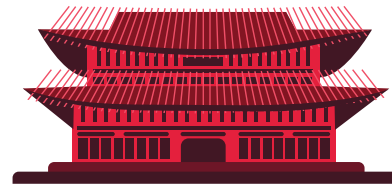


Securing Financial Stability in the Era of Climate Change and Energy Security



APRIL 28, 2026



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1. Company Overview

2. Risks to Financial Sustainability

3. Challenges Faced by Utility

Company Overview

KEPCO at a Glance



Policy Mandate

Promote power infrastructure for stable electricity



Market Share

100% transmission and distribution



Ownership

51% owned by the Korean government



Government Support

In accordance with the KEPCO Act



Credit Rating

On par with the Korea sovereign



Listed on KRX / NYSE

KRX (1989~), NYSE (1994~)

Key Stats

Total assets
USD **177.7** billion

Revenue
USD **67.9** billion

Operating profit
USD **9.4** billion

Power sales volume
549.4 TWh

Number of employees
63,503

※ 2025 figure (Consolidated)

Overview of KEPCO Group

Transmission & Distribution

Market Share
100%



100%

100%

100%

100%

100%

100%

Power Generation

Market Share
65.0%



KHNP
Nuclear & Hydroelectric

Asset \$52.1bn
Revenue \$9.7bn



KOEN
Thermal & Renewable

Asset \$10.2bn
Revenue \$4.8bn



KOMIPO
Thermal & Renewable

Asset \$11.5bn
Revenue \$5.2bn



WP
Thermal & Renewable

Asset \$9.7bn
Revenue \$4.5bn



KOSPO
Thermal & Renewable

Asset \$9.9bn
Revenue \$4.9bn



EWP
Thermal & Renewable

Asset \$9.2bn
Revenue \$3.8bn

Others

51%



Korea E&C

Power Facility
Engineering Services

51%



KEPCO KPS

Power Facility
Maintenance & Repair

96%



**KEPCO Nuclear
Fuel Company**

Nuclear Fuel
Manufacturing

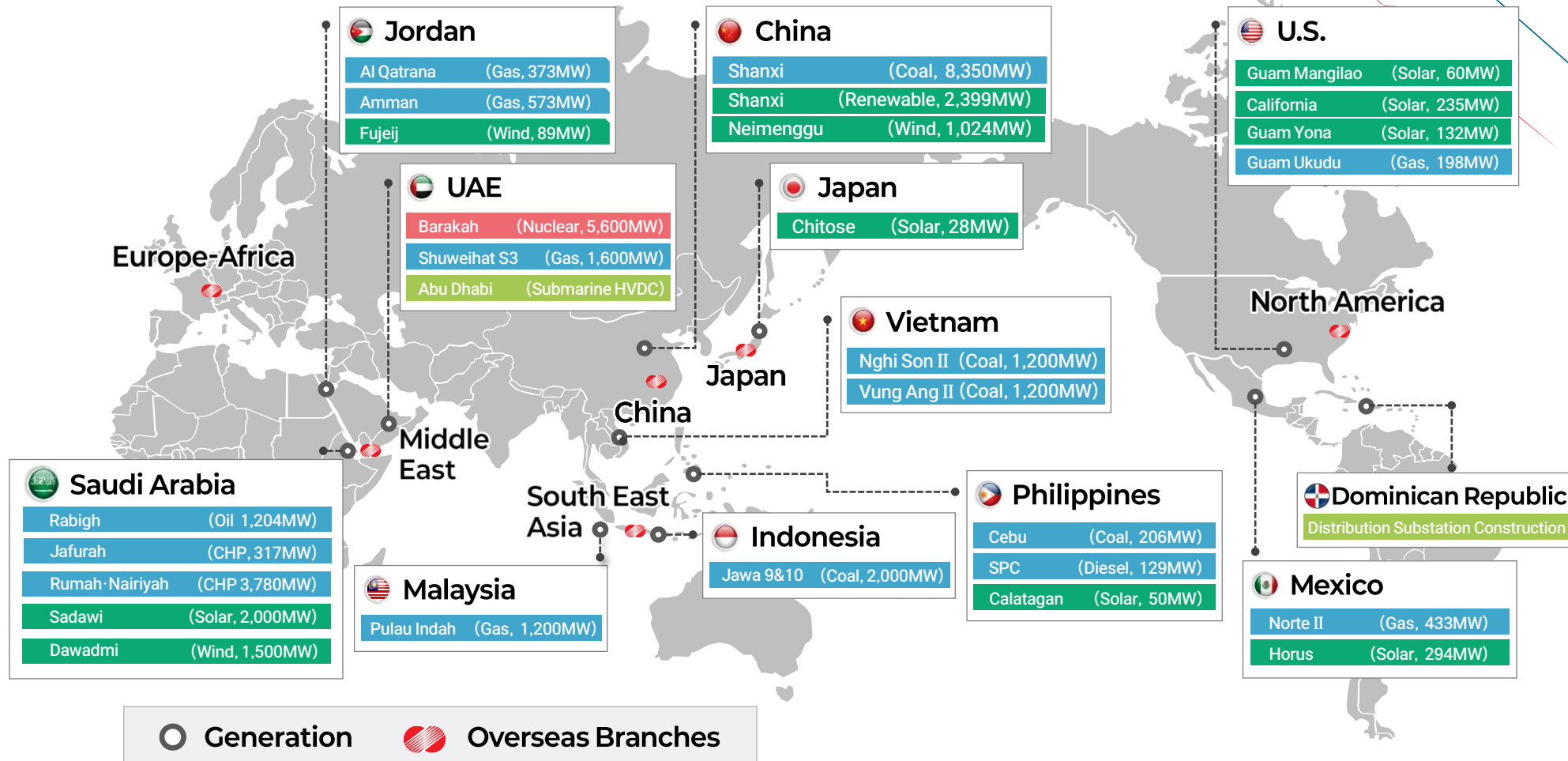
100%



KEPCO KDN

IT Service

Overseas Business (On a separate basis)



30 Projects in 12 Countries

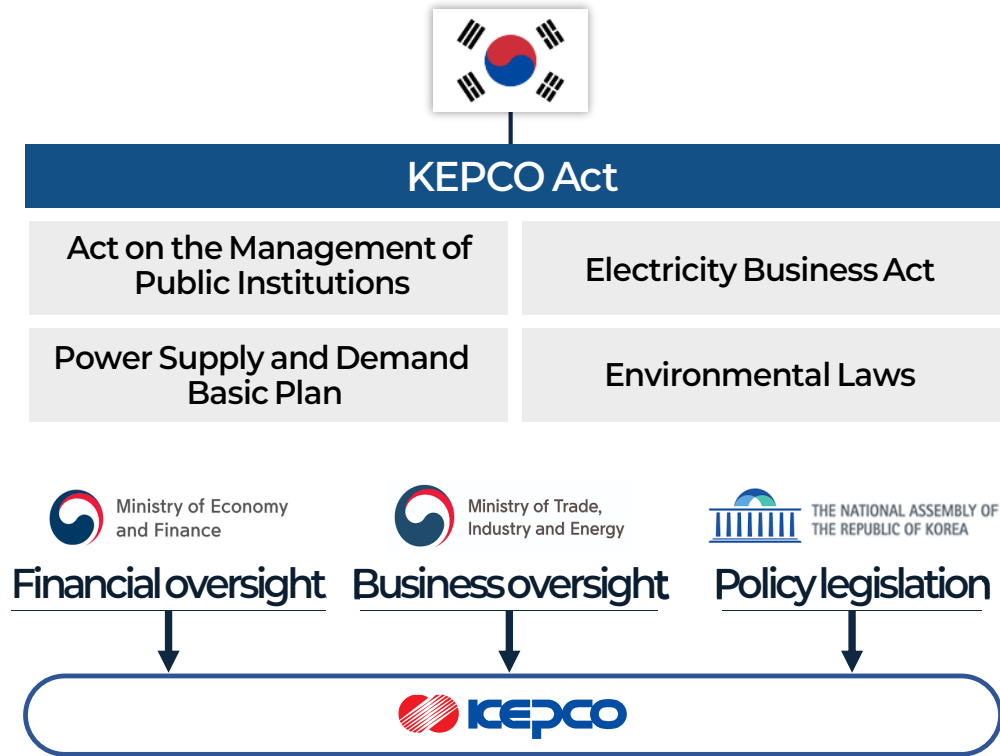
Thermal
16 Projects in 10 Countries (23,094MW)

Renewable
10 Projects in 7 Countries (8,645MW)

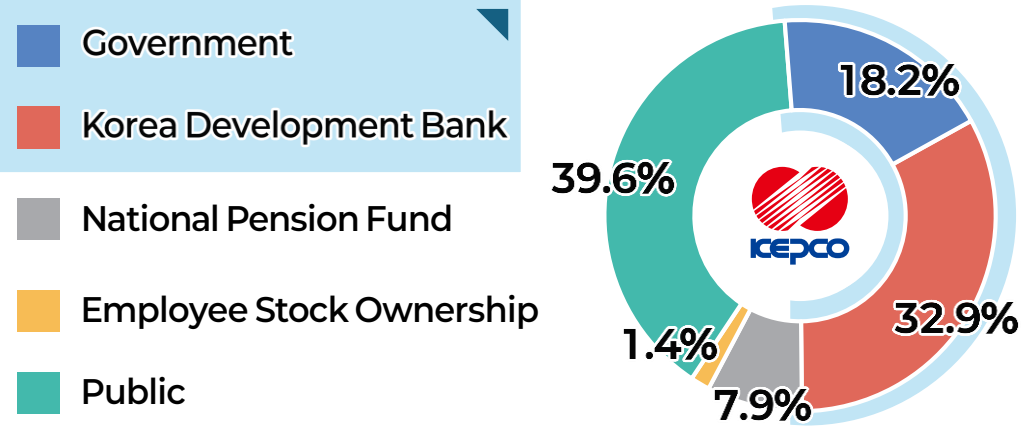
Nuclear
1 Project in UAE (5,600MW)

Grid Solution
3 Projects in 2 Countries

Governance



Shareholder Composition (as of December 31, 2025)



Total Government Ownership > 51%

Key Government Support

The government may guarantee payment of the principal and interest on the bonds issued by KEPCO (Article 16 of the KEPCO Act)

External Governance

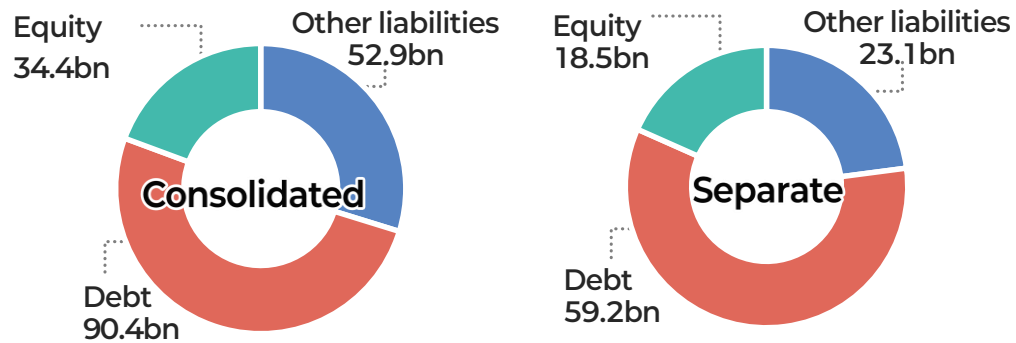
- Public Enterprise Management Evaluation

Financial Status

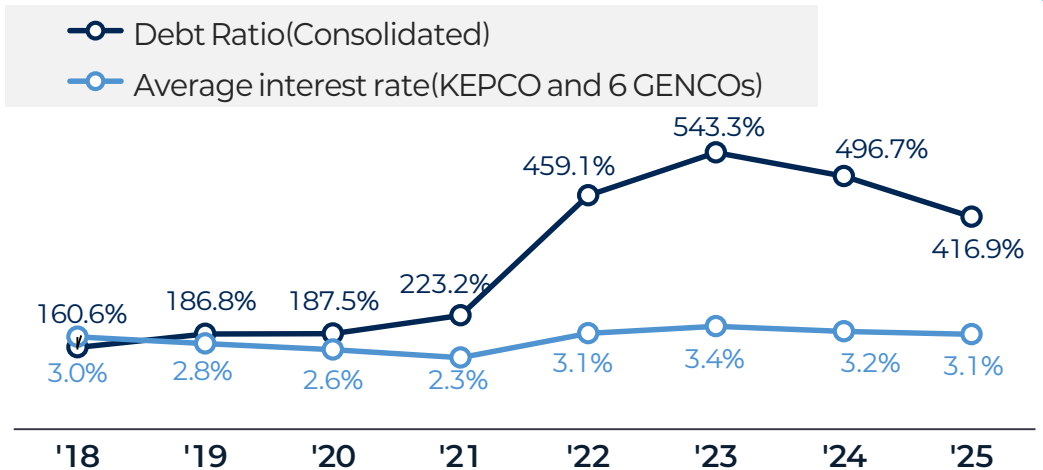
Consolidated		
Operating Revenue	Cost of sales and SG&A	Operating Profit
USD 67.9 bn	USD 58.5 bn	USD 9.4 bn

Separate		
Operating Revenue	Cost of sales and SG&A	Operating Profit
USD 66.6 bn	USD 60.6 bn	USD 6.0 bn

Capital Structure (2025)



Debt Ratio & Interest Rate



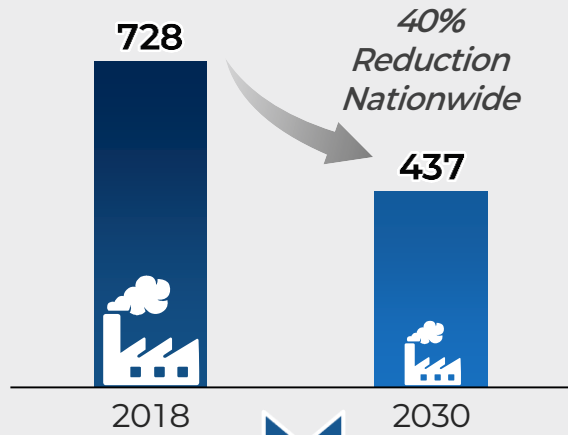
Risks to Financial Sustainability

Era of Energy Crisis

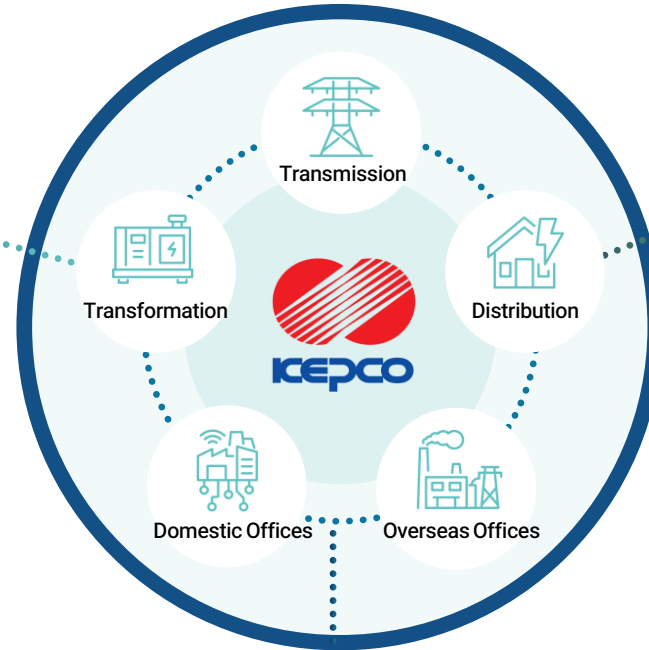
Climate Change

- Global framework on climate change
- New economic order, including CBAM

Carbon Emission Reduction Plan



Tech-development capital investment and policy costs



Economic Slowdown

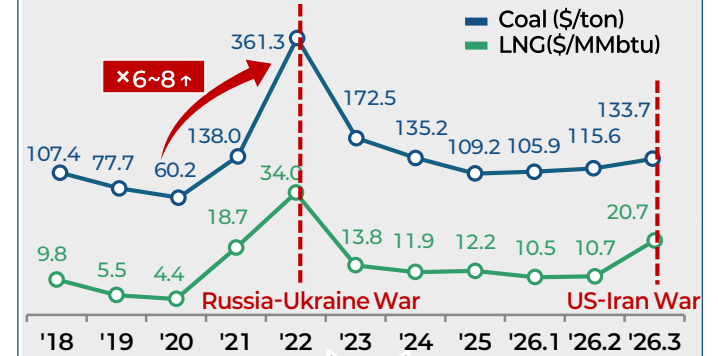
- High interest & exchange rate volatility

Geopolitical Risks

- Russia-Ukraine and US-Iran war
- Threat to fuel supply chain and prices

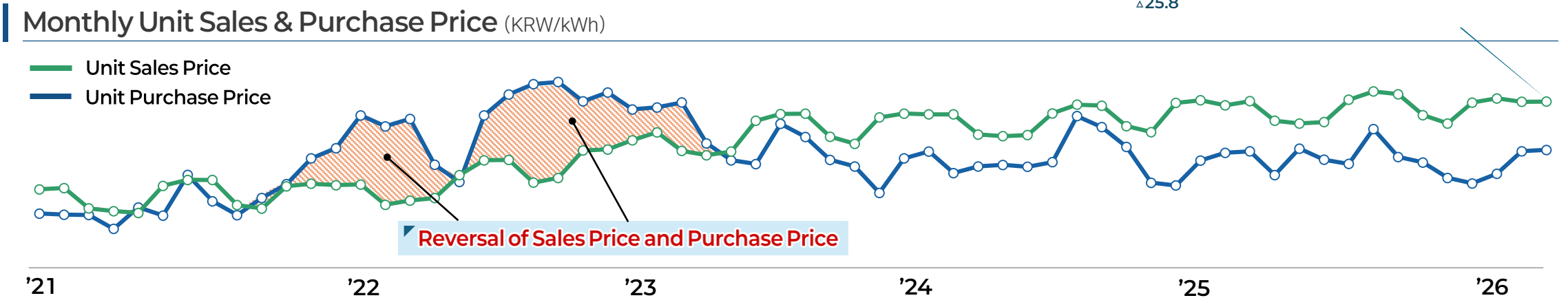
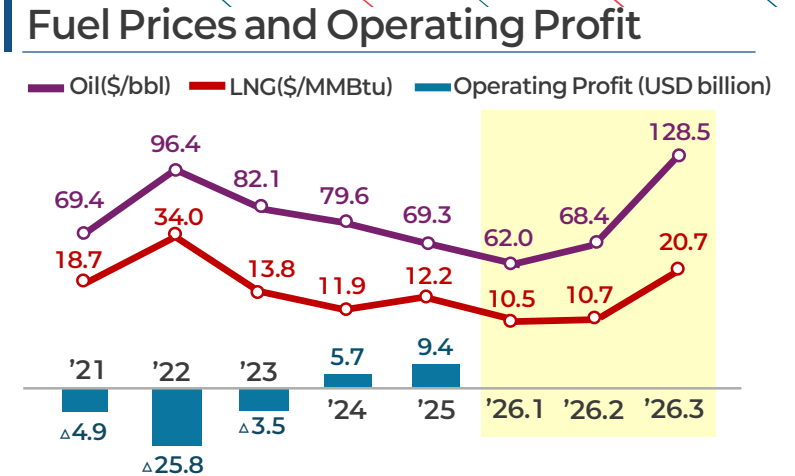
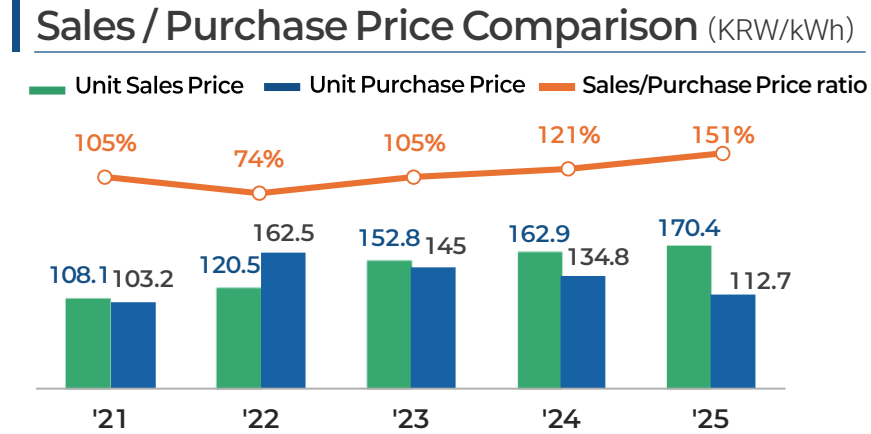
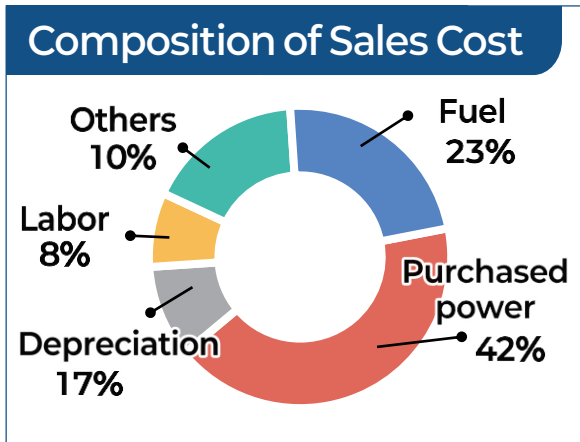
Global Fuel Prices

Increase in coal and LNG prices



Critical impact on power generation cost

Cost Pressure from Surging Fuel Prices



Uncontrollable fuel price fluctuations significantly affect the cost of electricity generation. However, these additional costs cannot be fully reflected in consumer tariffs.

Efforts to Overcome the Financial Crisis

Seeking to secure the financial stability,
while mitigating the effects of the energy crisis

Rational reform of the tariff structure

Fuel cost pass-through mechanism

Enables electricity tariffs to adjust in line with fuel cost fluctuations within the allowed range

Climate surcharge on electricity bills

Introduces a dedicated surcharge on electricity bills to fund climate related initiatives, such as CO₂ reduction

Company-wide cost savings

Improving Operational Efficiency

Cost minimization is achieved through optimization of the power grid and promotion of corporate innovation



Operating Profit (USD)



Debt Ratio



Public Enterprise Management Evaluation



Challenges Faced by Utility

Response to the Climate-related Costs

Greenhouse Gas (GHG) Emissions Target

(Unit: milton)

GHG Sector	'18 Emission	2030 Emission Target	
		Original NDC	Enhanced NDC*
Korea	727.6	536.1	436.6(Δ40.0%)
Transformation (Electricity & Heating)	269.6	192.7	145.8(Δ45.9%)
KEPCO Group	216.0	131.3	116.9(Δ45.9%)

Policy Costs by Year (RPS, ETS, etc.)

(Unit: USD billion)

Policy	'21	'22	'23	'24	'30 e
RPS	1.6	2.1	2.0	2.4	5.0~
ETS	0.4	0.4	0.1	0.1	

RPS: The cost of compliance with the Renewable Portfolio Standards

ETS: The cost to reduce carbon emission or to buy carbon credits

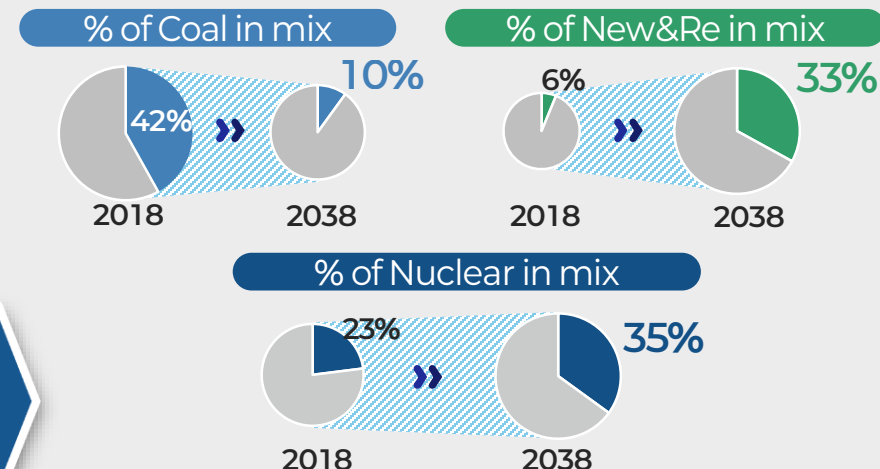
Fuel Price Forecasts

(Unit: USD/ton, USD/bbl)

Fuel	'16	'18	'20	'22	'24	'26 e	'28 e
Coal	66	107	60	361	135	123	126
Crude Oil	41	70	42	96	84	86	75

Fuel prices are likely to remain volatile in the future

Transition of the Power Generation Portfolio



“Tariff Structure Reform”

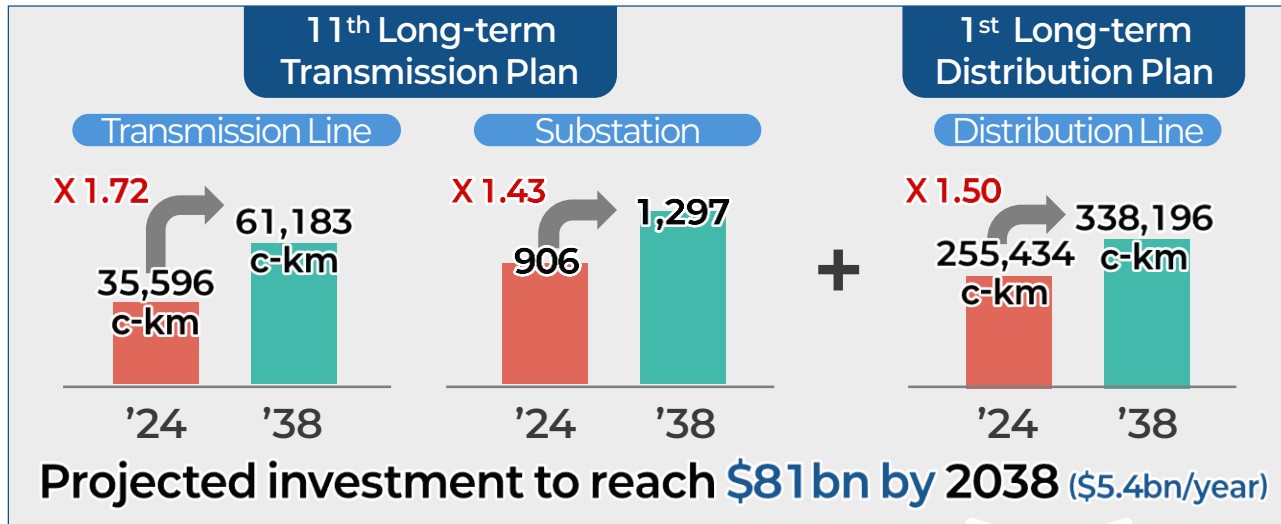
Reforming the tariff structure to allow fuel and climate costs to be passed through to consumers

Before			After	
• Basic Charge	1,600	Separately billed	• Basic Charge	1,600
• Usage Charge	46,845		• Usage Charge	43,940
		Clearly inform consumers of the burden amount	• Fuel Costs Adj.	1,050
			• Climate Surcharge	1,855
• Total	48,445		• Total	48,445

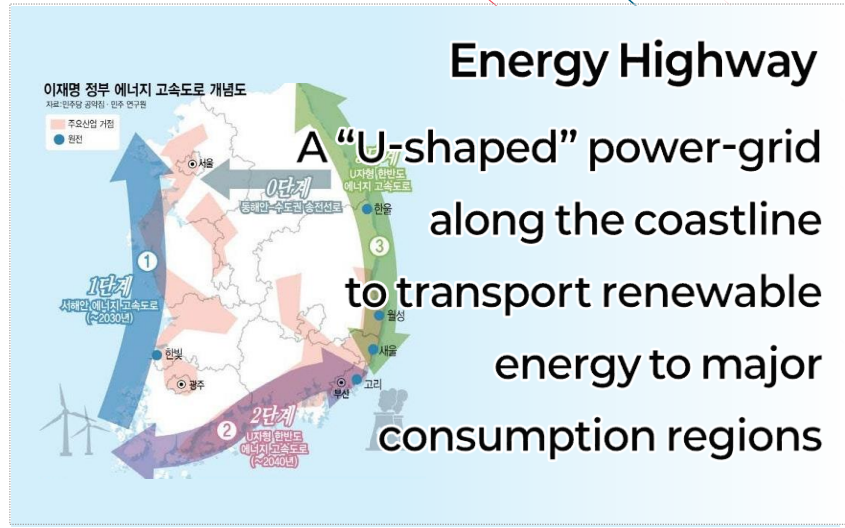
Efforts to Optimize Capital Expenditure

Electricity Demand Forecast (11th master plan of power supply and demand)

2024 **557.1 TWh** → 2038 **735.1 TWh (32% ↑)**



Demand for AI and semiconductors requires substantial investment in future power grid



Structural cost minimization is required through improved operational efficiency

- » Minimizing capital expenditure through electricity network optimization
- » Utilizing corporate innovation to reduce costs and secure long-term financial stability

Initiatives to Address the Energy Transition

Shifting the increase in power demand from night time to daytime, while accommodating the growing supply of renewable energy during the daytime.

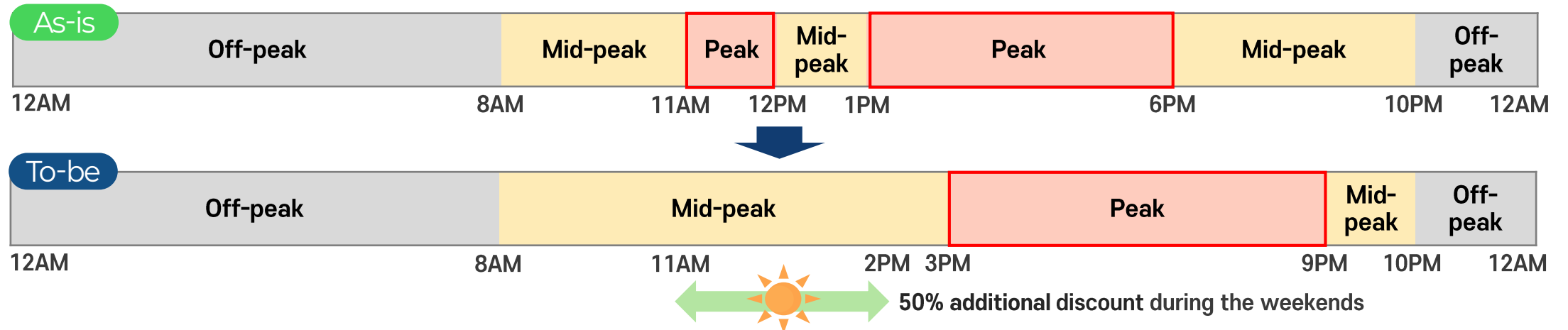


Rational reform of the time-of-use and seasonal tariff structure

Lowering the daytime tariff rates in line with increasing power supply during the daytime

Enables peak load shifting, aligning demand with solar generation during the day and reducing thermal generation at night

Incentivizes electricity users to shift consumption to mid-peak-hours, promoting efficient consumption patterns



Change in the Role of SOEs

“Transition to a **sustainable and innovative governance model**”

The Past Agenda

Contributing to industrial development and the national economy by delivering reliable and cost-effective electricity

The Future Agenda

Leading the way in carbon-free innovation to drive climate action and boost global competitiveness

A shift from a Govt-led model to public-private partnerships

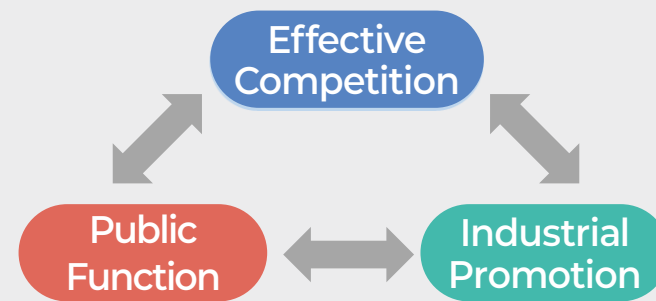
Private Sector

- » Leading market innovation by entering untapped competitive sectors
- Offshore Windfarm

Public Sector

- » Upholding social responsibility in non-competitive sectors
- Energy Valley, Public R&D

A new framework for the energy ecosystem



Thank you