

THE UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31ST DECEMBER 2022

The Directors of Kenya Electricity Generating Company PLC are pleased to present the unaudited interim condensed financial statements for the six months ended 31st December 2022.

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Half Year ended 31 December	2022 Unaudited KShs Million	2021 *Unaudited KShs Million
Revenue	27,462	24,743
Reimbursable expenses (Fuel and water costs)	(4,526)	(4,154)
Revenue net of Reimbursable Expenses	22,936	20,589
Other income	259	295
Other Gains/(losses)-net forex and fair valuation of Financial assets	(206)	(416)
	22,989	20,468
Expenses		
Depreciation & Amortization	(7,737)	(5,881)
Operating Expenses	(8,679)	(8,104)
Steam Costs	(1,682)	(1,654)
Operating Profit	4,891	4,830
Finance Income	1,027	1,038
Finance Costs	(1,172)	(897)
Profit Before Tax	4,746	4,971
Income Tax Expense	(1,488)	(1,603)
Profit After Tax	3,258	3,368
Other Comprehensive Income - Net Gains on Revaluation of Treasury Bonds	-	(1)
Total Comprehensive Income	3,258	3,367
Basic Earnings Per Share (KShs)	0.49	0.51

*Previously published interim results for the six months period ending 31st December 2021 have been adjusted to reflect changes in the treatment of Olkaria 1 AU, IV & V transmission assets, impairment of assets and the recoverable forex on deferred debt during year end audit.

SUMMARY STATEMENT OF FINANCIAL POSITION

	31 December 2022 Unaudited KShs Million	30 June 2022 (Audited) KShs Million
ASSETS		
Property, plant and equipment	437,165	440,181
Other non-current Assets	28,265	22,349
Current assets	42,381	39,532
	507,811	502,062
EQUITY AND LIABILITIES		
Total Equity	277,021	275,082
Non-current Liabilities	207,472	204,858
Current Liabilities	23,318	22,122
	507,811	502,062

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share Capital & Share Premium	Other Reserves	Retained earnings	Total Equity
	KShs Million			
As at 1 July 2022	38,639	128,419	108,024	275,082
Total comprehensive income for the period	-	-	3,258	3,258
Transfer of excess depreciation	-	(1,657)	1,657	-
Deferred tax on excess depreciation	-	497	(497)	-
Dividends paid	-	-	(1,319)	1,319
As at 31 December 2022	38,639	127,259	111,123	277,021
As at 1 July 2021	38,639	65,051	103,292	206,982
Total comprehensive income for the period	-	(1)	5,121	5,120
Adjustments due to restatement	-	-	(1,753)	(1,753)
Transfer of excess depreciation	-	(1,531)	1,531	-
Deferred tax on excess depreciation	-	459	(459)	-
Dividends paid	-	-	(1,978)	1,978
As at 31 December 2021, Restated	38,639	63,978	105,754	208,371

SUMMARY STATEMENT OF CASH FLOWS

Half Year ended 31 December	2022 KShs Million	2021 KShs Million
Cash generated from operations	5,090	9,778
Finance income received	665	574
Tax paid	(234)	(170)
Net Cash generated from operating activities	5,521	10,181
Net Cash used in investing activities	(4,312)	(4,905)
Net Cash used from financing activities	(5,330)	(3,181)
Net increase/(decrease) in cash and cash equivalents	(4,121)	2,095
At the beginning of the period	14,006	13,622
Effects of exchange rate changes on cash and cash equivalents	94	129
At the end of the period	9,978	15,847

Basis of Preparation

The condensed financial statements for the six months ended 31st December 2022 have been prepared in accordance with the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". These condensed financial statements adhere to the same accounting policies, presentation, and computation methods as the company's audited financial statements for the fiscal year ended June 30, 2022.

Performance overview

The National peak demand increased by 5.6% from 2,036 MW to 2,149 MW during the period under review. This National growth was catalyzed by the recent addition of 86MW from the Olkaria I Unit 6 geothermal plant and an expanded national transmission network. This addition was critical in securing the national power supply when our hydro generation was dimmed due to the prolonged drought. In addition, the Olkaria I unit 6 power plant also increased KenGen's overall unit sales from 4,006 GWhrs in 2021 to 4,200 GWhrs for the six months ended December 31, 2022.

Total Revenue increased by 11% from KShs 24,743 million to KShs 27,462 million for the period ended 31st December 2022, reflecting the impact of the additional geothermal capacity.

Operating costs increased from KShs 15,638 million in 2021 to KShs 18,098 million in 2022, primarily due to an increase in depreciation expense following revaluation of assets, the addition of Olkaria I Unit 6, and an increase in insurance costs.

Finance income was KShs 1,027 million, down from KShs 1,038 million in the

previous period. Finance costs rose from KShs 897 million to KShs 1,172 million, owing to the expiry of a moratorium on some of the borrowings as part of COVID-19 relief measures by financiers.

Profit after tax decreased marginally from KShs 3,368 million in December 2021 to KShs 3,258 million in the six months ended December 31, 2022.

Outlook

KenGen is committed to implementing its renewable energy growth strategy and revenue diversification initiatives. We are on track to rehabilitate the forty-year-old 45 MW Olkaria I geothermal power plant, giving it a new lease of life and increasing its capacity to 63 MW. Concurrently, we are upgrading Olkaria I Additional Units 4 and 5 and Olkaria IV, increasing their combined capacity by 40 MW from 300 MW to 340 MW.

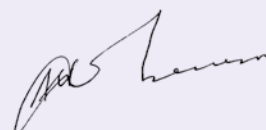
Dividend

The Board of Directors does not recommend an interim dividend for the period.

Appreciation

We appreciate all our stakeholders' invaluable contributions to the Company's performance.

By Order of the Board



ABRAHAM SEREM
Ag. MANAGING DIRECTOR & CEO

28th February 2023



5.6%

The National peak demand increased by 5.6% from 2,036 MW to 2,149 MW during the period under review.



4,200 GWhrs

Electricity units sold increased by 4.8% from 4,006 GWhrs in 2021 to 4,200 GWhrs for the six months ended December 31, 2022.



KShs 27,462Mn

Total Revenue increased by 11% from KShs 24,743 million to KShs 27,462 million for the period ended 31st December 2022.