

**HANATOUR SERVICE INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2020 and 2019**

*(In thousands of won)*

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Net loss	₩ (218,571,040)	(11,951,852)
Additions of expenses not involving cash outflows and others	157,573,133	125,395,547
Deduction of incomes not involving cash inflows and others	(6,077,486)	(9,150,771)
Movements in operating assets and liabilities:		
Decrease in trade receivables	72,070,031	7,011,917
Decrease in other receivables	2,726,123	667,325
Decrease in inventories	28,683,518	17,324,541
Decrease (increase) in advance payments	22,781,087	(2,650,065)
Increase in long-term advance payments	-	(9,472,559)
Decrease (increase) in other current assets	6,201,879	(438,816)
Increase in other non-current assets	(21,345)	(508,765)
Decrease in trade payables	(59,455,334)	(32,701,319)
Decrease in other payables	(29,127,075)	(3,324,301)
Decrease in deposits received for travel	(89,194,333)	(29,632,734)
Increase (decrease) in advances received	4,237,517	(3,720,082)
Increase (decrease) in other financial liabilities	(433,003)	4,289,423
Decrease in other current liabilities	(11,924,107)	(7,376,238)
Decrease in provisions	(1,421,352)	(1,439,177)
Increase (decrease) in long-term other payables	(398,385)	2,711,288
Decrease in other long-term employee benefit	(29,340)	(155,500)
	<u>(122,379,512)</u>	<u>44,877,862</u>
<b>Interest expense paid</b>	(8,658,314)	(10,926,055)
<b>Interest income received</b>	1,923,042	3,107,324
<b>Dividend income received</b>	553,872	512,010
<b>Income taxes paid</b>	<u>(4,307,113)</u>	<u>(8,929,854)</u>
<b>Net cash provided by operating activities</b>	₩ <u>(132,868,025)</u>	<u>28,641,287</u>

**HANATOUR SERVICE INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows, Continued**  
**For the years ended December 31, 2020 and 2019**

*(In thousands of won)*

	<b>2020</b>	<b>2019</b>
<b>Cash flows from investing activities</b>		
<b>Cash inflows from investing activities:</b>		
Decrease in short-term financial instruments	₩ 198,366,449	269,317,824
Decrease in other receivables	11,964	466,260
Disposal of financial assets at FVTPL	1,813,578	10,052,783
Disposal of investment in associates and joint venture	200,995	537,160
Disposal of financial assets at FVOCI	14,000	-
Capital reduction of associates and joint venture	-	5,201,270
Disposal of property and equipment	5,798,643	18,146,478
Disposal of intangible assets	-	5,489
Disposal of intangible assets being acquired	35,401	2,773
Decrease in finance lease receivables	1,272,889	2,213,198
Decrease in other financial assets	14,673,913	3,566,715
Disposal of assets held for sale	3,500,000	-
<b>Cash outflows for investing activities:</b>		
Increase in short-term financial instruments	106,460,284	248,239,459
Increase in other receivables	1,477,276	6,305
Acquisition of financial assets at FVTPL	750,000	7,488,200
Acquisition of financial assets at FVOCI	221	804,240
Acquisition of investment in associates and joint venture	-	5,064,000
Acquisition of property and equipment	4,042,829	110,882,808
Acquisition of Investment property	-	6,924,548
Acquisition of intangible assets	16,971,962	28,512,859
Acquisition of prepaid lease assets.	-	3,498,000
Increase in other financial assets	8,951,556	10,818,123
<b>Net cash used in investing activities</b>	₩ <u>87,033,704</u>	<u>(112,728,592)</u>

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**Consolidated Statements of Cash Flows, Continued**  
**For the years ended December 31, 2020 and 2019**

*(In thousands of won)*

	<b>2020</b>	<b>2019</b>
<b>Cash flows from financing activities</b>		
<b>Cash inflows from financing activities:</b>		
Proceeds from short-term borrowings	₩ 107,240,149	216,929,251
Proceeds from long-term borrowings	12,708,305	80,576,671
Paid-in capital increase of parent company	128,926,500	-
Paid-in capital increase of subsidiaries	-	1,202,651
<b>Cash outflows for financing activities:</b>		
Repayment of short-term borrowings	176,660,646	199,112,653
Repayment of current portion of long-term borrowings	2,300,535	2,677,044
Repayment of long-term borrowings	1,105,070	-
Repayment of finance lease liabilities	23,406,065	53,541,985
Payment of cost of stock issuing	6,338	-
Acquisition of treasury stocks	-	950
Payment of stock issuance expense	-	-
Payment of dividends	7,453,827	14,787,746
<b>Net cash provided by financing activities</b>	<b>37,942,473</b>	<b>28,588,195</b>
<b>Increase (decrease) in cash on changes in scope of consolidation</b>	<b>(18,657)</b>	<b>7,125,967</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(7,910,505)</b>	<b>(48,373,143)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>110,846,773</b>	<b>157,699,693</b>
<b>Effect of exchange rate change</b>	<b>(1,085,243)</b>	<b>1,520,223</b>
<b>Cash and cash equivalents at end of year</b>	<b>₩ 101,851,025</b>	<b>110,846,773</b>