

Korea Southern Power Co., Ltd. and its subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020

<i>In millions of won</i>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Loss for the year	₩ (114,731)	(7,438)
Adjustments for:		
Income tax benefits	(24,196)	(13,634)
Interest expenses	131,982	137,174
Interest income	(7,270)	(6,427)
Dividend income	(13,596)	(3,163)
Depreciation	907,119	872,211
Amortization of intangible assets	13,049	10,451
Retirement benefit expenses	28,943	26,955
Loss(gain) on disposal of property, plant and equipment, net	10,865	(30,762)
Loss(gain) on foreign currency translations, net	92,012	(59,586)
Loss(gain) on valuation of derivative instruments, net	(37,668)	18,251
Gain on transaction of derivative instruments, net	(14,767)	(3,562)
Loss(gain) on disposal of inventories, net	(25)	261
Share of loss(profit) of associates and joint ventures, net	7,273	(6,792)
Gain on assets contributed	(6)	(1,176)
Compensation and reparations expenses	663	10,801
Reversal of provisions	(27)	(78,708)
Accrual of provisions	118,650	65,069
Other loss (gains), net	11,233	(1)
	<u>1,224,234</u>	<u>937,362</u>
Changes in:		
Trade and other receivables	(276,863)	(14,641)
Inventories	(166,400)	84,395
Non-financial assets	142,931	(74,054)
Investments in associates	1,150	2,276
Trade and other payables	248,197	(27,427)
Financial liabilities	330	-
Non-financial liabilities	(45,986)	8,798
Use of current provisions	(51,903)	(26,580)
Payments of retirement benefit obligations	(21,089)	(21,681)
Other long-term employee benefits	94	(38)
	<u>(169,539)</u>	<u>(68,952)</u>
Cash generated from operating activities		
Interest received	1,935	7,402
Interest paid	(138,599)	(150,480)
Dividend received	13,596	3,163
Income tax received (paid)	29,917	(31,638)
	<u>(93,151)</u>	<u>(171,553)</u>
Net cash provided by operating activities	<u>₩ 846,813</u>	<u>689,419</u>

(Continued)

Korea Southern Power Co., Ltd. and its subsidiaries
Consolidated Statements of Cash Flows, Continued
For the years ended December 31, 2021 and 2020

<i>In millions of won</i>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities		
Increase in financial instruments	₩ (42,649)	(224,011)
Decrease in financial instruments	42,649	224,011
Increase in loans	(4,521)	(15,964)
Decrease in loans	871	2,176
Proceeds from disposal of property, plant and equipment	5,019	45,597
Receipt of government grants	26	111
Proceeds from disposal of emission rights	13,393	-
Acquisition of property, plant and equipment	(585,345)	(763,696)
Acquisition of intangible assets	(904)	(1,869)
Increase in guarantee deposits	(14,697)	(21,000)
Decrease in guarantee deposits	12,439	30,976
Acquisition of investments in associates and joint ventures	(245,643)	(55,084)
Net cash inflows due to changes in consolidation scope	7,098	-
Net cash used in investing activities	<u>(812,264)</u>	<u>(778,753)</u>
Cash flows from financing activities		
Proceeds from borrowings	2,327,000	2,210,000
Repayment of borrowings	(2,520,224)	(2,073,034)
Proceeds from bonds	1,280,395	807,776
Repayment of bonds	(935,720)	(650,000)
Repayment of lease liabilities	(87,915)	(87,780)
Settlement of derivative instruments	17,696	1,773
Net cash provided by financing activities	<u>81,232</u>	<u>208,735</u>
Net increase in cash and cash equivalents	115,781	119,401
Cash and cash equivalents at the beginning of the year	175,821	61,170
Net foreign exchange difference	9,060	(4,750)
Cash and cash equivalents at the end of the year	<u>₩ 300,662</u>	<u>175,821</u>

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