

Korea Southern Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
For the years ended December 31, 2022 and 2021

In millions of won

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Loss for the period	₩ (41,182)	(114,731)
Adjustments for:		
Income tax expenses	(9,389)	(24,196)
Interest expenses	149,783	131,982
Interest income	(23,445)	(7,270)
Dividend income	(103,448)	(13,596)
Depreciation	875,144	907,119
Amortization of intangible assets	15,128	13,049
Other bad debt expense	2,179	-
Retirement benefit expenses	30,093	28,943
Loss on disposal of property, plant and equipment, net	2,651	10,865
Loss on foreign currency translations, net	62,543	92,012
Gain on valuation of derivative instruments, net	(18,169)	(37,668)
Gain on transaction of derivative instruments, net	(2,607)	(14,767)
Gain on disposal of inventories, net	(297)	(25)
Share of loss (profit) of associates and joint ventures, net	(47,412)	7,273
Gain on assets contributed	-	(6)
Compensation and reparations expenses	1	663
Gain on guarantee commission	(22)	(27)
Accrual of provisions, net	183,039	118,650
Other loss (profit), net	(695)	11,233
Loss on financial asset measured at fair value through profit or loss	14,008	-
	<u>1,129,085</u>	<u>1,224,234</u>
Changes in:		
Trade and other receivables	(434,532)	(276,643)
Inventories	(378,497)	(166,400)
Non-financial assets	(48,892)	142,711
Investments in associates	3,117	1,150
Trade and other payables	366,619	248,197
Financial liabilities	(249)	330
Non-financial liabilities	(15,194)	(45,986)
Use of current provisions	(79,956)	(51,903)
Payments of retirement benefit obligations	(24,138)	(21,089)
Increase in plan assets	(1,556)	-
Other long-term employee benefits	(74)	94
	<u>(613,352)</u>	<u>(169,539)</u>
Cash generated from operating activities		
Interest received	16,731	1,935
Interest paid	(149,734)	(138,599)
Dividend received	51,088	13,596
Income tax refunded (paid)	(28,881)	29,917
	<u>(110,796)</u>	<u>(93,151)</u>
Net cash provided by operating activities	₩ <u>363,755</u>	<u>846,813</u>

(Continued)

Korea Southern Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows, continued
For the years ended December 31, 2022 and 2021

<i>In millions of won</i>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities		
Increase in financial instruments	₩ (21,745)	(42,649)
Decrease in financial instruments	11,745	42,649
Increase in financial asset measured at fair value through profit or loss	(205,386)	-
Increase in loans	(2,390)	(4,521)
Decrease in loans	898	871
Proceeds from disposal of property, plant and equipment	2,444	5,019
Receipt of government grants	2,789	26
Proceeds from disposal of emission allowances	-	13,393
Acquisition of property, plant and equipment	(728,168)	(585,345)
Acquisition of intangible assets	(6,946)	(904)
Increase in guarantee deposits	(7,494)	(14,697)
Decrease in guarantee deposits	3,879	12,439
Decrease in government grants	(27)	-
Acquisition of investments in associates and joint ventures	(17,750)	(245,643)
Increase in other non-current financial assets	(3,000)	-
Net cash inflows due to changes in consolidation scope	(8,872)	7,098
Net cash used in investing activities	<u>(980,023)</u>	<u>(812,264)</u>
Cash flows from financing activities		
Proceeds from borrowings	1,129,918	2,327,000
Repayment of borrowings	(540,244)	(2,520,224)
Proceeds from bonds	508,495	1,280,395
Repayment of bonds	(600,350)	(935,720)
Repayment of lease liabilities	(92,037)	(87,915)
Settlement of derivative instruments	2,607	17,696
Payment of dividend	(159)	-
Net cash provided by financing activities	<u>408,230</u>	<u>81,232</u>
Net increase (decrease) in cash and cash equivalents	(208,038)	115,781
Cash and cash equivalents at the beginning of the period	300,662	175,821
Net foreign exchange difference	914	9,060
Cash and cash equivalents at the end of the period	<u>₩ 93,538</u>	<u>300,662</u>

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