

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars (Note 2.28))

| | Notes | For the year ended December 31, | | | |
|---------------------------------------------------------------------------------------------|-------|---------------------------------|---------------------|---------------------|---------------------|
| | | 2019 KRW | 2018 KRW | 2019 USD | 2018 USD |
| Cash flows from operating activities | | | | | |
| Profit for the year | | 21,738,865 | 44,344,857 | 18,652,605 | 38,049,231 |
| Adjustments | 29 | 37,442,682 | 43,604,573 | 32,126,956 | 37,414,045 |
| Changes in assets and liabilities arising from operating activities | 29 | (2,545,756) | (9,924,366) | (2,184,336) | (8,515,406) |
| Cash generated from operations | | 56,635,791 | 78,025,064 | 48,595,225 | 66,947,870 |
| Interest received | | 2,306,401 | 1,788,520 | 1,978,962 | 1,534,604 |
| Interest paid | | (579,979) | (548,272) | (497,640) | (470,434) |
| Dividends received | | 241,801 | 215,992 | 207,473 | 185,328 |
| Income tax paid | | (13,221,099) | (12,449,441) | (11,344,104) | (10,681,998) |
| Net cash inflow from operating activities | | 45,382,915 | 67,031,863 | 38,939,916 | 57,515,370 |
| Cash flows from investing activities | | | | | |
| Net increase in short-term financial instruments | | (2,030,913) | (12,368,298) | (1,742,585) | (10,612,375) |
| Net increase in short-term financial assets at amortized cost | | (818,089) | (1,436,844) | (701,945) | (1,232,856) |
| Net decrease (increase) in short-term financial assets at fair value through profit or loss | | 374,982 | (139,668) | 321,746 | (119,839) |
| Disposal of long-term financial instruments | | 4,586,610 | 255,850 | 3,935,450 | 219,527 |
| Acquisition of long-term financial instruments | | (12,725,465) | (7,678,654) | (10,918,835) | (6,588,518) |
| Disposal of financial assets at amortized cost | | 694,584 | - | 595,974 | - |
| Acquisition of financial assets at amortized cost | | (825,027) | (158,716) | (707,898) | (136,183) |
| Disposal of financial assets at fair value through other comprehensive income | | 1,575 | 16,211 | 1,351 | 13,910 |
| Acquisition of financial assets at fair value through other comprehensive income | | (63,773) | (456,134) | (54,719) | (391,377) |
| Disposal of financial assets at fair value through profit or loss | | 64,321 | 80,138 | 55,189 | 68,761 |
| Acquisition of financial assets at fair value through profit or loss | | (135,826) | (193,848) | (116,543) | (166,327) |
| Disposal of investment in associates and joint ventures | | 12,149 | 148 | 10,424 | 127 |
| Acquisition of investment in associates and joint ventures | | (12,778) | (51,226) | (10,964) | (43,953) |
| Disposal of property, plant and equipment | | 513,265 | 556,973 | 440,397 | 477,900 |
| Acquisition of property, plant and equipment | | (25,367,756) | (29,556,406) | (21,766,303) | (25,360,292) |
| Disposal of intangible assets | | 7,241 | 11,935 | 6,213 | 10,241 |
| Acquisition of intangible assets | | (3,249,914) | (1,020,517) | (2,788,525) | (875,635) |
| Cash outflow from business combinations | | (1,019,405) | (99,108) | (874,680) | (85,038) |
| Cash inflow (outflow) from other investing activities | | 46,048 | (2,289) | 39,512 | (1,965) |
| Net cash outflow from investing activities | | (39,948,171) | (52,240,453) | (34,276,741) | (44,823,892) |

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

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(In millions of Korean won, in thousands of US dollars (Note 2.28))

| | Notes | For the year ended December 31, | | | |
|--------------------------------------------------------------|-------|---------------------------------|---------------------|--------------------|---------------------|
| | | 2019 | 2018 | 2019 | 2018 |
| | | KRW | KRW | USD | USD |
| Cash flows from financing activities | | | | | |
| Net increase (decrease) in short-term borrowings | 29 | 865,792 | (2,046,470) | 742,876 | (1,755,933) |
| Acquisition of treasury shares | | - | (875,111) | - | (750,872) |
| Proceeds from long-term borrowings | 29 | - | 3,580 | - | 3,072 |
| Repayment of debentures and long-term borrowings | 29 | (709,400) | (1,986,597) | (608,687) | (1,704,560) |
| Dividends paid | | (9,639,202) | (10,193,695) | (8,270,727) | (8,746,499) |
| Net increase (decrease) in non-controlling interests | | (1,700) | 8,071 | (1,459) | 6,924 |
| Net cash outflow from financing activities | | (9,484,510) | (15,090,222) | (8,137,997) | (12,947,868) |
| Effect of exchange rate changes on cash and cash equivalents | | 595,260 | 94,187 | 510,751 | 80,816 |
| Net decrease in cash and cash equivalents | | (3,454,506) | (204,625) | (2,964,071) | (175,574) |
| Cash and cash equivalents | | | | | |
| Beginning of the year | | 30,340,505 | 30,545,130 | 26,033,073 | 26,208,647 |
| End of the year | | 26,885,999 | 30,340,505 | 23,069,002 | 26,033,073 |

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