized as non-current assets.

9. Other financial assets (cont'd)

Details of loans as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Loans for tuition(*1)	₩ 5,236	₩ 69,681	₩ 5,804	₩ 70,601
Loans for housing(*2)	481	3,636	547	4,301
Other loans(*3)	11,897	12,465	11,450	3,106
Less: present value discount	(55)	(8,587)	(89)	(7,603)
	₩ 17,559	₩ 77,195	₩ 17,712	₩ 70,405

(*1) The annual interest rate on loans for tuition is 0%, under the conditions of a 5 to 7-year installment repayment with 2 to 3-year grace period and other.
(*2) The annual interest rate on loans for housing is 2.93%, under the conditions of a 15 to 20-year installment repayment and other.
(*3) The annual interest rate on other loans is 4.60% to 5.80%, under the conditions of installment repayment and other.

Details of loans as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Gross amount	Present value discount	Allowance for doubtful accounts	Carrying amount
Loans for tuition	₩ 74,917	₩ (8,642)	₩ -	₩ 66,275
Loans for housing	4,117	-	-	4,117
Other loans	24,362	-	-	24,362
	₩ 103,396	₩ (8,642)	₩ -	₩ 94,754

	December 31, 2022			
	Gross amount	Present value discount	Allowance for doubtful accounts	Carrying amount
Loans for tuition	₩ 76,405	₩ (7,692)	₩ -	₩ 68,713
Loans for housing	4,848	-	-	4,848
Other loans	14,556	-	-	14,556
	₩ 95,809	₩ (7,692)	₩ -	₩ 88,117

10. Inventories

Inventories as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			December 31, 2022		
	Acquisition cost	Valuation allowance	Carrying amount	Acquisition cost	Valuation allowance	Carrying amount
Raw materials	₩ 3,721,802	₩ -	₩ 3,721,802	₩ 3,465,271	₩ -	₩ 3,465,271
Supplies	2,533,481	-	2,533,481	2,349,669	-	2,349,669
Inventory-in-transit	216,876	-	216,876	231,977	-	231,977
	₩ 6,472,159	₩ -	₩ 6,472,159	₩ 6,046,917	₩ -	₩ 6,046,917

11. Non-financial assets

Non-financial assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Advanced payments	₩ 186,011	₩ 270,286	₩ 34,008	₩ 389,657
Prepaid expenses	49,503	9,313	45,658	8,775
Others	34,321	14,094	20,029	14,094
	₩ 269,835	₩ 293,693	₩ 99,695	₩ 412,526

12. Investments in associates and joint ventures

Investments in associates and joint ventures as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023					
Company	Key operating activities	Location	Reporting Date	Ownership	Acquisition cost	Carrying amount
<Associates>						
Korea Offshore Wind Power Co., Ltd.(*1)	Offshore wind resources development	Korea	December 31	12.50%	₩ 26,600	₩ 23,827
Noeul Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	29.00%	1,740	-
Busan Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	29.00%	5,243	3,260
Korea Hydro & Nuclear Power KNP Co., Ltd	Electric material agency	Korea	December 31	28.98%	537	467
KEPCO Solar Co., Ltd.(*1)	Photovoltaic power generation electricity resources development	Korea	December 31	8.38%	16,750	17,599
KEPCO ES Co., Ltd.(*1)	Energy-efficient equipment investment services business	Korea	December 31	8.33%	25,000	25,598
Gwangyang Green Energy Co., Ltd.	Biomass generation	Korea	December 31	20.00%	26,800	24,638
Hanwha Solar Power Private equity investment trust	Investment trust	Korea	December 31	49.00%	6,482	6,496
Godeok Clean Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	40.00%	5,560	4,722
Bigeum Resident Solar Power Generation Co., Ltd.	Photovoltaic power generation	Korea	December 31	29.90%	1	-
Gangneung Sacheon Fuel Cell Co., Ltd.	Electricity and heat generation	Korea	December 31	41.00%	5,695	7,869
Chuncheon Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	45.00%	9,540	8,901
Green Radiation Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	December 31	10.00%	20	26
Environment and Energy Co., Ltd.(*1)	Research & Technology development Commercialization	Korea	December 31	10.54%	11	10
Changwon SG Energy Co., Ltd(*1,2)	Renewable energy business	Korea	December 31	18.78%	900	783
Songsan Green Energy Co., Ltd(*7)	Electricity and heat generation	Korea	December 31	60.00%	8,400	8,323
					139,279	132,519
<Joint ventures>						
Waterbury Lake Uranium Limited Partnership(*3,4)	Uranium resources development	Canada	December 31	30.65%	20,753	22,612
Cheongsong Noraesan Wind Power Co., Ltd.(*4)	Wind power generation	Korea	December 31	29.01%	3,200	3,756
Saemangeum Solar Power Co., Ltd.(*5)	Solar power generation	Korea	December 31	81.01%	26,400	23,419
KAS INVESTMENT I LLC(*4,6)	Overseas Investment	USA	September 30	29.89%	23,437	15,784
KAS INVESTMENT II LLC(*4,6)	Overseas Investment	USA	September 30	29.89%	23,343	15,709
Guadalupe Solar SpA(*5)	Overseas Investment	Chile	December 31	60.00%	1,397	1,200
Changwon Nu-ri Energy Co., Ltd. (*5)	Electricity and heat generation	Korea	December 31	61.00%	8,095	8,027
Yangyang Offshore Wind Power Co., Ltd.(*2,4)	Wind power generation	Korea	December 31	29.00%	10,498	9,608
Jeonju Bio Green Energy Co., Ltd.(*2,5)	Electricity and heat generation	Korea	December 31	65.00%	3,250	3,195
Hadong E-factory Co., Ltd.(*2,4)	Electricity and heat generation	Korea	December 31	29.99%	350	349
					120,723	103,659
					₩ 260,002	₩ 236,178

(*1) Although the joint venture holds less than 20% equity interest in the investee, the investee has been classified as an investment in associates, as the Group determines that it could exercise significant influence over the investee.
(*2) The Group newly invested in the entity during the year ended December 31, 2023, and included it in associates or joint ventures, accordingly.
(*3) The acquisition cost of the entity is recorded at book value at the point when the consolidation scope has changed. The initial acquisition cost of the Waterbury Lake Uranium Limited Partnership held by the Korea Waterbury Uranium Limited Partnership is ₩26,602 million.
(*4) Although the Group holds less than 50% of equity interest in the investee, the investee is classified as a joint venture since unanimous consent is required for making decision on activities related to the investee.
(*5) Although the Group holds over 50% of equity interest in the investee, the investee is classified as joint venture since unanimous consent is required for making decision on activities related to the investee.
(*6) As the financial statements closing process of the joint venture was not completed before the Group's financial statements date, the financial statements as of September 30, 2023, the most recent financial statements for use, were used.
(*7) Although the Group holds over 50% of equity interest in the investee, the investee is classified as joint venture since the Group does net exercise control over the decision of significant financial and operating polices in accordance with shareholders' agreements.

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

	December 31, 2022					
Company	Key operating activities	Location	Reporting Date	Owner-ship	Acquisition cost	Carrying amount
<Associates>						
Korea Offshore Wind Power Co., Ltd.(*1)	Offshore wind resources development	Korea	December 31	12.50%	₩ 26,600	₩ 23,106
Noeul Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	29.00%	1,740	-
Busan Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	29.00%	5,243	4,396
Korea Hydro & Nuclear Power KNP Co., Ltd	Electric material agency	Korea	December 31	28.98%	537	280
KEPCO Solar Co., Ltd.(*1)	Photovoltaic power generation electricity resources development	Korea	December 31	8.38%	16,750	18,242
KEPCO ES Co., Ltd.(*1)	Energy-efficient equipment investment services business	Korea	December 31	8.33%	25,000	25,938
Gwangyang Green Energy Co., Ltd.	Biomass generation	Korea	December 31	20.00%	26,800	25,043
Hanwha Solar Power Private equity investment trust	Investment trust	Korea	December 31	49.00%	6,910	6,931
Godeok Clean Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	40.00%	5,560	4,419
Bigeum Resident Solar Power Generation Co., Ltd.	Photovoltaic power generation	Korea	December 31	29.90%	1	-
Gangneung Sacheon Fuel Cell Co., Ltd.	Electricity and heat generation	Korea	December 31	41.00%	5,695	4,276
Chuncheon Green Energy Co., Ltd.	Electricity and heat generation	Korea	December 31	45.00%	9,540	9,156
Green Radiation Co., Ltd.(*1,2)	Research & Technology development Commercialization	Korea	December 31	10.00%	20	11
Environment and Energy Co., Ltd.(*1,2)	Research & Technology development Commercialization	Korea	December 31	10.54%	11	10
					130,407	121,808
<Joint ventures>						
Waterbury Lake Uranium Limited Partnership(*3,4)	Uranium resources development	Canada	December 31	32.59%	20,753	21,750
Cheongsong Noraesan Wind Power Co., Ltd.(*4)	Wind power generation	Korea	December 31	29.01%	3,200	4,264
Saemangeum Solar Power Co., Ltd.(*5)	Solar power generation	Korea	December 31	81.01%	26,400	23,551
KAS INVESTMENT I LLC(*4,6)	Overseas Investment	USA	September 30	29.89%	23,437	18,247
KAS INVESTMENT II LLC(*4,6)	Overseas Investment	USA	September 30	29.89%	23,343	18,173
Guadalupe Solar SpA(*5)	Overseas Investment	Chile	December 31	60.00%	1,397	913
Songsan Green Energy Co., Ltd.(*2,4)	Electricity and heat generation	Korea	December 31	25.00%	1,400	1,387
Changwon Nu-ri energy Co., Ltd.(*2,4)	Electricity and heat generation	Korea	December 31	33.33%	500	497
					100,430	88,782
					₩ 230,837	₩ 210,590

(*1) Although the joint venture holds less than 20% equity interest in the investee, the investee has been classified as an investment in associates, as the Group determines that it could exercise significant influence over the investee.
(*2) The Group newly invested in the entity during the year ended December 31, 2022, and included it in associates or joint ventures, accordingly.
(*3) The acquisition cost of the entity is recorded at book value at the point when the consolidation scope has changed. The initial acquisition cost of the Waterbury Lake Uranium Limited Partnership held by the Korea Waterbury Uranium Limited Partnership is ₩26,602 million.
(*4) Although the Group holds less than 50% of equity interest in the investee, the investee is classified as a joint venture since unanimous consent is required for making decision on activities related to the investee.
(*5) Although the Group holds over 50% of equity interest in the investee, the investee is classified as joint venture since unanimous consent is required for making decision on activities related to the investee.
(*6) As the financial statements closing process of the joint venture was not completed before the Group's financial statements date, the financial statements as of September 30, 2022, the most recent financial statements for use, were used.

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

Changes in investments in associates and joint ventures for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023						
	January 1	Acquisition	Share of profit (loss) and others	Changes in equity and others	Disposals	Others	December 31
<Associates>							
Korea Offshore Wind Power Co., Ltd.	₩ 23,106	₩ -	₩ 721	₩ -	₩ -	₩ -	₩ 23,827
Noeul Green Energy Co., Ltd.	-	-	-	-	-	-	-
Busan Green Energy Co., Ltd.	4,396	-	(1,137)	-	-	1	3,260
Korea Hydro & Nuclear Power KNP Co., Ltd	280	-	187	-	-	-	467
KEPCO Solar Co., Ltd.	18,242	-	701	-	-	(1,344)	17,599
KEPCO ES Co., Ltd.	25,938	-	449	-	-	(789)	25,598
Gwangyang Green Energy Co., Ltd.	25,043	-	(405)	-	-	-	24,638
Hanwha Solar Power Private equity investment trust	6,931	-	366	(1)	(428)	(372)	6,496
Godeok Clean Energy Co., Ltd.	4,419	-	303	-	-	-	4,722
Bigeum Resident Solar Power Generation Co., Ltd.(*1)	-	-	(414)	414	-	-	-
Gangneung Sacheon Fuel Cell Co., Ltd.	4,276	-	3,593	-	-	-	7,869
Chuncheon Green Energy Co., Ltd.	9,156	-	(204)	(51)	-	-	8,901
Green Radiation Co., Ltd	11	-	15	-	-	-	26
Environment and Energy Co., Ltd	10	-	-	-	-	-	10
Changwon SG Energy Co., Ltd	-	900	(117)	-	-	-	783
Songsan Green Energy Co., Ltd(*3)	-	-	-	-	-	8,323	8,323
	121,808	900	4,058	362	(428)	5,819	132,519
<Joint ventures>							
Waterbury Lake Uranium Limited Partnership	21,750	-	70	792	-	-	22,612
Cheongsong Noraesan Wind Power Co., Ltd.	4,264	-	357	-	-	(865)	3,756
Saemangeum Solar Power Co., Ltd.	23,551	-	(132)	-	-	-	23,419
KAS INVESTMENT I LLC(*2)	18,247	-	(2,223)	(240)	-	-	15,784
KAS INVESTMENT II LLC(*2)	18,173	-	(2,225)	(239)	-	-	15,709
Guadalupe Solar SpA	913	-	321	(34)	-	-	1,200
Songsan Green Energy Co., Ltd(*3)	1,387	7,000	(25)	(39)	-	(8,323)	-
Changwon Nu-ri Energy Co., Ltd	497	7,595	(27)	(38)	-	-	8,027
Yangyang Offshore Wind Power Co., Ltd	-	10,498	(890)	-	-	-	9,608
Jeonju Bio Green Energy Co., Ltd	-	3,250	(55)	-	-	-	3,195
Hadong E-factory Co., Ltd	-	350	-	(1)	-	-	349
	88,782	28,693	(4,829)	201	-	(9,188)	103,659
	₩ 210,590	₩ 29,593	₩ (771)	₩ 563	₩ (428)	₩ (3,369)	₩ 236,178

(*1) For the year ended December 31, 2023, share of loss of an associate Bigeum Resident Solar Power Generation Co., Ltd. is recognized at ₩1,687 million for long-term loan to the associate, considering it as a long-term investment stake.
(*2) As the financial statements closing process of the joint venture was not completed before the Group's consolidated financial statements date, the financial statements as of September 30, 2023, the most recent financial statements available for use, were used.
(*3) For the year ended December 31, 2023, due to the acquisition of additional shares resulting in changes to the shareholder composition, Songsan Green Energy Co., Ltd has been reclassified as an associate from a joint venture, considering the minimum voting rights required for deciding significant operational and financial policies.

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

	2022						
	January 1	Acquisition	Share of profit (loss) and others	Changes in equity and others	Disposals	Others	December 31
<Associates>							
Korea Offshore Wind Power Co., Ltd.	₩ 21,436	₩ -	₩ 1,670	₩ -	₩ -	₩ -	₩ 23,106
Noeul Green Energy Co., Ltd.	3,809	-	(3,824)	-	-	15	-
Busan Green Energy Co., Ltd.	5,033	-	(667)	-	-	30	4,396
Korea Hydro & Nuclear Power KNP Co., Ltd	219	-	61	-	-	-	280
KEPCO Solar Co., Ltd.	17,552	-	805	-	-	(115)	18,242
KEPCO ES Co., Ltd.	26,075	-	(1)	-	-	(136)	25,938
Gwangyang Green Energy Co., Ltd.	25,465	-	(422)	-	-	-	25,043
Hanwha Solar Power Private equity investment trust	7,136	-	390	-	(203)	(392)	6,931
Godeok Clean Energy Co., Ltd.	4,301	-	118	-	-	-	4,419
Bigeum Resident Solar Power Generation Co., Ltd.	-	-	-	-	-	-	-
Digital Innovation Growth Fund(*1)	9,890	-	(204)	-	-	(9,686)	-
Gangneung Sacheon Fuel Cell Co., Ltd.	1,878	3,745	(1,311)	(36)	-	-	4,276
Chuncheon Green Energy Co., Ltd.	3,372	6,140	(356)	-	-	-	9,156
Green Radiation Co., Ltd	-	-	(9)	-	-	20	11
Environment and Energy Co., Ltd(*2)	-	11	(1)	-	-	-	10
	126,166	9,896	(3,751)	(36)	(203)	(10,264)	121,808
<Joint ventures>							
Waterbury Lake Uranium Limited Partnership	21,590	-	-	160	-	-	21,750
Cheongsong Noraesan Wind Power Co., Ltd.	4,106	-	832	-	-	(674)	4,264
Saemangeum Solar Power Co., Ltd.	23,939	-	(388)	-	-	-	23,551
KAS INVESTMENT I LLC(*3)	15,273	-	2,426	548	-	-	18,247
KAS INVESTMENT II LLC(*3)	15,213	-	2,082	878	-	-	18,173
Guadalupe Solar SpA	660	-	222	31	-	-	913
Songsan Green Energy Co., Ltd	-	1,400	(13)	-	-	-	1,387
Changwon Nu-ri Energy Co., Ltd	-	500	(3)	-	-	-	497
	80,781	1,900	5,158	1,617	-	(674)	88,782
	₩ 206,947	₩ 11,796	₩ 1,407	₩ 1,581	₩ (203)	₩ (10,938)	₩ 210,590

(*1) During the year ended December 31, 2022, it was reclassified from an associate to a subsidiary as the scope of consolidation had changed.
(*2) The acquisition amount of ₩11 million for the year ended December 31, 2022 is an increase due to investment in kind.
(*3) As the financial statements closing process of the joint venture was not completed before the Group's consolidated financial statements date, the financial statements as of September 30, 2022, the most recent financial statements available for use, were used.

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

The summary financial information of investments accounted for using the equity method as of December 31, 2023 and 2022 and for the years ended 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Total assets	Total liabilities	Revenue	Net profit (loss)
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 334,444	₩ 143,827	₩ 40,313	₩ 6,497
Noeul Green Energy Co., Ltd.	89,861	107,834	24,017	920
Busan Green Energy Co., Ltd.	160,299	149,060	69,108	(3,920)
Korea Hydro & Nuclear Power KNP Co., Ltd.	3,063	899	7,618	645
KEPCO Solar Co., Ltd.	246,273	36,127	23,234	8,367
KEPCO ES Co., Ltd.	322,529	15,367	14,151	5,384
Gwangyang Green Energy Co., Ltd.	370,778	247,675	-	(2,034)
Hanwha Solar Power Private equity investment trust(*1)	13,444	186	820	747
Godeok Clean Energy Co., Ltd.	139,352	127,545	22,671	2,426
Bigeum Resident Solar Power Generation Co., Ltd.	303,462	309,185	-	(3,031)
Gangneung Sacheon Fuel Cell Co., Ltd.	138,761	119,779	23,523	9,191
Chuncheon Green Energy Co., Ltd.	217,336	197,676	6,052	(497)
Green Radiation Co., Ltd.	1,038	812	298	100
Environment and Energy Co., Ltd.	89	-	-	(4)
Changwon SG Energy Co., Ltd	5,738	1,649	436	(703)
Songsan Green Energy Co., Ltd	46,016	32,262	-	(100)
<Joint ventures>				
Waterbury Lake Uranium Limited Partnership	74,320	550	-	-
Cheongsong Noraesan Wind Power Co., Ltd.	54,087	41,352	6,780	1,240
Saemangeum Solar Power Co., Ltd.	34,905	5,994	-	(162)
KAS INVESTMENT I LLC(*1,2)	52,806	-	(7,436)	(7,437)
KAS INVESTMENT II LLC(*1,2)	52,555	1	(7,444)	(7,445)
Guadalupe Solar SpA	10,646	8,811	1,684	626
Changwon Nu-ri Energy Co., Ltd.	13,183	29	-	(44)
Yangyang Offshore Wind Power Co., Ltd	111,682	78,552	-	(3,069)
Jeonju Bio Green Energy Co., Ltd	4,916	-	-	(84)
Hadong E-factory Co., Ltd	1,544	399	-	(13)

(*1) Revenue is gain and loss from investment shares held by the company.
(*2) As the financial statements closing process of the joint venture was not completed before the Group's consolidated financial statements date, the financial statements as of September 30, 2023, the most recent financial statements available for use, were used.

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

	December 31, 2022			
	Total assets	Total liabilities	Sales	Net profit (loss)
<Associates>				
Korea Offshore Wind Power Co., Ltd.	₩ 376,285	₩ 191,435	₩ 52,560	₩ 13,820
Noeul Green Energy Co., Ltd.	82,611	101,472	23,493	(31,970)
Busan Green Energy Co., Ltd.	168,588	153,432	72,290	(7,409)
KHNP-KNP Co., Ltd.	1,887	368	2,149	210
KEPCO Solar Co., Ltd.	243,221	25,405	24,778	9,305
KEPCO ES Co., Ltd.	317,392	6,147	33,638	138
Gwangyang Green Energy Co., Ltd.	170,389	45,260	-	(1,923)
Hanwha Solar Power Private equity investment trust(*1)	14,356	210	826	796
Godeok Clean Energy Co., Ltd.	71,432	60,382	-	(1,101)
Bigeum Resident Solar Power Generation Co., Ltd.	107,691	109,229	-	(537)
Gangneung Sacheon Fuel Cell Co., Ltd.	108,688	98,470	-	(2,720)
Chuncheon Green Energy Co., Ltd.	159,151	138,925	-	(858)
Green Radiation Co., Ltd.	111	34	89	(93)
Environment and Energy Co., Ltd.	93	-	-	(7)
<Joint ventures>				
Waterbury Lake Uranium Limited Partnership	66,706	117	-	-
Cheongsong Noraesan Wind Power Co., Ltd.	55,948	41,464	7,988	1,916
Saemangeum Solar Power Co., Ltd.	35,889	6,817	-	(479)
KAS INVESTMENT I LLC(*1,2)	61,907	861	1,603	6,998
KAS INVESTMENT II LLC(*1,2)	61,661	861	1,592	6,967
Guadalupe Solar SpA	10,148	8,790	924	(43)
Songsan Green Energy Co., Ltd.	5,500	-	-	(69)
Changwon Nu-ri Energy Co., Ltd.	1,490	-	-	(10)

(*1) Revenue is gain and loss from investment shares held by the company.
(*2) As the financial statements closing process of the joint venture was not completed before the Group's consolidated financial statements date, the financial statements as of September 30, 2022, the most recent financial statements available, were used.

Share of loss of associates and joint ventures unrecognized after the Group having suspended the recognition of its share of loss of associates and joint ventures as of December 31, 2023 and December 31, 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Unrecognized profits	Accumulated unrecognized loss	Unrecognized loss	Accumulated unrecognized loss
Noeul Green Energy Co., Ltd.	₩ (257)	₩ 5,213	₩ 5,470	₩ 5,470
Bigeum Resident Solar Power Generation Co., Ltd.	(436)	-	162	436

13. Property, plant and equipment

Property, plant and equipment as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	₩ 2,751,301	₩ -	₩ -	₩ -	₩ 2,751,301
Buildings	9,555,101	(383)	(4,399,239)	(2,343)	5,153,136
Structures	5,921,626	(7,105)	(2,841,895)	(4,029)	3,068,597
Machinery	31,811,602	(3,421)	(15,435,708)	(419,994)	15,952,479
Ships	1,849	-	(1,053)	-	796
Vehicles	104,829	(80)	(87,570)	-	17,179
Fixtures and furniture	693,996	(274)	(551,114)	(37)	142,571
Tools	543,657	(3)	(482,640)	-	61,014
Construction-in-progress	15,037,703	-	-	(19,994)	15,017,709
Right-of-use assets	2,746,377	-	(755,292)	-	1,991,085
Asset retirement costs	16,794,575	-	(6,915,394)	(146,423)	9,732,758
Others	16,804,403	-	(14,560,639)	-	2,243,764
	₩ 102,767,019	₩ (11,266)	₩ (46,030,544)	₩ (592,820)	₩ 56,132,389

	December 31, 2022				
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land	₩ 2,750,738	₩ -	₩ -	₩ -	₩ 2,750,738
Buildings	9,368,184	(423)	(4,034,009)	(2,343)	5,331,409
Structures	5,865,571	(7,697)	(2,641,351)	(4,029)	3,212,494
Machinery	30,972,477	(5,376)	(14,225,110)	(419,999)	16,321,992
Ships	1,232	-	(1,083)	-	149
Vehicles	102,165	(83)	(75,061)	-	27,021
Fixtures and furniture	638,706	(76)	(494,896)	(37)	143,697
Tools	523,258	(5)	(449,022)	(6)	74,225
Construction-in-progress	12,966,644	-	-	(19,994)	12,946,650
Right-of-use assets	2,520,528	-	(650,301)	-	1,870,227
Asset retirement costs	17,396,134	-	(5,979,347)	(146,423)	11,270,364
Others	15,977,124	-	(13,512,219)	-	2,464,905
	₩ 99,082,761	₩ (13,660)	₩ (42,062,399)	₩ (592,831)	₩ 56,413,871

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

Changes in property, plant and equipment for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023					
	January 1	Acquisitions/ Capitalization	Disposals/ Decreases	Depreciation(*5)	Other changes	December 31
Land	₩ 2,750,738	₩ 154	₩ (1,742)	₩ -	₩ 2,151	₩ 2,751,301
Buildings	5,331,832	88	(857)	(365,750)	188,206	5,153,519
(Government grants)	(423)	-	-	40	-	(383)
Structures	3,220,191	-	(242)	(201,097)	56,850	3,075,702
(Government grants)	(7,697)	-	-	592	-	(7,105)
Machinery	16,327,368	3,378	(28,749)	(1,347,161)	1,001,064	15,955,900
(Government grants)(*3,4)	(5,376)	-	-	1,955	-	(3,421)
Ships	149	-	-	(54)	701	796
Vehicles	27,104	365	(16)	(13,288)	3,094	17,259
(Government grants)	(83)	-	-	36	(33)	(80)
Fixtures and Furniture	143,773	48,527	(6)	(65,850)	16,401	142,845
(Government grants)	(76)	-	-	74	(272)	(274)
Tools	74,230	2,880	-	(38,581)	22,488	61,017
(Government grants)	(5)	-	-	2	-	(3)
Construction-in -progress(*1,3)	12,946,650	2,766,427	-	-	(695,368)	15,017,709
Right-of-use assets	1,870,227	226,662	(445)	(106,655)	1,296	1,991,085
Asset retirement costs	11,270,364	-	-	(1,245,486)	(292,120)	9,732,758
Others(*2)	2,464,905	-	-	(1,048,420)	827,279	2,243,764
	₩ 56,413,871	₩ 3,048,481	₩ (32,057)	₩ (4,429,643)	₩ 1,131,737	₩ 56,132,389

(*1) Other changes in construction-in-progress include ₩417,489 million of capitalized borrowing cost.
(*2) Other changes in others present the amount of transfer from stored nuclear fuel to inventory.
(*3) The amount transferred from acquisition costs of construction-in-progress and machinery into accounts payables is ₩4,616 million.
(*4) Other changes in machinery include ₩81,827 million of transfer from equipment and spare parts to machinery.
(*5) Depreciation include ₩3,636 million of depreciation of idle assets and ₩25,302 million of transfer of construction-in-progress and others.

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

	2022						
	January 1	Acquisitions/ Capitalization	Disposals/ Decreases	Depreciation	Impairment Reversal (Loss)(*4)	Others	December 31
Land	₩ 2,677,913	₩ -	₩ (2,010)	₩ -	₩ -	₩ 74,835	₩ 2,750,738
Buildings	4,762,702	51	(8,136)	(330,656)	(449)	908,320	5,331,832
(Government grants)	(482)	-	-	59	-	-	(423)
Structures	2,357,204	9	(127)	(173,160)	(3,669)	1,039,934	3,220,191
(Government grants)	(8,290)	-	-	593	-	-	(7,697)
Machinery	13,270,475	11,534	(10,963)	(1,194,182)	(33,192)	4,283,696	16,327,368
(Government grants)(*3)	(7,331)	-	-	1,955	-	-	(5,376)
Ships	177	-	-	(28)	-	-	149
Vehicles	30,097	251	(2)	(16,235)	-	12,993	27,104
(Government grants)	(55)	-	-	28	-	(56)	(83)
Fixtures and Furniture	114,238	64,257	(24)	(57,639)	(1)	22,942	143,773
(Government grants)	(103)	-	-	44	-	(17)	(76)
Tools	73,971	4,332	(20)	(36,992)	-	32,939	74,230
(Government grants)	(10)	-	-	5	-	-	(5)
Construction-in -progress(*1,3)	16,750,587	1,862,409	-	-	134,735	(5,801,081)	12,946,650
Right-of-use assets	1,925,141	38,093	(385)	(98,433)	-	5,811	1,870,227
Asset retirement costs	8,900,628	-	-	(1,128,130)	-	3,497,866	11,270,364
Others(*2)	2,749,052	-	-	(1,022,867)	-	738,720	2,464,905
	₩ 53,595,914	₩ 1,980,936	₩ (21,667)	₩ (4,055,638)	₩ 97,424	₩ 4,816,902	₩ 56,413,871

(*1) Other increases or decreases in construction-in-progress include ₩342,416 million of borrowing cost capitalization.

(*2) Other increases or decreases in others are the amount replaced by the stored nuclear fuel in the inventory.
(*3) The amount transferred from acquisition costs of construction-in-progress and machinery into accounts payables is ₩116,247 million.
(*4) For the year ended December 31, 2022, reversal of impairment loss recognized for construction-in-progress is ₩134,735 million, impairment losses recognized for property, plant and equipment, such as machinery are ₩37,311 million.

For each of the two years in the period ended December 31, 2023, the Group recognized revenue of ₩7,099 and ₩94,264 million and cost of sales of ₩11,531 and ₩63,405 million in profit or loss, respectively, both of which resulted from sales of goods produced prior to the management's intended use of property, plant and equipment.

14. Intangible assets

Intangible assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				
	Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Carrying amount
Computer software	₩ 183,043	₩ (60)	₩ (145,754)	₩ (1)	₩ 37,228
Industrial rights	4,057	-	(2,725)	-	1,332
Development cost	183,303	-	(175,260)	-	8,043
Intangible assets under development	42,324	-	-	-	42,324
Land use rights	2,706	-	(2,124)	-	582
Goodwill	176	-	-	-	176
Others:					
Loading and unloading facilities rights	26,282	-	(9,752)	-	16,530
Dam use rights	6,274	-	(2,334)	-	3,940
Memberships	1,158	-	-	(359)	799
Others	68,883	-	(44,328)	(149)	24,406
	₩ 518,206	₩ (60)	₩ (382,277)	₩ (509)	₩ 135,360

	December 31, 2022				
	Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Carrying amount
Computer software	₩ 173,882	₩ (62)	₩ (124,852)	₩ (1)	₩ 48,967
Industrial rights	4,013	-	(2,531)	-	1,482
Development cost	178,892	(1)	(170,451)	-	8,440
Intangible assets under development	26,374	-	-	-	26,374
Land use rights	2,706	-	(1,865)	-	841
Goodwill	176	-	-	-	176
Others					
Loading and unloading facilities rights	26,282	-	(8,480)	-	17,802
Dam use rights	6,274	-	(2,189)	-	4,085
Memberships	1,158	-	-	(359)	799
Others	65,240	-	(37,300)	(149)	27,791
	₩ 484,997	₩ (63)	₩ (347,668)	₩ (509)	₩ 136,757

14. Intangible assets (cont'd)

Changes in intangible assets for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023					
	January 1	Acquisition/ Capitalization	Disposal	Amortization(*2)	Others	December 31
Computer software	₩ 49,029	₩ 6,025	₩ -	₩ (20,903)	₩ 3,137	₩ 37,288
(government grants)	(62)	-	-	38	(36)	(60)
Industrial rights	1,482	-	-	(195)	45	1,332
Development cost	8,441	-	-	(4,809)	4,411	8,043
(government grants)	(1)	-	-	1	-	-
Intangible assets under development (*1)	26,374	19,163	-	-	(3,213)	42,324
Land use rights	841	-	-	(259)	-	582
Goodwill	176	-	-	-	-	176
Others:						
Loading and unloading facilities rights	17,802	-	-	(1,272)	-	16,530
Dam use rights	4,085	-	-	(145)	-	3,940
Memberships	799	-	-	-	-	799
Others	27,791	-	-	(7,028)	3,643	24,406
	₩ 136,757	₩ 25,188	₩ -	₩ (34,572)	₩ 7,987	₩ 135,360

(*1) Other increases or decreases in intangible assets under development include ₩1,805 million in borrowing cost capitalization.
(*2) Amortization include ₩47 million of amortization of idle assets and ₩146 million of transfer of construction-in-progress and others.

	2022						
	January 1	Acquisitions/ Capitalization	Disposals	Amortization	Impairment losses(*2)	Others	December 31
Computer software	₩ 32,773	₩ 15,703	₩ -	₩ (22,539)	₩ (1)	₩ 23,093	₩ 49,029
(government grants)	(88)	-	-	53	-	(27)	(62)
Industrial rights	1,082	-	-	(176)	-	576	1,482
Development cost	15,594	-	-	(8,641)	-	1,488	8,441
(government grants)	(6)	-	-	5	-	-	(1)
Intangible assets under development (*1)	35,811	14,056	-	-	-	(23,493)	26,374
Land use rights	1,100	-	-	(259)	-	-	841
Goodwill	176	-	-	-	-	-	176
Others							
Loading and unloading facilities rights	19,074	-	-	(1,272)	-	-	17,802
Dam use rights	4,229	-	-	(144)	-	-	4,085
Memberships	799	-	-	-	-	-	799
Others	24,298	-	-	(4,276)	(149)	7,918	27,791
	₩ 134,842	₩ 29,759	₩ -	₩ (37,249)	₩ (150)	₩ 9,555	₩ 136,757

(*1) Other increases or decreases in intangible assets under development include ₩1,572 million in borrowing cost capitalization.
(*2) Impairment losses of ₩150 million were recognized for intangible assets such as computer software and others during the year ended December 31, 2022.

15. Borrowing costs

Borrowing costs capitalized for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Amount of capitalization(*):				
Construction-in-progress	₩	417,489	₩	345,793
Intangible assets under development and others		11,819		8,300
	₩	429,308	₩	354,093
Capitalization ratio		3.22%		2.91%

(*) There were no capitalization from loss on foreign currency transactions, and there were no capitalization from loss on foreign currency translation for the period ended December 31, 2023. However, Amount of capitalization includes ₩3,377 million from loss on foreign currency transactions for the year ended December 31, 2022.

16. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				December 31, 2022			
	Current		Non-current		Current		Non-current	
Financial liabilities at fair value through profit or loss								
Derivative instruments	₩	5,170	W	107,210	₩	6,319	₩	121,140

17. Trade and other payables

Trade and other payables as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				December 31, 2022			
	Current		Non-current		Current		Non-current	
Trade payables	₩	103,618	₩	-	₩	57,785	₩	-
Other payables(*)		801,647		1,538,820		875,030		1,824,323
Accrued expenses		532,873		-		506,598		-
Leasehold deposits received		2,409		-		1,643		-
Other deposits received		2,551		-		2,741		-
Lease liabilities		16,452		126,753		17,582		135,067
Dividends payable		1,560,120		-		-		-
	₩	3,019,670	₩	1,665,573	₩	1,461,379	₩	1,959,390

(*) ₩1,616,687 million and ₩1,858,973 million are other payables related to fuel management charges spent as of December 31, 2023 and 2022, respectively, which are to be paid out in installments over a 15-year period from 2014.

18. Borrowings and bonds

Borrowings and bonds as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Current liabilities:		
Short-term borrowings	₩ 251,576	₩ -
Current portion of long-term borrowings	42,936	42,051
Current portion of bonds	885,364	1,400,380
Add: premium on bonds	263	-
Less: discount on bonds	(260)	(1,043)
	1,179,879	1,441,388
Non-current liabilities:		
Long-term borrowings	246,256	284,942
Bonds	12,259,709	10,803,201
Add: premium on bonds	-	663
Less: discount on bonds	(39,353)	(35,274)
	12,466,612	11,053,532
	₩ 13,646,491	₩ 12,494,920

18. Borrowings and bonds (cont'd)

Short-term borrowings as of December 31, 2023 and December 31, 2022 are as follows (Korean won in millions, USD in thousands):

	December 31, 2023							
	Financial institution	Type	Rate	Interest rate	Maturity	Foreign currency amount		Amount
Short-term borrowings in Korean won	The Export-Import Bank of Korea	Trade finance	Fixed	4.00%	2024.09.27		-	200,000
Short-term borrowings in foreign currency	The Export-Import Bank of Korea	Trade finance	Fixed	5.49%	2024.09.27	USD	40,000	51,576
								₩ 251,576

There were no short-term borrowings as of December 31, 2022.

18. Borrowings and bonds (cont'd)

Long-term borrowings as of December 31, 2023 and 2022 are as follows (Korean won in millions):

Financial institution	Type	Rate	Interest rate	Maturity	December 31, 2023	December 31, 2022
Korea Energy Agency	Resource development loan	Floating	Treasury notes (3M)-2.25%	2024.09.15	₩ 135	₩ 315
Korea Energy Agency	Resource development loan	Floating	Treasury notes (3M)-2.25%	2025.03.15	706	1,271
Korea Energy Agency	Resource development loan	Floating	Treasury notes (3M)-2.25%	2025.12.15	362	543
Korea Energy Agency	Resource development loan	Floating	Treasury notes (3M)-2.25%	-	4,445	4,445
Korea Development Bank	Facility loan	Fixed	4.60%	2028.06.24	14,295	17,740
Samsung Life Insurance Co., Ltd.	Facility loan	Fixed	4.60%	2028.06.24	6,558	8,137
Samsung Fire & Marine Insurance Co., Ltd.	Facility loan	Fixed	4.60%	2028.06.24	11,475	14,241
KB Insurance Co., Ltd.	Facility loan	Fixed	4.60%	2028.06.24	10,820	13,428
Hyundai Marine & Fire Insurance Co., Ltd.	Facility loan	Fixed	4.60%	2028.06.24	9,836	12,206
DB Insurance Co., Ltd.	Facility loan	Fixed	4.60%	2028.06.24	6,558	8,137
Hana Bank	Facility loan	Fixed	4.60%	2028.06.24	6,558	8,137
Samsung Life Insurance Co., Ltd.	Facility loan	Floating	Corporate bonds+1.1%	2028.06.24	6,558	8,137
Shinhan Bank	Facility loan	Floating	Corporate bonds+1.1%	2028.06.24	9,836	12,206
Kookmin Bank	Facility loan	Floating	91-Day CDs + 1.79%	2031.06.30	40,789	46,053
Korean Federation of Community Credit Cooperatives	Facility loan	Fixed	3.60%	2031.06.30	28,553	32,237
KB life Insurance Co., Ltd.	Facility loan	Fixed	3.60%	2031.06.30	22,842	25,789
Samsung Fire & Marine Insurance Co., Ltd.	Facility loan	Fixed	3.60%	2031.06.30	22,842	25,789
Energy Infra Asset Management Co., Ltd.	Facility loan	Fixed	3.60%	2031.06.30	16,724	18,882
KB Asset Management Co., Ltd.	Facility loan	Fixed	6.00%	2037.03.31	34,800	34,800
Energy Infra Asset Management Co., Ltd.	Facility loan	Fixed	6.00%	2037.03.31	34,500	34,500
					289,192	326,993
	Less: current portion				(42,936)	(42,051)
					₩ 246,256	₩ 284,942

18. Borrowings and bonds (cont'd)

Bonds in Korean won as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	Issue	Maturity	Rate	Interest rate	December 31, 2023	December 31, 2022
Corporate bond #9-1	2009.10.16	2024.10.16	Fixed	5.72%	₩ 30,000	₩ 30,000
Corporate bond #9-2	2009.10.16	2029.10.16	Fixed	5.74%	70,000	70,000
Corporate bond #11	2009.11.06	2029.11.06	Fixed	5.84%	100,000	100,000
Corporate bond #17-2	2010.12.10	2040.12.10	Fixed	5.06%	100,000	100,000
Corporate bond #26-2	2011.03.25	2031.03.25	Fixed	4.89%	100,000	100,000
Corporate bond #27-3	2011.04.15	2031.04.15	Fixed	4.88%	100,000	100,000
Corporate bond #28	2011.07.01	2026.07.01	Fixed	4.56%	100,000	100,000
Corporate bond #29-3	2011.12.08	2031.12.08	Fixed	4.26%	100,000	100,000
Corporate bond #30-3	2012.01.19	2032.01.19	Fixed	4.24%	50,000	50,000
Corporate bond #31-3	2012.03.20	2032.03.20	Fixed	4.32%	150,000	150,000
Corporate bond #32-3	2012.04.26	2032.04.26	Fixed	4.14%	130,000	130,000
Corporate bond #33-2	2012.05.18	2032.05.18	Fixed	4.01%	100,000	100,000
Corporate bond #34-2	2012.07.13	2032.07.13	Fixed	3.71%	100,000	100,000
Corporate bond #35-2	2013.01.18	2023.01.18	-	-	-	90,000
Corporate bond #35-3	2013.01.18	2033.01.18	Fixed	3.32%	100,000	100,000
Corporate bond #36-2	2013.03.28	2023.03.28	-	-	-	100,000
Corporate bond #36-3	2013.03.28	2033.03.28	Fixed	3.19%	100,000	100,000
Corporate bond #37-2	2013.04.26	2023.04.26	-	-	-	100,000
Corporate bond #37-3	2013.04.26	2033.04.26	Fixed	3.12%	120,000	120,000
Corporate bond #38-2	2013.07.19	2023.07.19	-	-	-	100,000
Corporate bond #38-3	2013.07.19	2033.07.19	Fixed	3.88%	90,000	90,000
Corporate bond #39-2	2013.10.18	2023.10.18	-	-	-	90,000
Corporate bond #40-2	2013.11.22	2023.11.22	-	-	-	140,000
Corporate bond #41-2	2014.01.17	2024.01.17	Fixed	3.86%	130,000	130,000
Corporate bond #42-2	2014.04.25	2024.04.25	Fixed	3.68%	100,000	100,000
Corporate bond #42-3	2014.04.25	2034.04.25	Fixed	3.89%	100,000	100,000
Corporate bond #43-2	2014.12.18	2024.12.18	Fixed	2.80%	220,000	220,000
Corporate bond #43-3	2014.12.18	2034.12.18	Fixed	3.07%	90,000	90,000
Corporate bond #44-2	2015.06.29	2025.06.29	Fixed	2.70%	40,000	40,000
Corporate bond #44-3	2015.06.29	2035.06.29	Fixed	2.94%	150,000	150,000
Corporate bond #45-2	2017.04.27	2027.04.27	Fixed	2.44%	50,000	50,000
Corporate bond #45-3	2017.04.27	2037.04.27	Fixed	2.60%	110,000	110,000
Corporate bond #46-2	2017.09.18	2027.09.18	Fixed	2.37%	80,000	80,000
Corporate bond #46-3	2017.09.18	2047.09.18	Fixed	2.41%	150,000	150,000
Corporate bond #47-2	2017.10.17	2027.10.17	Fixed	2.50%	70,000	70,000
Corporate bond #47-3	2017.10.17	2047.10.17	Fixed	2.47%	80,000	80,000
Corporate bond #48-2	2018.03.13	2023.03.13	-	-	-	20,000
Corporate bond #48-3	2018.03.13	2028.03.13	Fixed	2.86%	30,000	30,000
Corporate bond #48-4	2018.03.13	2048.03.13	Fixed	2.94%	90,000	90,000
Corporate bond #49-2	2018.05.11	2038.05.11	Fixed	2.90%	170,000	170,000
Corporate bond #49-3	2018.05.11	2048.05.11	Fixed	2.88%	60,000	60,000
Corporate bond #50-2	2018.06.05	2038.06.05	Fixed	2.84%	200,000	200,000
Corporate bond #50-3	2018.06.05	2048.06.05	Fixed	2.81%	70,000	70,000
Corporate bond #51-2	2018.10.26	2048.10.26	Fixed	2.25%	50,000	50,000
Corporate bond #52-1	2019.06.05	2024.06.05	Fixed	1.74%	40,000	40,000
Corporate bond #52-2	2019.06.05	2039.06.05	Fixed	1.81%	120,000	120,000
Corporate bond #52-3	2019.06.05	2049.06.05	Fixed	1.82%	140,000	140,000
Corporate bond #53-1	2019.10.16	2024.10.16	Fixed	1.53%	60,000	60,000
Corporate bond #53-2	2019.10.16	2039.10.16	Fixed	1.59%	100,000	100,000

18. Borrowings and bonds (cont'd)

	Issue	Maturity	Rate	Interest rate	December 31, 2023	December 31, 2022
Corporate bond #53-3	2019.10.16	2049.10.16	Fixed	1.58%	90,000	90,000
Corporate bond #54-2	2019.11.27	2039.11.27	Fixed	1.76%	70,000	70,000
Corporate bond #54-3	2019.11.27	2049.11.27	Fixed	1.70%	70,000	70,000
Corporate bond #55-1	2020.04.02	2040.04.02	Fixed	1.80%	50,000	50,000
Corporate bond #55-2	2020.04.02	2050.04.02	Fixed	1.80%	50,000	50,000
Corporate bond #56-1	2020.04.28	2025.04.28	Fixed	1.62%	60,000	60,000
Corporate bond #56-2	2020.04.28	2040.04.28	Fixed	1.81%	90,000	90,000
Corporate bond #56-3	2020.04.28	2050.04.28	Fixed	1.83%	150,000	150,000
Corporate bond #57-1	2020.05.25	2025.05.25	Fixed	1.38%	100,000	100,000
Corporate bond #57-2	2020.05.25	2040.05.25	Fixed	1.57%	70,000	70,000
Corporate bond #57-3	2020.05.25	2050.05.25	Fixed	1.59%	80,000	80,000
Corporate bond #58-1	2020.06.15	2025.06.15	Fixed	1.34%	80,000	80,000
Corporate bond #58-2	2020.06.15	2040.06.15	Fixed	1.63%	70,000	70,000
Corporate bond #58-3	2020.06.15	2050.06.15	Fixed	1.66%	100,000	100,000
Corporate bond #59-1	2020.11.23	2025.11.23	Fixed	1.47%	60,000	60,000
Corporate bond #59-2	2020.11.23	2040.11.23	Fixed	1.80%	70,000	70,000
Corporate bond #59-3	2020.11.23	2050.11.23	Fixed	1.78%	90,000	90,000
Corporate bond #60-1	2021.06.29	2026.06.29	Fixed	1.96%	30,000	30,000
Corporate bond #60-2	2021.06.29	2041.06.29	Fixed	2.31%	70,000	70,000
Corporate bond #60-3	2021.06.29	2051.06.29	Fixed	2.31%	160,000	160,000
Corporate bond #61-1	2021.10.14	2026.10.14	Fixed	2.34%	50,000	50,000
Corporate bond #61-2	2021.10.14	2041.10.14	Fixed	2.49%	90,000	90,000
Corporate bond #61-3	2021.10.14	2051.10.14	Fixed	2.45%	160,000	160,000
Corporate bond #62-1	2021.11.03	2026.11.03	Fixed	2.55%	100,000	100,000
Corporate bond #62-2	2021.11.03	2041.11.03	Fixed	2.60%	50,000	50,000
Corporate bond #62-3	2021.11.03	2051.11.03	Fixed	2.59%	90,000	90,000
Corporate bond #63-1	2022.02.17	2027.02.17	Fixed	2.81%	40,000	40,000
Corporate bond #63-2	2022.02.17	2042.02.17	Fixed	3.04%	60,000	60,000
Corporate bond #63-3	2022.02.17	2052.02.17	Fixed	2.97%	50,000	50,000
Corporate bond #64-1	2022.03.11	2042.03.11	Fixed	3.10%	70,000	70,000
Corporate bond #64-2	2022.03.11	2052.03.11	Fixed	3.02%	80,000	80,000
Corporate bond #65-1	2022.04.22	2027.04.22	Fixed	3.68%	30,000	30,000
Corporate bond #65-2	2022.04.22	2042.04.22	Fixed	3.84%	60,000	60,000
Corporate bond #65-3	2022.04.22	2052.04.22	Fixed	3.72%	20,000	20,000
Corporate bond #66-1	2022.05.31	2027.05.31	Fixed	3.68%	80,000	80,000
Corporate bond #66-2	2022.05.31	2042.05.31	Fixed	3.72%	10,000	10,000
Corporate bond #66-3	2022.05.31	2052.05.31	Fixed	3.62%	10,000	10,000
Corporate bond #67-1	2022.07.29	2027.07.29	Fixed	3.86%	20,000	20,000
Corporate bond #67-2	2022.07.29	2042.07.29	Fixed	3.89%	20,000	20,000
Corporate bond #67-3	2022.07.29	2052.07.29	Fixed	3.82%	30,000	30,000
Corporate bond #68-1	2022.11.23	2025.11.23	Fixed	5.48%	70,000	70,000
Corporate bond #68-2	2022.11.23	2027.11.23	Fixed	5.50%	50,000	50,000
Corporate bond #69-1	2022.12.20	2025.12.20	Fixed	4.55%	260,000	260,000
Corporate bond #69-2	2022.12.20	2027.12.20	Fixed	4.45%	180,000	180,000
Corporate bond #69-3	2022.12.20	2032.12.20	Fixed	4.40%	30,000	30,000
Corporate bond #70-1	2023.02.22	2028.02.22	Fixed	4.10%	90,000	-
Corporate bond #70-2	2023.02.22	2033.02.22	Fixed	4.15%	40,000	-
Corporate bond #70-3	2023.02.22	2043.02.22	Fixed	4.08%	20,000	-
Corporate bond #71-1	2023.03.07	2028.03.07	Fixed	4.13%	50,000	-
Corporate bond #71-2	2023.03.07	2033.03.07	Fixed	4.18%	30,000	-
Corporate bond #72-1	2023.04.26	2028.04.26	Fixed	3.91%	130,000	-
Corporate bond #72-2	2023.04.26	2043.04.26	Fixed	4.00%	90,000	-
Corporate bond #73-1	2023.05.22	2028.05.22	Fixed	3.87%	120,000	-
Corporate bond #73-2	2023.05.22	2033.05.22	Fixed	4.02%	10,000	-
Corporate bond #73-3	2023.05.22	2043.05.22	Fixed	4.06%	140,000	-
Corporate bond #74-1	2023.06.08	2028.06.08	Fixed	4.00%	160,000	-

18. Borrowings and bonds (cont'd)

	Issue	Maturity	Rate	Interest rate	December 31, 2023	December 31, 2022
Corporate bond #74-2	2023.06.08	2043.06.08	Fixed	4.16%	50,000	-
Corporate bond #74-3	2023.06.08	2053.06.08	Fixed	4.16%	100,000	-
Corporate bond #75-1	2023.10.30	2026.10.30	Fixed	4.57%	70,000	-
Corporate bond #75-2	2023.10.30	2028.10.30	Fixed	4.75%	40,000	-
Corporate bond #75-3	2023.10.30	2053.10.30	Fixed	4.58%	80,000	-
Corporate bond #76-1	2023.11.10	2026.11.10	Fixed	4.34%	80,000	-
Corporate bond #76-2	2023.11.10	2043.11.10	Fixed	4.29%	50,000	-
Corporate bond #76-3	2023.11.10	2053.11.10	Fixed	4.25%	80,000	-
					8,890,000	8,100,000
	Less: discount on bonds				(17,259)	(15,334)
	Less: current portion				(579,877)	(639,913)
					₩ 8,292,864	₩ 7,444,753

Foreign bonds as of December 31, 2023 and 2022 are as follows (Korean won in millions, USD, HKD, CHF in thousands):

	Issue	Maturity	Rate	Interest rate	December 31, 2023 Foreign currency		December 31, 2023 Won equivalents	December 31, 2022 Foreign currency		December 31, 2022 Won equivalents
Global bond #7	2015.06.15	2025.06.15	Fixed	3.25%	USD	300,000	₩ 386,820	USD	300,000	₩ 380,190
Global bond #8	2017.07.25	2027.07.25	Fixed	3.13%	USD	300,000	386,820	USD	300,000	380,190
Global bond #9	2018.07.25	2023.07.25	-	-	-	-	-	USD	600,000	760,380
Global bond #10	2021.04.27	2026.04.27	Fixed	1.25%	USD	500,000	644,700	USD	500,000	633,650
Global bond #11	2022.07.27	2027.07.27	Fixed	4.25%	USD	700,000	902,580	USD	700,000	887,110
Global bond #12	2023.07.18	2028.07.18	Fixed	5.00%	USD	500,000	644,700		-	-
Foreign FRN 1	2018.03.13	2028.03.13	Fixed	3.35%	HKD	1,650,000	272,349	HKD	1,650,000	268,208
Foreign FRN 2	2022.10.06	2032.10.06	Fixed	5.16%	HKD	1,935,000	319,391	HKD	1,935,000	314,534
	2022.11.01	2032.10.06			HKD	415,000	68,500	HKD	415,000	67,458
Foreign FRN 3	2023.06.07	2030.06.07	Fixed	4.51%	HKD	1,037,000	171,167		-	-
Swiss franc bond #1	2019.07.19	2024.07.19	Fixed	0.00%	CHF	200,000	305,364	CHF	200,000	274,574
Swiss franc bond #2	2019.07.19	2027.07.19	Fixed	0.05%	CHF	100,000	152,682	CHF	100,000	137,287
							4,255,073			4,103,581
	Add: premium on bonds						(22,354)			(20,983)
	Less: discount on bonds						263			663
	Less: current portion						(305,490)			(759,424)
							₩ 3,927,492			₩ 3,323,837

18. Borrowings and bonds (cont'd)

As of December 31, 2023 and 2022, the plans to repay the borrowings and bonds payables are as follows (Korean won in millions):

	December 31, 2023					
	Borrowings		Bonds		Total	
Within 1 year	₩	294,512	₩	885,364	₩	1,179,876
Within 1 ~ 5 years		130,011		5,710,651		5,840,662
Afterward		116,245		6,549,058		6,665,303
	₩	540,768	₩	13,145,073	₩	13,685,841

	December 31, 2022					
	Borrowings		Bonds		Total	
Within 1 year	₩	42,051	₩	1,400,380	₩	1,442,431
Within 1 ~ 5 years		142,149		4,823,001		4,965,150
Afterward		142,793		5,980,200		6,122,993
	₩	326,993	₩	12,203,581	₩	12,530,574

19. Leases

Details of right-of-use assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		
	Acquisition cost	Accumulated depreciation	Carrying amount
Land	₩ 11,222	₩ (1,543)	₩ 9,679
Buildings	36,761	(19,470)	17,291
Structures	2,526,395	(676,535)	1,849,860
Vehicles	12,402	(9,774)	2,628
Machinery	24,715	(19,515)	5,200
Other right-of-use assets	134,882	(28,455)	106,427
	₩ 2,746,377	₩ (755,292)	₩ 1,991,085

	December 31, 2022		
	Acquisition cost	Accumulated depreciation	Carrying amount
Land	₩ 14,070	₩ (1,084)	₩ 12,986
Buildings	26,088	(12,647)	13,441
Structures	2,311,925	(592,832)	1,719,093
Vehicles	9,746	(7,656)	2,090
Machinery	22,656	(13,637)	9,019
Other right-of-use assets	136,043	(22,445)	113,598
	₩ 2,520,528	₩ (650,301)	₩ 1,870,227

Changes in right-of-use assets for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023					
	January 1	Increase	Decrease	Depreciation	Others	December 31
Land	₩ 12,986	₩ 831	₩ (126)	₩ (1,156)	₩ (2,856)	₩ 9,679
Buildings	13,441	8,021	(290)	(7,251)	3,370	17,291
Structures	1,719,093	214,470	-	(83,703)	-	1,849,860
Vehicles	2,090	2,260	(29)	(2,657)	964	2,628
Machinery	9,019	1,080	-	(5,878)	979	5,200
Other right-of-use assets	113,598	-	-	(6,010)	(1,161)	106,427
	₩ 1,870,227	₩ 226,662	₩ (445)	₩ (106,655)	₩ 1,296	₩ 1,991,085

	2022					
	January 1	Increase	Decrease	Depreciation	Others	December 31
Land	₩ 13,474	₩ -	₩ -	₩ (508)	₩ 20	₩ 12,986
Buildings	8,946	9,468	(338)	(5,695)	1,060	13,441
Structures	1,777,736	20,257	-	(78,900)	-	1,719,093
Vehicles	2,412	1,795	(11)	(2,714)	608	2,090
Machinery	9,727	1,161	(36)	(4,481)	2,648	9,019
Other right-of-use assets	112,846	5,412	-	(6,135)	1,475	113,598
	₩ 1,925,141	₩ 38,093	₩ (385)	₩ (98,433)	₩ 5,811	₩ 1,870,227

19. Leases (cont'd)

The amounts of lease liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				December 31, 2022			
	Minimum lease payments		Present value of minimum lease payments		Minimum lease payments		Present value of minimum lease payments	
Within 1 year	₩	17,316	₩	16,452	₩	20,747	₩	17,582
Within 1 ~ 5 years		33,691		22,656		36,736		26,255
Afterward		150,765		104,097		154,488		108,812
	₩	201,772	₩	143,205	₩	211,971	₩	152,649

Changes in the liabilities related to lease contracts for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023											
	January 1		Increase		Decrease		Accretion		Others		December 31	
Lease liabilities	₩	152,649	₩	9,998	₩	(24,425)	₩	3,703	₩	1,280	₩	143,205

	2022											
	January 1		Increase		Decrease		Accretion		Others		December 31	
Lease liabilities	₩	149,316	₩	16,457	₩	(21,909)	₩	3,194	₩	5,591	₩	152,649

The amounts recognized in profit or loss by the Group in relation to the lease for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Depreciation of right-of-use assets	₩	106,655	₩	98,433
Interest on lease liabilities		3,703		3,194
Expenses relating to short-term leases		20,494		20,173
Expenses relating to leases of low-value assets		1,398		1,197
Loss on translation of lease liabilities		67		36
Gain on translation of lease liabilities		(23)		(46)
Loss from lease cancellation		1		1
Gain from lease cancellation		(285)		(3)
Gain on modification of lease		(1)		-
	₩	132,009	₩	122,985

Amounts above include amounts capitalized to property, plant and equipment and others.

20. Retirement benefit obligations

20.1 Defined contribution plans

For each of the two years in the period ended December 31, 2023, retirement benefit expenses of ₩40,485 million and ₩52,291 million, respectively, are recognized in the consolidated statements of comprehensive income and represent contribution amounts paid to retirement benefit plans in accordance with a ratio defined in retirement benefit plans.

Costs related to the defined contribution plans for each of the two years in the period ended December 31, 2023 are recognized in profit or loss and others as follows (Korean won in millions):

	2023	2022
Cost of sales	₩ 29,106	₩ 28,619
Selling and administrative expenses	1,508	13,404
Others (construction-in-progress, etc.)	9,871	10,268
	₩ 40,485	₩ 52,291

20.2 Defined benefit plans

The principal assumptions as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Discount rate	4.25% ~ 5.44%	5.15% ~ 6.25%
Future salary increase	2.00% ~ 7.46%	2.00% ~ 9.97%

Details of the Group’s expense relating to its retirement benefit obligations for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023	2022
Current service cost	₩ 78,825	₩ 94,754
Past service cost	-	30
Interest expense	38,814	22,153
Interest income from plan assets	(38,319)	(16,351)
Transfer to others(*)	(22,178)	(23,186)
	₩ 57,142	₩ 77,400

(*) It includes ₩13,552 million transferred to ordinary development expense and others and ₩8,626 million transferred to construction-in-progress for the year ended December 31, 2023.

20. Retirement benefit obligations (cont'd)

20.2 Defined benefit plans (cont'd)

Costs related to the defined benefit plans recognized in profit or loss for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Cost of sales	₩	53,738	₩	73,022
Selling and administrative expenses		3,404		4,378
	₩	57,142	₩	77,400

The amounts recognized in the consolidated statements of financial position related to defined benefit plans as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Present value of defined benefit obligations	₩	822,757	₩	757,928
Fair value of plan assets		(823,664)		(723,418)
Net defined benefit liabilities	₩	2,206	₩	34,510
Net defined benefit assets	₩	(3,113)	₩	-

Changes in present value of retirement benefit obligations for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Beginning balance	₩	757,928	₩	874,121
Current service cost		78,825		94,754
Past service cost		-		30
Interest expense		38,814		22,153
Remeasurement		1,259		(182,315)
Actual payments		(54,069)		(50,815)
Ending balance	₩	822,757	₩	757,928

20. Retirement benefit obligations (cont'd)

20.2 Defined benefit plans (cont'd)

Changes in fair value of plan assets for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Beginning balance	₩	723,418	₩	622,524
Expected return on plan assets		38,319		16,351
Remeasurement		(3,069)		(3,026)
Contribution from the employer		106,052		124,279
Actual payments		(41,056)		(36,710)
Ending balance	₩	823,664	₩	723,418

In addition, accumulated remeasurement gain amounting to ₩214,302 million and ₩216,437 million are recognized in accumulated other comprehensive income as of December 31, 2023 and 2022, respectively.

Types of plan assets and fair value of plan assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Equity instruments	₩	-	₩	166,172
Debt instruments		-		155,633
Bank deposits		-		64,425
Others		823,664		337,188
	₩	823,664	₩	723,418

Actual return on plan assets for each of the two years in the period ended December 31, 2023 are ₩35,250 million and ₩13,325 million, respectively.

Remeasurement recognized in other comprehensive income for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Actuarial changes arising from changes in demographic assumptions		(28,859)		-
Actuarial changes arising from changes in financial assumptions	₩	62,267	₩	(151,732)
Actuarial changes arising from experience adjustments		(32,149)		(30,583)
Return on plan assets		3,069		3,026
	₩	4,328	₩	(179,289)

The amounts recognized in the consolidated statements of financial position related to employee benefits obligations other than retirement benefit obligation as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Other long-term employee benefit liabilities				
Long-term employee paid annual leave	₩	705	₩	1,067

21. Provisions

21.1 Provisions

Details of provisions as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Provisions for employee benefits	₩ 231,785	₩ -	₩ 242,195	₩ -
Provisions for litigation	-	110,931	-	9,648
Provisions for decommissioning cost	1,089,842	25,240,461	510,048	25,792,529
Nuclear plants	81,684	21,565,203	-	23,035,427
Fuel spent	940,586	1,985,149	415,890	1,011,028
Radioactive waste	67,572	1,690,109	94,158	1,746,074
Others	175,223	37,300	183,218	69,612
Provisions for power plant regional support program	130,034	-	144,504	-
Provisions for renewable energy portfolio standard	10,311	-	-	-
Others	34,878	37,300	38,714	69,612
	₩ 1,496,850	₩ 25,388,692	₩ 935,461	₩ 25,871,789

Changes in provisions for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023						
	January 1	Accrual	Transfer	Payment	Reversal	Others	December 31
Provisions for employee benefits	₩ 242,195	₩ 214,807	₩ -	₩ (225,217)	₩ -	₩ -	₩ 231,785
Provisions for litigation	9,648	108,651	-	-	(7,368)	-	110,931
Provisions for decommissioning costs	26,302,577	1,935,382	603,249	(527,766)	(1,983,087)	(52)	26,330,303
Nuclear plants	23,035,427	17,636	554,743	(61,932)	(1,898,935)	(52)	21,646,887
Fuel spent	1,426,918	1,877,827	-	(379,010)	-	-	2,925,735
Radioactive waste	1,840,232	39,919	48,506	(86,824)	(84,152)	-	1,757,681
Others	252,830	638,794	3,517	(678,784)	(3,834)	-	212,523
Provisions for power plant regional support program	144,504	51,814	-	(66,284)	-	-	130,034
Provisions for renewable energy portfolio standard	-	582,933	-	(572,622)	-	-	10,311
Others	108,326	-	3,517	(39,486)	(179)	-	72,178
Provision for greenhouse gas emission	-	4,047	-	(392)	(3,655)	-	-
	₩ 26,807,250	₩ 2,897,634	₩ 606,766	₩ (1,431,767)	₩ (1,994,289)	₩ (52)	₩ 26,885,542

	2022						
	January 1	Accrual	Transfer	Payment	Reversal	Others	December 31
Provisions for employee benefits	₩ 246,690	₩ 207,181	₩ -	₩ (211,676)	₩ -	₩ -	₩ 242,195
Provisions for litigation	16,755	15,246	-	(19,608)	(2,745)	-	9,648
Provisions for decommissioning costs	22,495,658	3,880,758	464,869	(538,655)	-	(53)	26,302,577
Nuclear plants	19,461,461	3,197,699	433,131	(56,811)	-	(53)	23,035,427
Fuel spent	1,350,662	493,943	-	(417,687)	-	-	1,426,918
Radioactive waste	1,683,535	189,116	31,738	(64,157)	-	-	1,840,232
Others	265,104	609,464	1,775	(619,263)	(4,250)	-	252,830
Provisions for power plant regional support program	146,587	52,471	-	(54,554)	-	-	144,504
Provisions for renewable energy portfolio standard	-	556,993	-	(556,993)	-	-	-
Others	118,517	-	1,775	(7,716)	(4,250)	-	108,326
	₩ 23,024,207	₩ 4,712,649	₩ 466,644	₩ (1,389,202)	₩ (6,995)	₩ (53)	₩ 26,807,250

21. Provisions (cont'd)

21.1 Provisions (cont'd)

Estimates of discount rates, inflation, etc. used by management to calculate the provisions of decommissioning, restoration and cleanup costs are listed in Note 37.2.4.

21.2 Greenhouse gases emission right and emission liability

Allowance received free of charge from the government for each planned period as of December 31, 2023 are as follows (in ten thousands of ton(tCO2-eq)):

	3rd planned period					
	2021	2022	2023	2024	2025	Total
Allowance received free of charge from the government	294	294	294	272	272	1,426

Changes in greenhouse gases emission for the year ended December 31, 2023 and 2022 are as follows (in ten thousands of ton(tCO2-eq), Korean won in millions):

	2023											
	3rd planned period											
	2021		2022		2023		2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning and Free allocation(*)	294	-	294	-	294	-	272	-	272	-	1,426	-
Purchase (Sell)	1	-	10	-	5	-	-	-	-	-	16	-
Government submission	(311)	-	(306)	-	-	-	-	-	-	-	(617)	-
Borrowing (carrying forward)	22	-	7	-	-	-	-	-	-	-	29	-
Others	(6)	-	(5)	-	-	-	-	-	-	-	(11)	-
Ending	-	-	-	-	299	-	272	-	272	-	843	-

(*) Reallocation have been made for the years 2024 and 2025 for the year ended December 31, 2023.

	2022											
	3rd planned period											
	2021		2022		2023		2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning and Free allocation	294	-	294	-	294	-	98	-	98	-	1,078	-
Purchase (Sell)	1	-	5	-	-	-	-	-	-	-	6	-
Government submission	(311)	-	(306)	-	-	-	-	-	-	-	(311)	-
Borrowing (carrying forward)	22	-	7	-	-	-	-	-	-	-	29	-
Others	(6)	-	(5)	-	-	-	-	-	-	-	(6)	-
Ending	-	-	306	-	294	-	98	-	98	-	796	-

The Group does not have any greenhouse gas emissions rights pledged as collateral as of December 31, 2023.

There is no greenhouse gas emissions rights held for short-term trading profits as of December 31, 2023.

Estimated greenhouse gas emission of the Group for the compliance year of 2023 is 2,870 thousand tCO2-eq.

22. Government grants

Details of government grants as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Property, plant and equipment		
Buildings	₩ 383	₩ 423
Structures	7,105	7,697
Machinery	3,421	5,376
Vehicles	80	83
Fixtures and furniture	274	76
Tools and equipment	3	5
	11,266	13,660
Intangible assets		
Computer software	60	62
Development costs	-	1
	60	63
	₩ 11,326	₩ 13,723

Changes in government grants for the years ended December 31, 2023 and for 2022 are as follows (Korean won in millions):

	2023			
	January 1	Depreciation/ Amortization offset	Others	December 31
Property, plant and equipment:				
Buildings	₩ 423	₩ (40)	₩ -	₩ 383
Structures	7,697	(592)	-	7,105
Machinery	5,376	(1,955)	-	3,421
Vehicles	83	(36)	33	80
Fixtures and furniture	76	(74)	272	274
Tools and equipment	5	(2)	-	3
	13,660	(2,699)	305	11,266
Intangible assets:				
Computer software	62	(38)	36	60
Development costs	1	(1)	-	-
	63	(39)	36	60
	₩ 13,723	₩ (2,738)	₩ 341	₩ 11,326

22. Government grants (cont'd)

	2022			
	January 1	Depreciation/ Amortization offset	Others	December 31
Property, plant and equipment:				
Buildings	₩ 482	₩ (59)	₩ -	₩ 423
Structures	8,290	(593)	-	7,697
Machinery	7,331	(1,955)	-	5,376
Vehicles	55	(28)	56	83
Fixtures and furniture	103	(44)	17	76
Tools and equipment	10	(5)	-	5
	16,271	(2,684)	73	13,660
Intangible assets:				
Computer software	88	(53)	27	62
Development costs	6	(5)	-	1
	94	(58)	27	63
	₩ 16,365	₩ (2,742)	₩ 100	₩ 13,723

23. Non-financial liabilities

Details of non-financial liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Advance received	₩ 23	₩ -	₩ 144	₩ -
Due to customers for contract work	181,367	-	-	-
Unearned revenue	4,328	-	3,099	-
Withholdings	42,639	-	44,461	-
Others	156,823	5,324	58,004	5,315
	₩ 385,180	₩ 5,324	₩ 105,708	₩ 5,315

24. Contributed capital

Details of Contributed capital as of December 31, 2023 and 2022 are as follows (Korean won in millions, except for number of shares and par value per share):

	Number of shares authorized	Number of shares issued	Par value per share	December 31, 2023	December 31, 2022
Common stock	500,000,000	242,442,838	₩ 5,000	₩ 1,212,214	₩ 1,212,214

Number of shares issued as of December 31, 2023 and 2022 are as follows:

	2023	2022
Number of shares issued	242,442,838	242,442,838

Share premium as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31,2023	December 31, 2022
Paid-in capital in excess of par value	₩ 9,492,301	₩ 9,492,301

25. Retained earnings and dividends

Details of retained earnings as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Legal reserve(*)	₩ 606,107	₩ 606,107
Voluntary reserves	10,642,737	10,659,119
Unappropriated retained earnings	2,873,583	4,286,854
	₩ 14,122,427	₩ 15,552,080

(*) The legal reserve cannot be used for cash dividends and may be used to reduce a deficit or to be transferred to common stock.

Details of voluntary reserves as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Reserve for business expansion	₩ 5,203,555	₩ 5,219,937
Others(*)	5,439,182	5,439,182
	₩ 10,642,737	₩ 10,659,119

(*) The Group has appropriated the majority of its tax credits as a reserve for business rationalization in accordance with the Restriction of Special Taxation Act (“Act”) until 2002. This reserve could only be used for the preservation of deficits carried forward and transfer to capital. However, on December 11, 2002, the Act was amended and the reserve for business rationalization was changed to the voluntary reserve due to the deletion of the relevant clauses in the amendment.

Changes in retained earnings for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023	2022
Beginning balance	₩ 15,552,080	₩ 15,590,335
Profit (loss) for the year attributable to owners of the parent	132,599	(36,672)
Dividends paid	(1,560,120)	(136,010)
Changes in retained earnings of equity method investees	(1)	52
Remeasurements of the defined benefit plan, net of tax	(2,131)	134,369
Other	-	6
Ending balance	₩ 14,122,427	₩ 15,552,080

Dividends paid for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions, except for number of shares and dividends for share):

	2023				
	Number of shares issued	Treasury stocks	Number of dividend shares	Dividends for share	Dividends
Common stock	242,442,838	-	242,442,838	₩ 6,435	₩ 1,560,120

(*) Unpaid dividend as of December 31, 2023 is ₩1,560,120 million.

	2022				
	Number of shares issued	Treasury stocks	Number of dividend shares	Dividends for share	Dividends
Common stock	242,442,838	-	242,442,838	₩ 561	₩ 136,010

25. Retained earnings and dividends (cont'd)

Changes in remeasurements of the defined benefit plans for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Beginning balance	₩	216,404	₩	82,035
Changes for the year		(4,328)		179,289
Tax effect		2,193		(44,895)
Changes in non-controlling interests		4		(25)
Ending balance	₩	214,273	₩	216,404

Statements of appropriation of retained earnings for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
I. Unappropriated retained earnings				
Unappropriated retained earnings carried forward from the prior year	₩	4,364,600	₩	4,230,382
Net income (loss)		151,638		(16,382)
Remeasurements of the defined benefit plans, net of tax		(2,335)		134,218
Interim dividend		(1,560,120)		-
		2,953,783		4,348,218
II. Transfer from voluntary reserves				
Reserve for business expansion		-		16,382
		-		16,382
III. Total (I + II)		2,953,783		4,364,600
IV. Appropriation of retained earnings				
Dividends		-		-
Voluntary reserves		151,638		-
		151,638		-
V. Unappropriated retained earnings to be carried forward to the next year (III – IV)	₩	2,802,145	₩	4,364,600

The above statement of appropriation of retained earnings is based on the separate financial statements of the parent company.

26. Other components of equity

Other components of equity as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Accumulated other comprehensive loss	₩	50,796	₩	9,774
Other equity		(585)		(870)
	₩	50,211	₩	8,904

Changes in accumulated other comprehensive income (loss) for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023							
	Gain (loss) on valuation of financial assets at fair value through other comprehensive income (loss)		Share of other comprehensive income (loss) of associates and joint ventures		Gain (loss) from translation of foreign operations		Total	
Beginning balance	₩	7,384	₩	(513)	₩	2,903	₩	9,774
Change for the year		46,793		279		389		47,461
Tax effect		(6,340)		-		-		(6,340)
Changes in non-controlling interests		(100)		-		1		(99)
Ending balance	₩	47,737	₩	(234)	₩	3,293	₩	50,796

	2022							
	Gain (loss) on valuation of financial assets at fair value through other comprehensive income (loss)		Share of other comprehensive income (loss) of associates and joint ventures		Gain (loss) from translation of foreign operations		Total	
Beginning balance	₩	(9,615)	₩	(2,452)	₩	2,799	₩	(9,268)
Change for the year		25,844		1,939		104		27,887
Tax effect		(9,297)		-		-		(9,297)
Changes in non-controlling interests		452		-		-		452
Ending balance	₩	7,384	₩	(513)	₩	2,903	₩	9,774

Other equity as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Changes from paid-in capital increase and others	₩	(585)	₩	(870)

27. Revenue

Revenue for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023			2022		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Sales of electric power	₩ 10,759,048	₩ -	₩ 10,759,048	₩ 10,313,895	₩ -	₩ 10,313,895
Service revenue	107,023	83,247	190,270	179,166	110,753	289,919
Construction contract revenue	-	28,937	28,937	-	3,837	3,837
	₩ 10,866,071	₩ 112,184	₩ 10,978,255	₩ 10,493,061	₩ 114,590	₩ 10,607,651

Changes in total construction contract balance for the year ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	2023			
	January 1	Increase (decrease) (*)	Revenue recognition	December 31
Overseas nuclear power project	₩ 3,130,918	₩ 332,644	₩ (28,937)	₩ 3,434,625

	2022			
	January 1	Increase (decrease) (*)	Revenue recognition	December 31
Overseas nuclear power project	₩ -	₩ 3,134,755	₩ (3,837)	₩ 3,130,918

(*) The increase for the the year ended December 31, 2023 is due to the rise in contract amount resulting from new orders and foreign currency translation. Whereas the increase for the year ended December 31, 2022 is attributed to the contract amount growth driven by new orders

Details of accumulated earned revenue, expense and net income related to construction in progress for the year ended December 31, 2023 and 2022 are as follows (Korea won in millions):

	2023		
	Accumulated earned revenue	Accumulated expenses	Accumulated net income
Overseas nuclear power project	₩ 32,774	₩ 26,007	₩ 6,767

	2022		
	Accumulated earned revenue	Accumulated expenses	Accumulated net income
Overseas nuclear power project	₩ 3,837	₩ 3,089	₩ 748

27. Revenue (cont'd)

Details of due from customers for contract work and due to customers for contract work as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Due from customers for contract work (*)	Due to customers for contract work (*)	Due from customers for contract work (*)	Due to customers for contract work (*)
Overseas nuclear power project	W -	W 181,367	₩ 3,837	₩ -

(*) Due from customers for contract work are included in trade and other receivables and due to customers for contract work are included in current non-financial liabilities.

As of December 31, 2023, major contracts which account for over 5% of the preceding year's total revenue and of which revenue is recognized on the percentage of completion basis by applying the accrued cost input method are as follows:

	Contract date	Contractual completion date
Nuclear power plant business in Egypt El Dabaa	2022.08.25	2029.04.08

On the other hand, the Group determined not to disclose 'percentage-of-completion, due from customers for contract work, and receivables from construction contracts' based on KIFRS 1115 129.2(2) as those are non-disclosure items according to relevant laws or contracts. The Group reported the non-disclosed items to audit committee and did not disclose or make public the non-disclosed items through any method.

The information on contracts where revenue is recognized based on percentage-of-completion by applying the cost-based input method for each business segment is as follows (Korean won in millions):

	Effect from changes in accounting estimates				
	Expected loss on construction contracts	Changes in estimates of contract revenue and costs	Amounts recognized in current profit or loss	Amounts recognized in future profit or loss	Changes in estimated total contract costs
Electric power generation segment	₩ -	₩ 33,565	₩ 326	₩ 33,239	₩ 22,684
Other segments	-	-	-	-	-
	₩ -	₩ 33,565	₩ 326	₩ 33,239	₩ 22,684

	Revenue recognized from performance obligations fulfilled in the prior term	Due from customers for contract work		Trade receivables (Accounts receivables)	
		Total amount	Allowance for bad debt	Total amount	Allowance for bad debt
Electric power generation segment	₩ -	₩ -	₩ -	₩ -	₩ -
Other segments	-	-	-	-	-
	₩ -	₩ -	₩ -	₩ -	₩ -

28. Selling and administrative expenses

Selling and administrative expenses for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Salaries	₩	54,335	₩	50,652
Retirement benefits		4,912		17,782
Employee welfare		10,422		10,236
Insurance expenses		1,448		1,339
Depreciation of property, plant and equipment		47,524		39,486
Amortization of intangible assets		16,583		18,978
Commission		34,805		34,515
Advertisement		12,220		14,163
Training		187		220
Vehicles		119		136
Publication expenses		639		479
Business expenses		128		160
Rent		11,005		14,331
Communication		659		742
Taxes and dues		2,002		2,166
Supplies expenses		598		802
Utilities		1,942		1,339
Repairs		15,297		11,712
Ordinary development expenses		5,212		4,797
Travel expenses		1,566		1,311
Clothing expenses		57		60
Labor welfare fund contribution		-		520
Subscription		292		296
Others		85,051		15,232
	₩	307,003	₩	241,454

Details of others of selling and administrative expenses for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Other wages	₩	74,605	₩	10,258
Compliance costs		41		62
Award costs		546		319
Registration costs		16		8
Litigation costs		8,110		2,875
Meeting costs		1,731		1,710
Freight expenses		1		-
Research and analysis expenses		1		-
	₩	85,051	₩	15,232

29. Other income and expenses

Details of other income for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Gain on assets contributed	₩	105	₩	648
Reparations		12,660		9,239
Gain from infrastructure fund		60		3
Rental income		8,134		8,041
Others		64,873		7,925
	₩	85,832	₩	25,856

Details of others in other income for each of the two years in the period ended December 31, 2023 are as follows:

	2023		2022	
Grants of development of vocational skills	₩	804	₩	590
Rent management fee		124		125
Trustee training and technical support income		1,142		1,094
Contract deposit recovered from termination of contract		100		12
Others		62,703		6,104
	₩	64,873	₩	7,925

Details of other expense for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Depreciation of idle assets	₩	3,683	₩	3,635
Other bad debt expenses		18		-
Donations		23,557		18,739
Others		16,721		48,051
	₩	43,979	₩	70,425

29. Other income and expenses (cont'd)

Details of others in other expense for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Operating cost of the sports center	₩	8,921	₩	8,370
Perform technical support costs		9		48
Loss on settlement of research and development grants		388		260
Maintenance expenses related to the idle assets		1,494		1,683
Surcharge on taxes and dues		1,935		35
Others		3,974		37,655
	₩	16,721	₩	48,051

30. Other gains and losses

Other gains and losses for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Gain on disposals of property, plant and equipment	₩	978	₩	5,676
Reversal of impairment loss on property, plant and equipment		-		134,735
Gain on foreign currency translations (*)		2,277		867
Gain on foreign currency transactions (*)		26,833		27,761
Gain on insurance transactions		-		34,000
Others		2,086		1,495
Loss on disposals of property, plant and equipment		(27,987)		(18,742)
Impairment loss on property, plant and equipment		-		(37,311)
Impairment loss on intangible assets		-		(150)
Loss on foreign currency translation (*)		(1,387)		(3,609)
Loss on foreign currency transactions (*)		(21,727)		(22,117)
Others		(2,681)		(2,464)
	₩	(21,608)	₩	120,141

(*) Gain (loss) on foreign currency translations and foreign currency transactions arising from operating activities.

30. Other gains and losses (cont'd)

Details of others in other gains for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

		2023		2022
Gain on valuation of inventories	₩	262	₩	-
Gain on disposal of inventories		-		18
Gain on reversal of inventories		2		-
Gain on disposal of waste		1,488		1,424
Gain from lease cancellation		285		3
Others		49		50
	₩	2,086	₩	1,495

Details of others in other losses for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

		2023		2022
Loss on inventory obsolescence	₩	(1,417)	₩	(91)
Loss on disposal of inventories		(1,263)		(2,355)
Loss from lease cancellation		(1)		(1)
Others		-		(17)
	₩	(2,681)	₩	(2,464)

31. Finance income

Finance income for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

		2023		2022
Interest income	₩	68,533	₩	45,348
Dividend income		7,290		4,601
Gain on disposal of financial instruments assets		3,366		353
Gain on valuation of financial assets at fair value through profit or loss		17,886		2,690
Gain on valuation of derivative instruments		113,699		155,809
Gain on transactions of derivative instruments		54,010		117,818
Gain on foreign currency translation (*)		2,672		73,527
Gain on foreign currency transactions (*)		1,755		43
	₩	269,211	₩	400,189

(*) Gain on foreign currency translation and foreign currency transactions arising from financing activities.

Details of interest income included in finance income for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

		2023		2022
Cash and cash equivalents	₩	28,646	₩	11,034
Financial assets at fair value through profit or loss		23,174		25,785
Financial instruments		10,722		5,462
Loans		2,346		1,976
Trade and other receivables		3,645		1,091
	₩	68,533	₩	45,348

32. Finance costs

Finance costs for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Interest expense	₩	704,351	₩	574,909
Loss on disposals of financial instruments assets		-		1,334
Loss on valuation of financial assets at fair value through profit or loss		17,431		13,450
Loss on valuation of derivative instruments		5,591		96,289
Loss on transactions of derivative instruments		42,732		15,846
Loss on foreign currency translation (*)		115,566		179,405
Loss on foreign currency transactions (*)		9,411		193,477
	₩	895,082	₩	1,074,710

(*) Loss on foreign currency translation and foreign currency transactions arising from financing activities.

Details of interest expenses included in finance costs for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Trade and other payables	₩	2,054	₩	135
Short-term borrowings		13,589		5,300
Long-term borrowings		14,550		14,997
Bonds		412,021		342,197
Other financial liabilities(*)		691,445		562,996
		1,133,659		925,625
Less: capitalization of borrowing costs		(429,308)		(350,716)
	₩	704,351	₩	574,909

(*) Interest expenses related to provisions for decommissioning costs of nuclear power plants and others are included.

33. Income tax expense

The components of income tax expense for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

		2023		2022
Current income tax expense:	₩	295,152	₩	308,422
Current income tax		305,276		337,890
Adjustment due to changes in estimates related to past		(5,977)		24,724
Income tax credited directly to equity		(4,147)		(54,192)
Deferred tax expense:		(232,643)		(198,830)
Changes in temporary differences		(240,918)		(263,536)
Changes in tax rate or tax law		8,688		80,828
Changes of unrecognized tax losses, tax credit and temporary differences for prior year		(413)		(16,122)
Income tax expense	₩	62,509	₩	109,592

The income taxes calculated using the statutory tax rates differs from the actual amount for each of the two years in the period ended December 31, 2023 for the following reasons (Korean won in millions):

		2023		2022
Profit before income tax	₩	184,647	₩	47,605
Tax effect at the rate of 23.1% (prior year : 24.2%)		42,654		11,520
Adjustments:				
Effect of applying gradual tax rate		4,266		(8,791)
Non-taxable income		(381)		(101)
Non-deductible expense		2,895		10,455
Tax credits and deduction		(16,053)		(32,794)
Changes of unrecognized tax losses, tax credit and temporary differences for prior year		(413)		(16,122)
Effects of tax loss which are not recognized in deferred tax assets		5,966		5,705
Effects of change in tax rate on deferred tax		8,688		80,828
Others		20,864		34,168
		25,832		73,348
Adjustment for prior years		(5,977)		24,724
Income tax expense	₩	62,509	₩	109,592
Effective tax rate		33.85%		230.76%

33. Income tax expense (cont'd)

Tax item recognized in other comprehensive income (loss) for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		2022	
Income tax credited directly to equity				
Tax items in other comprehensive income:				
Gain on valuation of financial assets at FVOCI	₩	(6,340)	₩	(9,297)
Remeasurements of the defined benefit plan		2,193		(44,895)
	₩	(4,147)	₩	(54,192)

Details of the deferred tax assets (liabilities) as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	2023							
	Beginning balance		Amounts recognized in profit (loss) for the year		Amounts recognized in cumulative other comprehensive income (loss)		Ending balance	
Deferred tax by temporary difference:								
Long-term employee benefits	₩	85,277	₩	(7,022)	₩	2,193	₩	80,448
Property, plant and equipment, net		(5,049,233)		268,355		-		(4,780,878)
Intangible assets		3,499		(952)		-		2,547
Financial assets at fair value through profit or loss		(3)		-		-		(3)
Financial assets at fair value through other comprehensive income		7,641		400		(6,340)		1,701
Provision		6,846,124		(23,745)		-		6,822,379
Accrued income		(917)		(1,014)		-		(1,931)
Advanced depreciation provision		(3,593)		9		-		(3,584)
Others		27,020		143		-		27,163
Tax loss carryforwards		1,030		917		-		1,947
	₩	1,916,845	₩	237,091	₩	(4,147)	₩	2,149,789

33. Income tax expense (cont'd)

	2022			
	Beginning balance	Amounts recognized in profit (loss) for the year	Amounts recognized in cumulative other comprehensive income (loss)	Ending balance
Deferred tax by temporary difference:				
Long-term employee benefits	₩ 155,061	₩ (24,889)	₩ (44,895)	₩ 85,277
Property, plant and equipment, net	(4,718,184)	(331,049)	-	(5,049,233)
Intangible assets	97	3,402	-	3,499
Financial assets at fair value through profit or loss	(3)	-	-	(3)
Financial assets at fair value through other comprehensive income	14,202	2,736	(9,297)	7,641
Provision	6,241,861	604,263	-	6,846,124
Accrued income	(1,355)	438	-	(917)
Advanced depreciation provision	(3,851)	258	-	(3,593)
Others	29,613	(2,593)	-	27,020
Tax loss carryforwards	574	456	-	1,030
	₩ 1,718,015	₩ 253,022	₩ (54,192)	₩ 1,916,845

Deferred tax as of December 31, 2023 and 2022 are as follows (Korean won in million):

	December 31, 2023	December 31, 2022
Deferred tax assets	₩ 2,162,123	₩ 1,923,018
Deferred tax liabilities	12,334	6,173

The amounts of the deductible temporary differences not recognized as deferred tax assets and the taxable temporary differences not recognized as unused tax losses, unused tax credits, and deferred tax liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Deductible temporary difference	₩ 130,906	₩ 130,921
Tax loss carry forwards	20,039	75,420
Tax credit carry forwards	2,242	1,443
Taxable temporary difference	127,319	92,229

34. Expenses classified by nature

Expenses classified by nature for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023		
	Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩ -	₩ 1,020,256	₩ 1,020,256
Salaries	54,335	1,005,659	1,059,994
Retirement benefits	4,912	82,844	87,756
Employee welfare	10,422	144,846	155,268
Insurance expenses	1,448	48,178	49,626
Depreciation of property, plant and equipment	47,524	2,966,063	3,013,587
Amortization of nuclear fuel	-	1,370,619	1,370,619
Amortization of intangible assets	16,583	12,595	29,178
Commission	34,805	149,206	184,011
Provisions for decommissioning costs	-	244,414	244,414
Other provisions	-	108,103	108,103
Advertisement	12,220	2,929	15,149
Training	187	1,514	1,701
Vehicles	119	643	762
Publication expenses	639	469	1,108
Business expenses	128	222	350
Rent	11,005	97,882	108,887
Communication	659	2,026	2,685
Taxes and dues	2,002	338,615	340,617
Supplies expenses	598	3,433	4,031
Utilities	1,942	9,638	11,580
Repairs	15,296	1,298,851	1,314,147
Ordinary development expenses	5,213	444,657	449,870
Travel expenses	1,567	6,425	7,992
Clothing expenses	57	2,405	2,462
Subscription	292	13,207	13,499
Others	85,049	502,825	587,874
	₩ 307,002	₩ 9,878,524	₩ 10,185,526

34. Expenses classified by nature (cont'd)

	2022		
	Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩ -	₩ 1,120,728	₩ 1,120,728
Salaries	50,652	934,010	984,662
Retirement benefits	17,782	101,641	119,423
Employee welfare	10,236	139,968	150,204
Insurance expenses	1,339	40,509	41,848
Depreciation of property, plant and equipment	39,486	2,654,475	2,693,961
Amortization of nuclear fuel	-	1,322,726	1,322,726
Amortization of intangible assets	18,978	8,784	27,762
Commission	34,515	147,594	182,109
Provisions for decommissioning costs	-	382,893	382,893
Other provisions	-	(37,084)	(37,084)
Advertisement	14,163	3,174	17,337
Training	220	1,156	1,376
Vehicles	136	689	825
Publication expenses	479	547	1,026
Business expenses	160	341	501
Rent	14,331	95,765	110,096
Communication	742	1,960	2,702
Taxes and dues	2,166	328,544	330,710
Supplies expenses	802	4,435	5,237
Utilities	1,339	7,469	8,808
Repairs	11,712	1,450,413	1,462,125
Ordinary development expenses	4,797	463,938	468,735
Travel expenses	1,311	6,459	7,770
Clothing expenses	60	1,755	1,815
Labor welfare fund contribution	520	8,964	9,484
Subscription	296	15,030	15,326
Others	15,232	514,169	529,401
	₩ 241,454	₩ 9,721,052	₩ 9,962,506

35. Earnings (loss) per share

Basic earnings (loss) per share for each of the two years in the period ended December 31, 2023 are as follow (Korean won):

		2023		2022
Basic earnings (loss) per share	₩	547	₩	(151)

Profit (loss) for the year attributable to owners of the parent and weighted average number of common shares outstanding for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

		2023		2022
Profit (loss) for the year attributable to owners of the parent	₩	132,599	₩	(36,672)
Weighted average number of common stock		242,442,838		242,442,838

Because the Group has no dilutive potential common stock, diluted earnings (loss) per share and the details of calculations are equal to basic earnings (loss) per share.

36. Categories of financial instruments

Details of financial assets by category as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Current financial assets:				
Cash and cash equivalents	₩ -	₩ 950,472	₩ -	₩ 950,472
Current financial assets				
Financial assets at fair value through profit or loss	132,760	-	-	132,760
Loans	-	17,559	-	17,559
Short-term financial instruments	-	203,614	-	203,614
Derivative assets	86,123	-	-	86,123
	218,883	221,173	-	440,056
Trade and other receivables	-	2,095,724	-	2,095,724
	218,883	3,267,369	-	3,486,252
Non-current financial assets:				
Non-current financial assets				
Financial assets at fair value through profit or loss	282,262	-	-	282,262
Financial assets at fair value through other comprehensive income	-	-	378,029	378,029
Loans	-	77,195	-	77,195
Long-term financial instruments	-	663,621	-	663,621
Derivative assets	248,435	-	-	248,435
	530,697	740,816	378,029	1,649,542
Trade and other receivables	-	74,670	-	74,670
	530,697	815,486	378,029	1,724,212
	₩ 749,580	₩ 4,082,855	₩ 378,029	₩ 5,210,464

36. Categories of financial instruments (cont'd)

	December 31, 2022			
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Current financial assets:				
Cash and cash equivalents	₩ -	₩ 953,369	₩ -	₩ 953,369
Current financial assets				
Financial assets at fair value through profit or loss	155,600	-	-	155,600
Loans	-	17,712	-	17,712
Short-term financial instruments	-	193,161	-	193,161
Derivative assets	102,081	-	-	102,081
	257,681	210,873	-	468,554
Trade and other receivables	-	1,293,319	-	1,293,319
	257,681	2,457,561	-	2,715,242
Non-current financial assets:				
Non-current financial assets				
Financial assets at fair value through profit or loss	397,991	-	-	397,991
Financial assets at fair value through other comprehensive income	-	-	316,606	316,606
Loans	-	70,405	-	70,405
Long-term financial instruments	-	505,803	-	505,803
Derivative assets	252,103	-	-	252,103
	650,094	576,208	316,606	1,542,908
Trade and other receivables	-	36,307	-	36,307
	650,094	612,515	316,606	1,579,215
	₩ 907,775	₩ 3,070,076	₩ 316,606	₩ 4,294,457

36. Categories of financial instruments (cont'd)

Details of financial liabilities by category as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		
	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Current financial liabilities			
Short-term borrowings	₩ -	₩ 251,576	₩ 251,576
Current portion of long-term borrowings	-	42,936	42,936
Bonds	-	885,367	885,367
Derivative liabilities	5,170	-	5,170
	5,170	1,179,879	1,185,049
Trade and other payables	-	3,019,670	3,019,670
	5,170	4,199,549	4,204,719
Non-current financial liabilities:			
Non-current financial liabilities			
Long-term borrowings	-	246,256	246,256
Bonds	-	12,220,356	12,220,356
Derivative liabilities	107,210	-	107,210
	107,210	12,466,612	12,573,822
Trade and other payables	-	1,665,573	1,665,573
	107,210	14,132,185	14,239,395
	₩ 112,380	₩ 18,331,734	₩ 18,444,114

	December 31, 2022		
	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Current financial liabilities:			
Current financial liabilities			
Current portion of long-term borrowings	₩ -	₩ 42,051	₩ 42,051
Bonds	-	1,399,337	1,399,337
Derivative liabilities	6,319	-	6,319
	6,319	1,441,388	1,447,707
Trade and other payables	-	1,461,379	1,461,379
	6,319	2,902,767	2,909,086
Non-current financial liabilities:			
Non-current financial liabilities			
Long-term borrowings	-	284,942	284,942
Bonds	-	10,768,590	10,768,590
Derivative liabilities	121,140	-	121,140
	121,140	11,053,532	11,174,672
Trade and other payables	-	1,959,390	1,959,390
	121,140	13,012,922	13,134,062
	₩ 127,459	₩ 15,915,689	₩ 16,043,148

36. Categories of financial instruments (cont'd)

Net gain (loss) of financial instruments by category for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

Categories	Description	2023	2022
Financial assets at amortized cost	Cash and cash equivalents-interest income	₩ 28,646	₩ 11,034
	Financial instruments-interest income	10,722	5,462
	Loans-interest income	2,346	1,976
	Trade and other receivables - interest income	3,645	1,091
	Gain (loss) on fluctuation of exchange rate in foreign currency, net	(1,741)	3,068
Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss-interest income	23,174	25,785
	Financial assets at fair value through profit or loss-valuation income (loss)	455	(10,760)
	Gain (loss) on disposals of financial assets, net	3,366	(981)
	Dividend income	3,917	1,985
	Gain on valuation of derivative instruments, net	93,028	167,215
	Gain on transactions of derivative instruments, net	54,010	107,134
Financial assets at fair value through other comprehensive income	Gain on valuation of fair value through other comprehensive income (before tax), net	46,793	25,844
	Dividend income	3,373	2,616
Financial liabilities measured at fair value through profit or loss	Gain (loss) on valuation of derivative instruments, net	15,080	(107,695)
	Loss on transactions of derivative instruments, net	(42,732)	(5,162)
Financial liabilities at amortized cost	Loss on fluctuation of exchange rate in foreign currency, net	(112,813)	(299,479)
	Interest expense	(97,585)	(108,265)

37. Risk management

37.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue while maximizing the return to shareholder through the optimization of the debt and equity balance. Management of the Group regularly reviews the capital structure and maintains the optimal capital structure through short- and long-term borrowings and bond issuance.

The capital structure of the Group consists of net debt (offset by cash and cash equivalents, etc.) and equity. The Group's overall capital risk management strategy remains consistent with the prior year.

Details of the Group's capital risk management items as of December 31, 2023 and 2022 are as follows (Korean won in millions):

		December 31, 2023		December 31, 2022
Total borrowings and bonds	₩	13,646,491	₩	12,494,920
Cash and cash equivalents and other.(*)		1,154,086		1,146,530
Net borrowings		12,492,405		11,348,390
Total equity	₩	24,885,112	₩	26,281,058
Ratio of net borrowings to total shareholder's equity		50.20%		43.18%

(*) It consists of cash and cash equivalents and short-term financial instruments.

37.2 Financial risk management

The Group is exposed to various risks related to its financial instruments, such as, market risk (currency risk, interest rate risk, price risk) and credit risk. The goal of financial risk management is to reduce and eliminate the financial risks to acceptable levels by identifying sources of potential risks to the Group's financial performance.

The Group uses derivative instruments to hedge certain risk exposures such as foreign currency risk. The Group's overall financial risk management strategy remains consistent with the prior year.

37.2.1 Risk management policy

The Group's management is responsible for the establishment and supervision of the financial risk management system. Management established a risk management committee to develop and supervise the risk management policy of the Group. The committee regularly reports on its activities to the management.

The Group's risk management policy is designed to identify and analyze the risks facing the Group, establish appropriate risk limits and controls, and ensure that the risks do not exceed the limits. Risk management policies and systems are regularly reviewed to reflect market conditions and changes in the activities of the Group.

37. Risk management (cont'd)

37.2.2 Credit risk

Credit risk is the risk of finance loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to the risk smainly arises from the Group's sales activities, as well as from derivatives and debt securities. There are also credit risks arising from financial guarantees and unused loan agreements. For banks and financial institutions, the credit risk from them is limited as the Group makes transactions with reputable financial instituions. For general accounts, the Group evalutates the customer's credit based on the customer's financial position, past experience, and other factors.

Credit risk management

The Group uses publicly available information and its own internal data related to trade 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 trade receivables are due from governmental entities (i.e., KEPCO and others), the Group does not have significant credit risk exposure. Regarding its debt securities, the Group continuously monitors credit ratings issued by credit agencies, and the Group's working capital (i.e., cash) is deposited at financial institutions with a high credit rating.

Impairment & allowance account

In accordance with the Group's policies, individual financial assets above the materiality are regularly reviewed. The allowance for individually reviewed trade receivable shall be determined by evaluating the loss incurred as of the end of the reporting period, which applies to all material trade receivables. For such assessment, the Group considers the amount of collateral obtained (including the recoverability) for the individual financial assets and the expected recoverable amounts.

The Group maximum exposure to credit risk as of December 31, 2023 and 2022 are as follows (Korean won in millions):

		December 31, 2023		December 31, 2022
Cash and cash equivalents	₩	950,472	₩	953,369
Financial instruments		867,235		698,964
Financial assets at fair value through profit or loss		415,022		553,591
Derivative assets		334,558		354,184
Loans		94,754		88,117
Trade and other receivables		2,170,394		1,329,626

There are no financial assets or non-financial assets acquired or received as a result of exercise of rights to collaterals received or additionally obtained to adjust credit limits.

37. Risk management (cont'd)

37.2.3 Market risk

The Group is exposed to market risks in which the fair value of the financial instruments or future cash flows change due to changes in market prices. Market risk consists of interest rate risk, currency risk and other price risk.

37.2.4 Sensitivity analysis

Major assets and liabilities with uncertanties in underlying assumptions

(i) Defined benefit obligations

Changes in the Group's defined benefit obligation due to changes in underlying assumptions as of December 31, 2023 and 2022 are as follows (Korean won in millions):

		December 31, 2023		December 31, 2022	
Assumption	Accounts	1%p increase	1%p decrease	1%p increase	1%p decrease
Future salary increase rate	Defined benefit obligations	₩ 81,773	₩ (71,331)	₩ 78,597	₩ (68,255)
Discount rate	Defined benefit obligations	(73,705)	86,330	(70,110)	82,411

(ii) Provisions for decommissioning costs

Details of underlying assumptions used to estimate provision for decommissioning cost as of December 31, 2023 and 2022 are as follows:

Accounts	Assumptions	December 31, 2023	December 31, 2022
Nuclear plants	Inflation rate	1.91%	2.25%
	Discount rate	2.76%	2.48%
Fuel spent	Inflation rate	1.91%	2.93%
	Discount rate	2.49%	4.49%
Radioactive waste	Inflation rate	3.89%	3.06%
	Discount rate	3.65%	2.62%

The following is a sensitivity analysis of provisions for decommissioning costs assuming 0.1% points increase or decrease in the underlying assumptions as of December 31, 2023 and 2022 (Korean won in millions):

	December 31, 2023		December 31, 2022	
	0.1%p increase	0.1%p decrease	0.1%p increase	0.1%p decrease
Discount rate:				
Nuclear plants	₩ (418,570)	₩ 432,847	₩ (474,432)	₩ 491,360
Fuel spent	(130,065)	130,761	(54,330)	56,453
Radioactive waste	(13,538)	13,683	(15,089)	15,260
Inflation rate:				
Nuclear plants	458,047	(443,531)	515,262	(498,258)
Fuel spent	133,931	(128,607)	57,269	(55,191)
Radioactive waste	13,291	(13,174)	14,190	(14,056)

37. Risk management (cont'd)

37.2.4 Sensitivity analysis (cont'd)

Impact of management's estimate on the consolidated financial statements

(i) Foreign currency risk

The Group is exposed to the risk of exchange rate fluctuations due to transactions denominated in foreign currency. The carrying amounts of the Group's monetary assets and liabilities denominated in foreign currencies as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023						
	AED	USD	EUR	HKD	CHF	Others(*)	Total
Assets:							
Cash and cash equivalents	₩ 740	₩ 641,346	₩ 15,455	₩ -	₩ -	₩ 4,337	₩ 661,878
Trade and other receivables	5,162	71,881	7	-	-	30	77,080
Loans	-	14,142	-	-	-	-	14,142
Total assets denominated in foreign currency	5,902	727,369	15,462	-	-	4,367	753,100
Liabilities:							
Trade and other payables	1,646	39,879	57,718	9,802	34	4,678	113,757
Borrowings	-	51,576	-	-	-	-	51,576
Bonds	-	2,946,556	-	828,569	457,905	-	4,233,030
Total liabilities denominated in foreign currency	1,646	3,038,011	57,718	838,371	457,939	4,678	4,398,363
Net exposure	₩ 4,256	₩ (2,310,642)	₩ (42,256)	₩ (838,371)	₩ (457,939)	₩ (311)	₩ (3,645,263)

(*) Others include CAD, CZK, EGP, PKR, JPY and RUB.

	December 31, 2022						
	AED	USD	EUR	HKD	CHF	Others(*)	Total
Assets:							
Cash and cash equivalents	₩ 310	₩ 19,634	₩ 3	₩ -	₩ -	₩ 1,596	₩ 21,543
Trade and other receivables	-	131,908	207	-	-	13	132,128
Loans	-	3,344	-	-	-	-	3,344
Total assets denominated in foreign currency	310	154,886	210	-	-	1,609	157,015
Liabilities:							
Trade and other payables	1,580	36,169	414	5,173	31	792	44,159
Bonds	-	3,023,838	-	647,376	412,047	-	4,083,261
Total liabilities denominated in foreign currency	1,580	3,060,007	414	652,549	412,078	792	4,127,420
Net exposure	₩ (1,270)	₩ (2,905,121)	₩ (204)	₩ (652,549)	₩ (412,078)	₩ 817	₩ (3,970,405)

(*) Others include CAD, CZK, EGP, PKR and RUB.

37. Risk management (cont'd)

37.2.4 Sensitivity analysis (cont'd)

Foreign exchange rates as of December 31, 2023 and 2022 are as follows (Korean won in each currency):

	2023		2022	
	Average exchange rate	Ending exchange rate	Average exchange rate	Ending exchange rate
USD	1,305.41	1,289.40	1,291.95	1,267.30
EUR	1,412.36	1,426.59	1,357.38	1,351.20
CAD	967.38	974.64	991.82	935.38
CHF	1,454.10	1,526.82	1,352.05	1,372.87
HKD	166.75	165.06	164.98	162.55
CZK	58.87	57.76	55.28	55.85
AED	355.42	351.07	351.74	345.06
EGP	42.61	41.69	67.99	51.19
PKR	4.68	4.57	6.33	5.59
RUB	15.46	14.57	19.32	16.90

A sensitivity analysis on the Group's profit before income tax and equity assuming 10% increase or decrease in foreign exchange rates as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	10% increase	10% decrease	10% increase	10% decrease
Increase (decrease) in profit before income tax	₩ (364,526)	₩ 364,526	₩ (397,041)	₩ 397,041
Increase (decrease) in equity	(364,526)	364,526	(397,041)	397,041

Sensitivity analysis above is conducted for monetary assets and liabilities denominated in foreign currencies other than functional currency as of December 31, 2023 and 2022.

(ii) Interest rate risk

The Group is exposed to interest rate risk due to its borrowing with floating interest rates. 1% points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The Group's floating-rate long-term borrowings and bonds as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Long-term borrowings (including current portion)	₩ 62,831	₩ 72,970
Bonds (including current portion)	-	-
	₩ 62,831	₩ 72,970

37. Risk management (cont'd)

37.2.4 Sensitivity analysis (cont'd)

A sensitivity analysis on the Group's long-term borrowings and bonds assuming 1% points increase or decrease in interest rates as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Increase (decrease) in profit for the year before taxes	₩ (628)	₩ 628	₩ (730)	₩ 730
Increase (decrease) in shareholder's equity (*)	(628)	628	(730)	730

(*) Presents changes in shareholder's equity excluding the effect of taxes, same as the above profit for the period before taxes.

To manage its interest rate risks, the Group in addition to maintaining an appropriate mix of fixed and floating rate borrowings, has entered into certain interest rate swap agreements.

37.2.5 Liquidity risk

The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In addition, the Group has established credit lines on its trade finance and bank-overdrafts, and through payment guarantees it has received, it maintains an adequate credit (borrowing) facility. In addition, in case of major construction investment, the Group has the ability to use reserve cash or utilize long-term borrowings.

Details of remaining maturities of the Group's non-derivative financial liabilities based on agreement terms are as follows. The amount disclosed below represents the undiscounted cash flows the Group is obligated to pay in the future on the earliest repayment date:

Contractual remaining maturities of the Group's non-derivative liabilities, including interest payments, as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Borrowings and bonds	₩ 1,615,735	₩ 1,501,772	₩ 5,749,499	₩ 8,922,266	₩ 17,789,272
Trade and other payables	2,955,059	372,021	1,174,542	387,126	4,888,748
	₩ 4,570,794	₩ 1,873,793	₩ 6,924,041	₩ 9,309,392	₩ 22,678,020

	December 31, 2022				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Borrowings and bonds	₩ 1,819,091	₩ 1,219,116	₩ 4,905,359	₩ 8,033,473	₩ 15,977,039
Trade and other payables	1,409,815	372,426	1,155,653	801,934	3,739,828
	₩ 3,228,906	₩ 1,591,542	₩ 6,061,012	₩ 8,835,407	₩ 19,716,867

37. Risk management (cont'd)

37.2.5 Liquidity risk (cont'd)

As the Group manages its liquidity based on its net asset and net liability balances, the Group's liquidity risk management analysis includes its non-derivative financial assets.

Details of the Group's contractual expected holding period of its non-derivative financial assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				
	Under 1 year	1~5 years	Over 5 years	Other(*)	Total
Cash and cash equivalents	₩ 950,472	₩ -	₩ -	₩ -	₩ 950,472
Financial assets at fair value through other comprehensive income	-	-	-	378,029	378,029
Financial assets at fair value through profit or loss	132,760	-	-	282,262	415,022
Loans	17614	26,303	59,479	-	103,396
Financial instruments	203,614	-	-	663621	867,235
Trade and other receivables	2,096,052	43,447	32,720	-	2,172,219
	₩ 3,400,512	₩ 69,750	₩ 92,199	₩ 1,323,912	₩ 4,886,373

	December 31, 2022				
	Under 1 year	1~5 years	Over 5 years	Other(*)	Total
Cash and cash equivalents	₩ 953,369	₩ -	₩ -	₩ -	₩ 953,369
Financial assets at fair value through other comprehensive income	-	-	-	316,606	316,606
Financial assets at fair value through profit or loss	155,600	-	-	397,991	553,591
Loans	17,801	26,081	51,927	-	95,809
Financial instruments	193,161	-	-	505,803	698,964
Trade and other receivables	1,293,455	37,333	-	-	1,330,788
	₩ 2,613,386	₩ 63,414	₩ 51,927	₩ 1,220,400	₩ 3,949,127

(*) Maturity period cannot be reasonably estimated.

Remaining maturities of the Group's derivative liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Cash inflow	₩ 20,201	₩ 20,256	₩ 962,614	₩ 639,174	₩ 1,642,245
Cash outflow	(25,254)	(22,685)	(982,195)	(681,162)	(1,711,296)
	₩ (5,053)	₩ (2,429)	₩ (19,581)	₩ (41,988)	₩ (69,051)

	December 31, 2022				
	Under 1 year	1~2 years	2~5 years	Over 5 years	Total
Cash inflow	₩ 19,779	₩ 19,887	₩ 946,394	₩ 480,655	₩ 1,466,715
Cash outflow	(26,005)	(25,254)	(984,048)	(529,012)	(1,564,319)
	₩ (6,226)	₩ (5,367)	₩ (37,654)	₩ (48,357)	₩ (97,604)

37. Risk management (cont'd)

37.3 Fair value estimate

The fair value of the Group's financial instruments traded in an active market (i.e., financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income) is calculated on the basis of quoted market price at the end of the reporting period. The quoted market price of the Group's financial assets is bid price.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Group uses that technique.

For trade receivables and payables, the Group considers the carrying value, net of impairment, as fair value. While for disclosure purposes, the fair value of non-current financial liabilities is estimated by discounting a financial instruments with similar contractual cash flows based on the effective interest method.

37.3.1 Fair value and carrying amount

The carrying amount and fair value of financial assets and financial liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value:				
Financial assets at fair value through other comprehensive income	₩ 378,029	₩ 378,029	₩ 316,606	₩ 316,606
Financial assets at fair value through profit or loss	415,022	415,022	553,591	553,591
Derivative instruments held for trading	334,558	334,558	354,184	354,184
	₩ 1,127,609	₩ 1,127,609	₩ 1,224,381	₩ 1,224,381
Financial assets at amortized cost:				
Loans	₩ 94,754	₩ 94,754	₩ 88,117	₩ 88,117
Trade and other receivables	2,170,394	2,170,394	1,329,626	1,329,626
Cash and cash equivalents	950,472	950,472	953,369	953,369
Financial instruments	867,235	867,235	698,964	698,964
	₩ 4,082,855	₩ 4,082,855	₩ 3,070,076	₩ 3,070,076
Financial liabilities at fair value:				
Derivative instruments held for trading	₩ 112,380	₩ 112,380	₩ 127,459	₩ 127,459
Financial liabilities at amortized cost:				
Bonds	₩ 13,105,723	₩ 12,494,723	₩ 12,167,927	₩ 10,780,841
Short-term borrowings	251,576	251,576	-	-
Long-term borrowings	289,192	289,192	326,993	326,993
Trade and other payables	4,685,243	4,685,243	3,420,769	3,420,769
	₩ 18,331,734	₩ 17,720,734	₩ 15,915,689	₩ 14,528,603

37. Risk management (cont'd)

37.3.2 Interest rates used in calculating fair values

Interest rates used to discount expected cash flows were determined by adding credit spreads to government bond yields at the end of the reporting period.

37.3.3 Fair value hierarchy

The Group classifies fair value measurement based on a fair value hierarchy that reflects the significance of the input variables used in fair value measurement. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, classified as Level 1, 2 or 3.

	Significance of the input variables
Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
Level 3	Inputs that are not based on observable market data.

Fair values of financial instruments by hierarchy level as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss	₩ -	₩ 403,807	₩ 11,215	₩ 415,022
Financial assets at fair value through other comprehensive income	133,036	-	244,993	378,029
Derivative financial instruments held for trading	-	334,558	-	334,558
Financial liabilities at fair value:				
Derivative liabilities	-	112,380	-	112,380

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss	₩ -	₩ 541,820	₩ 11,771	₩ 553,591
Financial assets at fair value through other comprehensive income	85,679	-	230,927	316,606
Derivative financial instruments held for trading	-	354,184	-	354,184
Financial liabilities at fair value:				
Derivative liabilities	-	127,459	-	127,459

The fair value of financial assets at fair value through other comprehensive income traded in the market is determined by the closing purchase price disclosed at the end of the reporting period, and the fair value of financial assets at fair value through other comprehensive income without marketability is determined by the fair value evaluation results from external assessment institutions.

Financial assets measured at level 3 in the fair value hierarchy as of the end of the current term include investments in Korea Electric Power Exchange and SET Holding etc., as described in Note 8. They were measured by estimating future cash flows in consideration of expected operating revenue and cost structure, which then were discounted by the weighted average capital costs considering capital structure, etc. In addition, the Group measured the fair value of the derivative using a cash flow discount model that reflected credit risk and used the inputs (credit risk, interest rate, and exchange rate) considering the key economic indicators and economic environment of the derivative to be assessed.

37. Risk management (cont'd)

37.3.3 Fair value hierarchy (cont'd)

Changes in financial assets at fair value through other comprehensive income for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023									
	Beginning balance		Acquisition (Disposal)		Measurement of fair values		Others		Ending balance	
Financial assets at fair value through other comprehensive income	₩	316,606	₩	14,630	₩	46,793	₩	-	₩	378,029

	2022									
	Beginning balance		Acquisition (Disposal)		Measurement of fair values		Others		Ending balance	
Financial assets at fair value through other comprehensive income	₩	281,303	₩	9,471	₩	25,844	₩	(12)	₩	316,606

38. Related party disclosures

Details of related parties as of December 31, 2023 are as follows:

Relationship	Related party
Parent company	Korea Electric Power Corporation
Subsidiaries	KHNP Canada Energy Ltd.
	Gyeonggi Green Energy Co., Ltd.
	Korea Waterbury Uranium Limited Partnership
	Incheon Fuel Cell Co., Ltd.
	First Keepers Co., Ltd.
	Secutec Co., Ltd.
	KHNP USA LLC
	Energy Innovation Growth Fund 1
	KHNP Chile SpA
	LSG Hydro Power Ltd.
	Digital Innovation Growth Fund
Associates	Korea Offshore Wind Power Co., Ltd.
	Noeul Green Energy Co., Ltd.
	Busan Green Energy Co., Ltd.
	Korea Hydro & Nuclear Power KNP Co., Ltd.
	KEPCO Solar Co., Ltd.
	KEPCO ES Co., Ltd.
	Gwangyang Green Energy Co., Ltd.
	Godeok Clean Energy Co., Ltd.
	Hanwha Solar Power Private equity investment trust
	Bigeum Resident Solar Power Generation Co., Ltd.
	Gangneung Sacheon Fuel Cell Co., Ltd.
	Chuncheon Green Energy Co., Ltd.
	Green Radiation Co., Ltd.
	Environment and Energy Co., Ltd.
	Changwon SG Energy Co., Ltd.
	Songsan Green Energy Co., Ltd.
Joint ventures	Waterbury Lake Uranium Limited Partnership
	Cheongsong Noraesan Wind Power Co., Ltd.
	Saemangeum Solar Power Co., Ltd.
	KAS INVESTMENT I LLC
	KAS INVESTMENT II LLC
	Changwon Noorie Energy Co., Ltd.
	Guadalupe Solar SpA
	Yangyang Offshore Wind Power Co., Ltd.
	Jeonju Bio Green Energy Co., Ltd.
	Hadong E-factory Co., Ltd.
Other related parties	Korea Midland Power Co., Ltd.
	Korea East-West Power Co., Ltd.
	Korea South-East Power Co., Ltd.
	Korea Western Power Co., Ltd.
	Korea Southern Power Co., Ltd.
	KEPCO Engineering & Construction Company Inc.
	KEPCO Plant Service & Engineering Co., Ltd.
	KEPCO Nuclear Fuel Co., Ltd.
	KEPCO Knowledge, Data & Network Co., Ltd.
	Korea Power Exchange
	Korea Electronic Power Industrial Development Co., Ltd.
	YTN Co., Ltd.
	Korea Development Bank
	HeeMang Sunlight Power Co., Ltd.
	Korea Gas Corporation
	Energy Infra Asset Management Co., Ltd.
	KW Nuclear Components Co., Ltd.
	Nawah Energy Company
	G-TOPS Co., Ltd.
	KAS Holdings I LLC
	KAS Holdings II LLC and others

38. Related party disclosures (cont'd)

The transactions with related parties for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

Related party	Transaction	Sales and others 2023	Sales and others 2022	Purchases and others 2023	Purchases and others 2022
Korea Electric Power Corporation	Sales of electricity and others/ Electricity charges and others	₩ 11,282,252	₩ 10,930,691	₩ 1,000,132	₩ 1,115,060
	Dividends paid	-	-	1,560,120	136,010
Korea Offshore Wind Power Co., Ltd.	REC Calculates and others/ REC Purchases	541	1,629	3,768	7,441
Noeul Green Energy Co., Ltd.	REC Calculates and others/ REC Purchases	8,311	9,365	10,466	14,176
Busan Green Energy Co., Ltd.	REC Calculates and others/ REC Purchases	10,715	5,037	23,211	26,219
Godeok Clean Energy Co., Ltd.	REC Calculates and others/ REC Purchases	4,684	-	11,545	-
KEPCO Solar Co., Ltd.	Dividend income/ REC Purchases	1,342	118	552	1,098
KEPCO ES Co., Ltd.	Dividend income	790	142	-	-
Gwangyang Green Energy Co., Ltd.	Service income	971	1,122	-	-
Hanwha Solar Power Private equity investment trust	Dividend income and others	405	394	-	-
Bigeum Resident Solar Power Generation Co., Ltd.	Interest income and others	885	658	-	-
Gangneung Sacheon Fuel Cell Co., Ltd.	Service income/ REC Purchase	133	151	1,324	-
Green Radiation Co., Ltd.	Ordinary development expense	-	-	11	-
Cheongsong Noraesan Wind Power Co., Ltd.	Dividend income/ REC Purchases	865	672	882	980
Saemangeum Solar Power Co., Ltd.	Service income/ Rent fees	-	100	-	1
Yangyang Offshore Wind Power Co., Ltd.	Service income and others	169	-	-	-
Korea Midland Power Co., Ltd.	Rent income	8	8	-	-
Korea South-East Power Co., Ltd.	REC Purchases	-	-	3,158	-
Korea East-West Power Co., Ltd.	RPS sales income/ REC Purchases	67	67	1,350	-
Korea Western Power Co., Ltd.	Rent income	25	21	-	-
KEPCO Engineering & Construction Company Inc.	Rent income/ Technical service and others	81	87	202,064	179,775
KEPCO Plant Service & Engineering Co., Ltd.	Rent income, Revenue from entrusted education and training/Cost of construction services and others	3,025	2,263	504,176	578,938
KEPCO Nuclear Fuel Co., Ltd.	Nuclear power plant fuel purchase and others	15	-	319,648	280,268
KEPCO Knowledge, Data & Network Co., Ltd.	Rent income and others/ IT Outsourcing fees and others	7	-	56,140	63,531
Korea Power Exchange	Commission fees and others	-	-	19,365	18,655
YTN Co., Ltd.	Advertisement expenses	-	-	145	111
Korea Development Bank	Interest income/ Interest expense	5,243	124	755	1,238
HeeMang Sunlight Power Co., Ltd.	REC Calculates/ REC Purchases	3	21	54	55
Nawah Energy Company	Service income	81,652	98,305	-	-
KW Nuclear Components Co., Ltd.	Maintenance expenses	-	-	14,114	9,504
Korea Hydro & Nuclear Power KNP Co., Ltd.	Ordinary development expense	-	-	-	2
Korea Electronic Power Industrial Development Co., Ltd.	Maintenance expenses	-	-	6,797	5,086
G-TOPS Co., Ltd.	Purchase of raw materials	-	-	1	-
Guadalupe Solar SpA	Interest income and others	233	245	-	-
Energy Infra Asset Management Co., Ltd.	Interest expense	-	-	2,701	2,779
		₩ 11,402,422	₩ 11,051,220	₩ 3,742,479	₩ 2,440,927

38. Related party disclosures (cont'd)

Receivables and payables arising from related party transactions as of December 31, 2023 and 2022 are as follows (Korean won in millions):

		Trade receivable and others		Trade payable and others	
Related party	Transaction	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Korea Electric Power Corporation	Trade receivables	₩ 1,590,615	₩ 906,799	₩ -	₩ -
	Other receivables and others	448,342	532,568	-	-
	Other payables and others	-	-	1,729,324	209,349
Korea Offshore Wind Power Co., Ltd.	Trade receivables and others	102	1,541	-	-
	Other payables	-	-	-	1,022
Noeul Green Energy Co., Ltd.	Other receivables and others	18,356	9,365	-	-
	Other payables	-	-	3,005	2,468
Busan Green Energy Co., Ltd.	Other receivables and others	32,720	26,681	-	-
	Other payables	-	-	3,642	4,415
Godeok Clean Energy Co., Ltd.	Other receivables	4,562	-	-	-
	Other payables	-	-	5,287	-
KEPCO Solar Co., Ltd.	Other receivables	874	-	-	-
KEPCO ES Co., Ltd.	Other receivables	790	-	-	-
Gwangyang Green Energy Co., Ltd.	Trade receivables	1,069	1,234	-	-
Bigeum Resident Solar Power Generation Co., Ltd.	Trade receivables	406	343	-	-
	Loan and others	10,841	11,728	-	-
Gangneung Sacheon Fuel Cell Co., Ltd.	Trade receivables	-	157	-	-
Saemangeum Solar Power Co., Ltd.	Other receivables and others	4,368	4,368	-	-
Yangyang Offshore Wind Power Co., Ltd.	Other receivables	55	-	-	-
Korea Southern Power Co., Ltd.	Other payables	-	-	179	-
Korea South-East Power Co., Ltd.	Other payables	-	-	-	129
KEPCO Engineering & Construction Comapny Inc.	Other payables and others	-	-	18,623	748
KEPCO Plant Service & Engineering Co., Ltd.	Other receivables	77	432	-	-
	Other payables and others	-	-	85,119	25,950
KEPCO Nuclear Fuel Co., Ltd.	Other receivables and others	34,801	-	-	-
	Trade payables and others	-	-	36,807	39,718
KEPCO Knowledge, Data & Network Co., Ltd.	Other receivables and others	1,106	-	-	-
	Other payables and others	-	-	-	687
Korea Power Exchange	Other payables	-	-	1,745	1,580
Korea Development Bank	Advanced payment and others	1,249	664	-	-
	Accrued expense	-	-	9	11
	Borrowings	-	-	14,295	17,740
Nawah Energy Company	Trade receivables	60,437	62,015	-	-
Korea Electrionc Power Industrial Development Co., Ltd.	Other payables	-	-	-	63
HeeMang Sunlight Power Co., Ltd.	Other receivables	-	21	-	-
Energy Infra Asset Management Co., Ltd.	Borrowings	-	-	51,224	53,382
Guadalupe Solar SpA	Loan	3,160	3,344	-	-
	Advanced receivables	-	-	19	19
KAS Holdings I LLC	Loan	5,469	-	-	-
KAS Holdings II LLC	Loan	5,513	-	-	-
		₩ 2,224,912	₩ 1,561,260	₩ 1,949,278	₩ 357,281

38. Related party disclosures (cont'd)

Loans with related parties as of December 31, 2023 are as follows (Korean won in millions):

Relationship	Company name	December 31, 2022	Borrowings	Repayments Collection	Others(*)	December 31, 2023
Associates	Bigeum Resident Solar Power Generation Co., Ltd.	₩ 11,212	₩ -	₩ -	₩ (1,687)	₩ 9,525
Joint ventures	Guadalupe Solar SpA	3,344	-	(225)	42	3,161
Other related parties	KAS Holdings I LLC	-	5,495	-	(26)	5,469
	KAS Holdings II LLC	-	5,540	-	(27)	5,513
		₩ 14,556	₩ 11,035	₩ (225)	₩ (1,698)	₩ 23,668

(*) A long-term investment loss under the equity method has been recognized for an amount of ₩1,687 million related to the long-term loans to Bigeum Resident Solar Power Generation Co., Ltd. for the year ended December 31, 2023

Financial transactions with related parties for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

(i) Loans and capital investments

	2023			
		Transaction		Cash
	Company name	Loans	Collection	contribution
Associates	Changwon SG Energy Co., Ltd.	₩ -	₩ -	₩ 900
	Songsan Green Energy Co., Ltd.	-	-	7,000
Joint ventures	Yangyang Offshore Wind Power Co., Ltd.	-	-	10,498
	Jeonju Bio Green Energy Co., Ltd.	-	-	3,250
	Changwon Noorie Energy Co., Ltd.	-	-	7,595
	Hadong E-factory Co., Ltd.	-	-	350
	Guadalupe Solar SpA	-	225	-
Other related parties	KAS Holdings I LLC	5,495	-	-
	KAS Holdings II LLC	5,540	-	-
		₩ 11,035	₩ 225	₩ 29,593

(ii) Borrowings

	2023				
	Company name	Type	January 1	Repayments, net	December 31
Others	Korea Development Bank(*1,2)	Facility loan	₩ 17,740	₩ (3,445)	₩ 14,295
	Energy Infra Asset Management Co., Ltd.(*1,2)	Facility loan	53,382	(2,158)	51,224
			₩ 71,122	₩ (5,603)	₩ 65,519

(*1) Details of collaterals pledged for related parties are described in Note 40.7
(*2) The interest expense recognized by the borrowing transaction with the related parties is ₩3,456 million for the year ended December 31, 2023.

38. Related party disclosures (cont'd)

(iii) Loans and capital investments

	2022				
		Transaction		Cash	Cash equivalent
	Company name	Borrowings	Repayments	contribution	contribution
Associates	Gangneung Sacheon Fuel Cell Co., Ltd.	₩ -	₩ -	₩ 3,745	₩ -
	Chuncheon Green Energy Co., Ltd.	-	-	6,140	-
	Green Radiation Co., Ltd.	-	-	-	20
	Environment and Energy Co., Ltd.	-	-	-	11
Joint ventures	Songsan Green Energy Co., Ltd.	-	-	1,400	-
	Changwon Noorie Energy Co., Ltd.	-	-	500	-
	Guadalupe Solar SpA	-	(232)	-	-
		₩ -	₩ (232)	₩ 11,785	₩ 31

(iv) Borrowings

	2022				
	Company name	Type	January 1	Repayment	December 31
Others	Korea Development Bank(*1,2)	Facility loan	₩ 21,030	₩ (3,290)	₩ 17,740
		Operating loan	100,000	(100,000)	-
	Energy Infra Asset Management Co., Ltd.(*1,2)	Facility loan	55,000	(1,618)	53,382
			₩ 176,030	₩ (104,908)	₩ 71,122

(*1) Details of collaterals pledged for related parties are described in Note 40.7.
(*2) The interest expense recognized by the borrowing transaction with the related parties is ₩4,017 million for the year ended December 31, 2022.

Compensations to key management personnel of the Company for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023	2022
Salaries	₩ 765	₩ 830
Retirement benefits	52	51
	₩ 817	₩ 881

38. Related party disclosures (cont'd)

Details of collateral provided to related parties as of December 31, 2023 are as follows (Korean won in millions):

Provided by	Provided to	Assets pledged(*1)		Amount pledged(*2)	Financial institution
Korea Hydro & Nuclear Power Co., Ltd.	Korea Offshore Wind Power Co., Ltd.	Korea Offshore Wind Power Co., Ltd. Shares	₩	23,827	Woori Bank and others
	Noeul Green Energy Co., Ltd.	Noeul Green Energy Co., Ltd. Shares		-	Hana Bank and others
	Busan Green Energy Co., Ltd.	Busan Green Energy Co., Ltd. Shares		3,260	Shinhan Bank and others
	Godeok Clean Energy Co., Ltd.	Godeok Clean Energy Co., Ltd. Shares		4,722	Kookmin Bank and others
	Bigeum Resident Solar Power Generation Co., Ltd.	Bigeum Resident Solar Power Generation Co., Ltd. Shares		-	Kookmin Bank and others
	Cheongsong Noraesan Wind Power Co., Ltd.	Cheongsong Noraesan Wind Power Co., Ltd. Shares		3,755	Woori Bank and others
	Gwangyang Green Energy Co., Ltd.	Gwangyang Green Energy Co., Ltd. Shares		24,638	Shinhan Bank and others
	Gangneung Sacheon Fuel Cell Co., Ltd.	Gangneung Sacheon Fuel Cell Co., Ltd. Shares		7,869	Hana Bank and others
	Chuncheon Green Energy Co., Ltd.	Chuncheon Green Energy Co., Ltd. Shares		8,901	Hana Bank and others
	Yangyang Offshore Wind Power Co., Ltd.	Yangyang Offshore Wind Power Co., Ltd. Shares		9,608	Kookmin Bank and others
	Songsan Green Energy Co., Ltd.	Songsan Green Energy Co., Ltd. Shares		8,323	Hana Bank
	Changwon Noorie Energy Co., Ltd.	Changwon Noorie Energy Co., Ltd. Shares		8,026	Hana Bank

(*1) As of December 31, 2023, the entire shares held by the Group are pledged as collateral to the financial institutions.
(*2) Amounts are the carrying amount of the shares held by the Group of December 31, 2023.

Details of certification of payment provided for financing related parties as of December 31, 2023 are as follows (Korean won in millions):

Provided by	Provided to	Financial institution	Amount		Period
Korea Hydro & Nuclear Power Co., Ltd.	Chuncheon Green Energy Co., Ltd.(*)	Hana Bank and others		-	2022.6.29 ~ 2038.8.5
KHNP USA LLC	KAS Holdings I LLC	Woori America Bank	USD	9,770	2023.10.5 ~ 2024.10.4
KHNP USA LLC	KAS Holdings II LLC	Woori America Bank	USD	9,730	2023.10.5 ~ 2024.10.4

(*) The certification of payment provided pertains to the funding supplementation agreement for Chuncheon Green Energy Co., Ltd.'s construction excess project costs and others. The Group assumes the obligation to make payments based on the investment ratio for excess project costs incurred by the guaranteed company before the completion date. After the comprehensive completion date, the debt guarantee is released.

38. Related party disclosures (cont'd)

Details of derivatives transactions with related parties as of December 31, 2023 are as follows: (USD, HKD, CHF in thousands, Korean won in millions, KRW/USD, KRW/HKD, KRW/CHF)

			Contract amount				Contract interest rate per annum		
	Counter party (*)	Contract year	Pay		Receive		Pay	Receive	Contract exchange rate
Currency Swap(*)	Korea Development Bank	2015.06.15~ 2025.06.15	KRW	111,190	USD	100,000	2.62%	3.25%	1,111.90
		2017.07.25~ 2027.07.25	KRW	111,610	USD	100,000	2.31%	3.13%	1,116.10
		2018.04.03~ 2028.03.13	KRW	108,600	HKD	800,000	2.69%	3.35%	135.75
		2019.07.19~ 2027.07.19	KRW	119,978	CHF	100,000	1.43%	0.05%	1,199.78
		2021.04.27~ 2026.04.27	KRW	111,400	USD	100,000	0.93%	1.25%	1,114.00
		2022.07.27~ 2027.07.27	KRW	262,000	USD	200,000	3.63%	4.25%	1,310.00

(*) The Group recognized gain on valuation of derivatives instruments of ₩31,693 million. It also recognized gain on transactions of derivatives instruments of ₩7,727 million and loss on transactions of derivatives instruments of ₩6,078 million.

39. Supplementary cash flow information

Significant non-cash transactions for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023	2022
Transfer of long-term borrowings and bonds to current portion	₩ 894,293	₩ 1,438,807
Transfer of provisions for decommissioning costs to current portion	1,045,628	397,084
Transfer of construction-in-progress to property, plant and equipment	741,718	5,985,512
Recognition(Reversal) of assets retirement costs based on provision for restoration	(292,120)	3,497,866
Transfer of spent fuel management charges to accrued expenses	379,010	417,687
Transfer of provisions for litigation to other payables	-	19,608
Transfer of inventories to storage of nuclear power fuel	827,279	738,720
Increase in dividends payables	1,560,120	-
Transfer of advanced payments to property, plant and equipment	264,336	201,318
Transfer of advanced payments to investment shares	7,238	-
Increase in other payables from acquisition of property, plant and equipment	4,616	116,247
Transfer of supplies to machinery with equipment and spare parts	81,827	-

Changes in liabilities arising from financing activities for each of the two years in the period ended December 31, 2023 are as follows (Korean won in millions):

	2023						
		Cash flow		Non-cash change			
	January 1	Decrease	Increase	Acquisition	Exchange rate fluctuation	Others	December 31
Current portion of lease liabilities	₩ 17,582	₩ (20,059)	₩ -	₩ -	₩ -	₩ 18,929	₩ 16,452
Lease liabilities	135,067	-	-	9,998	45	(18,357)	126,753
Short-term borrowings	-	(1,521,755)	1,774,611	-	(296)	(984)	251,576
Current portion of long-term borrowings	42,051	(37,801)	-	-	-	38,686	42,936
Long-term borrowings	284,942	-	-	-	-	(38,686)	246,256
Current portion of long-term bonds	1,399,337	(1,409,020)	-	-	30,803	864,247	885,367
Bonds	10,768,590	-	2,225,163	-	74,650	(848,047)	12,220,356
Dividends payable	-	-	-	-	-	1,560,120	1,560,120
Derivative instruments	(226,725)	(42,731)	166,664	-	-	(119,386)	(222,178)
	₩ 12,420,844	₩ (3,031,366)	₩ 4,166,438	₩ 9,998	₩ 105,202	₩ 1,456,522	₩ 15,127,638

39. Supplementary cash flow information (cont'd)

	2022						
		Cash flow		Non-cash change			
	January 1	Decrease	Increase	Acquisition	Exchange rate fluctuation	Others	December 31
Current portion of lease liabilities	₩ 15,072	₩ (18,540)	₩ -	₩ -	₩ -	₩ 21,050	₩ 17,582
Lease liabilities	134,244	-	-	16,457	(10)	(15,624)	135,067
Short-term borrowings	867,028	(1,435,618)	531,746	-	-	36,844	-
Current portion of long-term borrowings	36,911	(32,661)	-	-	-	37,801	42,051
Long-term borrowings	322,744	-	-	-	-	(37,801)	284,942
Current portion of long-term bonds	1,437,518	(1,595,650)	-	-	(62)	1,557,531	1,399,337
Bonds	9,559,718	-	2,496,381	-	106,186	(1,393,695)	10,768,590
Dividends payable	-	(136,010)	-	-	-	136,010	-
Derivative instruments	(299,699)	(15,846)	250,303	-	-	(161,483)	(226,725)
	₩ 12,073,536	₩ (3,234,325)	₩ 3,278,430	₩ 16,457	₩ 106,114	₩ 180,633	₩ 12,420,844

40. Commitment and contingencies

Ongoing litigations as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Litigations in progress	Litigation value	Litigations in progress	Litigation value
Pending lawsuits(defendant)(*)	65 cases	₩ 97,943	64 cases	₩ 129,621
Pending lawsuits(plaintiff)	26 cases	60,424	22 cases	31,422

(*) The amount includes the wage litigation value of ₩79,884 million, and as of December 31, 2023, the Group has reserved ₩105,708 million of provisions for litigations in respect to current ongoing wage litigations. Although the final results cannot be predicted for case other than cases for which provisions for litigation are recognized, management expects that the outcome of the lawsuit will not have a significant impact on the Group's operations or financial status.

As of December 31, 2023, the Group is involved in 4 arbitration cases other than ongoing lawsuits. The key arbitration cases as of December 31, 2023 are as follows:

An arbitration application has been filed against Westinghouse Electric Company LLC with the Korean Commercial Arbitration Board regarding the determination of whether it falls under the scope of nuclear power plants export control procedures. However, it is not reasonably possible to estimate the outflow amount and timing of resources due to the results of this arbitration.

An arbitration application has been filed against the Korea Electric Power Corporation regarding the inadequate performance level of the anchor attachment for Hanul Units 3 and 4, related to the payment of damages. However, it is not reasonably possible to estimate the outflow amount and timing of resources due to the results of this arbitration.

40. Commitment and contingencies (cont'd)

Lines of credit provided by financial institutions as of December 31, 2023 are as follows (Korean won in millions, USD, EUR in thousands):

	Financial institution	Currency	Guarantee limit	Currency	Outstanding amount
Commitments on Bank-overdraft	Woori Bank	KRW	50,000	KRW	-
	Nonghyup Bank	KRW	100,000	KRW	-
	Hana Bank	KRW	50,000	KRW	-
	Kookmin Bank	KRW	100,000	KRW	-
	Korea Development Bank	KRW	100,000	KRW	-
Trade finance	Mitsui Sumitomo Banking Corporation	USD	100,000	USD	-
	DBS Bank	USD	250,000	USD	-
	Societe Generale	USD	100,000	USD	-
	Kookmin Bank	USD	100,000	USD	-
	Shinhan Bank	USD	120,000	USD	-
	Credit Agricole	USD	200,000	USD	-
Certification of payment on L/C	Nonghyup Bank	USD	50,000	USD	-
Certification of Performance guarantee on contact	National Bank of Pakistan	USD	477	USD	477
	Shinhan Bank	USD	191,181	USD	158,571
	Nonghyup Bank	USD	247,357	USD	247,357
Loan limit	The Export-Import Bank of Korea	USD	750,000	USD	40,000
				KRW	200,000
	Korea Development Bank and others	KRW	251,600	KRW	82,494
	Kookmin Bank and others	KRW	230,800	KRW	201,050
	Hana Bank	KRW	4,000	KRW	-
	Woori Bank	KRW	1,600	KRW	-
	Nonghyup Bank	KRW	2,000	KRW	-
Certification of bidding	The Export-Import Bank of Korea	EUR	10,000	EUR	10,000
Limit amount available for card	Nonghyup Card Co., Ltd.	KRW	13,004	KRW	1,212
	Woori Card Co., Ltd.	KRW	4,400	KRW	705
	Industrial Bank of Korea	KRW	20	KRW	2
Others	Industrial Bank of Korea	KRW	20,000	KRW	-
	Nonghyup Bank	KRW	25,000	KRW	-
	Nonghyup Bank	USD	70,000	USD	34
				EUR	48,825
	Woori Bank	KRW	5,000	KRW	-
	Shinhan Bank	KRW	10,000	KRW	-
	Hana Bank	KRW	51,000	USD	20,832
				EUR	282
	Hana Bank	KRW	8,000	KRW	-

40. Commitment and contingencies (cont'd)

The Group voluntarily suspended operations of the Gangneung hydroelectric generating plant, with a carrying amount of ₩62,871 million as of December 31, 2023, to improve the quality of water used in generating electricity. The expenses related to the suspension of operations of ₩3,683 million and depreciation on the utility plant amounting to ₩1,494 million are charged to other expenses for the year ended December 31, 2023. Regarding the improvement of water quality, the results of damages compensation for the local residents cannot be reasonably estimated, and the Group is under negotiations with Gangneung City and related stakeholders to restart the Gangneung hydroelectric generating plant as of December 31, 2023.

Major contracts related to constructions:

Agreements for the purchase of property, plant and equipment as of December 31, 2023 and 2022 are as follows (Korean won in millions)

	December 31, 2023	December 31, 2022
Agreements for the purchase of property, plant and equipment(*)	₩ 32,073,545	₩ 31,135,028

(*) The above amount is the total business standard amount of the construction work.

Contractual amounts for construction of Saeul units (#3,4) (former, Shin-Gori units #5,6), Shin-Hanul units (#1,2) and Shin-Hanul units(#3,4) as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Contractual amounts	Remaining balance	Contractual amounts	Remaining balance
Construction of Saeul units (#3,4)	₩ 9,800,424	₩ 1,113,349	₩ 9,800,424	₩ 2,455,673
Construction of Shin-Hanul units (#1,2)(*)	10,592,760	-	10,327,372	97,889
Construction of Shin-Hanul units (#3,4)	11,680,361	10,935,737	11,007,232	10,858,828
	₩ 32,073,545	₩ 12,049,086	₩ 31,135,028	₩ 13,412,390

(*) The project budget amount as of December 31, 2023, includes the amount of Shin-Hanul Unit 1 completed for the year ended December 31, 2022. And Shin-Hanul Unit 2 is under test operation as of December 31, 2023

The Group has various purchase commitments for uranium, and the details of the major contracts as of December 31, 2023 are as follows:

	Contract Year	Quantity
Concentrate	2023~2033	21,400 Ton U3O8
Transformation	2023~2030	16,300 Ton U
Enrichment	2023~2032	18,893 Ton SWU
Fabrication (light-water reactor)	2023~2024	691 Ton U
Fabrication (heavy-water reactor)	2023~2024	386 Ton U
Fabrication (initial core)	2014~2026	208 Ton U

40. Commitment and contingencies (cont'd)

Details of collateral provided by the Group for long-term borrowings as of December 31, 2023 are as follows (Korean won in millions):

	Type	Loan amounts	Loan limit	Maximum amount guaranteed	Financial institution
Long-term borrowings(*1)	Facility loan	₩ 82,494	₩ 251,600	₩ 327,080	Korea Development Bank and others
Long-term borrowings(*2)	Facility loan	201,050	230,800	276,960	Kookmin Bank and others
		₩ 283,544	₩ 482,400	₩ 604,040	

(*1) As of December 31, 2023, all shares of Gyeonggi Green Energy Co., Ltd., one of the Group's subsidiaries, were provided as collateral related to the long-term borrowings above by shareholders including the Group. Additionally, pledge for transfer of rights of long-term borrowings, pledge for insurance claims, pledged for plants and other pledges were established.
(*2) As of December 31, 2023, all shares of Incheon Fuel Cell Co., Ltd., one of the Group's subsidiaries, were provided as collateral related to the long-term borrowings above by shareholders including the Group. Additionally, pledge for transfer of rights of long-term borrowings, pledge for insurance claims, pledged for plants and other pledges were established.

Uncertainty of Impact of Ukraine Crisis

The ongoing armed conflict in Ukraine area which began in February 2022 and international sanctions imposed against Russia related thereto may affect entities under sanction, entities doing business with Ukraine or Russia and entities exposed directly or indirectly to industries or economy of Ukraine or Russia. The Group cannot make a reasonable estimation on the future financial impact of the recent conflict in Ukraine.

41. Event after the reporting period

The Group issued new bonds for funding facility investments subsequent to the end of the reporting period, and details of bonds newly issued are as follows (Korean won in millions):

	Issued date	Maturity	Interest rate	Amount
Corporate bond #77-1	2024.03.05	2029.03.05	Treasury notes (5Y) + 0.35%	₩ 150,000
Corporate bond #77-2	2024.03.05	2034.03.05	Treasury notes (10Y) + 0.41%	100,000
Corporate bond #77-3	2024.03.05	2044.03.05	Treasury notes (20Y) + 0.40%	60,000

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Green Bond Framework May 2024

KHNP

KOREA HYDRO & NUCLEAR POWER CO., LTD

1.1 KHNP's Climate Strategy and Governance

Corporate Profile

Korea Hydro & Nuclear Power Co., Ltd. ("KHNP") is a wholly-owned subsidiary of the Korea Electric Power Corporation ("KEPCO"). As the largest power supplier in South Korea, KHNP operates 25 nuclear power plants, 37 hydropower plants, 16 pumped storage hydropower plants, 59 photovoltaic plants and 1 wind power plant across the country, which KHNP produced 30% of Korea's power supply as of December 2023. The total facility capacity and power generation stand at 30,055.58MW and 185,615GWh respectively in 2023.

The main business includes nuclear power generation, hydropower and pumped storage power, as well as new/ renewable energy business. KHNP's current international credit ratings are Aa2 stable/AA stable/AA- stable (Moody's/S&P/Fitch), which are one of the top in the global utility industry and equal to those of the Korean sovereign.

KHNP's ESG Strategy

- Cope with carbon neutrality and climate change
- Proactive efforts to make forays into new sustainable markets

KHNP ESG Strategy

KHNP introduced a new vision, 'Carbon-Free Clean Energy Leader,' to achieve the mission 'Enriching Life with Eco-Friendly Energy,' and established the 2036 Strategic Management Plan for promoting new growth businesses based on safety-first nuclear power business, new renewable energy, overseas business, SMR, and other initiatives. KHNP continually takes on challenges and efforts to support the public's stable lives and the nation's progress by supplying safe and clean energy.

Supporting the Company's mission and vision, the KHNP identified 3 ESG Management Objectives and formulated the "C-L-E-A-N" energy-centered direction to build an ESG-friendly management system, thereby creating a system to communicate transparently with stakeholders. KHNP will establish a medium-to-long-term strategy from an ESG perspective and establish a performance management system. It aims to become a future-oriented clean energy company that leads the sustainable energy industry.

GHG Reduction Targets

The worldwide climate problem is threatening humanity's survival. Countries around the world have declared a shared goal of aggressively pursuing net zero, and Korea has also established the '2050 Net Zero Promotion Strategy', with the aim of creating a low-carbon industrial ecosystem and transitioning to a carbon-neutral society. Based on this policy direction, KHNP has developed a strategy to optimize the usage of nuclear power plants while maintaining the highest level of safety, while also encouraging new/ renewable energy and new growth projects in harmony. As a leader in clean and green energy that prioritizes the global environment, KHNP will usher in the era of carbon neutrality. KHNP and its subsidiaries plan to take the initiative and contribute to "achieving the national goal of carbon neutrality" beyond just "achieving the carbon neutrality goal by 2030" earlier than schedule in keeping with the government's commitment to transforming the country's industrial and energy structure into a low-carbon economic system.

Carbon Free Energy (CFE) Compact

KHNP joined the 24/7 CFE Compact in March 2023, an initiative to respond to global warming and climate crisis triggered by the rapid increase in fossil fuel use. The 24/7 CFE Compact is an initiative that has spun off from RE100, a 100% renewable energy conversion program, and uses carbon-free energy, including renewable energy, nuclear energy, capturing and storing carbon, to supply 100% of the actual power used by companies from carbon-free energy sources in real-time (24 hours/7 days), aiming to respond to the climate crisis.

Sustainability Management Organization

In KHNP, the Management Advisory Committee (MAC) under the Board of Directors takes charge of the decision for key sustainability issues. The Planning Team carries out the overall sustainability practices at the working level. In 2014, the MAC discussed various sustainability issues such as safety improvements of NPP, social contribution projects, audit results, and wages. The Planning Team has also implemented the entire sustainability tasks according to the annual sustainability training plan, report development, and review of the sustainability initiative. By emphasizing communication with onsite workers and assigning operators to each area of "T.R.U.S.T", KHNP will achieve active cooperation with relevant departments.

1.2 Business Model Environmental Materiality

Materiality Analysis

KHNP has conducted a materiality test to manage key issues that affect the environmental, social, and governance issues and determine the contents of the Sustainability Report. In particular, KHNP conducted a questionnaire-based survey of major stakeholders, namely our employees, subcontractors, media businesses, local communities, and local governments.

Selection process of material issues consist of three steps: (i) Issue Pool Composition; (ii) Stakeholder Survey; and (iii) Prioritizing and Identifying Material Issues.

(i) Issue Pool Composition

KHNP composed an issue pool of 27 items for KHNP as below. The items were selected based on global standards and initiatives, guidelines, domestic ESG disclosure and evaluation requirements, and internal/ external environment analysis.

Material Issue Pool of 27 Items

Environmental

- Construction of new nuclear power plants / continuous operation of nuclear power plants
- Climate-change response and greenhouse gas reduction
- Drive new industries(SMR, hydrogen convergence)
- Expanding the renewable energy business
- Transaction to eco-friendly vehicles/materials/buildings
- Water resource management
- Chemical management
- Waste water and waste management
- Energy usage management
- Ecosystem preservation and biodiversity protection

Social

- Strengthening safety and health management
- Contribution to local community development
- Shared growth with subcontractors
- Job creation and human talent development
- Disaster and safety crisis response
- Establishment of human rights management system
- Diversity and equal opportunity
- Reinforcement of information security
- Organizational culture innovation
- Establishment of fair trade culture
- Supply chain ESG management

Governance

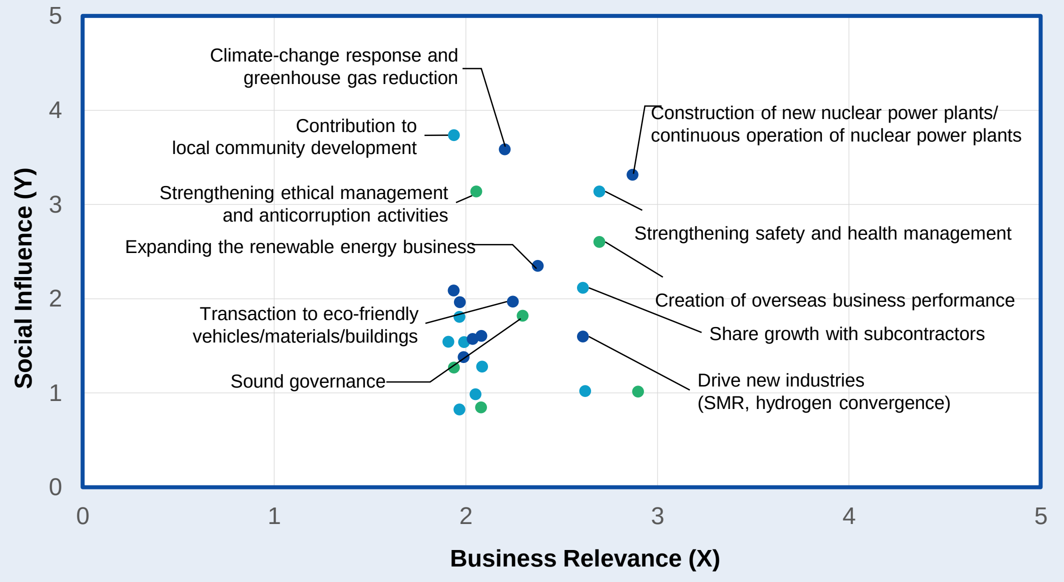
- Creation of overseas business performance
- Strengthening ethical management and anticorruption activities
- Sound governance
- Securing technological competitiveness
- Expansion of public participation and information disclosure
- Advancement of ESG management strategy

(ii) Stakeholder Survey

KHNP conducted a questionnaire-based survey of major stakeholders, namely KHNP's employees, subcontractors, media businesses, local communities, and local governments to understand major ESG issues and concerns raised by stakeholders.

(iii) Prioritizing and Identifying Material Issues

KHNP derived material issues that match the category of core areas that need to be addressed with the results of 5-point scale of media analysis, topics reported in the same industry, stakeholder surveys, and expert assessments, respectively. Below is the 2022 Materiality Test Result:
Going forward, KHNP will provide stakeholders with information on its activities and performances on ESG issues that may affect environmental, social, and governance aspects on KHNP through the Sustainability Report.

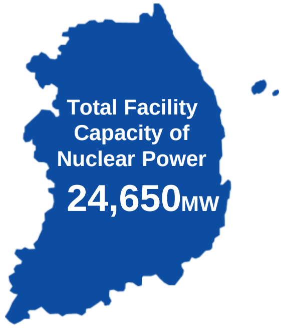


1.3 Clean Energy Business – Nuclear Power

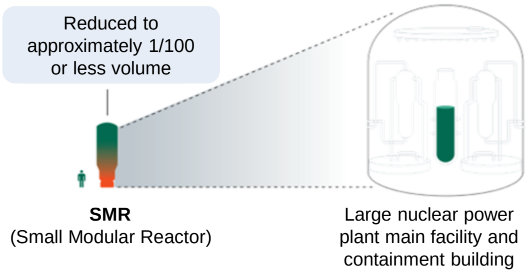
KHNP seeks to advance into a comprehensive energy business by maximizing capacity factor through the stable operation of NPPs and expanding into new growth business sectors such as the clean energy business.
KHNP has delivered low-cost high-density energy, which is critical energy in a country like Korea that is heavily reliant on energy imports to build industries and make people's lives more pleasant. KHNP's total nuclear power generation reached 176,054 GWh in 2022, making it the primary power generation source responsible for approximately 29.6% of Korea's current electricity production.

Nuclear Power Plant Facility Status

Type		Unit	Capacity (MW)
Nuclear	Kori #2, 3, 4	3	2,550
	Shin-Kori #1, 2	2	2,000
	Saeul #1, 2	2	2,800
	Wolsong #2, 3, 4	3	2,100
	Shin-Wolsong #1, 2	2	2,000
	Hanul #1~6	6	5,900
	Shin-Hanul #1	1	1,400
	Hanbit #1~6	6	5,900
Total		25	24,650

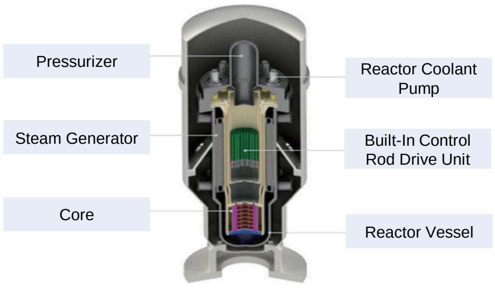


Concept of Small Modular Reactor



Innovative SMR (i-SMR)

The innovative SMR is a 170MWe class integrated pressurized water reactor with improved safety, economy, and flexibility compared to domestic and foreign SMRs.



Safe Management of Nuclear Power Plants in KHNP

Nuclear power facilities are built to evaluate all potential accidents and fundamentally eliminate their causes, as well as to prevent the spread of an accident by identifying it in advance, even if one or more conditions occur on a regular basis. Even if an anomaly develops into an accident, it is built with several defense measures to prevent radioactive contaminants from leaking into the environment. The Number of unplanned shutdowns is an indicator of the operation management of nuclear power plants in terms of safety and power quality. Since 1998, Korea has recorded less than one unplanned shutdown per year, per unit. In 2022, there were a total of four unplanned shutdowns at 25 nuclear power units, or 0.16 unplanned shutdowns per unit.
KHNP created an AI robot and reinforced the nuclear power plant safety net by assigning AI robots in power plants' dangerous regions. We are ensuring industrial site safety by deploying AI robots for safe and precise inspections, such as remote visual inspection of reactor reloading water tanks, quantitative and visual monitoring of the height and location of sediment at the water intake, and internal soundness inspections to strengthen seawater piping management. In addition, a robot for remote collection of high-dose waste filters and periodic radiation dose measurement is being developed in preparation for the safe decommissioning of Kori Unit 1.

a. Cooperation to Create a Foundation for Nuclear Export and Advance Technology

Through the signature of the nuclear power cooperation agreements, the world maintains a cooperative structure for the peaceful use and development of nuclear power with nuclear nonproliferation as the primary goal. Furthermore, Korea is extending technological exchanges with developing nations in order to lay the groundwork for nuclear export, promoting the perfection of our technology, and laying the groundwork for foreign expansion. Furthermore, we are constantly supporting nuclear policy, human resource technology exchange, and cooperative research in order to expand technical collaboration with advanced countries for the advancement of nuclear technology.

b. Improving safety by expanding the establishment of SMART plants

KHNP develops a cyber plant using virtual reality technology to streamline the construction and installation process of nuclear power plants, remotely and comprehensively monitors and diagnoses power plant facilities, and prevents unplanned shutdowns of power plants through pilot operation of an artificial intelligence integrated prediction and diagnosis center. In addition, the trial introduction of the digital twin system laid the groundwork for improving the safety of power plants in the same environment as actual power plants.

c. Full-scale Development of Innovative Small Modular Reactor ("SMR") Technology

KHNP is working hard to develop innovative SMR technology that can serve multiple purposes and ensure competitiveness by 2030. SMR is highly regarded globally for its ability to overcome the inconsistency of renewable energy generation and maintain a constant output of power through prompt control. By leveraging its vast experience in constructing and operating nuclear power plants, KHNP is striving to achieve net zero through the development of an innovative SMR ("i-SMR").

1.3 Clean Energy Business – Hydropower and Pumped-Storage Power

Hydropower and pumped-storage power generation are KHNP's representative businesses that produce electricity by converting potential energy of water into electrical energy. Based on our rich experience in hydroelectric power plant construction, operation, and maintenance, we are advancing into the overseas hydroelectric power generation business, and actively promoting domestic hydropower, pumped-storage, and small-scale hydropower development in line with the growing demand for new renewable energy.

Stable Water Supply and Zero Flood Damage in Upstream and Downstream Areas of the Dam

KHNP constantly supplies water to the downstream area in preparation for abnormal weather conditions caused by global warming, and lowers the water level of the dam to prepare for floods. We stably supplied 700 million tons of water annually from Hwacheon Dam by utilizing the water stored in the power generation dam. We operated the power generation dam below the water limit in cooperation with related organizations (flood control centers, etc.) to prevent flood damage in summer and contributed to flood prevention in the metropolitan area.

Timely Construction of New Pumped-storage Power Plants

KHNP is actively preparing measures to reduce environmental impacts through regular consultations with residents, local governments, and related organizations and, environmental impact assessments for the timely construction of three new pumped storage power plants (Yeongdong, Hongcheon, and Pocheon). In 2022, the preliminary feasibility study for the construction of three new pumped-storage power plants was simultaneously passed and the foundation for the project was strengthened by establishing a basic construction plan.
From 2023, construction projects are being promoted in earnest, such as the designation of the planned area for the development of Yeongdong Pumped-storage Power Source and the commencement of the Yeongdong Pumped-storage Power Plant Relocation Road project.

1.3 Clean Energy Business – Hydrogen Convergence Business / Renewable Energy

As the largest supplier in Korea under the Renewable Portfolio Standards ("RPS"), KHNP seeks to diversify its new renewable energy business and fully fulfill its obligations. We establish specific operational goals for facilities for each new renewable power source until 2036, and we are leading the transition to a low-carbon economy and society by developing related technologies. We also strive to secure sustainable growth engines by discovering biogas-based hydrogen convergence business areas.

New & Renewable Energy Facility Status

Photovoltaic | **Wind Power** | **Fuel Cell**

Solar Power Generation Project

KHNP has constructed a floating solar power station (4.4MW, March 2021) in the lower reservoir of the Cheongsong Pumped-storage Power Plant, a solar power station (1.3MW, July 2021) on the roof of KHNP head office building, and small solar power stations (14MW, October 2021) in Jeju region. In addition, we are promoting the solar power station with a capacity of 200 MW on the salt farm in Bigeumdo in Sinan through resident participation and the world's largest floating photovoltaic power generation project with a capacity of 300 MW in Saemangeum.

Wind Power Projects

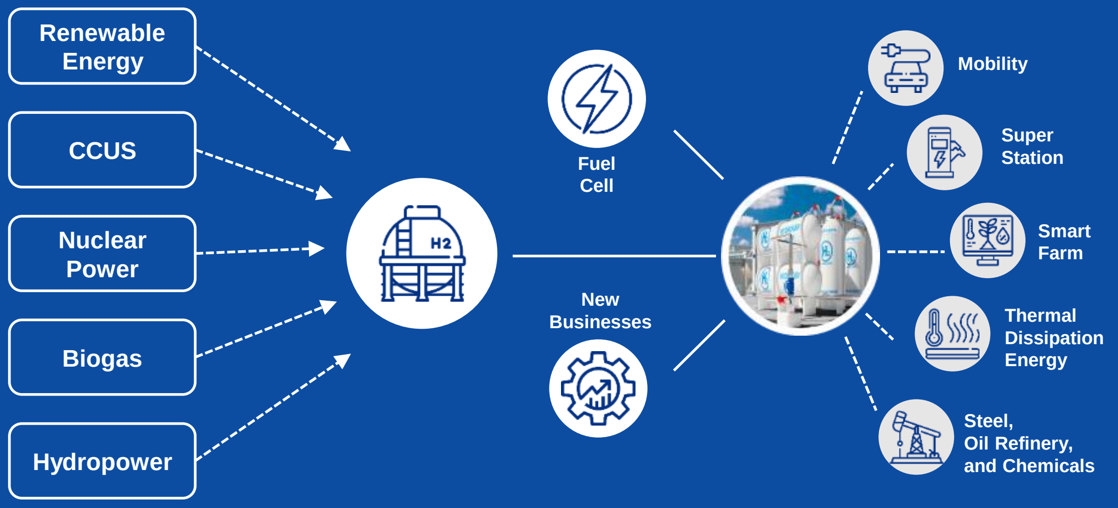
KHNP started the commercial operation of the Cheongsong Noraesan Wind Power (19.2MW, November 2019), the first wind farm, and started the construction of Yangyang Suri Wind Power (93.6MW) in 2023. In addition, we are currently promoting Yecheon / Samnangjin Wind Power Projects (52MW), Public-led Wind Power Development Projects (404MW) to overcome damage from forest fires in Uljin, and Yeongdeok Wind Power Repowering Projects (40MW) following government R&D projects.

Production of Clean Hydrogen

KHNP is promoting various hydrogen convergence projects and technology development to preoccupy the domestic hydrogen market. Intending to become a representative company in the field of clean hydrogen production and utilization, we have secured technological capabilities for hydrogen fuel cell operation and maintenance and will utilize key projects, such as large-scale hydrogen production using nuclear power plants and SMR and entry of hydroelectric hydrogen production packages in the overseas market to produce the largest volume of clean hydrogen in Korea.
KHNP established a 'Green Hydrogen Demonstration Center' that demonstrates the entire hydrogen cycle by reflecting the characteristics of renewable energy, and succeeded in trial operation for 33 days in a row for the first time in Korea and produced hydrogen. In addition, we are gradually expanding the hydrogen business through various demonstration projects, such as constructing a clean hydrogen production base.

Expansion of Hydrogen Business

Hydrogen Production | **Utilization of Hydrogen**



2 KHNP Green Bond Framework

The KHNP established the KHNP Green Bond Framework ("Framework"), which serves as the basis for KHNP to finance or refinance, in whole or in part, Eligible Green Projects via issuance of bonds with any of the below format(s) (collectively "Green Bond(s)"):

Green Bonds		**Green Bonds ("Green Bond(s)")** ✓ Proceeds will be exclusively allocated to "Eligible Green Project(s) under "Renewable Energy" as defined in Section 2.1. ✓ Proceeds will not be allocated to any nuclear related activities.
	Nuclear Bonds	**Green Nuclear Bonds ("Green Nuclear Bond(s)")** ✓ Proceeds will be fully, or in part, allocated to Eligible Green Project(s) under "Nuclear Power - R&D" as defined in Section 2.1

KHNP shall identify and communicate at issuance the intended format (i.e. Green / Green Nuclear Bonds).
The Framework is drafted in alignment with the Green Bond Principles 2021 (with June 2022 Appendix 1) ("GBP") from International Capital Market Association (ICMA)[1]. All Green Bonds issued under the Framework will follow the four key pillars of the GBP:

Key Pillars of GBP

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

KHNP may issue Green Bonds in any currency, jurisdiction and market reflecting its current and future business needs. The net proceeds can be swapped or hedged into different currencies subject to the Company's needs.
KHNP comprises of a number of operating subsidiaries in which eligible assets or project reside. Some subsidiaries have external shareholders. Additionally, during the lifetime of the project transfer of ownership or changes in the capital structure of the subsidiaries can arise.

2.1 Use of Proceeds

The environmental objectives of KHNP's Green Bond and/or Green Nuclear Bond (may be referred as "Green Bond" thereafter) are to contribute to climate change mitigation. In order to achieve these objectives, the net proceeds raised through the bonds will be exclusively used to finance or refinance eligible green projects and investments as defined under "Eligible Green Project Categories" ("Eligible Use of Proceeds"). Such projects may include the construction, renovation and/or upgrade of eligible assets. In addition, the Proceeds of each KHNP Green Bond may be used to refinance existing projects already in operation.
Proceeds of any KHNP Green Bond Issuance will not be allocated to any projects that involve fossil fuels, child labor, weapons or the violation of human rights.
KHNP's expected look-back period for refinanced projects is two years preceding the issue date of the Green Bond.

Taxonomy Alignment

To support the implementation of the Company's broader ESG strategy, the Framework aims to take reference on the following national and/or regional taxonomies and their subsequent versions (if any) whenever applicable:

- For project/investment related to "Renewable Energy", KHNP will aim to align with technical screening criteria for substantial contribution to Climate Change Mitigation specified by the Delegated Acts under the EU Taxonomy Regulation[2] ("EU Taxonomy") as applicable and as feasible
- For project/investment related to "Nuclear Power R&D" financed under Green Nuclear Bonds, KHNP will seek guidance from the activity criteria and recognition criteria for Nuclear Economic Activities as defined under the K-Taxonomy[3] published by the Ministry of Environment; and on a best-effort basis, to align with technical screening criteria for substantial contribution to Climate Change Mitigation specified by the EU Taxonomy Complementary Delegated Act for nuclear-related pre-commercial stage activities of which are not only deemed applicable to EU member states.

Note: 1 https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/
2 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088
3 https://www.me.go.kr/skin/doc.html?fn=20230207131942.pdf&rs=/upload_private/preview/

2.1 Use of Proceeds

Renewable Energy

Eligible Criteria

✓ **Development, investment, maintenance, and generation of energy from renewable sources**, located in South Korea or internationally

- Solar Photovoltaic
- Offshore and Onshore Wind
- Hydropower, complies with either of the following criteria:
  - a. the electricity generation facility is a run-of-river plant and does not have an artificial reservoir;
  - b. the power density of the electricity generation facility is above 5 W/m^2
  - c. hydropower project with lifecycle GHG emission intensity below 100 gCO_2e/kWh

✓ **Construction and operation of facilities** that store electricity and return it at a later time in the form of electricity, including pumped hydropower storage

Environmental Benefits and Alignment to UNSDGs

Climate change mitigation and low-carbon energy transition:

a. Renewable energy generation

b. GHG emissions avoidance

c. Energy savings[4]

Relevant Taxonomy Economic Activity

EU Taxonomy

4.1 Electricity generation using solar photovoltaic technology

4.3 Electricity generation from wind power

4.5 Electricity generation from hydropower

4.10 Storage of electricity

Note: 4 Specifically for pumped hydropower storage projects

2.1 Use of Proceeds

Nuclear Power – R&D

Environmental Benefits and Alignment to UNSDGs

Climate change mitigation and low-carbon energy transition:

a. Energy savings

b. GHG emissions avoidance

Eligible Criteria

✓ **Research and development of advanced nuclear technologies** to reduce greenhouse gas emissions, improve safety and environmental performance under below topics:

- Small Modular Reactor (SMR)
- Next-generation nuclear power plant (Generation IV) technology that produces and supplies power while minimizing the generation of radioactive waste in the nuclear fuel cycle
- Accident Tolerant Fuel (ATF)
- Radioactive waste management
- Nuclear power plant decommissioning
- Research reactor
- Marine (ultra) small reactor
- Nuclear fusion
- Seismic safety, smart plant construction, nuclear power plant safety and reliability enhancement of plant

Relevant Taxonomy Economic Activity

EU Taxonomy

4.26 Pre-commercial stages of advanced technologies with minimal waste from the fuel cycle

K-Taxonomy

1.B (1) Research, development, and demonstration activity for nuclear-related technologies to reduce greenhouse gas emissions and improve safety and environmental performance

2 KHNP Green Bond Framework

2.2 Process for Project Evaluation and Selection

The Asset Evaluation and Selection Process is a key process in ensuring that the net proceeds raised by the KHNP's Green Bond(s) are allocated to projects and assets which meet the eligibility criteria as defined in Section 2.1.

Potential Eligible Projects will firstly screen by KHNP's business units to ensure they fulfil KHNP's usual environmental and social requirement as well as policy. The ESG Committee will identify and manage the perceived or known social and environmental risks associated with the relevant projects and help top management make adequate ESG decisions. The ESG Committee involves the CEO's direct participation and external expert as the Chairman to ensure that the ESG Committee secures expertise and independently makes decisions regarding the eligible projects.

KHNP complies with Korea's Environmental Impact Assessment Act and its relevant enforcement decree and rules.

GBWG will assess the environment impact of Eligible Use of Proceeds based on the Green Eligibility Criteria set in Section 2.1. KHNP's Corporate Sustainability Management team will have veto right about whether a project can be approved as Eligible Use of Proceeds or not.

Potential Eligible Projects will then be reviewed by Green Bond Working Group ("GBWG") which is made up of senior representatives from:

- **Corporate Strategy Department**
- **Public Relations and Investor Relations Department**
- **Relevant Business Development Departments**
- **Finance, Accounting & Tax Office**
- **Corporate Sustainability Management team**

Once the project has been approved by GBWG as Eligible Use of Proceeds, the Finance and Accounting Department will perform relevant book keeping exercise to keep track of the project. GBWG will review this booking keeping record on a semi-annual basis.

Annually, the GBWG will review the allocation of the Green Bond proceeds to the Eligible Use of Proceeds and determine if any changes are necessary. The GBWG will ensure that all projects under the Eligible Use of Proceeds still align with the Eligibility Criteria or determine if replacement / deletion / additions are necessary.

The GBWG will also facilitate reporting as described in Section 2.4.

2.3 Management of Proceeds

KHNP has developed robust internal systems in place to track the proceeds of its Green Bond(s). KHNP will use the "earmarking" method to track the proceeds through the establishment of two Green Bond Registers ("Registers"), namely Green Bond Register and Nuclear Bond Register, in which Green bond issuances related to "Nuclear Power - R&D" shall be managed under Nuclear Bond Register and separate from other issuances to ensure full traceability. Both Registers will contain information necessary to ensure that the aggregate of issuance proceeds allocated to the Eligible Projects is recorded at all times. The proceeds of each Green Bond will be deposited in the general funding accounts and earmarked pending allocation.

Any balance of issuance proceeds not allocated to Eligible Use of Proceeds will be in accordance with KHNP's normal sound and prudent liquidity management policy. The unallocated proceeds could be invested domestically and internationally in short-term liquidity instruments such as money market instruments or money market deposit account until they are allocated to Eligible Use of Proceeds.

These short-term investments will exclude any fossil-fuel related corporate bonds or instruments in order to support global climate change mitigation.

With the objective of avoiding double-counting and assuring transparency, KHNP commits to monitor that the proceeds of each Green Bond will only finance KHNP's legal share of the project or portion of projects not already financed by third party financing (in case of joint venture agreements and co-financing).

Each Register will contain, for each Green Bond issued, information including:

(1) Details of the Bond(s): ISIN, pricing date, maturity date, etc.

(2) Details of Eligible Use of Proceeds, including

- **List of Eligible Use of Proceeds and brief description**
- **Amount of allocation made**
- **Other necessary information so that the aggregate of issuance proceeds allocated to the Eligible Use of Proceeds is recorded at all times**
- **Estimated impact of the Eligible Use of Proceeds**

In case of divestments or if an eligible project no longer meets the Green Eligibility Criteria (as defined in Section 2.1), the funds will be reallocated to other Eligible Projects and the maximum duration of the reallocation period is one year. For the avoidance of doubt, proceeds can be reallocated to finance projects under "Nuclear Power - R&D" only if the given bond has identified the intention at the time of issuance.

Additionally, any material and critical environmental, social, or governance (ESG) controversies will be considered and reviewed by GBWG. If any material and critical ESG controversies emerge in relation to a specific project, KHNP commits to substitute that project with an alternative eligible project.

2 KHNP Green Bond Framework

2.4 Reporting

KHNP commits to publish a Green Bond Progress Report on an annual basis to provide information on proceeds allocation and impacts until bond maturity. The Green Bond Progress Report will be publicly available on KHNP's official website.

(i) Allocation Reporting

KHNP's Green Bond Progress Report will provide the following information:

- Confirmation that the Use of Proceeds of each Green Bond complies with the KHNP Green Bond Framework;
- A list of Eligible Use of Proceeds allocated to by the net proceeds of the Green Bond and its net amount;
- Information about allocated projects, including the breakdown by
  a. Brief description
  b. Geographical location
  c. Eligible categories under this Framework
- The balance amount of any unallocated net proceeds;
- Types of temporary investment (if applicable); and
- Percentages of refinancing and financing of Eligible Use of Proceeds (if applicable)

(ii) Environmental Impact Reporting

KHNP intends to produce the Green Bond Progress Report including qualitative environmental impact analysis, and (if reasonably practicable) quantitative performance indicators, on the allocated projects. Environmental impact indicators may change from year to year.

KHNP is committed to report the expected and achieved environmental impacts related to the allocated projects and its methodologies and assumptions applied.

Below are examples of impact indicators to be reported, as applicable:

Eligible Green Categories	Potential Impact Indicators
Renewable Energy	✓ **Renewable energy generation ((MWh/ year) / (t)) / Installed Capacity (MW)** ✓ **Expected Annual GHG emissions reduced/ avoided (tCO_2e/year)**
Nuclear Power - R&D	✓ **Number and type of projects involved** ✓ **Case Study of R&D carried out (as applicable)** ✓ **Expected Annual GHG emissions reduced / avoided (tCO_2e/year)** ✓ **Expected % improvement in on-site LTIR**

3 External Review

KHNP engaged Moody's Investors Service to provide an External Review in the form of a Second Party Opinion the alignment of the Framework to the ICMA GBP. The Second Party Opinion report, which concludes that the Framework is in compliance with the ICMA GBP, will be available at KHNP's official website.

KHNP will seek independent and external verification of its proceeds allocation and impact on an annual basis until full allocation or upon any material development of the Green Bond Transaction(s). The verification will be performed by a qualified external reviewer with relevant expertise, such as an auditor or an environmental consultant.