

Korea Southern Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2023

<i>In millions of won</i>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Profit (loss) for the period	₩ 265,504	(41,182)
Adjustments for:		
Income tax expenses (benefit)	28,151	(9,389)
Interest expenses	176,159	149,783
Interest income	(12,003)	(23,445)
Dividend income	(69,042)	(103,448)
Depreciation	876,777	875,144
Amortization of intangible assets	16,287	15,128
Other bad debt expense	4,052	2,179
Retirement benefit expenses	25,369	30,093
Gain on disposal of property, plant and equipment, net	1,383	2,651
Loss (gain) on foreign currency translations, net	(9,466)	62,543
Loss (gain) on valuation of derivative instruments, net	35,737	(18,169)
Gain on transaction of derivative instruments, net	(5,678)	(2,607)
Gain on disposal of inventories, net	(1,313)	(297)
Share of profit of associates and joint ventures, net	(55,551)	(47,412)
Loss (gain) on valuation of financial assets at fair value through profit or loss	(17,640)	14,008
Gain on disposal of financial assets at fair value through profit or loss	(3,766)	-
Gain on assets contributed	(6,917)	-
Financial guarantee contracts	516	-
Compensation and reparations expenses	4	1
Gain on guarantee commission	(16)	(22)
Accrual of provisions	26,541	183,039
Other profit, net	(2,364)	(695)
	<u>1,007,220</u>	<u>1,129,085</u>
Changes in:		
Trade and other receivables	513,505	(434,532)
Inventories	365,005	(378,497)
Non-financial assets	2,995	(48,892)
Investments in associates	6,194	3,117
Trade and other payables	(566,820)	366,619
Financial liabilities	41	(249)
Non-financial liabilities	(41,508)	(15,194)
Use of current provisions	(45,317)	(79,956)
Payments of retirement benefit obligations	(21,338)	(24,138)
Plan assets	(1,633)	(1,556)
Other long-term employee benefits	86	(74)
	<u>211,210</u>	<u>(613,352)</u>
Cash generated from operating activities		
Interest received	5,028	16,731
Interest paid	(179,062)	(149,734)
Dividend received	69,041	51,088
Income tax paid	(28,560)	(28,881)
	<u>(133,553)</u>	<u>(110,796)</u>
Net cash flows provided by operating activities	₩ 1,350,381	363,755

(Continued)

Korea Southern Power Co., Ltd. and its subsidiaries
Consolidated statements of cash flows, Continued
for each of the two years in the period ended December 31, 2023

In millions of won

	<u>2023</u>	<u>2022</u>
Cash flows from investing activities		
Increase in financial instruments	₩ (1,515)	(21,745)
Decrease in financial instruments	5,400	11,745
Increase in financial asset measured at fair value through profit or loss	(264,149)	(205,386)
Increase in loans	(2,723)	(2,390)
Decrease in loans	1,456	898
Proceeds from disposal of property, plant and equipment	2,376	2,444
Receipt of government grants	-	2,789
Acquisition of property, plant and equipment	(655,830)	(728,168)
Acquisition of intangible assets	(726)	(6,946)
Increase in guarantee deposits	(7,590)	(7,494)
Decrease in guarantee deposits	9,868	3,879
Decrease in government grants	-	(27)
Disposal of investments in associates and joint ventures	-	4,606
Acquisition of investments in associates and joint ventures	(10,572)	(22,356)
Increase in other non-current financial assets	-	(3,000)
Net cash inflows due to changes in consolidation scope	-	(8,872)
Net cash flows used in investing activities	<u>(924,005)</u>	<u>(980,023)</u>
Cash flows from financing activities		
Proceeds from borrowings	1,545,924	1,129,918
Repayment of borrowings	(2,169,253)	(540,244)
Proceeds from bonds	1,102,986	508,495
Repayment of bonds	(680,000)	(600,350)
Repayment of lease liabilities	(99,596)	(92,037)
Settlement of derivative instruments	(11,727)	2,607
Net cash outflows from consolidated equity transactions	(40,753)	-
Payment of dividend	(2,107)	(159)
Net cash flows provided by (used in) financing activities	<u>(354,526)</u>	<u>408,230</u>
Net increase (decrease) in cash and cash equivalents	71,850	(208,038)
Cash and cash equivalents at the beginning of the period	93,539	300,662
Net foreign exchange difference	656	914
Cash and cash equivalents at the end of the period	<u>₩ 166,045</u>	<u>93,538</u>

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