

AUDITED RESULTS FOR THE YEAR ENDED 30TH JUNE 2023

The Board of Directors of Kenya Electricity Generating Company PLC (KenGen) is pleased to announce the Audited Financial Results for the year ended 30th June 2023.

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | 30 June 2023 | 30 June 2022 |
|---|---------------|--------------------------|
| | KShs Million | Restated KShs Million |
| Revenue | 53,964 | 47,477 |
| Reimbursable expenses (Fuel and water costs) | (8,121) | (9,753) |
| Revenue less reimbursable expenses | 45,843 | 37,724 |
| Other income | 2,084 | 769 |
| Other (losses)/gains-net forex and fair valuation of Financial assets | 428 | (515) |
| | 48,355 | 37,978 |
| Expenses | | |
| Depreciation & amortization | (15,801) | (12,462) |
| Operating expenses | (19,254) | (15,741) |
| Steam Costs | (3,731) | (3,093) |
| IFRS 9 Allowance for the expected loss | (1) | (602) |
| Operating Profit | 9,568 | 6,080 |
| Finance Income | 1,689 | 2,073 |
| Finance Costs | (2,732) | (1,961) |
| Profit Before Tax | 8,525 | 6,192 |
| Income Tax Expense | (3,508) | (2,810) |
| Profit After Tax | 5,017 | 3,382 |
| Other Comprehensive Income | (4,102) | 66,211 |
| Total comprehensive income | 915 | 69,593 |
| Basic and diluted earnings per share (KShs) | 0.76 | 0.51 |

SUMMARY STATEMENT OF FINANCIAL POSITION

| | 30 June 2023 | 30 June 2022 | 30 June 2021 |
|-------------------------------|----------------|--------------------------|--------------------------|
| | KShs Million | Restated KShs Million | Restated KShs Million |
| ASSETS | | | |
| Property, plant and equipment | 432,483 | 440,181 | 353,249 |
| Other non-current Assets | 38,221 | 22,349 | 25,039 |
| Current Assets | 45,873 | 37,782 | 42,633 |
| | 516,577 | 500,312 | 420,921 |
| EQUITY AND LIABILITIES | | | |
| Total Equity | 274,193 | 274,597 | 206,982 |
| Non-current Liabilities | 220,197 | 203,594 | 192,451 |
| Current Liabilities | 22,187 | 22,121 | 21,488 |
| | 516,577 | 500,312 | 420,921 |

SUMMARY STATEMENT OF CASH FLOWS

| | 30 June 2023 | 30 June 2022 |
|---|-----------------|--------------------------|
| | KShs Million | Restated KShs Million |
| Cash generated from operations | 22,355 | 26,179 |
| Finance income received | 1,302 | 1,176 |
| Tax paid | (430) | (701) |
| Net Cash generated from operating activities | 23,227 | 26,654 |
| Net Cash used in investing activities | (13,858) | (15,974) |
| Net Cash used from financing activities | (7,130) | (12,100) |
| Net increase/(decrease) in cash and cash equivalents | 2,238 | (1,419) |
| At the beginning of the year | 12,655 | 13,859 |
| Effects of exchange rate changes on cash and cash equivalents | 581 | 215 |
| Cash and cash equivalents at the end of the period | 15,474 | 12,655 |

SUMMARY STATEMENT OF CHANGES IN EQUITY

| | Share Capital & Share Premium | Other Reserves | Retained earnings | Total Equity |
|--|-------------------------------|----------------|-------------------|----------------|
| | KShs Million | | | |
| At 30 June & 1 July 2021-Restated | 38,639 | 65,051 | 103,292 | 206,982 |
| Total comprehensive income for the year | - | 66,211 | 3,382 | 69,593 |
| Transfer of excess depreciation | - | (2,843) | 2,843 | - |
| Deferred tax on excess depreciation | - | 853 | (853) | - |
| Dividends paid | - | - | (1,978) | (1,978) |
| At 30 June & 1 July 2022-Restated | 38,639 | 129,272 | 106,686 | 274,597 |
| Total comprehensive income for the year | - | (4,102) | 5,017 | 915 |
| Transfer of excess depreciation | - | (4,013) | 4,013 | - |
| Deferred tax on excess depreciation | - | 1,204 | (1,204) | - |
| Dividends declared | - | - | (1,319) | (1,319) |
| At 30 June 2023 | 38,639 | 122,361 | 113,193 | 274,193 |

PERFORMANCE OVERVIEW

In the year under review, we navigated a landscape filled with both opportunities and challenges, and our business demonstrated remarkable resilience. Our generation assets achieved exceptional performance with minimal plant outages, resulting in a significant 48% increase in profit after tax to KShs 5,017 million compared to the previous year.

As the largest producer of energy in the country, we remained committed to ensuring reliable supply of clean energy to our nation, contributing to over 66% of the country's renewable electricity consumption. Our diverse fleet, encompassing hydro, geothermal, wind, and thermal resources with a total capacity of 1,904MW, delivered a total of 8,027 GWh during the year. Notably, our investments in geothermal energy ensured uninterrupted electricity supply despite the challenges posed by a prolonged drought and reduced hydro generation.

RESULTS

Our financial results for the period ending on June 30, 2023, showcase a positive trajectory. Revenue increased by 14% from KShs 47,477 million in 2022 to KShs 53,964 million. Moreover, profit after tax grew by 48% from KShs 3,382 million in the prior year to KShs 5,017 million for the year ended 30th June 2023. This remarkable performance is primarily attributable to the enhanced operational efficiency of our geothermal fleet and the positive impact of the newly commissioned Olkaria 1 Unit 6 geothermal power plant in July 2022, resulting in 24% increase in geothermal generation and an overall increase in electricity unit sales from 7,918 GWh in 2022 to 8,027 GWh.

Operating costs witnessed an increase from KShs 15,741 million in 2022 to KShs 19,254 million primarily due to rising insurance and impairment costs. Additionally, steam cost increased due to higher steam utilisation associated with the increased geothermal dispatch. The increase in expenses was offset by the surge in revenue resulting in a pre-tax profit of KShs 8,525 million, a notable improvement from KShs 6,192 million in the prior year.

OUTLOOK

We remain confident and maintain a positive outlook as the demand for clean energy in

our nation continues to rise. Our commitment to providing reliable, competitively priced, and safe electric energy that drives Kenya's economic prosperity while reducing greenhouse gas emissions remains unwavering. We have commenced rehabilitation of our forty-one-year-old, 45 MW Olkaria I geothermal power plant to give it a new lease of life and increase its capacity to 63 MW. Concurrently, we are uprating Olkaria I Additional Units 4 and 5 and Olkaria IV, increasing their combined capacity by 40 MW from 300 MW to 340 MW. These initiatives will collectively bolster our generation capacity by more than 58 MW over the next two years.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held via electronic communication on Thursday, 30th November 2023 at 11.00 a.m.

DIVIDEND

The Board is pleased to recommend a first and final dividend for the year of KShs 0.30 (2022: KShs 0.20) per ordinary share of KShs 2.50 which amounts to KShs 1,978 million (2022: KShs 1,319 million) representing a 50% increment.

If approved by shareholders at the Annual General Meeting, the dividend will be paid, less withholding tax where applicable on or about Thursday, 15th February 2024 to the shareholders whose names appear in the Register of Members at the close of business on Thursday, 30th November 2023.

APPRECIATION

We extend our heartfelt gratitude to all our stakeholders and shareholders including the Government of Kenya, development partners, and investors for their invaluable contributions and support to the Company's positive performance. We look forward to working with you in the new year and delivering even better success.

By Order of the Board

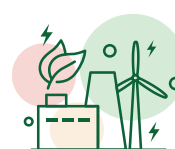
ENG. PETER NJENGA
MANAGING DIRECTOR & CEO

26th October 2023



14%

Revenue increased by 14% from KShs 47,477 million in 2022 to KShs 53,964 million.



66%

We ensure reliable supply of clean energy to our nation, contributing to over 66% of renewable electricity consumption.