

# **Korea Western Power Co., Ltd. and its subsidiaries**

Consolidated financial statements  
for each of the two years in the period ended December 31, 2024  
with the independent auditor's report

Korea Western Power Co., Ltd.  
and its subsidiaries

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Independent auditor's report

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**Independent auditor's report**  
(English translation of a report originally issued in Korean)

**The Shareholder and Board of Directors  
Korea Western Power Co., Ltd.**

**Opinion**

We have audited the consolidated financial statements of Korea Western 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 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.

**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 audit opinion.

**Emphasis of matter**

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements. As described in Note 2, the Group prepared its consolidated financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. Pursuant to Article 2-5 of the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, 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. In accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, there are no material matters applied to the Group's accounting treatment differently from KIFRS.

## **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 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 material subsequent events or circumstances 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 modification to this audit report.

# **Korea Western Power Co., Ltd. and its subsidiaries**

Consolidated financial statements  
for each of the two years in the period ended December 31, 2024

"The accompanying consolidated financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Group."

Lee, Jung Bok  
Chief Executive Officer  
Korea Western Power Co., Ltd.

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Consolidated statements of financial position  
As of December 31, 2024 and 2023

*In millions of Korean won*

	Notes	2024	2023
<b>Assets</b>			
Cash and cash equivalents	6,7,40	₩ 88,523	77,602
Current financial assets, net	6,7,11,12,40	95,872	121,857
Trade and other receivables, net	6,8,40,41	994,904	781,823
Inventories	13	406,781	387,817
Current non-financial assets	14	89,280	77,098
Current tax assets		8	8
<b>Total current assets</b>		<b>1,675,368</b>	<b>1,446,205</b>
Non-current financial assets	6,9,10,12,40,41	2,516,650	2,274,686
Non-current trade and other receivables, net	6,8,40	19,016	13,050
Property, plant and equipment, net	17,19,20,43	8,709,559	8,591,150
Intangible assets other than goodwill, net	18	42,826	32,320
Investments in associates and joint ventures	16	582,768	560,997
Net defined benefit assets	24	164	-
Deferred tax assets	37	800	732
Non-current non-financial assets	14	14,955	30,635
<b>Total non-current assets</b>		<b>11,886,738</b>	<b>11,503,570</b>
<b>Total assets</b>		<b>₩ 13,562,106</b>	<b>12,949,775</b>

*(Continued)*

**KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES**  
**Consolidated statements of financial position, Continued**  
**As of December 31, 2024 and 2023**

*In millions of Korean won*

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<b>Liabilities</b>			
Trade and other payables	6,20,21,40,41 ₩	573,707	704,303
Current financial liabilities, net	6,11,22,23,40	2,091,068	1,200,523
Current tax liabilities		80,050	2,412
Current non-financial liabilities	26	8,826	41,526
Current provisions	25	71,108	45,122
<b>Total current liabilities</b>		<u>2,824,759</u>	<u>1,993,886</u>
Non-current trade and other payables	6,20,21,40	390,210	425,669
Non-current financial liabilities, net	6,11,22,23,40	3,706,688	4,528,865
Non-current non-financial liabilities	26	2,632	24,113
Employee benefits obligations, net	24,28,40	137,846	107,413
Deferred tax liabilities	37	696,719	625,707
Non-current provisions	25	-	2,427
<b>Total non-current liabilities</b>		<u>4,934,095</u>	<u>5,714,194</u>
<b>Total liabilities</b>		<u>7,758,854</u>	<u>7,708,080</u>
<b>Equity</b>			
Contributed capital	27	1,272,898	1,272,898
Retained earnings	28,29	2,710,863	2,363,469
Other components of equity	9,11,30	1,819,488	1,605,340
<b>Equity attributable to owner of the parent company</b>		<u>5,803,249</u>	<u>5,241,707</u>
<b>Non-controlling interests</b>		<u>3</u>	<u>(12)</u>
<b>Total equity</b>		<u>5,803,252</u>	<u>5,241,695</u>
<b>Total liabilities and equity</b>	₩	<u>13,562,106</u>	<u>12,949,775</u>

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



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Consolidated statements of comprehensive income

For each of the two years in the period ended December 31, 2024

*In millions of Korean won, except earnings per share*

	Notes	2024	2023
Sales	5,31,41 ₩	6,240,430	6,958,843
Cost of sales	38,41	(5,471,538)	(6,657,172)
<b>Gross profit</b>		768,892	301,671
Selling and administrative expenses	32,38	(106,197)	(101,948)
<b>Operating income</b>		662,695	199,723
Other non-operating income	33	4,660	6,445
Other non-operating expenses	33	(19,599)	(46,956)
Other income (loss), net	34	5,628	(20,960)
Finance income	6,11,35	124,286	150,314
Finance costs	6,11,36	(291,786)	(225,516)
Gain (loss) from investments in associates and joint ventures, net	16	(15,411)	106,034
<b>Profit before income tax</b>		470,473	169,084
Income tax expenses	37	(108,480)	(5,948)
<b>Profit for the year</b>		361,993	163,136
<b>Other comprehensive income (loss), net of tax:</b>			
<b>Items that will never be reclassified to profit or loss</b>	24,28,30		
Remeasurements of benefit liability, net of tax		(14,563)	(17,774)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax		(34)	456
Net change in the financial assets at fair value through other comprehensive income, net of tax		184,626	(34,551)
<b>Items that are or may be reclassified to profit or loss</b>	11,30		
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax		5,227	(1,059)
Foreign currency translation of foreign operations, net of tax		4,840	1,486
Share of other comprehensive income of associates and joint ventures, net of tax		19,455	1,915
<b>Total other comprehensive income (loss), net of tax</b>		199,551	(49,527)
<b>Total comprehensive income for the year</b>		561,544	113,609

*(Continued)*

**KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES**  
**Consolidated statements of comprehensive income, Continued**  
For each of the two years in the period ended December 31, 2024

<i>In millions of Korean won, except earnings per share</i>	Notes	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Profit attributable to:</b>			
Owner of the parent company		361,991	163,136
Non-controlling interests		<u>2</u>	<u>-</u>
		<u><b>361,993</b></u>	<u><b>163,136</b></u>
<b>Total comprehensive income attributable to:</b>			
Owner of the parent company		561,543	113,609
Non-controlling interests		<u>1</u>	<u>-</u>
		<u><b>561,544</b></u>	<u><b>113,609</b></u>
<b>Earnings per share</b>			
Basic and diluted earnings per share (in Korean won)	39	<u><b>₩ 10,861</b></u>	<u><b>4,895</b></u>

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

## Consolidated statements of changes in equity

*In millions of Korean won*

(Continued)

**KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES**  
**Consolidated statements of changes in equity, Continued**  
**For each of the two years in the period ended December 31, 2024**

*In millions of Korean won*

₩	1,272,898	2,363,469	1,605,340	5,241,707	(12)	5,241,695
<b>Balance as of January 1, 2024</b>						
<b>Total comprehensive income for the year:</b>						
Profit for the year	-	361,991	-	361,991	2	361,993
Net change in fair value of equity investments at fair value through other comprehensive loss, net of tax	-	-	184,626	184,626	-	184,626
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	-	-	5,227	5,227	-	5,227
Remeasurements of defined benefit liability, net of tax	-	(14,563)	-	(14,563)	-	(14,563)
Share of other comprehensive income of associates and joint ventures, net of tax	-	(34)	19,455	19,421	-	19,421
Foreign currency translation of foreign operations, net of tax	-	-	4,840	4,840	-	4,840
<b>Transaction with owners recognized directly in equity:</b>						
Dividends paid	-	-	-	-	(2)	(2)
Changes in the scope of consolidation	-	-	-	-	15	15
₩	1,272,898	2,710,863	1,819,488	5,803,249	3	5,803,252
<b>Balance as of December 31, 2024</b>						

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

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Consolidated statements of cash flows

For each of the two years in the period ended December 31, 2024

*In millions of Korean won*

	2024	2023
<b>Cash flows from operating activities</b>		
Profit for the year	₩ 361,993	163,136
Adjustments for:		
Income tax expenses	108,480	5,948
Depreciation	899,060	872,772
Amortization of intangible assets	7,783	8,625
Loss on disposals of property, plant and equipment	9,773	15,732
Loss on disposals of intangible assets, net	66	-
Impairment loss on property, plant and equipment	-	6,331
Loss on valuation of long-term financial instruments	20	
Retirement and severance benefits	19,964	25,632
Interest expense	163,778	157,549
Other bad debt expenses	5,191	30,757
Interest income	(14,432)	(18,326)
Gain on disposals of property, plant and equipment	(1)	(79)
Gain (loss) on investments in associates and joint ventures	15,411	(106,034)
Dividend income	(33,794)	(68,567)
Gain on derivative instruments, net	(59,646)	(55,548)
Loss on foreign currency translations, net	114,041	46,724
Provisions for others	88,022	150,876
Others	(600)	32,318
	1,323,116	1,104,710
Changes in:		
Current trade receivables	99,903	503,892
Other current receivables	(368,901)	(160,677)
Inventories	(29,239)	131,448
Current non-financial assets	(42,429)	(3,878)
Non-current non-financial assets	(779)	(1,479)
Trade payables	123,000	(464,532)
Other current payables	29,449	(41,708)
Other non-current payables	98	-

*(Continued)*

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Consolidated statements of cash flows, Continued

For each of the two years in the period ended December 31, 2024

*In millions of Korean won*

	2024	2023
Current non-financial liabilities	(27,447)	(18,383)
Non-current non-financial liabilities	(518)	599
Current provisions	(40,181)	(66,777)
Payments of retirement and severance benefits	(6,547)	(14,501)
Plan assets	(2,728)	(1,172)
	<u>(266,319)</u>	<u>(137,168)</u>
<b>Cash generated from operating activities</b>		
Dividend received	76,225	171,038
Interest received	13,796	15,841
Interest paid	(178,175)	(168,924)
Income tax paid	(13,144)	(26,340)
<b>Net cash flows provided by operating activities</b>	<u>1,317,492</u>	<u>1,122,293</u>
<b>Cash flows from investing activities</b>		
Collection of loans	3,304	1,951
Increase in loans	(1,580)	(1,592)
Decrease in guarantee deposits	9,133	6,908
Increase in guarantee deposits	(8,023)	(7,528)
Net increase in short-term financial instruments	(2,020)	8,691
Net increase in long-term financial instruments	(480)	-
Proceeds from disposals of investments in associates and joint ventures	-	2,688
Acquisition of investments in associates and joint ventures	(51,087)	(5,634)
Proceeds from disposals of property, plant and equipment	10	1,211
Acquisition of property, plant and equipment	(982,817)	(819,065)
Proceeds from disposals of intangible assets	214	17
Acquisition of intangible assets	(171)	(3,981)
Government grants received	6	14
Net cash inflows from changes in the consolidation scope	26	-
<b>Net cash flows used in investing activities</b>	<u>(1,033,485)</u>	<u>(816,320)</u>

*(Continued)*

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Consolidated statements of cash flows, Continued

For each of the two years in the period ended December 31, 2024

*In millions of Korean won*

	<u>2024</u>	<u>2023</u>
<b>Cash flows from financing activities</b>		
Increase in borrowings	2,420,544	787,250
Repayment of borrowings	(1,907,948)	(744,463)
Increase in debentures	598,286	528,460
Repayment of debentures	(1,092,574)	(812,490)
Repayment of lease liabilities	(89,093)	(93,270)
Settlement of derivative instruments	84,908	74,581
Dividends paid	(291,565)	(53,193)
<b>Net cash flows used in financing activities</b>	<u>(277,442)</u>	<u>(313,125)</u>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate fluctuations</b>	6,565	(7,152)
Translation effect of foreign financial statements	4,271	953
Effects of exchange rate fluctuations on cash held	85	205
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>10,921</u>	<u>(5,994)</u>
Cash and cash equivalents at the beginning of the financial year	77,602	83,596
<b>Cash and cash equivalents at the end of the year</b>	<u>₩ 88,523</u>	<u>77,602</u>

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

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 1. Reporting Entity

In accordance with a restructuring plan dated January 21, 1999 for the electricity industry in the Republic of Korea, announced by the Ministry of Commerce, Industry and Energy and the *Act on Promotion of Restructuring the Electric Power Industry* published on December 23, 2000, Korea Western Power Co., Ltd. ("KOWEPO" or the "Company") was incorporated on April 2, 2001 through a spin-off of the power generation division of Korea Electric Power Corporation ("KEPCO"). KOWEPO and its subsidiaries (collectively referred to as the "Group" hereinafter) engage in the generation of electricity and development of electric power resources.

As of December 31, 2024, KOWEPO owns and operates four power plants with a total capacity of 11,918MW.

KOWEPO's head office is located in Taean-gun, Chungcheongnam-do, Korea. Issued capital of KOWEPO as of December 31, 2024 amounts to ₩166,646 million and KOWEPO's sole shareholder is KEPCO (100%).

In accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") 1110 *Consolidated Financial Statements*, the Group's consolidated financial statements include the financial results of KOWEPO, which is the parent company, and 9 other subsidiaries ("consolidated entities") and 29 other investees which are accounted for as equity method investments.

### 2. Basis of Preparation

#### (1) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions pursuant to the *Act on the Management of Public Institutions* and the *Decree on Accounting for Public Corporations and Quasi-governmental Institutions*. The Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions mandate application of KIFRS as enacted by the *Act on External Audit of Stock Companies* where specific accounting treatments are not prescribed by the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. There are no accounts of which accounting treatment is different compared to 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 financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements of the Group are approved by the board of directors on March 7, 2025, and will be finally approved at a shareholders' meeting on March 27, 2025.

#### (2) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the consolidated statement of financial position:

- ✓ derivative financial instruments measured at fair value;
- ✓ non-current financial assets measured at fair value through other comprehensive income;
- ✓ financial assets measured at fair value through profit or loss; and
- ✓ liabilities for defined benefit plans are recognized at the net of the total present value of defined benefit obligations less the fair value of plan assets.



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 2. Basis of Preparation, Continued

#### (3) Functional and presentation currency

These consolidated financial statements are presented in Korean won, which is the KOWEPO's functional currency (presented as "Korean won" or "₩") and the currency of the primary economic environment in which the Group operates.

#### (4) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with KIFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 in its estimates and assumptions to respond to global initiatives on climate change and their implementation on the reduction of greenhouse gas emissions. Climate-related risks increase the uncertainty of estimates and assumptions considered in various items in the financial statements. Although climate-related risks do not have a material impact on current measurement, the Group is closely monitoring climate-related changes and developments, such as new climate-related legislation.

#### 1) The judgment of management

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following note.

- ✓ Note 15 : Scope of consolidation - whether the Group has de facto control over an investee

#### 2) The uncertainty of assumptions and estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the reporting period is included in the following notes:

- ✓ Note 24 : Measurement of defined benefit obligations - key actuarial assumptions;
- ✓ Notes 25 and 44 : Recognition and measurement of provisions and contingencies - key assumptions about the likelihood and magnitude of an outflow of resources; and
- ✓ Note 40 : Non-current financial assets at fair value through other comprehensive income – significant unobservable input.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 2. Basis of Preparation, Continued

#### (4) Use of estimates and judgments, Continued

#### 3) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of KIFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- ✓ Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- ✓ Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- ✓ Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

- ✓ Note 40 : Risk management

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 3. Changes in accounting policies

##### (1) New and amended standards adopted by the Group

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, for annual reporting periods beginning on or after January 1, 2024.

##### 1) Amendments to KIFRS 1001 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants*

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. In addition, covenants that an entity is required to comply with after the end of the reporting period would not affect classification of a liability as current or non-current at the reporting date. When an entity classifies a liability that is subject to the covenants which an entity is required to comply with within twelve months of the reporting date as non-current at the end of the reporting period, the entity shall disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period. The amendments do not have a material impact on the consolidated financial statements.

##### 2) Amendments to KIFRS 1007 *Statement of Cash Flows, KIFRS 1107 Financial Instruments: Disclosures – Supplier finance arrangements*

When applying supplier finance arrangements, an entity shall disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

##### 3) Amendments to KIFRS 1116 *Leases – Lease Liability in a Sale and Leaseback*

When subsequently measuring lease liabilities arising from a sale and leaseback, a seller-lessee shall determine lease payments or revised lease payments in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not have a material impact on the consolidated financial statements.

##### 4) Amendments to KIFRS 1001 *Presentation of Financial Statements – Disclosure of Virtual Assets*

These amendments mandate entities to disclose information related to holding virtual assets, holding them on behalf of the customers, and issuing them. The amendments do not have a material impact on the consolidated financial statements.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 3. Changes in accounting policies, Continued

#### (2) New standards and interpretations not yet adopted by the Group

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

##### 1) Amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* and 1101 *First-time Adoption of International Financial Reporting Standards – Lack of Exchangeability*

The amendments require entities to assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments apply to annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. The Group is assessing impact of the amendments on the consolidated financial statements.

##### 2) Amendments to KIFRS 1109 *Financial Instruments*, 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 with environmental, social and corporate governance (ESG) and similar features;
- clarifying what constitutes non-recourse features and the characteristics of contractually linked financial instruments; and
- introducing disclosures on financial instruments with contingent features and additional disclosure requirements 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. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Group does not plan to early apply the amendments. In relation to the derecognition of financial liabilities that are settled via electronic payment systems, the Group is performing assessment on all the major electronic payment systems used in various jurisdictions in which the Group operates. The Group is assessing whether the amendments will have a material impact on the current practices and whether the criteria for the accounting policy choice to derecognize financial liabilities are met. In order to assess if a financial asset is derecognized on the date on which the contractual rights to the cash flows expire, and if a financial liability is derecognized on the settlement date, the Group is currently assessing all payment systems such as cheques, credit cards, and debit cards. Furthermore, the Group is assessing the impact of the amendments on financial assets with ESG-linked and similar contingent features, financial instruments with non-recourse features, and contractually linked financial instruments. The amendments are not expected to have a material impact on its consolidated financial statements based on the initial assessment performed but the assessment has not been completed.

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 3. Changes in accounting policies, Continued

##### (2) New standards and interpretations not yet adopted by the Group, Continued

##### 3) 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 Group's consolidated financial statements.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies

The material accounting policies applied by the Group in preparation of its 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 those as described in Note 3.

#### (1) Consolidation

##### 1) Business combinations

Business combinations are accounted for by applying the acquisition method, except for combinations of business entities or businesses that are under the same control.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The costs 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 payable is measured at fair value at the acquisition date. 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. This determination is 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.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (1) Consolidation, Continued

#### 2) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### 3) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### 4) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### 5) Interests in equity-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 OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (1) Consolidation, Continued

##### 6) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-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.

##### 7) Business combination under common control

For business combinations arising from transfers of interests in the entities that are under common control, the assets and liabilities acquired are recognized at the carrying amounts recognized previously in the ultimate parent company's consolidated financial statements. The components of equity of the acquired entities are presented in the same components within the Group's equity except that any contributed capital of the acquired entities is recognized as part of share premium.

#### (2) 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.

#### (3) Inventories

The cost of inventories is based on the moving average principle, and includes expenditures for acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, are recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (4) Non-derivative financial assets

##### 1) 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 at the time when the Group became a contracting party.

Except for trade receivables that do not contain significant financing components, financial assets or financial liabilities are measured at fair value at the time of first recognition. For financial assets or financial liabilities that are not measured at fair value through profit or loss, the transaction costs directly related to the acquisition or issue are added or subtracted to fair value. Trade receivables that do not contain significant financing components are measured at transaction price.

##### 2) Classification and subsequent measurement

Financial assets are measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) when initially recognized.

Financial assets are not reclassified unless there is a change in business model. If the Group changes a business model, all financial assets affected are reclassified at beginning of the first reporting period after the change.

Financial assets are measured at amortized cost if they meet both of the following conditions and are not designated as at fair value through profit or loss (FVTPL):

- it is held within a business model that is intended to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments are measured at fair value through other comprehensive income (FVOCI) if they meet both of the following conditions and are not designated as at fair value through profit or loss (FVTPL):

- it is held within a business model that is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (4) Non-derivative financial assets, Continued

##### 2) Classification and subsequent measurement, Continued

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value of that investment in other comprehensive income. This election is made by investment-by-investment basis.

As described above, financial assets not measured at amortized cost or at fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the measurement requirements to be measured at amortized cost or at fair value through other comprehensive income (FVOCI) as at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group evaluates the objectives of business model in which financial assets are held at a portfolio level because this best reflects the way the business is managed and information is provided to management. This information considered includes:

- stated accounting policies and objective about portfolio and the operation of these 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 or 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, in particular, how those risks are managed;
- compensation to management (e.g. based on the fair value of the assets being managed or on the basis of the contractual cash flows being received); and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. For this purpose, transfers of financial assets to third parties in transactions that do not meet the derecognizing requirements are not considered for sale.

A portfolio of financial assets that meets the definition of financial assets held for trading or whose performance is evaluated based on fair value is measured at fair value through profit or loss.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (4) Non-derivative financial assets, Continued

##### 2) Classification and subsequent measurement, Continued

Financial assets: An assessment of whether contractual cash flows are solely payments of principal and interest

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 another cost of basic lending risk and margin.

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 considers the followings:

- conditions that change the amount or timing of cash flows;
- provision to adjust contractual nominal interest rate, including variable interest rate characteristics;
- characteristics of repayment and maturity extension; and
- terms that limit the Group's claim to cash flows arising from a particular asset.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par value, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (4) Non-derivative financial assets, Continued

##### 2) Classification and subsequent measurement, Continued

Financial assets at fair value through profit or loss (FVTPL)	These assets are subsequently measured at fair value. Net gain or loss, including interest and dividend income, is recognized in profit or loss. Please refer to Note 4. (5) for derivatives designated as hedging instruments.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment loss. Interest income, foreign currency translation gains and losses and impairment are recognized in profit or loss. The gain or loss on derecognition is also recognized in profit or loss.
Financial liabilities at fair value through other comprehensive income (FVOCI)	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method and foreign currency translation gains and losses are recognized in profit or loss. Other net gain or loss is recognized in other comprehensive income. The gain or loss accumulated in other comprehensive income is reclassified to profit or loss on derecognition.
Equity instruments at fair value through other comprehensive income (FVOCI)	These assets are subsequently measured at fair value. Dividends are recognized in profit or loss if the dividends do not clearly represent collection of investment costs. Other net gain or loss is recognized in other comprehensive income and is never reclassified to profit or loss.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (4) Non-derivative financial assets, Continued

##### 3) 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.

##### 4) 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.

#### (5) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge foreign exchange and interest rate exposures. An embedded derivative, if a host contract is not a financial asset and meets specified conditions, is accounted for separately from the host.

Derivatives are measured at fair value at initial recognition. They are measured at fair value after initial recognition, and changes in their fair value are generally recognized in profit or loss.

The Group designates specific derivatives as hedging instruments to hedge the variability of cash flows associated with highly probable future forecast transactions arising from changes in exchange rates and interest rates.

At the inception of the hedge, the Group documents the purpose and strategy of risk management to perform the hedge. The Group documents the economic relationship between the hedged item and the hedging instrument, including whether changes in the cash flows of the hedged item and the hedging instrument are expected to be offset by each other.

##### Cash flow hedge

When derivatives are designated as cash flow hedging instruments, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income, net of tax, and presented in the hedging reserve in equity. The effective portion of changes in the fair value of the derivatives which is recognized in other comprehensive income is limited to cumulated changes in fair value of hedged item from inception of the hedge determined based on the present value. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Group designates only changes in the fair value of the spot element of future exchange transactions as a hedging instrument in cash flow hedge relationship. The change in the fair value of the forward element ('forward point') of future exchange transaction is accounted for separately as cost of hedging and recognized in cost of hedging of equity.

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 4. Material Accounting Policies, Continued

##### (5) Derivative financial instruments, including hedge accounting, Continued

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset such as inventories, the Group removes that amount from the cash flow hedge reserve and includes it directly in the initial cost of the assets upon the recognition.

For other forecast transaction, the cumulated cash flow hedge reserves and costs of hedging are reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

If the hedging transaction is a transaction which recognizes non-financial items, in case the hedging accounting is discontinued, cumulated hedging reserves and cost of hedging are left in equity items until that amount is included in the cost of non-financial items when they are initially recognized. For other cash flow hedging transaction not covered in this case, cash flow hedge reserves and cost of hedging are reclassified to profit or loss as a reclassification adjustment in the periods during which the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (6) Impairment of financial assets

##### 1) Financial assets and contract assets

The Group recognizes loss allowance for expected credit losses on the following assets:

- financial assets at amortized cost; and
- financial assets at fair value through other comprehensive income.

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, contract assets and lease receivables that contain a significant financing component.

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.

##### 2) 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.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (6) Impairment of financial assets, Continued

##### 3) 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;
- 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.

##### 4) 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.

For debt measured at fair value through other comprehensive income, the allowance for losses is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

##### 5) Write-off

If an entity does not reasonably expect to recover all or part of the contractual cash flows of a financial asset, the asset is derecognized. For individual customers, on the basis of their past experience with the recovery of similar assets, the Group removes the carrying amount if the financial asset is determined to be impaired, evaluates whether there is a reasonable expectation for the recovery of the entity's customers, and evaluates the timing and amount separately. The Group has no expectation that the proceeds will be recovered significantly. However, any financial assets that are derecognized may be subject to recovery activities in accordance with the Group's procedures for recovering the amount due.



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (7) Property, plant and equipment

Property, plant and equipment are initially measured at cost and after initial recognition and are carried at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent to initial recognition, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are recognized in the carrying amount of property, plant and equipment at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing are recognized in profit or loss as incurred.

Property, plant and equipment, except for land, are depreciated on a straight-line basis over estimated useful lives that appropriately reflect the pattern in which the asset's future economic benefits are expected to be consumed. A component that is significant compared to the total cost of property, plant and equipment is depreciated over its separate useful life.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit or loss.

The estimated useful lives of the Group's property, plant and equipment are as follows:

	Useful lives (years)
Buildings	8 ~ 30
Structures	8 ~ 30
Machinery	6 ~ 24
Vessels	9
Vehicles	4
Right-of-use assets	2 ~ 30
Other property, plant and equipment ("the other PP&E")	4

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted, if appropriate. The change is accounted for as a change in an accounting estimate.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (8) Intangible assets

Intangible assets are measured initially at cost and, subsequently, are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization of intangible assets except for goodwill is calculated on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The residual value of intangible assets is zero. However, as there are no foreseeable limits to the periods over which club memberships are expected to be available for use, this intangible asset is determined as having indefinite useful lives and not amortized.

	Useful lives (years)
Computer software	5
Development costs	5
Leasehold rights	8 ~ 10
Others	5 ~ 20

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.

#### 1) Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

#### 2) Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditures on internally generated goodwill and brands, are recognized in profit or loss as incurred.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (9) 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. The Group immediately recognizes other borrowing costs as an expense. 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.

#### (10) 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 purchases, constructs or otherwise acquires 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 shall be recognized as other income in profit or loss over the periods in which the Group recognizes the related costs as expenses.

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 4. Material Accounting Policies, Continued

##### (11) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than assets arising from employee benefits, inventories, deferred tax assets 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.

The Group estimates the recoverable amount of an individual asset, if it is impossible to measure the individual recoverable amount of an asset, then the Group estimates the recoverable amount of cash-generating unit ("CGU"). A CGU is the smallest identifiable 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 value in use is estimated by applying a pre-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the asset or CGU for which estimated future cash flows have not been adjusted, to the estimated future cash flows expected to be generated by the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

Goodwill acquired in a business combination is allocated to each CGU that is expected to benefit from the synergies arising from the goodwill acquired. Any impairment identified at the CGU level will first reduce the carrying value of goodwill and then be used to reduce the carrying amount of the other assets in the CGU on a pro rata basis. Except for impairment losses in respect of goodwill which are never reversed, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 4. Material Accounting Policies, Continued

##### (12) Leases

###### 1) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

###### 2) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

###### 3) Short-term leases and leases of low-value assets

The Group has elected to apply the practical expedient of not recognizing right-of-use assets and lease liabilities for the short-term leases with a lease term of less than 12 months and leases of low-value assets, including IT-equipment. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (13) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. In order to be classified as held for sale, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. The assets or disposal group that are classified as non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

A non-current asset that is classified as held for sale or part of a disposal group classified as held for sale is not depreciated (or amortized).

#### (14) Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into financial liabilities at fair value through profit or loss or other financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities. The Group recognizes financial liabilities in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial liability.

##### 1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or designated as such upon initial recognition. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Upon initial recognition, transaction costs that are directly attributable to the acquisition are recognized in profit or loss as incurred.

##### 2) Other financial liabilities

Non-derivative financial liabilities other than financial liabilities at fair value through profit or loss are classified as other financial liabilities. At the date of initial recognition, other financial liabilities are measured at fair value minus transaction costs that are directly attributable to the acquisition. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

##### 3) Elimination of financial liabilities

The Group derecognizes a financial liability from the consolidated statement of financial position when it is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). If the contractual terms of the financial liability have changed and the cash flows have changed substantially, the Group will derecognize the existing liability and recognize the new financial liability at fair value on the basis of the new contract.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid (including transferred non-cash assets or liabilities assumed) is recognized in profit or loss.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (15) Employee benefits

##### 1) 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.

##### 2) 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, less the fair value of any related assets. Remeasurements are recognized in profit or loss in the period in which they arise.

##### 3) Retirement and severance benefits: defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of plan assets is deducted. The calculation is performed annually by an independent actuary using the projected unit credit method.

The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The Group recognizes all actuarial gains and losses arising from actuarial assumption changes and experiential adjustments in other comprehensive income when incurred.

When the fair value of plan assets exceeds the present value of the defined benefit obligation, the Group recognizes an asset, to the extent of the total of cumulative unrecognized past service cost and the present value of any economic benefits available in the form of refunds from the plan or reduction in the future contributions to the plan.

Past service costs which are the change in the present value of the defined benefits obligation for employee service in prior periods, resulting in the current period from the introduction of, or change to post-employment benefits, is recognized as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the Group recognizes the past service cost immediately.

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 4. Material Accounting Policies, Continued

##### (16) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision. Where the effect of the time value of money is material, provisions are determined at the present value of the expected future cash flows.

Where some or all of the expenditures required to settle a provision are expected to be reimbursed by another party, the reimbursement 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.

##### 1) Provision for employment benefits

The Group determines the provision for employment benefits as the incentive payments based on the results of the individual performance evaluation or management assessment.

##### 2) Provision for Renewable Portfolio Standard ("RPS")

As the Group has obligation to produce and supply certain amount of energies from renewable energy sources in accordance with the *Act on the Promotion of the Development and Use of New and Renewable Sources of Energy*, provision for the RPS is recognized at the end of reporting period to the extent of obligations not yet fulfilled as of the reporting date.

##### 3) Provision for greenhouse gas emission

In accordance with the *Act on the Allocation and Trading of Greenhouse Gas Emission Permits*, the Group calculates carbon emissions based on annual power generation. For the portion that exceeds the free allocation received from the government, the Group recognized provision for the amount corresponding to the external purchase and additional provisions.

##### 4) Provision for litigation

The Group recognized a provision for the litigation as an outflow of resources embodying economic benefits is probable and reliably estimable.



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (17) Foreign currencies

##### 1) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the 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.

Foreign currency differences arising on retranslation of monetary items are recognized in profit or loss, except for differences arising on the retranslation of monetary items at settlement, translation of foreign operations, or a financial liability designated as cash flow hedges, which are recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

##### 2) Foreign operations

If the presentation currency of the Group is different from a foreign operation's functional currency, the financial statements of the foreign operation are translated into the presentation currency using the following methods:

The assets and liabilities of foreign operations, whose functional currency is not the currency of a hyperinflationary economy, are translated to presentation currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to functional currency at exchange rates at the dates of the transactions. Foreign currency differences are recognized in other comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation is treated as assets and liabilities of the foreign operation. Thus, they are expressed in the functional currency of the foreign operation and translated at the closing rate.

When a foreign operation is disposed of, the relevant amount in the translation is transferred to profit or loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to profit or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the translation reserve.

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 4. Material Accounting Policies, Continued

##### (18) Equity 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.

Preferred shares are classified as equity if they are not required to be redeemed or redeemed only at the Group's decision and the payment of dividends is determined at the discretion of the Group. Dividend is recognized when it is approved at the shareholders' meeting. Preferred shares that are eligible for collection of determined or determinable amount on or after a specified date or preferred shares to be mandatorily redeemed are classified as liabilities. Related dividends are recognized in profit or loss at the point in time of occurrence as interest expenses.

When the Group repurchases its contributed capital, the amount of the consideration paid is recognized as a deduction from equity and classified as treasury shares. The profits or losses from the purchase, disposal, reissue, or retirement of treasury shares are not recognized as current profit or loss. If the Group acquires and retains treasury shares, the consideration paid or received is directly recognized in equity.

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 4. Material Accounting Policies, Continued

##### (19) Revenue from contracts with customers

In accordance with *KIFRS 1115 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, and Step 5: Recognize revenue when the entity satisfied a performance obligation). Revenue is measured based on the consideration set forth in the contract with the customer, excluding amounts collected on behalf of third parties. The Group also recognizes revenue when control of a good or service transfers to a customer.

##### 1) Identification of performance obligations in the contract

The Group aims to develop and operate electric power resources, power generation, transmission, conversion, distribution, and related operations.

On the other hand, the power supply is identified as a single performance obligation as a series of distinct goods or services. In addition to the power supply, the Group also performs power generation by-products, O&M and others through contracts with customers and identifies performance obligations that are distinct from each contract.

##### 2) Variable consideration

Consideration received from customers according to contracts with customers may include variable amount. The Group estimates the variable consideration using an expected value method that it expects to better predict the consideration to be entitled to and recognizes revenue by including variable consideration in the transaction price only to those amounts that are highly probable of not reversing a significant portion of the cumulative revenue recognized when the uncertainty associated with the variable consideration is resolved.

##### 3) Performance obligations satisfied over time

The Group provides customers with services such as EPC business and O&M over time. The Group recognizes revenue based on the progress made on a reasonable basis.

The Group may recognize revenue on a percentage-of-completion basis when the Group meets one of following criteria:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

##### 4) Allocation of transaction price to performance obligations

The Group allocates the transaction price to a number of performance obligations identified in a single contract on a relative stand-alone selling price basis, and this allocation has no significant impact on the Group's revenue.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (20) Finance income and finance expenses

The Group's finance income and finance expenses consist of:

- interest income;
- interest expenses;
- dividend income;
- net gain or loss on financial assets at fair value through profit or loss;
- foreign exchange gains and losses on financial assets and financial liabilities;
- impairment losses (or reversals of impairment losses) arising from investments in debt instruments at amortized cost or fair value through other comprehensive income;
- hedge ineffectiveness recognized in profit or loss; and
- reclassified net gain or loss previously recognized in other comprehensive income under cash-flow hedging accounting for interest risk and foreign exchange risk on borrowings.

Interest income or interest expense was recognized using the effective interest rate method. Dividend income is recognized when the Group is entitled to the dividend.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 4. Material Accounting Policies, Continued

#### (21) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

##### 1) Current tax

Current tax is the expected 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 year since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit (tax loss) of future periods, and non-taxable or non-deductible items from the accounting profit.

Current tax asset and current tax liability are offset only when the following conditions are met:

- the Group legally holds an enforceable right to offset the recognized amount; and
- has an intention to settle in a net amount or settle the liability while realizing the asset.

##### 2) Deferred tax

Deferred tax is recognized, using the asset-liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which they can be utilized. However, deferred tax is not recognized for the following temporary differences: taxable temporary differences arising on the initial recognition of goodwill, or the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit or loss nor taxable income.

When future taxable income that tax deficit, tax deduction, and deductible temporary differences can be used is probable, within this scope, deferred tax assets are recognized for unused tax deficit and tax credit carry-forwards, and deductible temporary differences. The future taxable income is determined by the reversal of the temporary difference to be added. If the temporary difference to be added is not sufficient to fully recognize the deferred tax asset, the reversal of current temporary differences and the business plan of the subsidiaries of the Group are considered.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduces the carrying amount 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 reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset the related current tax liabilities and assets, and they relate to income taxes levied by the same tax authority and they intend to settle current tax liabilities and assets on a net basis. If there are any additional income tax expense incurred in accordance with dividend payments, such income tax expense is recognized when liabilities relating to the dividend payments are recognized.

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 4. Material Accounting Policies, Continued

##### (22) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

##### (23) Greenhouse gas emission rights and obligations

With the enforcement of the *Act on the Allocation and Trading of Greenhouse-Gas Emissions Permits* in 2015, the Group applies the following accounting policies for emissions rights and obligations.

###### 1) Emissions rights

Greenhouse gas emissions rights consist of the allowances received free of charge from the government and the ones purchased. The cost of the emissions rights includes expenditures arising directly from the acquisition and any other costs incurred during normal course of the acquisition.

Emissions rights are held by the Group to fulfill the legal obligation and recorded as intangible assets. To the extent that the portion to be submitted to the government within one year from the end of reporting period, the emissions rights are classified as current assets. Emissions rights recorded as intangible assets are initially measured at cost and substantially remeasured at cost less accumulated impairment losses.

Greenhouse gas emission rights are derecognized on submission to the government or when no future economic benefits are expected from its use or disposal.

###### 2) Emissions obligations

Emissions obligations are the Group's present legal obligation to submit the emissions allowances to the government and recognized when an outflow of resources is probable and a reliable estimate can be made of the amount of the obligation. Emissions obligations are measured as the sum of the carrying amount of the allocated rights that will be submitted to the government and the best estimate of expenditure required to settle the obligation at the end of the reporting period for any excess emission. Emission liabilities are eliminated when submitting to the government.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 5. Operating Segment

The Group does not disclose separate business segment information because the reporting segment in accordance with KIFRS 1108 *Operating Segments* corresponds to a single segment. Sales attributable to KEPCO, the major customer, are ₩6,110,511 million and ₩6,840,418 million for each of the two years in the period ended December 31, 2024, respectively.

### 6. Classification of Financial Instruments

(1) The classification of financial assets as of December 31, 2024 and 2023 is as follows:

(i) As of December 31, 2024

*In millions of Korean won*

	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Derivative assets (applying hedge accounting)	Total
<b>Current financial assets:</b>					
Cash and cash equivalents	₩ -	88,523	-	-	88,523
Current financial assets					
Short-term loans	-	3,175	-	-	3,175
Short-term financial instruments	-	37,121	-	-	37,121
Derivative assets	2,192	-	-	53,384	55,576
Trade and other receivables, net	-	994,904	-	-	994,904
	₩ 2,192	1,123,723	-	53,384	1,179,299
<b>Non-current financial assets:</b>					
Non-current financial assets					
Long-term financial instruments	₩ 480	-	-	-	480
Non-current financial assets at fair value through other comprehensive income	-	-	2,475,622	-	2,475,622
Non-current financial assets at fair value through profit or loss	7,412	-	-	-	7,412
Long-term loans	-	33,136	-	-	33,136
Non-current trade and other receivables, net	-	19,016	-	-	19,016
	₩ 7,892	52,152	2,475,622	-	2,535,666
	₩ 10,084	1,175,875	2,475,622	53,384	3,714,965

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
December 31, 2024 and 2023

6. Classification of Financial Instruments, Continued

(1) The classification of financial assets as of December 31, 2024 and 2023 is as follows, Continued:

(ii) As of December 31, 2023

*In millions of Korean won*

		Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Derivative assets (applying hedge accounting)	Total
<b>Current financial assets:</b>						
Cash and cash equivalents	₩	-	77,602	-	-	77,602
Current financial assets						
Short-term loans		-	8,560	-	-	8,560
Short-term financial instruments		-	34,513	-	-	34,513
Derivative assets		15	-	-	78,769	78,784
Trade and other receivables, net		-	781,823	-	-	781,823
	₩	15	902,498	-	78,769	981,282
<b>Non-current financial assets:</b>						
Non-current financial assets						
Non-current financial assets at fair value through other comprehensive income	₩	-	-	2,235,536	-	2,235,536
Non-current financial assets at fair value through profit or loss		7,412	-	-	-	7,412
Long-term loans		-	31,738	-	-	31,738
Non-current trade and other receivables, net		-	13,050	-	-	13,050
	₩	7,412	44,788	2,235,536	-	2,287,736
	₩	7,427	947,286	2,235,536	78,769	3,269,018



KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
December 31, 2024 and 2023

6. Classification of Financial Instruments, Continued

(2) The classification of financial liabilities as of December 31, 2024 and 2023 is as follows:

(i) As of December 31, 2024

*In millions of Korean won*

	Financial liabilities at fair value through profit or loss	Financial liabilities recognized at amortized cost	Derivative liabilities (applying hedge accounting)	Total
<b>Current financial liabilities:</b>				
Trade and other payables	₩ -	573,707	-	573,707
Current financial liabilities				
Borrowings	-	620,858	-	620,858
Debentures	-	1,470,188	-	1,470,188
Derivative liabilities	22	-	-	22
	₩ 22	2,664,753	-	2,664,775
<b>Non-current financial liabilities:</b>				
Non-current trade and other payables	₩ -	390,210	-	390,210
Non-current financial liabilities				
Borrowings	-	82,548	-	82,548
Debentures	-	3,624,137	-	3,624,137
Non-current derivative liabilities	3	-	-	3
	₩ 3	4,096,895	-	4,096,898
	₩ 25	6,761,648	-	6,761,673

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
December 31, 2024 and 2023

6. Classification of Financial Instruments, Continued

(2) The classification of financial liabilities as of December 31, 2024 and 2023 is as follows, Continued:

(ii) As of December 31, 2023

*In millions of Korean won*

		Financial liabilities at fair value through profit or loss	Financial liabilities recognized at amortized cost	Derivative liabilities (applying hedge accounting)	Total
<b>Current financial liabilities:</b>					
Trade and other payables	₩	-	704,303	-	704,303
Current financial liabilities					
Borrowings		-	105,630	-	105,630
Debentures		-	1,094,805	-	1,094,805
Derivative liabilities		88	-	-	88
	₩	88	1,904,738	-	1,904,826
<b>Non-current financial liabilities:</b>					
Non-current trade and other payables	₩	-	425,669	-	425,669
Non-current financial liabilities					
Borrowings		-	85,576	-	85,576
Debentures		-	4,438,608	-	4,438,608
Non-current derivative liabilities		-	-	4,681	4,681
	₩	-	4,949,853	4,681	4,954,534
	₩	88	6,854,591	4,681	6,859,360

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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6. Classification of Financial Instruments, Continued

(3) The classification of comprehensive income (loss) from financial instruments for each of the two years in the period ended December 31, 2024 is as follows:

*In millions of Korean won*

Type	Description	2024	2023
Financial assets at amortized cost	Interest income	₩ 14,432	18,326
	Gain (loss) on foreign currency transactions and translations, net	5,568	(958)
Financial assets at fair value through other comprehensive income	Gain (loss) on valuation of derivative instruments, net (equity, before tax)	240,086	(47,782)
	Dividend income	33,794	68,567
Financial assets at fair value through profit or loss	Loss on valuation of long-term financial instruments	(20)	-
	Gain (loss) on valuation of derivative instruments, net	2,192	(73)
	Gain on transactions of derivative instruments, net	8,471	2,533
Fair value hedge derivative assets	Gain on change in the unrealized fair value of derivative instruments, net	54,180	37,420
	Gain (loss) on valuation of derivative instruments, net (equity, before tax)	6,797	(1,367)
	Loss (gain) on transaction of derivative instruments, net	(1,886)	15,668
	Loss on foreign currency transactions and translations, net	(123,840)	(61,634)
Financial liabilities measured at amortized cost	Interest expense of borrowings and debentures	(153,177)	(145,704)
	Interest expense of lease liabilities	(10,600)	(11,757)
	Other interest expense	-	(88)
Financial liabilities at fair value through profit or loss	Loss on valuation of derivative instruments, net	(25)	-
	Loss on transactions of derivative instruments, net	(3,286)	-

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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7. Cash and Cash Equivalents and Short-term Financial Instruments

(1) Cash and cash equivalents as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash	₩ -	1
Other demand deposits	88,291	77,078
Short-term financial instruments classified as cash equivalents	232	523
	<u>₩ 88,523</u>	<u>77,602</u>

(2) Short-term financial instruments restricted in use as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash and cash equivalents (*1)	₩ 4,312	5,044
Short-term financial instruments (*2)	30,000	30,000
	<u>₩ 34,312</u>	<u>35,044</u>

(\*1) Restriction on withdrawal related to the long-term borrowing of KOWEPO Changgi Solar Power Plant Co., Ltd. , a subsidiary, pledged as collateral

(\*2) Restriction on withdrawal related to 'win-win growth program' for small and medium enterprises.

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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8. Trade and Other Receivables

(1) Trade and other receivables as of December 31, 2024 and 2023 are as follows:

(i) As of December 31, 2024

<i>In millions of Korean won</i>	<u>Gross amount</u>	<u>Allowance for doubtful accounts</u>	<u>Present value discount</u>	<u>Book value</u>
<b>Current assets:</b>				
Trade receivables	₩ 439,753	-	-	439,753
Other receivables	555,403	-	(252)	555,151
	<u>995,156</u>	<u>-</u>	<u>(252)</u>	<u>994,904</u>
<b>Non-current assets:</b>				
Trade receivables	1,278	(1,278)	-	-
Other receivables	19,631	(96)	(519)	19,016
	<u>20,909</u>	<u>(1,374)</u>	<u>(519)</u>	<u>19,016</u>
₩	<u>1,016,065</u>	<u>(1,374)</u>	<u>(771)</u>	<u>1,013,920</u>

(ii) As of December 31, 2023

<i>In millions of Korean won</i>	<u>Gross amount</u>	<u>Allowance for doubtful accounts</u>	<u>Present value discount</u>	<u>Book value</u>
<b>Current assets:</b>				
Trade receivables	₩ 539,420	-	-	539,420
Other receivables	242,624	-	(221)	242,403
	<u>782,044</u>	<u>-</u>	<u>(221)</u>	<u>781,823</u>
<b>Non-current assets:</b>				
Trade receivables	1,278	(1,278)	-	-
Other receivables	13,942	(96)	(796)	13,050
	<u>15,220</u>	<u>(1,374)</u>	<u>(796)</u>	<u>13,050</u>
₩	<u>797,264</u>	<u>(1,374)</u>	<u>(1,017)</u>	<u>794,873</u>

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
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8. Trade and Other Receivables, Continued

(2) Details of other receivables as of December 31, 2024 and 2023 are as follows:

(i) As of December 31, 2024

<i>In millions of Korean won</i>	<u>Gross amount</u>	<u>Allowance for doubtful accounts</u>	<u>Present value discount</u>	<u>Book value</u>
<b>Current assets:</b>				
Account receivables	₩ 31,507	-	-	31,507
Accrued income	509,713	-	-	509,713
Guarantee deposits	14,183	-	(252)	13,931
	<u>555,403</u>	<u>-</u>	<u>(252)</u>	<u>555,151</u>
<b>Non-current assets:</b>				
Account receivables	10,010	(96)	-	9,914
Guarantee deposits	9,621	-	(519)	9,102
	<u>19,631</u>	<u>(96)</u>	<u>(519)</u>	<u>19,016</u>
₩	<u>575,034</u>	<u>(96)</u>	<u>(771)</u>	<u>574,167</u>

(ii) As of December 31, 2023

<i>In millions of Korean won</i>	<u>Gross amount</u>	<u>Allowance for doubtful accounts</u>	<u>Present value discount</u>	<u>Book value</u>
<b>Current assets:</b>				
Account receivables	₩ 75,058	-	-	75,058
Accrued income	156,500	-	-	156,500
Guarantee deposits	11,066	-	(221)	10,845
	<u>242,624</u>	<u>-</u>	<u>(221)</u>	<u>242,403</u>
<b>Non-current assets:</b>				
Account receivables	96	(96)	-	-
Guarantee deposits	13,846	-	(796)	13,050
	<u>13,942</u>	<u>(96)</u>	<u>(796)</u>	<u>13,050</u>
₩	<u>256,566</u>	<u>(96)</u>	<u>(1,017)</u>	<u>255,453</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 8. Trade and Other Receivables, Continued

(3) The aging analysis of trade and other receivables as of December 31, 2024 and 2023 is as follows:

*in millions of Korean won*

		Trade receivables		Other receivables	
		Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
<b>Current</b>	₩	439,753	539,420	574,937	256,470
<b>Past due but not impaired receivables:</b>					
Within 60 days past due		-	-	-	-
60 to 90 days past due		-	-	-	-
90 to 120 days past due		-	-	-	-
120 days to 1 year past due		-	-	-	-
More than 1 year past due		-	-	-	-
		-	-	-	-
<b>Receivables impaired individually</b>		1,278	1,278	96	96
	₩	441,031	540,698	575,033	256,566

(4) Changes in allowance for doubtful accounts on trade and other receivables for each of the two years in the period ended December 31, 2024 are as follows:

*in millions of Korean won*

		Trade receivables		Other receivables	
		2024	2023	2024	2023
<b>Beginning</b>	₩	1,278	1,278	96	95
Bad debt expenses		-	-	-	-
Others (*1)		-	-	-	1
<b>Ending</b>	₩	1,278	1,278	96	96

(\*1) Others include the effect of foreign exchange fluctuations.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 9. Financial Assets at Fair Value through Other Comprehensive Income

(1) Financial assets at fair value through other comprehensive income as of December 31, 2024 and 2023 are as follows:

(i) As of December 31, 2024

*In millions of Korean won*

	Shares	Ownership		2024	
				Acquisition cost	Book value
<b>Equity securities listed:</b>					
PT Bayan Resources TBK (*1)	1,333,333,400	4.00%	₩	80,533	2,459,700
<b>Equity securities unlisted:</b>					
Korea Power Exchange (*2)	1,826,275	7.14%		9,131	15,509
HeeMang Sunlight Power Co., Ltd.	78,600	8.33%		393	393
Pioneer Gas Power Limited (*3)	123,200,010	38.50%		49,831	-
3i Powergen Inc. (*4)	-	15.00%		1,482	-
KEPCO Bylong Australia Pty.,Ltd. (*5)	3,537,032	2.00%		6,135	-
Fire Guarantee (*6)	40	-		20	20
			₩	<u>147,525</u>	<u>2,475,622</u>

(\*1) The Group has estimated the fair value by using the quoted market prices in active markets.

(\*2) The Group has estimated the fair value by using the discounted cash flow 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 in other comprehensive income or loss.

(\*3) It is going through work-out process for the year ended December 31, 2024, and the Group reclassified the shares to financial assets at fair value through other comprehensive income as the Group does not have significant influence over it until the process ends.

(\*4) As a result of discontinued operations, the difference between the carrying amount and the recoverable amount is recognized as an impairment loss.

(\*5) Financial assets at fair value through other comprehensive income held by KOWEPO Bylong Pty., Ltd., which is subsidiary of the Group.

(\*6) Financial assets at fair value through other comprehensive income held by KOWEPO Service Co., Ltd., which is subsidiary of the Group.



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 9. Financial Assets at Fair Value through Other Comprehensive Income, Continued

(1) Financial assets at fair value through other comprehensive income as of December 31, 2024 and 2023 are as follows, Continued:

(ii) As of December 31, 2023

*In millions of Korean won*

	Shares	Ownership		2023	
				Acquisition cost	Book value
<b>Equity securities listed:</b>					
PT Bayan Resources TBK (*1)	1,333,333,400	4.00%	₩	80,533	2,218,187
<b>Equity securities unlisted:</b>					
Korea Power Exchange (*2)	1,826,275	7.14%		9,131	16,936
KEPCO UHDE (*3)	-	-		-	-
HeeMang Sunlight Power Co., Ltd.					
Ltd.	78,600	8.33%		393	393
3i Powergen Inc. (*4)	-	15.00%		1,482	-
KEPCO Bylong Australia Pty.,Ltd.					
(*5)	3,537,032	2.00%		6,135	-
Fire Guarantee (*6)	40	-		20	20
			₩	<u>97,694</u>	<u>2,235,536</u>

(\*1) The Group has estimated the fair value by using the quoted market prices in active markets.

(\*2) The Group has estimated the fair value by using the discounted cash flow 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 in other comprehensive income or loss.

(\*3) It was liquidated for the year ended December 31, 2023.

(\*4) As a result of discontinued operations, the difference between the carrying amount and the recoverable amount is recognized as an impairment loss.

(\*5) Financial assets at fair value through other comprehensive income held by KOWEPO Bylong Pty., Ltd., which is subsidiary of the Group.

(\*6) Financial assets at fair value through other comprehensive income held by KOWEPO Service Co., Ltd., which is subsidiary of the Group.

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
December 31, 2024 and 2023

9. Financial Assets at Fair Value through Other Comprehensive Income, Continued

(2) 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:

(i) For the year ended December 31, 2024

*In millions of Korean won*

		<u>Beginning</u>	<u>Valuation</u>	<u>Disposal</u>	<u>Ending</u>
Equity securities listed	₩	2,218,187	241,513	-	2,459,700
Equity securities unlisted (*1)		17,349	(1,427)	-	15,922
	₩	<u>2,235,536</u>	<u>240,086</u>	<u>-</u>	<u>2,475,622</u>

(\*1) It is going through work-out process for the year ended December 31, 2024, and the Group reclassified the shares to financial assets at fair value through other comprehensive income as the Group does not have significant influence over it until the process ends.

(ii) For the year ended December 31, 2023

*In millions of Korean won*

		<u>Beginning</u>	<u>Valuation</u>	<u>Disposal</u>	<u>Ending</u>
Equity securities listed	₩	2,265,200	(47,013)	-	2,218,187
Equity securities unlisted (*1)		18,118	(769)	-	17,349
	₩	<u>2,283,318</u>	<u>(47,782)</u>	<u>-</u>	<u>2,235,536</u>

(\*1) For the year ended December 31, 2023, the carrying amount of equity securities unlisted is recognized as loss on valuation due to the liquidation of KEPCO UHDE, and the accumulated other comprehensive income of ₩391,398 million related thereto was reclassified as retained earnings.

10. Financial Assets at Fair Value through Profit or Loss

(1) Financial assets at fair value through profit or loss as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

			<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
	<u>Ownership</u>		<u>Acquisition cost</u>	<u>Book value</u>
<b>Equity securities unlisted:</b>				
Nexpo Solar and others (*1)	20.00%	₩	7,412	7,412

(\*1) These are financial assets at fair value through profit or loss held by Haenaneum Energy Fund, which is subsidiary of the Group, and consist of Nexpo Solar and 58 others.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 10. Financial Assets at Fair Value through Profit or Loss, Continued

(2) Changes in financial assets at fair value through profit or loss for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

		<u>Beginning</u>	<u>Acquisition</u>	<u>Valuation</u>	<u>Ending</u>
Equity securities unlisted	₩	7,412	-	-	7,412

(ii) For the year ended December 31, 2023

*In millions of Korean won*

		<u>Beginning</u>	<u>Acquisition</u>	<u>Valuation</u>	<u>Ending</u>
Equity securities unlisted	₩	7,412	-	-	7,412

### 11. Derivatives

(1) Derivatives as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

		December 31, 2024		December 31, 2023	
		Current	Non-current	Current	Non-current
Derivative assets:					
Currency forward	₩	2,192	-	15	-
Currency swap		53,383	-	78,769	-
	₩	55,575	-	78,784	-
Derivative liabilities:					
Currency forward	₩	22	-	88	-
Currency swap		-	-	-	4,681
Other derivatives (*1)		-	3	-	-
	₩	22	3	88	4,681

(\*1) It is the fair value estimation of derivatives in accordance with the shareholder agreement of the joint venture, Wadi Noor Solar Power, as described in Note 16.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 11. Derivatives, Continued

(2) Currency swap contracts as of December 31, 2024 are as follows:

*In millions of Korean won, and thousands of USD*

Type	Counterparty	Period	Contract amounts		Contract interest rate		Contract exchange rate (in won)
			Pay (KRW)	Receive	Pay (%)	Receive (%)	
Cash flow hedge	Korea Development Bank	2022~2025	128,560	USD 100,000	3.370	4.125	1,285.60
	Woori Bank	2022~2025	128,560	USD 100,000	3.370	4.125	1,285.60
	KB Bank	2022~2025	128,560	USD 100,000	3.370	4.125	1,285.60

(3) Currency forward contracts as of December 31, 2024 are as follows:

*In millions of Korean won and thousands of USD*

Type	Counterparty	Contract Date	Maturity Date	Contract amounts		Contract exchange rate (in won)
				Receive (KRW)	Purchase (USD)	
Trading purpose	MUFG Bank	Nov. 29, 2024	Jan. 2, 2025	1,951	1,400	1,393.35
	MUFG Bank	Nov. 29, 2024	Jan. 3, 2025	3,622	2,600	1,393.15
	KB Bank	Dec. 2, 2024	Jan. 6, 2025	7,001	5,000	1,400.25
	NH Bank	Dec. 3, 2024	Jan. 6, 2025	7,010	5,000	1,401.90
	MUFG Bank	Dec. 3, 2024	Jan. 6, 2025	7,002	5,000	1,400.35
	JPMorgan					
	Chase Bank.	Dec. 18, 2024	Jan. 21, 2025	7,171	5,000	1,434.15
	MUFG Bank	Dec. 20, 2024	Jan. 24, 2025	7,244	5,000	1,448.75
	KB Bank	Dec. 20, 2024	Jan. 24, 2025	7,243	5,000	1,448.60
	MUFG Bank	Dec. 23, 2024	Jan. 27, 2025	7,239	5,000	1,447.80
	Mizuho Bank	Dec. 23, 2024	Jan. 27, 2025	7,239	5,000	1,447.80
	JPMorgan					
	Chase Bank	Dec. 24, 2024	Jan. 27, 2025	7,261	5,000	1,452.15
	NH Bank	Dec. 24, 2024	Jan. 27, 2025	7,261	5,000	1,452.20
	Woori Bank	Dec. 26, 2024	Jan. 31, 2025	7,309	5,000	1,461.70
	KEB Hana Bank	Dec. 26, 2024	Jan. 31, 2025	7,308	5,000	1,461.55
	NH Bank	Dec. 27, 2024	Jan. 31, 2025	6,881	4,670	1,473.35

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 11. Derivatives, Continued

(4) The gain (loss) on valuation and transaction of derivatives for each of the two years in the period ended December 31, 2024 is as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

Type		Valuation gain (loss) in profit or loss	Transaction gain (loss) in profit or loss	Other comprehensive income (before tax)
Currency forward	₩	2,170	5,185	-
Currency swap		54,180	(1,886)	6,797
Other derivatives		(3)	-	-
	₩	<u>56,347</u>	<u>3,299</u>	<u>6,797</u>

(ii) For the year ended December 31, 2023

*In millions of Korean won*

Type		Valuation gain (loss) in profit or loss	Transaction gain in profit or loss	Other comprehensive loss (before tax)
Currency forward	₩	(73)	2,533	-
Currency swap		37,420	15,668	(1,367)
	₩	<u>37,347</u>	<u>18,201</u>	<u>(1,367)</u>

The loss on valuation of derivative instruments using cash flow hedge accounting is recognized as accumulated other comprehensive income amounting to ₩1,489 million, net of tax, as of December 31, 2024.

### 12. Other Financial Assets

(1) Other financial assets as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

		December 31, 2024		December 31, 2023	
		Current	Non-current	Current	Non-current
Loans	₩	3,175	33,136	8,560	31,738
Long-term and short-term financial instruments		37,121	480	34,513	-
Derivative assets		55,576	-	78,784	-
Non-current financial assets at fair value through other comprehensive income		-	2,475,622	-	2,235,536
Non-current financial assets at fair value through profit or loss		-	7,412	-	7,412
	₩	<u>95,872</u>	<u>2,516,650</u>	<u>121,857</u>	<u>2,274,686</u>

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
December 31, 2024 and 2023

12. Other Financial Assets, Continued

(2) Details of loans as of December 31, 2024 and 2023 are as follows:

(i) As of December 31, 2024

*In millions of Korean won*

	Face value	Allowance for doubtful accounts	Present value discount	Foreign exchange adjustment	Book value
<b>Short-term loans</b>					
Loans for tuition	₩ 8,440	(5,156)	(109)	-	3,175
	8,440	(5,156)	(109)	-	3,175
<b>Long-term loans</b>					
Loans for tuition	9,102	-	(2,791)	-	6,311
Others	56,929	(35,210)	-	5,107	26,826
	66,031	(35,210)	(2,791)	5,107	33,137
₩	74,471	(40,366)	(2,900)	5,107	36,312

(ii) As of December 31, 2023

*In millions of Korean won*

	Face value	Allowance for doubtful accounts	Present value discount	Foreign exchange adjustment	Book value
<b>Short-term loans</b>					
Loans for tuition	₩ 8,667	-	(107)	-	8,560
	8,667	-	(107)	-	8,560
<b>Long-term loans</b>					
Loans for tuition	10,836	-	(2,576)	-	8,260
Others	56,880	(35,210)	-	1,808	23,478
	67,716	(35,210)	(2,576)	1,808	31,738
₩	76,383	(35,210)	(2,683)	1,808	40,298

13. Inventories

Inventories as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	December 31, 2024	December 31, 2023
Raw materials	₩ 171,198	206,235
Supplies	39,382	60,123
Inventories in transit	194,680	120,727
Others	1,521	732
₩	406,781	387,817

Losses on valuation of inventories as of December 31, 2024 are ₩2,577 million.

**KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES**  
**Notes to the consolidated financial statements**  
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**14. Non-financial assets**

Non-financial assets as of December 31, 2024 and 2023 are as follows:

<i>In millions of Korean won</i>	<b>December 31, 2024</b>		<b>December 31, 2023</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Advance payments	₩ 1,037	-	995	-
Prepaid expenses	18,960	3,137	21,222	3,034
Others	69,283	11,818	54,881	27,601
	<b>₩ 89,280</b>	<b>14,955</b>	<b>77,098</b>	<b>30,635</b>

**15. Subsidiaries**

(1) The information related to the consolidated subsidiaries as of December 31, 2024 and 2023 is as follows:

<b>Company</b>	<b>Key operating activities</b>	<b>Location</b>	<b>Percentage of ownership or voting right</b>	
			<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
KOWEPO Australia Pty., Ltd.	Overseas resources development	Australia	100.00%	100.00%
KOWEPO International Corporation	Managing power plant	Philippines	99.99%	99.99%
PT KOWEPO Sumsel Operation and Maintenance Services (*1)	Managing power plant	Indonesia	-	95.00%
KOWEPO Bylong Pty., Ltd. (*2)	Overseas resources development	Australia	100.00%	100.00%
KOWEPO Lao International	Managing power plant	Laos	100.00%	100.00%
KOWEPO Service Co., Ltd.	Managing facility	Republic of Korea	100.00%	100.00%
Haenaneum Energy Fund	Sunlight generation, ESS	Republic of Korea	99.64%	99.64%
KOWEPO Europe B.V.	Onshore wind power generation	Netherlands	100.00%	100.00%
KOWEPO Changgi Solar Power Plant Co., Ltd.	Energy supply	Republic of Korea	100.00%	100.00%
KOWEPO Holding Limited	Solar power	United Arab Emirates	100.00%	100.00%

(\*1) It was liquidated for the year ended December 31, 2024.

(\*2) The ownership interest in KOWEPO Bylong Pty., Ltd. is the percentage of common share capital excluding preferred share capital which has no voting rights.

(2) KOWEPO Holding Limited was newly established for the year ended December 31, 2023.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 15. Subsidiaries, Continued

(3) The summarized financial information of the consolidated subsidiaries as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 is as follows:

(i) As of and for the year ended December 31, 2024

*In millions of Korean won*

Company		Assets	Liabilities	Sales	Net profit or loss
KOWEPO Australia Pty., Ltd.	₩	93,353	2,736	31,935	4,978
KOWEPO International Corporation		-	11	-	-
KOWEPO Bylong Pty., Ltd.		15	168	-	(17)
KOWEPO Lao International		17,335	2,247	11,891	4,823
KOWEPO Service Co., Ltd.		8,422	6,678	40,875	314
Haenaneum Energy Fund		7,415	3	493	445
KOWEPO Europe B.V.		35	3,511	-	(181)
KOWEPO Changgi Solar Power Plant Co., Ltd.		43,393	36,938	6,461	321
KOWEPO Holding Limited		9,108	888	-	7,679

(ii) As of and for the year ended December 31, 2023

*In millions of Korean won*

Company		Assets	Liabilities	Sales	Net profit or loss
KOWEPO Australia Pty., Ltd.	₩	86,074	3,571	29,675	9,001
KOWEPO International Corporation		-	10	-	-
PT KOWEPO Sumsel Operation and Maintenance Services		26	260	-	-
KOWEPO Bylong Pty., Ltd.		12	142	-	(43)
KOWEPO Lao International		13,038	223	10,270	6,268
KOWEPO Service Co., Ltd.		10,300	6,584	36,421	264
Haenaneum Energy Fund		7,415	3	47	(1)
KOWEPO Europe B.V.		107	3,177	-	(44,685)
KOWEPO Changgi Solar Power Plant Co., Ltd.		46,950	40,815	7,036	2,011
KOWEPO Holding Limited		1,323	1,371	-	(49)

(4) Significant restrictions on the Group's power over its subsidiaries as of December 31, 2024 are as follows:

Company	Nature and extent of the significant restrictions
KOWEPO Changgi Solar Power Plant Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.



**KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES**  
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**16. Investments in Associates and Joint Ventures**

(1) Investments in associates and joint ventures as of December 31, 2024 and 2023 are as follows:

(i) As of December 31, 2024

*In millions of Korean won*

Company	Major operation	Location	Percentage of ownership	Acquisition cost	Book value
<b>Associates</b>					
Pioneer Gas Power Limited (*3)	Energy supply	India	-	₩ -	-
Xe-Pian Xe-Namnoy Power Co., Ltd.	Energy supply	Laos	25.00%	87,426	73,064
PT. Mutiara Jawa	Energy supply	Indonesia	29.00%	2,978	5,735
Korea Offshore Wind Power Co., Ltd. (*1)	Energy supply	Republic of Korea	12.50%	26,600	24,872
Daegu Solar Power Plant Co., Ltd.	Energy supply	Republic of Korea	29.00%	1,230	2,535
Dongducheon Dream Power Co., Ltd.	Energy supply	Republic of Korea	34.01%	148,105	91,351
Solar Power Plants Happy City Co., Ltd.	Energy supply	Republic of Korea	28.00%	194	361
Shin Pyeongtaek Power Co., Ltd.	Energy supply	Republic of Korea	40.00%	72,000	139,059
KEPCO Solar Co., Ltd. (*1)	Energy supply	Republic of Korea	8.33%	16,650	17,592
KEPCO ES Co.,Ltd. (*1)	Energy supply	Republic of Korea	8.33%	25,000	26,059
Seoroseoro Sunny Power Plant Co., Ltd.	Energy supply	Republic of Korea	42.58%	706	1,030
Anjwa Smart Farm & Solar City Co., Ltd.	Energy supply	Republic of Korea	20.00%	5,651	8,297
Muan Solar Park Co., Ltd.	Energy supply	Republic of Korea	20.00%	4,400	6,266
Yudang Solar Co., Ltd.	Energy supply	Republic of Korea	20.00%	360	617
				<u>391,300</u>	<u>396,838</u>
<b>Joint ventures</b>					
Rabigh Operation & Maintenance Company Limited (*2)	O&M	Saudi Arabia	40.00%	70	8,311
KIAMCO KOWEPO Bannerton Hold Co Pty., Ltd. (*2)	Energy supply	Australia	12.37%	4,095	1,149
Haemodum Solar Energy Co.,Ltd. (*2)	Energy supply	Republic of Korea	49.00%	2,940	3,230
NH-Amundi Global Infra Private Fund No. 21 (*2)	Energy supply	Republic of Korea	29.53%	20,857	15,433
Cheongna Energy Co.,Ltd. (*2)	Energy supply	Republic of Korea	50.10%	49,344	46,158
Hapcheon Floating Photovoltaic Plant Inc. (*2)	Energy supply	Republic of Korea	49.00%	7,512	11,334
Yeongwol Eco Wind Co., Ltd. (*2)	Energy supply	Republic of Korea	29.00%	3,089	890
Gurae Jumin Wind Power Co., Ltd. (*2)	Energy supply	Republic of Korea	29.00%	386	334
Gunsan Land Solar Co., Ltd. (*2)(*4)	Energy supply	Republic of Korea	75.29%	19,091	23,163
Capman Lynx SCA, SICAR (*2)	Collective investment	Luxembourg	50.00%	9,601	-
Eumseong Eco Park Co., Ltd. (*2)	Energy supply	Republic of Korea	29.00%	5,741	11,613
Pungbaek Wind Power Co., Ltd. (*2)	Energy supply	Republic of Korea	37.00%	7,885	7,760
Seobusambo highway photovoltaics Co., Ltd. (*2)	Energy supply	Republic of Korea	80.00%	3,020	3,310
Namyangju Combined Heat And Power Co.,Ltd. (*2)(*5)(*6)	Energy supply	Republic of Korea	70.10%	53,977	51,768
Wadi Noor Solar Power (*2)(*5)	Energy supply	Oman	50.00%	847	1,392
EDFR KOWEPO AJBAN PV HOLDING LIMITED (*2)(*7)	Solar power	United Arab Emirates	50.00%	1	85
				<u>188,455</u>	<u>185,930</u>
				<u>₩ 579,756</u>	<u>582,768</u>

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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**16. Investments in Associates and Joint Ventures, Continued**

(1) Investments in associates and joint ventures as of December 31, 2024 and 2023 are as follows, Continued:

(i) As of December 31, 2024, Continued

- (\*1) It is accounted for as an associate as the Group can exercise significant influence according to the shareholders' agreement even though the Group's ownership interest is less than 20%.
- (\*2) The Group accounts for its investments as investments in joint ventures since the strategic financial and operating policy decisions relating to the activities of the joint ventures require unanimous consent of the investors.
- (\*3) It is going through work-out process for the year ended December 31, 2024, and the Group reclassified the shares to financial assets at fair value through other comprehensive income as the Group does not have significant influence over it until the process ends.
- (\*4) The Group's nominal percentage of ownership over Gunsan Terrestrial Solar Power Co., Ltd. is 75.29%. As the Group is obliged to provide its dividend income to Gunsan City to the extent the dividend income exceeds the certain level of return on investment prescribed in the shareholders' agreement, the effective percentage of ownership of the Group considering the excessive dividend income for the year ended December, 31, 2024 is 51.94%.
- (\*5) It was newly established for the year ended December 31, 2023.
- (\*6) The percentage of ownership increased due to the capital reduction with consideration incurring for the year ended December 31, 2024.
- (\*7) It was newly established for the year ended December 31, 2024.

**KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES**  
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**16. Investments in Associates and Joint Ventures, Continued**

(1) Investments in associates and joint ventures as of December 31, 2024 and 2023 are as follows, Continued:

(ii) As of December 31, 2023

*In millions of Korean won*

Company	Major operation	Location	Percentage of ownership	Acquisition cost	Book value
<b>Associates</b>					
Pioneer Gas Power Limited	Energy supply	India	38.50%	₩ 49,831	-
Eurasia Energy Holdings (*4)	Energy supply	Russia	-	-	-
Xe-Pian Xe-Namnoy Power Co., Ltd.	Energy supply	Laos	25.00%	87,426	116,378
PT. Mutiara Jawa	Energy supply	Indonesia	29.00%	2,978	5,169
Korea Offshore Wind Power Co., Ltd. (*1)	Energy supply	Republic of Korea	12.50%	26,600	23,835
Daegu Solar Power Plant Co., Ltd.	Energy supply	Republic of Korea	29.00%	1,230	2,805
Dongducheon Dream Power Co., Ltd.	Energy supply	Republic of Korea	34.01%	148,105	87,203
Solar Power Plants Happy City Co., Ltd.	Energy supply	Republic of Korea	28.00%	194	295
Shin Pyeongtaek Power Co., Ltd.	Energy supply	Republic of Korea	40.00%	72,000	145,025
KEPCO Solar Co., Ltd. (*1)	Energy supply	Republic of Korea	8.33%	16,650	17,495
KEPCO ES Co.,Ltd. (*1)	Energy supply	Republic of Korea	8.33%	25,000	25,561
Seoroseoro Sunny Power Plant Co., Ltd.	Energy supply	Republic of Korea	42.58%	706	941
Anjwa Smart Farm & Solar City Co., Ltd.	Energy supply	Republic of Korea	20.00%	5,651	7,665
Muan Solar Park Co., Ltd.	Energy supply	Republic of Korea	20.00%	4,400	6,830
Yudang Solar Co., Ltd.	Energy supply	Republic of Korea	20.00%	360	570
				441,131	439,772
<b>Joint ventures</b>					
Rabigh Operation & Maintenance Company Limited (*2)	O&M	Saudi Arabia	40.00%	70	4,964
KIAMCO KOWEPO Bannerton Hold Co Pty., Ltd. (*2)	Energy supply	Australia	12.37%	4,095	3,720
Haemodum Solar Energy Co.,Ltd. (*2)	Energy supply	Republic of Korea	49.00%	2,940	3,122
NH-Amundi Global Infra Private Fund No. 21 (*2)	Energy supply	Republic of Korea	29.53%	19,897	21,898
Cheongna Energy Co.,Ltd. (*2)	Energy supply	Republic of Korea	50.10%	49,344	25,549
Hapcheon Floating Photovoltaic Plant Inc. (*2)	Energy supply	Republic of Korea	49.00%	7,512	10,348
Yeongwol Eco Wind Co., Ltd. (*2)	Energy supply	Republic of Korea	29.00%	3,089	4,024
Gurae Jumin Wind Power Co., Ltd. (*2)	Energy supply	Republic of Korea	29.00%	386	569
Gunsan Land Solar Co., Ltd. (*2)(*3)	Energy supply	Republic of Korea	75.29%	19,091	22,429
Capman Lynx SCA, SICAR (*2)	Collective investment	Luxembourg	50.00%	9,601	-
Eumseong Eco Park Co., Ltd. (*2)	Energy supply	Republic of Korea	29.00%	5,741	8,386
Pungbaek Wind Power Co., Ltd. (*2)	Energy supply	Republic of Korea	37.00%	7,886	7,940
Hasami Co., Ltd. (*5)	Energy supply	Republic of Korea	-	-	-
Seobusambo highway photovoltaics Co., Ltd. (*2)	Energy supply	Republic of Korea	80.00%	3,020	3,580
Namyangju Combined Heat And Power Co.,Ltd. (*2)(*6)	Energy supply	Republic of Korea	55.00%	3,850	3,850
Wadi Noor Solar Power (*2)(*6)	Energy supply	Oman	50.00%	847	846
				137,369	121,225
				₩ 578,501	560,997

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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**16. Investments in Associates and Joint Ventures, Continued**

(1) Investments in associates and joint ventures as of December 31, 2024 and 2023 are as follows, Continued:

(ii) As of December 31, 2023, Continued

- (\*1) It is accounted for as an associate as the Group can exercise significant influence according to the shareholders' agreement even though the Group's ownership interest is less than 20%.
- (\*2) The Group accounts for its investments as investments in joint ventures since the strategic financial and operating policy decisions relating to the activities of the joint ventures require unanimous consent of the investors.
- (\*3) The Group's nominal percentage of ownership over Gunsan Terrestrial Solar Power Co., Ltd. is 75.29%. As the Group is obliged to provide its dividend income to Gunsan City to the extent the dividend income exceeds the certain level of return on investment prescribed in the shareholders' agreement, the effective percentage of ownership of the Group excluding excess dividend income for the year ended December, 31, 2023 is 56.91%.
- (\*4) It was liquidated for the year ended December 31, 2023.
- (\*5) The total amount of shares decreased due to the capital reduction with consideration incurring for the year ended December 31, 2023.
- (\*6) It was newly established for the year ended December 31, 2023.

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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16. Investments in Associates and Joint Ventures, Continued

(2) Changes in investments in associates and joint ventures for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

Company	Beginning	Acquisi- tions	Disposal	Dividends received	Share of Income (loss)	Other comprehe- nsive Income (loss)	Retained earnings	Impair- ment	Ending
<b>Associates</b>									
Pioneer Gas Power., Ltd. (*1) ₩	-	-	-	-	-	-	-	-	-
Xe-Pian Xe-Namnoy Power Co., Ltd	116,378	-	-	-	(20,217)	11,861	-	(34,958)	73,064
PT. Mutiara Jawa	5,169	-	-	-	103	463	-	-	5,735
Korea Offshore Wind Power Co., Ltd.	23,835	-	-	-	1,036	-	-	-	24,871
Daegu Solar Power Plant Co., Ltd.	2,805	-	-	(344)	74	-	-	-	2,535
Dongducheon Dream Power Co., Ltd.	87,203	-	-	-	4,141	-	7	-	91,351
Solar Power Plants Happy City Co., Ltd.	295	-	-	-	66	-	-	-	361
Shin Pyeongtaek Power Co., Ltd.	145,025	-	-	(30,080)	24,146	-	(32)	-	139,059
KEPCO Solar Co., Ltd.	17,495	-	-	(418)	517	-	(2)	-	17,592
KEPCO ES Co., Ltd.	25,561	-	-	(265)	766	-	(3)	-	26,059
Seoroseoro Sunny Power Plant Co., Ltd.	941	-	-	-	89	-	-	-	1,030
Anjwa Smart Farm & Solar City Co., Ltd.	7,665	-	-	-	632	-	-	-	8,297
Muan Solar Park Co., Ltd	6,830	-	-	(1,400)	836	-	-	-	6,266
Yudang Solar Co., Ltd.	570	-	-	(60)	110	-	(3)	-	617
	<u>439,772</u>	<u>-</u>	<u>-</u>	<u>(32,567)</u>	<u>12,300</u>	<u>12,324</u>	<u>(33)</u>	<u>(34,958)</u>	<u>396,838</u>

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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16. Investments in Associates and Joint Ventures, Continued

(2) Changes in investments in associates and joint ventures for each of the two years in the period ended December 31, 2024 are as follows, Continued:

(i) For the year ended December 31, 2024, Continued

In millions of Korean won

Company	Beginning	Acquisitions	Disposal	Dividends received	Share of Income (loss)	Other comprehensive income (loss)	Retained earnings	Impairment	Ending
<b>Joint ventures</b>									
Rabigh Operation & Maintenance Company Limited.	4,964	-	-	-	2,461	886	-	-	8,311
KIAMCO KOWEPO Bannerton Hold Co Pty Ltd.	3,720	-	-	-	9	435	-	(3,015)	1,149
Haemodum Solar Energy Co., Ltd	3,122	-	-	-	108	-	-	-	3,230
NH-Amundi Global Infra Private Fund No. 21	21,898	959	-	-	(6,896)	-	-	(528)	15,433
Cheongna Energy Co.,Ltd.	25,549	-	-	-	20,609	-	-	-	46,158
Hapcheon Floating Photovoltaic Plant INC.	10,348	-	-	(661)	1,647	-	-	-	11,334
Yeongwol Eco Wind Co., Ltd.	4,024	-	-	-	(3,134)	-	-	-	890
Gurae Jumin Wind Power Co., Ltd.	569	-	-	-	(235)	-	-	-	334
Gunsan Land Solar Co., Ltd.	22,429	-	-	-	734	-	-	-	23,163
Capman Lynx SCA, SICAR.	-	-	-	-	-	-	-	-	-
Eumseong Eco Park Co.,Ltd.	8,386	-	-	-	3,227	-	-	-	11,613
Pungbaek Wind Power Co.,Ltd.	7,940	-	-	-	(180)	-	-	-	7,760
Seobusambo highway photovoltaics Co., Ltd.	3,580	-	-	-	(270)	-	-	-	3,310
Namyangju Combined Heat And Power Co.,Ltd. (*4)	3,850	50,127	-	-	(1,519)	(690)	-	-	51,768
Wadi Noor Solar Power (*4)	846	-	-	-	(5,171)	5,717	-	-	1,392
EDFR KOWEPO AJBAN PV HOLDING LIMITED(*2)	-	1	-	-	(72)	156	-	-	85
	121,225	51,087	-	(661)	11,318	6,504	-	(3,543)	185,930
₩	560,997	51,087	-	(33,228)	23,618	18,828	(33)	(38,501)	582,768

(\*1) It is going through work-out process for the year ended December 31, 2024, and the Group reclassified the shares to financial assets at fair value through other comprehensive income as the Group does not have significant influence over it until the process ends.

(\*2) It was newly established for the year ended December 31, 2024.

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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16. Investments in Associates and Joint Ventures, Continued

(2) Changes in investments in associates and joint ventures for each of the two years in the period ended December 31, 2024 are as follows, Continued:

(ii) For the year ended December 31, 2023

*In millions of Korean won*

Company	Beginning	Acquisitions	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss)	Retained earnings	Ending
<b>Associates</b>								
Pioneer Gas Power., Ltd.(*1)	₩ -	-	-	-	-	-	-	-
Eurasia Energy Holdings(*2)	-	-	-	-	-	-	-	-
Xe-Pian Xe-Namnoy Power Co., Ltd	115,584	-	-	-	(848)	1,642	-	116,378
PT. Mutiara Jawa	3,597	-	-	(459)	1,935	96	-	5,169
Korea Offshore Wind Power Co., Ltd.	23,115	-	-	-	720	-	-	23,835
Daegu Solar Power Plant Co., Ltd.	2,849	-	-	(408)	364	-	-	2,805
Dongducheon Dream Power Co., Ltd.	89,300	-	-	-	(2,568)	-	471	87,203
Solar Power Plants Happy City Co., Ltd.	278	-	-	-	17	-	-	295
Shin Pyeongtaek Power Co., Ltd.	133,822	-	-	(70,040)	81,258	-	(15)	145,025
KEPCO Solar Co., Ltd.	18,133	-	-	(1,334)	697	-	(1)	17,495
KEPCO ES Co., Ltd.	26,071	-	-	(790)	279	-	1	25,561
Seoroseoro Sunny Power Plant Co., Ltd.	859	-	-	-	82	-	-	941
Anjwa Smart Farm & Solar City Co., Ltd.	8,661	-	-	(1,400)	404	-	-	7,665
Muan Solar Park Co., Ltd	7,838	-	-	(2,680)	1,672	-	-	6,830
Yudang Solar Co., Ltd.	586	-	-	(100)	84	-	-	570
	430,693	-	-	(77,211)	84,096	1,738	456	439,772

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
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16. Investments in Associates and Joint Ventures, Continued

(2) Changes in investments in associates and joint ventures for each of the two years in the period ended December 31, 2024 are as follows, Continued:

(ii) For the year ended December 31, 2023, Continued

In millions of Korean won

Company	Beginning	Acquisitions	Disposal	Dividends received	Share of Income (loss)	Other comprehensive income (loss)	Retained earnings	Ending
<b>Joint ventures</b>								
Rabigh Operation & Maintenance Company Limited.	5,113	-	-	(2,995)	2,760	86	-	4,964
KIAMCO KOWEPO Bannerton Hold Co Pty Ltd.	3,651	-	-	-	(23)	92	-	3,720
Haemodum Solar Energy Co., Ltd	3,367	-	-	(392)	147	-	-	3,122
NH-Amundi Global Infra Private Fund No. 21	21,723	928	(1,092)	(1,568)	1,907	-	-	21,898
Cheongna Energy Co.,Ltd.	10,758	-	-	-	14,791	-	-	25,549
Hapcheon Floating Photovoltaic Plant INC.	8,471	-	-	-	1,877	-	-	10,348
Yeongwol Eco Wind Co., Ltd.	3,155	-	-	-	869	-	-	4,024
Gurae Jumin Wind Power Co., Ltd.	390	-	-	-	179	-	-	569
Gunsan Land Solar Co., Ltd.	27,544	-	-	-	(5,115)	-	-	22,429
Capman Lynx SCA, SICAR.	-	-	-	-	-	-	-	-
Eumseong Eco Park Co.,Ltd.	5,557	-	-	-	2,829	-	-	8,386
Pungbaek Wind Power Co.,Ltd.	6,743	-	-	-	1,197	-	-	7,940
Hasami Co.,Ltd. (*3)	1,589	-	(1,586)	-	(3)	-	-	-
Seobusambo highway photovoltaics Co., Ltd.	3,067	-	-	-	513	-	-	3,580
Namyangju Combined Heat And Power Co.,Ltd. (*4)	-	3,850	-	-	-	-	-	3,850
Wadi Noor Solar Power (*4)	-	847	-	-	-	(1)	-	846
	101,128	5,625	(2,678)	(4,955)	21,928	177	-	121,225
₩	531,821	5,625	(2,678)	(82,166)	106,024	1,915	456	560,997

(\*1) The investment has been reduced to zero, which resulted in discontinuation of the equity method. The accumulated unrecognized loss is ₩76,712 million as of December 31, 2023.

(\*2) It was liquidated for the year ended December 31, 2023.

(\*3) The total value of shares decreased due to the capital reduction with consideration incurring for the year ended December 31, 2023.

(\*4) It was newly established for the year ended December 31, 2023.



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16. Investments in Associates and Joint Ventures, Continued

(3) The tables below provide a reconciliation of the summarized financial information presented to the carrying amount of its interest in the associates and joint ventures

(i) As of December 31, 2024

*In millions of korean won*

		Net assets at the end of the period	Group's effective share in %	Group's share in KRW	Differences in Invest- ments	Intergroup transac- tions	Unreal- ized losses	Others	Book amount
<b>Associates</b>									
Xe-Pian Xe-Namnoy Power Co., Ltd	₩	435,809	25.00%	108,952	305	(946)	-	(35,247)	73,064
PT. Mutiara Jawa		19,777	29.00%	5,736	-	-	-	-	5,736
Korea Offshore Wind Power Co., Ltd.		198,903	12.50%	24,862	9	-	-	-	24,871
Daegu Solar Power Plant Co., Ltd.		8,742	29.00%	2,536	-	-	-	-	2,536
Dongducheon Dream Power Co., Ltd.		305,984	34.01%	104,065	1,757	(1,889)	-	(12,582)	91,351
Solar Power Plants Happy City Co., Ltd.		1,281	28.00%	359	-	-	-	2	361
Shin Pyeongtaek Power Co., Ltd.		373,908	40.00%	149,563	3,559	(14,064)	-	-	139,058
KEPCO Solar Co., Ltd.		211,315	8.33%	17,592	-	-	-	-	17,592
KEPCO ES Co., Ltd.		312,704	8.33%	26,058	-	-	-	-	26,058
Seoroseoro Sunny Power Plant Co., Ltd.		2,371	42.58%	1,010	20	-	-	-	1,030
Anjwa Smart Farm & Solar City Co., Ltd.		37,405	20.00%	7,481	816	-	-	-	8,297
Muan Solar Park Co., Ltd		29,708	20.00%	5,941	325	-	-	-	6,266
Yudang Solar Co., Ltd		3,083	20.00%	617	-	-	-	-	617
<b>Joint ventures</b>									
Rabigh Operation & Maintenance Company Limited		20,778	40.00%	8,311	-	-	-	-	8,311
KIAMCO KOWEPO Bannerton Hold Co Pty Ltd.		33,586	12.37%	4,155	9	-	-	(3,015)	1,149
Haemodum Solar Energy Co., Ltd		6,592	49.00%	3,230	-	-	-	-	3,230
NH-Amundi Global Infra Private Fund No. 21		52,262	29.53%	15,434	527	-	-	(527)	15,434
Cheongna Energy Co., Ltd.		88,231	50.10%	44,204	3,137	(1,183)	-	-	46,158
Hapcheon Floating Photovoltaic Plant Inc.		23,050	49.00%	11,295	39	-	-	-	11,334
Yeongwol Eco Wind Co., Ltd.		(3,234)	29.00%	(938)	1,828	-	-	-	890
Gurae Jumin Wind Power Co., Ltd.		984	29.00%	285	48	-	-	-	333
Gunsan Land Solar Co., Ltd.		40,603	51.94%	21,090	-	-	-	2,073	23,163
Capman Lynx SCA, SICAR		(131,471)	50.00%	(65,736)	-	-	31,090	34,646	-
Eumseong Eco Park Co., Ltd.		38,058	29.00%	11,037	576	-	-	-	11,613
Pungbaek Wind Power Co., Ltd.		18,041	37.00%	6,675	1,085	-	-	-	7,760
Seobusambo highway photovoltaics Co., Ltd.		4,137	80.00%	3,310	-	-	-	-	3,310
Namyangju Combined Heat And Power Co.,Ltd.		73,575	70.10%	51,575	193	-	-	-	51,768
Wadi Noor Solar Power		11,268	50.00%	5,634	9	(4,251)	-	-	1,392
EDFR KOWEPO AJBAN PV HOLDING LIMITED		170	50.00%	85	-	-	-	-	85

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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16. Investments in Associates and Joint Ventures, Continued

(3) The tables below provide a reconciliation of the summarized financial information presented to the carrying amount of its interest in the associates and joint ventures, Continued

(ii) As of and for year ended December 31, 2023

*In millions of korean won*

	Net assets at the end of the period	Group's effective share in %	Group's share in KRW	Differences in Invest- ments	Intergroup transac- tions	Unreal- ized losses	Others	Book amount
<b>Associates</b>								
Pioneer Gas Power., Ltd.	₩ (257,311)	38.50%	(99,058)	22,278	-	76,712	68	-
Xe-Pian Xe-Namnoy Power Co., Ltd	469,397	25.00%	117,349	305	(987)	-	(289)	116,378
PT. Mutiara Jawa	17,822	29.00%	5,169	-	-	-	-	5,169
Korea Offshore Wind Power Co., Ltd.	190,614	12.50%	23,826	9	-	-	-	23,835
Daegu Solar Power Plant Co., Ltd.	9,669	29.00%	2,805	-	-	-	-	2,805
Dongducheon Dream Power Co., Ltd.	294,848	34.01%	100,277	1,757	(2,249)	-	(12,582)	87,203
Solar Power Plants Happy City Co., Ltd.	1,045	28.00%	293	-	-	-	2	295
Shin Pyeongtaek Power Co., Ltd.	390,335	40.00%	156,134	3,559	(14,668)	-	-	145,025
KEPCO Solar Co., Ltd.	210,146	8.33%	17,495	-	-	-	-	17,495
KEPCO ES Co., Ltd.	306,735	8.33%	25,561	-	-	-	-	25,561
Seoroseoro Sunny Power Plant Co., Ltd.	2,163	42.58%	921	20	-	-	-	941
Anjwa Smart Farm & Solar City Co., Ltd.	34,245	20.00%	6,849	816	-	-	-	7,665
Muan Solar Park Co., Ltd	32,526	20.00%	6,505	325	-	-	-	6,830
Yudang Solar Co., Ltd	2,849	20.00%	570	-	-	-	-	570
<b>Joint ventures</b>								
Rabigh Operation & Maintenance Company Limited	12,411	40.00%	4,964	-	-	-	-	4,964
KIAMCO KOWEPO Bannerton Hold Co Pty Ltd.	29,997	12.37%	3,711	9	-	-	-	3,720
Haemodum Solar Energy Co., Ltd	6,371	49.00%	3,122	-	-	-	-	3,122
NH-Amundi Global Infra Private Fund No. 21	72,368	29.53%	21,371	527	-	-	-	21,898
Cheongna Energy Co., Ltd.	47,107	50.10%	23,600	3,137	(1,188)	-	-	25,549
Hapcheon Floating Photovoltaic Plant Inc.	21,037	49.00%	10,309	39	-	-	-	10,348
Yeongwol Eco Wind Co., Ltd.	7,573	29.00%	2,196	1,828	-	-	-	4,024
Gurae Jumin Wind Power Co., Ltd.	1,797	29.00%	521	48	-	-	-	569
Gunsan Land Solar Co., Ltd.	35,587	56.91%	20,251	-	-	-	2,178	22,429
Capman Lynx SCA, SICAR	6,832	50.00%	3,416	-	-	-	(3,416)	-
Eumseong Eco Park Co., Ltd.	26,929	29.00%	7,809	577	-	-	-	8,386
Pungbaek Wind Power Co., Ltd.	18,526	37.00%	6,855	1,085	-	-	-	7,940
Seobusambo highway photovoltaics Co., Ltd.	4,476	80.00%	3,580	-	-	-	-	3,580
Namyangju Combined Heat And Power Co.,Ltd.	7,000	55.00%	3,850	-	-	-	-	3,850
Wadi Noor Solar Power	1,675	50.00%	837	9	-	-	-	846

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

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### 16. Investments in Associates and Joint Ventures, Continued

(4) The summarized financial information of investments in associates and joint venture as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 is as follows:

(i) As of and for year ended December 31, 2024

*In millions of Korean won*

Company		Assets	Liabilities	Sales	Net profit or loss
<b>Associates</b>					
Xe-Pian Xe-Namnoy Power Co., Ltd.	₩	1,414,921	979,112	182,433	(81,032)
PT. Mutiara Jawa		28,266	8,489	13,455	4,094
Korea Offshore Wind Power Co., Ltd.		330,373	131,470	41,489	8,286
Daegu Solar Power Plant Co., Ltd.		11,767	3,025	3,805	908
Dongducheon Dream Power Co., Ltd.		1,350,005	1,044,020	1,360,809	10,453
Solar Power Plants Happy City Co., Ltd.		1,666	385	476	135
Shin Pyeongtaek Power Co., Ltd.		1,052,048	678,140	841,818	58,855
KEPCO Solar Co., Ltd.		240,555	29,240	20,788	6,210
KEPCO ES Co., Ltd.		318,640	5,936	6,384	8,758
Seoroseoro Sunny Power Plant Co., Ltd.		6,680	4,309	1,035	208
Anjwa Smart Farm & Solar City Co., Ltd.		237,359	199,954	36,948	3,530
Muan Solar Park Co., Ltd.		188,303	158,595	27,641	5,152
Yudang Solar Co., Ltd.		18,321	15,238	3,506	589
<b>Joint ventures</b>					
Rabigh Operation & Maintenance Company Limited		40,983	20,205	30,841	5,840
KIAMCO KOWEPO Bannerton Hold Co Pty., Ltd.		33,736	150	-	70
Haemodum Solar Energy Co., Ltd.		21,036	14,444	2,060	232
NH-Amundi Global Infra Private Fund No. 21		52,533	271	3,054	(23,354)
Cheongna Energy Co., Ltd.		463,574	375,343	142,400	41,124
Hapcheon Floating Photovoltaic Plant Inc.		76,904	53,853	12,361	3,992
Yeongwol Eco Wind Co., Ltd.		99,288	102,522	7,118	(5,518)
Gurae Jumin Wind Power Co., Ltd.		12,845	11,861	1,490	(101)
Gunsan Land Solar Co., Ltd.		144,886	104,284	22,154	4,939
Capman Lynx SCA, SICAR		3,319	134,790	-	-4,808
Eumseong Eco Park Co., Ltd.		149,903	111,846	45,239	9,512
Pungbaek Wind Power Co., Ltd.		148,157	130,116	-	(536)
Seobusambo highway photovoltaics Co., Ltd.		10,246	6,108	1,214	26
Namyangju Combined Heat And Power Co., Ltd.		75,473	1,899	-	(2,410)
Wadi Noor Solar Power		492,407	481,139	-	(1,477)
EDFR KOWEPO AJBAN PV HOLDING LIMITED		37,776	37,606	-	(143)

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 16. Investments in Associates and Joint Ventures, Continued

(4) The summarized financial information of investments in associates and joint venture as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 is as follows, Continued:

(ii) As of and for the year ended December 31, 2023

*In millions of Korean won*

Company	Assets	Liabilities	Sales	Net profit or loss
<b>Associates</b>				
Pioneer Gas Power., Ltd.	₩ 274,694	532,005	551	(49,745)
Xe-Pian Xe-Namnoy Power Co., Ltd.	1,370,110	900,713	171,978	(5,674)
PT. Mutiara Jawa	27,296	9,474	16,160	7,999
Korea Offshore Wind Power Co., Ltd.	334,441	143,827	40,313	6,494
Daegu Solar Power Plant Co., Ltd.	14,140	4,471	4,225	1,772
Dongducheon Dream Power Co., Ltd.	1,337,529	1,042,681	1,744,247	(8,608)
Solar Power Plants Happy City Co., Ltd.	1,618	573	575	82
Shin Pyeongtaek Power Co., Ltd.	1,222,968	832,633	1,040,219	201,635
KEPCO Solar co., Ltd.	246,273	36,127	23,234	8,367
KEPCO ES Co.,Ltd.	322,162	15,427	14,151	4,957
Seoroseoro Sunny Power Plant Co., Ltd.	6,813	4,650	1,039	193
Anjwa Smart Farm & Solar City Co., Ltd.	258,076	223,831	37,742	3,119
Muan Solar Park Co., Ltd.	204,168	171,642	31,532	8,648
Yudang Solar Co., Ltd.	20,566	17,717	3,483	420
<b>Joint ventures</b>				
Rabigh Operation & Maintenance Company Limited	40,339	27,928	31,301	6,676
KIAMCO KOWEPO Bannerton Hold Co Pty., Ltd.	30,081	84	-	(182)
Haemodum Solar Energy Co., Ltd.	21,612	15,241	2,216	299
NH-Amundi Global Infra Private Fund No. 21	72,465	97	7,569	7,080
Cheongna Energy Co.,Ltd.	428,042	380,935	119,530	29,511
Hapcheon Floating Photovoltaic Plant Inc.	79,924	58,887	12,679	4,266
Yeongwol Eco Wind Co., Ltd.	109,716	102,143	3,561	2,975
Gurae Jumin Wind Power Co., Ltd.	14,095	12,298	652	615
Gunsan Land Solar Co., Ltd.	144,434	108,848	23,523	(974)
Capman Lynx SCA, SICAR	139,262	132,430	1,427	(12,401)
Eumseong Eco Park Co., Ltd.	153,928	126,999	46,679	5,609
Pungbaek Wind Power Co., Ltd.	70,330	51,804	-	(255)
Seobusambo highway photovoltaics Co., Ltd.	9,838	5,362	1,051	624
Namyangju Combined Heat And Power Co.,Ltd.	7,000	-	-	-
Wadi Noor Solar Power	70,962	69,287	-	-

**KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES**  
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**16. Investments in Associates and Joint Ventures, Continued**

(5) Significant restrictions on the Group's power over its associates and joint ventures are as follows:

<b>Company</b>	<b>Nature and extent of the significant restrictions</b>
Korea Offshore Wind Power Co., Ltd.	Payment of principal and interest on subordinated debt, dividends to shareholders, and payment of settlement money for Renewable Energy Supply Certificates are only possible if all conditions in the loan agreement are met and prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Dongducheon Dream Power Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Solar Power Plants Happy City Co., Ltd.	Dividends to shareholders is only possible if all conditions of the loan agreement are met. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Shin Pyeongtaek Power Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Seoroseoro Sunny Power Plant Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Anjwa Smart Farm & Solar City Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Muan Solar Park Co., Ltd.	Dividends to shareholders is only possible if all conditions of the loan agreement are met. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Yudang Solar Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Haemodum Solar Energy Co., Ltd.	Dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Cheongna Energy Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Hapcheon Floating Photovoltaic Plant Inc.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.

**KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES**  
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**16. Investments in Associates and Joint Ventures, Continued**

(5) Significant restrictions on the Group's power over its associates and joint ventures are as follows:

<b>Company</b>	<b>Nature and extent of the significant restrictions</b>
Yeongwol Eco Wind Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Gurae Jumin Wind Power Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Gunsan Land Solar Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions, and according to the shareholder agreement excess dividends shall be provided to Gunsan City upon achieving a certain rate of return.
Eumseong Eco Park Co., Ltd.	Dividends to shareholders and settlements for Renewable Energy Supply Certificates are only possible if all conditions in the loan agreement are met and prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.
Pungbaek Wind Power Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institution.
Seobusambo highway photovoltaics Co., Ltd.	Payment of principal and interest on subordinated debt or dividends to shareholders is only possible if all conditions of the loan agreement are met or prior written consents from financial institutions are obtained. In addition, all or part of the shares held cannot be transferred without the prior written consents of financial institutions.

(6) Agreements entered into with associates and joint ventures but not recognized as of December 31, 2024 are as follows:

1) Namyangju Combined Heat And Power Co., Ltd.

According to the agreement with shareholders, the Group has an obligation to purchase the shares in the entity at fair value if Narrae Energy Co., Ltd. wishes to sell shares on the agreed exercise date. According to the agreement with shareholders, the Group has an obligation to ensure the tag-along right for Narrae Energy Co., Ltd. to sell shares under the same conditions if Narrae Energy Co., Ltd. becomes the largest shareholder when the Group sells, assigns or transfers shares.

**KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES**  
**Notes to the consolidated financial statements**  
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**17. Property, Plant and Equipment**

(1) Property, plant and equipment as of December 31, 2024 and 2023 are as follows:

(i) As of December 31, 2024

*In millions of Korean won*

	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment loss	Book value
Land	₩ 757,649	-	-	-	757,649
Buildings	1,894,601	(8,353)	(860,610)	(504)	1,025,134
Structures	1,688,341	(4,435)	(815,417)	(2,936)	865,553
Machinery	11,341,501	(48,235)	(6,768,692)	(53,751)	4,470,823
Vessels	23	-	(1)	-	22
Vehicles	14,499	(15)	(12,784)	-	1,700
Equipment	193,081	-	(156,396)	(6)	36,679
Tools	36,534	(1)	(33,471)	-	3,062
Construction-in-progress	1,037,653	-	-	-	1,037,653
Right-of-use assets	1,132,342	(22)	(621,036)	-	511,284
	<u>₩ 18,096,224</u>	<u>(61,061)</u>	<u>(9,268,407)</u>	<u>(57,197)</u>	<u>8,709,559</u>

(ii) As of December 31, 2023

*In millions of Korean won*

	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment loss	Book value
Land	₩ 755,099	-	-	-	755,099
Buildings	1,874,988	(8,830)	(793,087)	(504)	1,072,567
Structures	1,687,229	(4,689)	(754,488)	(2,937)	925,115
Machinery	10,956,849	(52,609)	(6,120,770)	(53,767)	4,729,703
Vehicles	13,627	(20)	(11,620)	-	1,987
Equipment	176,387	-	(141,425)	(6)	34,956
Tools	35,870	(1)	(32,233)	-	3,636
Construction-in-progress	472,720	(348)	-	-	472,372
Right-of-use assets	1,125,716	(24)	(529,977)	-	595,715
	<u>₩ 17,098,485</u>	<u>(66,521)</u>	<u>(8,383,600)</u>	<u>(57,214)</u>	<u>8,591,150</u>

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
December 31, 2024 and 2023

17. Property, Plant and Equipment, Continued

(2) Changes in property, plant and equipment for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

	Beginning	Acquisition/ Capital expenditure	Disposal	Depreciation (*1)	Impairment loss	Others (*2)	Ending
Land	₩ 755,099	26	-	-	-	2,524	757,649
Buildings	1,081,397	261	(7)	(67,528)	-	19,364	1,033,487
Less: government grants	(8,830)	-	-	477	-	-	(8,353)
Structures	929,804	-	-	(60,928)	-	1,112	869,988
Less: government grants	(4,689)	-	-	254	-	-	(4,435)
Machinery	4,782,312	132,543	(9,836)	(666,658)	-	280,697	4,519,058
Less: government grants	(52,609)	-	76	4,298	-	-	(48,235)
Vessels	-	-	-	(1)	-	23	22
Vehicles	2,007	-	(0)	(1,172)	-	880	1,715
Less: government grants	(20)	(6)	-	11	-	-	(15)
Equipment	34,956	217	(1)	(15,714)	-	17,221	36,679
Tools	3,637	109	(0)	(1,669)	-	985	3,062
Less: government	(1)	-	-	-	-	-	(1)
Construction-in-progress	472,720	854,293	-	-	-	(289,360)	1,037,653
Less: government grants	(348)	-	-	-	-	348	-
Right-of-use assets	595,739	6,700	(27)	(92,079)	-	974	511,307
Less: government grants	(24)	-	-	2	-	-	(22)
₩	<u>8,591,150</u>	<u>994,143</u>	<u>(9,795)</u>	<u>(900,707)</u>	<u>-</u>	<u>34,768</u>	<u>8,709,559</u>

(\*1) ₩1,647 million of depreciation expenses are recognized as construction-in-progress.

(\*2) Others in the amount of ₩34,769 million consist of ₩3,378 million transferred from retirement and severance benefits expense and depreciation on property, plant and equipment to construction-in-progress, ₩16,739 million of capitalized interest expense, ₩3,302 million transferred to intangible assets, ₩348 million transferred from government subsidy of construction-in-progress to miscellaneous income, ₩17,315 million transferred from inventories, and ₩290 million of translation effect of overseas operation financial statements. The weighted average capitalization rate for the year ended December 31, 2024 is 2.96%.



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 17. Property, Plant and Equipment, Continued

(2) Changes in property, plant and equipment for each of the two years in the period ended December 31, 2024 are as follows, Continued:

(ii) For the year ended December 31, 2023

*In millions of Korean won*

	Beginning	Acquisition/ Capital expenditure	Disposal	Depreciation (*1)	Impairment loss(*2)	Others (*3)	Ending
Land	₩ 753,801	-	(5)	-	-	1,303	755,099
Buildings	927,898	327	(16)	(65,132)	-	218,320	1,081,397
Less: government grants	(8,446)	-	-	478	-	(862)	(8,830)
Structures	807,716	-	-	(58,589)	-	180,677	929,804
Less: government grants	(4,224)	-	-	254	-	(719)	(4,689)
Machinery	4,554,598	75,802	(16,791)	(651,737)	(6,331)	826,771	4,782,312
Less: government grants	(47,468)	-	954	4,548	-	(10,643)	(52,609)
Vehicles	3,375	12	-	(1,634)	-	254	2,007
Less: government grants	(20)	(14)	-	14	-	-	(20)
Equipment	30,607	153	(93)	(15,453)	-	19,742	34,956
Tools	3,336	85	-	(1,697)	-	1,913	3,637
Less: government	-	-	-	-	-	(1)	(1)
Construction-in-progress	980,373	715,211	-	-	-	(1,222,864)	472,720
Less: government grants	(12,577)	-	-	-	-	12,229	(348)
Right-of-use assets	674,675	9,060	(1,103)	(89,334)	-	2,441	595,739
Less: government grants	(21)	-	-	1	-	(4)	(24)
₩	<u>8,663,623</u>	<u>800,636</u>	<u>(17,054)</u>	<u>(878,281)</u>	<u>(6,331)</u>	<u>28,557</u>	<u>8,591,150</u>

(\*1) ₩5,509 million of depreciation expenses are recognized as construction-in-progress.

(\*2) The Group calculated the actual loss in relation to the Taean IGCC gas refinery fire incident in January 2023 and recognized an amount of ₩6,331 million of loss on the property, plant and equipment due to the fire incident as impairment loss as of December 31, 2023.

(\*3) Others in the amount of ₩28,557 million consist of ₩7,775 million transferred from retirement and severance benefits expense and depreciation on property, plant and equipment to construction-in-progress, ₩16,240 million of capitalized interest expense, ₩6,458 million transferred to inventories, ₩4,492 million transferred to intangible assets, ₩2,427 million transferred from other asset restoration obligation to right-of-use assets, and ₩149 million of translation effect of overseas operation financial statements. The weighted average capitalization rate for the year ended December 31, 2023 is 2.72%.

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
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18. Intangible Assets

(1) Intangible assets as of December 31, 2024 and 2023 are as follows:

(i) As of December 31, 2024

*In millions of Korean won*

		Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Computer software	₩	64,411	(54,353)	-	10,058
Mining rights		24,090	(14,741)	-	9,349
Development costs		6,110	(4,634)	-	1,476
Leasehold rights		6,561	(4,453)	-	2,108
Others		103,378	(83,312)	(231)	19,835
	₩	<u>204,550</u>	<u>(161,493)</u>	<u>(231)</u>	<u>42,826</u>

(ii) As of December 31, 2023

*In millions of Korean won*

		Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book value
Computer software	₩	61,385	(50,097)	-	11,288
Mining rights		13,986	(12,414)	-	1,572
Development costs		6,110	(4,070)	-	2,040
Leasehold rights		6,561	(3,770)	-	2,791
Others		97,788	(82,928)	(231)	14,629
	₩	<u>185,830</u>	<u>(153,279)</u>	<u>(231)</u>	<u>32,320</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 18. Intangible Assets, Continued

(2) Changes in intangible assets for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

	Beginning	Acquisition/ Capital expenditure	Disposal	Amortization (*1)	Others(*2)	Ending
Computer software ₩	11,288	29	-	(4,318)	3,059	10,058
Mining rights	1,572	-	-	(1,912)	9,689	9,349
Development costs	2,040	-	-	(564)	-	1,476
Leasehold rights	2,791	-	-	(683)	-	2,108
Others	14,629	142	(280)	(377)	5,721	19,835
₩	<u>32,320</u>	<u>171</u>	<u>(280)</u>	<u>(7,854)</u>	<u>18,469</u>	<u>42,826</u>

(\*1) ₩70 million of amortization expenses are recognized as construction-in-progress.

(\*2) Others in the amount of ₩18,469 million consist of ₩3,302 million transferred from construction-in-progress, ₩130 million resulting from translation of financial statements of overseas operations, ₩9,570 million transferred from non-current non-financial assets and ₩5,467 million transferred from Greenhouse gas emission rights.

(ii) For the year ended December 31, 2023

*In millions of Korean won*

	Beginning	Acquisition/ Capital expenditure	Disposal	Amortization (*1)	Others(*2)	Ending
Computer software ₩	12,873	19	(17)	(4,998)	3,411	11,288
Mining rights	3,665	-	-	(2,211)	118	1,572
Development costs	1,448	-	-	(403)	995	2,040
Leasehold rights	3,473	-	-	(682)	-	2,791
Others	17,225	3,962	-	(354)	(6,204)	14,629
₩	<u>38,684</u>	<u>3,981</u>	<u>(17)</u>	<u>(8,648)</u>	<u>(1,680)</u>	<u>32,320</u>

(\*1) ₩23 million of amortization expenses are recognized as construction-in-progress.

(\*2) Others in the amount of ₩1,680 million consist of ₩4,492 million transferred from construction-in-progress, ₩126 million resulting from translation of financial statements of overseas operations and ₩6,297 million transferred from Greenhouse gas emission rights.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 19. Government Grants

(1) Government grants related to assets are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset in accordance with Article 44 of the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

(2) Government grants as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

		December 31, 2024	December 31, 2023
Buildings	₩	8,353	8,830
Structures		4,435	4,689
Machinery		48,235	52,609
Vehicles		15	20
Tools		1	1
Construction-in-progress		-	348
Right-of-use assets		22	24
	₩	<u>61,061</u>	<u>66,521</u>

(3) Changes in government grants for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

		Beginning	Acquisition	Offsetting	Disposal	Others	Ending
Buildings	₩	8,830	-	(477)	-	-	8,353
Structures		4,689	-	(254)	-	-	4,435
Machinery		52,609	-	(4,298)	(76)	-	48,235
Vehicles		20	6	(11)	-	-	15
Tools		1	-	-	-	-	1
Construction-in-progress		348	-	-	-	(348)	-
Right-of-use assets		24	-	(2)	-	-	22
	₩	<u>66,521</u>	<u>6</u>	<u>(5,042)</u>	<u>(76)</u>	<u>(348)</u>	<u>61,061</u>

(ii) For the year ended December 31, 2023

*In millions of Korean won*

		Beginning	Acquisition	Offsetting	Disposal	Others	Ending
Buildings	₩	8,446	-	(478)	-	862	8,830
Structures		4,224	-	(254)	-	719	4,689
Machinery		47,468	-	(4,548)	(954)	10,643	52,609
Vehicles		20	14	(14)	-	-	20
Tools		-	-	-	-	1	1
Construction-in-progress		12,577	-	-	-	(12,229)	348
Right-of-use assets		21	-	(1)	-	4	24
	₩	<u>72,756</u>	<u>14</u>	<u>(5,295)</u>	<u>(954)</u>	<u>-</u>	<u>66,521</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 20. Lease

#### (1) Major lease contracts

In order to provide stable supply of bituminous coal, the Group has entered into a consecutive vessel charter agreement as a lessee (see Note 44 (4)). On the other hand, the Group does not have the option to obtain ownership of the related vessels or the bargain purchase option.

#### (2) Right-of-use assets as of December 31, 2024 and 2023 are as follows:

##### (i) As of December 31, 2024

*In millions of Korean won*

	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 12,183	-	(3,650)	8,533
Buildings	2,161	-	(1,022)	1,139
Structures	172,568	(22)	(99,505)	73,041
Machinery	196,721	-	(95,751)	100,970
Vessels	747,777	-	(420,628)	327,149
Vehicles	932	-	(480)	452
	₩ 1,132,342	(22)	(621,036)	511,284

##### (ii) As of December 31, 2023

*In millions of Korean won*

	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 10,794	-	(3,313)	7,481
Buildings	2,168	-	(961)	1,207
Structures	167,564	(24)	(91,801)	75,739
Machinery	196,638	-	(82,919)	113,719
Vessels	747,777	-	(350,523)	397,254
Vehicles	775	-	(460)	315
	₩ 1,125,716	(24)	(529,977)	595,715

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 20. Lease, Continued

(3) Changes in right-of-use assets for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

	<u>Beginning</u>	<u>Acquisition</u>	<u>Depreciation</u>	<u>Disposal</u>	<u>Others</u>	<u>Ending</u>
Land	₩ 7,481	2,000	(936)	(12)	-	8,533
Buildings	1,207	215	(286)	-	3	1,139
Structures	75,763	4,115	(7,704)	-	889	73,063
Less: government grants	(24)	-	2	-	-	(22)
Machinery	113,719	-	(12,820)	(10)	81	100,970
Vessels	397,254	-	(70,105)	-	-	327,149
Vehicles	315	370	(229)	(4)	-	452
	<u>₩ 595,715</u>	<u>6,700</u>	<u>(92,078)</u>	<u>(26)</u>	<u>973</u>	<u>511,284</u>

(ii) For the year ended December 31, 2023

*In millions of Korean won*

	<u>Beginning</u>	<u>Acquisition</u>	<u>Depreciation</u>	<u>Disposal</u>	<u>Others</u>	<u>Ending</u>
Land	₩ 7,441	904	(864)	-	-	7,481
Buildings	1,966	211	(276)	(698)	4	1,207
Structures	83,292	49	(7,305)	(273)	-	75,763
Less: government grants	(21)	-	1	-	(4)	(24)
Machinery	114,141	7,778	(10,540)	(97)	2,437	113,719
Vessels	467,358	-	(70,104)	-	-	397,254
Vehicles	477	118	(245)	(35)	-	315
	<u>₩ 674,654</u>	<u>9,060</u>	<u>(89,333)</u>	<u>(1,103)</u>	<u>2,437</u>	<u>595,715</u>

(4) Details of lease liabilities as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Minimum Lease Payments (MLP)</u>	<u>Present value of MLP</u>	<u>Minimum Lease Payments (MLP)</u>	<u>Present value of MLP</u>
Less than 1 year	₩ 108,656	107,707	93,439	92,573
1~5 years	256,864	243,072	283,415	268,058
More than 5 years	175,540	146,997	189,128	157,571
	<u>₩ 541,060</u>	<u>497,776</u>	<u>565,982</u>	<u>518,202</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 20. Lease, Continued

(5) Current portion and non-current portion of lease liabilities as of December 31, 2024 and 2023 are as follows:

<i>In millions of Korean won</i>		<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current lease liabilities	₩	107,707	92,573
Non-current lease liabilities		<u>390,069</u>	<u>425,629</u>
	₩	<u>497,776</u>	<u>518,202</u>

(6) Changes in lease liabilities for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>		<u>2024</u>	<u>2023</u>
Beginning balance	₩	518,202	591,788
Acquisition		6,700	9,060
Interest expense		10,600	11,757
Payments		(99,694)	(105,027)
Other changes		61,968	10,624
Ending balance	₩	<u>497,776</u>	<u>518,202</u>

(7) Details of lease liabilities, such as short-term lease and leases for which the underlying asset is of low value, were not recognized as expenses for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>		<u>2024</u>	<u>2023</u>
Short-term leases	₩	47,021	21,379
Leases of low-value assets		352	296

### 21. Trade and Other Payables

Trade and other payables as of December 31, 2024 and 2023 are as follows:

<i>In millions of Korean won</i>		<u>December 31, 2024</u>		<u>December 31, 2023</u>	
		<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Trade payables	₩	313,651	-	188,107	-
Other payables		112,502	141	90,903	40
Accrued expenses		39,555	-	40,689	-
Other deposits		292	-	468	-
Dividend payables		-	-	291,563	-
Lease liabilities		<u>107,707</u>	<u>390,069</u>	<u>92,573</u>	<u>425,629</u>
	₩	<u>573,707</u>	<u>390,210</u>	<u>704,303</u>	<u>425,669</u>

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
December 31, 2024 and 2023

22. Borrowings and Debentures

(1) Details of borrowings and debentures as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

		December 31, 2024	December 31, 2023
<b>Current Liabilities:</b>			
Short-term borrowings	₩	617,830	101,821
Current portion of long-term borrowings		3,028	3,809
Current portion of long-term debentures		1,471,000	1,095,364
Less: discount on debenture issuance		(811)	(559)
		<u>2,091,047</u>	<u>1,200,435</u>
<b>Non-current Liabilities:</b>			
Long-term borrowings		82,547	85,576
Debentures		3,630,000	4,446,820
Less: discount on debenture issuance		(5,863)	(8,212)
		<u>3,706,684</u>	<u>4,524,184</u>
	₩	<u>5,797,731</u>	<u>5,724,619</u>

(2) Details of short-term borrowings as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

Type	Lender	Annual interest rate	Maturity date		Dec 31, 2024	Dec 31, 2023
Shot-term borrowings in domestic currency	Korea Investment & Securities and others	3.71%	Fixed rate	Jan. 7, 2025	₩ 250,000	-
	SK Securities and others	3.71%	Fixed rate	Mar. 13, 2025	200,000	-
	Korea Development Bank	3.85%	Fixed rate	Jan. 7, 2025	100,000	-
	Korea Development Bank	4.33%	Fixed rate	Jan. 5, 2024	-	50,000
Limit overdraft in domestic currency	KB Bank	4.84%	Fixed rate	Jan. 22, 2024	-	50,000
	NH Bank	4.20%	Floating rate	Jan. 7, 2025	67,830	-
	NH Bank	4.63%	Floating rate	Jan. 5, 2024	-	1,074
	Woori Bank	5.34%	Floating rate	Jan. 24, 2024	-	747
					₩ <u>617,830</u>	<u>101,821</u>



KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
December 31, 2024 and 2023

22. Borrowings and Debentures, Continued

(3) Details of long-term borrowings as of December 31, 2024 and 2023 are as follows:

- As of December 31, 2024

*In millions of Korean won*

Lender	Description	Annual interest rate		Maturity date	2024
Korea Energy Agency	Development funds	3yr KTB rate – 2.25%		Jun. 15, 2025 Dec. 15, 2025	₩ 1 8
Korea Housing Urban Guarantee Corporation	Urban Regeneration Support funds	Floating rate 2.00% (*1)		Dec. 22, 2034	49,779
Samsung Life Insurance Co.,Ltd.	Energy generation facilities construction funds	Fixed rate 3.77%		2024 ~ 2037	35,788
					85,576
	Less: current portion				(3,028)
					₩ 82,548

(\*1) At the time of signing the contract, the interest rate applied by the Ministry of Land, Infrastructure and Transport is 1.8% per annum. If the interest rate is changed according to the fund management plan of the Ministry of Land, Infrastructure and Transport, the interest rate will change accordingly.

- As of December 31, 2023

*In millions of Korean won*

Lender	Description	Annual interest rate		Maturity date	2023
Korea Energy Agency	Development funds	3yr KTB rate – 2.25%		Jun. 15, 2024 Sep. 15, 2024 Jun. 15, 2025 Dec. 15, 2025	₩ 4 16 2 16
Korea Housing Urban Guarantee Corporation	Urban Regeneration Support funds	1.80% (*1)		Dec. 22, 2034	49,779
Samsung Life Insurance Co.,Ltd.	Energy generation facilities construction funds	Fixed rate 3.77%		2023 ~ 2037	39,568
					89,385
	Less: current portion				(3,809)
					₩ 85,576

(\*1) At the time of signing the contract, the interest rate applied by the Ministry of Land, Infrastructure and Transport is 1.8% per annum. If the interest rate is changed according to the fund management plan of the Ministry of Land, Infrastructure and Transport, the interest rate will change accordingly.

**KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES**  
**Notes to the consolidated financial statements**  
**December 31, 2024 and 2023**

**22. Borrowings and Debentures, Continued**

(4) Details of local debentures as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

Type	Issue date	Maturity date	Annual interest rate		Dec. 31, 2024	Dec. 31, 2023
Corporate bond #17-2	Oct. 22, 2012	Oct. 22, 2027	Fixed rate	3.26%	₩ 100,000	100,000
Corporate bond #18-2	May 7, 2013	May 7, 2028	Fixed rate	3.03%	80,000	80,000
Corporate bond #23-2	Oct. 23, 2014	Oct. 23, 2024	Fixed rate	2.82%	-	120,000
Corporate bond #24-2	Nov. 20, 2014	Nov. 20, 2024	Fixed rate	2.81%	-	110,000
Corporate bond #26-2	Mar. 5, 2015	Mar. 5, 2025	Fixed rate	2.43%	90,000	90,000
Corporate bond #27-2	May 8, 2015	May 8, 2025	Fixed rate	2.70%	80,000	80,000
Corporate bond #30-2	Jan. 28, 2016	Jan. 28, 2026	Fixed rate	2.10%	110,000	110,000
Corporate bond #32-2	Sep. 9, 2016	Sep. 9, 2026	Fixed rate	1.61%	110,000	110,000
Corporate bond #33-2	Feb. 22, 2017	Feb. 22, 2027	Fixed rate	2.34%	130,000	130,000
Corporate bond #35-2	May 22, 2017	May 22, 2027	Fixed rate	2.46%	40,000	40,000
Corporate bond #35-3	May 22, 2017	Mar 22, 2032	Fixed rate	2.59%	110,000	110,000
Corporate bond #36-2	Jun. 23, 2017	Jun. 23, 2027	Fixed rate	2.35%	70,000	70,000
Corporate bond #36-3	Jun. 23, 2017	Jun. 23, 2037	Fixed rate	2.47%	90,000	90,000
Corporate bond #37-2	Jul. 21, 2017	Jul. 21, 2027	Fixed rate	2.36%	50,000	50,000
Corporate bond #37-3	Jul. 21, 2017	Jul. 21, 2037	Fixed rate	2.47%	110,000	110,000
Corporate bond #38-1	Sep. 5, 2017	Sep. 5, 2027	Fixed rate	2.44%	50,000	50,000
Corporate bond #38-2	Sep. 5, 2017	Sep. 5, 2037	Fixed rate	2.51%	100,000	100,000
Corporate bond #39-2	Sep. 28, 2017	Sep. 28, 2047	Fixed rate	2.46%	120,000	120,000
Corporate bond #40-2	Apr. 20, 2018	Apr. 20, 2038	Fixed rate	2.81%	60,000	60,000
Corporate bond #40-3	Apr. 20, 2018	Apr. 20, 2048	Fixed rate	2.81%	70,000	70,000
Corporate bond #41-2	Sep. 14, 2018	Sep. 14, 2038	Fixed rate	2.27%	100,000	100,000
Corporate bond #41-3	Sep. 14, 2018	Sep. 14, 2048	Fixed rate	2.25%	90,000	90,000
Corporate bond #42-2	Nov. 1, 2018	Nov. 1, 2038	Fixed rate	2.25%	60,000	60,000
Corporate bond #42-3	Nov. 1, 2018	Nov. 1, 2048	Fixed rate	2.20%	20,000	20,000
Corporate bond #43-1	May 28, 2020	May 28, 2025	Fixed rate	1.40%	60,000	60,000
Corporate bond #43-2	May 28, 2020	May 28, 2040	Fixed rate	1.59%	100,000	100,000
Corporate bond #43-3	May 28, 2020	May 28, 2050	Fixed rate	1.62%	90,000	90,000
Corporate bond #44-1	Jun. 23, 2020	Jun. 23, 2025	Fixed rate	1.42%	90,000	90,000
Corporate bond #44-2	Jun. 23, 2020	Jun. 23, 2040	Fixed rate	1.69%	60,000	60,000
Corporate bond #45-1	Aug. 27, 2020	Aug. 27, 2025	Fixed rate	1.28%	70,000	70,000
Corporate bond #45-2	Aug. 27, 2020	Aug. 27, 2040	Fixed rate	1.68%	80,000	80,000
Corporate bond #45-3	Aug. 27, 2020	Aug. 27, 2050	Fixed rate	1.68%	80,000	80,000
Corporate bond #46-2	Nov. 5, 2020	Nov. 5, 2025	Fixed rate	1.42%	10,000	10,000
Corporate bond #46-3	Nov. 5, 2020	Nov. 5, 2050	Fixed rate	1.76%	80,000	80,000
Corporate bond #47-1	Dec. 22, 2020	Dec. 22, 2025	Fixed rate	1.51%	40,000	40,000
Corporate bond #47-2	Dec. 22, 2020	Dec. 22, 2030	Fixed rate	1.82%	50,000	50,000
Corporate bond #47-3	Dec. 22, 2020	Dec. 22, 2050	Fixed rate	1.88%	80,000	80,000
Corporate bond #48-1	Apr. 29, 2021	Apr. 29, 2024	Fixed rate	1.39%	-	60,000

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
Notes to the consolidated financial statements  
December 31, 2024 and 2023

22. Borrowings and Debentures, Continued

(4) Details of local debentures as of December 31, 2024 and 2023 are as follows, Continued

*In millions of Korean won*

Type	Issue date	Maturity date	Annual interest rate		Dec. 31, 2024	Dec. 31, 2023
Corporate bond #48-2	Apr. 29, 2021	Apr. 29, 2026	Fixed rate	1.87%	150,000	150,000
Corporate bond #48-3	Apr. 29, 2021	Apr. 29, 2031	Fixed rate	2.18%	20,000	20,000
Corporate bond #49-1	Jul. 29, 2021	Jul. 29, 2024	Fixed rate	1.68%	-	110,000
Corporate bond #49-2	Jul. 29, 2021	Jul. 29, 2026	Fixed rate	1.92%	130,000	130,000
Corporate bond #49-3	Jul. 29, 2021	Jul. 29, 2031	Fixed rate	2.00%	30,000	30,000
Corporate bond #50-1	Nov. 10, 2021	Nov. 10, 2024	Fixed rate	2.36%	-	20,000
Corporate bond #50-2	Nov. 10, 2021	Nov. 10, 2026	Fixed rate	2.60%	60,000	60,000
Corporate bond #50-3	Nov. 10, 2021	Nov. 10, 2041	Fixed rate	2.50%	10,000	10,000
Corporate bond #51-1	Jan. 25, 2022	Jan. 24, 2025	Fixed rate	2.76%	50,000	50,000
Corporate bond #51-2	Jan. 25, 2022	Jan. 24, 2042	Fixed rate	2.78%	20,000	20,000
Corporate bond #52-1	Mar. 28, 2022	Mar. 28, 2025	Fixed rate	3.18%	90,000	90,000
Corporate bond #52-2	Mar. 28, 2022	Mar. 28, 2042	Fixed rate	3.35%	30,000	30,000
Corporate bond #52-3	Mar. 28, 2022	Mar. 28, 2052	Fixed rate	3.20%	10,000	10,000
Corporate bond #53-1	May 20, 2022	May 20, 2024	Fixed rate	3.52%	-	40,000
Corporate bond #53-2	May 20, 2022	May 20, 2025	Fixed rate	3.78%	120,000	120,000
Corporate bond #53-3	May 20, 2022	May 20, 2052	Fixed rate	3.71%	30,000	30,000
Corporate bond #54-1	Jul. 19, 2022	Jul. 19, 2024	Fixed rate	3.98%	-	110,000
Corporate bond #54-2	Jul. 19, 2022	Jul. 19, 2025	Fixed rate	3.97%	50,000	50,000
Corporate bond #55-1	Oct. 25, 2022	Oct. 25, 2024	Fixed rate	5.64%	-	40,000
Corporate bond #55-2	Oct. 25, 2022	Oct. 25, 2025	Fixed rate	5.96%	100,000	100,000
Corporate bond #56-1	Nov. 28, 2022	Nov. 28, 2024	Fixed rate	5.41%	-	70,000
Corporate bond #56-2	Nov. 28, 2022	Nov. 28, 2025	Fixed rate	5.29%	10,000	10,000
Corporate bond #57-1	Jan. 17, 2023	Jan. 17, 2025	Fixed rate	4.07%	70,000	70,000
Corporate bond #57-2	Jan. 17, 2023	Jan. 17, 2026	Fixed rate	4.04%	30,000	30,000
Corporate bond #58-1	Apr. 20, 2023	Apr. 20, 2026	Fixed rate	3.98%	200,000	200,000
Corporate bond #58-2	Apr. 20, 2023	Apr. 20, 2028	Fixed rate	4.13%	40,000	40,000
Corporate bond #58-3	Apr. 20, 2023	Apr. 20, 2043	Fixed rate	3.94%	20,000	20,000
Corporate bond #59-1	Jul. 19, 2023	Jul. 19, 2024	Fixed rate	3.96%	-	110,000
Corporate bond #59-2	Jul. 19, 2023	Jul. 19, 2026	Fixed rate	4.02%	20,000	20,000
Corporate bond #59-3	Jul. 19, 2023	Jul. 19, 2043	Fixed rate	4.15%	40,000	40,000
Corporate bond #60-1	Jan. 16, 2024	Jan. 16, 2026	Fixed rate	3.67%	150,000	-
Corporate bond #60-2	Jan. 16, 2024	Jan. 16, 2029	Fixed rate	3.73%	50,000	-
Corporate bond #60-3	Jan. 16, 2024	Jan. 16, 2044	Fixed rate	3.74%	20,000	-
Corporate bond #61-1	Jan. 25, 2024	Jan. 24, 2025	Fixed rate	3.54%	100,000	-
Corporate bond #61-2	Jan. 25, 2024	Jan. 25, 2027	Fixed rate	3.73%	40,000	-
Corporate bond #61-3	Jan. 25, 2024	Jan. 25, 2044	Fixed rate	3.82%	10,000	-
Corporate bond #62-1	Jun. 4, 2024	Jun. 4, 2026	Fixed rate	3.53%	80,000	-
Corporate bond #62-2	Jun. 4, 2024	Jun. 2, 2034	Fixed rate	3.80%	40,000	-
Corporate bond #63-1	Jun. 17, 2024	Jun. 17, 2027	Fixed rate	3.40%	80,000	-
Corporate bond #63-2	Jun. 27, 2024	Jun. 16, 2034	Fixed rate	3.50%	30,000	-
					4,660,000	4,850,000
Less: discount on debenture issuance					(6,157)	(7,159)
Less: current portion					(1,029,706)	(789,478)
					<u>₩ 3,624,137</u>	<u>4,053,363</u>

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22. Borrowings and Debentures, Continued

(5) Foreign debentures as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won, In thousands of USD, CHF*

Type	Issue date	Maturity date	Annual interest rate		Foreign Currency	Dec. 31, 2024	Dec. 31, 2023
Swiss franc bond #2	Feb. 27, 2019	Feb. 27, 2024	Fixed rate	0.125%	CHF 200,000	₩ -	305,364
Euro bond #6	Jun. 28, 2022	Jun. 28, 2025	Fixed rate	4.125%	USD 300,000	441,000	386,820
						441,000	692,184
Less: discount on debenture issuance						(517)	(1,612)
Less: current portion						(440,483)	(305,327)
						₩ -	385,245

(6) The repayment schedule of borrowings and debentures as of December 31, 2024 is as follows:

*In millions of Korean won*

	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Borrowings	₩ 620,858	3,015	9,149	70,384	703,406
Debentures	1,471,000	1,040,000	730,000	1,860,000	5,101,000
	₩ 2,091,858	1,043,015	739,149	1,930,384	5,804,406

(7) Changes in borrowings and debentures for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

	Beginning	Cash flows	Foreign exchange rates fluctuation	Others	Ending
Borrowings	₩ 191,206	512,596	(396)	-	703,406
Debentures	5,533,413	(494,288)	51,390	3,810	5,094,325
	₩ 5,724,619	18,308	50,994	3,810	5,797,731

(ii) For the year ended December 31, 2023

*In millions of Korean won*

	Beginning	Cash flows	Foreign exchange rates fluctuation	Others	Ending
Borrowings	₩ 148,419	42,787	-	-	191,206
Debentures	5,764,067	(284,030)	49,720	3,656	5,533,413
	₩ 5,912,486	(241,243)	49,720	3,656	5,724,619

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23. Other Financial Liabilities

Other financial liabilities as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

		December 31, 2024		December 31, 2023	
		Current	Non-current	Current	Non-current
Derivative liabilities	₩	22	3	88	4,681

24. Employment Benefits

(1) The principal assumptions used on actuarial valuation as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Discount rate	3.59 ~ 3.70%	4.30 ~ 4.34%
Future salary increase rate	3.65 ~ 6.13%	3.00 ~ 6.13%
Weighted average duration	8.3 ~ 10.4 years	7.9 ~ 10.1 years

(2) Details of the expense relating to its defined benefit plans for each of the two years in the period ended December 31, 2024 are as follows:

*In millions of Korean won*

	2024	2023
Current service cost	₩ 16,493	14,204
Interest cost	6,990	6,688
Expected return on plan assets	(2,162)	(2,694)
	₩ 21,321	18,198

The incurred amount for the year ended December 31, 2024 is recognized as ₩19,739 million in cost of sales, ₩224 million in selling and administrative expenses in the consolidated statement of comprehensive income and ₩1,357 million in construction-in-progress.

Meanwhile, the contributions paid by the Group in accordance with the ratio defined in employment benefit plans are recognized as ₩7,335 million in cost of sales, ₩748 million in selling and administrative expenses in consolidated statement of comprehensive income and ₩303 million in construction-in-progress.

(3) Employee benefit obligations as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	Dec 31, 2024	Dec 31, 2023
Present value of defined benefit obligation	₩ 189,850	158,548
Fair value of plan assets	(52,304)	(51,298)
Net liabilities incurred from defined benefit obligation	₩ 137,546	107,250

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## Notes to the consolidated financial statements

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### 24. Employment Benefits, Continued

(4) Changes in the present value of defined benefit obligations for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>		<u>2024</u>	<u>2023</u>
Beginning	₩	158,548	126,098
Current service cost		16,493	14,204
Interest cost		6,990	6,688
Remeasurement component		18,069	22,920
Actual payments		(10,250)	(11,362)
Ending	₩	<u>189,850</u>	<u>158,548</u>

(5) Changes in the fair value of plan assets for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>		<u>2024</u>	<u>2023</u>
Beginning	₩	51,298	52,753
Interest income		2,162	2,694
Remeasurement component		(182)	(205)
Contributions by the employers		2,728	1,171
Actual payments		(3,702)	(5,115)
Ending	₩	<u>52,304</u>	<u>51,298</u>

In addition, losses on accumulated remeasurement component amounting to ₩21,911 million and ₩7,348 million have been recognized as other comprehensive loss for the years ended December 31, 2024 and 2023, respectively.

(6) Details of fair value of plan assets as of December 31, 2024 and 2023 are as follows:

<i>In millions of Korean won</i>		<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bank deposit	₩	7,578	8,919
Others		44,726	42,379
	₩	<u>52,304</u>	<u>51,298</u>

For each of the two years in the period ended December 31, 2024, actual returns on plan assets amounted ₩1,980 million and ₩2,489 million, respectively.

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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24. Employment Benefits, Continued

(7) Details of other long-term employee benefit liabilities as of December 31, 2024 and 2023 are as follows:

<i>In millions of Korean won</i>		<u>December 31 ,2024</u>	<u>December 31 ,2023</u>
Unpaid long-service leave	₩	137	163

(8) Remeasurement components recognized in other comprehensive income (loss) for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>		<u>2024</u>	<u>2023</u>
Change in demographic assumptions	₩	44	(4,985)
Remeasurement gain from changes in financial assumptions		(14,286)	(16,778)
Experience adjustments		(3,827)	(1,157)
Expected return		(182)	(205)
	₩	<u>(18,251)</u>	<u>(23,125)</u>

25. Provisions

(1) Provisions as of December 31, 2024 and 2023 are as follows:

<i>In millions of Korean won</i>		<u>December 31 ,2024</u>		<u>December 31 ,2023</u>	
		<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Provision for employment benefits	₩	46,226	-	44,037	-
Provision for RPS (*1)		-	-	-	-
Provision for greenhouse gas emission (*2)		16,789	-	1,085	-
Provision for litigation		3,649	-	-	-
Provision for financial guarantee		2,017	-	-	-
Provision for other restoration liabilities		2,427	-	-	2,427
	₩	<u>71,108</u>	<u>-</u>	<u>45,122</u>	<u>2,427</u>

(\*1) As the Group is obligated to produce and supply certain amount of energies from renewable energy sources in accordance with the *Act on the Promotion of the Development and Use of New and Renewable Sources of Energy*, the Group has recognized provision for renewable portfolio standard (RPS).

(\*2) As the Group has a present obligation which is expected to be fulfilled by submitting emission rights to the government with regard to emission of greenhouse gas in accordance with the *Act on the Allocation and Trading of Greenhouse Gas Emission Permits*, the Group has recognized provision for greenhouse gas emission.

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25. Provisions, Continued

(2) Changes in provisions for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

		<u>Beginning</u>	<u>Increase</u>	<u>Utilization</u>	<u>Reversal</u>	<u>Ending</u>
Provision for employment benefits	₩	44,037	42,370	(40,181)	-	46,226
Provision for RPS		-	39,415	-	(39,415)	-
Provision for greenhouse gas emission		1,085	24,749	(9,045)	-	16,789
Provision for litigation		-	3,649	-	-	3,649
Provision for financial guarantee		-	2,017	-	-	2,017
Provision for other restoration liabilities		2,427	-	-	-	2,427
	₩	<u>47,549</u>	<u>112,200</u>	<u>(49,226)</u>	<u>(39,415)</u>	<u>71,108</u>

(ii) For the year ended December 31, 2023

*In millions of Korean won*

		<u>Beginning</u>	<u>Increase</u>	<u>Utilization</u>	<u>Others</u>	<u>Ending</u>
Provision for employment benefits	₩	40,868	58,538	(55,369)	-	44,037
Provision for greenhouse gas emission		7,640	46,405	(52,960)	-	1,085
Provision for litigation		10,972	436	(11,408)	-	-
Provision for other restoration liabilities		-	-	-	2,427	2,427
	₩	<u>59,480</u>	<u>105,379</u>	<u>(119,737)</u>	<u>2,427</u>	<u>47,549</u>

(3) Greenhouse gas emission rights and emission liabilities

(i) The amounts of free allocation for each planning period and implementation year as of December 31, 2024 are as follows:

*In ten thousands of tons (tCO<sub>2</sub>-eq)*

	<u>2021</u>	<u>2022</u>	<u>3rd planning period</u>		<u>2025</u>	<u>Total</u>
			<u>2023</u>	<u>2024</u>		
Free allocation	2,824	2,723	2,872	2,231	2,231	12,881



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25. Provisions, Continued

(ii) Changes in greenhouse gas emission rights for each of the two years in the period ended December 31, 2024 are as follows:

- For the year ended December 31, 2024

*In ten thousands of tons  
(tCO2-eq), millions of won*

	3rd planning period					
	2023		2024		2025	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning, including free allocation(*1)	2,935	₩ 8,012	2,293	₩ 11,166	2,231	₩ -
Purchase (sale)	400	35,271	223	24,805	-	-
Submitted to the government	(2,877)	(9,045)	-	-	-	-
Borrowing (carried forward)	(458)	(34,238)	345	17,606	113	16,632
Ending	-	₩ -	2,861	₩ 53,577	2,344	₩ 16,632

	Total	
	Quantity	Amount
Beginning, including free allocation(*1)	7,459	₩ 19,178
Purchase (sale)	623	60,076
Submitted to the government	(2,877)	(9,045)
Borrowing (carried forward)	-	-
Ending	5,205	₩ 70,209

(\*1) Changes, such as confirmed additional allocation and cancellation of allocation, have been reflected.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 25. Provisions, Continued

(3) Greenhouse gas emission rights and emission liabilities, Continued

(ii) Changes in greenhouse gas emission rights for each of the two years in the period ended December 31, 2024 are as follows, Continued:

- For the year ended December 31, 2023

*In ten thousands of tons  
(tCO2-eq), millions of won*

	3rd planning period					
	2022		2023		2024	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning, including free allocation(*1)	2,890	₩ 40,132	2,791	₩ 13,500	2,231	₩ -
Purchase (sale)	78	6,234	111	12,272	-	-
Submitted to the government	(2,968)	(46,366)	(53)	(6,594)	-	-
Borrowing (carried forward)	-	-	(62)	(11,166)	62	11,166
Ending	-	₩ -	2,787	₩ 8,012	2,293	₩ 11,166

	Total	
	Quantity	Amount
Beginning, including free allocation(*1)	7,912	₩ 53,632
Purchase (sale)	189	18,506
Submitted to the government	(3,021)	(52,960)
Borrowing (carried forward)	-	-
Ending	5,080	₩ 19,178

(\*1) Changes, such as confirmed additional allocation and cancellation of allocation, have been reflected.

(iii) There are no greenhouse gas emission rights provided as collateral by the Group as of December 31, 2024.

(iv) Among the greenhouse gas emission rights held by the Group, there are no emission rights held for short-term trading gains as of December 31, 2024.

(v) The estimated greenhouse gas emissions of the Group for the current implementation year is 26.94 million tons (tCO2-eq).

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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26. Non-financial Liabilities

Non-financial liabilities as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Advance payment	₩ -	-	26,558	-
Deferred revenue	270	767	289	1,001
Withholdings	4,788	-	6,212	-
Others	3,768	1,865	8,467	23,112
	₩ 8,826	2,632	41,526	24,113

27. Contributed Capital

(1) Details of issued capital as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won, except par value and number of shares*

Type	Number of shares authorized	Number of shares issued	Par value	Dec. 31, 2024	Dec. 31, 2023
Common Stock	100,000,000	33,329,119 ₩	5,000	166,646	166,646

(2) Changes in the number of outstanding capital stock for each of the two years in the period ended December 31, 2024 are as follows:

<i>Number of shares</i>		2024	2023
Beginning	₩	33,329,119	33,329,119
Changes		-	-
Ending	₩	33,329,119	33,329,119

(3) Details of share premium as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	December 31, 2024	December 31, 2023
Share premium	₩ 1,106,252	1,106,252

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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28. Retained Earnings and Dividends Paid

(1) Details of retained earnings as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	December 31, 2024	December 31, 2023
Legal reserves (*1)	₩ 83,323	80,934
Voluntary reserves	1,391,893	1,577,807
Retained earnings before appropriations	1,235,647	704,728
	₩ 2,710,863	2,363,469

(\*1) In accordance with the *Commercial Act* of the Republic of Korea, an amount equal to at least 10% of cash dividend for each accounting period is required to be appropriated as a legal reserve until the reserve equals 50% of issued capital. The legal reserve cannot be used as a source for cash dividends and may be transfer to equity or used to offset an accumulated deficit.

(2) Details of voluntary reserves as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	December 31, 2024	December 31, 2023
Reserve for the rationalization of business (*1)	₩ 181	181
Reserve for investment on social overhead capital	13,000	13,000
Reserve for business expansion	1,378,712	1,564,626
	₩ 1,391,893	1,577,807

(\*1) Prior to 2002, the Group appropriated certain tax-deductible benefits as reserve for the rationalization of business, for offsetting future deficit in accordance with the *Restriction of Special Taxation Act*. However, when the Act was amended on December 11, 2002, the Group's reserves have been changed to voluntary reserves due to deletion of related clause.

(3) Changes in retained earnings before appropriations for each of the two years in the period ended December 31, 2024 are as follows:

*In millions of Korean won*

	2024	2023
Beginning	₩ 704,728	984,423
Profit for the year attributed to owner of the parent company	361,991	163,136
Dividend payments	-	(344,756)
Remeasurements of defined benefit liability, net of tax	(14,563)	(17,774)
Transfers from (to) reserves	183,525	(80,366)
Reclassified due to disposal of the financial assets at fair value through other comprehensive income	-	(391)
Changes in equity method retained earnings	(34)	456
Ending	₩ 1,235,647	704,728

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**28. Retained Earnings and Dividends Paid, Continued**

(4) Dividend payments for each of the two years in the period ended December 31, 2024 are as follows:

- For the year ended December 31, 2024

There are no dividend payments for the year ended December 31, 2024.

- For the year ended December 31, 2023

*In millions of Korean won, except dividend per share and number of shares*

Types of shares	Total number of shares issued	Number of treasury shares	Number of dividend shares	Dividend per share	Total of dividend
Ordinary shares	33,329,119	-	33,329,119	₩ 10,344	344,756

(5) Changes in retained earnings in equity method for each of the two years in the period ended December 31, 2024 are as follows:

*In millions of Korean won*

	2024	2023
Beginning	₩ 1,017	561
Changes	(34)	456
Ending	₩ 983	1,017

(6) Changes in remeasurements components for each of the two years in the period ended December 31, 2024 are as follows:

*In millions of Korean won*

	2024	2023
Beginning	₩ (7,348)	10,426
Changes	(18,251)	(23,125)
Income tax effect	3,688	5,351
Ending	₩ (21,911)	(7,348)

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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29. Statement of Appropriation of Retained Earnings

The statements of appropriation of retained earnings for each of the two years in the period ended December 31, 2024 are as follows:

Date of appropriation for 2024: March 27, 2025

Date of appropriation for 2023: March 28, 2024

<i>In millions of Korean won</i>	<u>2024</u>	<u>2023</u>
<b>Unappropriated retained earnings</b>		
Balance at beginning of year	₩ 711,596	711,596
Profit for the year	361,725	126,519
Remeasurements loss	(12,277)	(18,090)
Reclassified due to disposal of the financial assets at fair value through other comprehensive income	-	(391)
Interim dividend	-	(291,563)
	<u>1,061,044</u>	<u>528,071</u>
<b>Transfer from voluntary reserves</b>		
Reserves for business expansion	-	185,914
<b>Balance at the end of the year before appropriation</b>	₩ <u>1,061,044</u>	<u>713,985</u>
<b>Appropriation of retained earnings</b>		
Cash dividends	(235,121)	-
Legal reserve	-	(2,389)
Reserve for business expansion	(114,327)	-
	<u>(349,448)</u>	<u>(2,389)</u>
<b>Unappropriated retained earnings to be carried over to subsequent year</b>	₩ <u><u>711,596</u></u>	<u><u>711,596</u></u>

The statements of appropriation of retained earnings above were prepared based on the Company's separate financial statements.

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30. Other Components of Equity

(1) Other components of equity as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

		December 31, 2024	December 31, 2023
Accumulated other comprehensive income	₩	1,861,423	1,647,275
Other equity		(41,935)	(41,935)
	₩	<u>1,819,488</u>	<u>1,605,340</u>

(2) Changes in accumulated other comprehensive income (loss) for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

		Cumulative gain or loss from valuation of financial assets through FVOCI	Cumulative gain or loss from valuation of derivatives	Cumulative gain or loss from translation of foreign operations	Shares of other comprehensive income (loss) of associates and joint ventures	Total
Beginning	₩	1,649,857	(6,716)	(12,178)	16,312	1,647,275
Valuation loss on financial assets at fair value through other comprehensive income		240,086	-	-	-	240,086
Valuation loss on derivatives		-	6,797	-	-	6,797
Foreign currency translation of foreign operations		-	-	4,840	-	4,840
Valuation of investments in associates		-	-	-	19,455	19,455
Tax effect		(55,460)	(1,570)	-	-	(57,030)
Ending	₩	<u>1,834,483</u>	<u>(1,489)</u>	<u>(7,338)</u>	<u>35,767</u>	<u>1,861,423</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

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### 30. Other Components of Equity, Continued

(2) Changes in accumulated other comprehensive income (loss) for each of the two years in the period ended December 31, 2024 are as follows, Continued:

(ii) For the year ended December 31, 2023

*In millions of Korean won*

		Cumulative gain or loss from valuation of financial assets through FVOCI	Cumulative gain or loss from valuation of derivatives	Cumulative gain or loss from translation of foreign operations	Shares of other comprehensive income (loss) of associates and joint ventures	Total
Beginning	₩	1,684,017	(5,657)	(13,664)	14,397	1,679,093
Valuation loss on financial assets at fair value through other comprehensive income		(47,782)	-	-	-	(47,782)
Valuation loss on derivatives		-	(1,367)	-	-	(1,367)
Foreign currency translation of foreign operations		-	-	1,486	-	1,486
Valuation of investments in associates		-	-	-	1,915	1,915
Tax effect		13,231	308	-	-	13,539
Reclassified due to disposal of the non-current financial assets at fair value through other comprehensive income		391	-	-	-	391
Ending	₩	<u>1,649,857</u>	<u>(6,716)</u>	<u>(12,178)</u>	<u>16,312</u>	<u>1,647,275</u>

(3) There are no changes in other equity for each of the two years in the period ended December 31, 2024.

### 31. Sales

Details of sales for each of the two years in the period ended December 31, 2024 are as follows:

*In millions of Korean won*

		2024	2023
Sales of electricity	₩	6,193,395	6,917,825
Others		47,035	41,018
	₩	<u>6,240,430</u>	<u>6,958,843</u>



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

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### 32. Selling and Administrative Expenses

Details of selling and administrative expenses for each of the two years in the period ended December 31, 2024 are as follows:

*In millions of Korean won*

	2024	2023
Contribution to company welfare program	₩ 3,788	3,293
Salaries	20,870	22,331
Retirement and severance benefits	972	294
Welfare benefits	3,742	2,631
Insurance expense	786	422
Depreciation	13,756	13,382
Amortization	3,828	3,947
Commission	23,017	22,198
Advertisement	2,037	1,807
Education and training	237	182
Vehicle maintenance	142	136
Publishing	208	217
Business promotion	97	103
Rent	2,090	1,397
Telecommunication	692	726
Transportation	15	14
Taxes and dues	4,244	4,357
Supplies	420	468
Utility	958	920
Repairs and maintenance	738	778
Research and development	19,020	18,246
Travel	613	619
Clothing	35	37
Others	3,892	3,443
	₩ <u>106,197</u>	<u>101,948</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 33. Other Non-operating Income and Expense

(1) Other non-operating income for each of the two years in the period ended December 31, 2024 is as follows:

<i>In millions of Korean won</i>	<u>2024</u>	<u>2023</u>
Rental income	₩ 4,660	4,936
Gains from assets contributed	-	1,509
	<u>₩ 4,660</u>	<u>6,445</u>

(2) Other non-operating expenses for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>	<u>2024</u>	<u>2023</u>
Donations	₩ 14,408	16,199
Other bad debt expenses	5,191	30,757
	<u>₩ 19,599</u>	<u>46,956</u>

### 34. Other Income (Loss)

Details of other income and loss for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>	<u>2024</u>	<u>2023</u>
Gain on disposal of property, plant, and equipment	₩ 1	79
Gain on foreign currency translation	1,673	1,326
Gain on foreign currency transaction	7,698	14,668
Other gains	33,304	37,571
Loss on disposal of property, plant, and equipment	(9,773)	(15,732)
Impairment loss on property, plant and equipment	-	(6,331)
Loss on disposal of intangible assets	(66)	-
Loss on foreign currency translation	(2,842)	(255)
Loss on foreign currency transaction	(15,243)	(18,236)
Other losses	(9,124)	(34,050)
	<u>₩ 5,628</u>	<u>(20,960)</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 35. Finance Income

(1) Finance income for each of the two years in the period ended December 31, 2024 is as follows:

<i>In millions of Korean won</i>		<u>2024</u>	<u>2023</u>
Interest income	₩	14,432	18,326
Dividend income		33,794	68,567
Gain on valuation of derivatives		56,372	37,435
Gain on transaction of derivatives		13,096	25,517
Gain on foreign currency translation		3,271	469
Gain on foreign currency transaction		3,321	-
	₩	<u>124,286</u>	<u>150,314</u>

(2) Interest income included in finance income for each of the two years in the period ended December 31, 2024 is as follows:

<i>In millions of Korean won</i>		<u>2024</u>	<u>2023</u>
Cash and cash equivalents	₩	10,538	13,335
Loans and receivables		2,491	4,314
Other financial instruments		648	4
Trade and other receivables		755	673
	₩	<u>14,432</u>	<u>18,326</u>

### 36. Finance Costs

(1) Finance costs for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>		<u>2024</u>	<u>2023</u>
Interest expense	₩	163,778	157,549
Loss on valuation of derivatives		25	88
Loss on transaction of derivatives		9,798	7,316
Loss on foreign currency translation		116,143	48,263
Loss on foreign currency transaction		6	12,300
Loss on valuation of long-term financial instruments		20	-
Other finance costs		2,016	-
	₩	<u>291,786</u>	<u>225,516</u>

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 36. Finance Costs, Continued

(2) Interest expenses included in finance expenses for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>		<u>2024</u>	<u>2023</u>
Short term borrowings	₩	5,888	695
Long term borrowings		2,417	2,441
Debentures		161,612	158,808
Trade and other payables		10,600	11,845
		<u>180,517</u>	<u>173,789</u>
Less: capitalized borrowing costs		(16,739)	(16,240)
	₩	<u>163,778</u>	<u>157,549</u>

#### 37. Income Tax Expenses

(1) Components of income tax expenses (benefits) for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>		<u>2024</u>	<u>2023</u>
<b>Current income tax expenses</b>			
Current income tax	₩	91,058	18,185
Adjustment for prior period		(187)	118
Income tax charged directly to equity		(53,342)	18,890
		<u>37,529</u>	<u>37,193</u>
<b>Deferred income tax expenses (benefits)</b>			
Generation and realization of temporary differences		44,470	(26,650)
Amount due to tax deficits, tax credits and temporary differences that were not recognized in the past		6,881	(4,595)
Effects of the utilization of tax credit carryforward		19,600	-
		<u>70,951</u>	<u>(31,245)</u>
<b>Income tax expenses</b>	₩	<u>108,480</u>	<u>5,948</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 37. Income Tax Expenses, Continued

(2) A reconciliation between income before income tax and income tax expense for each of the two years in the period ended December 31, 2024 is as follows:

*In millions of Korean won*

	2024	2023
Profit before income tax expenses	₩ 470,473	169,084
Income tax expenses in accordance with statutory tax rate	113,843	39,058
Adjustments		
Effects of non-deductible expenses	(7,202)	(10,864)
Effects of tax credits or exemptions	(29,255)	(17,307)
Amount due to tax deficits, tax credits and temporary differences that were not recognized in the past	6,881	(4,595)
Effects of the utilization of tax credit carryforward	19,600	-
Others	4,800	(462)
	(5176)	(33,228)
Adjustment for prior period	(187)	118
Income tax expenses	₩ 108,480	5,948
Average effective tax rate	23.06%	3.52%

(3) Details of income tax recognized in other comprehensive income for each of the two years in the period ended December 31, 2024 are as follows:

*In millions of Korean won*

	2024	2023
Net change in the non-current financial assets at fair value through other comprehensive income (loss), net of tax	₩ (55,460)	13,231
Profit (loss) on valuation of derivatives using cash flow hedge accounting, net	(1,570)	308
Remeasurements of defined benefit obligations	3,688	5,351
	₩ (53,342)	18,890

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 37. Income Tax Expenses, Continued

(4) Recognized deferred income tax assets (liabilities) in the statements of financial position for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

	Beginning	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income (loss)	Ending
<b>Deferred tax on temporary differences</b>				
Long-term employee benefits ₩	25,110	3,013	3,688	31,811
Cash flow hedges	(17,098)	5,835	(1,570)	(12,833)
Property, plant and equipment	(175,782)	22,797	-	(152,985)
Intangible assets	62	(8)	-	54
Inventories	1,085	1,598	-	2,683
Financial instruments at fair value through other comprehensive income (loss)	(496,586)	-	(55,460)	(552,046)
Foreign currency translation	19,957	(6,738)	-	13,219
Allowance for doubtful accounts	-	1,191	-	1,191
Other provision	(4,047)	-	-	(4,047)
Others	(9,881)	(23,174)	-	(33,055)
	<u>(657,180)</u>	<u>4,514</u>	<u>(53,342)</u>	<u>(706,008)</u>
Unused tax deficit and tax credit carry forward	29,689	(19,600)	-	10,089
Donation carryforward	2,516	(2,516)	-	-
<b>Total</b> ₩	<u>(624,975)</u>	<u>(17,602)</u>	<u>(53,342)</u>	<u>(695,919)</u>

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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37. Income Tax Expenses (benefits), Continued

(ii) For the year ended December 31, 2023

*In millions of Korean won*

	Beginning	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income (loss)	Ending
<b>Deferred tax on temporary differences</b>				
Long-term employee benefits ₩	17,387	2,372	5,351	25,110
Cash flow hedges	(21,766)	4,360	308	(17,098)
Property, plant and equipment	(200,763)	24,981	-	(175,782)
Intangible assets	54	8	-	62
Inventories	3,519	(2,434)	-	1,085
Financial instruments at fair value through other comprehensive income (loss)	(509,702)	(115)	13,231	(496,586)
Foreign currency translation	25,255	(5,298)	-	19,957
Other provision	(4,065)	18	-	(4,047)
Others	12,575	(22,456)	-	(9,881)
	<u>(677,506)</u>	<u>1,436</u>	<u>18,890</u>	<u>(657,180)</u>
Unused tax deficit and tax credit carry forward	21,286	8,403	-	29,689
Donation carryforward	-	2,516	-	2,516
<b>Total</b> ₩	<u><u>(656,220)</u></u>	<u><u>12,355</u></u>	<u><u>18,890</u></u>	<u><u>(624,975)</u></u>

(5) Details of deductible temporary differences not recognized as deferred tax assets as of December 31, 2024 are as follows:

*In millions of Korean won*

December 31, 2024

Investments in associates, and others ₩ 172,749

(6) Deferred tax liabilities presented in the statement of financial position as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

December 31, 2024 December 31, 2023

Deferred income tax assets ₩ 800 732  
Deferred income tax liabilities (696,719) (625,707)

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 38. Expenses Classified by Nature

Expenses classified by nature for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

*In millions of Korean won*

	Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩ -	3,825,786	3,825,786
Contribution to company welfare program	3,788	-	3,788
Salaries	20,870	244,030	264,900
Retirement and severance benefits	972	27,074	28,046
Welfare benefits	3,742	26,943	30,685
Insurance	786	19,502	20,288
Depreciation	13,756	885,304	899,060
Amortization	3,828	3,955	7,783
Commission	23,017	21,215	44,232
Advertisement	2,037	1,006	3,043
Education and training	237	407	644
Vehicle maintenance	142	131	273
Publishing	208	299	507
Business promotion	97	248	345
Rent	2,090	21,638	23,728
Telecommunication	692	280	972
Transportation	15	67	82
Taxes and dues	4,244	38,595	42,839
Supplies	420	2,565	2,985
Utilities	958	509	1,467
Repairs and maintenance	738	281,649	282,387
Research and development	19,020	14,900	33,920
Travel	613	969	1,582
Clothing	35	187	222
Survey and analysis	-	163	163
Others	3,892	54,116	58,008
₩	<u>106,197</u>	<u>5,471,538</u>	<u>5,577,735</u>



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 38. Expenses Classified by Nature, Continued

Expenses classified by nature for each of the two years in the period ended December 31, 2024 are as follows, Continued:

(ii) For the year ended December 31, 2023

*In millions of Korean won*

	Selling and administrative expenses	Cost of sales	Total
Raw materials used	₩ -	5,021,510	5,021,510
Contribution to company welfare program	3,293	-	3,293
Salaries	22,331	255,992	278,323
Retirement and severance benefits	294	25,338	25,632
Welfare benefits	2,631	25,083	27,714
Insurance	422	14,058	14,480
Depreciation	13,382	859,390	872,772
Amortization	3,947	4,678	8,625
Commission	22,198	13,946	36,144
Advertisement	1,807	924	2,731
Education and training	182	466	648
Vehicle maintenance	136	112	248
Publishing	217	267	484
Business promotion	103	222	325
Rent	1,397	20,379	21,776
Telecommunication	726	278	1,004
Transportation	14	30	44
Taxes and dues	4,357	33,011	37,368
Supplies	468	2,335	2,803
Utilities	920	426	1,346
Repairs and maintenance	778	251,465	252,243
Research and development	18,246	15,454	33,700
Travel	619	839	1,458
Clothing	37	556	593
Survey and analysis	-	132	132
Others	3,443	110,281	113,724
	₩ 101,948	6,657,172	6,759,120

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 39. Earnings per Share

(1) Basic earnings per share for each of the two years in the period ended December 31, 2024 are as follows:

<i>In Korean won</i>		<u>2024</u>	<u>2023</u>
Basic earnings per share	₩	10,861	4,895

Since the Group does not own dilutive securities, basic earnings per share are identical to dilutive earnings per share.

(2) Profits attributable to controlling interest and the weighted average number of common shares outstanding for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of won, except for number of share</i>		<u>2024</u>	<u>2023</u>
Profit attributable to controlling interest	₩	361,991	163,136
Weighted average number of common shares		33,329,119	33,329,119

### 40. Risk Management

(1) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholder through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (offset by cash and bank balances) and equity. The Group's overall capital risk management strategy remains unchanged from that of the prior period.

Details of the Group's capital management accounts as of December 31, 2024 and 2023 are as follows:

<i>In millions of Korean won</i>		<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total borrowings and debentures	₩	5,797,731	5,724,619
Cash and cash equivalents		88,523	77,602
Net borrowings and debentures		5,709,208	5,647,017
Total shareholder's equity	₩	5,803,252	5,241,695
Debt to equity percentage		98.38%	107.73%

(2) Financial risk management

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

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 40. Risk Management, Continued

#### (2) Financial risk management, Continued

##### 1) Credit risk

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

##### a) Credit risk management

Electricity sales, the main operations of the Group are the necessity for daily life and industrial activities of Korean nationals, and have importance as one of the national key industries. 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. For the incurred but not recognized loss, it is measured considering overdue period.

##### b) Impairment and allowance account

In accordance with the Group policies, individual material financial assets are assessed on a regular basis, trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Value of the acquired collateral (including the confirmation of feasibility) and estimated collectable amounts are included in this assessment. Allowance for doubtful accounts assessed on a collective basis are recognized for (i) the group of assets which individually are not material and (ii) incurred but not recognized losses that are assessed using statistical methods, judgment and past experience.

The book values of the financial assets represent the maximum exposure of the credit risk. Details of the Group's level of maximum exposure of the credit risk as of December 31, 2024 and 2023 are as follows:

<i>In millions of Korean won</i>	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Cash and cash equivalents	₩ 88,523	77,602
Loans	36,312	40,298
Long-term and short-term financial instruments	37,601	34,513
Derivative assets (hedge accounting)	53,383	78,769
Derivative assets (trading)	2,192	15
Trade and other receivables	1,013,920	794,873

As of the reporting date, there are no financial assets and non-financial assets that were acquired through the exercise of the right of collateralized assets and reinforcement of credit arrangement.

As of the reporting date, the total guarantee amount to be assumed by the Group when the event of financial guarantees occurs in accordance with the financial guarantee contracts is ₩ 184,859 million (Note 41).

##### 2) Market risk

Market risk is the risk that the Group's fair values of the financial instruments or future cash flows are affected by the changes in the market. Market risk consists of interest rate risk, currency risk and other price risk.

KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES  
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40. Risk Management, Continued

(2) Financial risk management, Continued

3) Sensitivity analysis

a) Major assets and liabilities with uncertainties in underlying assumptions

① Defined benefit obligation

A sensitivity analysis of defined benefit obligation assuming a 1% increase or decrease in the actuarial assumptions as of December 31, 2024 and 2023 is as follows:

*In millions of Korean won*

Type	Accounts		December 31, 2024		December 31, 2023	
			1% Increase	1% Decrease	1% Increase	1% Decrease
Increase in future salary rate	Increase (decrease) in defined benefit obligation	₩	19,927	(17,253)	16,241	(14,083)
Discount rate	Increase (decrease) in defined benefit obligation		(17,891)	21,130	(14,526)	17,107

b) Management judgment affected by uncertainties in underlying assumptions

① Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to currency exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as of December 31, 2024 and 2023 are as follows:

(i) As of December 31, 2024

*In thousands of foreign currencies*

	USD	JPY	AUD
<b>Assets</b>			
Cash and cash equivalents	5,639	-	-
Trade and other receivables	18,664	-	-
Short-term financial instruments	4,500	-	-
Long-term loans	18,099	-	-
	<u>46,902</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
Trade and other payables	(377,179)	(1,061,838)	-
Debentures	(300,000)	-	-
	<u>(677,179)</u>	<u>(1,061,838)</u>	<u>-</u>
Net exposure in foreign currency	<u>(630,277)</u>	<u>(1,061,838)</u>	<u>-</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 40. Risk Management, Continued

(2) Financial risk management, Continued

3) Sensitivity analysis, Continued

b) Management judgment affected by uncertainties in underlying assumptions, Continued

① Foreign currency risk, Continued

(ii) As of December 31, 2023

*In thousands of foreign currencies*

	USD	CHF	EUR	JPY	GBP	AUD	SEK
<b>Assets</b>							
Cash and cash equivalents	7,223	-	-	-	-	-	-
Trade and other receivables	23,813	-	30	-	-	-	-
Short-term financial instruments	3,500	-	-	-	-	-	-
Long-term loans	18,099	-	-	-	-	-	-
	<u>52,635</u>	<u>-</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>							
Trade and other payables	(400,720)	-	-	(1,942,830)	-	-	(259)
Debentures	(300,000)	(200,000)	-	-	-	-	-
	<u>(700,720)</u>	<u>(200,000)</u>	<u>-</u>	<u>(1,942,830)</u>	<u>-</u>	<u>-</u>	<u>(259)</u>
Net exposure in foreign currency	<u>(648,085)</u>	<u>(200,000)</u>	<u>30</u>	<u>(1,942,830)</u>	<u>-</u>	<u>-</u>	<u>(259)</u>

A sensitivity analysis on the Group's profit for the year assuming a 10% increase or decrease in currency exchange rates as of December 31, 2024 and 2023 is as follows:

*In millions of Korean won*

	2024		2023	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Increase (decrease) of profit before income tax	₩ (93,642)	93,642	(115,869)	115,869
Increase (decrease) of shareholder's equity	(93,642)	93,642	(115,869)	115,869

The sensitivity analysis above is conducted for monetary assets and liabilities denominated in foreign currencies other than functional currency, without consideration of hedge effect of related derivatives, as of December 31, 2024 and 2023.

To manage its foreign currency risk related to foreign currency denominated receivables and payables, the Group has a policy to enter into currency swap agreements. In addition, to manage its foreign currency risk related to foreign currency denominated expected sales transactions and purchase transactions, the Group enters into cross-currency forward agreements.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 40. Risk Management, Continued

(2) Financial risk management, Continued

3) Sensitivity analysis, Continued

b) Management judgment affected by uncertainties in underlying assumptions, Continued

① Foreign currency risk, Continued

When derivatives are traded for hedging purpose, the Group negotiates the terms of the derivatives contract to meet the conditions for hedging. In order to hedge the exchange risk of payment of payables and collection of receivables in foreign currencies, the exposure period until the time of cash flow forecasts for transactions up to the point of settlement of payables and receivables is included. These forecast transactions are highly likely to occur, and the balance of currency swap contracts depends on the level and exchange rates of the expected payables and receivables in foreign currencies.

There is an economic relationship between the hedged items and hedging instruments since the terms of currency swap contract is consistent with the terms of forecast transactions. Since the risk of the Group's currency swap contract is consistent to hedged item, the hedging relationship is set to 1:1. At the end of the reporting period, the Group's hedging instruments is hedging against the risk of hedged items.

② Interest rate risk

The Group is exposed to interest rate risk due to its borrowing with floating interest rates. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel which represents management's assessment of the reasonably possible change in interest rates.

The Group's borrowings and debentures with floating interest rates as of December 31, 2024 and 2023 are as follows:

<i>In millions of Korean won</i>		<u>December 31, 2024</u>	<u>December 31, 2023</u>
Short-term borrowings	₩	67,830	1,821
Long-term borrowings		49,787	49,817
	₩	<u>117,617</u>	<u>51,638</u>

A Sensitivity analysis on the Group's borrowings and debentures assuming a 1% increase or decrease in interest rates for each of the two years in the period ended December 31, 2024 is as follows:

<i>In millions of Korean won</i>		<u>2024</u>		<u>2023</u>	
		<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>
		<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Increase(decrease) of profit before income tax	₩	(1,176)	1,176	(516)	516
Increase(decrease) of shareholders' equity		(1,176)	1,176	(516)	516

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40. Risk Management, Continued

(2) Financial risk management, Continued

4) Liquidity risk

The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In addition, the Group has established credit lines on its trade financing and bank overdrafts, and through payment guarantees it has received, it maintains an adequate credit (borrowing) line. In addition, in case of major construction investment, the Group has the ability to use reserve cash or utilize long-term borrowings.

The following table shows the details of maturities of non-derivative financial liabilities as of December 31, 2024 and 2023. This table, based on the undiscounted cash flows of the non-derivative financial liabilities including estimated interests, has been prepared based on the respective liabilities' earliest maturity date.

(i) As of December 31, 2024

<i>In millions of Korean won</i>		<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Borrowings and debentures	₩	2,218,829	1,127,219	898,280	2,466,389	6,710,717
Trade and other payables		574,655	98,214	158,791	175,540	1,007,200
Financial guarantee contract (*1)		184,859	-	-	-	184,859
	₩	<u>2,978,343</u>	<u>1,225,433</u>	<u>1,057,071</u>	<u>2,641,929</u>	<u>7,902,776</u>

(\*1) This is the total amount of guarantee the Group would bear in the event of a financial guarantee event.

(ii) As of December 31, 2023

<i>In millions of Korean won</i>		<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Borrowings and debentures	₩	1,346,747	1,430,909	1,547,348	2,390,323	6,715,327
Trade and other payables		705,169	94,818	188,637	189,127	1,177,751
Financial guarantee contract (*1)		20,300	-	-	70,730	91,030
	₩	<u>2,072,216</u>	<u>1,525,727</u>	<u>1,735,985</u>	<u>2,650,180</u>	<u>7,984,108</u>

(\*1) This is the total amount of guarantee the Group would bear in the event of a financial guarantee event.

As the Group manages liquidity on a net asset and net liability basis, it is necessary to include information about non-derivative financial assets in order to understand liquidity risk management.

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40. Risk Management, Continued

(2) Financial risk management, Continued

4) Liquidity risk, Continued

The expected maturities for non-derivative financial assets as of December 31, 2024 and 2023 in detail are as follows:

(i) As of December 31, 2024

*In millions of Korean won*

		Less than 1 year	1-5 years	Over 5 years	Uncertain	Total
Cash and cash equivalents	₩	88,523	-	-	-	88,523
Financial instruments at fair value through other comprehensive income		-	-	-	2,475,622	2,475,622
Financial instruments at fair value through profit or loss		-	-	-	7,412	7,412
Loans		3,285	35,928	-	-	39,213
Long-term and short-term financial instruments		37,121	480	-	-	37,601
Trade and other receivables		995,155	19,535	-	-	1,014,690
	₩	<u>1,124,084</u>	<u>55,943</u>	<u>-</u>	<u>2,483,034</u>	<u>3,663,061</u>

(ii) As of December 31, 2023

*In millions of Korean won*

		Less than 1 year	1-5 years	Over 5 years	Uncertain	Total
Cash and cash equivalents	₩	77,602	-	-	-	77,602
Financial instruments at fair value through other comprehensive income		-	-	-	2,235,536	2,235,536
Financial instruments at fair value through profit or loss		-	-	-	7,412	7,412
Loans		8,667	34,314	-	-	42,981
Long-term and short-term financial instruments		34,513	-	-	-	34,513
Trade and other receivables		782,044	13,846	-	-	795,890
	₩	<u>902,826</u>	<u>48,160</u>	<u>-</u>	<u>2,242,948</u>	<u>3,193,934</u>



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 40. Risk Management, Continued

(2) Financial risk management, Continued

4) Liquidity risk, Continued

Derivative liabilities classified by maturity periods from reporting date to maturity date of contract as of December 31, 2024 and 2023 are as follows:

(i) As of December 31, 2024

*In millions of Korean won*

	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Net settlement					
-Trading purpose	₩ -	-	-	-	-
Gross settlement					
-Trading purpose	22	-	-	-	22
-Hedge accounting purpose	-	-	-	-	-
-Others	-	-	3	-	3
₩	<u>22</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>25</u>

(ii) As of December 31, 2023

*In millions of Korean won*

	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Net settlement					
-Trading purpose	₩ -	-	-	-	-
Gross settlement					
-Trading purpose	88	-	-	-	88
-Hedge accounting purpose	-	4,681	-	-	4,681
₩	<u>88</u>	<u>4,681</u>	<u>-</u>	<u>-</u>	<u>4,769</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 40. Risk Management, Continued

#### (3) Fair value risk

The fair value of the Group's actively-traded financial instruments (i.e. FVTPL, FVOCI, etc.) is based on the traded market-price as of the reporting period end. The fair value of the Group's financial assets is the amount which the asset could be exchanged for or the amount a liability could be settled for.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, with 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 financial liabilities is estimated by discounting a financial instrument with similar contractual cash flows using the effective interest method.

1) Fair value and book value of financial assets and liabilities as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	December 31, 2024		December 31, 2023	
	Book value	Fair value	Book value	Fair value
<b>Assets recognized at fair value</b>				
Financial assets at fair value through other comprehensive income	₩ 2,475,622	2,475,622	2,235,536	2,235,536
Financial assets at fair value through profit or loss	7,412	7,412	7,412	7,412
Long-term financial instruments	480	480	-	-
Derivatives assets (trading)	2,192	2,192	15	15
Derivatives assets (hedge accounting)	53,383	53,383	78,769	78,769
	₩ <u>2,539,089</u>	<u>2,539,089</u>	<u>2,321,732</u>	<u>2,321,732</u>
<b>Assets carried at amortized cost</b>				
Cash and cash equivalents	₩ 88,524	88,524	77,602	77,602
Trade and other receivables	1,013,920	1,013,920	794,873	794,873
Loans	36,312	36,312	40,298	40,298
Short-term financial instruments	37,121	37,121	34,513	34,513
	₩ <u>1,175,877</u>	<u>1,175,877</u>	<u>947,286</u>	<u>947,286</u>
<b>Liabilities recognized at fair value</b>				
Derivatives liabilities (trading)	₩ 22	22	88	88
Derivatives liabilities (hedge accounting)	-	-	4,681	4,681
Other derivative instruments	3	3	-	-
	₩ <u>25</u>	<u>25</u>	<u>4,769</u>	<u>4,769</u>
<b>Liabilities carried at amortized cost</b>				
Trade and other payables	₩ 963,916	963,916	1,129,972	1,129,972
Borrowings	703,406	703,406	191,206	191,206
Debentures	5,094,325	4,824,807	5,533,413	5,063,130
	₩ <u>6,761,647</u>	<u>6,492,129</u>	<u>6,854,591</u>	<u>6,384,308</u>

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 40. Risk Management, Continued

##### (3) Fair value risk, Continued

2) The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread.

The discount rates used for calculating fair value as of December 31, 2024 and 2023 are as follows:

Type	2024 (%)	2023 (%)
Derivatives	2.19 ~ 2.32	2.25 ~ 2.83
Debentures	3.09 ~ 5.08	1.65 ~ 5.22

##### 3) Fair value hierarchy

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

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

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40. Risk Management, Continued

(3) Fair value risk, Continued

3) Fair value hierarchy, Continued

Fair values of financial instruments by hierarchy level as of December 31, 2024 and 2023 are as follows:

(i) As of December 31, 2024

*In millions of Korean won*

	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value:</b>				
Financial assets at fair value through other comprehensive income	₩ 2,459,700	-	15,922	2,475,622
Financial assets at fair value through profit or loss	-	-	7,412	7,412
Long-term financial instruments	-	480	-	480
Derivative assets held for trading	-	2,192	-	2,192
Derivative assets held for hedging	-	53,383	-	53,383
	₩ 2,459,700	56,055	23,334	2,539,089
<b>Financial liabilities at fair value:</b>				
Derivative liabilities held for trading	₩ -	22	-	22
Other derivative instruments	-	-	3	3
	₩ -	22	3	25

(ii) As of December 31, 2023

*In millions of Korean won*

	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value:</b>				
Financial assets at fair value through other comprehensive income	₩ 2,218,187	-	17,349	2,235,536
Financial assets at fair value through profit or loss	-	-	7,412	7,412
Derivative assets held for trading	-	15	-	15
Derivative assets held for hedging	-	78,769	-	78,769
	₩ 2,218,187	78,784	24,761	2,321,732
<b>Financial liabilities at fair value:</b>				
Derivative liabilities held for trading	₩ -	88	-	88
Derivative liabilities held for hedging	-	4,681	-	4,681
	₩ -	4,769	-	4,769

The fair value of financial instruments not traded in an active market is determined using valuation techniques.

The Group determined the fair value of its financial assets measured at fair value through other comprehensive income using the discounted cash flow and used assumptions such as weighted average capital cost of 5.88% and permanent growth rate of 0% to determine for value. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There were no transfers between levels 1 and 2 for recurring fair value measurements for the year ended December 31, 2024.

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Notes to the consolidated financial statements  
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40. Risk Management, Continued

(3) Fair value risk, Continued

3) Fair value hierarchy, Continued

Changes in level 3 for recurring fair value measurements for each of the two years in the period ended December 31, 2024 are as follows:

(i) As of December 31, 2024

*In millions of Korean won*

	<u>Beginning</u>	<u>Valuation</u>	<u>Disposal</u>	<u>Ending</u>
Financial assets at fair value through other comprehensive income	₩ 17,349	(1,427)	-	15,922
Financial assets at fair value through profit or loss	7,412	-	-	7,412
	<u>₩ 24,761</u>	<u>(1,427)</u>	<u>-</u>	<u>23,334</u>
Other derivative instruments	-	3	-	3
	<u>₩ -</u>	<u>3</u>	<u>-</u>	<u>3</u>

(ii) As of December 31, 2023

*In millions of Korean won*

	<u>Beginning</u>	<u>Valuation</u>	<u>Disposal</u>	<u>Ending</u>
Financial assets at fair value through other comprehensive income	₩ 18,118	(769)	-	17,349
Financial assets at fair value through profit or loss	7,412	-	-	7,412
	<u>₩ 25,530</u>	<u>(769)</u>	<u>-</u>	<u>24,761</u>

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 41. Related Party Transactions

(1) The nature of the Group's relationship with its related parties as of December 31, 2024 is as follows:

Control relationship	Related party
Parent company	Korea Electric Power Corporation
Associates	Xe-Pian Xe-Namnoy Power Co., Ltd. PT. Mutiara Jawa Korea Offshore Wind Power Co., Ltd. Daegu Solar Power Plant Co., Ltd. Dongducheon Dream Power Co., Ltd. Solar Power Plants Happy City Co., Ltd. Shin Pyeongtaek Power Co., Ltd. KEPCO ES Co., Ltd. KEPCO Solar Co., Ltd. Seoroseoro Sunny Power Plant Co., Ltd. Anjwa Smart Farm & Solar City Co., Ltd. Muan Solar Park Co., Ltd. Yudang Solar Co., Ltd.
Joint ventures	Rabigh Operation & Maintenance Company Limited KIAMCO KOWEPO Bannerton Hold Co Pty., Ltd. Haemodum Solar Energy Co., Ltd. NH-Amundi Global Infra Private Fund No.21 Hapcheon Floating Photovoltaic Plant Inc. Cheongna Energy Co., Ltd. Yeongwol Eco Wind Co., Ltd. Gurae Jumin Wind Power Co., Ltd. Gunsan Land Solar Co., Ltd. CapMan Lynx SCA, SICAR Eumseong Eco Park Co., Ltd. Pungbaek Wind Power Co., Ltd. Seobusambo highway photovoltaics Co., Ltd. Namyangju Combined Heat And Power Co., Ltd. Wadi Noor Solar Power
Other related parties	EDFR KOWEPO AJBAN PV HOLDING LIMITED Korea Hydro & Nuclear Power Co., Ltd. Korea South-East Power Co., Ltd. Korea Midland Power Co., Ltd. Korea Southern Power Co., Ltd. Korea East-West Power Co., Ltd. KEPCO Engineering & Construction Company Inc. KEPCO KPS Co., Ltd. KEPCO KDN Co., Ltd. KEPCO Nuclear Fuel Co., Ltd. Korea Gas Corporation Korea Electronic Power Industrial Development Co., Ltd. Korea Power Exchange Korea Development Bank KEPCO Bylong Australia Pty., Ltd. PT Bayan Resources TBK Etc.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 41. Related Party Transactions, Continued

(2) Significant transactions with associates for each of the two years in the period ended December 31, 2024 are as follows:

*In millions of Korean won*

Related parties	Sales and others		Purchase and others	
	2024	2023	2024	2023
Korea Electric Power Corporation ₩	6,391,362	7,044,257	128,568	111,709
Korea Hydro & Nuclear Power Co., Ltd.	-	-	22	25
Korea Southern Power Co., Ltd.	3,016	2,795	602	197
Korea Midland Power Co., Ltd.	2	-	-	-
Korea South-East Power Co., Ltd.	107	-	-	-
Korea East-West Power Co., Ltd.	29	-	-	-
KEPCO Engineering & Construction Company Inc.	-	-	12,117	3,913
KEPCO KPS Co., Ltd.	195	1,550	94,295	102,175
KEPCO KDN Co., Ltd.	-	-	20,579	23,291
Cheongna Energy Co., Ltd.	22,496	22,320	60	60
Korea Offshore Wind Power Co., Ltd.	89	156	3,714	3,307
Daegu Solar Power Plant Co., Ltd.	344	408	2,433	2,559
Dongducheon Dream Power Co., Ltd.	171	479	-	-
Solar Power Plants Happy City Co., Ltd.	-	-	241	228
Rabigh Operation & Maintenance Company Limited	1,151	2,994	-	-
Korea Gas Corporation	2,981	5,125	1,330,923	2,135,195
Korea Electronic Power Industrial Development Co., Ltd.	2,845	3,558	55,278	50,276
Korea Power Exchange	-	-	3,914	3,749
Shin Pyeongtaek Power Co., Ltd.	43,774	83,961	1,237	746
Muan Solar Park Co., Ltd.	1,400	2,680	17,825	16,554
Yudang Solar Co., Ltd.	60	100	2,020	1,860
Anjwa Smart Farm & Solar City Co., Ltd.	563	2,067	19,494	17,333
Seoroseoro Sunny Power Plant Co., Ltd.	-	-	377	232
CapMan Lynx SCA, SICAR	-	1,840	-	-
Xe-Pian Xe-Namnoy Power Co., Ltd.	2,913	2,742	-	-
KEPCO ES Co., Ltd.	265	790	-	-
KEPCO Solar Co., Ltd.	418	1,334	192	38
PT. Mutiara Jawa	291	1,045	-	-
Haemodum Solar Energy Co., Ltd.	28	420	544	262
NH-Amundi Global Infra Private Fund No.21	-	1,568	-	-
PT Bayan Resources TBK	33,794	68,567	-	-

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 41. Related Party Transactions, Continued

(2) Significant transactions with associates for each of the two years in the period ended December 31, 2024 are as follows, Continued:

*In millions of Korean won*

Related parties	Sales and others		Purchase and others	
	2024	2023	2024	2023
Gunsan Land Solar Co., Ltd.	808	683	2,752	486
Hapcheon Floating Photovoltaic Plant Inc.	807	246	4,759	3,396
Seobusambo highway photovoltaics Co., Ltd.	12	11	96	11
Eumseong Eco Park Co., Ltd.	-	-	26,372	27,765
Namyangju Combined Heat And Power Co., Ltd	2,493	-	-	-
Gurae Jumin Wind Power Co., Ltd.	-	-	476	-
Yeongwol Eco Wind Co., Ltd.	-	-	2,496	-
Korea Development Bank	20,858	20,648	5,905	1,589
	<u>₩ 6,533,272</u>	<u>7,272,344</u>	<u>1,737,291</u>	<u>2,506,956</u>



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 41. Related Party Transactions, Continued

(3) Receivables and payables arising from the related party transactions as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

Company name	Type	Receivables		Payables	
		Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Korea Electric Power Corporation	Trade receivables	₩ 426,910	503,604	-	-
	Non-trade receivables and others	509,720	174,153	-	-
	Trade payables	-	-	9,941	9,178
	Non-trade payables and others	-	-	990	292,078
Korea Southern Power Co., Ltd.	Non-trade receivables and others	541	2	-	-
	Non-trade payables and others	-	-	42	314
Korea East-West Power Co., Ltd.	Non-trade receivables and others	2	2	-	-
	Non-trade payables and others	-	-	339	-
KEPCO KPS Co., Ltd.	Non-trade receivables and others	-	21	-	-
	Non-trade payables and others	-	-	7,640	13,236
Korea South-East Power Co., Ltd.	Non-trade receivables and others	1,760	-	-	-
	Non-trade payables and others	-	-	1,744	-
KEPCO KDN Co., Ltd.	Non-trade receivables and others	-	-	2,038	4,121
	Non-trade payables and others	-	-	-	1,105
KEPCO Engineering & Construction Company Inc.	Non-trade payables and others	-	-	264	105
	Trade receivables	7,033	13,514	-	-
Korea Power Exchange	Non-trade payables and others	-	-	8	-
	Trade receivables	51	77	-	-
Cheongna Energy Co., Ltd.	Non-trade receivables	26	26	-	-
	Non-trade receivables and others	5,426	4,607	-	-
Korea Offshore Wind Power Co., Ltd.	Non-trade payables and others	-	-	2,450	385
	Non-trade receivables and others	203	12,375	-	-
Rabigh Operation & Maintenance Company Limited	Trade payables	-	-	70,166	752
	Non-trade payables and others	-	-	1,486	1,377
Shin Pyeongtaek Power Co., Ltd.	Non-trade payables and others	-	-	-	-
	Trade payables	-	-	-	-
Korea Gas Corporation	Non-trade payables and others	-	-	-	-
	Trade payables	-	-	-	-

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 41. Related Party Transactions, Continued

(3) Receivables and payables arising from the related party transactions as of December 31, 2024 and 2023 are as follows, Continued:

*In millions of Korean won*

Company name	Type	Receivables		Payables	
		Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Korea Electronic Power Industrial Development Co., Ltd.	Trade receivables	123	126	-	-
	Non-trade payables and others	-	-	3,553	1,177
Xe-Pian Xe-Namnoy Power Co., Ltd.	Non-trade receivables and others	10,015	6,277	-	-
	Loans	26,606	23,337	-	-
Capman Lynx SCA, SICAR (*1)	Loans	35,210	35,210	-	-
KEPCO ES Co., Ltd.	Trade receivables	-	-	-	-
	Non-trade receivables	-	790	-	-
KEPCO Solar Co., Ltd.	Non-trade receivables	-	869	-	-
Seobusambo highway photovoltaics Co., Ltd.	Non-trade receivables and others	4	3	-	-
Hapcheon Floating Photovoltaic Plant Inc.	Non-trade receivables and others	59	68	-	-
PT Bayan Resources TBK	Non-trade receivables	14,994	22,131	-	-
Gunsan Land Solar Co., Ltd.	Non-trade receivables and others	217	295	-	-
Anjwa Smart Farm & Solar City Co., Ltd.	Deferred revenue and others	-	-	1,797	1,296
PT. Mutiara Jawa	Non-trade receivables and others	46	444	-	-
Dongducheon Dream Power Co., Ltd.	Non-trade receivables and others	113	104	-	-
Korea Development Bank	Derivative assets	17,795	-	-	-
	Derivative liabilities	-	-	-	1,574
	Accrued expenses and others	-	-	102	18
		<u>₩ 1,056,854</u>	<u>798,035</u>	<u>102,560</u>	<u>326,716</u>

(\*1) The Group recognizes the full allowance for doubtful accounts for loans to Capman Lynx SCA, SICAR.

(4) Details of bituminous coal transactions(\*1) with the related parties for each of the two years in the period ended December 31, 2024 are as follows:

*In millions of Korean won*

Related parties	2024		2023	
	Loans and others	Borrowings and others	Loans and others	Borrowings and others
Korea Southern Power Co., Ltd.	₩ 31,296	29,256	-	-
Korea South-East Power Co., Ltd.	24,960	24,443	-	-
Korea East-West Power Co., Ltd.	9,364	8,021	-	-
	<u>₩ 65,620</u>	<u>61,720</u>	<u>-</u>	<u>-</u>

(\*1) Transactions above are non-monetary exchange transactions without commercial substance between the related parties.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 41. Related Party Transactions, Continued

(5) Details of LNG swap transactions(\*1) with the related parties for each of the two years in the period ended December 31, 2024 are as follows:

Related parties		2024		2023	
		Loans and others	Borrowings and others	Loans and others	Borrowings and others
Shin Pyeongtaek Power Co., Ltd.	₩	53,897	69,136	51,008	64,565

(\*1) Translations above are non-monetary exchange transactions without commercial substance between the related parties.

(6) Details of loans to the related parties as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

Type	Company name		December 31, 2023	Foreign exchange adjustment, etc.	December 31, 2024
Associate	Xe-Pian Xe-Namnoy Power Co., Ltd.	₩	23,337	3,269	26,606
Joint venture	Capman Lynx SCA, SICAR (*1)		35,210	-	35,210

(\*1) The Group recognizes the full allowance for doubtful accounts for loans to Capman Lynx SCA, SICAR.

(7) Details of borrowings from the related parties as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

Type	Company name		December 31, 2023	Borrowing	Repayment	December 31, 2024
Other related parties	Korea Development Bank	₩	50,000	802,167	(752,167)	100,000

(8) Derivatives transactions with the related parties as of December 31, 2024 are as follows:

*In millions of Korean won, In thousands of USD*

Type	Counterparty	Contract period	Amount		Interest rate		Exchange rate
			Sell	Buy	Sell	Buy	
Hedging	Korea Development Bank	2022 ~2025	KRW 128,560	USD 100,000	3.370%	4.125%	1,285.60

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 41. Related Party Transactions, Continued

(9) The salaries and other compensations to the key members of management for each of the two years in the period ended December 31, 2024 are as follows:

*In millions of Korean won*

Type		2024	2023
Short-term employee benefits	₩	542	734
Retirement and severance benefits		40	42

(10) Payment guarantees provided to the related parties as of December 31, 2024 are as follows:

*In millions of Korean won, In thousands of USD, SAR*

Provider	Related Parties	Type of guarantee	Amount	Guarantee
Korea Western Power Co., Ltd.	Cheongna Energy Co., Ltd.	Investments in associate pledged as collateral	KRW 46,158	KB Bank, etc.
Korea Western Power Co., Ltd.	Dongducheon Dream Power Co., Ltd.	Investments in associate pledged as collateral(*1)	KRW 54,242	KB Bank, etc.
Korea Western Power Co., Ltd.	Dongducheon Dream Power Co., Ltd.	Borrowing payment guarantees	KRW 20,300	HY Seobu 1st Co., Ltd.
Korea Western Power Co., Ltd.	PT Mutiara Jawa	Investments in associate pledged as collateral	KRW 5,735	Woori Bank
Korea Western Power Co., Ltd.	Rabigh Operation & Maintenance Company Limited	Contract performance guarantees, etc.	SAR 11,200	National Bank of Kuwait
Korea Western Power Co., Ltd.	Xe-Pian Xe-Namnoy Power Co., Ltd.	Investments in associate pledged as collateral	KRW 73,064	Krung Thai Bank
Korea Western Power Co., Ltd.	Xe-Pian Xe-Namnoy Power Co., Ltd.	Guarantees of Impounding bonus (*2)	USD 5,000	SK ecoplant Co., Ltd.
Korea Western Power Co., Ltd.	Solar Power Plants Happy City Co., Ltd.	Investments in associate pledged as collateral	KRW 361	NH Bank
Korea Western Power Co., Ltd.	Shin Pyeongtaek Power Co., Ltd.	Investments in associate pledged as collateral	KRW 139,059	KB Bank, etc.
Korea Western Power Co., Ltd.	Korea Offshore Wind Power Co., Ltd.	Investments in associate pledged as collateral	KRW 24,872	Woori Bank, etc.
Korea Western Power Co., Ltd.	Haemodum Solar Energy Co., Ltd.	Investments in associate pledged as collateral	KRW 3,230	NH Bank
Korea Western Power Co., Ltd.	Seoroseoro Sunny Power Plant Co., Ltd.	Investments in associate pledged as collateral	KRW 1,030	KEB Hana Bank, etc.
Korea Western Power Co., Ltd.	Muan Solar Park Co., Ltd.	Investments in associate pledged as collateral	KRW 6,267	IBK Bank, etc.
Korea Western Power Co., Ltd.	Yudang Solar Co., Ltd.	Investments in associate pledged as collateral	KRW 617	KEB Hana Bank, etc.
Korea Western Power Co., Ltd.	Anjwa Smart Farm & Solar City Co., Ltd.	Investments in associate pledged as collateral	KRW 8,298	KEB Hana Bank, etc.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

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### 41. Related Party Transactions, Continued

(10) Payment guarantees provided to the related parties as of December 31, 2024 are as follows, Continued:

*In millions of Korean won, In thousands of USD, SAR*

Provider	Related Parties	Type of guarantee	Amount	Guarantee
Korea Western Power Co., Ltd.	Hapcheon Floating Photovoltaic Plant Inc.	Investments in associate pledged as collateral	KRW 11,334	NH Bank, etc.
Korea Western Power Co., Ltd.	Yeongwol Eco Wind Co., Ltd.	Investments in associate pledged as collateral	KRW 890	KEB Hana Bank, etc.
Korea Western Power Co., Ltd.	Gurae Jumin Wind Power Co., Ltd.	Investments in associate pledged as collateral	KRW 334	KEB Hana Bank, etc.
Korea Western Power Co., Ltd.	Gunsan Land Solar Co., Ltd.	Investments in associate pledged as collateral	KRW 23,163	KEB Hana Bank, etc.
Korea Western Power Co., Ltd.	Seobusambo highway photovoltaics Co., Ltd.	Investments in associate pledged as collateral	KRW 3,310	KEB Hana Bank, etc.
Korea Western Power Co., Ltd.	Eumseong Eco Park Co., Ltd.	Investments in associate pledged as collateral	KRW 11,613	Kyobo Life Insurance Co., Ltd, etc.
Korea Western Power Co., Ltd.	Pungbaek Wind Power Co., Ltd.	Investments in associate pledged as collateral	KRW 7,760	HANWHA LIFE INSURANCE CO., LTD., etc.
Korea Western Power Co., Ltd.	Wadi Noor Solar Power	Guarantees for equity bridge loan	USD 54,855	DBS Bank
Korea Western Power Co., Ltd.	EDFR KOWEPO AJBAN HOLDING LIMITED	Guarantees for equity bridge loan	USD 57,090	First Abu Dhabi Bank

(\*1) Dongducheon Dream Power Co., Ltd.'s common stock and convertible preferred stocks held by the Group were provided as collateral to financial institutions.

(\*2) Xe-Pian Xe-Namnoy Power Co., Ltd. entered into the agreement to pay incentives to SK ecoplant Co.,Ltd. when the impoundment occurs upon the completion of the hydropower project. In case that Xe-Pian Xe-Namnoy Power Co., Ltd. becomes unable to pay the incentives to SK ecoplant Co.,Ltd, the Group provides guarantees for payment up to USD 5,000,000.

(11) Cheongna Energy Co., Ltd., a joint venture, operates integrated energy transportation and distributions and has outstanding borrowings from the financial institutions. In relation to the borrowings, the Group entered into the supplemental funding agreement for Cheongna Energy Co., Ltd. According to the agreement, the Group is required to fund through subordinated borrowing or all shareholders of Cheongna Energy Co., Ltd. are required to raise the additional funds based on the shareholders' equity ratios when Cheongna Energy Co., Ltd. is unable to repay the principal and interest amounts.

(12) Shin Pyeongtaek Power Co., Ltd, which is a related party of the Group, is engaged in sales of electric power and has a loan from financial institutions. As of December 31, 2024, the Group has entered into a supplementary funding agreement with Shin Pyeongtaek Power Co., Ltd. Accordingly, in the event that Shin Pyeongtaek Power Co., Ltd. has insufficient funds, or if there is any investor who cannot make a supplemental funding, the strategic investors of Shin Pyeongtaek Power Co., Ltd. including the Group must make an additional funding through equity investment or providing a subordinated loans in proportion to their ownership percentage. In addition, if there is such an investor who cannot make a supplemental funding among strategic investors, the alternative investor must acquire all the shares of those investors in accordance with the agreement. If an alternative investor fails to take over all the shares, a strategic investor, including the Group, is required to acquire the shares.

## KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

### Notes to the consolidated financial statements

December 31, 2024 and 2023

#### 41. Related Party Transactions, Continued

(13) As of December 31, 2024, Korea Offshore Wind Power Co., Ltd., an associate, operates marine wind power generating facility and its construction. It has entered into project financing agreement with Woori Bank and etc.. The Group has provided stocks of Korea Offshore Wind Power Co., Ltd. to creditors for collateral. The Group also has entered into funding agreement through subordinated borrowings for any excessive operating expense.

(14) As of December 31, 2024, Yudang Solar Co., Ltd., an associate, has constructed and operated a 7,988.76KW solar power plant and 29,223.32KW power storage facility in Dongsan-ri, Heongyeong-myeon, Muan-gun, Jeollanam-do. If KEB Hana Bank, a lender and agent bank, determines that a cause for implementation of supplemental funding has occurred and requests to provide insufficient fund to investors, each investor is obliged to provide the amount in proportion to their ownership percentage from the requested amounts through additional investment or subordinated borrowings.

(15) As of December 31, 2024, Yeongwol Eco Wind Co., Ltd., a joint venture, plans to build a 42MW wind power plant in Gurae-ri, Yeongwol-gun, Gangwon-do to generate electric power. In the event that KEB Hana Bank Co., a lender and agent bank, requests to fulfill the obligation to provide funds due to additional investments exceeding expected total costs during the construction, each investor is obliged to provide the requested amount in cash.

(16) As of December 31, 2024, Gurae Jumin Wind Power Co., Ltd., a joint venture, plans to build a 4.2MW wind power plant in Gurae-ri, Yeongwol-gun, Gangwon-do to generate electric power. In the event that KEB Hana Bank Co., a lender and agent bank, requests to fulfill the obligation to provide funds due to additional investments exceeding expected total costs during the construction, each investor is obliged to provide the requested amount in cash.

(17) As of December 31, 2024, Seobusambo highway photovoltaics Co., Ltd., a joint venture, has constructed and operates a 7.672 MW-size solar power plant at 129, Bongan-ri, Janggun-myeon, Sejong-si and 13 other areas. If KEB Hana Bank, a lender and agent bank, determines that a cause for implementation of supplemental funding has occurred and requests investors to provide additional fund, each investor is obliged to provide the amount in proportion to their ownership percentage out of the total amount requested through additional investments or subordinated borrowings.

(18) As of December 31, 2024, in accordance with the shareholders' agreement of Wadi Noor Solar Power, a joint venture, the Group has an obligation to sell its shares of Wadi Noor Solar Power at the agreed-upon price on the agreed-upon exercise date to Nama Holding SAOC if it wishes to purchase the shares of Wadi Noor Solar Power.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

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### 42. Statements of Cash Flows

(1) Significant non-cash investing and financing transactions for each of the two years in the period ended December 31, 2024 are as follows:

<i>In millions of Korean won</i>		2024	2023
Transfer of long-term borrowings and debentures to current portion	₩	1,417,416	1,098,614
Transfer of construction-in-progress to property, plant and equipment		309,547	1,253,379
Transfer of acquisition cost of property, plant and equipment to payables		(4,633)	27,475
Acquisition of right-of-use assets		6,700	9,060
Transfer of inventories to property, plant and equipment		17,315	-

(2) Details of changes in liabilities arising from current financial activities for each of the two years in the period ended December 31, 2024 are as follows:

(i) For the year ended December 31, 2024

<i>In millions of Korean won</i>				Non-cash change		
Type		Beginning	Cash flow	Acquisition	Fluctuation of foreign exchange rate	Ending
					Others	
Borrowings	₩	191,206	512,596	-	(396)	703,406
Debentures		5,533,413	(494,288)	-	51,390	5,094,325
Lease liabilities		518,202	(89,093)	6,699	61,963	497,775
Derivative instruments		(74,015)	84,908	-	-	(55,550)
Dividend payable		291,563	(291,565)	-	-	-
	₩	<u>6,460,369</u>	<u>(277,442)</u>	<u>6,699</u>	<u>112,957</u>	<u>6,239,956</u>

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Notes to the consolidated financial statements  
December 31, 2024 and 2023

42. Statements of Cash Flows, Continued

(ii) For the year ended December 31, 2023

*In millions of Korean won*

Type	Beginning	Cash flow	Acquisition	Non-cash change		Ending
				Fluctuation of foreign exchange rate	Others	
Borrowings	₩ 148,419	42,787	-	-	-	191,206
Debentures	5,764,067	(284,030)	-	49,720	3,656	5,533,413
Lease liabilities	591,788	(93,270)	9,060	10,624	-	518,202
Derivative instruments	(93,818)	74,581	-	-	(54,778)	(74,015)
Dividend payable	-	(53,193)	-	-	344,756	291,563
	₩ 6,410,456	(313,125)	9,060	60,344	293,634	6,460,369

43. Commitments for Expenditure

The commitments for acquisition of property, plant and equipment as of December 31, 2024 are as follows:

*In millions of Korean won*

Description	Amounts	Balance
Service of designing Gimpo cogeneration construction	₩ 18,704	2,682
Purchase of gas turbine and attached equipment for Gimpo cogeneration construction	123,495	15,603
Purchase of steam turbine, HRSG and POWER BLOCK for Gimpo cogeneration construction	220,864	101
Construction of Gimpo cogeneration	223,660	8,795
Service of designing Gumi compound construction	18,960	5,687
Purchase of gas turbine and attached equipment for Gumi natural gas power plant	198,029	29,417
Purchase of heat recovery steam generator and attached equipment for Gumi natural gas power plant	65,918	12,574
Construction of Gumi natural gas power plant	246,110	96,708
Installation of natural gas supply equipment for Gumi natural gas power plant	83,801	45,019
Service of designing Taeon#2 fuel conversion alternative construction	20,521	11,527
Construction of Gongju natural gas power plant	203,849	190,840
Purchase of key equipment and attached equipment for Gongju natural gas power plant	305,829	273,338
Service of designing Taeon#3 fuel conversion alternative construction (Yeosu)	20,779	20,779
	₩ 1,750,519	713,070



# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 44. Commitments and Contingencies

(1) Ongoing litigations and claims related with contingent liabilities as of December 31, 2024 and 2023 are as follows:

*In millions of Korean won*

	December 31, 2024		December 31, 2023	
	Number of cases	Claim amount	Number of cases	Claim amount
As the defendant	8	₩ 4,300	9	₩ 2,800
As the plaintiff	7	323,200	9	284,100

(2) Credit lines provided by financial institutions as of December 31, 2024 are as follows:

*In millions of Korean won, In thousands of USD, OMR, AED*

Description	Financial Institutions	Currency	Limited amount	Exercised amount
Foreign currency payment guarantee	NH Bank	USD	8,700	4,020
Bid guarantees	FIRST ABU DHABI BANK	USD	5,000	5,000
Contract performance guarantee	KEB Hana Bank	OMR	6,250	6,250
	FIRST ABU DHABI BANK	AED	52,500	52,500
Commitments on Bank-overdraft	NH Bank	KRW	200,000	67,830
Loan limit	Bank of Communications	USD	30,000	-
	Mizuho Bank	USD	100,000	-
	Korea Development Bank	USD	54,000	-
	DBS Bank	USD	50,000	-
	KB Bank	USD	70,000	-
	Shinhan Bank	USD	30,000	-
	Korea Development Bank	KRW	100,000	100,000
	KB Bank	KRW	60,000	-
	NH Bank	KRW	5,000	-
	Woori Bank	KRW	5,000	-
	Shinhan Bank	KRW	5,000	-
	IBK Bank	KRW	5,000	-
	KEB Hana Bank	KRW	5,000	-
	Samsung Life Insurance co., Ltd	KRW	45,000	35,789
Certification of payment on L/C	Shinhan Bank	USD	60,000	630
	NH Bank	USD	83,000	15,968

As of December 31, 2024, the Group has entered into a credit agreement for derivatives trading with NH Bank, KEB Hana Bank, and Woori Bank as ancillary to currency swap transactions.

As of December 31, 2024, the Group has a loan agreement of KRW 45,000 million with the lenders such as Samsung Life Insurance Co., Ltd. In relation to this financial agreement, the Group provides the entire stock of KOWEPO Changgi Solar Power Plant Co., Ltd. and business-related property, plant and equipment held by the parent as collateral to the lenders. In addition, if there is a shortage of expenses in case of various civil complaints and insurance accidents occurring in the course of business, the parent company may provide additional investment or subordinated conditional loans to its subsidiary, KOWEPO Changgi Solar Power Plant Co., Ltd. There is a replenishment obligation to provide the insufficient funds in a way.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 44. Commitments and Contingencies, Continued

(2) Credit lines provided by financial institutions as of December 31, 2024 are as follows, Continued:

As of December 31, 2024, the Group has provided a debt payment guarantee to DBS Bank amounting to USD 54,854,633 in relation to the Equity Bridge Loan for the 500MW solar power project in Manah, Oman of Wadi Noor Solar Power, a joint venture of KOWEPO Holding Limited.

As of December 31, 2024, the Group has provided a debt payment guarantee to First Abu Dhabi Bank amounting to USD 57,090,000 in relation to the Equity Bridge Loan for the 1.5GW solar power project, Ajban of EDFR KOWEPO Ajban Holding Limited, a joint venture.

(3) Main raw material purchase agreements as of December 31, 2024 are as follows:

Raw materials	Supplier	Contract period	Annual contract amount (thousand tons, thousand kℓ))
Bituminous coal	Australia	Jan. 2024 ~ May 2025	5,867
	Indonesia	Jan. 2024 ~ Sep. 2026	4,790
	Russia	Jan. 2024 ~ Jun. 2025	2,730
	South Africa	Jan. 2024 ~ Sep. 2025	1,100
	USA	Jan. 2024 ~ Jun. 2025	850
	Columbia	Jan. 2024 ~ Dec. 2024	316
			<u>15,653</u>
LNG	Korea Gas Corporation	2007 ~ 2033	Determined annually
	Korea Gas Corporation	2015 ~ 2025	Determined annually
	GS ENERGY SINGAPORE TRADING PTE LTD	2023 ~ 2026	685
Oil	HANWHA TOTALENERGIES		
	PETROCHEMICAL Co., Ltd.	Jul. 2024 ~ Dec. 2024	20

(4) Details of long-term marine transportation commitments for the safe transport of bituminous coal as of December 31, 2024 are as follows:

Shipping company	Ship name	Contract period
NYK	Frontier Lodestar	Feb. 2013~Oct. 2028
H-LINE	HL Balikpapan	Jul. 2011~Jun. 2026
H-LINE	Hyundai Leader	Apr. 2016~Mar. 2031
H-LINE	HL Taean	May 2018~Apr. 2036
SK Shipping Co., Ltd.	K. Western Dream	Mar. 2016~Feb. 2028
SK Shipping Co., Ltd.	K. Taean	Oct. 2018~Sep. 2036
Hansung Line Co., Ltd.	Western Marine	Jan. 2012~Dec. 2026
Daebo International Shipping Co., Ltd.	Glovis Daylight	Dec. 2015~Nov. 2030
Wooyang Shipping Co., Ltd	Wooyang Venus	Jul. 2016~Jun. 2026
Five Ocean Corporation	F. Ocean	Dec. 2016~Nov. 2026

(5) As described in Note 41, the Group provides financial supports including the debt repayment guarantees to related parties.

(6) For stable supply of bituminous coal, the Group has entered into a basic bituminous coal swap agreement which is a non-monetary exchange agreement with no commercial substance.

# KOREA WESTERN POWER CO., LTD. AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements

December 31, 2024 and 2023

### 44. Commitments and Contingencies, Continued

(7) The Group has entered into a basic LNG swap agreement with users of the Boryeong LNG Terminal to ensure a stable supply of LNG. The LNG swap agreement is a non-monetary exchange agreement that does not have any commercial substance.

(8) The Group is obligated to supply a certain amount of the total power generation by using renewable energy each year, in accordance with the *Act on the Promotion of the Development, Use, and Diffusion of New and Renewable Energy*. According to this act, obligated suppliers can fulfill their requirements either by using their own power generation facilities or by purchasing Renewable Energy Certificates (RECs). The costs incurred in fulfilling these obligations are compensated by the Korea Electric Power Corporation (KEPCO) according to relevant regulations.

To meet its obligations, the Group has entered into contracts with multiple counterparties to purchase RECs at a fixed price for a certain period. The purchase amounts paid to the counterparties will be compensated by KEPCO over the duration of the contracts.

As of December 31, 2024, the Group's fixed-price REC purchase contract is as follows:

Category	Number of contracts	Contract capacity	Purchase volume for the year	Average remaining contract term	Average contract price
Fixed Price Contract (*)	16,970	3,234,818 kW	4,404,343 RECs	191 months	189,570 KRW

(\*) Contract Method: SMP+REC or SMP+REC \* Weight

### 45. Uncertainty of the Effects of Ukraine Crisis

The armed conflict in Ukraine, which began in February 2022, and the international community's sanctions against Russia related thereto, are not only applicable to companies that are subject to sanctions, but also to companies directly or indirectly doing business with Ukraine or Russia, and directly or indirectly to the industry or economy of Ukraine or Russia. It can indirectly affect the companies it is exposed to. The Group cannot reasonably estimate the future financial impact of the Ukraine crisis.

### 46. Events After the Reporting Period

The Group issued corporate bonds for the purpose of using them for repaying debts. Details of the issuance are as follows:

*In millions of Korean won*

Classification	Issuance date	Maturity date	Annual interest rate (%)	Amount
Corporate bond #64-1	Feb. 13, 2025	Feb. 12, 2027	2.887	₩ 140,000
Corporate bond #64-2	Feb. 13, 2025	Feb. 11, 2028	2.931	100,000
Corporate bond #64-3	Feb. 13, 2025	Feb. 13, 2030	3.044	20,000
				₩ <u>260,000</u>