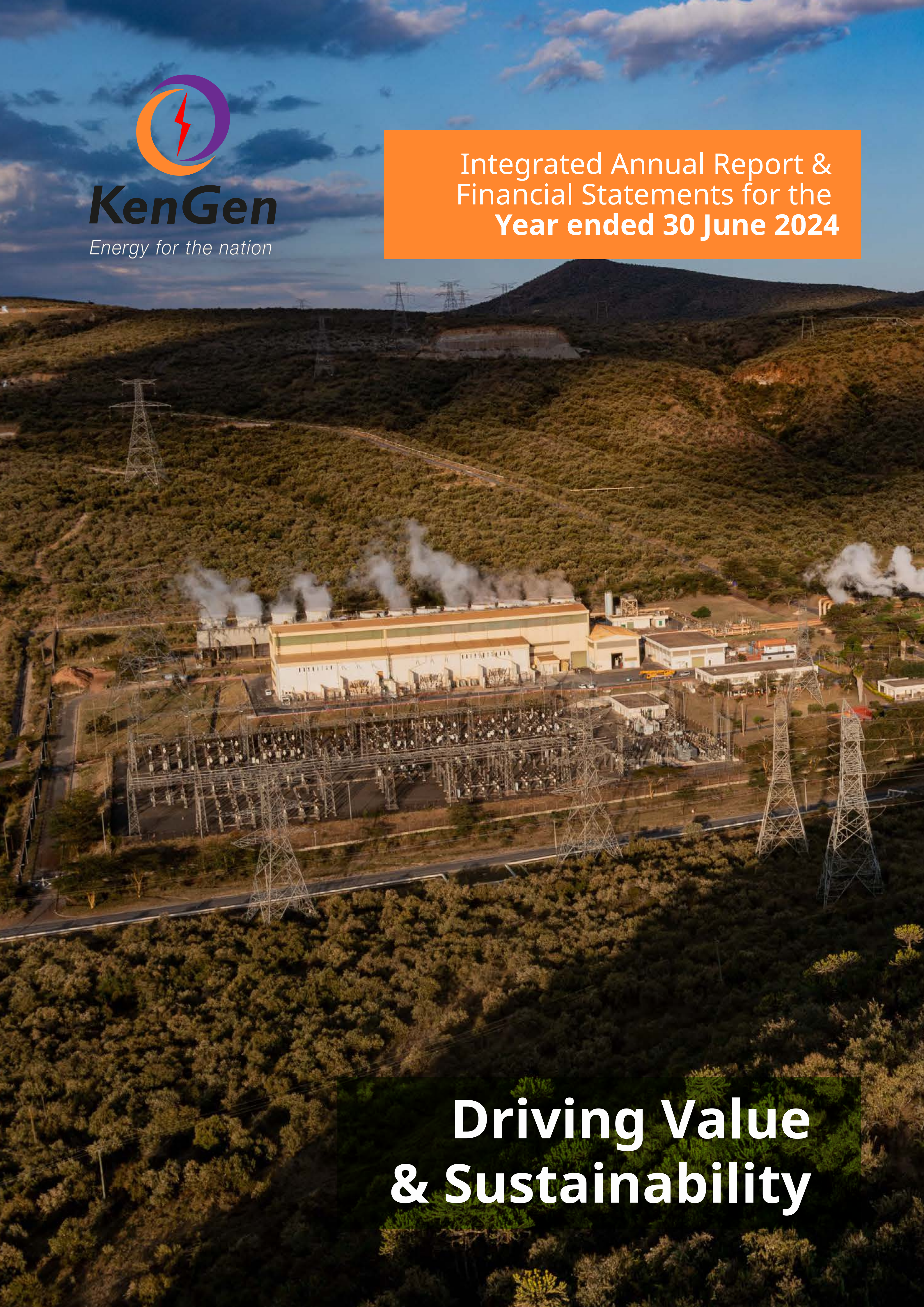


KenGen

Energy for the nation

Integrated Annual Report & Financial Statements for the **Year ended 30 June 2024**

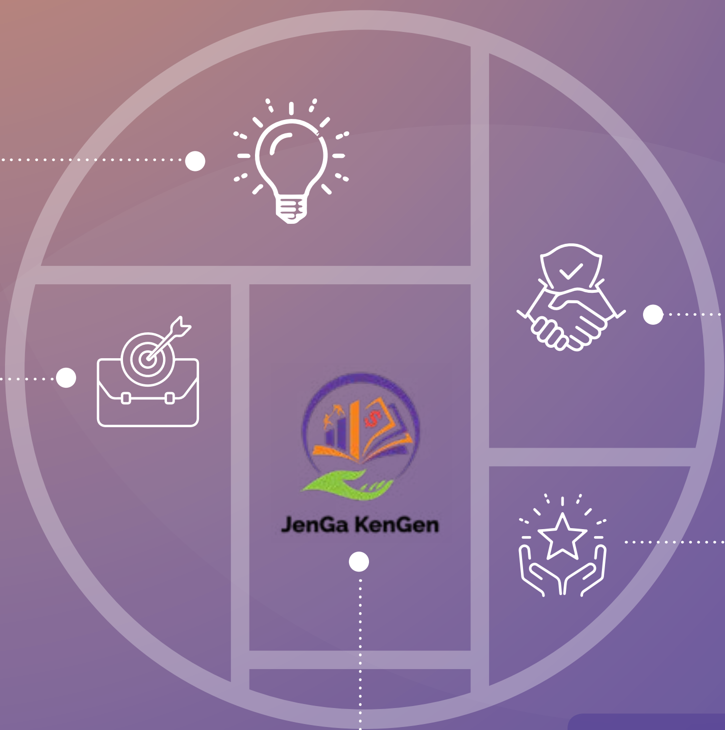
Driving Value & Sustainability

OUR PROMISE

We promise to generate clean energy for the nation as we create value for our stakeholders. We have laid a firm foundation for a full transition to a renewable energy future. Our transition to 100% clean energy is about making a sustainable investment for our future. We remain committed to realizing our renewable agenda.

OUR VISION

To be the market leader in provision of renewable energy solutions.



MISSION

To deliver competitively priced electricity in the region by leveraging our highly skilled talent, engaging closely with stakeholders, employing efficient processes, and utilising modern technology.

CORPORATE THEME

Jenga KenGen
Inua Mapato

OUR VALUES

Core values are our guiding principles and form the foundation of our culture. They are:

- Team Spirit
- Integrity
- Professionalism
- Safety Culture

TABLE OF CONTENTS

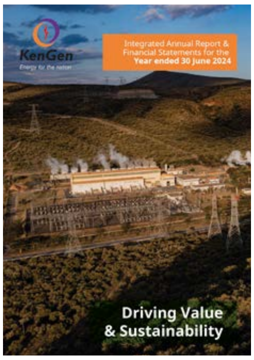
With a market share of 65% and an installed capacity of 1,726MW, KenGen is the largest energy producer in East Africa.

KenGen PLC was the first Kenyan Company to earn Carbon Asset funds under the Clean Development Mechanism (CDM).

KenGen's strategy is to deliver affordable clean energy by creating value for shareholders and while expanding energy sources and revenue streams.

Please visit our Corporate website:
www.kengen.co.ke

ABOUT THIS REPORT



This integrated report is KenGen's primary communication to shareholders and stakeholders on our performance and prospects. The report provides a review of the material matters we face; ***our key operational, financial, economic, social and environmental aspects; our governance; our engagements; as well as our risks and opportunities.***

This is our Driving Value & Sustainability story.

For a comprehensive overview of our financial performance, the Integrated Report should be read in conjunction with our Annual Financial Statements.

Scope and Boundary

Our strategy as well as material matters form the anchor of the report and determine its content. The report covers the period July 1, 2023 to June 30, 2024 and gives commentary performance measures and prospects for the important operations.

The structure and layout of this report draws on the International Integrated Reporting Framework (IIRF) and Nairobi Securities Exchange (NSE) Environmental, social and governance (ESG) Framework. Material events up to the date of approval have been included. Unless otherwise indicated, the information presented is comparable to that of prior years, with no significant restatements. For a comprehensive overview of our financial performance, the Integrated Report should be read in conjunction with our Annual Financial Statements.

Assurance and Audit Approach

The Company has put in place a robust governance oversight and risk management framework. Our combined assurance model takes a three-pronged approach comprising a review by management, supplemented by internal and external auditors. The Audit, Risk and Compliance Committee as delegated by the Board relies on the combined assurance informing their view of the adequacy of our risk management and internal controls. The Annual Financial Statements are audited by the Auditor-General who has issued an unqualified opinion.

Financial and Non-Financial Information

We apply International Financial Reporting Standards (IFRS) and comply with the listing requirements of the Capital Markets Authority (CMA) and Nairobi Securities Exchange (NSE), the Companies Act No.17 of 2015 and the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015.

Board Responsibility and Approval

The Board is accountable for the integrity and completeness of the Integrated Report and any additional information. The Audit, Risk & Compliance Committee ensures the integrity of the report and has applied its collective mind to its preparation and presentation.

In considering the completeness of the material items dealt with and the reliability of information presented, based on the combined assurance process followed, the Audit, Risk & Compliance Committee approved the 2024 Integrated Annual Report and Financial Statements and additional information on 28th October 2024.

WHO WE ARE

About KenGen

Kenya Electricity Generating Company PLC (KenGen) is the leading electric power generating Company in East Africa. The Company was incorporated in 1954 under the laws of Kenya with a mandate of generating electricity through the development, management, and operation of power plants. The Company's corporate vision is to remain the market leader in the provision of reliable, quality, safe and competitively priced electricity for the country's economic development.

Our role in geothermal power generation continues to solidify Kenya's position in the league of the top ten geothermal power producers in the world and the first in Africa owing to our expertise gained over the years. Kenya's installed Geothermal capacity was 984MW (81% from KenGen) ranking the Country at position 6 among the top geothermal producers in the world.

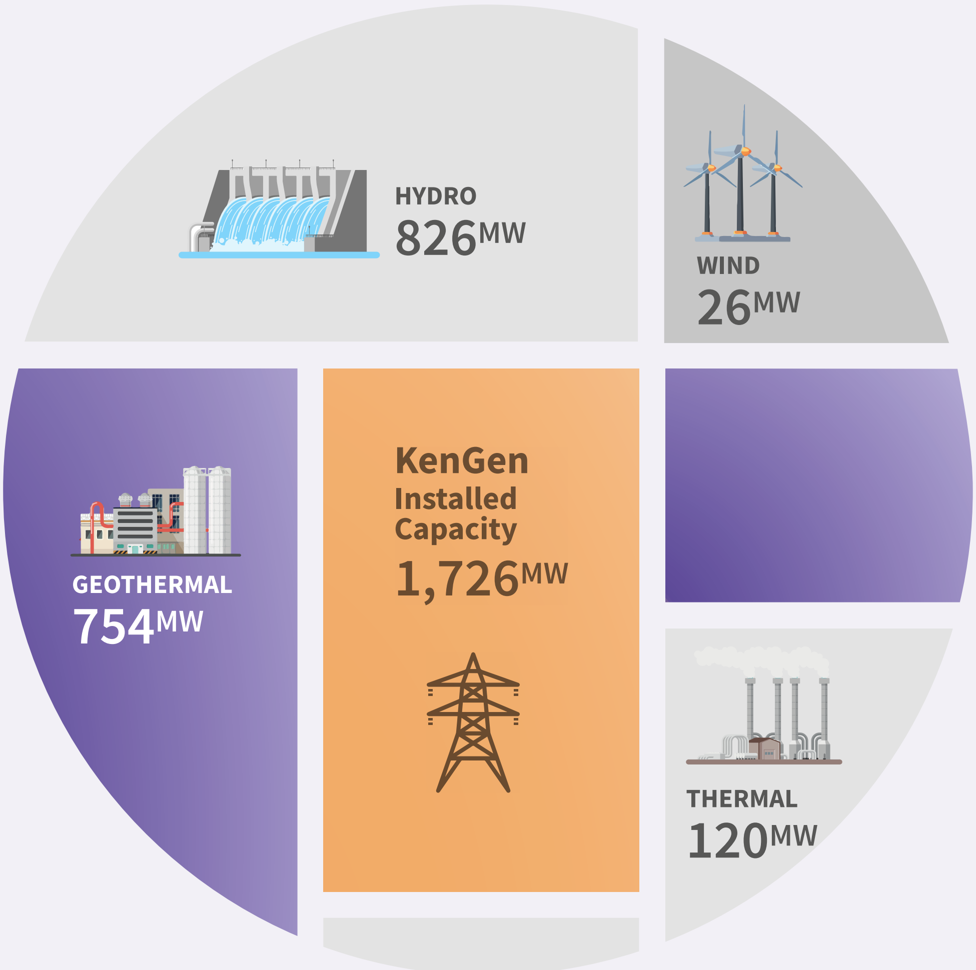
KenGen listing by Nairobi Securities Exchange

GoK
70%

Public
30%

We are listed on the **Nairobi Securities Exchange(NSE)** with the **Government of Kenya** owning **70%** shareholding and **the public 30%** following a successful Initial Public Offer (IPO) in 2006.

Our installed capacity stands at 1,726MW representing 65% of Kenya's installed capacity, that comprises of four generation modes namely, Geothermal (754MW), Hydro (826MW), Thermal (120MW) and Wind (26MW).



WHO WE ARE

Our Journey

1925 - 1944
Installed Capacity: 4.58MW

- Ndula Power Plant commissioned (2MW)
- Mesco Hydro Power plant commissioned (0.83MW)
- Tana power plant commissioned (2.2MW)

1945 - 1954
Installed Capacity: 26.38MW

- Kenya Power Company (KPC) incorporated in 1954.
- Wanjii Power Station 7.4MW commissioned
- Tana power station upgraded

1955 - 1964
Installed Capacity: 35.78MW

- Completed the first three geothermal exploration wells in Africa within Olkaria Geothermal Field
- Gogo 2MW hydro power plant commissioned

1965 - 1974
Installed Capacity: 185.88MW

- Completed the first post-independence power plant along the Tana River: Kindaruma 40MW hydro plant
- Kamburu power plant commissioned
- Completed the first three Geothermal Wells in Africa within Olkaria Geothermal Field

1975 - 1984
Installed Capacity: 417.08MW

- First 15MW Geothermal Unit in Olkaria I installed and a total of 45MW completed in 1985
- 144MW Gitaru Units 2 & 3 installed
- Masinga power plant commissioned

1985 -1994
Installed Capacity: 667.43MW

- First Ngong' Wind Farm 0.35MW commissioned.
- Turkwel 106MW Hydro Power Plant commissioned.
- Kiambere Hydro Power Plant 144MW commissioned

1995 -2004
Installed Capacity: 870.33MW

- Kenya Power Company rebranded as KenGen following a restructuring in the Power Subsector
- KenGen becomes the first Kenyan parastatal to be ISO: 9001 Standard certified.
- Olkaria II Units 1 & 2 70MW commissioned
- Gitaru unit 1 80MW commissioned, making Gitaru power plant the largest Hydro Plant in Kenya at 225MW

2005 -2009
Installed Capacity: 970.35MW

- G2G transformation strategy launced
- 60MW Sondu Miriu power plant commissioned
- Kiambere optimization completed raising capacity from 144MW to 168MW
- Listed on the Nairobi Securities Exchange through an Initial Public Offer that attained 336% subscription
- Raised KShs 25 billion through Public Infrastructure Bond Offer

2010 - 2014
Installed Capacity: 1,343 MW

- Earned USD 1.2 Million from Olkaria II CERs
- Established KenGen Foundation in 2012
- Completed construction of 21.1MW Sang'oro Power Plant
- Commissioned 120 MW Kipevu III power plant.
- Upgrade of Tana, Kindaruma and Mesco power plants
- Innovation of the Wellheads 83.5MW
- Olkaria Resettlement Action Plan (RAP)
- First of a kind nature Geothermal Spa in Africa completed in 2014

2015 - 2018
Installed Capacity: 1,631 MW

- Completed the single largest geothermal power project of 280MW
- Completed construction of the 25.5MW Ngong wind power farm
- Largest Rights Issue in East Africa in 2016 of KShs 28 billion
- Relocation of Embakasi 60MW Gas Turbine to Muhoroni

2019 - 2024
Installed Capacity: 1,726 MW

- MW reduction to 1,726MW from 1,904MW due to Non-renewal of Kipevu 1 and the of Muhoroni PPA
- Commissioned 172MW Olkaria V geothermal power plant
- Joined UNGC and the UNGC BoD
- Commissioned 86MW Olkaria I Additional Unit 6 geothermal power plant
- Completed full Redemption of KenGen Infrastructure Bond
- Takeover of the operation and maintenance of 140MW Kipevu III from Wartsila to KenGen
- Commenced geothermal commercial drilling in Ethiopia and Djibouti
- Operation and Maintenance contract with REREC for the 50MW Garissa Solar Power Plant
- Completed construction of Naivasha Level 5 Outpatient Hospital CSR project
- Rehabilitation of Wanjii Power Station

WHO WE ARE

Accolades

Best ICT adoption in Supply Chain

IHRM Awards

Most Engaged Company in 2023

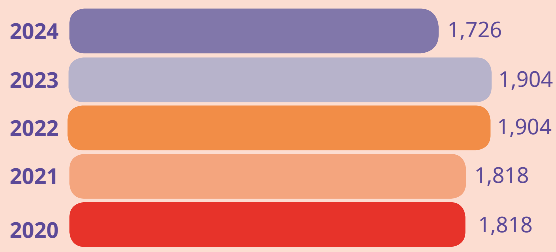
1st Runners up State Corporations, Agencies and Departments and 2nd Runners up NSE Listed Entities categories respectively at the 2024 Institute of Internal Auditors (IIA), Internal Audit and Risk Awards

Olkaria 1 AU Cooling Tower

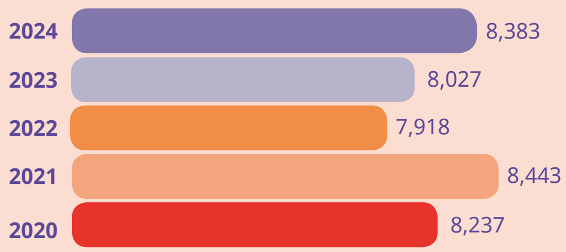
2024 BUSINESS VERTICALS

Key Financial Metrics

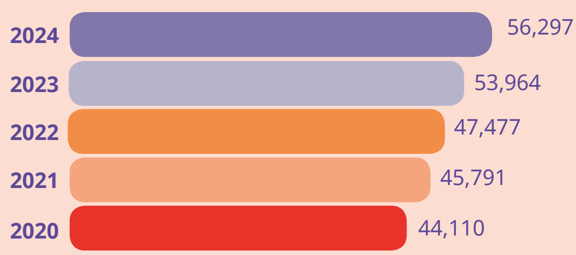
Installed Capacity (MW)



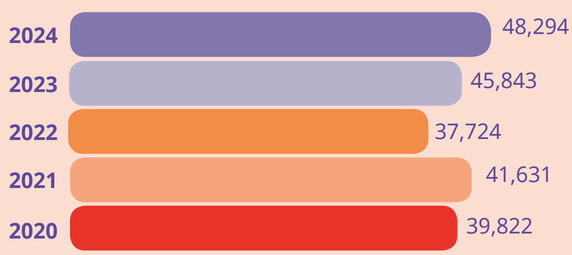
Units Sold Out (GWh)



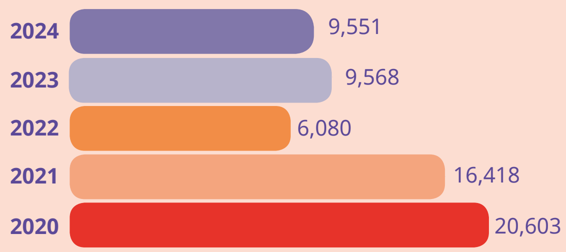
Total Revenue (Shs Millions)



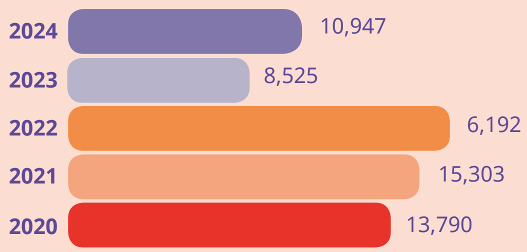
Revenue less reimbursable expenses (Shs Millions)



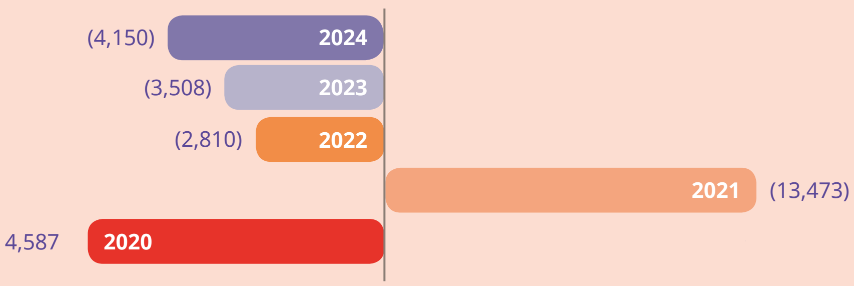
Operating Profit (Shs Millions)



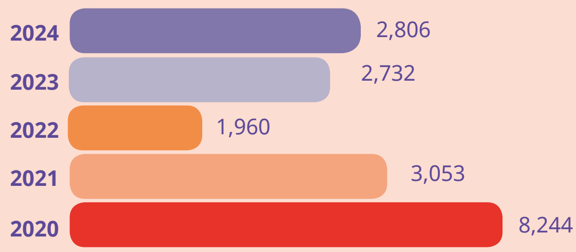
Profit Before Tax (Shs Millions)



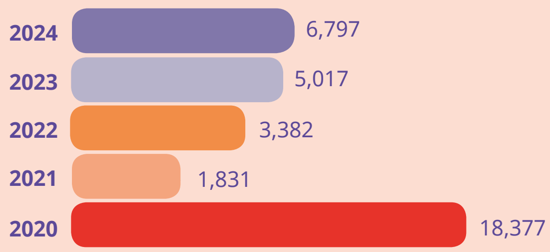
Taxation credit/(charge) (Shs Millions)



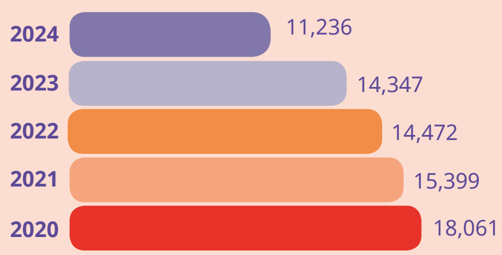
Finance Costs (Shs Millions)



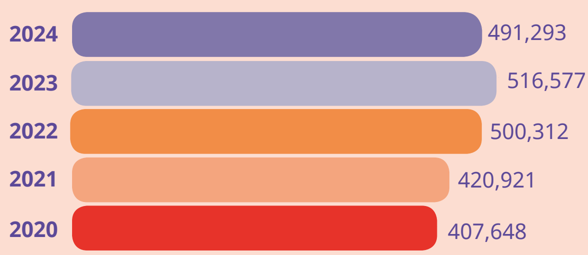
Profit After Tax (Shs Millions)



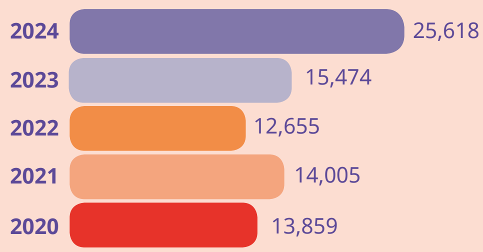
Capital Investments (Shs Millions)



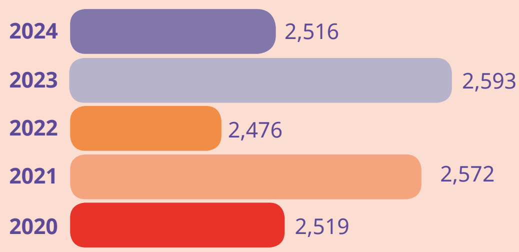
Total Assets (Shs Millions)



Cash and Cash Equilvalents (Shs Millions)



Employee Numbers



Kenya Electricity Generating Company PLC (KenGen), has reported a significant **35% growth in profit** after tax for the year ended June 30, 2024 surging to Ksh 6.80 billion up from Ksh 5.02 billion in the previous year.

35%

WHO WE ARE

Corporate Information

BOARD OF DIRECTORS

Eng. Frank Konuche	***Chairman of the Board*** *(elected as a Director at the AGM on 30th November 2024). Appointed by the KenGen Board of Directors as the Chairman of the Board to serve until the 2024 AGM*
Mr. Julius Ogamba	***Chairman of the Board*** *(retired on 8th August 2024)*
Eng. Peter Njenga	***Managing Director & CEO***
CPA John Mbadi	***Cabinet Secretary, The National Treasury***
Prof. Njuguna Ndung'u	***Cabinet Secretary, The National Treasury (retired on 8th August 2024)***
Mr. Alex Wachira	***Principal Secretary, State Department for Energy***
Dr. Rosemarie Wanyoike	*(elected at the AGM on 26th January 2023)*
Hon. Stephen Mutai	*(elected at the AGM on 30th November 2023)*
Mr. William Rahedi	*(elected at the AGM on 30th November 2023)*
Ms. Josphine Koisaba	*(elected at the AGM on 30th November 2023)*
Mr. James Opindi	*(retired on 30th November 2023)*
Ms. Winnie Pertet	*(retired on 30th November 2023)*
Mr. Samuel Kimani	*(retired on 30th November 2023)*
Mr. Umuro Wario	*(elected at the AGM on 30th November 2023)*
Mr. Bernard Ngugi	*(elected at the AGM on 30th November 2023)*
Mr. Kennedy Ondieki	***Alternate Director to Cabinet Secretary, The National Treasury*** *(appointed on 28th March 2024)*
FCPA. Bernard Ndung'u	***Alternate Director to Cabinet Secretary, The National Treasury*** *(served until 28th March 2024)*
Mr. Chrispin Lupe	***Alternate Director to Principal Secretary, State Department for Energy*** *(appointed on 25th April 2024)*
Mr. Stephen Njue	***Alternate Director to Principal Secretary, State Department for Energy*** *(served until 25th April 2024)*
Mr. Chrisologus Makokha	***Representative, Inspectorate of State Corporations***

WHO WE ARE

Corporate Information

Registered Office **Head Office**	***KenGen Pension Plaza 2*** *Kolobot Road, P.O. Box 47936-00100* *GPO Nairobi, Kenya*
Registrars	***Image Registrars Limited*** *ABSA Towers, 5th Floor, Loita Street* *P.O. Box 9287-00100 GPO, Nairobi, Kenya*
Principal Auditor	***The Auditor-General*** *Anniversary Towers* *P.O. Box 30084-00100 GPO, Nairobi, Kenya*
Delegated Auditor	***Deloitte & Touché*** *Certified Public Accountants (Kenya)* *Delta Towers, Waiyaki Way/Chiromo Road, Westlands* *P.O. Box 40092 - 00100 GPO, Nairobi, Kenya*
Principal Bankers	***NCBA Bank Kenya Plc*** *Wabera Street* *P.O. Box 30437 - 00100* *Nairobi* ***Co-operative Bank of Kenya Limited*** *Stima Plaza* *P.O. Box 38764-00600* *Nairobi* ***Citibank NA Kenya*** *Upper Hill* *P.O. Box 30711 - 00100* *Nairobi* ***Stanbic Bank (K) Ltd*** *Kenyatta Avenue Branch* *P.O. Box 30552 - 00100* *Nairobi* ***KCB Bank (K) Ltd*** *Moi Avenue Branch* *P.O. Box 24030 - 00100* *Nairobi* ***Standard Chartered Bank Kenya Limited*** *Harambee Avenue* *P.O. Box 30003 - 00100* *Nairobi* ***Equity Bank (K) Ltd*** *Westlands,* *P.O. Box 14253 - 00800* *Nairobi* ***Bank of Africa (K) Ltd*** *Sameer Business Park,* *Unit C. 1st Floor* *P.O. Box 69562 - 00400* *Nairobi* ***Absa Bank Kenya Plc*** *Westend Building,* *Corporate Banking Centre* *P.O. Box 30120 – 00100* *Nairobi*
Management Team	***Eng. Peter Njenga*** *- Managing Director & CEO* ***FCS. Austin Ouko*** *- Company Secretary & General Manager Legal Affairs* ***CPA. Mary Maalu*** *- General Manager, Finance* ***Mr. Abraham Serem*** *- General Manager, Corporate Services* ***CPA. Elizabeth Njenga*** *- General Manager, Business Development & Strategy* ***Mr. Peketsa Mangi*** *- General Manager, Geothermal Development* ***Eng. Julius Odumbe*** *- General Manager, Operations* ***CPA. Erick Audi*** *- General Manager, Internal Audit* ***Mr. Vincent Mamboleo*** *- Ag. General Manager, Supply Chain* ***Mr. Philip Yego*** *- General Manager, Supply Chain (Retired 1st November 2024)* ***Mr. Ronoh Kibet*** *- Ag. General Manager, Commercial Services* ***Mr. David Muthike*** *- General Manager, Commercial Services (Retired 1st November 2024)* ***Dr. Dan Kemei*** *- Ag. General Manager, ICT*

Corporate Information

BOARD COMMITTEES

Audit, Risk & Compliance Committee	***Mr. Bernard Ngugi*** - *(Chairperson)* ***Mr. Kennedy Ondieki*** - *Alternate Director to CS-National Treasury* ***Hon. Stephen Mutai*** ***Ms. Josephine Koisaba*** ***Mr. Umuro Wario***
Strategy Committee	***Eng. Frank Konuche -*** *(Chairperson)* ***Mr. Chrispin Lupe -*** *Alternate Director to PS-State Department for Energy* ***Mr. Umuro Wario*** ***Mr. William Rahedi*** ***Eng. Peter Njenga***
HR & Nomination Committee	***Dr. Rosemarie Wanyoike -*** *(Chairperson)* ***Eng. Frank Konuche*** ***Ms. Josephine Koisaba*** ***Mr. Bernard Ngugi*** ***Eng. Peter Njenga***
Governance Advisory Committee	***Hon. Stephen Mutai -*** *(Chairperson)* ***Ms. Josephine Koisaba*** ***Dr. Rosemarie Wanyoike*** ***Mr. Bernard Ngugi*** ***Eng. Peter Njenga***
Finance & Investment Committee	***Mr. William Rahedi -*** *(Chairperson)* ***Mr. Kennedy Ondieki -*** *Alternate Director to CS-National Treasury* ***Mr. Chrispin Lupe*** ***-*** *Alternate Director to PS-State Department for Energy* ***Eng. Frank Konuche*** ***Eng. Peter Njenga***

BOARD LEADERSHIP AND GOVERNANCE

01

MESSAGE FROM THE CHAIRMAN

"Our shareholders, who are at the core of our operations, have seen continued investments aimed at delivering exceptional value while ensuring they remain well-informed."

5.6%

Kenya's economic growth in 2024

1.2%

Electricity generation growth in 2024 supported by hydroelectric generation

Dear Shareholders,
It is my pleasure to present to you the Integrated Annual Report for the year ended June 30, 2024. This is my maiden Annual General Meeting (AGM) as your chairman, having taken over from my predecessor, Mr. Julius Migos Ogamba whom we owe gratitude for valuable contribution towards success of Kenya Electricity Generating Plc.

During the year, we were presented with micro and macro-economic opportunities and risks. This created a dynamic environment with both challenges and great opportunities to excel as demonstrated by our good performance.

Electricity units sold (GWh) grew by 4% from 8027 GWh to 8383 GWh supported by hydroelectric generation following improved rains in the second half of the year. This was key in meeting the growing electricity demand which reached a new peak of 2,288 MW on October 29, 2024 driven by a growing population, customer connections and economic growth. These developments paint a great long-term future for our Company, as we continue to lead in the provision of renewable energy as an enabler for economic growth.

Macro-Economic Environment

According to the Economic Outlook 2024, Kenya's economy grew by 5.6% in 2023, up from 4.9% in 2022, as agriculture rebounded, and services grew moderately. On the supply side, services accounted for 69% of the growth and agriculture for 23%, while on the demand side, household consumption accounted for 70%. In the quarter ending 31st December 2023, the economy expanded by 5.0% compared to a growth of 5.5% in the corresponding quarter of 2023.

The growth was primarily buoyed by robust growths in Agriculture, Forestry and Fishing activities (6.1%), Real Estate (6.6%), Financial and Insurance (7.0%), Information and Communication (7.8%) and Accommodation & Food Services (28.0%).

Like the first quarter of 2023, agricultural production was vibrant in the corresponding quarter of 2024, owing to favourable weather conditions that supported crop and animal production during the quarter.

The Central Bank Rate (CBR) averaged 11.88% in the period to 30th June 2024, compared to an average of 8.79% in 2023. During the period, the Monetary Policy Committee (MPC) increased the CBR by 100 basis-points in December 2023 and 50 basis points in February 2024 as the central bank operations sought to anchor inflation expectations.

Overall inflation averaged 6.23% compared to 8.78% in the prior period driven mainly by falling prices of some food items and transport. The highest inflation rate recorded during the period was 6.90% in January 2024. As at 30th June 2024, overall inflation had declined to 4.60%. The Kenyan Shilling appreciated by 7.9% to the US dollar from KShs.139.73 as at 30th June 2023 to KShs 128.66 as at 30th June 2024. During the period, the shilling also appreciated against the Euro and the Sterling Pound by 8.5% and 7.0% respectively.

Sustaining Engagement

We remain steadfast in our commitment to fostering sustainable engagement with our stakeholders. As the external environment continues to evolve, we remain focused on upholding the best interests of our stakeholders. Our shareholders who are at the core of our business, have seen continued investments aimed at delivering exceptional value while ensuring they remain well-informed. Notably, during the year, the Board facilitated a Shareholders tour to our Sondu Power Station in the Western Region, providing them with a direct insight into our business operations. In alignment with our stakeholder engagement strategy, we prioritized listening to our diverse stakeholder groups to understand their perceptions of our brand and their expectations for the future.

As part of our continuous commitment to enhancing value creation, we conducted a comprehensive Brand Audit from March to November 2023. This audit evaluated the strengths and areas for improvement of the KenGen brand, based on stakeholder feedback that will serve as a guide to ensure we align more effectively with market expectations.
Supporting our communities remains central to both our business and our purpose. Throughout the year, we have continued to implement social impact initiatives aimed at promoting education, environmental conservation, and access to clean water in the communities where we operate. A key highlight was the launch of Phase Eight of the Green Initiative Challenge (GIC) by the KenGen Foundation.

Demand for electricity has continued to steadily grow and reached a new peak of 2,228 MW on 7th July 2024 driven by growing population, customer connections and economic growth

The Kenyan Shilling appreciated by

7.9%

to the US dollar from KShs.139.73 as at 30th June 2023

The Board made it possible for the shareholders to tour our Sondu Power Station in the western region, providing them with a direct insight into our business operations.

MESSAGE FROM THE CHAIRMAN

Our commitment to environmental sustainability is unwavering, and we continue to champion the greening of Kenya and the world by deploying renewable energy solutions through strategic partnerships

This phase saw the enrolment of 800 schools in Machakos, Kitui, and Embu counties, with the goal of planting and growing 15 million trees over the next ten years. We also maintained strong relationships with our communities through established Stakeholder Coordination Committees (SCC), fostering sustainable partnerships and promoting mutual understanding.

Our Greening Agenda

At the heart of our business is the generation of electricity using the natural renewable resources bestowed upon us. Hydro, geothermal, wind, and solar energy are the pillars of our operations, and delivering positive social and environmental impact is integral to our mission.
Our commitment to environmental sustainability is unwavering, and we continue to champion the greening of Kenya and the world by deploying renewable energy solutions through strategic partnerships. This has earned KenGen a global reputation as a leader in green energy and has shaped the global conversation on clean energy. During the year, we sponsored the 2023 Africa Climate Summit in Nairobi, where African leaders made the historic Nairobi Climate Declaration for Sustainable Development. We also contributed to discussions at the 28th Climate Change Conference of Parties (COP28) in Dubai, United Arab Emirates.

In line with our commitment to greening our generation mix, we increased our electricity generation from renewable energy sources to 94% and made strides in advancing green energy projects by retiring two of our thermal power plants.

Changes in The Board

We have a strong governance framework that enables the Company to have a seamless and smooth transition at the Board.

" We remain steadfast in our commitment to fostering sustainable engagement with our stakeholders. As the external environment continues to evolve, we remain focused on upholding the best interests of our stakeholders."

Financial Performance

We are proud to have yet again delivered a strong financial performance despite the challenging weather conditions in the first half of the year and the decommissioning of 133.5 MW of our fossil fuel-powered thermal plants in Muhoroni and Kipevu. We delivered revenue of KShs. 56,297 million as compared to KShs. 53,964 million in the previous year, which was a 4.3% growth demonstrating our strong specialization in energy production.

We registered Profit Before Tax of Kshs. 10,947 million for the year ended 30th June 2024 as compared to KShs. 8,525 million in the previous financial year, a 28% growth driven by our business efficiencies and prudent cost management. Upon making provisions for corporate tax of KShs. 4,150 million in the current year as compared to KShs. 3,508 million in the previous year, we report a Profit After Tax of KShs. 6,797 million as compared to KShs. 5,017 million in the last financial year.

Our strong financial performance will remain our building block on which we continue to execute our strategy for increased renewable energy investments.

MESSAGE FROM THE CHAIRMAN

Dividends

The Board is pleased to propose a first and final dividend of KShs. 0.65 per ordinary share for the financial year ended 30th June 2024. This is 117% increase over last year's dividend pay-out of KShs 0.30 per share. If approved by the shareholders at the Annual General Meeting, the dividend will be paid out on or about 13th February 2025.

Appreciation

I take this opportunity on behalf of the Board to express my gratitude and appreciation to the Shareholders, the Government, my fellow Board of Directors and other Partners. I commend the Management and the employees for their continued unwavering commitment and resilience towards our Strategy. The Board is confident that KenGen will exploit opportunities to drive business growth and create sustainable shareholder value going forward under our new G2G 2024-2034 Strategy.

Thank you and God bless you.

ENG. FRANK KONUCHE
Chairman of the Board

UJUMBE KUTOKA KWA MWENYEKITI

"Wenyehisa wetu, ambao ni nguzo muhimu katika utendakazi wetu, wameendelea kufanya uwekezaji unaolenga kuongeza thamani ya kipekee huku wakihakikisha wanapata taarifa inayofaa."

Katika mwaka wa 2023, uchumi wa Kenya ulikua kwa
5.6%

Uzalishaji wa umeme ilikuwa kwa
1.2%
kutokana na uzalishaji wa umeme kwa kutumia maji kufuatia kuongezeka viwango vya mvua katika nusu ya pili ya mwaka.

Wapendwa Wenyehisa,
Ni fahari kwangu kuwapa Ripoti Jumlishi ya Kila Mwaka ya mwaka wa kifedha ulioisha tarehe 30 Juni, 2024. Huu ndio Mkutano wangu Mkuu wa kwanza wa Kila Mwaka (AGM) kama mwenyekiti wenu, baada ya kuchukua hatamu kutoka kwa mtangulizi wangu Bw. Julius Migos Ogamba, ambaye ninamshukuru kwa mchango wake kwa ufanisi wa KenGen.

Katika mwaka huu, tumekuwa na fursa na hatari katika kiwango kidogo na kikubwa cha uchumi. Hali hii imesababisha mazingira yanayobadilika yenye changamoto na fursa kubwa ya kufanikiwa kama ilivyoonyeshwa kwenye utendaji wetu mzuri. Kulingana na Utafiti wa Kiuchumi wa Kenya 2024, uchumi ulikua kwa 5.6% mwaka wa 2023 kutoka 4.9% mwaka wa 2022, kwa sababu kilimo kilirejea na utoaji wa huduma ulikuwa kwa kiasi. Upande wa usambazaji, utoaji wa huduma ulichukua 69% ya ukuaji na kilimo kwa 23%, huku upande wa hitaji, matumizi ya nyumbani ilichukua 70%.

Uzalishaji wa umeme ilikuwa kwa 4% kutokana na uzalishaji wa umeme kwa kutumia maji kufuatia kuongezeka viwango vya mvua katika nusu ya pili ya mwaka.

Hali hii ilikuwa muhimu katika kukidhi hitaji linalokua la umeme ambalo lilifikia kiwango cha juu cha Megawati 2,149 katika mwaka huo. Hitaji la umeme limeendelea kukuwa na kufikia kiwango kipya cha Megawati 2,228 mnamo tarehe 7 Julai 2024 uliotokana na kukua kwa idadi ya watu, miunganisho ya wateja na ukuaji wa uchumi. Maendeleo haya yanatoa taswira ya mustakabali wa muda mrefu wa Kampuni yetu, tunavyoendelea kuongoza katika utoaji wa kawi ya vyanzo safi kama kigezo kinachowezesha ukuaji wa kiuchumi.

Mazingira ya Kiwango Kikubwa cha Uchumi

Kulingana na Taswira ya Kiuchumi ya Kenya 2024, uchumi ulikua kwa 5.6% mwaka wa 2023 kutoka 4.9% mwaka wa 2022, kwa sababu kilimo kilirejea na utoaji wa huduma ulikuwa kwa kiasi. Upande wa usambazaji, utoaji wa huduma ulichukua 69% ya ukuaji na kilimo kwa 23%, huku upande wa hitaji, matumizi ya nyumbani ilichukua 70%. Katika robo iliyoisha tarehe 31 Disemba 2023, uchumi ulipanukwa kwa 5.0% ikilinganishwa na ukuaji wa 5.5% katika robo sawa na hiyo mwaka 2023.

Ukuaji uliowezeshwa kimsingi na ukuaji mkubwa katika sekta za Kilimo, Misitu na Uvuvi (6.1%), Mali Isiyohamishika (6.6%), Fedha na Bima (7.0%), Habari na Mawasiliano (7.8%) pamoja na Huduma za Malazi na Vyakula (28.0%).

Sawa na robo ya kwanza ya 2023, uzalishaji wa kilimo ulikua katika robo sawa na hiyo mwaka 2024, kutokana na hali bora ya hewa ambayo iliwezesha uzalishaji wa mazao na mifuko katika robo mwaka huo.

Kiwango cha Riba ya Benki Kuu (CBR) ilikuwa kwa wastani wa 11.88% katika kipindi hadi tarehe 30 Juni 2024, ikilinganishwa na wastani wa 8.79% mwaka 2023. Katika kipindi hicho, Kamati ya Sera ya Kifedha (MPC) iliongeza CBR kwa pointi 100 Disemba 2023 na msingi wa pointi 50 kufikia Februari 2024 wakati shughuli za benki kuu zilipania kuweka matarajio ya mfumuko wa bei.

Kiwango cha jumla cha mfumuko wa bei kilifikia wastani wa 6.23% ilikinganishwa na 8.78% katika kipindi kilichotanguliwa kutokana na kupungua kwa bei za bidhaa za chakula na usafiri. Kiwango cha juu zaidi cha mfumuko wa bei kilichoshuhudiwa katika kipindi hicho kilikuwa 6.90% mnamo Januari 2024. Kufikia tarehe 30 Juni 2024, kiwango cha jumla cha mfumuko wa bei kilipungua hadi 4.60%.

Thamani ya Shilingi ya Kenya iliongezeka kwa 7.9% ikilinganishwa na dola za Marekani US kutoka KShs.139.73 kufikia tarehe 30 Juni 2023 hadi KShs 128.66 kufikia tarehe 30 Juni 2024. Katika kipindi hiki, thamani ya shilingi pia iliongezeka ikilinganishwa na Yuro na Pauni ya Uingereza kwa 8.5% na 7.0 mtawalia.

Kudumisha Ushirikishaji

Tuendelea kuzingatia ahadi yetu ya kuimarisha ushirikishaji wa kudumu na washikadau wetu. Mazingira ya nje yanavyoendelea kukua, tunaendelea kulenga kudumisha masilahi bora ya washikadau wetu. Wenyehisa wetu, ambao ni nguzo muhimu katika utendakazi wetu, wameendelea kufanya uwekezaji unaolenga kuongeza thamani ya kipekee huku wakihakikisha wanapata taarifa inayofaa. Ni wazi kwamba, katika mwaka huo, Bodi iliwezesha ziara ya washikadau katika Kituo cha Kawi cha Sondu katika eneo la magharibi, na kuwapa taswira ya moja kwa moja ya shughuli zetu za kazi.

Katika kuoanisha mkakati wetu wa ushirikishaji wa washikadau, tumetoa kipaumbele cha kusikiliza makundi mbalimbali ya washikadau ili kuelewa mitazamo yao ya chapa yetu na matarajio yao ya mustakabali. Kama sehemu ya ahadi yetu inayoendelea ya kuboresha utengezaji wa thamani, tulifanya Ukaguzi mapana wa Chapa kutoka Machi hadi Novemba 2023. Ukaguzi huu ulitathmini nguvu na nyanja za kuboresha chapa ya KenGen, kulingana na maoni ya washikadau,

Hitaji la umeme limeendelea kukuwa na kufikia kiwango kipya cha Megawati 2,228 mnamo tarehe 7 Julai 2024 uliotokana na kukua kwa idadi ya watu, miunganisho ya wateja na ukuaji wa uchumi

Thamani ya Shilingi ya Kenya iliongezeka kwa

7.9%

ikilinganishwa na dola za Marekani US kutoka KShs.139.73 kufikia tarehe 30 Juni 2023

Bodi iliwezesha ziara ya washikadau katika Kituo cha Kawi cha Sondu katika eneo la magharibi, na kuwapa taswira ya moja kwa moja ya shughuli zetu za kazi.

UJUMBE WA MWENYEKITI

Ahadi yetu ya kudumisha masuala ya mazingira haitetereki na tunaendelea kupigania matumizi ya kawi safi nchini Kenya na ulimwenguni kwa kutumia kawi ya vyanzo safi kupitia ushirikiano wa kimkakati.

Kusaidia jamii zetu kusalia kuwa nguzo muhimu kwa biashara na madhumuni yetu. Katika mwaka mzima, tumeendelea kutekeleza mipango yenye athari za kijamii inayolenga kuendeleza elimu, uhifadhi wa mazingira na ufikiaji wa maji safi katika jamii ambako tunafanya shughuli zetu. Muhimu zaidi ilikuwa ni uzinduzi wa Awamu ya Nane ya Green Initiative Challenge (GIC) na Wakfu wa KenGen.

Awamu hiyo ilishuhudia usjaili wa shule 800 katika kaunti za Machakos, Kitui na Embu, lengo likiwa ni upanzi wa miti milioni 15 katika muda wa miaka kumi ijayo. Pia tulidumisha mahusiano thabiti na ahadi yetu kupitia Kamati zilizowekwa za Kuratibu Washikadau (SCC), kuimarisha ushirikiano wa kudumu na kuendeleza uelewa wa pamoja.

Ajenda yetu ya Kawi Safi

Sehemu kuu ya biashara yetu ni uzalishaji wa umeme kwa kutumia rasilimali asili tulizonazo. Kawi kutokana na vyanzo vya maji, mvuke, upepo na sola ni nguzo za shughuli zetu na kuleta athari chanya ya kijamii na kimazingira ni kuu katika lengo letu.

Ahadi yetu ya kudumisha masuala ya mazingira haitetereki na tunaendelea kupigania matumizi ya kawi safi nchini Kenya na ulimwenguni kwa kutumia kawi ya vyanzo safi kupitia ushirikiano wa kimkakati. Hali hii imeipa KenGen hadhi ya kimataifa kama kiongozi katika kawi safi na imefafanua mazungumzo ya kimataifa kuhusu kawi safi. Katika mwaka huu, tulishiriki katika Kongamano Kuu la Tabianchi la Afrika lililofanyika 2023 jijini Nairobi, ambapo viongozi wa Afrika waliweka Azimio la Mabadiliko ya Tabianchi ya Nairobi ya maendeleo ya kudumu. Pia tulichangia kwenye majadiliano katika Kongamano la Wahusika wa Mabadiliko ya Tabianchi (COP28) mjini Dubai, katika Milki za Kiarabu.

Kulingana na ahadi yetu ya kufanya mseto wetu wa uzalishaji kuwa unaozingatia kawi safi, tuliongeza uzalishaji wa umeme kutokana na vyanzo safi hadi 94% na kupiga hatua katika kuendeleza miradi ya kawi safi kwa kufunga vituo vyetu viwili vya kawi ya umeme.

Mabadiliko kwenye Bodi

Tuna mfumo thabiti wa uongozi unaowezesha Kampuni kufanya kazi kwa ufanisi na mabadiliko rahisi katika Bodi.

Kwa niaba ya familia ya KenGen, ningependa kushukuru Bw. Julius Migos Ogamba, Mwenyekiti wa Bodi anayeondoka kwa kujitolea kwake na kwa uongozi wake wa kampuni katika hatamu zake. Tunampa hongera kwa kuteuliwa kama Waziri, Wizara ya Elimu. Tunamtakia mema katika nafasi yake mpya ya kutumikia taifa.

Utendaji wa Kifedha

Tunajivunia kwa mara nyingine kupata utendaji thabiti wa kifedha licha ya changamoto ambazo tumekumbana nazo ikiwa ni pamoja na gharama za uzalishaji, mabadiliko ya kiudhibiti na mikataba na mahitaji na matarajio yanayozidi kubadilika kutoka kwa washikadau wetu mbalimbali na idadi ya watu inayokua. Tulichuma mapato ya Kshs. 56,297M ikilinganishwa na Kshs. 53,964M mwaka jana, ambayo ilikuwa ni ukuaji wa 4.3% na kuonyesha

UJUMBE WA MWENYEKITI

makini yetu thabiti katika uzalishaji wa kawi.
Tulipata Faida ya kabla ya Ushuru ya Kshs. 10,947 milioni Kufikia tarehe 30 Juni 2024 ikilinganishwa na Kshs. 8,525 milioni katika mwaka uliopita wa kifedha, ukuaji wa 28% unaoendeshwa na ufanisi wa biashara yetu na udhibiti ufaao wa gharama. Kuhusu kutimiza wajibu wetu wa kodi wa Kshs. 4,150 milioni katika mwaka wa sasa ikilinganishwa na Kshs. 3,508 milioni katika mwaka uliopita, tunaripoti faida baada ya ushuru ya Kshs. 6,797 milioni ikilinganishwa na Kshs. 5,017milioni katika mwaka uliopita wa kifedha. Utendaji wetu thabiti wa kifedha utasalia kuwa misingi yetu thabiti na kutuweka katika nafasi thabiti ya kuimarisha taarifa zetu za kifedha.

Migawo

Bodi ina furaha kupendekeza malipo ya mgao wa kwanza na wa mwisho wa KShs. 0.65 kwa kila hisa kwa mwaka wa kifedha unaokamilika tarehe 30 Juni 2024. Hili ni ongezeko la 117% kwenye malipo ya migawo ya hisa ya mwaka ulipita ya Ksh. 0.30 kwa kila hisa. Washikadau wakiidhinisha katika Mkutano Mkuu wa Kila Mwaka, mgao wa mapato ya hisa utalipwa mnamo au karibu tarehe 13 Februari 2025.

Shukrani

Ninachukua fursa hii kwa niaba ya Bodi kutoa shukrani zangu na kushukuru Wenyehisa, Serikali ya Kenya, wanachama wenzangu wa Bodi ya Wakurugenzi na Washirika Wengine. Ninashukuru Usimamizi na wafanyakazi wetu kwa kujitolea kwao bila kutetereka na ustahimilivu wao wa kufikia Mkakati wetu. Bodi ina imani kuwa KenGen itatumia fursa ya kuendeleza ukuaji wa biashara na kuunda thamani ya kudumu ya wenyehisa kuenda mbele.

Asante na Mungu awabariki.

ENG. FRANK KONUCHE
Chairman of the Board

MESSAGE FROM THE MANAGING DIRECTOR & CEO

"Our commitment to decarbonization remains steadfast. We have an ambitious program aimed at driving renewable-led growth over the next decade leading up to 2034."

We successfully reduced our thermal installed capacity by

53%

through the retirement of the Kipevu I and Muhoroni Gas Turbines power plant

Dear Shareholders,
It is with great pleasure that I present our company's performance for the fiscal year ending June 30, 2024. This year has been marked by significant success, reflecting the effectiveness of our strategic focus on expanding our renewable energy generation portfolio, as we actively contribute to the global concerted effort to preserve our planet. The push for green transitions have reached unprecedented heights, today being the centre of all businesses and as a key player in the energy sector, KenGen has strategically positioned itself to lead in generating cleaner and green sustainable energy.

In alignment with Kenya's commitment made at COP27 to achieve a 100% green grid by 2030, we successfully reduced our thermal installed capacity by 53% through the retirement of the Kipevu I and Muhoroni Gas Turbines power plants. To address the resulting generation demand, KenGen implemented robust maintenance practices, which ensured high availability across our green fleets. This approach not only maximized our renewable energy output growing the electricity generation share to over 93% but also significantly enhanced our profitability.

Our commitment to decarbonization remains steadfast, with several major development projects currently underway, accompanied by an ambitious program aimed at driving renewable-led growth over the next decade leading up to 2034. Together, we are not just addressing the challenges of today, but also paving the way for a sustainable future

Good to Great 2034 Strategy

As we strategically expand our electricity generation assets with a focus on renewable energy sources, it has become essential to review our purpose with a new 10-year strategy that necessitates significant investments for the greater good. In this context, we have re-evaluated our mission statement to reflect our ambition - "**to be the market leader in provision of renewable energy solutions**", clearly articulating our objectives.

We are committed to developing an additional 1,500MW of renewable installed capacity, alongside 500MWh from Battery Energy Storage Systems (BESS). Together, these initiatives will not only fortify our leadership position but also contribute to a sustainable energy future.

Growing the value of KenGen

Since the 1950s, we have cultivated extensive expertise in geothermal resource exploration and development. Our dedicated team, trained at world-renowned institutions, has acquired proficiency in critical areas such as geoscientific exploration, drilling, reservoir modelling, environmental stewardship, and power plant development, operations and maintenance. This wealth of experience has been key in positioning KenGen as a regional leader in geothermal development, with our expertise sought after both domestically and internationally.

Our success is underpinned by strong partnerships with government entities, investors, industry peers, and local communities. We firmly believe in the power of collaboration to achieve shared goals and create a lasting positive impact.

The African Rift Valley harbours immense potential for geothermal resources, and through South-to-South partnerships, KenGen is optimistic about unlocking these resources to shape Africa's sustainable energy future.

Our Team

We take immense pride in our employees, recognizing them as the cornerstone of our success and the distinguishing factor that sets KenGen apart in the energy industry. Acknowledging this vital role, the company is deeply committed to investing in our people, equipping them with future-ready skills, enhancing their overall experience and strengthening employee engagement programs to uplift morale, encourage teamwork, and promote personal wellbeing.

This year, we launched our corporate theme, "JenGa KenGen Inua Mapato," which has significantly enhanced productivity and performance by emphasizing ambition, collaboration, business growth, delivery, and innovation. To ensure our workforce is future-ready, we have prioritized reskilling and upskilling initiatives aligned with both our corporate strategy and our employees' aspirations.

Since the rollout of our Good-2-Great Strategy in 2008, our company has consistently achieved remarkable growth, successfully delivering up to 933 MW of installed generation capacity

Our dedicated team, trained at world-renowned institutions, has acquired proficiency in critical areas such as geoscientific exploration, drilling, reservoir modelling, environmental stewardship, and power plant development, operations and maintenance.

To be the market leader in provision of renewable energy solutions

MESSAGE FROM THE MANAGING DIRECTOR & CEO

KenGen trained the following over the past year:

240 Fire marshals | **30** Firefighters | **286** First aiders

To foster a culture of mentoring and coaching, we introduced our e-mentoring platform, facilitating open knowledge sharing among colleagues across all levels and generations. This initiative is designed to empower our teams, harnessing the collective wisdom within our organization to drive both individual and organizational growth. Together, we are committed to building a resilient and high-performing workforce that meets the challenges of tomorrow.

Safety First

Our safety framework and systems underwent a comprehensive review to align with international Occupational Health and Safety (OHS) standards. As a testament to our dedication to operational and safety excellence, the company was awarded the ISO 45001:2018 certification for Occupational Health and Safety after successfully completing rigorous audits conducted by Bureau Veritas. This recognition not only underscores our commitment to ensuring a safe workplace but also reflects our unwavering dedication to the well-being of our employees and the integrity of our operations.

Our Innovative Culture

Innovation is not just a value at KenGen; it is deeply embedded in our culture and serves as a fundamental theme in the execution of our strategy. Through a commitment to innovation, we continuously break barriers, redefine conventional methodologies, and discover new ways of operating to remain competitive and relevant in an everevolving world.

In 2024, we proudly hosted our 11th G2G Annual Global Innovation Seminar in Kisumu City, where 24 groundbreaking innovation ideas were showcased. This event added to the impressive portfolio of over 700 ideas that have navigated through our innovation funnel. To date, we have successfully implemented a total of 226 innovative ideas. Noteworthy among these are the Wellhead Power Plant Units, the Geothermal Spa, the KenGen Calibration Centre, and the commercialization of our drilling services across the region.

These achievements reflect our commitment to innovation as we strive to enhance efficiency, customer satisfaction, and sustainability in our operations. Together, we are shaping a future that embraces creativity and ingenuity, ensuring that KenGen remains at the forefront of the energy sector.

Contributing to Sustainability and Climate Action

KenGen is committed to actively integrating environmental, social, and economic considerations into its strategic framework. Acknowledging the urgent need to address climate change, we have implemented robust measures to reduce our carbon footprint and contribute meaningfully to environmental conservation.

By generating over 93% of our electricity from renewable sources; including geothermal, hydro, and wind power. KenGen is making significant strides toward Kenya's ambitious goal of achieving a 100% clean energy future by 2030. Through these initiatives, we are not only enhancing our operational sustainability but also demonstrating our commitment to fostering a greener, more resilient future for generations to come.

MESSAGE FROM THE MANAGING DIRECTOR & CEO

Partnering for Growth

We have continued to actively engage with key stakeholders to advance our renewable energy agenda. High-level delegations from esteemed organizations—including officials from the World Bank, the Japan International Cooperation Agency (JICA), the South Korean Embassy, the Investment Promotion Agency, the International Renewable Energy Agency (IRENA), the International Energy Agency (IEA), the Eswatini Electric Company, Kreditanstalt für Wiederaufbau (KfW), the European Investment Bank (EIB), the U.S. Department of Energy, and the French Development Agency (AFD)—have visited KenGen to explore collaboration opportunities.

These strategic partnerships have been instrumental in securing substantial financing for our renewable energy projects, enhancing knowledge sharing, and elevating our profile as a champion of green energy. By cultivating strong relationships, KenGen is not only driving progress toward a sustainable energy future but also contributing to the global discourse on the vital role of renewable energy in fostering sustainable industrial development. Together, we are making significant strides toward a greener, more sustainable planet.

This year, we achieved a significant milestone by planting 650,647 tree seedlings, exceeding the target of 250,000 trees.

Our commitment to reducing carbon emissions is further illustrated by our annual offset of 1.5 million tonnes of carbon dioxide equivalent through our Clean Development Mechanism (CDM) projects registered with the United Nations Framework Convention on Climate Change (UNFCCC). To date, we have cumulatively earned 6,900,366 carbon credits, including an additional 1,843,113 carbon credits from three geothermal CDM projects this year.

Financial Performance

The Company achieved a 28% increase in Profit Before Tax to KShs 10,947 million from KShs 8,525 million in the previous year. Profit after tax also grew by 35% to KShs 6,797 million from KShs 5,017 million primarily driven by growth in revenue which increased to KShs 56,297 million from KShs 53,964 million in 2023. Similarly, Earnings per share (EPS) rose to KShs 1.03 from KShs 0.76 in the prior year.

Future Outlook

Looking ahead, we remain optimistic and wholeheartedly committed to executing our strategy for expanding renewable energy generation while delivering sustainable value for our shareholders. Reflecting on the achievements of the past years, we view sustainable geothermal development not just as a goal but as a comprehensive roadmap for our future.

Our dedication to this cause reinforces our commitment to ensuring that the benefits of clean energy extend to both current and future generations. In the period ahead, we are geared to deliver redevelopment of our oldest geothermal plant, the 63MW Olkaria power plant; 42.5MW Seven Forks Solar PV Plant and 8.6MW Gogo Hydro Plant on time and within budget.

Additionally, we have advanced setting up our Green Energy Park which will provide an enabling platform for green industries to undertake their operations responsibly. Together, we will continue to innovate and lead the way in creating a sustainable energy landscape, demonstrating that responsible growth and environmental stewardship can coexist harmoniously.

MD Peter Njenga planting a tree in Ontulili Forest

MESSAGE FROM THE MANAGING DIRECTOR & CEO

Appreciation

I would like to express my sincere gratitude to you our shareholders, the Government of Kenya, development partners and other stakeholders for their support throughout the year that has been instrumental to our shared success. I also wish to thank the Board of Directors for their diligent oversight in advancing our strategic mandate to become a pioneering force in the realm of renewable, clean, and competitively priced electric energy.

To my colleagues, the entire KenGen family, your dedication to our corporate theme, '***JenGa KenGen, Inua Mapato***,' has been truly inspiring. Our collective efforts have played a crucial role in driving our shared success, and for that, I extend my heartfelt appreciation to each of you. Together, we are shaping a brighter, more sustainable future not just for KenGen but for our country and Africa as a whole.

Thank you, God Bless KenGen, God bless Kenya.

ENG. PETER NJENGA
Managing Director & CEO

UJUMBE KUTOKA KWA MKURUGENZI MKUU MTENDAJI

"Kujitolea kwetu kukabiliana na hewa ya ukaa kuko imara. Tuna mpango mkubwa unaolenga kuongeza ukuaji unaoletwa na matumizi ya kawi safi katika mwongo ujao unaoelekea mwaka 2034."

Tumefanikiwa kupunguza uwezo wetu wa kawi inayozalishwa kupitia joto kwa

53%

kwa kufunga vituo vyetu vya kawi vya Kipevu I na Muhoroni Gas Turbines.

Wapendwa Wenyehisa,

Ninafahari kubwa kuwapa ripoti ya utendaji wa kampuni yetu kwa mwaka wa kifedha ulioisha tarehe 30 Juni 2024. Mwaka huu umekuwa na ufanisi mkubwa, tukiangazia ufaafu wa lengo letu la kimkakati la kupanua uwezo wetu wa uzalishaji wetu wa kawi ya vyanzo safi, huku tukiendelea kuchangia juhudi za pamoja za kimataifa za kulinda sayari yetu. Msukumo wa mpwito ili kuanza kutumia vyanzo safi umefikia viwango ambavyo havikutarajiwa, leo ikiwa ndiyo kiini cha biashara zote na kama mshikadau muhimu katika sekta ya kawi, KenGen imejiweka katika nafasi ya kipekee ya kuongoza katika kuzalisha kawi safi na endelevu.

Kulingana na ahadi ambayo Kenya ilifanya katika kongamano la COP27 la kufikia gridi ya kawi safi kwa 100% kufikia 2030, tumefanikiwa kupunguza uwezo wetu wa kawi inayozalishwa kupitia joto kwa 53% kwa kufunga vituo vyetu vya kawi vya Kipevu I na Muhoroni Gas Turbines. Ili kufidia hitaji la uzalishaji, KenGen ilitekeleza mpango mkubwa wa udumishaji, ambao ulihakikisha upatikanaji wa juu kwenye mikondo yetu yote ya kawi safi. Mbinu hii kando na kutumia ipasavyo kawi yetu inayotakana na vyanzo safi na kukuza mgawo wetu za uzalishaji wa kawi hadi zaidi ya 93%, pia imeimarisha pakubwa uwezo wetu wa kuzalisha faida.

Ahadi yetu ya kupambana na hewa ya ukaa ipo imara, kukiwa na miradi kadhaa mikubwa ya maendeleo inayoendelea kwa sasa, pamoja na mpango mkubwa unaolenga kuongeza ukuaji kupitia kawi ya vyanzo safi katika mwongo ujao wa kuingia mwaka 2034. Pamoja, kando na kutatua changamoto za leo, pia tunatengeneza njia ya kupata mustakabali endelevu.

Mkakati wa Nzuri kwenda Bora wa 2034

Tangu kuzindua Mkakati wetu wa Nzuri kwenda Bora mnamo 2008, kampuni yetu imepiga hatua kubwa ya ukuaji, ikifanikiwa kutoa hadi Megawati 933 ya uwezo uliowekwa wa uzalishaji wa kawi ili kukidhi mahitaji yanayoongezeka ya kawi katika nchi yetu. Tunapopanua kimkakati rasilimali zetu za uzalishaji wa umeme kwa kulenga vyanzo vya kawi inayoweza kutumiwa tena, ni muhimu kukagua madhumuni yetu kwa kuweka mkakati wa miaka 10 unaohitaji uwekezaji mkubwa ili kupata ufanisi mkubwa.

Katika muktadha huu, tumetathmini upya taarifa ya lengo letu ili ionyeshe ari yetu ya **"kuwa kampuni inayoongoza katika utoaji wa vyanzo vya kawi inayotokana na vyanzo safi"**, hali inayobainisha wazi shabaha yetu.

Tumejitolea kutengeneza uwezo wa kuzalisha kiwango zaidi cha Megawati 1,500 ya kawi inayotokana na vyanzo safi, pamoja na 500MWh kutokana na Mifumo ya Kuhifadhi Kawi ya Betri (BESS). Kwa pamoja, mipango hii kando na kuimarisha nafasi yetu ya uongozi, pia itachangia mustakabali wenye kawi endelevu.

Kukuza thamani kwa KenGen

Kwa KenGen, upanuzi wa mapato si tu chaguo la kimkakati, ni muhimu katika mandhari ya leo inayobadilika ya kawi.
Kwa kupanua mikondo yetu ya mapato, kando na kutatua hatari na kuoanisha shughuli zetu na hali zinazobadilika za kiudhibiti, pia inavuna kutokana na fursa zinazoibuka za soko, kuimarisha mahusiano na wateja na kuboresha hali yetu ya uthabiti wa kifedha. Kadiri mazingira ya kawi ya kimataifa inavyozidi kubadilika, KenGen inasalia katika mstari wa mbele katika kujitolea kwake kutumia uwezo wake wa uzalishaji wa kazi ili kukidhi ongezeko la hitaji la kazi katika taifa letu.

Tangu miaka ya 1950, tumetumia ujuzi mpana katika uchumaji na maendeleo ya rasilimali za kawi. Timu yetu ya kipekee, waliopokea mafunzo katika taasisi zinazotambuliwa ulimwenguni, imepata ufanisi katika nyanja muhimu kama vile matumizi ya sayansi ya kijiografia, uchimbaji, usanifu wa hifadhi, utetezi wa mazingira na uundaji wa vituo vya kawi shughuli na udumishaji. Uzoefu huu mpana umekuwa muhimu katika kuweka KenGen katika nafasi ya kuongoza katika ukanda huu katika uzalishaji wa kawi, uzoefu wetu ukiwa unatafutwa nchini na kimataifa.

Ufanisi wetu una misingi thabiti inayotokana na ushirikiano na mashirika ya serikali, wawekezaji, washindani katika tasnia na jamii za eneo husika. Tunaamini kabisa kwenye uwezo wa kushirikiana ili kufanikisha malengo ya pamoja na kuleta athari chanya za kudumu.

Tangu kuzindua Mkakati wetu wa Nzuri kwenda Bora mnamo 2008, kampuni yetu imepiga hatua kubwa ya ukuaji, ikifanikiwa kutoa hadi Megawati 933 ya uwezo uliowekwa wa uzalishaji wa kawi.

Timu yetu ya kipekee, waliopokea mafunzo katika taasisi zinazotambuliwa ulimwenguni, imepata ufanisi katika nyanja muhimu kama vile matumizi ya sayansi ya kijiografia, uchimbaji, usanifu wa hifadhi, utetezi wa mazingira na uundaji wa vituo vya kawi shughuli na udumishaji.

Kuwa kampuni inayoongoza katika utoaji wa vyanzo vya kawi safi

UJUMBE WA MKURUGENZI MKUU NA AFISA MKUU MTENDAJI

Katika mwaka uliopita, KenGen imetoa mafunzo kwa:

240	30	286
Maafisa wataalamu wa Moto	Wataalamu wa kupambana na Moto	Watoaji Huduma ya Kwanza

Bonde la Ufa la Bara Afrika lina uwezo mkubwa wa nyenzo za uzalishaji wa kawi na kupitia ushirikiano wa Kusini hadi Kusini, KenGen ina matumaini kuhusu kufungua rasilimali hizi ili kutoa taswira ya mustakabali wa kawi barani Afrika.

Timu Yetu

Tunajivunia sana wafanyakazi wetu, kuwatambua kama misingi ya ufanisi wetu na vigezo vya kipekee vinavyofanya KenGen kuwa kampuni ya kipekee katika sekta ya kawi. Kwa kutambua nafasi hii muhimu, kampuni hii imejitolea sana kuwekeza katika watu wetu, kuwapa ujuzi unaowafanya kuwa tayari kukabiliana na mambo yajayo, kuboresha uzoefu wao wa jumla na kuimarisha mipango ya ushirikishaji wa wafanyakazi ili kuongeza mshawasha wao, kuhimiza ushirikiano kazini na kuendeleza ustawi binafsi.

Mwaka huu, tulizindua kauli mbiu yetu ya shirika, **"JenGa KenGen Inua Mapato,"** ambayo imeongeza tija na utendaji wetu kwa kiasi kikubwa kwa kusisitiza ari, ushirikiano, ukuaji wa biashara, uwasilishaji na uvumbuzi. Ili kuhakikisha kuwa kani kazi yetu iko tayari kwa mambo ya baadaye, tumetoa kipaumbele kwa mipango ya kutoa tena na kuboresha ujuzi ambayo inaoana na mkakati wetu wa kishirika na matamanio ya wafanyakazi wetu.

Ili kuendeleza desturi ya kutoa ushauri na mafunzo, tulizindua jukwaa letu wa mafunzo kielektroniki, linalowezesha usambazaji huru wa maarifa miongoni mwa wafanyakazi wenza kwenye viwango na vizazi vyote. Mpango huu umesanifiwa kuwezesha timu zetu, kutumia busara ya pamoja zilizo ndani ya shirika letu ili kuongeza ukuaji wa watu binafsi pamoja na shirika. Kwa pamoja, tumejitolea kukuza kani kazi yenye ustahimilivu na utendaji wa juu unaokabiliana na changamoto za kesho.

Usalama Kwanza

Kama shirika la kiviwanda, tunatoa kipaumbele cha juu zaidi kwa usalama wa wafanyakazi wetu, mazingira ya kazi na rasilimali zetu. Ili kutimiza ahadi hii, kampuni hii imewekeza pakubwa katika mafunzo kuhusu afya na usalama pamoja na kununua mifumo na vifaa vya ubora wa juu vya usalama vinavyotimiza viwango na mbinu bora za kimataifa.
Katika mwaka uliopita, tumefunza maafisa 240 wa moto, wataalamu 30 wa kupambana na mikasa ya moto na wataalamu 286 wa kutoa huduma ya kwanza kwa kuwapa uwezo wa kuwa mabalozi wa usalama ndani ya shirika letu. Kando na hayo, tumeboresha uwezo wetu wa kushughulikia dharura kwa kununua mashini mbili zenye vifaa vya kupambana na moto za kutumika katika ukanda wetu wa mashariki na wa kawi.
Kiunzi na mifumo yetu ya usalama imefanyiwa ukaguzi mpana ili kuoanisha na viwango vya kimataifa vya Usalama na Afya ka Kikazi (OHS). Kama ushahidi wa kujitolea kwetu kuhakikisha ufanisi wa utendakazi na usalama, kampuni hii ilipewa cheti cha ISO 45001:2018 kwa Afya na Usalama wa Kikazi baada ya kufanikiwa kukamilisha ukaguzi wa kina uliofanywa na Bureau Veritas. Kutambulika huku unaonyesha ahadi yetu ya kuhakikisha tunaweka eneo salama la kufanyia kazi na pia kuonyesha kujitolea kwetu kwa dhati kwa ustawi wa wafanyakazi wetu na uadilifu wa shughuli zetu.

Desturi Yetu ya Uvumbuzi

Uvumbuzi si tu thamani hapa KenGen; umejikita zaidi katika desturi yetu na kutumika kama kauli mbiu msingi katika utekelezaji wa mkakati wetu. Kupitia kujitolea kwa uvumbuzi, tunaendelea kuvunja mipaka, kufafanua upya mbinu za pamoja na kugundua njia mpya za kuendesha shughuli zetu ili kusalia kuwa na ushindani na muhimu katika ulimwengu huu unaobadilika kila mara.

UJUMBE KUTOKA KWA MKURUGENZI MKUU MTENDAJI

Mnamo 2024, tulijivunia kuwa waandalizi wa awamu ya 11 ya Warsha ya Kila Mwaka ya Uvumbuzi Duniani wa G2G Mjini Kisumu ambapo mawazo 24 mapya ya uvumbuzi yalionyeshwa. Tukio hili liliongeza idadi ya mawazo kuwa zaidi ya 700 ambayo yamepitia mfumo wetu wa uvumbuzi. Hadi leo, tumefanikiwa kutelekeza jumla ya mawazo 226 ya uvumbuzi. Ni vyema kutaja kuwa miongoni mwao ni Kituo cha Kawi cha Wellhead, Geothermal Spa, Kituo cha KenGen Calibration na kuchumisha huduma zetu za uchimbaji katika maeneo mbalimbali ya ukanda huu.

Mafanikio haya yanaonyesha kujitolea kwetu kutekeleza uvumbuzi huku tukijizatiti kuboresha ufanisi, kuridhika kwa mteja na hali endelevu katika shughuli zetu. Pamoja, tunatoa taswira ya mustakabali unaokumbatia ubunifu na uwezo wa kipekee, hali inayohakikisha kuwa KenGen inasalia katika kipaumbele kwenye sekta ya kawi.

Kuchangia Hali Endelevu na Hatua kuhusu Hali ya Tabianchi

KenGen imejitolea kuendelea kuzingatia masuala ya kimazingira, kijamii na kiuchumi kwenye mfumo wa kimkakati. Kwa kukiri hitaji la dharura la kutatua suala la mabadiliko ya tabianchi, tumetekeleza hatua kubwa za kupunguza idadi ya hewa ya kaboni tunayotoa na kuchangia kwa njia inayofaa katika kutunza mazingira.

Mwaka huu, tulipata ufanisi mkubwa kwa kupanda miche 650,647 ya miti, na kupita idadi tuliyolenga ya miti 250,000.

Ahadi yetu ya kupunguza utoaji wa gesi za kaboni imeendelea kuonyeshwa na mpango wetu wa kila kila mwaka wa kutoa tani milioni 1.5 za bidhaa mbadala ya kaboni kupitia miradi yetu ya Mbinu ya Maendeleo Safi (CDM) ambayo imesajiliwa na Muungano wa Mfumo wa Umoja wa Mataifa kuhusu Mabadiliko ya Tabianchi (UNFCCC). Kufikia leo, tumepata jumla ya thamani za kaboni za 6,900,366, ikiwa ni pamoja na thamani za ziada za kaboni 1,843,113 kutoka miradi mitatu ya kawi ya mvuke mwaka huu.

Kwa kuzalisha zaidi ya 93% ya umeme kutokana na vyanzo safi, ikiwa ni pamoja na mvuke, maji na upepo. KenGen, inapiga hatua kubwa katika kufikia lengo kuu la Kenya la kufikia kawi safi kwa 100% kufikia 2030. Kupitia mipango hii, kando na kuboresha uendelevu wa utendakazi wetu, pia tunaonyesha kujitolea kwetu kudumisha mustakabali safi na stahimilivu zaidi kwa vizazi vijavyo.

Kushirikiana kwa ajili ya Ukuaji

Tumeendelea kushirikisha washikadau muhimu ili kuendeleza ajenda yetu ya kawi inayoweza kutumiwa tena. Ujumbe wa hadhi ya juu kutoka mashirika ya kipekee—ikiwa ni pamoja na maafisa kutoka Benki ya Dunia, Shirika la Ushirikiano wa Kimataifa la Japan (JICA), Ubalozi wa Korea Kusini, Shirika la Kuendeleza Uwekezaji, Shirika la Kimataifa la Kawi Inayoweza Kutumiwa Tena (IRENA), Shirika la Kimataifa la Kawi (IEA), Kampuni ya Umeme ya Eswatini, Kreditanstalt für Wiederaufbau (KfW), Benki ya Uwekezaji ya Ulaya (EIB), Wizara ya Kawi ya Marekani, na Shirika la Maendeleo la Marekani (AFD)—wametembelea KenGen ili kuchunguza fursa za ushirikiano.

Ushirikiano huu wa kimkakati umekuwa muhimu katika kupata ufadhili mkubwa kwa ajili ya miradi yetu ya kawi inayoweza kutumiwa tena, kuimarisha usambazaji wa maarifa na kuinua wasifu wetu kama balozi wa kawi safi. Kwa kukuza mahusiano thabiti, kando na kuongeza maendeleo ya mustakabali wa kawi endelevu, KenGen pia inachangia katika majadiliano ya kimataifa kuhusu nafasi muhimu ya kawi inayoweza kutumiwa tena katika kuimarisha maendeleo ya kudumu ya viwanda. Pamoja, tunapiga hatua muhimu katika kuhakikisha sayari yetu ni safi na ni endelevu zaidi.

MD Peter Njenga planting a tree in Ontulili Forest

UJUMBE KUTOKA KWA MKURUGENZI MKUU MTENDAJI

Utendaji wa Kifedha

Kampuni hii ilipata ongezeko la 28% katika faida kabla ya kodi, ikipanda hadi milioni KShs 10,947 kutoka milioni KShs 8,525 mwaka uliotangulia. Faida baada ya kodi pia ilikua kwa 35% hadi milioni KShs 6,797, kutokana na ukuaji wa mapato, ambayo yaliongezeka kutoka milioni KShs 53,964 mwaka 2023 hadi milioni KShs 56,297 katika mwaka unaokaguliwa. Isitoshe, mapato ya kifedha yaliongezeka pakubwa kwa 149% hadi milioni KShs 4,202 kutoka KShs 1,689 mnamo 2023, kutokana na mapato ya juu ya riba kutoka kwa amana zisizohamishika na kuongezeka kwa viwango vya riba nchini.

Mapato Kabla ya Riba, Kodi, Kupungua kwa Thamani na Kupunguzwa kwa Mikopo (EBITDA) kuliongezeka kwa 4%, na kufikia milioni KShs 25,981 ikilinganishwa na milioni KShs 24,940 mwaka uliopita. Mapato kwa kila hisa (EPS) yaliongezeka kwa 36%, ikionyesha kiwango cha juu cha faida, kutoka KShs 1.03 hadi KShs 0.76 katika mwaka uliotangulia.

Matarajio ya Siku Zijazo

Kwenda mbele, tunaendelea kuwa na matamanio na kujitolea kwa dhati kutekeleza mkakati wetu wa kupanua uzalishaji wa kawi ya vyanzo safi huku tukitoa thamani ya kudumu kwa wenyehisa wetu. Kwa kuangazia mafanikio yetu katika miaka iliyopita, tunatazama maendeleo ya kawi endelevu ya mvuke si tu kama lengo bali kama njia tendeti ya mustakabali wetu.

Kujitolea kwetu kufanikisha hili kunaimarisha ahadi yetu ya kuhakikisha kuwa manufaa ya kawi fasi yanapatikana kwa vizazi vya sasa na vijavyo. Katika kipindi hicho, tunatazamia kuunda upya kituo chetu cha zamani zaidi cha kawi ya mvuke, kituo cha Olkaria chenye uwezo wa wa Megawati 63; Kituo cha Sola PV cha Seven Forks chenye uwezo wa Megawati 42.5 na Kituo cha Gogo Hydro chenye uwezo wa Megawati 8.6 kwa muda ufaao na kwa kuzingatia bajeti.

Isitoshe, tumeharakisha uzinduzi wa Green Energy Park ambayo itakuwa jukwaa la kuwezesha sekta ya kawi safi kuendesha shughuli zao kwa kuwajibika. Pamoja, tutaendelea kuvumbua na kuongoza katika kubuni mazingira endelevu ya kawi, kuonyesha kuwa ukuaji wa kuwajibika na uangalizi wa mazingira zinaweza kuambatana kwa urahisi.

Appreciation

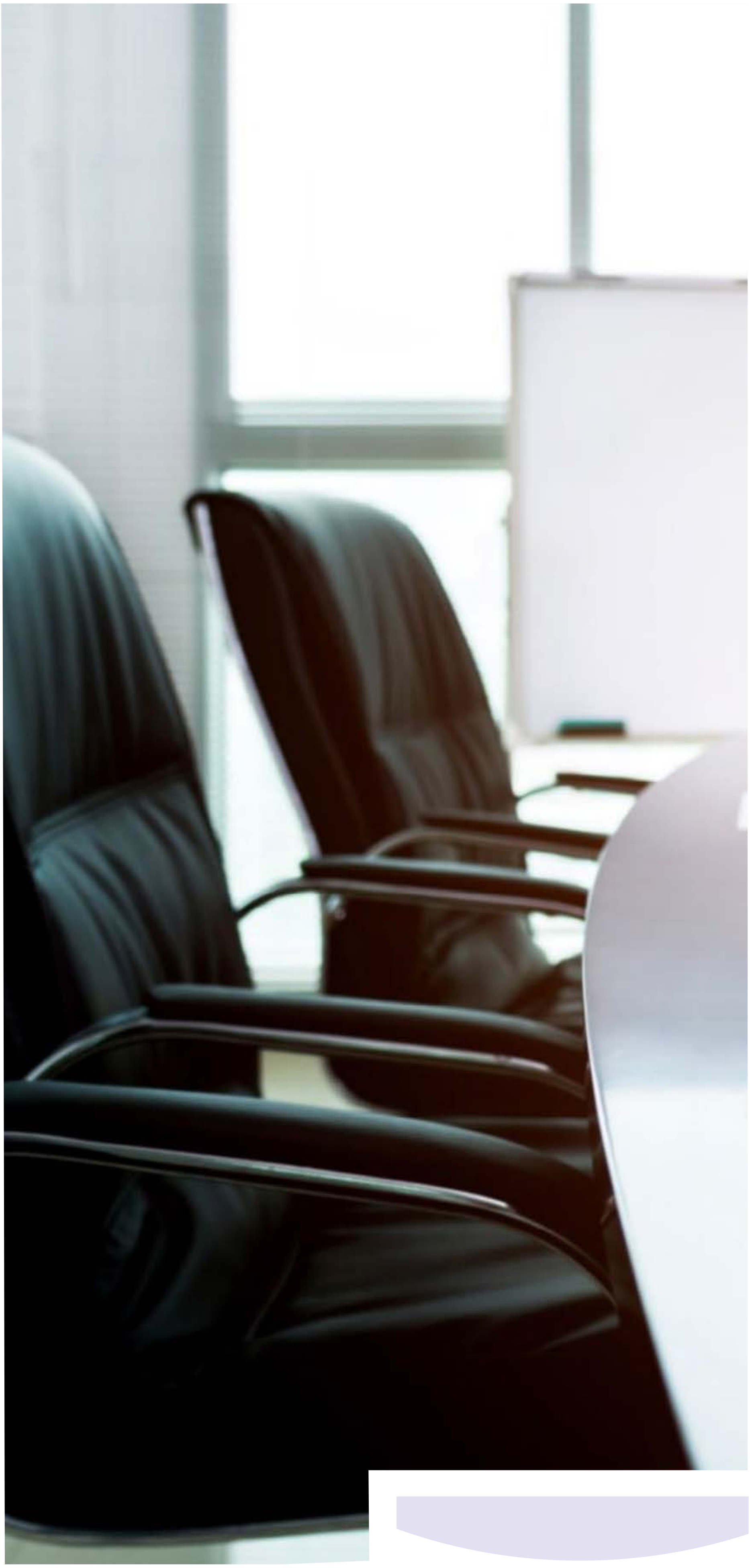
Ningependa kutoa shukrani zangu za dhati kwenu wenyhisa wetu, Serikali ya Kenya, washirika wa maendeleo na washikadau wengine kwa wa msaada wao katika mwaka mzima ambao umekuwa muhimu kwa ufanisi wetu wa pamoja. Pia ningependa kushukuru Bodi ya Wakurugenzi kwa uangalizi wao mzuri katika kuendeleza wajibu wetu wa kimkakati ili kuwa kani inayoongoza katika nyanja za kawi ya vyanzo safi, safi na ya bei nafuu.

Kwa wafanyakazi wenzangu, familia nzima ya KenGen, kujitolea kwenu kwa kauli mbiu yetu ya shirika ya, ‘JenGa KenGen, Inua Mapato,’ imekuwa hamasisho la kweli. Juhudi zetu za pamoja zimechukua nafasi muhimu katika kuleta ufanisi wetu wa pamoja na kwa sababu hiyo, ningependa kumshukuru kila mmoja wenu. Pamoja, tunatoa taswira ya mustakabali mwema na endelevu zaidi si tu kwa KenGen bali kwa nchi na bara letu kwa jumla.

Asanteni, Mungu Abariki KenGen, Mungu abariki Kenya.

ENG. PETER NJENGA
Mkurugenzi Mtendaji na Mkurugenzi Mkuu Mtendaji


KAMBURU POWER STATION



CORPORATE GOVERNANCE

02

CORPORATE GOVERNANCE

Who Governs Us

Eng. Frank Konuche born in 1959, holds a Masters in Engineering from Dalhousie University of Nova Scotia, Canada and Bachelor of Engineering (Hons) from Liverpool University, UK. He holds a Certificate in Senior Management Leadership from the Strathmore Business School.

He has attended various professional training programs in power generation, management, industrial relations, performance management strategic planning and management of energy organizations amongst others.

He has over 35 years engineering experience in the energy sector, power generation and public service. He has previously worked at the Centre for Energy Studies, Nova Scotia, Canada.

He started his career in Kenya Power in 1988 as a Shift Engineer and progressed to hold various positions including Chief Engineer- Thermal before moving to the KenGen where he worked in various roles of Generation Manager- Kipevu Power Station, Regional Operations Manager- Central Office upto his retirement from KenGen in 2019 in the position of Regional Operations Manager- Western Region.

Eng. FRANK KONUCHE
Chairman of The Board
(Non-Executive Director)

CORPORATE GOVERNANCE

Who Governs Us

Eng. Peter Njenga born in 1967 is the Managing Director and CEO of Kenya Electricity Generating Company PLC (KenGen), East Africa's foremost electricity generation company, distinguished by its impressive 86% reliance on renewable and clean energy sources. With a tenure that formally commenced on August 17, 2023, Eng. Njenga boasts an illustrious 32-year career in the energy sector, marked by exceptional leadership. He holds a bachelor's degree in electrical engineering, complemented by an MBA in Strategic Management from the prestigious University of Nairobi.
His status as a registered professional engineer adds to his credentials, standing as a paragon of expertise, augmented by a collection of certificates in senior leadership management, notably from Strathmore University and Harvard Business School, among other esteemed institutions. Throughout his journey, Eng. Njenga has consistently showcased unwavering dedication to professionalism, excellence in service delivery, strategic acumen, and ethical stewardship, leaving an indelible imprint on industry growth and innovation.

His remarkable ascent from Trainee Electrical Engineer to the esteemed position of General Manager of Infrastructure Development at Kenya Power & Lighting Company PLC (KPLC), to CEO of KenGen is a testament to his character, resilience, and visionary prowess. Notably, his influential role as Chair in pivotal committees at KPLC underscores his resolute commitment to catalysing transformative change, extending to the spheres of sustainability and climate action. Eng. Njenga seamlessly integrates his technical proficiencies with a results-oriented mindset, further reinforcing KenGen's ongoing triumph in delivering sustainable and dependable energy solutions, while also championing initiatives like tree planting to combat climate change. Beyond his professional pursuits, Eng. Njenga is a passionate advocate for youth development and family values, reflecting his devotion to both his Christian faith and family life. In his leisure time, he finds enjoyment in cycling and swimming, showcasing a well-rounded persona both in and out of the boardroom.

Eng. PETER NJENGA
Managing Director & CEO
(Executive Director)

CORPORATE GOVERNANCE

Who Governs Us

CPA John Mbadi Ng'ongo, EGH
Cabinet Secretary, The National Treasury

CPA John Mbadi is the Cabinet Secretary (CS) for The National Treasury and Economic Planning. Before his appointment, Hon. Mbadi had an extensive career in public service, most recently serving as a nominated Member of Parliament (MP) and the Chairperson of the Public Accounts Committee in the National Assembly.

The CS has a rich history in legislative leadership, having served as the elected MP for Suba South Constituency, Suba Constituency, and Gwassi Constituency. His experience extends to roles such as Assistant Minister in the Office of the Prime Minister and Leader of Minority in the National Assembly. Throughout his parliamentary tenure, he was a member of numerous key committees, including the House Business Committee, Liaison Committee, Budget and Appropriations Committee, Selection Committee, Appointments Committee, Public Accounts Committee, Public Investments Committee, Constitutional Implementation Committee, the Ad Hoc Committee on the Cost of Living, and the Defence and Foreign Relations Committee. Notably, he was also a member of the Legislative Taskforce responsible for drafting the Public Finance Management Act of 2012.

In addition to his political and legislative accomplishments, the CS is a seasoned finance professional with 28 years of experience. He has held the position of Accountant at the University of Nairobi and served as the Chair of Medair East Africa. Hon. Mbadi holds a Bachelor of Commerce degree with a specialization in Accounting from the University of Nairobi and is a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK). His professional affiliations extend to the Architectural Association of Kenya (AAK), the Institute of Quantity Surveyors of Kenya, and the Chartered Institute of Arbitration.

Hon. Mbadi's contributions have been recognized with honours such as the Chief of the Order of the Burning Spear (CBS) and Elder of the Order of the Golden Heart of Kenya (EGH). His skills span planning, budgeting, financial analysis, accounting, economics, and community development, complemented by strong leadership, effective communication, and interpersonal skills. His areas of interest include politics, reading, and soccer.

CORPORATE GOVERNANCE

Who Governs Us

Mr. Alex Wachira
Principal Secretary,
State Department for Energy
(Non-Executive Director)

Mr. Alex Wachira born in 1982, was appointed the Principal Secretary, State Department for Energy in 2nd December 2022. He holds a Bachelor of Science degree from the University of Nairobi and is currently pursuing a Master of Arts degree in Leadership at Pan African Christian University.

He has a wealth of experience from the private sector where he worked as an investment banker. He previously worked with Faida Investment Bank where he traded and structured treasury bonds and corporate bonds at the Nairobi Securities Exchange. He has also worked with Dyer & Blair Investment Bank and Genghis Capital limited. Mr. Wachira was a founding member of the Bonds Market Association as well as a member of the Steering Committee of the Kenya Association of Stockbrokers and Investment Bankers. He has spearheaded community initiatives such as youth mentorship programme and sports tournaments among other similar projects.

Dr. Rosemarie Wanyoike
(Independent & Non-Executive Director)

Dr. Rosemarie Wanyoike born in 1965 is a Human Capital Specialist with vast knowledge and experience in Human Resource and Business Management. Top of her achievements includes the initial setup, recruitment and nurturing of Human Resource Management in the School of Business at Kenyatta University.

She successfully formulated and implemented HR policies, procedures and practices for the Department, and has published journals on Organizational Transformation, Performance, Work Force Diversity and Employee Performance. She is currently the Chairperson and Lecturer of Human Resource Management Department at Kenyatta University and a Committee member of Manpower Development. Dr Wanyoike is also serving as the President-elect for Ruiru Rotary Club. She is a member of the Institute of Human Resource Management, the Institute of Directors (K) and Institute of University Training Committee, Academic Advisor, Student Mentor and BOM Member, at Naivasha Girls Secondary School. Dr Wanyoike holds a PhD in Human Resource Management from Kenyatta University (KU), a Master of Science in Human Resource Management from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a Bachelor of Science in International Business Administration with a concentration in Management from USIU.

CORPORATE GOVERNANCE

Who Governs Us

Ms. Josephine Koisaba
(Independent & Non-Executive Director)

Ms. Josephine Koisaba born in 1978 is a leadership and management expert with over 20 years of experience in Government policies, Gender, Human rights and Community Development.

She has worked in several non-Governmental organizations and taken a lead in Social Work, developing and managing Performance Contracts, Resource Mobilization, Food &Nutrition and Child Development Rights, among others.

Ms. Koisaba holds a degree in Leadership and Management from St. Paul's University, a Diploma of Education from Universiteit van Amsterdam (Quality Improvement in Education) and a Diploma in Community Development from Kenya Institute of Social Work and Community Development. She is a Member of the Institute of Directors (K).

Mr. William Rahedi
(Independent & Non-Executive Director)

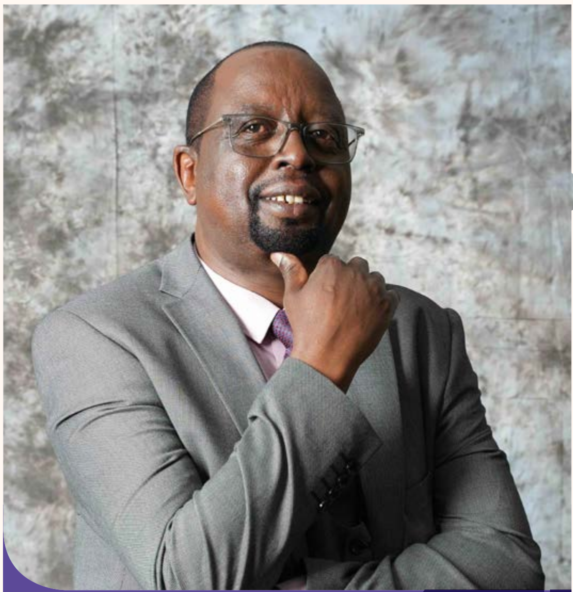
Mr. William Rahedi born in 1961 is a seasoned Independent Business and Finance Consultant with many years of multi- disciplinary experiences and strengths in Business Investment Advisory, Banking, Finance, Treasury Management, Loan Negotiations and Agreements, Financial and Business Restructuring. It has been his privilege to serve with multinational and regional corporations over the years with TDB Bank (Eastern and Southern African Trade and Development Bank), African Reinsurance Corporation and World Vision International.

He is currently the Chairman of Spire Bank Kenya Limited and Director of Nairobi Hospice. Mr. Rahedi holds a Bachelor of Science in Business Administration (Accounting) from the United States International University (USIU) and a Master of Business Administration (Finance) from the University of Nairobi.

He is a Certified Public Accountant and a Member of Institute of Certified Public Accountants of Kenya (ICPAK), a Certified Trustee of the Retirement Benefits Authority (RBA), a member of The International Academy of Business and Financial Management (IABFM) and a Member of the Institute of Directors (K).

CORPORATE GOVERNANCE

Who Governs Us



Hon. Stephen Mutai
(Independent & Non-Executive Director)

Mr. Stephen Mutai born in 1965 is a transformational leader with unmatched experience in Health Care Management, Policy Formation, Implementation and Reporting, Community Mobilization and Budgeting.

Mr. Stephen Mutai holds a Bachelors Degree in Commerce, an MBA in Health Administration and has attended trainings on governance. He is member of the Institute of Internal Auditors and a Member of the Institute of Directors (K). He has previously served as a Director and Board member at Agricultural Finance Corporation (AFC) where he spearheaded the development of new financial systems.

Mr. Mutai also headed the Finance and Procurement Committee of the Board at the National Hospital Insurance Fund (NHIF).

Mr. Umuro Wario
(Independent & Non-Executive Director)

Mr. Umuro Wario was born in 1974, holds an MBA and a Bachelor of Commerce (Accounting) degrees from the University of Nairobi. He is a Certified Public Accountant and a practicing member of the Institute of Certified Public Accountants of Kenya.

Mr. Wario is an Auditor and Public Finance Management Specialist with over 25 years' experience both in Private and Public sector providing technical assistance aimed at Government delivery systems strengthening and transformation, fiduciary risk management and mitigation, strengthening public financial management systems to maximize revenues and VfM spend, to achieve good track record on absorption, system transformation and sound fiduciary management.

He is a seasoned PFM specialist with deep practice knowledge and experience in basic education financing. He has worked as PFM Advisor on results based basic education systems strengthening and education outcomes programs in Kenya and Tanzania for many years. He believes resources must follow education outcomes.

He previously worked at PricewaterhouseCoopers in Kenya and served as the first Chief executive Officer, Youth Enterprise Development Fund. He has also held senior PFM advisory role at Mott MacDonald Uk and GPE Secretarial.

CORPORATE GOVERNANCE

Who Governs Us

Mr. Bernard Ngugi
(Non-Executive Director)

Mr. Bernard Ngugi born in 1963 holds a Master of Business Administration in Finance and Bachelor of Commerce in Accounting both from University of Nairobi. He is a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya. He is also a Certified Secretary and a member of the Institute of Certified Secretaries of Kenya. Additionally, he holds a Graduate Diploma from the Chartered Institute of Purchasing and Supplies and is a member of the Kenya Institute of Supplies Management.

Mr. Ngugi is a former Managing Director and Chief Executive Officer of Kenya Power. Prior to his appointment, he was the Kenya Power General Manager, Supply Chain. Mr. Ngugi has had over 32 years' experience at Kenya Power with expertise in financial and revenue accounting, internal audit and supply chain management.

He is proud to be the first student of the first ever 21 students to be admitted to Kabarak High School on 1st February 1979. He is a Member of the Institute of Directors (K).

Mr. Alfred Agoi
(Independent & Non-Executive Director)

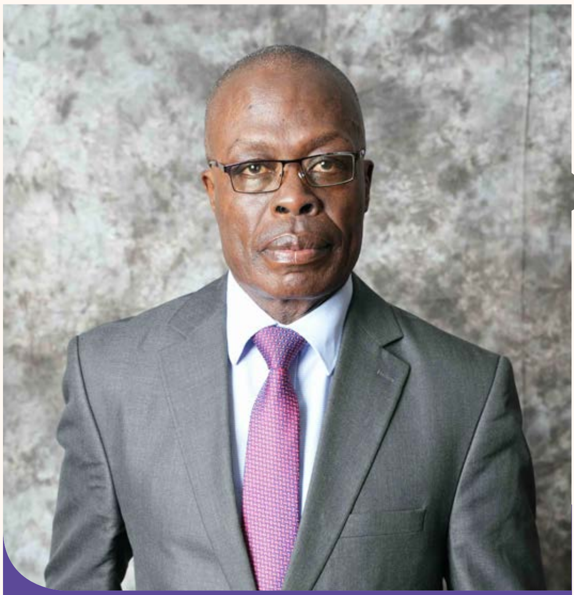
Hon. Agoi is a seasoned and recognised leader, a self-driven professional with over 22 years of experience in business and strategic management and leadership. He was born in 1965, holds a Bachelor of Arts (Economics, Government) and master's in business administration (Strategic Management) both from the University of Nairobi.

He has previously worked as the Marketing Director at Ideal Office Products Limited and the Chief Executive Officer at Kingsway Business Systems Limited. He is the immediate Member of Parliament for Sabatia Constituency which he served for two terms from 2013 till 2022.

During his tenure in Parliament, Hon. Agoi a was a member of several Parliamentary Committees including the Budget Appropriations Committee, Health Committee, Regional Integration Committee and the Special Funds Accounts Committee. With his wealth of experience as a strategic leader and a public policy, governance administration practitioner, the Company will benefit greatly from his expertise.

CORPORATE GOVERNANCE

Who Governs Us



Mr. Kennedy Ondieki
Alternate to Cabinet Secretary-The National Treasury (Non-Executive Director)

Mr. Ondieki is an Alternate to the Cabinet Secretary-The National Treasury in the Board. He is the Director of Investments, in charge of Government Investments and Public Enterprises. He is responsible for developing strategic objectives and policies relating to the overall and fiscal/ financial oversight and management of state corporations.

Mr. Ondieki has long cherished career in the public service spanning over 25 years. He sits on the Finance and Investment Committee and the Audit, Risk and Compliance Committee of the Board.

Mr. Chrispin Lupe
Alternate Director to Principal Secretary, State Department for Energy (Non-Executive Director)

Geol. Chrispin Lupe is currently the Head of the Geo-exploration Directorate in the State Department for Energy, Ministry of Energy and Petroleum. He has worked in the Civil Service for thirty-two years garnering both technical and managerial experience in the Civil Service.

Over the years, he has risen to his current level of Chief Geologist. He has previously served as Alternate Director to Principal Secretary in the Board of Directors of several state corporations.

Geol. Lupe holds a Master of Science Degree in Geo-informatics from International Institute for Geo-Information Science and Earth Observation (ITC) Netherlands and a Bachelor of Science Degree in Geology from the University of Nairobi.

He is a Registered Geologist with the Geologists Registration Board of Kenya, a Professional Member of the Geological Society of Kenya and Member of the Institute of Directors (Kenya). He has also attended various other trainings programs for acquiring skills in technical, managerial and Board Directorship.

CORPORATE GOVERNANCE

Who Governs Us

Mr. Chrisologus Makokha
Representative, Inspectorate of State Corporations

Mr. Makokha is experienced and professional in advising Boards and Management of State Corporations on Corporate Governance and Compliance issues, Monitoring the Performance of State Corporations, Management Audits and undertaking surcharges for restitution of misappropriated Public Funds.

He has over 26 years of work experience in various Ministries and Government Institutions and extensive exposure and experience in Strategic Planning and Strategy Execution. He is an expert in the field of Statistics, encompassing Data Collection, Analysis and Dissemination, as well as Monitoring and Evaluation.

He is currently a Senior Deputy Inspector General of State Corporations in the Inspectorate of State Corporations, Office of the President. He represents the Inspector-General (State Corporations) in the KenGen Board.

Mr. Chrisologus Makokha holds a Master of Business Administration from Jomo Kenyatta University of Agriculture and Technology. He is currently finalist at the same University, undertaking a PhD in Business Management.

Ngong Wind Farm

CORPORATE GOVERNANCE

Who Leads Us

Eng. Peter Njenga is the Managing Director and CEO of Kenya Electricity Generating Company PLC (KenGen), East Africa's foremost electricity generation company, distinguished by its impressive 86% reliance on renewable and clean energy sources. With a tenure that formally commenced on August 17, 2023, Eng. Njenga boasts an illustrious 32-year career in the energy sector, marked by exceptional leadership. He holds a bachelor's degree in electrical engineering, complemented by an MBA in Strategic Management from the prestigious University of Nairobi. His status as a registered professional engineer adds to his credentials, standing as a paragon of expertise, augmented by a collection of certificates in senior leadership management, notably from Strathmore University and Harvard Business School, among other esteemed institutions. Throughout his journey, Eng. Njenga has consistently showcased unwavering dedication to professionalism, excellence in service delivery, strategic acumen, and ethical stewardship, leaving an indelible imprint on industry growth and innovation.

His remarkable ascent from Trainee Electrical Engineer to the esteemed position of General Manager of Infrastructure Development at Kenya Power & Lighting Company PLC (KPLC), to CEO of KenGen is a testament to his character, resilience, and visionary prowess. Notably, his influential role as Chair in pivotal committees at KPLC underscores his resolute commitment to catalysing transformative change, extending to the spheres of sustainability and climate action. Eng. Njenga seamlessly integrates his technical proficiencies with a results-oriented mindset, further reinforcing KenGen's ongoing triumph in delivering sustainable and dependable energy solutions, while also championing initiatives like tree planting to combat climate change. Beyond his professional pursuits, Eng. Njenga is a passionate advocate for youth development and family values, reflecting his devotion to both his Christian faith and family life. In his leisure time, he finds enjoyment in cycling and swimming, showcasing a well-rounded persona both in and out of the boardroom.

Eng. Peter Njenga
Managing Director & CEO

CORPORATE GOVERNANCE

Who Leads Us

FCS Austin Ouko
Company Secretary & General Manager Legal Affairs
JSM, LL.M, LL.B, FCIArb, FCS

FCS Austin A. O. Ouko holds a Bachelor of Laws (LL. B) and a Master of Laws (LL.M) in Public Finance & Financial Services Law from the University of Nairobi, as well as a Master of the Science of Law (J.S.M) from Stanford University Law School, California, USA. He also possesses a Diploma in Law from the Kenya School of Law, a Practice Diploma in International Commercial Law from the College of Law of England & Wales, a Postgraduate Diploma in Domestic Arbitration from the Chartered Institute of Arbitrators, an Advanced Diploma in Business Administration, and a Diploma in Management of Information Systems.

Austin is an Advocate of the High Court of Kenya, a Commissioner for Oaths, a Notary Public, and a registered Certified Public Secretary. He is also a Fellow of the Institute of Certified Secretaries Kenya, a Fellow of the Chartered Institute of Arbitrators (UK & Kenya Branch), an Accredited Governance Auditor, and a member of the Law Society of Kenya, the International Bar Association, the Commonwealth Lawyers Association, and the Kenya Institute of Management. With seventeen years of experience in both the public and private sectors, Austin joined KenGen after serving as the General Manager-Corporate Affairs/Corporation Secretary in an acting capacity, as well as Legal Manager at the National Social Security Fund (NSSF) and a Senior Legal Officer at the Standard Group Limited. As the Company Secretary & General Manager, Legal Affairs Austin oversees all legal matters for KenGen.

CPA Mary Maalu
General Manager,
Finance

CPA Mary Maalu is a Finance Expert with extensive experience in Audit, Financial Management and Corporate Finance. She holds Master of Business Administration (MBA) and Bachelor of Commerce (BCom) Degrees from the University of Nairobi. She is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). She also holds a Certificate in Advanced Management Programme (AMP) from Strathmore University and a Certificate in Utility Regulation and Strategy from University of Florida.

Prior to joining KenGen, Mary held senior positions at Ernst & Young and Kenya Airways, where she held several managerial positions as Manager Credit Control, Manager Outstations Finance, and Manager Treasury. Mary has risen through the ranks at KenGen, having held several leadership roles as Corporate Finance Manager, General Manager of Corporate & Regulatory Services and Acting general Manager ICT.

Currently she is the General Manager, Finance responsible for the management of the company's finances, financial reporting, budgeting process management, and managing relationships with key stakeholders within the financial and energy sector. She oversees KenGen's Financial Accounting & Reporting, Management Accounting, and Corporate Finance.

CORPORATE GOVERNANCE

Who Leads Us

Mr. Abraham Serem
General Manager, Corporate Services

Abraham holds a Bachelor of Arts degree from the University of Nairobi and is a Certified Human Resource Professional (CHRP – K). His professional qualifications include a Higher National Diploma in Human Resource Management and a Diploma in Intermediate Executive Coaching from the Academy of Executive Coaching. He is also a member of the Institute of Human Resource Management, Kenya.

With extensive experience across Kenya and East Africa, Abraham has held prominent HR roles, including Human Resource Director for East Africa at Heineken East Africa Ltd, Human Resource Business Partner at East Africa Breweries Ltd, Head of Human Resources at Nampak East Africa, and Human Resource Manager at Reckitt Benckiser East Africa. He also served in various senior officer positions at Kenya Post Office Savings Bank.

In his current role as General Manager of Corporate Services at KenGen, Abraham is responsible for implementing the Human Resource strategy to optimize human capital contributions. He oversees the following functions in KenGen: Administration, Human Resource Management, Community Relations and Property Management.

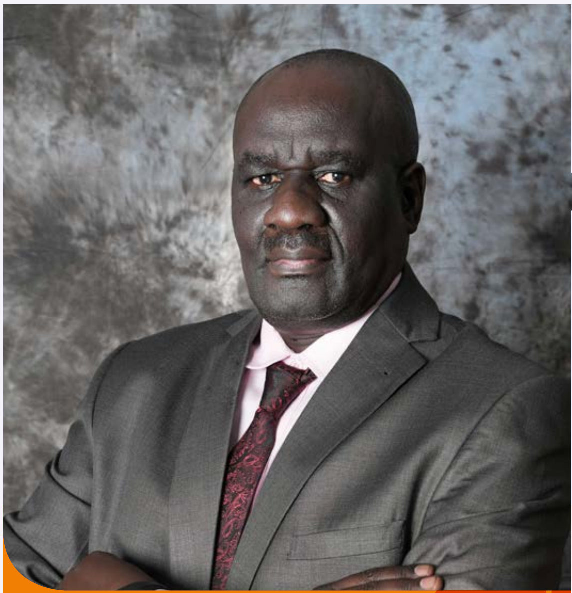
CPA. Elizabeth Njenga
General Manager, Business Development & Strategy

Elizabeth Njenga holds a Master's degree in Public Policy and Management from Strathmore University Business School, a Master's degree in Business Administration from the University of Nairobi, and a Bachelor of Arts in Accounting and Economics from Moi University. She also earned a Postgraduate Diploma in Financial Management from the Maastricht School of Management in the Netherlands and is a Certified Public Accountant of Kenya (CPA-K). With over 20 years of experience in finance, strategy, and power project planning and development in the energy sector, Elizabeth is a highly skilled expert in energy strategy, power project planning, appraisal, development, and financing, with a strong interest in public policy. She has built her career at KenGen through various positions: Capital Planning and Public-Private Partnerships Manager (2014 to 2021) and Capital Planning and Strategy Manager from 2009 to 2014.

As the General Manager of Business Development and Strategy at KenGen, she is responsible for developing the company's entire strategy. Oversees implementing the company's power generation capacity expansion strategy, which includes identifying and evaluating suitable power projects, conducting feasibility studies, sourcing power plant implementation consultants and contractors, managing power project construction, and commissioning. She drives innovation and business process improvement throughout the organization.

CORPORATE GOVERNANCE

Who Leads Us



Mr. Peketsa Mangi
General Manager, Geothermal Development

Peketsa Mangi is an astute geothermal energy expert with vast experience spanning over 20 years both locally and regionally. He holds a Master of Science (Information Science) from Moi University and is currently pursuing a PhD in Information Science from the same university. He is a Certified Project Manager (IPMA Level C) and holds a variety of professional certifications, including Earth Sciences, reservoir management, drilling technology, master negotiation skills, public procurement, geothermal project management, and financing, among others. He is currently the Vice Chairman of the Geothermal Association of Kenya (GAK) and a member of the Geological Society of Kenya (GSK) and International Geothermal Association (IGA).

Mr. Mangi has risen through the ranks to the position of the General Manager Geothermal Development, having initially served as the Resource Development and Infrastructure Manager. As the General Manager of Geothermal Development, responsible for human resource management and administration in the geothermal region, power plant availability, steam availability, reservoir management, drilling operations and management, geothermal resource exploration, project planning and management, infrastructure development, budget management, and coordinating environmental and social impacts assessment frameworks. He oversees geothermal resource development, geothermal operations, drilling and logistics, reservoir management, and steam field management.

Eng. Julius Odumbe
General Manager, Operations

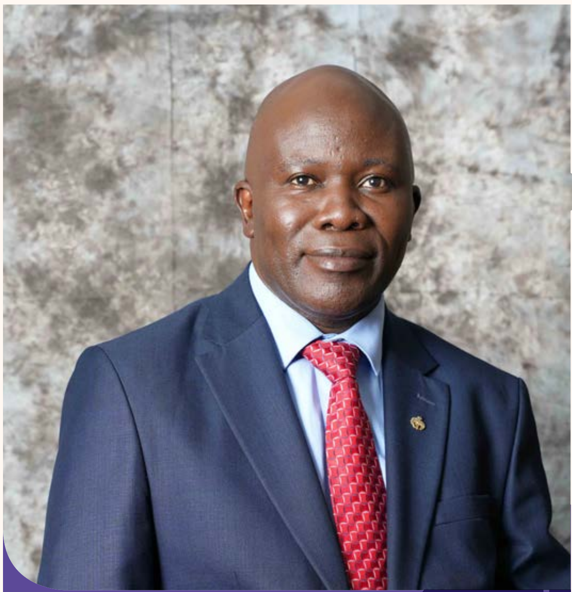
Eng. Julius Odumbe is a licensed Consulting Engineer with an illustrious career in Operation and Maintenance (O&M) of equipment spanning over 30 years. He holds a Master of Business Administration (MBA) Degree from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and Bachelor of Science Degree in Mechanical Engineering from the University of Nairobi and a Diploma in Project Management from Galilee College, (Israel).

He holds several professional leadership certificates in Corporate Senior Leadership Management Program (SLMP) from Strathmore Business School & Nanyang Technological University – Singapore, Executive Leadership (Georgetown Engendering Executive Program) from George Town University, Self-Awareness and Effective Leader from Rice University and Balanced score card from Strathmore Business School among many others. He is a professional engineer, a Fellow in the Institute of Engineers of Kenya (IEK), and a licensed consulting engineer by the Engineers Board of Kenya (EBK). Prior to his appointment as General Manager Operations, he was the Regional Manager at KenGen's Eastern Region.

As the General Manager of Operations he oversees KenGen power plant operations, including plant rehabilitation and upgrades, planning outages, power distribution, energy evacuation, Power Purchase agreement negotiation, coordination of bulk energy billing and coordination with key sector players to ensure national grid stability and safety. He oversees KenGen's Eastern Region, Western Region, Upper Tana, Geothermal Operations, Central Office Operations, Thermal Region, Technical Services, and Electricity Dispatch.

CORPORATE GOVERNANCE

Who Leads Us



CPA, CIA Erick Audi
General Manager, Internal Audit

CPA Audi is a meticulous professional with over 20 years of working experience, having worked in different organizations and honed his skills in accounting, financial, auditing, governance, risk management, and internal control processes. He holds an MBA (Finance) and a bachelor's degree in commerce (Accounting option), both from the University of Nairobi. He is a Certified Public Accountant (CPA), a Certified Internal Auditor (CIA), and a Certified Information Systems Auditor (CIA), as well as a member of the Institute of Internal Auditors (IIA) Kenya and the Institute of Certified Public Accountants of Kenya (ICPAK) in good standing.

Prior to joining KenGen in 2016, he held several leadership roles as head of internal auditor function at Kenya Revenue Authority (KRA), Kenya Rural Roads Authority (KeRRA), and Kenya Electricity Transmission Company (Ketraco).
Mr. Audi has risen through the ranks in KenGen from the Internal Audit and Risk Manager to the current role of General Manager Internal Audit in an Acting Capacity

As the General Manager Internal Audit, he is responsible for operating an efficient and effective internal audit function, liaising with the audit committee, senior management, and external auditors to ensure value addition through successful implementation of internal and external audit recommendations, providing advisory services to internal stakeholders, and rendering secretarial services to the KenGen's audit, risk, and compliance committee of the Board.

Dr. Dan Kemei
Ag. General Manager, ICT

Dan Kemei holds a PhD in Project Planning and Management (Information Systems) from the University of Nairobi.
He has over 20 years of experience spanning multiple sectors, including Energy, Aviation, Education, Finance, Manufacturing, and Government. His roles have included ICT Projects Manager at Kenya Airports Authority, Head of ICT at the Higher Education Loans Board, Chief ICT Officer at KenGen, Systems Administrator at Oserian Group, IT Training Consultant at Symphony and Institute of Advanced Technology (IAT), and Adjunct Lecturer at the University of Nairobi.

He has also served as Chairperson of the Strategy and Technology Committee at the African Association of Higher Education Financing Agencies (AAHEFA), Chairperson of the County Public Service Board (CPSB) in Nandi, and as a Founding Member and Director of the Kenya Association of Project Managers (KAPM), among other leadership positions.

He oversees the development, implementation, and management of the Information Communication Technology (ICT) strategy, ensuring it supports the company's operational and strategic goals while maintaining efficient and secure Information Technology (IT) operations.

Who Leads Us

Mr. Vincent Mamboleo
Ag General Manager, Supply Chain Management

Vincent Mamboleo holds both a bachelor's degree in business administration and a master's degree in the same field. He also holds a Professional Diploma in Purchasing and Supplies (MCIPS) and a Diploma in Shipping. He is a professional member of the Chartered Institute of Purchasing and Supply (CIPS, UK) and Kenya Institute of Supplies Management (KISM, Kenya).

With over 24 years of experience in supply chain management, Vincent has a wide-spanning and rich career in the supply chain. Vincent joined KenGen in 2017 having previously worked for several multinational companies, including Kwale International Sugar Company Ltd., Lafarge East Africa (Bamburi Cement) Ltd., Nation Media Group Ltd., and Tata Chemicals (Magadi Soda Company Ltd.).

As the acting general manager supply chain at KenGen, he is responsible for the company's entire procurement value chain. He oversees the overall management of procurement, compliance, and reporting, as well as logistics and inventory operations within the company. This is in addition to key stakeholder relationship management and supply chain compliance with the relevant laws and policies.

Mr. Ronoh Kibet
Ag General Manager, Commercial Services

Ronoh is a qualified Electrical Engineer, from the Jomo Kenyatta University of Agriculture and Technology (JKUAT) with a specialization in Telecommunication and Information Engineering. He holds a Master of Science in Project Management and is currently pursuing a PhD in the same field at the JKUAT.

He is a certified Project Management Professional (PMP) and is also a Certified Project System Consultant with SAP. Additionally, he has completed an Organizational Leadership program at the renowned Harvard Business School.

Ronoh is an active member of several prestigious professional organizations, including the Engineers Board of Kenya (EBK), the Institute of Engineers of Kenya (IEK), the Geothermal Association of Kenya (GAK) and as an Associate Member of the Institute of Management Information Systems (IMIS).

As the Acting General Manager Commercial Services, Ronoh oversees the Company's Investment, New Business, and Partnerships Divisions, steering initiatives that align seamlessly with the organization's strategic vision. His leadership extends to the Marketing and Corporate Communication division, where he passionately nurtures the Company's brand, as well as the Sustainability Division, which advocates for the Company's sustainability agenda, ensuring that eco-consciousness remains at the heart of the business.

Sondu Miriu Power Station Penstock

CORPORATE GOVERNANCE STATEMENT

The Board primary role is to ensure KenGen implement its core mandate of generating reliable and competitively priced electric energy, by determining the company's strategic direction, ensuring the strategy is aligned with the company's mandate and culture, and to promote and protect the company's interests for the benefits of all the stakeholders. To achieve this, we have adopted and assimilated corporate governance principles across all our processes to ensure effectiveness, accountability, oversight and prudent leadership.

Statement of Compliance

KenGen fully ascribes to continuing obligations as a listed company in compliance with the Capital Markets Authority's (CMA) Code of Governance for Issuers of Public Listed Securities, 2015 and the highest ethical standards prescribed in the Company's Code of Conduct. The Board also subscribes to the principles of good corporate governance practices as well as provision of relevant statues including but not limited to Energy Act, 2019, Public Finance Management Act, 2012, Employment Act, 2007 and all other relevant laws, regulations, and guidelines. KenGen in compliance with best global business practices implement International Standard Organization (ISO) standards including ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO450001:2018 Occupation Health and Safety in our business.

Statement of Directors Responsibilities

The Board serves as the focal point and custodian of corporate governance in the Company by providing strategic guidance and oversight. The Board shall establish clear roles and responsibilities in discharging its fiduciary and leadership functions. In exercising fiduciary duties, every member of the Board shall:

- Review periodic financial and governance statements
- Approve Annual Report, Company Financial Results and all public announcements
- Put in place appropriate governance structures
- Review and approve the Company's Strategy, Annual budget and procurement plan
- Monitoring business performance
- Maintain effective framework of controls to mitigate risks
- Exercise oversight and administer assets in a manner that best promotes the purpose for which the company was established
- Enter into partnership with other bodies or organizations within or outside Kenya as it may deem appropriate
- Authorize the opening of bank accounts for the Company's funds
- Approve material transactions
- Review the effectiveness of risk management and internal control systems

CORPORATE GOVERNANCE STATEMENT

Board Charter

KenGen Board Charter (the "Charter") delineates the roles, responsibilities, and support structures for Board members ensuring strategic oversight. It offers a platform for Board members to evaluate the alignment of strategic and operational plans with the Company's governance direction. The Charter is to be read alongside The Companies Act, The Capital Markets Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, Mwongozo Code of Conduct for State Corporations, the Memorandum & Articles of Association of the Company, amongst other rules and regulations.

Separation of Roles of the Board Chairman and Managing Director & CEO

The roles of the Chairman and those of the Managing Director and CEO are separate, each having distinct and clearly defined duties and responsibilities. The Chairman is responsible for the leadership of the Board through setting out of the Corporate Strategy and safeguarding Shareholder value in sustainable business process.

The Managing Director and CEO is responsible for providing leadership to senior management and staff and also responsible for the achievement of the objectives of the Company while acting as the link between the Board and Management.

The Managing Director and CEO also executes communication of the Board's strategic decisions, set policies and responsible for optimizing financial resource of the company.

Independent Director

An independent director does not have a material or pecuniary relationship with the company or related persons, has not been employed by the Company in an executive capacity within the last three years, owns not more than five percent of the shares of the company and has not been in service for nine continuous years. A continuing independent director ceases to be one and assumes the position of non-executive director if he/she fails to meet the above requirements.

Board Composition

The KenGen Board comprises of eleven (11) members; and non-executive Chairman, one executive Managing Director & CEO, the Cabinet Secretary - The National Treasury, Principal Secretary - Ministry of Energy, six independent and non-executive directors, plus three non-executive directors. During the last Annual General Meeting and as per the Company's Articles of Association on Rotation of Directors; three Board members retired, three of whom were elected.

The Company Secretary

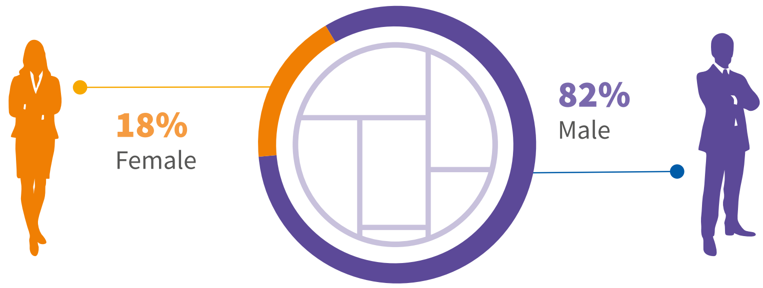
The Company Secretary is the Secretary to the Board and offers the critical role of supporting the Board on procedural and regulatory matters, enforcing the corporate governance framework while ensuring the business of the Board is conducted in-line with the Board Policies and Procedures. The Company Secretary must be a member in good standing of the Institute of Certified Secretaries (ICS). The Company Secretary ensures compliance with Board procedures, implements the governance framework, managing the interests of the shareholders and stakeholders and applying the relevant code of corporate governance investor guidelines.

The Office of the Inspectorate of State Corporations

In accordance with Section 18 (2) (c) of the State Corporations Act, the representative of The Inspector General (Corporations) attends meetings of the KenGen Board and its committees.

Gender Parity

KenGen Board comprises of 18% female and 82% Male.



Board Diversity

KenGen Board members are equipped with an assorted mix of skills and backgrounds with varied experience and expertise aligned to the needs of the business.

KenGen Board effectiveness is achieved through its commitment to the corporate strategy by offering oversight leadership, good corporate governance practices, adaptability, performance monitoring and application of the Kaizen principles.

Board Induction and Development

Upon appointment to the Board, the Directors are provided with a comprehensive tailored induction plan covering the Company's business, operations and regulatory framework. As part of onboarding new board member are issued with an induction pack that includes: Memorandum and Articles of Association, Board Charter, organizational structure, and strategic and other information about the Company. The newly appointed Board members also visit all power stations for familiarization to understand the intricacies of different power generation modes in KenGen.

The induction provides an overview of the Company, the Company's operating environment and new developments thereof, accounting and financial reporting developments, as well as any regulatory changes. The induction programme includes a series of well-planned capacity development to enhance knowledge in energy sector, leadership and corporate governance. This includes the statutory threshold of 12 hours of Corporate training as stipulated by the CMA and leadership programmes.

CORPORATE GOVERNANCE STATEMENT

The company provides professional development education to each board member to sharpen their skills and knowledge through continues education and professional development. The continuous education program guarantees that the Board is up to date on industry changes both locally and abroad. While board members' professional development activities help them maintain their skills and expertise in order to properly perform their roles as directors. In addition to personal professional development training, Board Members collectively and actively endeavour to improve their understanding of the company's operations, industry and market developments, and regulatory changes.

Board Evaluation

The Board Evaluation assess the performance, effectiveness and the oversight role of the Board its execution and fiduciary duties of individual Board member as outlined but not limited to the Board Charter. The evaluation entails a 360-degree evaluation conducted annually by the state corporations Advisory Committee (SCAC).

Board Remuneration

KenGen Non-Executive Directors fees and allowances for conducting official Company business are in accordance with the State Corporation Act, Salaries and remuneration commission and regular government circulars. The disclosed remuneration for the financial year ended 30th June 2024 is provided in Pages **126 to 129** of the Integrated Annual Report and Accounts.

Conflict of Interest and Declaration of Interest

KenGen Board recognizes the importance of discloser in any circumstance which may give rise to an actual or potential conflict of interest. The Board has formal procedures for managing conflict of Interest in accordance to The Companies Act, the KenGen Conflict of Interest Policy and other relevant laws that prescribes independent judgement and constructive engagement on all matters brought before the Board for deliberation. Directors views shall regard the best interest of the organization and its stakeholders. The Board also requires all Directors to make disclosures on appointment and at the beginning of each Board and Board Committee meeting. According to the tenets of the Public Officer Ethics Act, 2003 KenGen Board Members make wealth declaration bi-annually.

Executive Committee (ExCo)

The Executive Committee is the highest management decision making organ comprising of all the General Managers and led by the Managing Director & CEO. ExCo mandate and responsibility is to ensure implementation of the strategic objectives of the company, compliance with the statutory and regulatory framework, guidelines and adherence to company policies and procedures. ExCo holds weekly meetings or as the business may dictate to discuss strategy formulation and implementation, policy matters and business performance.

Corporate Governance Audit

To measure the effectiveness and compliance to global corporate governance practices the company conducts corporate governance audit by an accredited external governance auditor in compliance with the applicable rules and regulations set out by the CMA for listed companies. KenGen is currently undertaking the audit as an assessment of the following principles of corporate governance:

- Ethical leadership and strategic management
- Transparency and disclosure
- Compliance with laws and regulations
- Financial reporting
- Board independence and governance
- Board policies, systems, practices, and procedures
- Consistent shareholder and stakeholder value enhancement
- Corporate social responsibility and investment Sustainability

In addition, every year KenGen undergoes CMA governance assessment in accordance with the Capital Markets Code of Governance Practices for Issuers of Securities to the Public 2015. KenGen has consistently over the years attained the coveted 'Leadership' score.

Legal and Compliance Audit

Legal & compliance is a key component of KenGen's risk management strategy which seeks to mitigate the Company's exposure to potential risks. The Company carries out a Legal & Compliance Audit every two years to establish compliance with statutory, regulatory and policy requirements as required by the Code of Governance for State Corporations (Mwongozo) and the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (CMA Code).

The scope affirm how the Company and the Board observe and uphold Good Corporate Governance practices in all its activities. Non-compliance is costly to the business, adversely affecting our right standing as a responsible corporate citizen. KenGen carried out a legal compliance audit during the Financial Year. Based on the findings, the Company a ranking of 86% compliance with the legal and regulatory requirements.

Individual Directors Shareholding

NO.	NAME	NUMBER OF SHARES	% HOLDING
1.	Mr. Julius Ogamba	-	-
2.	Eng. Peter Njenga	1,748	0.00003
3.	Dr. Rosemarie Wanyoike	1,000	0.00003
4.	Ms. Josephine Koisaba	-	-
5.	Hon. Stephen Mutai	3,309	0.00005
6.	Mr. William Rahedi	-	-
7.	Eng. Frank Konuche	177,697	0.003
8.	Mr. Bernard Ngugi	-	-
9.	Mr. Umuro Wario	-	-
10.	Mr. Kennedy Ondieki	-	-
11.	Mr. Chrispin Lupe	-	-

Meetings of the Board

As per the Annual Work-Plan the Board meets quarterly or additionally when necessary to consider matters relating to the overall control of the business. The Board work-plan and Calendar are prepared at the beginning of the year to ensure that adequate notice, agenda and Board papers are circulated within the stipulated timelines.

The main Board held 14 meetings attended as follows:

NO.	NAME	ATTENDANCE
1.	Mr. Julius Ogamba	14
2.	Eng. Peter Njenga	14
3.	Mr. William Rahedi	14
4.	Hon. Stephen Mutai	14
5.	Dr. Rosemarie Wanyoike	14
6.	Ms. Josphine Koisaba	14
7.	Mr. Frank Konuche	5
8.	Mr. Bernard Ngugi	5
9.	Mr. Umuro Wario	5
10.	Mr. Kennedy Ondieki	1
11.	Mr. Chrispin Lupe	1

01

Mr. Samuel Kimani, Ms. Winnie Pertet and Mr. James Opindi were members of the Board until their retirement in November 2023.

02

Mr. Kennedy Ondieki- Alternate Director to CS-National Treasury joined the Board in March 2024

03

Mr. Chrispin Lupe- Alternate Director to PS-State Department for Energy joined the Board in April 2024

Board Committees

To effectively execute its oversight role, the Board has established five (5) standing committees with specific delegated mandates. The Board Committees are run with clearly articulated terms of reference as approved by the Board of Directors.

Audit, Risk and Compliance Committee	Strategy Committee	Human Resource & Nomination Committee	Governance Advisory Committee	Finance & Investment Committee
Mr. Bernard Ngugi -(Chairperson)	Eng. Frank Konuche - (Chairperson)	Dr. Rosemarie Wanyoike - (Chairperson)	Hon. Stephen Mutai - (Chairperson)	Mr. William Rahedi - (Chairperson)
Mr. Kennedy Ondieki - Alternate Director to CS-National Treasury	Mr. Chrispin Lupe - Alternate Director to PS-State Department for Energy	Eng. Frank Konuche	Ms. Josephine Koisaba	Mr. Kennedy Ondieki-Alternate Director to CS-National Treasury
Hon. Stephen Mutai	Mr. Umuro Wario	Ms. Josephine Koisaba	Dr. Rosemarie Wanyoike	Mr. Chrispin Lupe - Alternate Director to PS-State Department for Energy
Ms. Josephine Koisaba	Mr. William Rahedi	Mr. Bernard Ngugi	Mr. Bernard Ngugi	Eng. Frank Konuche
Mr. Umuro Wario	Eng. Peter Njenga	Eng. Peter Njenga	Eng. Peter Njenga	Eng. Peter Njenga

Mr. Bernard Ngugi
- (Chairperson)

Audit, Risk and Compliance Committee

Mandate

To assist the Board in areas of financial reporting and compliance with the applicable financial reporting standards, oversight of the internal & external audit function and the operating controls. Its functions include: -

- Review of financial reports and compliance with applicable financial reporting standards
- Oversight of the company's internal audit function
- Review of financial and operational controls
- Liaising with the External Auditors' receiving and reviewing their reports and letters
- Monitoring compliance with legal and regulatory requirements
- Reviewing risk management issues within the company

Membership

The committee is led by a Non-Executive Director, while the membership comprises of three (3) independent & non-executive Directors and one (1) non-executive Director.

Attendance

NO.	NAME	ATTENDANCE
1.	Mr. Bernard Ngugi - (Chairperson)	2
2.	Mr. Kennedy Ondieki	1
3.	Hon. Stephen Mutai	6
4.	Ms. Josephine Koisaba	6
5.	Mr. Umuro Wario	2

01

Mr. Samuel Kimani and Ms. Winnie Pertet and were members of the committee until their retirement at the AGM of November 2023.

02

Mr. Kennedy Ondieki - Alternate Director to CS-National Treasury joined the committee in March 2024

03

Mr. Chrispin Lupe - Alternate Director to PS-State Department for Energy joined the committee in April 2024

Eng. Frank Konuche
– (Chairperson)

Strategy Committee

Report from the Chairperson of the Strategy Committee

Mandate

The committee reviews and recommends to the Board matters pertaining to business strategic plan, investment decisions, annual business and financial plans and budgets. The functions include: -

- Develop and review the Company's strategy and investment policies and make appropriate recommendations
- Develop and review the progress of the Company's strategy execution plans
- Evaluate and recommend for approval by the Board, business cases for all categories of investment projects and new ventures including strategic partnerships within its delegated authority

Membership

The Committee comprises of three (3) Independent & Non-Executive Directors, one (1) Non-Executive Director and one (1) Executive Director.

Attendance

NO.	NAME	ATTENDANCE
1.	Eng. Frank Konuche (Chairperson)	2
2.	Mr. Chrispin Lupe - Alternate Director to PS-State Department for Energy	1
3.	Mr. Umuro Wario	2
4.	Mr. William Rahedi	5
5.	Eng. Peter Njenga	5

01

Mr. Chrispin Lupe - Alternate Director to PS-State Department for Energy joined the committee in April 2024

02

Eng. Frank Konuche and Mr. Umuro Wario were elected at the AGM on 30th November 2023

Dr. Rosemarie Wanyoike – Chairperson

Human Resource & Nomination Committee

Report from the Chairperson of the Human Resource & Nomination Committee

Mandate

The Committee is responsible for appointment and reappointment to the Board and its committees, recruitment, and performance review of senior management. It also reviews human resources policies and company staff welfare and reward system. The functions include: -

- Continually examine the Company's structure
- Engagement of senior management staff
- Nomination and remuneration of Directors
- Examine policy and procedures on employment and staff promotion
- Review the Collective Bargaining Agreement proposals and make recommendations
- Propose innovative ideas for transforming the company into a world-class enterprise and employer.

Human Resources Function

The committee continually reviews the organization structure, core functions and optimum establishment; policies and procedures on staff recruitment and selection, staff training and development policy for operational efficiency, of performance and reward system and capacity enhancement & review the terms and conditions of service in line with the organisation's strategy. Further it reviews the Company's Human Resource Policies and recommends any amendments to the Board for approval.

Nominating Function

The committee supports and advice the Board on the appropriate size and composition that will enable it to discharge its responsibilities, transparent procedure for selecting new directors for appointment and re-selection to the Board, evaluation of the performance of the Board, the various committees and individual Directors.

Remuneration Function

The committee reviews the Company's remuneration, recruitment, retention, incentive and termination policies and procedures for General Managers and Managers; their basic salary & the criteria for payment of bonuses to all staff and monitor its operation, consider any recommendations of the Chairman or Managing Director/CEO of the Company regarding payment of bonuses or performance related remuneration.

Membership

The committee comprises of four (4) independent & non-executive Directors, and one (1) executive Director.

NO.	NAME	ATTENDANCE
1.	Dr. Rosemarie Wanyoike – (Chairperson)	6
2.	Eng. Frank Konuche	3
3.	Ms. Josephine Koisaba	3
4.	Mr. Bernard Ngugi	3
5.	Eng. Peter Njenga	6

01 Ms. Winnie Pertet and Mr. Samuel Kimani were members of the committee until their retirement at the AGM of November 2023.

02 Eng. Frank Konuche and Mr. Bernard Ngugi were elected at the AGM on 30th November 2023

03 Ms. Josephine Koisaba joined the Committee after the reconstitution of the Committees.

CORPORATE GOVERNANCE STATEMENT

Hon. Stephen Mutai – Chairperson

Governance Advisory Committee

Report from the Chairperson of the Governance Advisory Committee

Mandate

The committee deals with the governance matters of the company. The functions include: -

- Develop corporate governance principles in support of elective organizational roles and responsibilities.
- Review the adherence to and amendments of the Articles of Association of the Company
- Review the procurement systems, procurement procedures, budget alignments and procurement structures to ensure compliance with all laws and regulations
- Approve and oversee the operationalization of a procurement plan and institutionalization of the procurement cycle.

Membership

The Governance Advisory Committee comprises of four (4) members of the Board with four (4) Independent & Non-Executive Directors and one Executive Director.

NO.	NAME	ATTENDANCE
1.	Hon. Stephen Mutai - (Chairperson)	7
2.	Ms. Josephine Koisaba	7
3.	Dr. Rosemarie Wanyoike	7
4.	Mr. Bernard Ngugi	3
5.	Eng. Peter Njenga	7

01

Mr. James Opindi was a member of the committee until his retirement at the AGM of November 2023

Mr. William Rahedi - (Chairperson)

Finance & Investmemnt Committee

Report from the Chairperson of the Finance & Investment

Mandate

The Committee oversees corporate finance and capital market matters, capital raising & planning activities of the company and appraises expenses & investments of the company. The functions include: -

- Oversee the Balance restructuring activities of the company
- Oversee the activities of any financial Arranger and Advisor in particular, adherence to the terms of reference of the contract
- Monitor on a quarterly basis the Company's key financial ratio
- Review Strategic Finance matters
- Review PPPs, Joint Ventures and other capital raising strategies for financing of projects
- Review policies to do with finance matters such as treasury policies and forex policies
- Oversee any financial strategies
- Oversee Recurrent Operational Finance matters
- Monitor the Treasury management strategies of the Company
- Review debt service and cash flow management of the Company
- Review the borrowings of the Company
- Oversee ongoing capital raising matters of the Company
- Monitor taxation & planning strategies of the Company
- Review financial delegations and recommend amendments
- Review all insurance strategies
- Review all pension reports
- Track material contracts of the Company

Membership
The Finance committee comprises of two (2) independent & non-executive Directors, two (2) Non-Executive Directors and one (1) Executive Director.

NO.	NAME	ATTENDANCE
1.	Mr. William Rahedi - Chairperson	9
2.	Mr. Kennedy Ondieki - Alternate Director to CS-National Treasury	1
3.	Mr. Chrispin Lupe - Alternate Director to PS-State Department for Energy	1
4.	Eng. Frank Konuche	4
5.	Eng. Peter Njenga	9

01 Ms. Winnie Pertet and Mr. Mr. James Opindi were members of the committee until their retirement at the AGM of November 2023.

02 Mr. Kennedy Ondieki - Alternate Director to CS-National Treasury joined the committee in April 2024

03 Mr. Chrispin Lupe - Alternate Director to PS-State Department for Energy joined the committee in March 2024

CORPORATE GOVERNANCE STATEMENT

Going Concern

Going Concern is an assurance that the company's operating conditions are suitable for the long-term continuity of the business. The Board affirms that it is satisfied that the Company has the resources needed to continue operating and does not see any major risks that would cause the Company to not continue operating into the foreseeable future.

Insider Trading

Recognizing the potential of insider trading, the company has implemented an insider trading policy with the goal of encouraging openness and accountability by giving directors and employees access to material information and the capacity to use that information to their benefit. The policy prevents insiders from trading in the company's securities while in possession of important information. The CMA Act has provisions that clearly ban the use of unpublished insider information. Insider information is defined as any information about the firm or its securities that has not been made public and, if made public, is likely to have a meaningful effect on the security's price.

Whistle Blowing Policy

Employees having well founded suspicion of proven fraud, corruption, misuse of funds and assets, or any irregularities under the Code of conduct and ethics or governing policies of the Company are encouraged to report such irregularities. This mechanism exits through a platform for unanimous reporting that is managed by an independent external party. The KenGen Code of Conduct and Ethics also provides a framework and mechanisms for reporting of misconduct, whistle blowing and investigation procedures, processing of disciplinary matters arising from breach of this code, enforcement and sanctions for breach of the code or other Policies of the Company.

Engagement with Shareholders

The Board is committed to provision of regular and timely information to the shareholders.

All shareholders are entitled to receive the Annual Report and financial statements and any distribution from the Company as may be lawfully declared. Annual results are always published in the local daily newspapers and uploaded on the Company's website at least 21 days before the Annual General Meeting (AGM) to ensure that all the shareholders are well informed at the AGM. All shareholders are entitled to attend, speak and vote at the general meetings including appointment of proxies. On a poll, shareholders are entitled to vote for each share held.

KenGen values its shareholders and has put in place a robust mechanism for continual engagement and involvement of shareholders in the business.

In building long-term relationship with our shareholders, the company has deployed various avenues to interact with shareholders.

The Company is committed to:

- Every year the Company usually holds an Annual General Meeting (AGM) that presents an opportunity for the Board, Management and shareholders to interact and discuss the performance of the business.

- As an agile company, KenGen has enhanced shareholder interaction through digital platform that has enabled the Company to hold Virtual AGM. This has resulted in high shareholder attendance from all parts of the globe.

- In addition, the Company engages the shareholders and the investment communities through public announcement, digital media releases, meetings, publication of financial results via the KenGen website and local newspapers.

- To give the shareholder first-hand experience of operation in the Company, KenGen organizes Shareholder Tours to our installations to understand the business operations.

Shareholding

Top 10 Shareholders as at 30 June 2024

NO.	NAME	SHARES	PERCENTAGE
1.	Cabinet Secretary - The National Treasury	4,615,424,088	70.00%
2.	Stanbic Nominees Limited	495,348,189	7.51%
3.	Standard Chartered Nominees LTD A/C KE002339	120,000,000	1.82%
4.	Standard Chartered Nominees RESDA/C KE11450	64,702,437	0.98%
5.	Stanbic Nominees Limited AC R10130748	62,046,200	0.94%
6.	Stanbic Nominees Limited R6631578	60,148,649	0.91%
7.	Standard Chartered Nominees RESD A/C KE11443	40,163,194	0.61%
8.	Mavji,Ramila Harji	33,910,100	0.51%
9.	Njihia,Waithaka Ng'ang'a	21,060,000	0.32%
10.	Standard Chartered Nominees RESD A/C KE11436	16,650,190	0.25%
11.	Others	1,065,069,292	16.15%
	Grand Totals:	**6,594,522,339**	**100.00%**

Distribution of Shareholders as at 30 June 2024

NO.	RANGE	RECORDS	RANGE TOTAL	PERCENTAGE
1	1 to 500	83,040	19,773,895	0.300 %
2	501 to 1000	34,311	27,342,134	0.415 %
3	1001 to 5000	48,926	109,086,795	1.654 %
4	5001 to 10000	16,333	110,139,451	1.670 %
5	10001 to 50000	7,060	144,023,979	2.184 %
6	50001 to 100000	826	58,967,589	0.894 %
7	100001 to 500000	684	141,038,641	2.139 %
8	500001 to 1000000	120	82,704,486	1.254 %
9	1000001 to 2000000000	125	5,901,445,369	89.490 %
Grand Totals		**191,425**	**6,594,522,339**	**100.00%**

Investor Pools as at 30 June 2024

Investor Pool	RECORD	SHARES	PERCENTAGE
Local Institutions	7,903	5,102,214,686	77.37%
Local Individuals	182,588	785,096,523	11.91%
Foreign Investors	934	707,211,130	10.72%
Grand Totals	**191,425**	**6,594,522,339**	**100.00%**

OUR STRATEGIC FOCUS

03

OUR STRATEGIC FOCUS

In a changing and dynamic business environment KenGen has revised its strategy, shifting towards aligning the business to emerging trends, threats, risks and opportunities to stay ahead of competition while delivering value to Shareholders. Our Strategy supports our mandate of generating reliable, affordable, clean electric energy, and aims to continue positioning KenGen as a market leader in energy generation in Kenya and beyond. The strategy focuses on:

Leverage on cutting edge technology, skilled human capital and processes to support high business perfomance

01 Grow KenGen installed electricity capacity

02 Secure competitive financing for KenGen project pipeline

03 Grow future revenue through business diversification

04 Strengthen stakeholder shared value proposition

OUR OPERATING ENVIRONMENT

Electricity Sector

Electricity generation in the Country recorded a growth of 1.2% during the period ending 30th June 2024 compared to a growth of 6.9% in 2023. The sector's growth was supported by an increase in hydroelectric power generation which grew by 9%. Thermal generation decreased by 3.8% following the retirement of Kipevu I and Muhoroni Gas Turbine power plants. Overall, approximately 90% of electricity was from renewable sources as illustrated in the figure below.

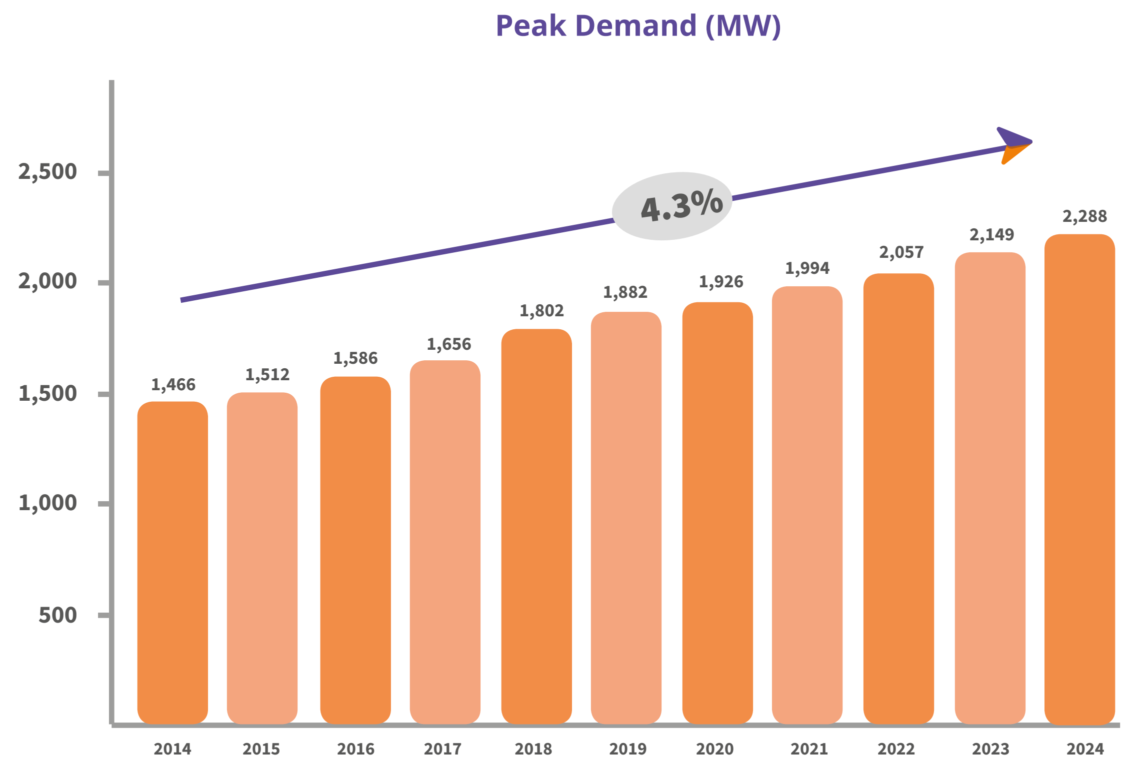
Electricity Generation by Source

40% Geothermal	9% Imports	2% Others
25% Hydro	7% Thermal	
13% Wind	3% Solar & Others	

The highest electrical power demand, peak demand, hit a new record of 2,288 MW on 7th July, 2024. Between 2014 and 2024, Peak demand has grown by an average of 4.3% per year as illustrated by the figure below. This steady growth has been driven mainly by overall population growth, customer connections and economic growth.

OUR STRATEGIC FOCUS

OUR OPERATING ENVIRONMENT



Kindaruma Dam

FINANCIAL REVIEW

VOLUMES

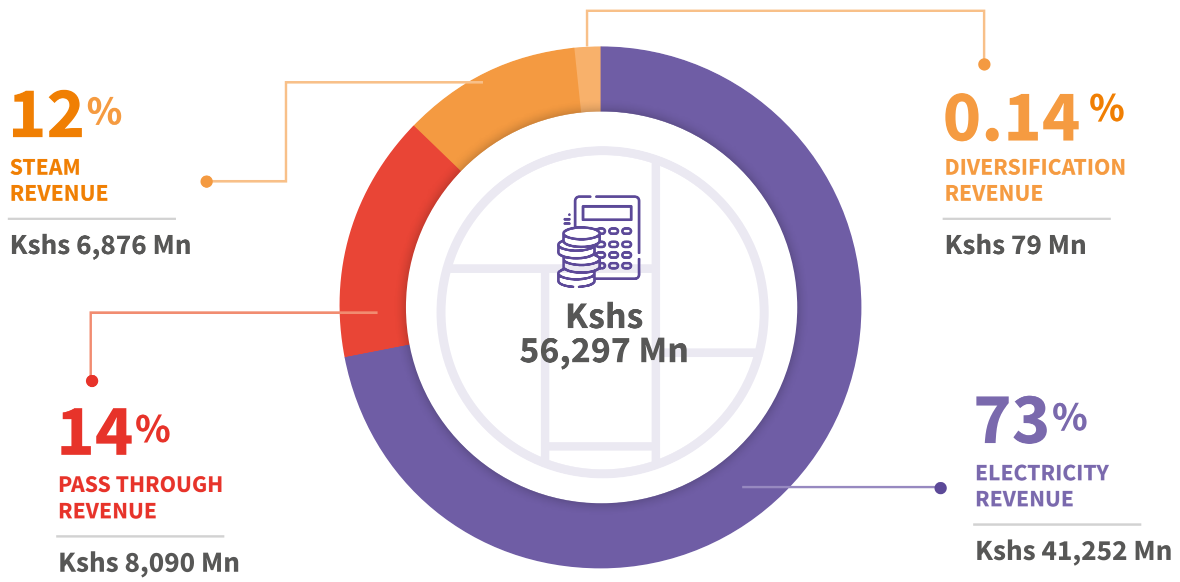
Despite the challenging drought during the first half of the year and pulling out of 133.5 MW of our fossil fuel powered thermal plants, overall electricity units dispatched were 4% ahead of the prior year, increasing from 8,027 GWhs to 8,383 GWhs. The increase is attributable to better performance of the geothermal wellheads and increased rains that boosted hydro generation in the second half of the year. The table below is a summary of our generation mix during the year.

	2024	2023	Chaange of
Source	**GWh**	**GWh**	**units sold in %**
Hydro	3,335	2,520	32%
Geothermal	4,633	5,090	-9%
Thermal	365	360	1%
Wind	50	57	-12%
Total	**8,383**	**8,027**	**4%**

REVENUE

Revenue increased by KShs. 2,333 million, from KShs. 53,964 million in 2023 to KShs. 56,297 million for the year ended 30th June 2024. The increase is primarily attributable to higher geothermal dispatch and enhanced operational efficiency across our renewable energy fleet. Our revenue comprised of the following sources:

Diversified revenue contribution



Revenue net of pass-through fuel costs increased by KShs 2,492 million, from KShs 45,968 million in 2023 to KShs 48,460 million for the year ended 30th June 2024 primarily due to higher electricity revenue from renewable energy sources following continued displacement of fossil fuel powered thermal generation.

Other Income and Gains/(Losses)

Other income decreased by 787 million from KShs 2,084 million in 2023 to KShs 1,297 million attributable to insurance received in the previous year as compensation for lost revenue owing to plant.

Other gains/losses decreased by KShs 1,150 million from a gain of KShs 428 million to a loss of KShs 722 million during the period as a result of appreciation of the Kenyan Shilling against other major currencies specifically USD, JPY and Euro.

Operating Expenses

Operating expenses were 1% higher than the prior year at KShs 39, 318 million (2023: KShs 38,786 million), mainly due to an increase in Plant O&M to cover scheduled maintenance and employee costs after inflationary adjustments.

EBITDA

Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) increased by 4.2 % year-on-year to KShs 25,981 million (2023: KShs 24,941 million), primarily due to a growth in revenue.

Net Finance Income/(Expense)

Net finance income increased by KShs 2,439 million from a net finance expense of (KShs 1,043 million) in 2023. The increase is attributable to a 149% growth in interest income from KShs 1,689 million to KShs 4,202 million earned on cash balances while taking advantage of the prevailing high interest rates.

Better liquidity arising from improved Kenya Power collections further contributed to the increased interest income.

Income Taxes

The effective tax rate decreased to 38% in the current year (2023: 41%). This was mainly due to higher earnings before tax of KShs 10,947 million (2023: KShs 8,525 million, and a reduction in the portion of expenses that were disallowable for tax purposes.

Profit After Tax

Profit after tax by 35.5% to KShs 6,797 million from KShs 5,017 million in 2023 owing to growth in revenue and finance income. The following chart is a summary of the above impacts to the profit after tax movement for the year ended 30th June 2024.

EBITDA

2024: 25,981 Mn
2023: 24,941 Mn

4.2%

Net Finance Income/(Expense)

2024: 2,439 Mn
2023: (1,043 Mn)

149%

ASSETS

Trade Receivables

Trade receivables decreased by KShs 4,819 million, from KShs 21,449 million in 2023 to KShs 16,630 million in 2024 (net of expected credit loss provisions), primarily due to decrease in the average Days Sales Outstanding following improved collections for electricity sold to the off-taker Kenya Power.

Total assets

Total assets decreased by KShs 26 billion, from KShs 517 billion in 2023 to KShs 491 billion as at 30th June 2024, largely due to the depreciation of assets, valuation loss on financial assets and settlement of debts.

Cash and Bank Balances

Cash and bank balances increased by KShs 10,144 million, from KShs 15,474 million in 2023 to KShs 25,618 million as at 30th June 2024. This increase was largely attributable to a higher cash inflow from operations and investing activities. The cash balances, while continuing to earn interest at the prevailing market rates, they are assigned to specific ongoing power plants projects and for scheduled debt repayment.

Borrowings

Borrowings decreased by KShs 32,068 million, from KShs 149, 852 million in 2023 to KShs 117,784 million as at 30th June 2024, mainly due to repayment of principal and downward revaluation of foreign currency denominated loans following the strengthening of the Kenya Shilling against major currencies. Further information related to borrowings can be found in note 28 of the financial statements.

Financing Our Project Pipeline

In 2024, we continued pursuit of accessing concessional finance for our project pipeline, and we maintained sufficient resources to support our business growth initiatives. By prioritizing prudent financial management and strategic allocation of resources, KenGen ensured that it remained resilient and well-positioned to continue implementing its strategy. During the year, we signed a Euro 45 million subsidiary loan agreement with National Treasury for KfW on-lent loan to fund Olkaria I AU and Olkaria IV Uprating. The following is a highlight of other financing already secured for the projects whose implementation will commence in the years ahead.

KFW

€ 45 Mn

Olkaria IAU and Olkaria IV Turbine Uprating that seeks to optimize existing with additional 40 MW

AFD

€ 60 Mn

To finance development of the 42.5 MW Seven Folks Solar Power Plant in Gitaru

€ 32 Mn
$ 45 Mn

To finance development of 100 MW 200MWh Batter Energy Storage System (BESS) for enhanced grid stability

Effective Financial Structure

Maintaining a well-balanced capital structure plays a significant role in our ability to raise financing on reasonable terms for our continued investment in renewable energy. The Company continuously monitors financial ratios in line with lender thresholds. The financial covenant thresholds of the long-term debt portfolio vary for each lender but converge around keeping the total leverage ratio, debt service coverage ratio, current ratio, and self-financing ratio within the below thresholds.

FINANCIAL COVENANT	THRESHOLD	CURRENT	COMPLIANCE
Leverage ratio	<2.3 (70%)	25%	YES
Current ratio	>1.2	2.57	YES
Debt Service Cover Ratio	>1.3	3.08	YES
Self-Financing Ratio (minimum contribution by KenGen to project costs)	>25%	118%	YES

Olkaria 1 AU 4 & 5

OUR STRATEGIC FOCUS

RESPONSIBLE OPERATIONS AND MAINTENANCE

Our generation fleet comprising hydro, geothermal, wind and thermal plays a crucial role in the Kenya national electricity market. Our large Hydros and geothermal power plants provides the much-needed base load for reliable electricity supply and grid stability.

Power plant maintenance is critical for availability of our power plants that drives our revenue generation. Through a robust plant maintenance strategy and a dedicated team of experts, the Company deploys best global maintenance practices for optimized plant operations and minimize downtime.

Decarbonizing the Grid

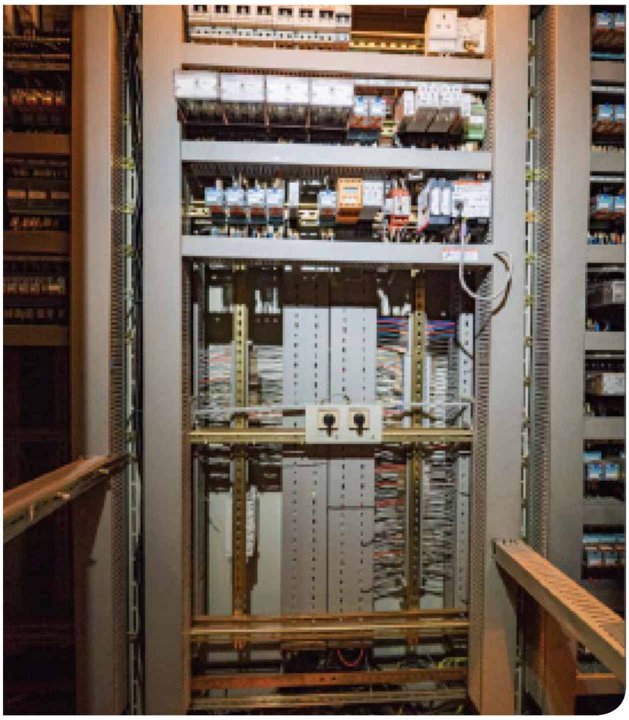
By efficiently operating our renewable fleet, we have positively contributed to reducing the need to dispatching from thermal power plants thereby reducing the carbon emissions from fossil fuel.

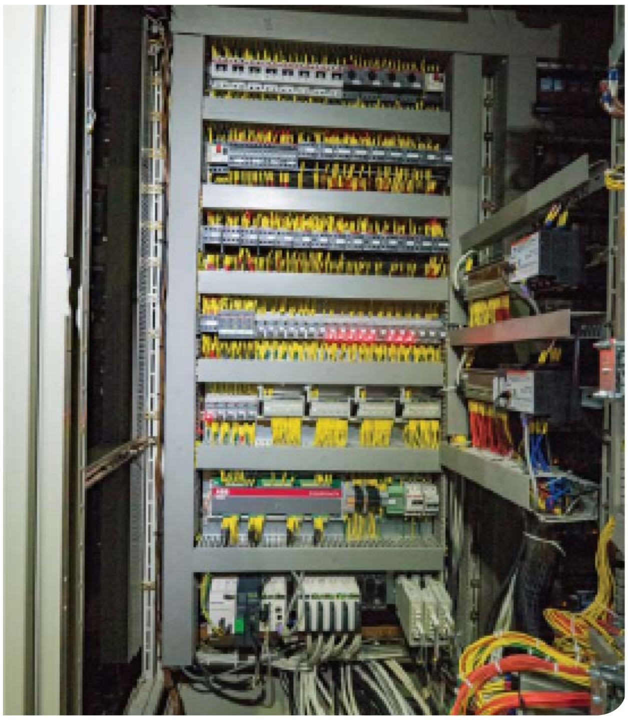
Enhancing Inhouse Technical Prowess

We remain committed to Gemba Kaizen philosophy for continuous improvement of our maintenance practices with the aim of reducing plant down time. Through systematic research, innovation and expertise our engineers and technicians carry out complex engineering upgrade inhouse. During the year, our inhouse technical teams successfully carried out two upgrades of Distributed Control Systems in Sangoro and Gitaru power plants.

“ Through a robust plant maintenance strategy and a dedicated team of experts, the Company deploys best global maintenance practices for optimized plant operations and minimize downtime.”

SANGORO OLD AND NEW PANELS





RESPONSIBLE OPERATIONS AND MAINTENANCE

Mentorship and plant knowledge transfer

KenGen remains committed to tacit knowledge transfer from one generation to another in the operation and maintenance of our power plants. Through internal training and mentorship programmes on proprietary plant knowhow, the company has set up platforms where Senior Engineers pass knowledge to the next generation Engineers through mentorship and training..

The Power Generation Manager training Control Engineers and Techicians

Quality and safety as lifestyle

We prioritize the safety of our employees, work environment, and our assets. To this end, KenGen has invested in health and safety training for our employees, as well as the acquisition of cutting-edge safety equipment and systems that adhere to international best practices and standards.

As part of managing the safety risks, in the year under review the company trained 240 fire marshal, 30 fire fighters and first aiders 286 as safety champions as well as acquired two fully equipped fire engines for our eastern and thermal regions.

Our safety framework and systems were reviewed in accordance with international Occupational Health and Safety (OHS) standards. The organization attained its most recent achievement in operational and safety excellence, receiving ISO 45001:2018 certification for Occupational Health and Safety after successfully passing rigorous audits by Bureau Veritas, an ISO Certification body. The certification demonstrates the company's ongoing commitment to improving safety performance and cultivating a strong safety culture at all levels and operations, in accordance with international best practices and standards.

KenGen Fire Marshalls during Training

240 Fire marshals | **30** Firefighters | **286** First aiders

As part of continuous improvement of our business processes, the company is implementing an Integrated Management System (IMS) combining Occupational Health & Safety Management System (ISO 45001), Quality Management System (ISO 9001) and Environmental Management System (ISO 14001) together for the next three years after recertification.

a. KenGen National Safety Accolades

KenGen participated in the National OSH Awards competitions held by the Directorate of Occupational Safety and Health Services in April 2024 and secured several top awards, including:

- *Overall, Winner in the **Fire Safety Challenge** – Thermal*
- ***Best Fire Marshall** – Geothermal*
- *2nd Runners Up in the **First Aid Challenge** – Central Office*
- *2nd Runners Up in **Workplace Safety** – Energy Sector – Kamburu Power Plant*
- *1st Runners Up in **Workplace Safety** – Energy Sector – Olkaria 1 AU*

RESPONSIBLY GENERATING FROM THE EARTH

Kenya has vast and varied energy potential, including 16 geothermal fields, hydro resources, biomass, wind-rich corridors, and abundant solar resources.

KenGen is committed to propelling Kenya's sustainable development by harnessing the country's diverse energy resources to fuel economic growth, enhance quality of life, and foster social equity. As the leader in Kenya's energy sector, KenGen's mission is to harness the country's energy resources sustainably, towards meeting the growing energy demand and powering Kenya's future while preserving its natural heritage.

OUR STRATEGIC FOCUS
RESPONSIBLY GENERATING FROM THE EARTH

KenGen's Local Footprint

Our strategic vision of being the market leader in the provision of renewable energy solution is anchored on geothermal energy.

Geothermal energy derived from heat generated and stored within the Earth, provides a stable, renewable baseload power source that significantly reduces greenhouse gas emissions. Its capacity to deliver consistent power makes it an ideal complement to intermittent sources like solar and wind, enhancing grid stability and supporting the global transition to cleaner energy systems.

KenGen Geothermal Prowess: Driving a Sustainable Future for Our Planet

KenGen Geothermal story dates back to 1952 when the company successfully drilled the first geothermal well. Through our mastery of the technology, KenGen has drilled over 330 geothermal well in Olkaria and Eburru fields. Technological advancements and our geoscientific expertise have significantly improved geothermal well productivity. Our average output per well has increased from 2MW in the 1970s to 5MW today.

By developing geothermal resources, the Company has been able to harness 799MW that has significantly contributed to Kenya's energy security by further reducing reliance on fossil fuels.

With a contribution of 799MW from KenGen, Kenya boasts 988MW installed capacity from geothermal, placing it at position seventh globally on national installed geothermal electricity capacity.

150MW Olkaria IV Geothermal Power Plant

+ 799MW

Energy harnessed by the company through **geothermal resources**

Our Geothermal Growth Plan

Leveraging on our past achievement in geothermal, KenGen is committed to ensuring that the advantages of clean energy benefit both current and future generations. In the interim we have firmed up plans to develop approximately 300 MW of additional capacity.

Olkaria Geothermal Additional Unit

OUR STRATEGIC FOCUS

SUSTAINABLE RESOURCE MANAGEMENT: MAXIMIZING THE POWER OF NATURE

At the heart of our operational ethos is a steadfast belief in the responsible stewardship of our natural geothermal resources. We recognize that the geothermal energy we harness today is finite, and we are committed to managing it efficiently, effectively, and responsibly to ensure its preservation for future generations. This commitment is central to our mission of harnessing geothermal energy while safeguarding its longevity through:

i. Reinjection Strategy
To optimize our resource management, the Company employs cutting-edge technologies to map out geothermal brine reinjection. These tracers allow us to track the movement of geothermal fluids within the reservoir, providing invaluable insights regarding the connectivity of production and reinjection wells. This assists in fine-tuning our reinjection strategies for greater efficiency and sustainability of the geothermal reservoir.

ii. Sustainable Reservoir Modelling
Our approach to sustainable resource management is grounded in scientific knowledge and foresight. We utilize advanced reservoir modelling techniques to simulate and predict the behaviour of the geothermal reservoir over time. By developing detailed digital models, the company assesses various scenarios and makes informed decisions regarding resource exploitation, reinjection and reservoir management.

iii. Geothermal Integrated Data Management
By integrating advanced technology with geothermal expertise, we transcend the basic data collection to achieve informed geothermal decisions. At Olkaria, our Integrated Resource Management System (DIRMS) integrates diverse geoscientific data into a GIS-based platform, offering a comprehensive overview of the geothermal resource. This system empowers our scientists and experts to explore data layers, identify patterns, and gain insights that inform our management strategies.

Sustainable Ecosystem Management

KenGen's Olkaria Geothermal complex is situated within the environs of the Hell's Gate National park. As such we have put a lot of emphasis on sustainable exploitation of the resource while ensuring that we protect the delicate ecosystem that supports both flora and fauna allowing them to thrive.

Since the 1950s, KenGen has responsibly and professionally developed the Olkaria geothermal field while co-existing with the wildlife within the Hells Gate National Park. Our geothermal operations in this protected area testify to the possibility of progress without compromise and offer a glimpse into a future, where energy needs are met without sacrificing environmental integrity. This coexistence of clean energy production and natural conservation provides a blueprint for sustainable development, offering hope and inspiration in our global quest for eco-friendly energy solutions.

Restoration of disturbed sites

The development of geothermal resources in delicate ecosystems can result in the disturbance of land surfaces during the construction of drilling well pads and access roads. In response, KenGen has scaled up restoration of this habitat through landscaping and revegetation efforts. So far, the company has reclaimed approximately nine (9) hectares in both Eburru and Olkaria Geothermal fields.

"Since the 1950s, KenGen has responsibly and professionally developed the Olkaria geothermal field while co-existing with the wildlife within the Hells Gate National Park."

Joint activities with KWS

KenGen and Kenya Wildlife Service (KWS) signed a Memorandum of Understanding (MoU) in 2015 to guide coexistence within Hell's Gate National Park. Implementation of the MoU entails undertaking joint park management. Some of the activities undertaken during the year included:

- Baseline environmental assessments for ecosystem monitoring
- Joint cadastral survey for new project sites
- Participation in project Contract implementation
- Celebration of World Wildlife Day

9 Hectares

Land reclaimed in Eburru and Olkaria Geothermal fields

2015

KenGen & KWS agreed to guide coexistence within Hell's Gate National Park

SUSTAINABLE RESOURCE MANAGEMENT: MAXIMIZING THE POWER OF NATURE

Spreading Geothermal Knowledge

KenGen being the largest geothermal producer in Africa and having put Kenya on the global map as the seventh largest geothermal producer has a critical mass of professionals and resource persons with the rare and the much sought-after unique skills in geothermal exploration, drilling, steam fields management, power plant development and operations. The World Bank, through the East Africa Skill for transformation and regional integration project (EASTRIP), partnered with KenGen to establish the Geothermal Training Centre (GTC) as a centre of excellence.

The Centre is registered as a Technical and Vocational Education Training (TVET) with the objective of engraining the Geothermal knowledge in the Kenyan System of education. The GTC is beyond KenGen and Kenya, it is about empowering the future generation of Africa and equipping them with skills to harness the very readily available clean geothermal energy which is veined in our land.

So far, GTC has admitted its first batch of students for diploma training and is finishing the construction of a modern training facility.

As a regional in geothermal, KenGen has been involved in capacity building in partnership with international organizations such as the GRO-Geothermal Training Program (GRO-GTP), Association of Power Utilities of Africa (APUA), United States Energy Association (USEA), New Zealand Geothermal Facility among others.

10
Countries Trained

34
Year Old

5000+
Students Trained

Geothermal Training Center

1989
Establishment of GTC

2019
GTC accredited as a TVET Center

2019
- Centre selected as a regional TVET Centre of Excellence (C.O.E)
- To be supported under the East Africa Skills for Transformation and Regional Intergration Project (EASTRIP) project

2023
- Construction with World Bank Financing began and is ongoing

2024
- 14 students admitted and currently being trained: 12 in Geology and 2 in Project management
- 6 students from KUCCPS to join in Sept.

OUR STRATEGIC FOCUS

SUSTAINABLE RESOURCE MANAGEMENT: MAXIMIZING THE POWER OF NATURE

WRC SAFARI RALLY CIRCUIT

The World Rally Champions Rally Circuit was held between March 28th to 31st 2024 in the Olkaria geothermal fields, bringing together the thrill of the rally with the serene majesty of Hell's Gate National Park and the Olkaria geothermal project. The event not only illustrated the seamless integration of adventure and sustainable energy development but also showcased KenGen ingenuity in energy production while preserving the natural ecosystem.

Ngong Wind Farm

OUR STRATEGIC FOCUS

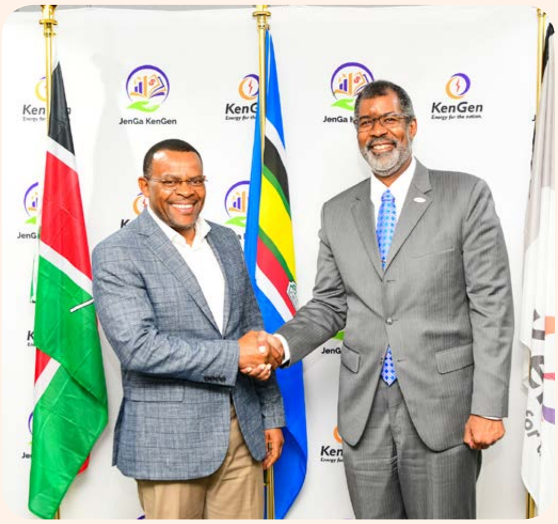
SUSTAINABLE RESOURCE MANAGEMENT: MAXIMIZING THE POWER OF NATURE

Strategic Partnerships

President William Ruto shakes hands with KenGen MD and CEO Eng. Peter Njenga during the groundbreaking of Kamburu Water Project.

KenGen MD and CEO Eng. Peter Njenga with Safaricom CEO Peter Ndegwa at Safaricom head office.

KenGen Managing Director and CEO Eng. Peter Njenga (Left) Receiving the ISO 45001:2018 for Occupational, Health and Safety Certificate from Bureau Veritas Regional Sales and Marketing Manager Mr. Ali Noor (Right) during the certificate handover ceremony at KenGen Headquarters Stima Plaza Nairobi.



Managing Director and CEO, Eng. Peter Njenga with William Magwood IV, Director General of the Organization for Economic Co-operation and Development (OECD) - Nuclear Energy Agency (NEA) at KenGen headquarters in Nairobi.

OUR STRATEGIC FOCUS

SUSTAINABLE RESOURCE MANAGEMENT: MAXIMIZING THE POWER OF NATURE

KenGen MD and CEO, Eng. Peter Njenga (right), welcomes U.S. Department of Energy Deputy Secretary David Turk to KenGen headquarters in Nairobi during his recent courtesy visit to further the strong bilateral partnerships between KenGen and the U.S. Department of Energy.

PS State Department of Energy Alex Wachira (Left) and French Ambassador to Kenya Mr. Arnaud Suquet (Right) posing with the signed partnership agreement for the construction of 42.5MW solar power plant at KenGen seven forks area flanked by KenGen Managing Director and CEO Eng. Peter Njenga (Left) and French Development Bank (AFD) (Right) Country Director Bertrand Willocquet at the Ministry of Energy and Petroleum headquarters at KAWI House.

European Investment Bank (EIB) hosted by KenGen MD and CEO, Eng. Peter Njenga at KenGen headquarters in Stima Plaza.

KenGen MD and CEO, Eng. Peter Njenga, Director General Francesco La Camera of the International Renewable Energy Agency (IRENA) and Former Cabinet Secretary Ministry of Energy and Petroleum Davis Chirchir at Olkaria Geothermal Field.

KenGen MD and CEO, Eng. Peter Njenga, and Nana Menya Ayensu, Special Assistant to the US President for Climate Policy, Finance, and Innovation at the White House, go through The Energy Post Magazine, during Nana's visit to KenGen headquarters in our Nairobi, Kenya.

OUR STRATEGIC FOCUS

BUILDING A SUSTAINABLE FUTURE

Our Power Plant Investment Process

The ideas and concepts originate from three sources:

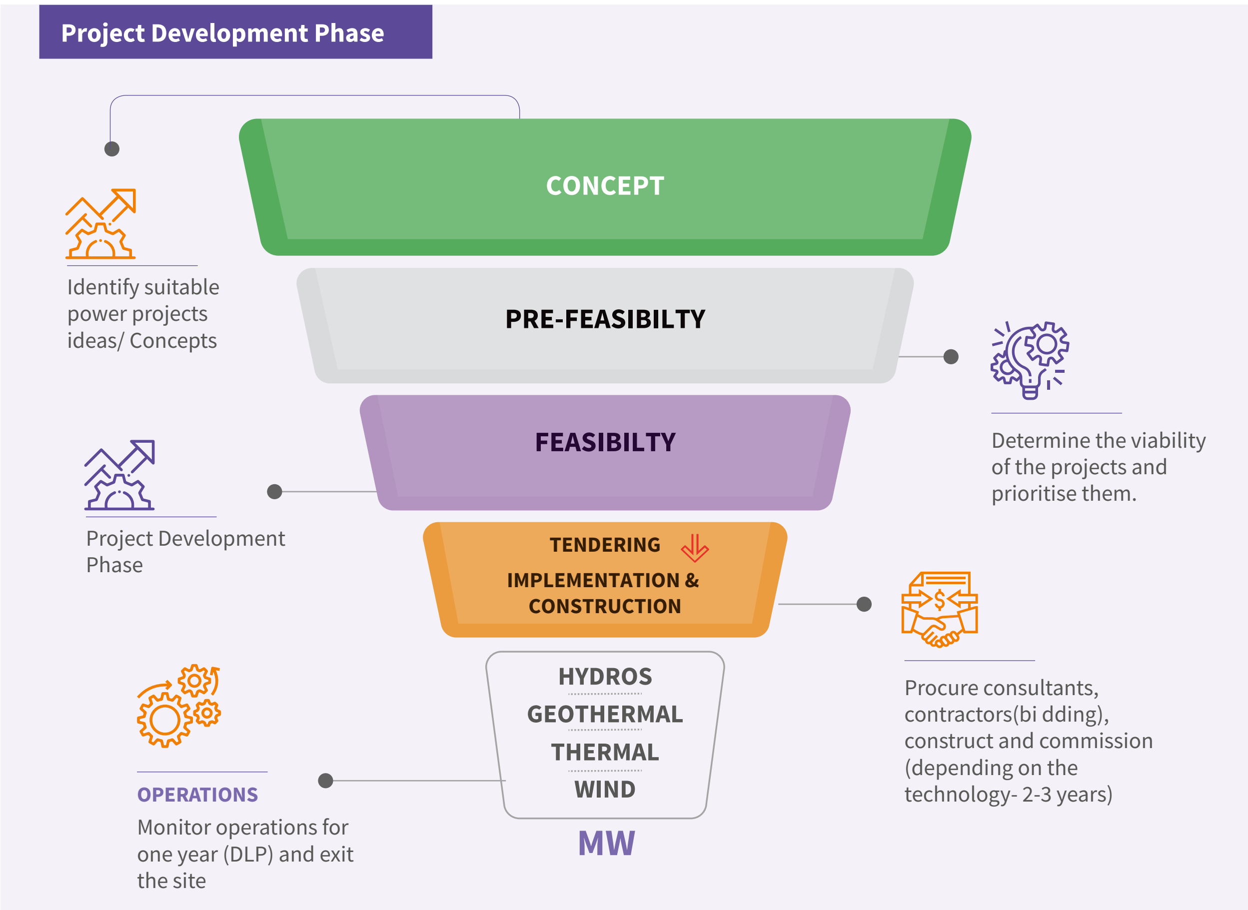
01 The Least Cost Power Development Plan (LCPDP)

02 KenGen's G2G Seminars

03 KenGen Business Research and Development

Once the board approves these ideas/concepts, a feasibility study is conducted to assess the project's viability. For projects deemed viable and approved by the board, securing of the statutory approvals and financing are obtained.

With financing and statutory approvals in place, a Project Implementation Team (PIT), comprising specialists from various fields ranging from engineering, supply chain, legal, environmental, quantity surveying, monitoring and evaluation, finance, and operations, is constituted to manage and oversee the project through the various project phases to closure while ensuring adherence to budget, schedule, and quality standards. Upon completion, the project transitions to operations.



OUR STRATEGIC FOCUS

BUILDING A SUSTAINABLE FUTURE

Capex Optimization

Due to the highly specialized nature of KenGen's projects, the procurement of Implementing Consultants and Contractors is open to International Competitive Bidding (ICB). By inviting bids globally, KenGen attracts competitively priced proposals featuring the latest cutting-edge technology with enhanced efficiency in power generation. This approach ensures timely delivery of the projects at optimal costs thus contributing to competitive electricity tariffs.

Deliver growth projects (Pipeline)

NO.	PROJECT	OUTPUT (MW)	STATUS	COD
1.	Olkaria 1 Geothermal Rehabilitation	63.3	Project under Construction ongoing	2026
2.	Turbine Uprating	40	Procurement of the EPC Contractor ongoing.	2027
3.	Gogo Redevelopment	8.6	Procurement of Implementing Consultant ongoing.	2029
4.	Seven Forks Solar PV	42.5	Procurement of Implementing Consultant ongoing.	2027
5.	Wellhead Leasing	58.43	Project under preparation	2027
6.	Olkaria VII Geothermal	80.3	Feasibility study complete, Securing of Statutory	2028
7.	Olkaria II Extension Geothermal	146	Feasibility study completed. Securing of Statutory approval is ongoing.	2028
8.	Marsabit Wind	200	Feasibility completed. Land acquisition is ongoing.	2028
9.	Raising Masinga Dam	-	Feasibility study complete and under approval.	2029
10.	Battery Energy Storage System (BESS)	100	Procurement of the Feasibility study consultant is ongoing	2027
11.	Karura Hydro Power	90	Procurement of the Feasibility study consultant is ongoing	2027

BUILDING A SUSTAINABLE FUTURE

STABILIZING THE NATIONAL GRID THROUGH RENEWABLE ENERGY STORAGE

250MW

Proposed Watts to be installed by LCPDP

" KenGen is leveraging on new technology such as Battery Energy Storage Systems (BESS) to store excess energy from VRE sources and aid in load balancing while offering ancillary services to the Grid."

Battery Energy Storage System (BESS)

The increasing proportion of Variable Renewable Energies (VREs) in Kenya's power system has the potential to cause grid instability and therefore requires enhanced ancillary services to maintain Grid stability. The system also faces insufficient baseload capacity during peak times due to plant outages and low wind & Solar availability, sometimes resulting in load shedding and reliance on costly thermal generation. Intermittent power sources require complementary energy sources or ancillary services for grid stability.

KenGen is leveraging on new technology such as Battery Energy Storage Systems (BESS) to store excess energy from VRE sources and aid in load balancing while offering ancillary services to the Grid.

The LCPDP has proposed the introduction of 250MW BESS to be installed in the medium term and KenGen is in the process of implementing the first 100MW/200MWh with an expected COD of 2027.

Raising Masinga Dam

Raising Masinga dam by 1.5 meters will have the benefit of increasing electricity production of the whole Seven Forks cascade estimated at 72 GWh per annum, securing the dam to enhance its service life, reduction of the risk of cascade failure, and climate change adaptation.

Pumped Hydro Storage

This is a type of hydroelectric power generation used for energy storage and grid stability. It involves two water reservoirs at different elevations. During periods of low electricity demand, excess energy is used to pump water from the lower reservoir to the upper reservoir. During periods of high electricity demand, the stored water is released back to the lower reservoir, passing through turbines to generate electricity. KenGen is at the preparation stage in undertaking a study on pumped storage hydro for site selection and viability.

KenGen Engineers at during maintenance at Sagana power station.

Upgrading our power plants

KenGen Engineers at working on a well at Olkaria Geothermal field

Olkaria I Rehabilitation

Olkaria I Unit 1,2 and 3 was the first geothermal power plant commissioned between 1981 and 1985. The power plant reached the end of its economic life and rehabilitation works are ongoing to rebuild and increase its output from 45MW to 63.3MW for a further 25 years.

The project involves upgrading the existing 4 X 70MW turbines to accommodate a higher turbine inlet pressure, generating an additional 40MW using the same steam without additional drilling or connection to new wells.

Gogo Hydro Power Plant Redevelopment

The Gogo Hydropower Redevelopment Project is a visionary initiative poised to elevate the dam's electricity generation capacity from 2MW to an improved 8.6MW.

25

Number of years Olkaria units to serve with an additional **18.3MW**

40MW

Addtional watts to be installed to accomodate a higher inlet pressure

8.6MW

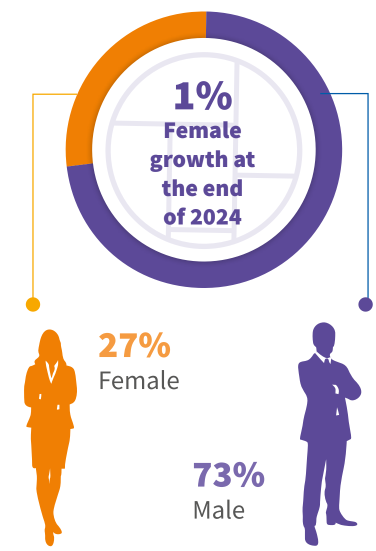
The Gogo Hydropower Redevelopment is poised to elevate the dams electricity capacity

ENGAGING OUR EMPLOYEES

Open to all

KenGen believes that diversity of thoughts experience and background at every level makes a better business, and it is at the centre of its wealth creation. The Company is committed to hiring developing and retaining diverse talent and takes a holistic approach to ensure people feel welcome and are treated fairly and with respect regardless of their background, including but not limited to gender race, gender, age, physical ability.

At the end of the year, 27% of the company workforce comprised of females and 73% of males. This represented a 1% growth in female employees towards achieving gender parity from the previous year.



" KenGen increased the number of people with disability by registering on the NCPWD Career Portal"

During the year the company took deliberate steps towards increasing the number of people with disability in KenGen by registering on the NCPWD Career Portal to increase job opportunity access to persons with disability.

Engaging our people

As our people are at the centre of our business it is crucial that they have a voice on how KenGen operates, their meaningful engagement enables continuous improvement of the company's business and employee experiences.

The company values employee rights and has continued to implement the Employment Act 2007, and amendments that include general employment rules. To foster good industrial relationship, the company maintains cordial relations with Kenya Electrical Trade & Allied Workers Union (KETAWU) for business continuity. KenGen implemented the last negotiated CBA Award for the year 2020/2024 for the unionisable employees.

Listening to what each other has to say and making changes to improve their experience is one way to positively impact on performance and sense of belonging. Toward this end the company has created Pink energy, Blue energy and Y-Gen platforms to address the unique needs of the diverse groups.

The Pink Energy forum for female employees is anchored on personal development and empowerment, creating a conducive work environment and gender awareness. During the year Pink energy led the company to Commemorate the 2024 International Women Day on 8th March 2024 themed Inspire Inclusion to help forge a better, more inclusive world for women (photo), and conducted Girls Talk meeting for young female employees including students on attachment among others.

Blue Energy, a forum for male employees that is anchored on personal development and empowerment towards fostering a supportive environment where men can discuss their challenges and triumphs. The forum sparks meaningful conversations and deep exchanges amongst men. During the year, the company in partnership with nation media group organized a men forum dubbed, Mancave to discuss fatherhood and personal financial management. To celebrate Father's Day, KenGen in partnership with Radio Africa group organised Men's Fire Circle gathering that provided male employee a platform to engage deeply in critical issues impacting their lives at work and at home such as, mental health, career advancement, family and personal development.

KenGen MD and CEO in a panel discussion at The Men Circle

Y-Gen Forum is a forum for youth and youthful workforce across the gender. This is an initiative targeting the professional and personal development for young employees with a goal of empowering young professionals from various fields of expertise in a sector that is globally entrusted to deliver a sustainable future. The forum has two guiding objectives; Strategic Alignment and partnerships to ensure members alignment to corporate and overall sector strategy while impacting beyond KenGen. During the year, Y-Gen held several engagement activities:

KenGen Y-Gen hosted Uganda's Electricity Regulatory Authority (ERA) for bench-marking to explore the Initiative, an innovative program designed to develop young professionals within the company

ENGAGING OUR EMPLOYEES

NO.	ACHIEVEMENT
1.	Mental Health Talk held on 7th July 2023
2.	Career Talk on CV writing and interview preparation, held on 27th July 2023
3.	Hosted the MD & CEO, Eng. Peter Njenga and Manager, Quality & Safety, the Watt's Up Podcast: A Letter to My Younger Self, on 23rd February 2024 and 12th October 2023, respectively
4.	To commemorate 2023 International Youth Day, and as part of promoting physical and mental wellness, Y-Gen members to visited Zania Falls in Nyeri on 19th August 2023 and participated in hiking and team building activities
5.	Personal Branding and Social Network Session held on 20th June, 2024

Employees Wellness

The Company recognizes that the health of employees and their dependants is the most critical component in the delivery of company's mandate, and it ensures social responsibility in promoting welfare to its employees. The company promoted attainment of universal health care (UHC) at the workplace through offering services for disease prevention and wellness for employees and family members.

The company organized medical screening for employee wellness in partnership with Psychological Health Services on Mental Health awareness. To promote medical evacuation during emergencies the company acquired two additional ambulances for Thermal and Eastern Regions.

To Measure employees, experience at workplace, the company conducted an Organizational Health assessment and the overall index was 72% which was above the median (second quartile) of the global database. KenGen's organizational health is characterized by strengths in its ability to align the organization towards a clear direction and a strong belief in organizational capabilities.

72%

Organizational Health assessment and the overall index

ENGAGING OUR EMPLOYEES

Preparing Our People

Personal skills and career growth are key enablers for KenGen sound performance and sustainability. To ensure that the Company gains and retains top talent, increase job satisfaction and spur productivity, we rolled out training programmes across the business aimed at addressing present and future skill gaps.

During the year, employees attended various trainings/ conferences and webinars to hone their skills on Leadership Management, continuous professional development. To empower our employees further the company provided LinkedIn access to all employees opening up a limitless training opportunity at their convenience.

The company also successfully concluded the e-mentoring pilot project in partnership with USAID to promote knowledge transfer and career growth through mentoring and coaching. To honour and recognize KenGen employees with unique technical the company is partnering with National Industrial Training Authority to rollout recognition of prior learning (RPL) program towards certification.

55 YRS+

KenGen established a robust knowledge harvesting from employees aged above.

Curriculum for Technical staff for Craftsmen's, Technicians and Engineers was developed and approved for implementation. As part of Knowledge management, the company has established a robust knowledge harvesting framework from employees aged 55 years and above.

" KenGen employees attended various trainings/conferences and webinars to hone their skills on Leadership Management, continuous professional development. "

Value Creation to the generation

Internships

2023 - 79
2024 - 90

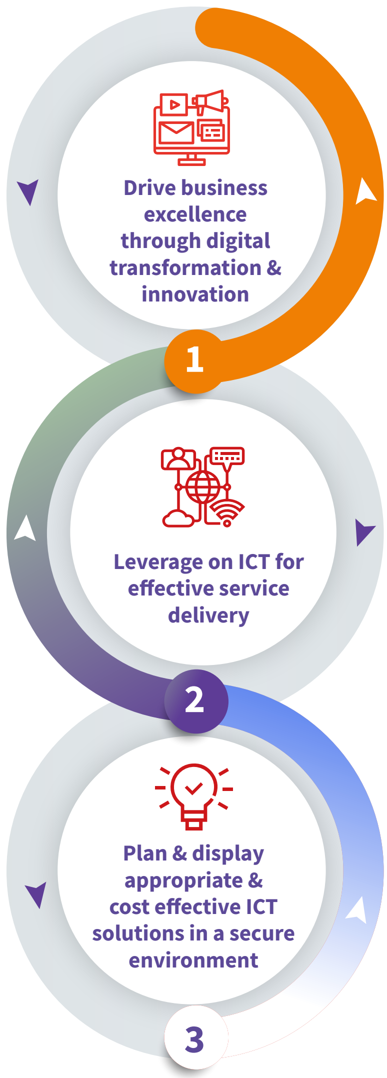
Attachment

2023 - 505
2024 - 1559

OUR STRATEGIC FOCUS

LEVERAGING DIGITAL TRANSFORMATION

KenGen is leveraging advanced technologies to enhance our energy generation processes, cut operational costs, and improve service delivery as part of our Digital Transformation journey. In line with the ICT Strategy 2021-2025, efforts are centred on integrating digital tools and platforms that enable real-time monitoring, predictive maintenance, and data-driven decision-making.



Cybersecurity and Data Protection

The energy sector is confronted with rapidly evolving cyber threats and growing regulations on data protection and privacy. To meet these challenges, we have bolstered our cybersecurity and information security measures while ensuring compliance with the Data Protection Act, 2019.

Over the past year, KenGen has successfully addressed various security threats and continuously upgraded software and licenses to protect the digital infrastructure. Additional tools were adopted to further strengthen existing multi-layered security measures, providing additional protection for our systems and data.

The company is dedicated to data protection and has undertaken several key initiatives, including completing a data mapping exercise, conducting data protection impact assessments, preparing draft privacy notices, and submitting a draft data protection policy for review. additionally, we have appointed a data protection officer and launched company-wide data protection awareness sessions.

OUR STRATEGIC FOCUS

LEVERAGING DIGITAL TRANSFORMATION

Digital Infrastructure

KenGen has made significant strides in advancing our ICT infrastructure by implementing a Battery Energy Storage System (BESS) as a power backup solution to support a green data centre. This solution aligns with our sustainability goals by delivering a reliable and eco-friendly power supply, ensuring uninterrupted operations.

The integration and enhancement of our core data centre are ongoing to improve visibility and operational efficiency. Additionally, we have upgraded core assets and services at our disaster recovery site to enable automatic failover of workloads. These enhancements provide multiple redundancies, optimize physical space, reduce energy consumption by 30%, and bolster business continuity.

Sustainable Digital Practices:

KenGen is dedicated to responsible management of paper and IT waste while complying with data protection regulations during equipment disposal. The company has also streamlined the disposal process by aligning with the Environmental Management and Coordination Act (EMCA) and E-waste regulations to minimize environmental impact.

KenGen's commitment to a paperless environment through automation of paper-based processes, has streamlined workflows, reduced manual workloads, and increased efficiency. Additionally, the website was enhanced with assistive technology to ensure accessibility for individuals with disabilities, including improved access to e-procurement and e-recruitment services.

Digital Innovations:

Digital transformation propels the company to explore and adopt advanced and emerging technologies. Over the past year, the distributed control system (DCS) and Supervisory Control and Data Acquisition (SCADA) systems were enhanced to boost performance and efficiency. Additionally, adopted IoT technology for real-time monitoring, predictive maintenance, and data-driven decision-making in our geothermal operations, exploration of the same is ongoing for expansion of this technology to other power plants.

The company re-engineered and automated two key business processes and onboarded forty-six (46) services to the E-Citizen platform. In addition, optimization and enhancement of core business functions such as finance, procurement, and human resources in the Enterprise resource planning (ERP) system is ongoing. These innovations reflect KenGen's dedication to operational excellence and our goal to be a leader in digital innovation within the energy sector.

LEVERAGING DIGITAL TRANSFORMATION

Digital Upskilling:

KenGen considers digital upskilling essential for sustaining our competitive edge and driving growth and innovation. These targeted upskilling initiatives align with the strategic objectives and underscore our commitment to operational excellence. Over the past year, specialized training in IoT, Information Systems Security, and other enterprise solutions were conducted.

Digital Communication for Brand Improvement:

Through digital communication and social media platforms, KenGen has successfully engaged in brand awareness initiatives, achieving a social media reach of 2,582,116,479 across our platforms.

46

Services on boarded to the E-Citizen platform.

2,582,116,479

Social Media reach across all platforms

OUR SUPPLY CHAIN MANAGEMENT

As the country's leading electricity generator, optimal supply chain processes are critical in ensuring short lead times and reduced costs for acquisition of goods, works and services to guarantee availability of our power plants for uninterrupted electricity supply. Through our robust supply chain framework, the Company implements a sustainable supply chain plan that covers manufacturing, packaging, transportation, warehousing, consumption and disposals as espoused in our Sustainable Supply Chain Framework. This framework drives our sustainable procurement while factoring the Company's Environmental, Social, and Governance (ESG) agenda.

In this, the Company has integrated sustainability as part of its contributions to organization's prioritized SDG's. Further, our Constitution requires that public procurement be maximized to promote value for money, local industry, sustainable development and protection of environment.

KenGen Supply Chain training the Goods and Service providers

OUR STRATEGIC FOCUS

OUR SUPPLY CHAIN MANAGEMENT

OUR STRATEGIC FOCUS

OUR SUPPLY CHAIN MANAGEMENT

In operationalizing our supply chain strategy, the Company is guided by principles of sustainable value sharing with our stakeholders.

Principles of Sustainable Value

1. VALUE FOR MONEY

Trending process stretches beyond the lowest cost, to include other contributions such as quality, efficiency and sustainability

2. LOCAL EMPOWEREMENT

Sourcing from local supplieers for abound property in our business experimental areas

3. COMPLIANCE

Adherence to relevant laws, regulations, standards and internal policies

4. ECONOMIC EMPOWEREMENT

Promising economic growth in the country through job creation and entrepreneurship opportunities for local manufacturers

5. FAIR VALUE FOR GOODS AND SERVICES

Acqusition of goods, works and services that reflect their true worth to minimize unfair trading and pricing practices

6. EQUITY AND FAIRNESS

Promoting and enhancing the participation of special groups t access opportunities in the supply chain in support of government action

7. CONSUMER PROTECTION

Trending process stretches beyond the lowest cost, to include other contributions such as quality, efficiency and sustainability

OUR STRATEGIC FOCUS

OUR SUPPLY CHAIN MANAGEMENT

OUR SUPPLY CHAIN VALUE SHARING IMPACT

NO.	PRINCIPLE	WHAT WE ACHIEVED
1.	Digitization	Digitized purchase Order processes, for enhanced eliciency and transparency.
2.	Benchmarking	Benchmarked with peers and adopted global, sustainable supply chain practices.
3.	Compliance	Complied with Public Procurement Asset and Disposal Act 2015 and other relevant laws in procurement of goods, works and services. chain practices.
4.	Capacity Building	Conducted integrity awareness session for top management and employees across the business in collaboration with Ethics & Anti-Corruption Commission (EACC) and Kenya Institute of Supplies Management (KISM).
5.	Framework Contracts	Entered into framework contracts for acquisition of goods works and services.
6.	Value for Money	Endeavoured to procure goods, works and services at prices that reflect their fair value,.
7.	Supplier Sensitization &	Held townhall meetings with suppliers and AGPO supplier's country wide
8.	Stakeholder Management	Implemented supplier feedback platform to compliment Karibu Centre for better customer experience.
9.	Optimizing Inventory	Deployed technology for storing and tracking inventory through automated binning system

a. Optimizing Inventory Management
Automating Binning Process in Warehouses (Rig Workshop Olkaria)

GOVERNMENT PERFORMANCE CONTRACTING

The Kenya Government continues to steer and advocate for implementation of the results-management framework to streamline delivery of services to the citizenry. KenGen aligns these aspirations as well as ensuring optimal delivery to Kenyans, by committing to targets embodied in the annual GoK performance contract. Our performance resulted in a "Good" self-evaluated score of 3.0466, pegged on an inverted scale of 1 – 5, with 1 being best performance.

This score was driven by the Company excelling in various citizen-facing indicators i.e. Appropriations-in-Aid, Pending Bills, Implementation of Presidential Directives and Youth Internships indicators. The Company continued to conduct country-wide supplier awareness to promote access to Government procurement opportunities (AGPO) and local content, with emphasis on the processes and opportunities available to them, resulting in improved uptake and supplier performance.

KenGen core focus remains to efficiently provide Kenyans with reliable and affordable energy, by ensuring the power plants are optimally maintained. The Company supplied 8,383 GWh of the electricity consumed nationally, accounting for 61.3% market share despite poor hydrology and up 5% from the 8,027 GWh supplied in the 2022/23 period. By maintaining a weighted availability of 90.9% across our generating fleet (above a target of 90.6%) as well as continually breathing new life into the aging plants, we showcased trust in the professionalism of our employees and our KenGen spirit of resilience and continuous improvement.

3.0466

Performance result score pegged on an inverted scale of 1 – 5

8,383 GWh

Electricity supplied nationally by KenGen

" KenGen core focus remains to efficiently provide Kenyans with reliable and affordable energy"

Financial Stewardship and Discipline

Kshs.
48.57 B
78.5%
Absorption of internally mobilized funds.

Kshs.
3.63 B
30.2%
Externally generated funds absorbed.

Kshs.
4,141.98 M
78.5%
Appropriations-in-aid from contract to sell carbon credits, disposal of motor vehicles and scrap.

PENDING BILL
None

Service Delivery

Digitalization of Government services and Science, Technology and Innovation Mainstreaming initiatives implemented.

Citizens' Service Delivery Charter revamped, and Service Level Agreements (phase I) tracking is ongoing.

No major public complaint received.

Core Mandate

All generation modes were above target due to better hydrology and despatch.

Geothermal Training Centre and Raising of Masinga dam projects progressed well.

Olkaria I Rehabilitation, 7- Forks Solar and Wellhead Leasing projects progressed well; Olkaria 280MW Uprating delayed.

Cross-Cutting

1,916

Engaged attaches (6 as PWD)

Most initiatives touching on citizens were implemented.

100% score received for implementation of National Values indicator

Implementation of Presidential Directives

Government services onboarded on eCitizen platform.

1,916

seedlings planted, exceeding the National Tree Growing Restoration Campaign target of 250,000

Access to Government Procurement Opportunities (AGPO) / Promotion of Local Content in Procurement

AGPO awards: Kshs. 2,860 million, 35% of a Kshs. 8.23 B target; Persons with Disability awarded Kshs.0.70 B.

Local content tenders of Kshs. 21.13 B, 92% of the Kshs. 23.03 B target.

The Company will continue to deploy all available means to effectively deliver on future performance contracts as well as step-up initiatives to improve uptake of procurement set aside for AGPO and local content suppliers.

SHAPING OUR SUSTAINABILITY

04

SHAPING OUR SUSTAINABILITY

KenGen's SUSTAINABILITY STATEMENT OF COMMITMENT

KenGen is dedicated to sustainable development by combining the needs of today with those of future generations. We adhere to the highest Environmental, Social, and Governance (ESG) standards, which are consistent with Kenya's constitutional ideals of environmental sustainability, human dignity, equality, inclusion, equity, and good governance.

KenGen is committed to sustainable growth and shared prosperity. Our strategy is aligned with robust ESG practices to address regional opportunities and risks. We prioritize responsible environmental stewardship, biodiversity conservation, and climate action while upholding social safeguards and strong governance.

Sustainability is integral to our business operations. By effectively managing environmental impacts, we contribute to a healthier planet and support our stakeholders. Our Enterprise Risk Management framework ensures proactive identification and mitigation of potential challenges while seizing opportunities.

As a UN Global Compact member, KenGen is diligently dedicated to the UN Global Compact (UNGC) Ten Principles and the global Sustainable Development Goals. To demonstrate our zeal, we have made our fourth disclosure of our sustainability performance to UNGC.

We invite our stakeholders to join us in realizing our transformational "Generation to Generation" vision of a sustainable future.

Eng. Frank Kanuche
Chairman of the Board

Eng. Peter Njenga
Managing Director & CEO

SHAPING OUR SUSTAINABILITY

KenGen is committed to integrating environmental, social and economic factors into its strategic decisions. This approach ensures that our growth aligns with broader goals of sustainable development and long-term success.

At the heart of KenGen's mission is a strong commitment to the United Nations' Sustainable Development Goals (SDGs). In recognition of the critical role these goals play in shaping our sustainable future, the Company integrates them into every aspect of our business. To this end, KenGen prioritized eight (8) SDGs to which our business actions contribute to their realization.

As a leading clean energy producer, KenGen is committed to driving sustainable development in Kenya and beyond.

SDG3

We explore opportunities to power healthcare facilities

SDG16

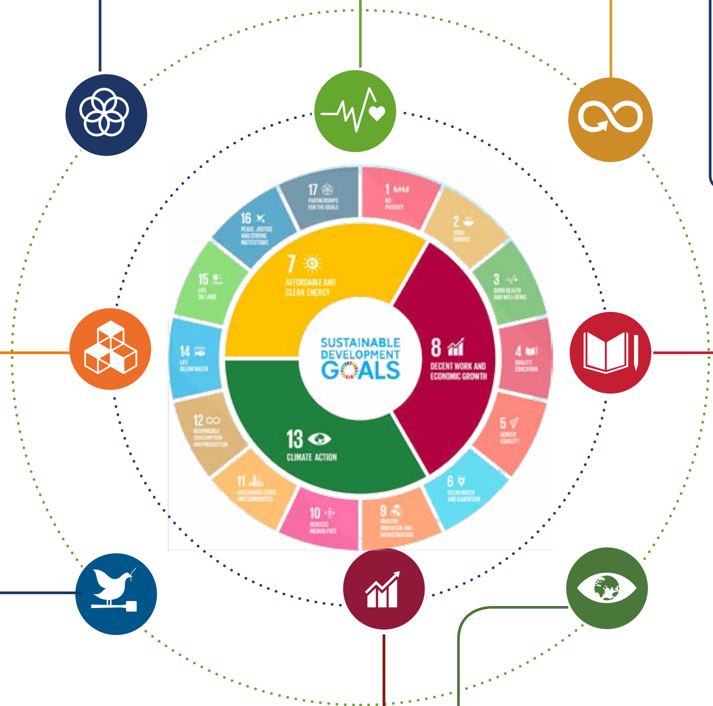
We explore ethical business practices

SDG12

We prioritize responsible resource management

SDG17

Leveraging our expertise and partnerships



SDG4

We explore opportunities to educational institutions

SDG9

We explore opportunities to educational institutions

SDG13

We explore environmental stewardship

SDG8

Bridging the energy gap and promoting inclusive economic growth

SHAPING OUR SUSTAINABILITY

CONTRIBUTING TO A MORE SUSTAINABLE PLANET

Climate change and associated adverse environmental impacts pose a serious threat to people and the planet. As a responsible electricity generator, we are committed to responsibly and efficiently managing our operations, identifying any possible environmental impact of our activity in order to establish measures that protect ecosystems and raise awareness about environmental issues.

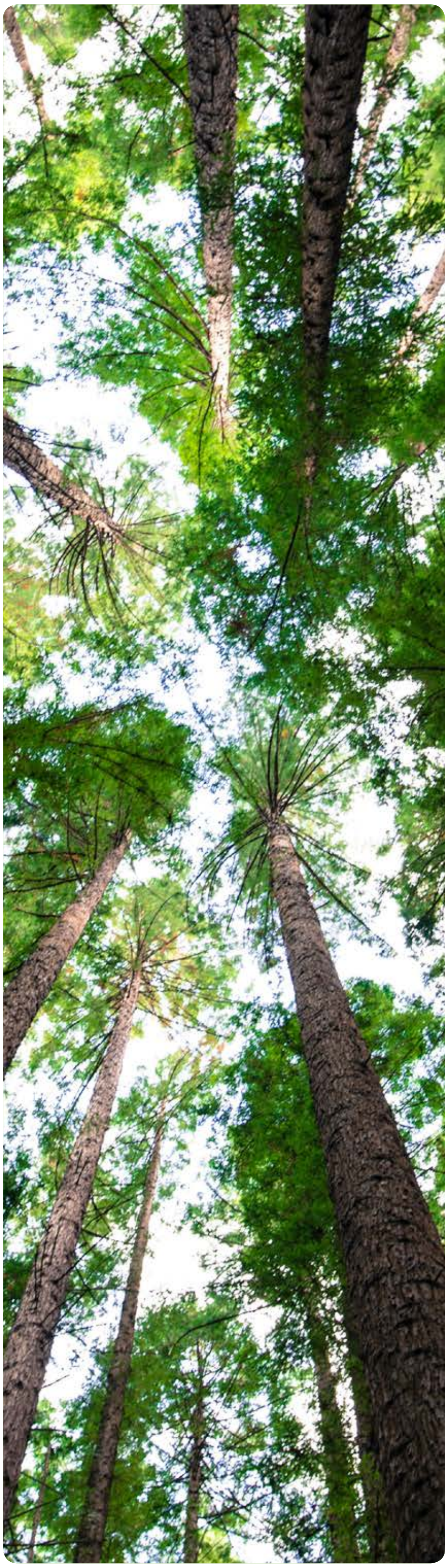
Our Environmental Conservation Efforts

KenGen's primary environmental conservation efforts is driven by resource management and protection of ecosystems. Our activities include protecting watershed regions, restoring degraded environments, monitoring conditions, and implementing mitigation measures. In support of Government goal of increasing Kenya's national tree cover to 30% by planting and nurturing 15 billion trees by 2032, and in line with our corporate sustainability strategy and policy, KenGen has rolled out a robust tree growing campaign countrywide and within our operational areas.

During the year, KenGen planted 650,647 trees through its employees and partnering with communities, NETFUND, Ministry of Energy and Petroleum and other corporate entities. To date, KenGen has cumulatively planted 3,103,871 trees over the past 10 years, in habitats near the Mau Complex, Ngong Woodland, and Tana Catchment areas among others.

3,103,871

Cumulatively number of trees planted over the past 10 years



Protecting our catchment areas

To protect water catchment areas, the Company has rehabilitated the following areas through revegetation.

KenGen's Staff Tree Growing Campaigns

11,600

Fruits and indigenous trees planted to protect Maragua River a riparian area in Murang'a County

5,000

trees grown to help in restoration of 5Ha Eburru Forest

7Ha

of Eburru forest phase II is ongoing and is at 50% completion

10,000

trees grown to help in rehabilitation of 10Ha Ngong Forest Indigenous trees (Phase II)

4,000

tree seedlings planted in Sondu to help in restoration of Kogutaa Forest Phase II. It is at 50% cmpletion

4,000

trees planted in Ngong Forest Upper Matasia ward through our Foundation in collaboration with the local community and other corprate stakeholders

1,800

trees planted at Ndula Power station

As a responsible corporate citizen committed to environmental sustainability, KenGen introduced the Staff Tree Growing Challenge, through which 137,000 were planted by employees at their homes and 23,020 trees at KenGen woodlots across the business areas.

Kenya Energy Sector Environment Program (KEEP) catchment conservation initiatives

KenGen, in partnership with the Ministry of Energy and Petroleum, continued to implement the Kenya Energy Sector Environment and Social Responsibility Program (KEEP) Action Plan. The program aligns with KenGen's efforts to restore catchment areas crucial for hydropower generation along the Sondu Miriu and Tana rivers. During the year, KenGen undertook the following KEEP activities:

1. Restoration of riparian land stretching 20 km along the South Mathioya River in Murang'a County.

2. Restoration of Londiani Forest in Kericho County, by planting trees covering 107 hectares with a survival rate of 70%

3. Tree planting in Gathiuru Forest (153 hectares) and Ontulili Forest (100 hectares) in Mt Kenya, reaching 40% of target.

Partnership in Environmental Conservation

KenGen partnered with the Ministry of Energy and Petroleum in adopting 150 hectares of Narasha Forest in Baringo County, where 178,900 trees have been planted since March 2024.

Through KenGen Foundation, the Company entered into a Cooperation Agreement with the Narok County Government to conserve 50 hectares of Enoosopukia Forest under the Adopt-a-Forest framework.

KenGen Supports NETFUND in restoring Kaptagat Forest
KenGen continues to support the National Environment Trust Fund (NETFUND) Two Billion Tree Growing Campaign by pledging a total of 2 million tree seedlings from 2021 to 2025. This year, the company donated 50,000 seedlings for the restoration of the Kessup Block in Kaptagat Forest. So far, KenGen has provided over 1,000,000 seedlings towards NETFUND's goal.

Schools Green Initiative Challenge (GIC)
KenGen, through its Foundation, recognizes the critical role of nurturing the next generation of environment ambassadors. The Schools' Green Initiative Challenge (GIC) afforestation project has engaged 100 new schools from Machakos, Embu, and Kitui counties in a tree-planting competition. Notably, 900 schools have actively been participating since 2013 in tree planting. This project is implemented in partnership with Better Globe Forestry and the Ministry of Education.

Collaboration with Golf Clubs

KenGen collaborated with 12 golf clubs, in Nyeri, Machakos, Eldoret, Kericho, Naivasha, and Nakuru towns, to plant 30,504 trees in support of the environmental conservation initiatives.

KenGen's Commitments to Climate Actions

Kenya is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC) and has committed to addressing climate change through its Intended Nationally Determined Contribution (NDC), targeting a 32% reduction in greenhouse gas (GHG) emissions compared to the business-as-usual scenario of 143 MtCO2eq, aligned with its sustainable development goals. The energy sector, particularly through expanded geothermal, wind, and solar power, is central to Kenya's NDC ambitions.

Energy is crucial for socio-economic progress and is globally recognized as a major contributor to greenhouse gas emissions, accounting for approximately 73% of human-induced GHGs primarily from fossil fuel combustion. KenGen is committed to balancing the growing demand for energy access with environmental responsibility. By increasing the deployment of renewable and clean energy sources, we aim to mitigate emissions and contribute to a sustainable energy future for Kenya.

KenGen remains committed to emission reduction targets that are consistent with the level of decarbonization required to limit global warming to 1.5°C towards net-zero targets by 2050. The Company has progressed its current power generation mix to comprise of over 93% from renewable energy sources and has put in place a project pipeline towards a 100% clean energy transition by 2030.

Through implementation of green energy projects as part of climate change action, the Company has registered six (6) Clean Development Mechanism projects (CDM) under UNFCCC. These projects are.

- **35 MW Olkaria II Geothermal Project**
- **Redevelopment of Tana Hydropower project**
- **Optimization of Kiambere Hydropower project**
- **Olkaria IV Unit 1 & 2 Geothermal Project**
- **Olkaria I AU 4 & 5 Geothermal Project**
- **5.1 MW Ngong Wind Project**

The projects have cumulatively earned KenGen a total of **6,900,366** Certified Emission Reductions (CERs) to date, including 1,843,113 CERs recently issued from the three Olkaria CDM projects.

CHAMPIONING GLOBAL GREEN ENERGY CONVERSATION

KenGen Subscription to UNGC

KenGen is a participant member to United Nations Global Compact (UNGC) since May 2019, which is a platform to enhance the Company's sustainability efforts and up-scaling of its impacts across the globe. By joining UNGC, the Company has committed to supporting the ten principles of UNGC on Human Rights, Labor, Environment and Anti-corruption and to further UN Sustainable Development Goals (SDGs). To ensure continued membership, KenGen has renewed its membership certificate with UNGC, and:

1. Submits **Communication on Progress (COP) report** that discloses the Company's sustainability actions annually, with the latest report having been submitted in December 2023.

2. Participation in UNGC Sustainability Working Groups /Activities, and awareness forums. Through this participation, KenGen was recognized as **"The Most Engaged Company – Large Companies Category"** during the 9th Annual General Assembly of the Global Compact Network Kenya in October 2023.

KenGen at COP 28

KenGen participated in the 28th Climate Change Conference of Parties (COP28) in Dubai, United Arab Emirates. The Company's involvement was based on its pivotal role in providing renewable energy in Kenya. COP28 was particularly significant as it marked the end of the first 'global stock take' of the world's efforts to combat climate change under the Paris Agreement. KenGen is committed to harnessing renewable energy sources towards 100% renewable energy transition by 2030.

2023 Africa Climate Summit

During the year, the company participated in the 2023 Africa Climate Week and Summit at the Kenyatta International Convention Centre in Nairobi. The event brought together African leaders and other top dignitaries who made commitments to addressing climate change concerns and championing green growth on the continent. KenGen, the green energy champion around the globe, participated by sharing its expertise in green energy generation. KenGen shaped the conversation on efforts employed towards a cleaner and more sustainable future by showcasing its actions in addressing climate change.

World Environment Day

KenGen joined other stakeholders in commemorating The World Environment Day national celebrations on 5th June 2024 at the University of Embu theme -Land Restoration, Desertification and Drought Resilience. The celebrations focused on pressing environmental issues and fostering a global community dedicated to sustainable development while promoting environmental awareness, encouraging action and driving change.

World Wetlands Day

KenGen participated in this year's World Wetlands Day held at Timboroa, Uasin Gichu County themed - "Wetlands and Human Wellbeing", focusing on the connection between wetlands and various aspects of human health. The event created awareness and showcased wetlands' contributions to health and food security, shared agricultural solutions, and inspired actions and partnerships for wetland conservation.

High Profile Visits

On June 18, 2024, KenGen hosted the US Department of Energy Deputy Secretary David Turk. The visit was an endorsement of KenGen's role in the deployment of renewable energy sources in Kenya and beyond. The meeting focused on strengthening the partnership between KenGen and the U.S. Department of Energy with the aim of supporting the country's clean energy transition.

CONNECTING WITH OUR COMMUNITIES

Central to our business and purpose is the support we offer to communities around us. As a responsible corporate citizen, KenGen seeks to drive positive change and create lasting social and environmental impacts on communities around its areas of operations.

- Education
- Charity Drives
- Philanthropic endeavours
- Water & Sanitation

Managing Director & CEO, Eng. Peter Njenga flags off the food distribution trucks to schools as part of the company's CSR in Ngong area.

To complement the Company's Corporate Social Investment activities, the KenGen Foundation implements long-term projects through strategic partnerships in addressing communities' education and environmental concerns. To enhance outreach to the grassroots, Stakeholders Coordination Committees (SCCs) are elected to serve for 3 years as a link between the Company and the Communities.

Through these commendable CSR efforts, KenGen has fostered an environment conducive to business sustainability and has made a substantial positive impact on the communities within its operational sphere. Notable CSR engagements during the reporting period included:

Education Support:

Education is an equalizer; by investing in education through scholarships and improvement of school infrastructure, we directly contribute to the well-being of society now and in the future.

- Awarded scholarships to 46 new high school and university students, while continuing to support the tuition fees of 207 students.
- Partnered with the National Fund for the Disabled of Kenya (NFDK), to equip two dormitories at Kaloleni Primary School/Small Home in Machakos for the Physically Challenged and Kibos School for the Blind.
- Constructed two classrooms at Abuoye, an administration block at Ongeka, and two classrooms at Nyandolo primary schools.
- Renovated two classrooms at Nalepo primary school, an administration block at Olasit primary school, library block at Olosho Oibor primary school, and ablution block at Kimuka Girls Secondary School.
- Supported school feeding program, including donation of non-food items in seven counties prone to drought.
- Donated sanitary towels to Turkwel Secondary School

CHAMPIONING GLOBAL GREEN ENERGY CONVERSATION

Access to Clean Water

KenGen provided water to the communities through drilling of boreholes, construction of water points and extension of water pipelines to reach communities.

- The company constructed nine water points at Sondu outlet channel
- Drilled four boreholes at Sondu intake
- Replenish community water points
- In partnership with World Vision Kenya, constructed and commissioned a 30,000-liter Masonry water tank at Mimwaita Primary School in Salgaa, Nakuru Count to benefit over 350 children from the local school and neighbouring Salgaa town.

Caring for the Community

- The company donated food and non-food items to the less privileged in society across our business operating areas, targeting the elderly, People with disabilities (PWDs), widows and children's homes.
- Sponsored the Nyeri Hospice Charity Golf Tournament to raise funds for palliative care for terminally ill patients.

Sponsorships

KenGen provided water to the communities through drilling of boreholes, construction of water points and extension of water pipelines to reach communities.

- Participated and sponsored Clean Energy Conference, Rotary District Annual Foundation Dinner, Wangari Maathai Marathon Fund Appeal, Women in Procurement and Supply Chain Conference and IEK - South Rift Branch Office Launch among others.
- KenGen partnered with Red Bull and a professional American National Basketball Association (NBA) shooting coach Chris Mathews (Lethal Shooter) for a basketball energy shooting challenge at KenGen Ngong wind farm.
- The Company also sponsored an Amateur Golfer to participate in the 2024 Magical Kenya Open Golf tournament.

46
Scholarships awarded to new highschool and university stdents

350
Children benefitted from Masonary water tank at Mimwaita Primary School

KenGen donated food and non-food items to the less privileged in sciety across our business operating areas

KenGen sponsored an Amateur Golfer to participate in the 2024 Magical Kenya Open Golf tournament.

SHAPING OUR SUSTAINABILITY

A MORE SUSTAINABLE COMPANY

Part of our sustainability includes environmental compliance and business diversification

Environmental Compliance

Statutory Environmental Self-Audits
The company Conducted statutory environmental self-audits for 35 KenGen facilities and submitted the reports to NEMA.

Emission Measurements in Compliance with the Air Quality Regulations, 2014
In compliance with Air Quality Regulations (2014), KenGen undertook stack emission measurements for its thermal facilities comprising of Kipevu III Thermal Power Plant, thirty (30) standby diesel generators and two (2) incinerators at Gitaru and Turkwel. In Addition to stack emission measurement, the Company undertook air dispersion modelling for Kipevu III Thermal plant and the incinerators.

Environmental and Social Impact Assessment (ESIA) Studies
The Company conducted ESIA studies for the following proposed projects.

- Access Road to Link the Olkaria Geothermal Field and the Standard Gauge Railway Terminus in Naivasha
- 80.3 MW Olkaria VII Geothermal Power Plant Project
- 140 MW Olkaria II Extension Geothermal Project
- 58.42MW wellhead power generation units on a build-lease-operate & maintain basis at the Olkaria Geothermal Field.
- Masinga dam raising Project

The company renewed the following Environmental Impact Assessment (EIA) licenses:
- Construction of Seven-Forks solar Plant
- Turbine uprating of Olkaria I AU 4 & 5
- Turbine uprating for Olkaria IV

The Company also acquired the following Operational Licenses and Permits:
- Nineteen (19) Water Abstraction Permits for hydro power generation (Turkwel, Gogo, Sondu-Miriu, Upper & Lower Tana Stations) and Geothermal Operations at Olkaria and Eburru Geothermal Field.
- Three (3) Effluent Discharge Licenses for Kipevu III oil/water interceptors, Sondu Sewage Lagoons and Turkwel Sewage Lagoons/Evaporation Ponds.

Waste Management
- Waste generated is handled and disposed of in accordance with the Waste Management Regulations 2006 and the Sustainable Waste Management Act 2022 by NEMA licensed waste handlers.
- The company embraces 5R of waste management (Refuse, Reduce, Reuse, Repurpose and Recycle).
- Within the reporting period, KenGen partnered with Jua Kali entrepreneurs towards the recycling of cooling tower fills.

Desilting and Removal of Hippo Grass from the Sondu Reservoir
The company finalised the second phase of the removal of hippo grass and de-siltation of the Sondu Miriu reservoir in March 2024 to grant community access to the river and optimise power generation.

Projects appraisal and monitoring

The Company conducted social and environmental studies as part of project appraisal for the following:

a. **Redevelopment of Gogo Hydropower Project** -
   - Environmental flow studies for River Kuja
   - Fish and Aquatic life study on river Kuja
   - Resettlement screening and Resettlement Action Plan (RAP) Assessment for the proposed 8.6MW Gogo Hydro Power Plant Redevelopment.

b. **Battery Energy Storage System (BESS) Project -** The project is being undertaken under the Kenya Green and Resilient Expansion of Energy (GREEN) Program.

   - An Environment and Social Commitment Plan (ESCP), Stakeholder Engagement Plan (SEP) and Labour Management

A MORE SUSTAINABLE COMPANY

Procedure were disclosed in KenGen and World Bank websites as per the financier requirement.
- During the fiscal year, the Environmental and Social Commitment Plan, the Project Implementation Manual (PIM) and Environmental Social Health and Safety (ESHS) Risk Management Manual for the BESS Project, acceptable to the World Bank, were prepared.

c. **Marsabit Wind Project-**
- Dissemination of findings on Preliminary Environment and Social Impact Assessment (PESIA), Birds & Bats and Feasibility Studies findings
- introduction of the Free Prior and Informed Consent (FPIC) process and the next steps for the proposed Marsabit project was successfully done to various stakeholder in Marsabit, Loiyangalani and North Horr sub-counties.

d. **90 MW Karura Hydropower Project-** kickstarted the process of conducting ESIA and Preliminary Resettlement Action Plan studies.

e. **42.5MW Seven Forks Solar Project -** Stakeholder Engagement Disclosure meeting for the Livelihood Restoration Framework and the Biodiversity Compensation Plan were held.

Business Diversification

KenGen Green Energy Park
In a move that is set to spur industrialization in the region, KenGen and Konza Technopolis Development Authority (KoTDA) broke ground for KenGen's Green Energy Park in Olkaria, Naivasha. The visionary project is set to redefine industrialization while providing a sustainable and clean source of geothermal energy. The Company is currently inviting investors to set up operations in the park and utilize the clean and renewable geothermal energy. The Energy Park shall operate as a Special Economic Zone (SEZ) to enable its investors to enjoy the tax incentives as stipulated in the Special Economic Zone (SEZ) Act.

Contribution to the Energy Ecosystem

Eastern Africa Power Pool (EAPP)
As a regional leader in clean energy generation, KenGen participated in the Eastern Africa Power Pool (EAPP) 30th Steering Committee (SC) and 18th Council of Ministers (CoM) meetings as a utility from a member state. Discussion of the meetings held in February 2024 included commitments to fostering collaboration and driving progress in the energy landscape in the region. The meeting served a crucial platform for advancing regional cooperation in the sector and attended by representatives from member states and key development partners.

KenGen also participates in the EAPP Legal Working Group, Operations Committee and the Market Committee that developed EAPP's draft Market Rules and Procedures for presentation to the Steering Committee and approval by the Council of Ministers.

Operationalization of the Energy Act 2019
The Energy Sector is regulated by the Energy Act 2019, which impacts on KenGen business operating environment. As a critical stakeholder, the Company continuously monitors and participates in the operationalization of the Act in partnership with the government and other energy sector players.

Review of Energy Policy and Regulations
KenGen is a member of the Technical Working Group that is reviewing the Energy Policy and its related regulations.

KenGen has participated in the review of the following Regulations:
- Integrated National Energy Plan
- Net Metering
- Electricity Regulatory Accounts
- Mini-Grids
- Consolidated Energy Fund
- Reliability, Quality of Supply and Service
- Incidents and Accident Reporting
- Electricity Market, Bulk supply and Open Access

New Business
KenGen continues to solidify its position as a regional leader in geothermal energy development, aligning its commercial endeavours with the global push for clean energy. The company's expansion strategy focuses on leveraging its expertise both

domestically and internationally to drive sustainable growth.

Regional Expansion

KenGen is actively pursuing geothermal projects across Africa, demonstrating its commitment to supporting the continent's energy transition.

Domestic Growth and Innovation

The company is actively seeking new drilling contracts with local partners and pioneering innovative

KEY INITIATIVES

Tanzania: To provide drilling and well testing services

Djibouti: Partnering with Office for Geothermal Development (ODDEG) to offer drilling services in the Hanle geothermal area, with potential expansion to the Asal region.

Ethiopia: Building on the successful completion of the Tulu Moye and Aluto Geothermal projects, KenGen is exploring opportunities in the Corbetti field.

Eswatini: Providing geoscientific exploration services to support renewable energy development.

technologies such as optimized extraction at the Olkaria geothermal field. While expanding its regional footprint, KenGen remains committed to optimizing geothermal resources within Kenya.

These initiatives collectively underscore KenGen's role in driving sustainable growth, fostering regional cooperation, and advancing geothermal technology.

Awards and recognition

KenGen's exceptional achievements continue to garner recognition, solidifying its status as an industry leader. The Company's remarkable accomplishments during the 2023-2024 period include:

a. Demonstrating the company's commitment to diversity and inclusivity, KenGen was honoured as the Most Inclusive Listed Company of the Year as the second Runners up in the category and KenGen employee Judith Mbogo won the award for Youth in Leadership at the 2023 DIAR Awards.

b. As a Hallmark of excellence in Human Resource Management, KenGen won three Prestigious accolades as the overall, Winner in HR Tech Strategy of the Year for the KenGen E-Mentoring platform, 1st Runners-Up - Best Transformation/Change Strategy of the Year for the "I am Agile" campaign and 1st Runners-Up - HR Excellent State Corporation of the Year for the implementation of HR Instruments categories respectively at the 2023 Institute of Human Resource Management (IHRM) Awards.

c. In a triumphant showcase of excellence in procurement, KenGen Chain team was recognized as the 2nd Runners-Up in the Best ICT Adoption in Supply Chain of the Year category at the 2023 Kenya Institute of Supplies Management (KISM) SPURS SCM Excellence Awards.

d. Celebrating professionalism, KenGen employee Eng. Flora Kamanja was recognized as the best in the Professional Technical Award category at

A MORE SUSTAINABLE COMPANY

the Africa Queen of Energy Awards 2023.

e. KenGen was recognized as Most Engaged Large Company Award 2023 by the UN Compact Global Kenya for the Company's exceptional dedication to sustainability initiatives and responsible business practices.

KenGen Managing Director and CEO, Eng. Peter Njenga receiving the UN Global Most Engaged large company sustainability award from Mr. Abdi Mohamed, UN Compact Global Kenya board member and CEO of ABSA, during the 9th UN Compact Global assembly held in Nairobi.

SHAPING OUR SUSTAINABILITY

A MORE SUSTAINABLE COMPANY

Media Relations
To promote accurate media reporting of KenGen, the company organized several media tours and conducted regional media networking sessions for journalists. The engagements at KenGen installations honed better working relations and earned the company valuable insights and contacts in the various newsrooms.

In embracing digital communications, the company through its social media platforms ran several brand awareness and engagement campaigns that resulted in 2,582,116,479 social media reach across KenGen social media platform.

During the year the company organized an executive media tour for KenGen Executive committee members to the Nation Media Group newsroom. The tour provided the company's leadership an opportunity to understand how the media house operates.

Brand Audit
During the year, as part of KenGen's commitment to continuously improve the KenGen Brand and reputation management, the Company conducted a Brand Audit exercise between March and November 2023. The primary purpose of the KenGen brand audit was to undertake a comprehensive analysis and examination of KenGen's brand in its current form, understanding its strengths, areas of improvement, and its resonance with today's audience and market dynamic.

2,582,116,479

Social media reach across KenGen social media platform

Brand Audit and Media Relations

HOW WE MANAGE RISK

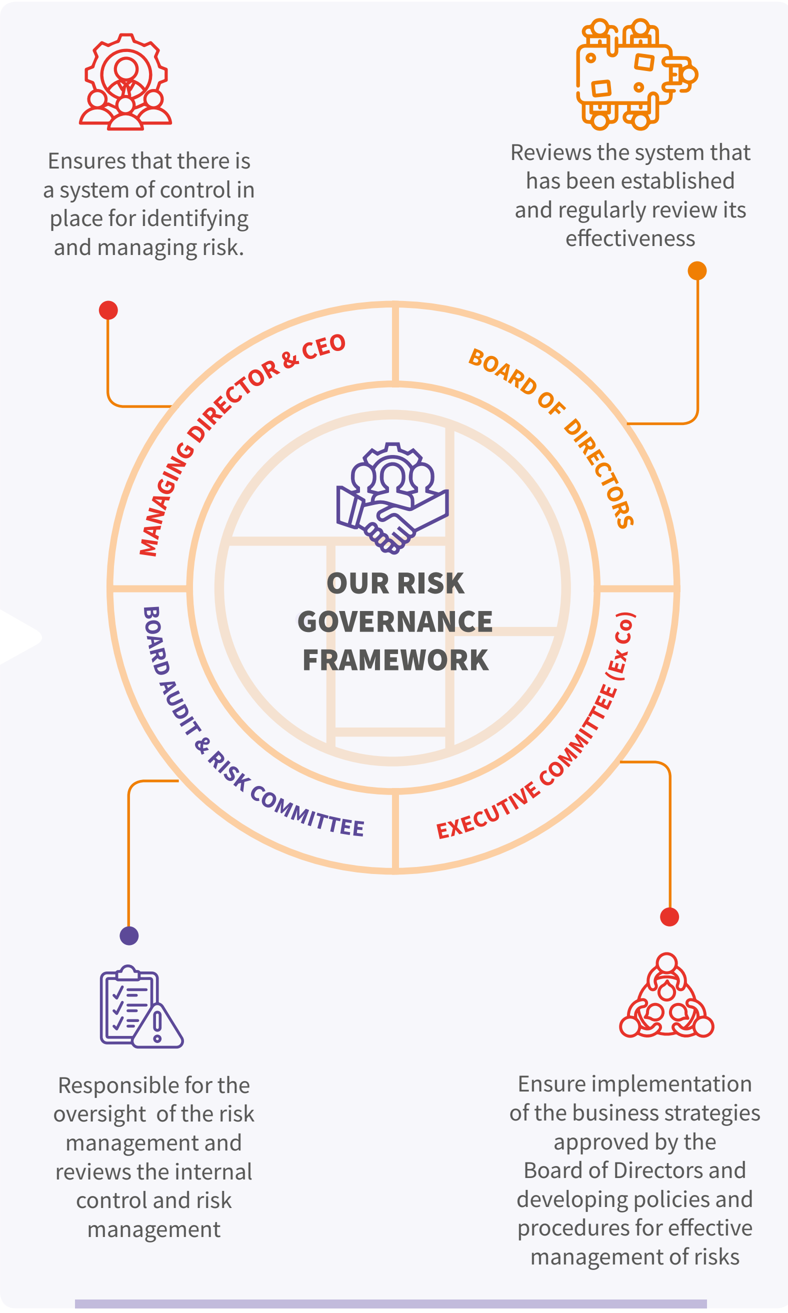
KenGen's dedication to risk management is firmly rooted in our corporate culture and operational practices. Our system of internal control is a comprehensive framework that includes policies, processes, management systems, organizational structures, culture, and standards of conduct, all aimed at effectively managing KenGen's business and associated risks.

KenGen's Risk Management System

KenGen's risk management system and policy are designed to provide a consistent and clear framework for identifying, managing, and reporting risks arising from the company's business activities and operations. This system ensures that risk management is integrated into all levels of the organization, with regular reporting to management and the board, thereby facilitating informed decision-making and maintaining robust oversight.

Risk Oversight and Governance

KenGen's management, executive committee, board, and audit & risk committee provide oversight on the management of principal risks and internal control systems to ensure effective risk governance by implementing relevant policies for risk management. This oversight involves examining internal audit reports and reviewing outcomes of business processes, including strategy, planning, and resource and capital allocation. KenGen's risk management team evaluates the company's risk profile and maintains the risk management system.
The internal audit team provides independent assurance to the MD & CEO and the board, confirming that the internal control system is well-designed and functioning effectively to address significant risks faced by KenGen.



HOW WE MANAGE RISK

Our Risk Management Process

Risk Identification:
KenGen identifies risks across various business process through process owners and risk champions on an ongoing basis. This process uses a variety of methods, including workshops, subject-matter expertise and document reviews.

Risk Assessment:
Once identified, risks are evaluated based on their potential impact and likelihood across several criteria, such as health and safety, financial, and non-financial factors including reputation. This consistent evaluation basis allows for the comparison of different risks.

Risk Management and Monitoring: Risk management activities are prioritized based on several factors, including the risk assessment, the effectiveness of existing risk management measures, strategy and plans, and legal and regulatory requirements. Risk management measures, including mitigations, are identified and monitored as deemed appropriate. To support management oversight in risk management decisions, the appropriate organizational level is notified of risks, assessed impact and likelihood, and requested to review and endorse risk management measures..

Risk Treatmeant:
Once identified, risks are evaluated based on their potential impact and likelihood across several criteria, such as health and safety, financial, and non-financial factors including reputation. This consistent evaluation basis allows for the comparison of different risks.

Our Risk Management Process

HOW WE MANAGE RISK

Our Risk Profile

KenGen's long-term operations result in persistent risks that can evolve due to internal and external events. These risks, including emerging ones, are managed through established processes such as board communications, the risk management system, technology updates, and strategic reviews.
Below are our key risks and mitigation strategies

NO.	RISK	RISK DESCRIPTION	MITIGATION MEASURES
1.	Globalization Risk (global economic downturn, inflationary and foreign exchange pressures)	KenGen's business environment is interdependent on regional and international markets, making it vulnerable to global disruptions that add pressure to an already challenging macro-economic situation.	Continuously monitoring global macro-economic factors and strengthening our strategic advocacy to influence policies that support KenGen's business. This approach keeps us informed and adaptable to emerging economic changes.
2.	**Market Risk**	The evolving electricity sector, with open access and regional integration, may reduce our market share due to increased competition from Independent Power Producers (IPPs) and regional players offering competitive prices.	Implementing and operationalizing regulations for the Electricity Market, Bulk Supply, and Open Access, while strategically advocating for the development of regulatory and institutional frameworks that affect our business. These actions have been crucial in creating a supportive and effective regulatory environment for the company.
3.	**Counter Party Risks**	Diversification may lead to more counter parties, increasing credit risk and the potential for commercial disputes and litigations, which could negatively impact KenGen's cash flow and revenues.	Developed strategies for guarantees, advance payments, and debt recovery to reduce receivable days, secured government approvals, and are continuously managing contingent liabilities.
4.	**Stakeholder Management Risk**	KenGen's diverse stakeholders, including government agencies, financiers, communities, shareholders, and the public, have competing interests that could hinder the achievement of our strategy.	KenGen has established a robust stakeholder collaboration framework that is continuously monitored and refined to ensure the needs and expectations of all stakeholders are effectively met.

HOW WE MANAGE RISK

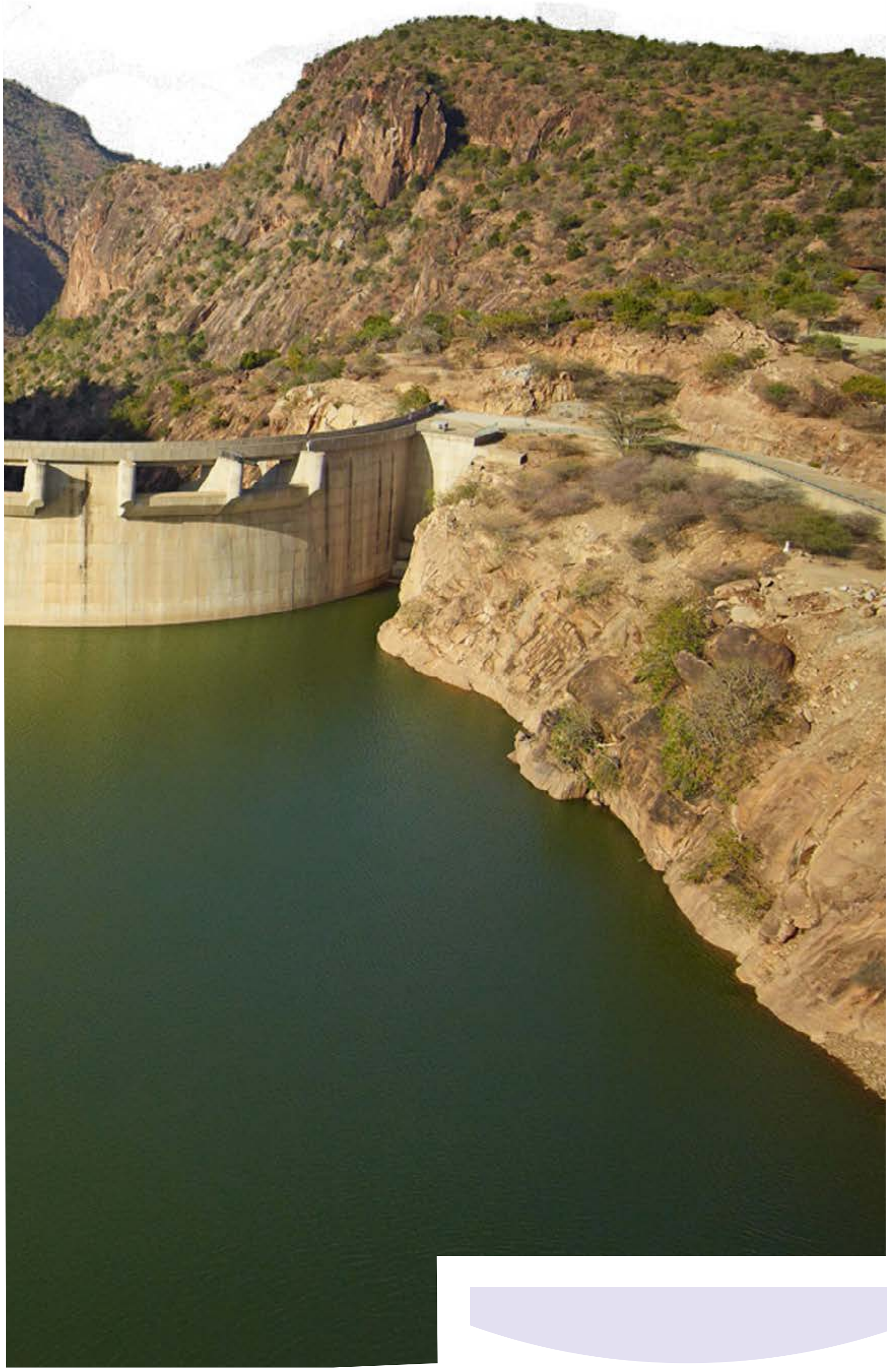
NO.	RISK	RISK DESCRIPTION	MITIGATION MEASURES
5.	**Cyber Security risks**	KenGen's digital transformation introduces cybersecurity risks due to increased reliance on technology and modern work methods, exposing ICT systems to potential cyber-attacks, unauthorized access, data loss, and business interruptions.	Continuously reviewing our security measures and performing regular checks on the company's ICT systems for vulnerabilities, such as penetration testing and vulnerability assessments, while integrating staff awareness into these practices to ensure a secure ICT environment.
6.	**Project Execution & Financing risk**	Project execution risks involve cost, time, and scope variations that can cause delays, quality issues, and cost overruns, while project financing risks could arise from the high value of KenGen's projects, which may exceed the balance sheet's ability to support required loans.	Optimized contract and project management processes by conducting root cause analysis, and applying lessons learned through multi-disciplinary teams. We also manage revenue leakages, optimize expenses to boost profitability and equity, and explore innovative financing options like Private Equity, Private Public Partnerships (PPPs), and Special Purpose Vehicles (SPVs).
7.	**Generation Resource Sustainability (steam decline & hydrology) Risk**	Unfavourable hydrological conditions, potential depletion of geothermal resource, and fossil fuel supply disruptions could negatively impact current generation and future capacity expansion.	Adopted new technologies and reservoir management initiatives, such as steam reinjection, and are advocating for more geothermal field allocations. We have also formed partnerships and joint ventures to support resource development while managing climate change risks and collaborating on resource conservation.

HOW WE MANAGE RISK

NO.	RISK	RISK DESCRIPTION	MITIGATION MEASURES
8.	**Legal & Regulatory Risk**	Changes in regulations and uncertainty in obtaining geothermal project licenses pose compliance risks for KenGen and may hinder growth. Additionally, changes in PPA structures could affect the recovery of capital investments.	Continuously engaging with key government and energy sector entities to secure licenses, land, and resources, while ensuring energy PPAs are cost-reflective and include payment for deemed energy.
9.	**Single Revenue Stream Risk**	KenGen relies on the primary off-taker for about 96% of its revenues, making it vulnerable to the off-taker's financial status.	Adopted a comprehensive diversification policy to seize profitable opportunities, which has facilitated the launch of several diversification projects. We anticipate these initiatives will generate substantial revenues and drive significant growth.
10.	**Leadership & Governance Risk**	Deviation from good corporate governance can damage KenGen's reputation, lead to asset misappropriation, and harm corporate performance. As a listed company, negative publicity related to governance and ethics could also decrease the market share price.	Continuously monitoring adherence to the Capital Markets Authority (CMA) Code of Governance, Mwongozo Code, and company policies, strengthening corporate governance through 360 board appraisals, annual board evaluations and independent audits, and act on recommendations. KenGen has also established a robust succession planning mechanism across all levels for business continuity.

Sondu Miriu Intake

Turkwell Dam



OUR FINANCIALS

05

REPORT OF DIRECTORS

The Directors submit their report together with the audited financial statements of Kenya Electricity Generating Company Plc (the “Company” or “KenGen”) for the year ended 30 June 2024.

Principal Activities

The principal activity of the Company is to generate and sell electricity to the authorised distributor, The Kenya Power and Lighting Company Plc (Kenya Power).

Results

The results of the entity for the year ended 30 June 2024 are set out on **page 138 - 139**. Below is summary of the profit or loss made during the year.

	2024 Shs’000	2023 Shs’000
Profit before income tax	**10,946,865**	**8,524,816**
Income tax charge	(4,149,853)	(3,508,339)
Profit for the year	**6,797,012**	**5,016,477**
Other comprehensive loss for the year, net of tax	(906,188)	(4,101,756)
Total comprehensive income for the year	**5,890,824**	**914,721**

Recommended dividend

Subject to the approval of the shareholders, the Directors propose payment of a first and final dividend of Shs 4,286 million (2023: Shs 1,978 million) for the year representing Shs 0.65 (2023: Shs 0.30) per issued ordinary share.

Directors

The Directors who held office during the year and to the date of this report are disclosed on **page 12**.

Disclosures to the auditor

The Directors confirm that with respect to each director at the time of approval of this report:

(a) There was, as far as each director is aware, no relevant audit information of which the Company’s auditor is unaware;

(b) Each director had taken all steps that ought to have been taken as a director so as to be aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

Terms of appointment of auditors

The Auditor-General is responsible for the statutory audit of the Company’s financial statements in accordance with Section 35 of the Public Audit Act, 2015. Section 23(1) of the Act empowers the Auditor-General to appoint other auditors to carry out the audit on his behalf. Accordingly, Deloitte & Touche LLP were appointed to carry out the audit for the year ended 30 June 2024.

The Directors monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the shareholders.

By order of the Board

Chairman of the Board
28 October 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015, requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Company as at the end of the financial year and its profit or loss for that year. The Directors are responsible for ensuring that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company and disclose with reasonable accuracy the financial position of the Company. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and error.

The Directors accept responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

i. Designing, implementing and maintaining internal controls as they determine necessary, to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;

ii. Selecting suitable accounting policies and then apply them consistently; and

iii. Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

....	....	....
Frank Konuche	**Bernard Ngugi**	**Peter Njenga**
Chairman	*Director*	*Managing Director & CEO*

INFORMATION NOT SUBJECT TO AUDIT

The Company's Directors Remuneration Policy and Strategy

The Board establishes and approves formal and transparent remuneration policies to attract and retain both executive and non-executive Board members.

These policies clearly stipulate remuneration elements such as Directors' fees, honorarium and attendance allowances that are competitive and in line with those of other agencies in the industry and with the State Corporations Act.

In accordance with the guidelines provided in the State Corporations Act and issued by the Salaries & Remuneration Commission as well as shareholder approval granted at the Annual General Meeting; The Directors are paid a taxable sitting allowance of Shs 20,000 for every meeting attended. The Chairman is paid a monthly honorarium of Shs 80,000. The Board members are paid an annual Directors fee of Shs 600,000 subject to approval by the shareholders. It is proposed that each non-executive Director receives a fee of Shs 600,000 excluding sitting allowances and honorarium for the financial year ended 30 June 2024 subject to approval by shareholders during the Annual General Meeting.

The total expenses incurred in the course of enabling the directors discharge their mandate are charged to the statement of profit or loss (Note 10(e)).

Kenya Electricity Generating Company Plc does not grant personal loans, guarantees, share options or incentives to its Directors.

Contract of Service

In accordance with the Capital Markets Authority (CMA) regulations on non-executive Directors, a third of the Board is elected at every Annual General Meeting by the shareholders for a term of 3 years on rotation basis.

The Managing Director and CEO has a three (3) year renewable contract of service with Kenya Electricity Generating Company Plc. The Managing Director & CEO was appointed on 17th August 2023.

Changes to Directors Remuneration

During the period, there were no changes in Directors Remuneration which is set as per the guidelines provided in the State Corporations Act and the Salaries & Remuneration Commission.

Statement of Voting on the Directors Remuneration Report at the Previous Annual General Meeting

During the Annual General Meeting held on 29th November 2023, the shareholders approved the payments of Directors fees for the year ended 30 June 2023 through virtual voting.

Approval will be sought at the upcoming Annual General Meeting from shareholders to pay Directors fees for the financial year ended 30 June 2024.

INFORMATION SUBJECT TO AUDIT

The following tables shows a single figure remuneration for the Managing Director and CEO and Non-Executive Directors in respect of qualifying services for the year ended 30 June 2024 together with the comparative figures for 30 June 2023. The aggregate Directors' emoluments are shown in note 36(f).

For the year ended 30 June 2024

Non-Executive Directors

Name	Category & Period of Service	Salary	Directors Fees	Sitting Allowances	Honorarium	Telephone	Total
		Shs'000	Shs'000	Shs'000	Shs '000	Shs '000	Shs '000
Julius Migos Ogamba	Chairman (retired 8 August, 2024)	-	600	1,860	960	84	**3,504**
Prof. Njuguna Ndung'u	Non-Executive (Cabinet Secretary: National Treasury)	-	600	-	-	-	600
Alex Wachira	Non-Executive (Principal Secretary, Ministry of Energy)	-	600	60	-	-	**660**
Josephine Koisaba	Non-Executive	-	600	1,660	-	-	**2,260**
William Rahedi	Non-Executive	-	600	1,620	-	-	**2,220**
Hon. Mutai Stephen Kipkoech	Non-Executive	-	600	1,710	-	-	**2,310**
Dr. Rosemarie Wairimu Wanyoike	Non-Executive	-	600	1,600	-	-	2,200
Frank Konuche	Non-Executive- Elected as a Director at the AGM on 30 November 2023 (Appointed by the Board of Directors on 28 October as the Chairman of the Board until the 2024 AGM)	-	350	960	-	-	**1,310**
Umuro Wario	Non-Executive- (Appointed on 1st, December, 2023)	-	350	900	-	-	**1,250**
Benard Ngugi	Non-Executive- (Appointed on 1st, December, 2023)	-	350	1,020	-	-	**1,370**
Chrisologus Makokha	(Appointed on 26th January, 2023)	-	-	1,140	-	-	**1,140**
Kennedy Ondieki	(Alternate to CS National Treasury & Planning : Appointed on 30th April, 2024)	-	-	120	-	-	120
Chrispin O. Lupe	(Alternate to PS Ministry of Energy : Appointed on 6th May, 2024)	-	-	140	-	-	**140**
James Opindi	Non-Executive (Retired on 30th November, 2023)	-	250	840	-	-	**1,090**

INFORMATION SUBJECT TO AUDIT (continued)

For the year ended 30 June 2024

Non-Executive Directors

Name	Category & Period of Service	Salary	Directors Fees	Sitting Allowances	Honorarium	Telephone	Total
Samuel Kimani	Non-Executive (Retired on 30th November, 2023)	-	250	420	-	-	**670**
Winnie Pertet	Non-Executive (Retired on 30th November, 2023)	-	250	720	-	-	**970**
Bernard Ndungu	(Alternate to CS National Treasury & Planning : Retired on 30th April, 2024)	-	-	80	-	-	80
Stephen Njue	(Alternate to PS Ministry of Energy : Retired on 6th, May, 2024)	-	-	820	-	-	**820**
Total		**-**	**6,000**	**15,670**	**960**	**84**	**22,714**

Executive Directors

Abraham Serem	Ag. Managing Director and CEO (Served until on 17th August 2023)	2,621	-	-	-	-	2,621
Peter Njenga	Managing Director and CEO (Appointed on 17th, August 2023)	12,021	-	-	-	-	**12,021**
Total		**14,642**	**-**	**-**	**-**	**-**	**14,642**

INFORMATION SUBJECT TO AUDIT (continued)

For the year ended 30 June 2024

Non-Executive Directors

Name	Category & Period of Service	Salary	Directors Fees	Sitting Allowances	Honorarium	Telephone	Total
Julius Migos Ogamba	Chairman (Appointed on 28th February 2023)	-	200	960	320	28	**1,508**
General (Rtd) Samson Mwathethe	Chairman (Retired on 28th February 2023)	-	400	820	640	56	**1,916**
Prof. Njuguna Ndung'u	Non-Executive	-	600	-	-	-	**600**
Alex Wachira	Non-Executive	-	600	60	-	-	**660**
Joseph Sitati	Non-Executive-(Retired on 28th February 2023)	-	350	660	-	-	**1,010**
Maurice Nduranu	Non-Executive – (Retired on 28th February 2023)	-	350	1,180	-	-	**1,530**
Phyllis Wakiaga	Non-Executive- (Retired on 26th January, 2023)	-	350	380	-	-	**730**
Peris Mwangi	Non-Executive-Retired on 26th January, 2023)	-	350	780	-	-	**1,130**
James Opindi	Non-Executive	-	600	1,740	-	-	**2,340**
Samuel Kimani	Non-Executive	-	600	1,420	-	-	**2,020**
Winnie Pertet	Non-Executive	-	600	1,860	-	-	**2,460**
Josephine Koisaba	Non-Executive-(Appointed on 26th January, 2023)	-	250	940	-	-	**1,190**
Dr. Rosemarie Wairimu Wanyoike	Non-Executive-(Appointed on 26th January, 2023)	-	250	1,000	-	-	**1,250**
William Rahedi	Non-Executive -(Appointed on 28th February 2023)	-	250	940	-	-	**1,190**
Hon. Mutai Stephen Kipkoech	Non-Executive--(Appointed on 28th February 2023)	-	250	900	-	-	**1,150**
Bernard Ndungu	(Alternate to CS National Treasury & Planning)	-	-	360	-	-	**360**
Stephen Njue	(Alternate to PS Ministry of Energy	-	-	980	-	-	**980**
Chris Makokha	(Appointed on 26th January, 2023	-	-	500	-	-	**500**
Peter Nyutu	(Retired on 26th January, 2023)	-	-	894	-	-	**894**
Total		**-**	**6,000**	**16,374**	**960**	**84**	**23,418**

Executive Directors

Abraham Serem	Ag. Managing Director and CEO (Served until on 17th August 2023)	15,045	-	-	-	-	15,045
Rebecca Miano	Managing Director and CEO (Retired on 28th October 2022)	5,188	-	-	-	-	**5,188**
Total		**20,233**	**-**	**-**	**-**	**-**	**20,233**

On behalf of the Board

Chairman of the Board

Date: 28 October 2024

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website:www.oagkenya.go.ke

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA ELECTRICITY GENERATING COMPANY PLC FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

The accompanying financial statements of Kenya Electricity Generating Company PLC set out on pages 138 to 233, which comprise of the statement of financial position as at

30 June, 2024, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by Deloitte & Touché, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Electricity Generating Company PLC as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Public Finance Management Act, 2012 and the Companies Act, 2015.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Electricity Generating Company PLC Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on them. For the matter below, a description of how the audit addressed the matter is provided in that context.

Key Audit Matter	How Audit Addressed the Key Audit Matter
Impairment of Property, Plant and Equipment	
The carrying value of the Company's property, plant and equipment balance of Kshs.426 billion (2023 – Kshs.432 billion) as reflected in the statement of financial position includes an amount of Kshs.355 billion (2023 – Kshs.368 billion) relating to buildings, transmission lines, plant and machinery. As disclosed in Note 15 to the	I performed the following procedures, among others, to address the key audit matter: The audit procedures also focused on reviewing the reasonableness of assumptions made and methodologies used to ensure that they are reasonable

Key Audit Matter	How Audit Addressed the Key Audit Matter
Impairment of Property, Plant and Equipment	
financial statements, these power generation assets are significant to the statement of financial position and are carried at revalued amounts less accumulated depreciation and accumulated impairment losses. The property, plant and equipment balance also includes capital work in progress amounting to Kshs.64 billion (2023 – Kshs.57 billion) which is carried at cost less any impairment losses. An impairment assessment was performed on the power generating assets by Management and a pre-tax impairment provision of Kshs.382,572,000 (2023 – Kshs.4,980,578,000) and Kshs.912,830,000 (2023 – Kshs.899,760,000) made in the statement of profit or loss and other comprehensive income. These provisions have been disclosed under other comprehensive income and Note 10(g) to the financial statements respectively. Management identified impairment indicators in the plant and machinery assets related to connected wells used for re-injection whose casings were perforated thus considered un-usable. In addition, an impairment on capital work in progress was assessed at Kshs.39,478,000 (2023 – Kshs.10,040,000) which has been charged to the statement of profit or loss and other comprehensive income as disclosed in Note 10(g) to the financial statements. Significant judgments are required to be applied by the Directors in the impairment assessment of these assets in line with the accounting policies and International Accounting Standard, No. 36 (IAS 36), on Impairment of Assets.	and appropriate given my understanding of similar situations. I obtained Management's assessment of the indicators of impairment and reviewed the key assumptions made with the objective of testing their reasonableness based on evidence available. I challenged the significant judgments made and conclusions reached. My audit procedures focused on understanding the basis of the judgments made considering audit evidence which I could obtain during the audit and my understanding of the nature and use of these assets. I obtained the impairment valuation and analyses prepared by Management and tested the approach applied for appropriateness. I also tested the data used in the impairment calculations for accuracy and completeness. With regards to my analysis of the overall impairment assessment, I did not identify any significant issues with the approach used by Management and I concluded that it was consistent with International Accounting Standards 36 and the Company's accounting policies, in all material respects. I also did not identify any material misstatement in the data used in the calculations in respect of its accuracy and completeness.

Key Audit Matter	How Audit Addressed the Key Audit Matter
Impairment of Property, Plant and Equipment	
My attention was drawn to this area due to the significance of the carrying values of the assets and the risk that inappropriate judgments or assumptions could lead to material misstatements in the financial statements. For the purposes of my audit, I therefore, identified the impairment of property, plant and equipment as representing a key audit matter.	I assessed the adequacy of impairment related disclosures in the financial statements, including the judgments and assumptions used.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit Section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risk of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above, provide the basis for my unmodified opinion on the accompanying financial statements.

Other Matter

Non-Compensation of the Company's Land by National Lands Commission and Kenya National Highways Authority

Part of the Company's property in Changamwe was acquired by the Kenya National Highways Authority (KENHA) for the dualling of the Mombasa-Mariakani Road. The construction of the road rendered the staff houses in Changamwe temporarily unusable since they were disconnected from the sewer line. The security wall was also damaged. Management indicated that the two residential flats would realize a net rental income of Kshs.768,000 per year for the Company. However, there was no response to correspondences seeking compensation amounting to Kshs.250,611,659 from the National Land Commission and KENHA.

Other Information

Conclusion

The Directors are responsible for the other information set out on page 1 to 129 which comprise of Key Corporate Information, Management Team, Shareholding, Business Overview, Report of the Directors, Statement of Directors Responsibilities and Director's

Remuneration Report. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the Company's, financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Kipevu III Power Station Fuel Penalties

The Power Purchase Agreement for Kipevu III Power Plant between the Company and Kenya Power sets fuel penalties when the daily fuel stock does not meet the set threshold of eleven thousand five hundred and sixty metric tonnes (11,560 MT) per day. During the year under review, the Company had a contract for supply and delivery of heavy fuel oil at Kipevu III Power Station with a local petroleum company. The contract sets the minimum-security level at six thousand two hundred and eighty metric tonnes (6,280 MT) per day which is below the threshold set in the Power Purchase Agreement. However, the Company incurred penalties amounting to Kshs.11,348,922 because of the supplier not meeting the required security stock levels.

In the circumstances, Management was in breach of contractual agreement and value for money for the expenditure incurred on penalties could not be confirmed.

2. Irregular Secondment of the Staff

During the year under review, the Company had seconded fourteen (14) members of staff to different Government entities. However, review of the payroll revealed that the Company had continued to pay salaries of the seconded staff amounting to Kshs.48,841,060. This was contrary to the guidelines outlined in Section B.33 of the Public Service Human Resources Policy (3), and the concept of matching principal that the staff should be paid based on where they put on effort.

In the circumstances, Management was in breach of the Regulations.

3. Lack of Ownership Documents for Turkwel Land

The Company operates a Hydro Power Plant in Turkwel Multi-Purpose dam which is also utilized by Kerio Valley Development Authority. However, the land on which the Plant and other facilities of the Company are constructed lacks a title deed to prove ownership. Management provided the letter of allotment for the land signifying progress undertaken in the acquisition of the title deed and explained how emotive the issue of land is in the region.

Physical verification carried out in September, 2024 revealed that the Turkwel land measuring 20,827 hectares had been encroached. The encroachment poses impairment risk to the power plant. Further, there are public facilities on the land including two (2) schools and a GSU camp.

In the circumstances, adequacy of measures, taken to safeguard public property and critical infrastructure could not be confirmed.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act, 2015, I report based on my audit that I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit. In my opinion:

i. Information given in the Directors' report on page 124 is consistent with the financial statements; and

ii. The auditable part of the Directors' remuneration report on pages 126 to 129 has been properly prepared in accordance with the Companies Act, 2015.

Responsibilities of Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 October, 2024

Kenya Electricity Generating Company Plc

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Notes	2024 Shs'000	2023 Shs'000
Revenues from contracts with customers			
Electricity revenue	6 (a)	41,252,372	38,783,964
Steam revenue	6 (a)	6,875,964	6,129,269
Fuel charge	6 (a)	7,923,700	8,165,345
Water charge	6 (a)	166,593	125,892
Revenue from diversification sources	6 (a)	78,593	759,207
Total revenue		**56,297,222**	**53,963,677**
Reimbursable expenses			
Fuel costs	7	(7,836,831)	(7,995,258)
Water costs	7	(166,593)	(125,892)
Total reimbursable expenses	**7**	**(8,003,424)**	**(8,121,150)**
Revenue less reimbursable expenses		**48,293,798**	**45,842,527**
Other income	8	1,296,534	2,083,709
Other (losses)/gains – net foreign exchange and fair valuation of financial assets	9	(722,117)	428,317
Operating income		**48,868,215**	**48,354,553**
Expenses			
Depreciation and amortization	10 (a)	(15,707,703)	(15,800,445)
Employee expenses	10 (b)	(10,376,066)	(9,206,178)
Steam costs	10 (c)	(4,393,595)	(3,731,112)
Plant operation and maintenance	10 (d)	(3,667,517)	(2,979,740)
Other expenses	10 (e)	(5,739,660)	(7,067,800)
Allowance for expected credit losses	10 (f)	567,366	(1,162)
Operating profit		**9,551,040**	**9,568,116**
Finance income	11	4,201,745	1,688,805
Finance costs	12	(2,805,920)	(2,732,105)
Profit before income tax		**10,946,865**	**8,524,816**
Income tax charge	13(a)	(4,149,853)	(3,508,339)
Profit for the year		**6,797,012**	**5,016,477**
Earnings per share:			
Basic and diluted (Shs per share)	14	1.03	0.76

Statement of profit or loss and other comprehensive income (continued)

For the year ended 30 June 2024

	Notes	2024 Shs'000	2023 Shs'000
Profit for the year		**6,797,012**	**5,016,477**
Other comprehensive loss, net of income tax:			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of retirement benefit obligations	29a(ii)	(912,714)	(860,574)
Deferred income tax on defined benefit obligation	26	273,814	258,172
Net impairment of revalued assets	26	(382,572)	(4,980,578)
Deferred income tax on impairment of assets	26	114,772	1,494,173
		(906,700)	(4,088,807)
Items that may be reclassified subsequently to profit or loss when specific conditions are met:			
Net gain/(loss) on revaluation on financial instruments measured at FVOCI	26	732	(18,498)
Deferred income tax on valuation of financial instruments	26	(220)	5,549
		512	(12,949)
Other comprehensive loss for the year, net of tax		(906,188)	(4,101,756)
Total comprehensive income for the year		**5,890,824**	**914,721**

Kenya Electricity Generating Company Plc

Statement of financial position

As at 30 June 2024

	Notes	2024 Shs'000	2023 Shs'000
ASSETS			
Non-current assets			
Property, plant and equipment	15(a)	426,723,308	432,483,315
Intangible assets	16	2,118,932	2,256,114
Right of Use assets	17	6,665,185	6,579,750
Financial assets at amortized cost	18	4,153,672	4,358,942
Contract asset	18(d)	-	5,347,560
Financial assets at fair value through profit or loss	19	728,515	17,816,799
Restricted cash balances	24(b)	2,712,749	1,861,357
		443,102,361	**470,703,837**
Current assets			
Inventories	20	2,136,284	1,848,446
Trade receivables	21	16,629,593	21,448,878
Corporate tax recoverable	13(c)	195,667	441,713
Financial assets at amortized cost	18	133,954	137,244
Financial assets at fair value through profit or loss	19	895,818	2,236,554
Other receivables and prepayments	22	3,027,582	4,441,700
Financial asset at fair value through other comprehensive income	23	321,154	320,422
Cash and bank balances	24(a)	24,850,342	14,998,431
		48,190,394	**45,873,388**
TOTAL ASSETS		**491,292,755**	**516,577,225**
EQUITY AND LIABILITIES			
Equity attributable to owners			
Share capital	25	16,487,710	16,487,710
Share premium	25	22,151,131	22,151,131
Other reserves	26	118,730,184	122,361,165
Retained earnings	27	120,736,895	113,193,447
		278,105,920	**274,193,453**
Non- current liabilities			
Borrowings	28	107,748,716	137,042,085
Deferred income tax	30	84,531,405	81,629,986
Lease liabilities	31	891,499	691,876
Grants	32	1,228,401	833,351
		194,400,021	**220,197,298**
Current liabilities			
Borrowings	28	10,035,376	12,809,721
Trade and other payables	33	8,579,311	8,293,841
Lease liabilities due within one year	31	172,127	159,826
Dividends payable	34	-	923,086
		18,786,814	**22,186,474**
TOTAL EQUITY AND LIABILITIES		**491,292,755**	**516,577,225**

The financial statements on pages xx to xx were approved and authorised for issue by the Board of Directors on 28 October 2024 and were signed on its behalf by:

....	....	....
Frank Konuche	**Bernard Ngugi**	**Peter Njenga**
Chairman	Director	Managing Director & CEO

Kenya Electricity Generating Company Plc

Statement of changes in equity

For the year ended 30 June 2024

	Share capital Shs'000	Share premium Shs'000	Other Reserves Shs'000	Retained earnings Shs'000	Total Shs'000
As at 1 July 2023	**16,487,710**	**22,151,131**	**122,361,165**	**113,193,447**	**274,193,453**
Profit for the year	-	-	-	6,797,012	6,797,012
Other comprehensive income	-	-	(906,188)	-	(906,188)
Total comprehensive income for the year	**-**	**-**	**(906,188)**	**6,797,012**	**5,890,824**
Transfer of excess depreciation	-	-	(3,892,561)	3,892,561	-
Deferred tax on excess depreciation	-	-	1,167,768	(1,167,768)	-
Dividends declared to equity holders (Note 34)	-	-	-	(1,978,357)	(1,978,357)
As at 30 June 2024	**16,487,710**	**22,151,131**	**118,730,184**	**120,736,895**	**278,105,920**
Note	25	25	26	27	

	Share capital Shs'000	Share premium Shs'000	Other Reserves Shs'000	Retained earnings Shs'000	Total Shs'000
As at 1 July 2022	**16,487,710**	**22,151,131**	**129,272,244**	**106,686,340**	**274,597,425**
Profit for the year	-	-	-	5,016,477	5,016,477
Other comprehensive income	-	-	(4,101,756)	-	(4,101,756)
Total comprehensive income for the year	**-**	**-**	**(4,101,756)**	**5,016,477**	**914,721**
Transfer of excess depreciation	-	-	(4,013,319)	4,013,319	-
Deferred tax on excess depreciation	-	-	1,203,996	(1,203,996)	-
Dividends declared to equity holders (Note 34)	**-**	**-**	**-**	**(1,318,693)**	**(1,318,693)**
As at 30 June 2023	**16,487,710**	**22,151,131**	**122,361,165**	**113,193,447**	**274,193,453**
Note	25	25	26	27	

Kenya Electricity Generating Company Plc

Statement of cash flows

For the year ended 30 June 2024

	Note	2024 Shs'000	2023 Shs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35(a)	34,278,056	22,355,242
Net income tax paid	13(c)	(614,022)	(430,388)
Finance income received	35(b)	3,181,275	1,301,881
Net cash generated from operating activities		**36,845,309**	**23,226,735**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	15(a)	(8,917,415)	(10,396,683)
Staff costs incurred in capital projects	15(a)	(2,318,808)	(2,815,221)
Interest costs incurred in capital projects	15(a)	(754,632)	(396,423)
Purchase of intangible assets	16	(108,416)	(226,949)
Movement in restricted cash	24(b)	(858,379)	(524,495)
Grants received	32	396,828	501,402
Proceeds on disposal of assets	35(d)	8,988	-
Net cash used in investing activities		**(12,551,834)**	**(13,858,369)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	28(d)	1,620,282	12,471,626
Principal loan repayments	28(d)	(9,701,910)	(14,713,281)
Finance costs paid	35(c)	(2,878,118)	(2,876,753)
Dividends paid	34	(2,901,443)	(1,780,235)
Payment of lease liabilities	31	(275,885)	(231,802)
Net cash used in financing activities		**(14,137,074)**	**(7,130,445)**
Net increase in cash and cash equivalents		10,156,401	2,237,921
Cash and cash equivalents at the beginning of the year	24(a)	15,474,003	12,655,202
Effects of exchange rate changes on cash and bank balances	35(d)	(12,157)	580,880
CASH AND CASH EQUIVALENTS AT END OF YEAR	**24**	**25,618,247**	**15,474,003**

Notes to the financial statement
For the year ended 30 June 2024

1. General information

Kenya Electricity Generating Company PLC (KenGen) is a company limited by shares incorporated and registered in Kenya under the Kenyan Companies Act, 2015. The Company was incorporated in 1954 as Kenya Power Company Limited (KPC) and was under management of The Kenya Power & Lighting Company Plc (Kenya Power). In 1997, the management was separated from Kenya Power and Lighting Company and the Company was renamed Kenya Electricity Generating Company Plc (KenGen) following the implementation of the reforms in the energy sector. The Principal activity is to develop, manage and operate power generation plants to supply electric power to the Kenyan market. The equity shares of the Company are listed on the Nairobi Securities Exchange.

These financial statements are presented in Kenya Shillings and are rounded to the thousand (Shs'000).

2. Statement of Compliance and Basis of Preparation

(a) Basis of preparation

The financial statements are prepared on a going concern basis and is in compliance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015. The directors have made an assessment of the company's ability to continue as a going concern and are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, management has considered the company's financial position, cash flow forecasts, and current commitments, alongside available borrowing facilities and access to capital markets. The assessment also included consideration of potential risks such as market volatility, operational disruptions, and regulatory changes. Accordingly, the financial statements have been prepared on a going concern basis, in accordance with IAS 1 Presentation of Financial Statements.

The financial statements are presented in Kenya Shillings, which is also the functional currency, rounded to the nearest thousand (Shs'000).

The financial statements comprise of the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and notes to the financial statements. Income and expenses, excluding the components of other comprehensive income, are recognized in profit or loss. Other comprehensive income is recognized in the statement of comprehensive income and comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by IFRS Accounting Standards as issued by the International Accounting Standards Board. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognized in other comprehensive income in the current or previous periods. Transactions with the owners of the Company in their capacity as owners are recognized in the statement of changes in equity.

The financial statements other than the cashflow statement have been prepared using accrual basis of accounting.

For the Kenyan Companies Act reporting purposes, in these financial statements, the balance sheet is equivalent to the statement of financial position and the profit and loss account is presented as the statement of profit or loss and other comprehensive income.

(i) Basis of Measurement

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2. Statement of Compliance and Basis of Preparation (continued)

(a) Basis of preparation (continued)

(i) Basis of Measurement (continued)

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are Categorized into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.

(ii) Use of Estimates

The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, allows the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

3. Application of New and Revised IFRS Accounting Standards as issued by the International Accounting Standards Board.

Below are the new and amended IFRS Accounting Standards as issued by the International Accounting Standards Board effective during the financial year ending 30 June 2024. The Company has adopted the standards where applicable in the preparation of the financial statements.

3. Application of New and Revised IFRS Accounting Standards as issued by the International Accounting Standards Board (continued)

(i) New and amended IFRS Accounting Standards in issue and effective in the year ended 30 June 2024

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements. The directors have adopted the Standards and have disclosed material accounting policies. Adoption of the above has no financial impact on the financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. Adoption of above has no financial impact on the financial statements.

3. Application of New and Revised IFRS Accounting Standards as issued by the International Accounting Standards Board (continued)

(i) New and amended IFRS Accounting Standards in issue and effective in the year ended 30 June 2024 (continued)

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit.

For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

  – Right-of-use assets and lease liabilities
  – Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

These amendments provide guidance on deferred tax accounting, especially regarding the global minimum top-up tax under Pillar Two. Effective for annual periods beginning on or after 1 January 2023, with new disclosure requirements applying from 31 December 2023.

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Adoption of above has no financial impact on the financial statements.

3. Application of New and Revised IFRS Accounting Standards as issued by the International Accounting Standards Board (continued)

(ii) New and amended IFRS Accounting Standards in issue but not yet effective in the year ended 30 June 2024

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendment to IAS 21	Lack of Exchangeability
IFRS S1 and IFRS S2	Sustainability and Climate-related Disclosures
Amendment to IFRS 9 and IFRS 7	Financial Instruments
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures
IAS 1	Presentation of Financial Statements: Classification of Liabilities as current or non-current
IFRS 16	Lease Liability in a Sale and Leaseback
IAS 7 and IFRS 7	Supplier Finance Arrangements

4. Summary of Material Accounting Policy Information

(a) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Kenya Shillings in thousands (Shs '000) which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except for differences arising on translation of non-monetary financial assets carried at fair value through other comprehensive income, which are recognized in other comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'gains/ losses-net.

(b) Revenue Recognition

The Company recognizes revenue as and when it satisfies performance obligation by transferring control of services to its sole customer, Kenya Power and other customers. The amount of revenue recognized is the amount the Company expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties such as Value Added Tax and withholding taxes.

Revenue recognition is in accordance with IFRS 15 which provides a single control-based revenue recognition model and clarifies the principles for recognising revenue from contracts with customers. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized when a customer obtains control of a good or service. Customers obtain control when they can direct the use of and obtain the benefits from the good or service.

The principal activity of the Company is to generate and sell electricity to the authorised distributor, Kenya Power and Lighting Company. The performance obligation is the supply of electricity, and the terms of the contracts can be regarded as electricity service contracts.

Electricity revenue is recognized based on available capacity and energy sold to the authorised distributor's transmission systems. The Power Purchase Agreements (PPAs) with the Kenya Power and Lighting Company (Kenya Power)) provide for the following categories of revenue:

- **Capacity revenue** – This relates to the amounts earned from Kenya Power in respect of the contracted capacity as provided for in the PPAs. The charge rates comprise of the investment component and a fixed charge. Contracted capacity is expressed in Megawatts (MW).
- **Energy revenue** – This relates to the amounts earned from Kenya Power in respect of the Net Electrical Output (NEO) as provided for in the PPAs. NEO refers to the electrical energy delivered to Kenya Power from the plant measured in Kilowatt hours (kWh).

4. Summary of Material Accounting Policy Information (continued)

(b) Revenue Recognition (continued)

Steam Revenue
KenGen acts as a principal with regards to steam revenue. Steam revenue is recognized based on the geothermal power sold to the authorised distributor's transmission system as provided for in the PPAs. Steam revenue is divided into the following categories;

- Third party steam revenue – This relates to steam revenue earned from Kenya Power relating to steam purchased from a third party, Geothermal Development Company ('GDC'). The GDC wells from which this steam is obtained are managed by KenGen. Out of the total revenue generated, 69.5% is billed by GDC and is recognized as a cost, under steam costs.
- KenGen steam revenue- This relates to steam revenue earned from Kenya Power for the use of steam obtained from KenGen's own wells.

Fuel charge
Fuel charge is recognized based on amounts billed to Kenya Power for fuel used in the generation of electricity. The fuel revenue is billed based on a predetermined formula embedded in the Power Purchase Agreements (PPAs). The corresponding cost incurred by the Company for the fuel used in the power generation is recognized as a cost, under reimbursable expenses.

Water charge
Water charge is recognized based on amounts billed to Kenya Power for water used in the generation of electricity. The corresponding cost incurred by the Company for the water used in the power generation is recognized as a cost, under reimbursable expenses.

(i) Revenue from the sale of goods and services

Revenue from diversification sources

Revenue from diversification sources is recognized when consultancy services or construction work are provided to customers based on fulfilment of performance obligations as per contract. The current customers include Tulu Moye Geothermal Operations (TMGO), Engineer to Order (ETO) in Ethiopia for drilling services rendered in Tulu moye and Aluto as well as services rendered in Djibouti.

(ii) Revenue from other sources

Other income

Other income comprises mainly of rental income, club revenues, insurance compensation and consultancy fees. Rental income arises from operating leases and is recognized on a straight-line basis over the period of the lease. Club revenues, insurance compensation and consultancy fees are recognized when earned. Rental income is recognized in the income statement as it accrues using the effective rent or rates in lease agreements.

Finance income

Interest income is recognized on a time proportion basis using the effective interest method. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

4. Summary of Material Accounting Policy Information (continued)

(b) Revenue Recognition (continued)

(ii) Revenue from other sources (continued)

Finance income

The company recognizes revenue from electricity sales in line with IFRS 15 when performance obligations are satisfied by transferring control to customers, primarily Kenya Power and Lighting Company PLc. KenGen also regularly reviews its contracts to ensure that revenue recognition aligns with IFRS 15 principles.

Key judgements in revenue recognition include:

Timing of Satisfaction of Performance Obligations:

Revenue is recognized when electricity or steam is delivered to the customer, reflecting contracted capacity (MW) and energy output (kWh) under Power Purchase Agreements (PPAs). Both electricity and steam revenue is therefore earned at a point in time. Steam revenue is recognized based on whether the steam comes from KenGen's wells or third-party wells.

Transaction Price and Allocation:

The transaction price, determined by PPAs, includes fixed and variable charges for capacity and energy. Fuel and water charges are calculated using predetermined formulas and considering related costs.

Revenue from diversification sources, including consultancy services, is recognized upon fulfilling performance obligations.

(c) Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Grants from National Government are recognized in the year in which the Company actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income.

Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

(d) Taxation

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognized in the profit and loss account except when it relates to items recognized in other comprehensive income, in which case it is also recognized in other comprehensive income, or to items recognized directly in equity, in which case it is also recognized directly in equity.

(i) **Current tax**
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4. Summary of Material Accounting Policy Information (continued)

(d) Taxation (Continued)

(ii) Deferred tax

Deferred tax is determined for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the asset is recovered, or the liability is settled.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. However, for investment property that is measured using the fair value model, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale. Deferred tax liabilities are recognized for all taxable temporary differences except those arising on the initial recognition of an asset or liability, other than through a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognized and unrecognized deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognized amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities when there is an intention to settle balances on a net basis.

(e) Employment Benefits

(i) Retirement benefit obligation

Defined contribution
The Company operates a defined contribution retirement benefits plan for its employees, the assets of which are held in a separate trustee administered scheme managed by an insurance Company. A defined contribution plan is a plan under which the Company pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods. The Company's contributions are charged to the profit and loss account in the year to which they relate.

Defined benefit
The Company also operated a defined benefit scheme until 2011 when the scheme was closed to new entrants. Further details on the scheme are provided in note 29.

The liability/asset recognized in the balance sheet in respect of the defined benefit scheme is the present value of the defined benefit obligations at the balance sheet date less the fair value of the plan assets. The defined obligation is calculated annually by independent actuaries using the projected unit credit method.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The net defined benefit asset is the surplus adjusted for any effect of limiting it to the asset ceiling. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that are denominated in the functional currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

4. Summary of Material Accounting Policy Information (continued)

(e) Employment Benefits (continued)

(i) Retirement benefit obligation (continued)

The following components of defined benefit cost are included in profit or loss:

- The service cost of the defined benefit plan (comprising current service costs, past service costs and any gain or loss on settlement)
- The net interest on the net defined benefit liability/asset.

Remeasurements of the net defined benefit liability/asset are recognized in other comprehensive income, with no reclassification to profit or loss in a subsequent period. Remeasurements comprise actuarial gains/losses and the return on plan assets, excluding amounts included in net interest on the net defined benefit liability/asset.

Contributions to National Social Security Fund (NSSF)

The Company and its employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the Company's contributions are charged to the profit and loss account in the year to which they relate.

(ii) Termination benefits

Company employees who retire at retirement age or whose services are terminated for reasons other than gross misconduct are entitled to gratuity payments in accordance with the prevailing unionisable staff Collective Bargaining Agreement. Service gratuity is provided in the financial statements as it accrues to each employee. Employees engaged in contract terms are entitled to service gratuity after the expiry of the contract. Liabilities recognised in respect of contract employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(iii) Leave Entitlements

The estimated monetary liability for employees accrued annual leave entitlement at the balance sheet date is recognized as an employment cost accrual.

(iv) Other benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, service gratuity, and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(f) Property, plant and equipment

All categories of property, plant and equipment are initially recognized at cost. Cost includes expenditure directly attributable to the acquisition of the assets. Land and buildings, transmission lines and plant and equipment and fittings are subsequently carried at a revalued amount, based on valuations by external independent valuers, less accumulated depreciation and accumulated impairment losses. Computer software, including the operating system, that is an integral part of the related hardware is capitalized as part of the computer equipment under intangible assets. All other items of property, plant and equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that it will increase the future economic benefits associated with the item that will flow to the Company over those originally assessed and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit or loss in the year in which they are incurred.

4. Summary of Material Accounting Policy Information (continued)

(f) Property, plant and equipment(continued)

Depreciation is calculated using the straight-line method to write down the cost or the revalued amount of an asset over its useful life.

Increases in the carrying amount arising on revaluation are recognized in other comprehensive income and accumulated in equity under the heading 'property revaluation reserve'. Decreases that offset previous increases of the same asset are recognized in other comprehensive income. All other decreases are charged to profit or loss. Annually, the difference between the depreciation charge based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost (excess depreciation) is transferred from the revaluation surplus reserve to retained earnings.

Asset to its residual value over its estimated useful life.

Asset class	Depreciation rates
Buildings	2.85%
Transmission lines	2.5%
Plant and machinery:	
Intake and tunnels	1%
Hydro plants	2%
Geothermal wells	4%
Geothermal plants	4%
Thermal plants and wind plants	5%
Rigs	6.67%
Motor vehicles	25%
Computers,	20%
Furniture, equipment and fittings	12.5%

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item, is depreciated separately. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial reporting date.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation surplus reserve relating to that asset are transferred to retained earnings.

All productive wells are capitalized in property, plant and equipment when connected and are depreciated over their useful lives. The useful life is currently estimated to be twenty-five years from the date of commencement of commercial operation. The unproductive wells are utilized for reinjection in the steam fields for reservoir sustainability.

Capitalisation of employee costs

The employee costs directly attributable to projects associated with development of power generating resources are capitalized. Capitalisation rates are based on estimated time and effort spent on the related project activities.

Capitalisation of depreciation and Amortization

The depreciation and amortization costs directly attributable to projects associated with development of power generating resources are capitalized. Capitalisation rates are based on estimated depreciation rates and time of use by the project.

4. Summary of Material Accounting Policy Information (continued)

(g) Intangible assets

Intangible assets comprise of computer software, Licences and SCADA acquired for business process and operations. Those acquired separately are measured on initial recognition at cost less subsequent amortization and any accumulated impairment losses. The SCADA is part of the operation of the power plants and is assessed for impairment during revaluation of assets. The useful life of the assets depends on the duration of the licences. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the Amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the profit or loss in the expense category consistent with the function of the intangible asset. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

(h) Impairment

At each reporting date the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years adjusted for subsequent depreciation. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Right of Use Asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. However, leasehold land is initially recognized at cost and is subsequently carried at a revalued amount, based on valuations by external independent valuers, less accumulated depreciation, and accumulated impairment losses.

4. Summary of Material Accounting Policy Information (continued)

(i) Right of Use Asset (continued)

Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

i. Land 2 to 99 years
ii. Buildings 2 to 35 years
iii. Plant and machinery 2 to 20 years
iv. Motor vehicles and other equipment 2 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

(j) Borrowings

KenGen's borrowings and debt management play a crucial role in its financial health and ability to fund ongoing and future projects. KenGen's borrowing involves securing funds through various financial instruments, including:

- **Loans from Financial Institutions:** KenGen secures both local and international loans to finance its projects, particularly those related to expanding and upgrading its power generation capacity.
- **Corporate Bonds:** The company has issued corporate bonds in the past to raise capital from the public and institutional investors.
- **Government Support:** As a state-owned enterprise, KenGen sometimes receives financial support or guarantees from the Kenyan government, which can facilitate access to favorable loan terms.
- KenGen's debt structure typically includes both short-term and long-term borrowings. Key Considerations include:
- **Interest Rates:** The cost of borrowing is influenced by prevailing interest rates, which can impact the company's profitability and cash flow.
- **Currency Risk:** Given that most of the loans are in foreign currencies, the company is exposed to currency risk, which can affect the cost of servicing its debt.
- **Debt Servicing Capacity:** The Company's ability to generate sufficient cash flow to meet its debt obligations is a key measure of its financial health.
- **Debt to Equity Ratio:** This ratio indicates the proportion of debt used in the company's capital structure and is an important indicator of financial leverage.

Borrowings are classified as non-current liabilities unless the settlement of the liability is least 12 months after year end or a event has occurred to have it paid in advance.

Borrowings for the financial year ended 30 June 2024 is found in note 28.

4. Summary of Material Accounting Policy Information (continued)

(j) Borrowings (continued)

Commitment expenses

Commitments fee paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is expensed to the project as occurred.

Capitalization of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalized costs include interest charges on borrowings for projects under construction. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(k) Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined on a moving average basis and comprises expenditure incurred in the normal course of business, including direct material costs. Net realisable value is the price at which the inventory can be realized in the normal course of business after allowing for the costs of realisation. Obsolete and defective inventories are fully provided for write off.

Engineering spares which are used for more than one period are categorized as plant and equipment. All other spares used on normal operations are categorized as consumables and classified under inventory.

(l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification and measurement

The Company recognizes financial assets when it first becomes a party to the contractual rights and obligations in the contract. The company’s financial assets comprise of trade and other receivables, treasury bonds, cash and cash equivalents and financial assets at fair value through profit or loss.
The classification requirements for debt instruments are described below:

4. Summary of Material Accounting Policy Information (continued)

(l) Financial instruments (continued)

Financial assets (continued)

Classification and measurement (continued)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the entity considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Debt instruments held by the Company are now classified under these categories; Amortized Cost, Fair Value Through Other Comprehensive Income (FVOCI) or Fair Value Through Profit or Loss (FVPL).

Subsequent measurement

Based on the business model and the cash flow characteristics, the Company classifies its debt instruments into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either profit or loss or other comprehensive income (OCI), subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through profit or loss (FVPL)

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A business model where KenGen manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in an FVPL business model.

Impairment

The Company assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its debt instrument assets carried at amortized cost and FVOCI. The Company recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 5.

4. Summary of Material Accounting Policy Information (continued)

(l) Financial instruments (continued)

Financial assets (continued)

De-recognition

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either the Company transfers substantially all the risks and rewards of ownership, or neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

Fixed interest investments (bonds)

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest income upon the bond's disposal or maturity. Fixed interest investments are freely traded at the Nairobi Securities Exchange. The bonds are measured at fair value through profit or loss.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. The Company has a credit period of 40 days with Kenya Power and 30 days for other customers, after which they are considered as credit impaired. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

The company provisions trade and other receivables in accordance with the company's policy on financial instruments.

Bad debts are written off after all efforts at recovery have been exhausted.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss.

De-recognition

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

(m) Lease Liabilities

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which the economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprises of fixed lease payments (including the substance fixed payments), less any lease incentives.

4. Summary of Material Accounting Policy Information (continued)

(m) Lease Liabilities (continued)

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of the profit or loss.

(n) Share capital

Ordinary shares are classified as share capital in equity. Any premium received over and above the par value (KShs 2.50) of the shares is classified as share premium in equity. Ordinary shares represent the residual economic value of a Company. They carry rights to distribution of profits through dividend, to the surplus assets of a Company on a winding up and to votes at general meetings of the Company. There are no differences in the voting rights of the ordinary shares held by the shareholders of the Company.

Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from retained earnings when approved by the Company's shareholders. Interim dividends are deducted from retained earnings when they are declared and no longer at the discretion of the Company.

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

4. Summary of Material Accounting Policy Information (continued)

(o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) resulting from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. This includes provisions for employee leave pay and other similar obligations.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the reporting period. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and petty cash accounted for at the end of the financial year.

(q) Restricted Cash

Restricted Cash represents cash and cash equivalents that are set aside for specific purposes and not available for general use by the Company. These funds are segregated from the Company's operational cash and are held for purposes such as compliance with contractual obligations, collateral for borrowings, or other restrictions imposed by legal or regulatory requirements.

Classification and Measurement: Restricted cash is classified as either current or non-current on the statement of financial position based on the nature of the restriction and the expected timing of its release. Current restricted cash is expected to be used within the next 12 months, while non-current restricted cash pertains to funds that will be used beyond this period.
Presentation: The restricted cash is presented separately from unrestricted cash to provide a clear distinction between funds that are readily available for operational purposes and those that are restricted

Restricted cash comprise deposits held with Stima DT Sacco Limited and KCB Limited. The cash is used as a backup for the staff car and mortgage loans and its withdrawal is restricted, up to the point when the mortgage has been repaid (See note 24 (b)).

(r) Payables and Accruals

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within 12 months or otherwise, they are presented as non-current liabilities. Payables and accrued expenses are derecognised when the obligation under the liability is discharged or cancelled or expires without claim. Long outstanding payables are assessed for remission to the Unclaimed Financial assets Authority (UFAA). The standard payment terms of the Company are Net 30 or Net 60 depending on negotiations. This includes the time frame within which the company commits to paying its suppliers.

5. Material Accounting Estimates and Judgments

The preparation of the Company's financial statements in conformity with IFRS requires management and directors to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results.

The Directors also need to exercise judgment in applying the Company's accounting policies.

All estimates and assumptions required in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial years.

Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements and key sources of estimating uncertainty in applying accounting policies

The following are the critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

(a) Impairment of financial assets

Measurement of the expected credit loss allowance (ECL)

IFRS 9 applies an Expected Credit Loss (ECL) approach that requires entities to use historical, current and forward-looking information to estimate the credit losses on financial instruments. Unlike the Incurred Loss Model where losses were recognized only when an observable loss event occurred, the Company is now required to recognize losses earlier using a probability weighted approach.

The level of provision held for any financial instrument will mostly rely on the instrument's credit quality.

IFRS 9 outlines a "three stage" model (general model) for impairment based on changes in credit quality since initial recognition and provides operational simplifications for trade receivables, contract assets and lease receivables. The simplification eliminates the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred. The loss allowance for trade receivables or contract assets that do not contain a significant financing component is measured at initial recognition and throughout its life at an amount equal to lifetime ECL.

5. Material Accounting Estimates and Judgments (continued)

Critical judgements and key sources of estimating uncertainty in applying accounting policies (continued)

(a) Impairment of financial assets (continued)

Measurement of the expected credit loss allowance (ECL) (continued)

Entities have a policy choice for trade receivables or contract assets that do not contain a significant financing component to either apply the general model or the simplified approach. The Company has elected to use the simplified approach.

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument. The measurement of ECLs is based primarily on the product of the financial asset's probability of default (PD), loss given default (LGD), and exposure at default (EAD).

The exposure at default (EAD) is a measure of the total value an entity is exposed to in the event of a default. EAD is set as the amortized cost value of the respective financial asset.

The Loss Given Default (LGD) is a measure of the loss in the event of a default. It is assumed to be 100% for all the financial assets because they do not have collateral and if a default was to happen, the Company would most likely lose the entire balance.

IFRS 9 outlines a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

Stage 1 - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.

Stage 2 - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded.

Assessment of significant increase in credit risk

The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit risk or PD at the date of initial recognition.

Stage 3 - Financial instruments are classified as stage 3 when there is objective evidence of impairment because of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial asset. The ECL model requires that lifetime ECL be recognized for impaired financial instruments.

Financial assets in the scope of the expected credit loss model are allocated to stage 1 on origination date, except if the financial asset is credit impaired at initial recognition or origination. In such instances, the financial assets are allocated to stage 3. When a significant increase in the credit risk of a financial asset since origination has been identified, the financial asset is allocated to stage 2. When the financial asset is in default, the financial asset is moved to stage 3. On transition date, cash and treasury bonds were Stage 1 assets hence 12-month ECL was applied.

5. Material Accounting Estimates and Judgments (continued)

(a) Impairment of financial assets (continued)

Cash held in financial institutions

For cash balances with financial institutions, the following steps were taken in determining the 12-month probability of default:

a) The counterparty's global rating was used to look up the S&P Global equivalent. External credit ratings from reputable global credit rating agencies for financial institutions were obtained. These agencies include Moody's, Standard and Poors (S&P), Global Credit Rating (GCR), Fitch and the respective bank's websites where applicable.

b) If no credible external rating existed as at reporting date, then the rating for a bank of a similar tier was used.

Treasury bonds

The modelling approach for Treasury Bonds (from the Government of Kenya) applies the probability of default from Kenya's sovereign rating.

Trade and other receivables

The Company has applied the simplified approach to impairment for trade and other receivables. Management has grouped financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. Trade receivables and other commercial receivables have been Categorized into two segments;

a) Kenya Power and other government related entities
b) Other commercial customers outside government/ retail category

KenGen and Kenya Power are majority owned and heavily regulated by the Government of Kenya through the Ministry of Energy and Petroleum and the National Treasury. In assessing Kenya Power's credit quality, management has used the Government of Kenya's sovereign rating probability of default as a proxy to Kenya Power's and other government entities' credit rating. The Standard and Poors (S&P) cumulative average default curves have been used to obtain the probability of default and has been applied to all debts whose counterparty is a government agency.

Such counterparties include Geothermal Development Company (GDC), Energy Regulatory Commission (ERC) and the Ministry of Energy. There are no publicly available credit ratings for external customers and management has elected to use the retail credit rating from S&P to estimate their probability of default.

(b) Impairment of inventories

Critical estimates are made by the directors in determining the recoverable amount of impaired inventory. The carrying amount of impaired inventory is set out in Note 20.

(c) Financial assets at fair value through profit or loss

The Directors have determined the value of the financial asset at fair value using valuation techniques which incorporate assumptions that are directly supported by observable market data. We have included under Note 41(d) further details the valuation techniques applied. Changes in assumptions used in the valuation do not significantly impact the reported fair value of the financial assets.

5. Material Accounting Estimates and Judgments (continued)

(d) Lease liabilities

Key sources of estimation uncertainty in the application of IFRS 16 include the following:

- Determination of the appropriate rate to discount the lease payments; and
- Assessment of whether a right-of-use asset is impaired.

(e) Calculation of tax allowances

Management has carried out a detailed assessment and concluded that the company qualifies for the capital allowances which have been claimed. In making this assessment, management makes a number of judgements, the most significant of which are:

- The nature of the arrangements (PPAs) entered into by KenGen and KPLC are purely sale of electricity arrangements and not concession arrangements. Therefore, the investment deduction is claimed on commissioning of a power plant.

- The determination of which investment allowance (e.g. investment deduction, extraction allowance, etc) is applicable to its capital investments.

Calculation of its loss allowances is reasonable and in line with the Income Tax Act.

(f) Capitalisation of staff and other costs

Project related costs including employee costs are capitalized. The key assumption applied in capitalising the employee costs is the time spent by qualifying employees on the capital projects. Significant judgement is required in determining capitalisation rates to be applied on shared service centres.

(i) Capitalization rates

The employee costs directly attributable to projects associated with development of power generating resources are capitalised. Significant judgement is required in determining capitalisation rates to be applied on indirect staff costs. The rates applied in capitalising the employee costs are based on estimated time spent on the capital projects ranging from 10% to 100% of the time.

(ii) Departmental Manager's costs

Prudent judgement to be applied on capitalization of the General Managers ' costs except General Manager Geothermal Development and General Manager Business Development & Strategy whose costs are directly attributable specific projects.

(g) Capitalisation of depreciation costs

Project assets comprise those assets purchased solely for the execution of a project. They include drilling materials, motor vehicles, prime movers, earth moving equipment, rigs, cranes, equipment, computers, tools, furniture and fittings and buildings. Project assets shall be capitalised on acquisition, depreciated on straight line basis over the useful life of the asset and their depreciation is charged to the project or asset on prorate basis.

Drilling material shall be classified as work in progress and expensed to the wells when consumed. Upon completion of the project or asset the depreciation shall be charged to the income statement or to a subsequent project or asset.

5. Material Accounting Estimates and Judgments (continued)

(h) Capitalisation of Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalised costs include interest charges and foreign currency exchange differences on borrowings for projects under construction to the extent that they are regarded as adjustments to interest rates.

(i) Revaluation of property plant and equipment

Certain categories of property plant and equipment are carried at fair value. Revaluations are performed by professional valuers at sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the reporting date. At the reporting date, the Directors assess the carrying amount of revalued property, plant and equipment and apply judgement to determine that these do not differ materially from market revaluation.

(j) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the assets
- Changes in the market in relation to the asset

(k) Actuarial valuation of defined benefits plan

The asset or liability due under the defined benefit pension plan is determined using actuarial valuation techniques. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. We have disclosed the assumptions and sensitivity thereof under Note 29.

(l) Impairment of property, plant and equipment and intangible assets

At the reporting date, the Company reviews the condition of its property, plant and machinery, tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Any impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss, other than that arising from goodwill, is recognised as income immediately.

5. Material Accounting Estimates and Judgments (continued)

(m) Impairment of Right of Use Assets

At the reporting date, the Company reviews the carrying amounts of its Right of Use Assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the depreciable amount of the asset is estimated by checking the remaining period of leases or status of the assets in order to determine the extent of the impairment loss.

(n) Consolidation of KenGen Foundation

KenGen Foundation was established by KenGen PLC as a public charitable trust by Declaration of trust deed dated 2009 and is domiciled in Kenya. The Foundation serves as the philanthropic arm of KenGen and is mandated to: Turn short term one-off CSR (Corporate Social Responsibility) Projects into CSI (Corporate Social Investments); Upscale CSI activities for greater impact and increase and diversify resources available for CSI projects.

The Foundation is wholly controlled by the Company. However, it has not been consolidated as the Foundation is considered immaterial to these financial statements.

Notes to the financial statements (continued)

For the year ended 30 June 2024

6. Revenue

a) Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services in the following revenue types.

	Geothermal Shs 000	Hydro Shs 000	Thermal Shs 000	Wind Shs 000	Diversified source Shs 000	Total Shs 000
30 June 2024						
Electricity revenue						
• Capacity	21,710,393	7,887,730	2,341,426	-	-	31,939,549
• Energy	6,813,130	1,696,049	375,528	428,116	-	9,312,823
	28,523,523	**9,583,779**	**2,716,954**	**428,116**	**-**	**41,252,372**
Steam revenue (note 6(c))	6,875,964	-	-	-	-	6,875,964
Fuel charge	-	-	7,923,700	-	-	7,923,700
Water charge	-	166,593	-	-	-	166,593
Revenue from diversification sources*	-	-	-	-	78,593	78,593
Total revenue	**35,399,487**	**9,750,372**	**10,640,654**	**428,116**	**78,593**	**56,297,222**
30 June 2023						
Electricity revenue						
• Capacity	20,459,448	6,003,296	3,029,587	-	-	29,492,331
• Energy	6,999,351	1,534,172	284,262	473,848	-	9,291,633
	27,458,799	**7,537,468**	**3,313,849**	**473,848**	**-**	**38,783,964**
Steam revenue (note 6(c))	6,129,269	-	-	-	-	6,129,269
Fuel charge	-	-	8,165,345	-	-	8,165,345
Water charge	-	125,892	-	-	-	125,892
Revenue from diversification sources*	-	-	-	-	759,207	759,207
Total revenue	**33,588,068**	**7,663,360**	**11,479,194**	**473,848**	**759,207**	**53,963,677**

*This relates to revenue from Ethiopia branch for drilling related operations in Ethiopia and Djibouti.

6. Revenue (Continued)

b) *Deferred income - Contract assets and liabilities*

The Company was contracted on various projects to offer consultancy services in Ethiopia and Djibouti. As part of the contracting terms, the Company received advance payments amounting to Nil at end of current year (2023-Shs. nil) that were accounted for as deferred income, with recognition as revenue to occur after one year. These have been disclosed as part of trade and other payables disclosed under Note 33.

	2024 Shs'000	2023 Shs'000
At start of year	-	206,411
Additions	-	124,318
Revenue recognized through profit or loss	-	(330,729)
At end of year (Note 33)	-	-

i. Payments received in advance, revenue is recognised when control of the goods or services has transferred to the customer, being at the point the goods or services are delivered to the customer. When the customer initially pays advance payment, the transaction price received at that point by the Company is recognised as contract liability until the goods or services have been delivered to the customer.

ii. Revenue relating to maintenance services is recognised over time although the customer pays up-front in full for these services.

iii. Contract liabilities relating to reimbursement, construction contracts are balances from customers under construction contracts whose performance obligations have not been fulfilled.

c) *Steam revenue*

	2024 Shs'000	2023 Shs'000
Third party revenue*	6,072,378	5,357,593
KenGen steam revenue**	803,586	771,676
Total steam revenue (Note 6(a))	6,875,964	6,129,269

*This relates to steam income from wells vested to Geothermal Development Company.

**This relates to income from KenGen's own wells.

Notes to the financial statements (continued)

For the year ended 30 June 2024

7. Reimbursable expenses

	2024 Shs'000	2023 Shs'000
Fuel costs[1]	7,836,831	7,995,258
Water costs[2]	166,593	125,892
	8,003,424	**8,121,150**

i. In line with the provisions of the Power Purchase Agreements, the company is reimbursed by The Kenya Power and Lighting Company Plc for fuel costs incurred in the production of thermal electricity based on pre-agreed plant fuel usage.

ii. The Water Resource Management Rules 2007 (Water Regulations) was Gazetted by the Government through legal notice No. 171 of September 2007. The regulation provided for water use charge at the rate of 0.05 Shs/kWh for power plants with capacity of over 1MW. With approval from the Energy Regulatory Commission (Now Energy and Petroleum Regulatory Authority), the company is reimbursed by The Kenya Power and Lighting Company Plc for the cost of water charges.

8. Other income

	2024 Shs'000	2023 Shs'000
Insurance compensation*	782,082	1,745,920
Club income**	166,813	152,181
Miscellaneous income***	175,270	16,958
Rent receivable	60,257	49,732
Geothermal spa	25,118	24,018
Consultancy fees	-	5,926
Carbon credits****	-	4,261
Contract asset reimbursement (Interest paid on behalf of KETRACO) *****	83,148	84,713
Gain on disposal of assets	3,846	-
	1,296,534	**2,083,709**

*Insurance compensation in 2023 mainly relates to insurance proceeds received with respect to business interruptions and property damage claims mainly arising from the damage to Olkaria V unit 1 on 7 October 2021. The insurance claim process was finalised in June 2023. For the year 2024, the insurance compensation mainly relates to Olkaria II unit 3 fire damage.

** Club income relates to income earned from the welfare clubs in the various operational areas.

*** Miscellaneous income relates to income earned from disposal of obsolete materials, sludge, sale of tenders, sale of water, supply of steam for heating purposes, and training facilitation.

****Carbon credits, also known as carbon offsets, are permits that allow the owner to emit a certain amount of carbon dioxide or other greenhouse gases. One credit permits the emission of one ton of carbon dioxide or the equivalent in other greenhouse gases. KenGen with a generation portfolio of 86% renewable energy sources is taking deliberate steps to reduce carbon emissions with actions and commitments locally and internationally. The Company's actions in carbon emission reduction towards a net-zero future has earned KenGen global funds and status of climate champion and accorded us a prestigious position of industry leader in climate change action.

***** Contract asset reimbursement from financial asset relates to reimbursable of interest paid on behalf of KETRACO (Note 18(d)).

Notes to the financial statements (continued)

For the year ended 30 June 2024

9. Other (losses)/ gains– net foreign exchange and fair valuation of financial assets

	2024 Shs'000	2023 Shs'000
Realized foreign exchange loss recovered through billing- others transactions (Note 36(a) (i))	1,512,403	593,080
Realized foreign exchange loss not billed- borrowings (Note 19)	(98,933)	(2,457,623)
Foreign exchange (loss)/gains from other monetary items	(1,288,984)	2,019,212
Bond premium expense (Note 18(c))	(12,355)	(11,259)
Unrealized (loss)/gain revaluation of the financial assets held at fair value through profit or loss (Note 19)	(16,455,406)	21,909,225
Realized exchange difference on EIB Loan on settlement of KETRACO contract asset (Note 19)	(949,982)	-
Unrealized foreign exchange differences on financial assets not recoverable from KPLC (Note 19)	115,734	697,961
Unrealized foreign exchange gain/(loss) on valuations of borrowings (Note 28(d))	16,455,406	(21,909,225)
Unrealized foreign exchange loss not recoverable from KPLC due to expiry of Kipevu I PPA (Note 19)	-	(413,054)
	(722,117)	**428,317**

10. Expenses

		2024 Shs'000	2023 Shs'000
(a)	**Depreciation and Amortization**		
	Depreciation (Note 15(a))	15,603,783	15,885,725
	Less: Amount capitalized (Note 15(a))	(388,259)	(454,564)
		15,215,524	15,431,161
	Intangible assets- software (Note 16)	245,599	214,034
	Amortization - Prepaid leases on leasehold land (Note 17)	95,495	45,398
	Other Right of Use Assets (Note 17)	151,085	109,852
		246,580	155,250
	Total depreciation and amortization charge for the year	**15,707,703**	**15,800,445**

10. Expenses (Continued)

(b) Employee expenses	2024 Shs'000	2023 Shs'000
Salaries, wages and other staff costs	10,694,684	10,118,776
Welfare and benefits	786,718	896,722
Training expenses	245,495	228,663
Retirement benefit cost:		
- Defined contribution scheme	735,793	728,839
- Defined benefit scheme (Note 29 (a)(i))	195,607	36,707
- National Social Security Fund	36,577	11,692
	12,694,874	12,021,399
Less: Capitalized costs* (Note 15(a))	(2,318,808)	(2,815,221)
	10,376,066	**9,206,178**

* The employee expenses incurred and attributable to implementation of capital projects are capitalized in line with the application of the Company's accounting policy as disclosed under Note 4.

Number of employees	2024 Numbers	2023 Numbers
The number of persons employed by the Company at the year-end was;		
- Operational staff	1,084	1,061
- Geothermal resource assessment and other projects staff	1,432	1,532
	2,516	**2,593**
Management staff	1,691	1,730
Union Staff	825	863
Total	**2,516**	**2,593**
Permanent employees – management	1,679	1,720
Permanent employees – unionizable	807	863
Contract employees-management and Union	30	10
Total	**2,516**	**2,593**

10. Expenses (Continued)

c) Steam costs	2024 Shs'000	2023 Shs'000
Steam expenses (Note 36(b)(ii))	**4,393,595**	**3,731,112**

Steam costs represent amounts payable for steam from Geothermal Development Company wells utilized in generation of power from Olkaria I AU 4 & 5, Olkaria IV and some Wellhead plants. The related income is disclosed under Note 6(c).

(d) Plant operation and maintenance expenses	2024 Shs'000	2023 Shs'000
Operation and maintenance costs*	1,983,180	1,532,625
Machinery spares and consumables	1,684,337	1,447,115
	3,667,517	**2,979,740**

*The cost associated with drilling of operations in Ethiopia and Djibouti amounting to Shs. 503 million have been included in the expense. The expenses mainly attribute to the demobilization of the drilling equipment from Ethiopia.

(e) Other expenses	2024 Shs'000	2023 Shs'000
Insurance	1,645,189	2,440,934
Transport and travelling costs	1,291,752	1,315,964
Office	204,572	305,854
Catchment preservation and dam maintenance	107,000	107,000
Consultants' fees	215,572	272,785
Legal and statutory	197,371	133,145
Corporate Social Responsibility	115,803	172,598
Director's fees and allowances (Note 36(f))	22,714	23,418
Director's logistical expenses	26,127	43,893
Advertising	83,304	69,606
Audit fees	11,380	10,906
Club	199,598	163,198
Provisions and impairment of assets (Note 10(g))	1,288,006	1,695,725
Tax expense for foreign operations	-	31,906
Other costs*	331,272	280,868
	5,739,660	**7,067,800**

*Other costs mainly comprise of subscriptions, environmental management costs, innovation, research and development, disaster management cost among others.

10. Expenses (Continued)

(f) Allowance for expected credit losses (IFRS 9)	2024 Shs'000	2023 Shs'000
Ketraco-Sondu Miriu line (Note 18(a))	(7,463)	21,952
KPLC- Olkaria V transmission lines (Note 18(b))	(49,089)	32,084
Treasury bonds (Note 18 (c))	678	9,273
Ketraco- Olkaria I AU & IV transmission lines (Note 18(d))	(215,931)	147,321
Trade receivables - KPLC debt (Note 21)	(399,387)	(371,995)
Other receivables (Note 22)	(195,494)	(49,137)
Cash and cash equivalents (Note 24 (a))	292,333	204,304
Restricted cash (Note 24 (c))	6,987	7,360
	(567,366)	**1,162**

(g) Impairment and provisions for assets		
Provision for inventory obsolescence	335,698	683,624
Impairment of CWIP assets (Note 15(a))	39,478	10,040
Impairment of intangible cost (Note 16)	-	15,947
Impairment of property, plant and equipment assets*	912,830	899,760
Impairment of other assets	-	86,354
	1,288,006	**1,695,725**

* The current year impairment relates to geothermal wells which have casing failures due to acidic condensate, cannot be available for use and have been plugged for safety purposes. The previous year impairment relates to inventory attached to Kipevu 1 and Muhoroni power plants whose PPAs expired last year and have not been renewed.

11. Finance income

	2024 Shs'000	2023 Shs'000
Interest income from Kenya Power and Lighting Company Plc (Note 36(a)(i)) *	710,165	364,696
Interest income from treasury bonds	282,795	282,796
Interest income from banks and other financial institutions	3,147,569	980,742
Interest on Olkaria V financial asset	53,686	55,454
Interest income from staff advances	7,530	5,117
	4,201,745	**1,688,805**

*Relates to interest penalties charged to Kenya Power due to late payments of invoices. Interest on late payments accrues 40 days after billing and Kenya Power acknowledging invoice or lapse of credit period.

12. Finance costs

	2024 Shs'000	2023 Shs'000
Interest on borrowings	3,404,758	3,015,967
Interest on leases as per IFRS 16 (Note 31)	155,794	112,561
Less: capitalized interest* (Note 15(a))	(754,632)	(396,423)
Interest expensed	**2,805,920**	**2,732,105**

*The interest relating to implementation of projects are capitalized as part of the cost of the projects in accordance with the Company's accounting policy as disclosed under Note 4.

13. Income tax charge

	2024 Shs'000	2023 Shs'000
(a) Taxation charge		
Current income tax*	860,068	337,301
Deferred tax charge (Note 30)	3,277,671	3,171,038
Prior year overprovision – deferred tax (Note 30)	12,114	-
	4,149,853	**3,508,339**

*Current income tax relates to revenue and other income lines which are taxed as a separate source of income.

	2024 Shs'000	2023 Shs'000
(b) Reconciliation of expected tax based on profit before taxation-to-taxation charge		
Profit before taxation	10,946,865	8,524,816
Tax applicable rate of 30%	3,284,059	2,557,445
Tax effect of expenses not deductible for tax purposes	853,680	950,894
Prior year overprovision – deferred tax	12,114	-
Total income tax charge	**4,149,853**	**3,508,339**

13. Income tax charge (continued)

	2024 Shs'000	2023 Shs'000
(c) Corporate tax recoverable		
As at start of the year	(441,713)	(348,627)
Current income tax payable (Note 13(a))	860,068	337,301
Paid during the year	(614,022)	(430,388)
As at end of the year	**(195,667)**	**(441,713)**

14. Earnings per share

Basic earnings per share have been calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the year. There were no potentially dilutive shares as at 30 June 2023 and 30 June 2024.

	2024 Shs'000	2023 Shs'000
Profits attributable to ordinary shareholders (in Shs'000)	6,797,012	5,016,477
Number of ordinary shares in issue at end of year (in '000 ') (Note 25)	6,594,522	6,594,522
Basic and diluted earnings per share (Shs)	1.03	0.76

Notes to the financial statements (continued)

For the year ended 30 June 2024

15 (a). Property, plant and equipment

	Freehold land Shs'000	Buildings Shs'000	Transmission lines Shs'000	Plant and machinery Shs'000	Motor vehicles Shs'000	Furniture, equipment and fittings Shs'000	Work- in-progress Shs'000	Total Shs'000
Year ended 30 June 2024								
Cost or Valuation								
At 1 July 2023	4,972,513	68,025,456	5,154,190	317,101,695	2,848,395	7,846,562	57,108,275	463,057,086
Additions	-	-	-	-	-	-	8,917,415	8,917,415
Foreign exchange capitalized	-	-	-	-	-	-	(1,195,318)	(1,195,318)
Staff cost capitalized (Note 10(b))	-	-	-	-	-	-	2,318,808	2,318,808
Interest cost capitalized (Note 12)	-	-	-	-	-	-	754,632	754,632
Depreciation capitalized (Note 10 (a))	-	-	-	-	-	-	388,259	388,259
Impairment of CWIP assets*(Note 10(g))	-	-	-	-	-	-	(39,478)	(39,478)
Transfers from WIP	-	1,150,008	6,629	2,151,881	423,184	599,710	(4,331,412)	-
Impairment of assets**	-	-	-	(1,487,008)	-	-	-	(1,487,008)
Disposals of Assets	-	-	-	-	(54,860)	-	-	(54,860)
At 30 June 2024	**4,972,513**	**69,175,464**	**5,160,819**	**317,766,568**	**3,216,719**	**8,446,272**	**63,921,181**	**472,659,536**
Accumulated depreciation								
At 1 July 2023	**-**	**4,010,645**	**1,152,227**	**17,357,932**	**2,190,609**	**5,862,357**	**-**	**30,573,770**
Charge for year	-	1,711,529	241,456	12,928,395	140,889	581,514	-	15,603,783
Depreciation reversal on impairment	-	-	-	(191,607)	-	-	-	(191,607)
Depreciation reversal on disposal of assets	-	-	-	-	(49,718)	-	-	(49,718)
At 30 June 2024	**-**	**5,722,174**	**1,393,683**	**30,094,720**	**2,281,780**	**6,443,871**	**-**	**45,936,228**
Net book value at 30 June 2024	4,972,513	63,453,290	3,767,136	287,671,848	934,939	2,002,401	63,921,181	426,723,308
Net book value at 30 June 2024 (cost basis)	**619,613**	**38,147,741**	**528,677**	**180,422,400**	**934,940**	**2,002,402**	**63,921,181**	**286,576,954**

*An assessment for impairment was carried out in respect to capital work in progress (CWIP) and feasibility studies costs were impaired.

**An assessment for impairment was carried out in respect to PPE. It was determined that some Geothermal wells under plant and machinery could no longer be utilised and therefore they were impaired.

***Capital works in progress includes unconnected wells, feasibility studies conducted before commencement of a project and ongoing projects that are being undertaken.

Notes to the financial statements (continued)

For the year ended 30 June 2024

15(a). Property, plant and equipment (continued)

	Freehold land Shs'000	Buildings Shs'000	Transmission lines Shs'000	Plant and machinery Shs'000	Motor vehicles Shs'000	Furniture, equipment and fittings Shs'000	Work- in-progress Shs'000	Total Shs'000
Year ended 30 June 2023								
Cost or Valuation								
At 1 July 2022	4,953,000	68,288,243	5,371,155	310,860,616	2,573,536	7,299,682	57,071,098	456,417,330
Additions	-	-	-	15,125	-	-	10,396,683	10,411,808
Staff cost capitalized (Note 10(b))	-	-	-	-	-	-	2,815,221	2,815,221
Interest cost capitalized (Note 12)	-	-	-	-	-	-	396,423	396,423
Depreciation capitalized (Note 10 (a))	-	-	-	-	-	-	454,564	454,564
Impairment of CWIP assets*(Note 10(g))	-	-	-	-	-	-	(10,040)	(10,040)
Transfers from WIP	19,513	853,710	4,450	12,316,261	274,860	546,880	(14,015,674)	-
Impairment of assets**	-	(1,116,497)	(221,415)	(6,090,307)	-	-	-	(7,428,218)
At 30 June 2023	**4,972,513**	**68,025,456**	**5,154,190**	**317,101,695**	**2,848,396**	**7,846,562**	**57,108,275**	**463,057,086**
Accumulated depreciation								
At 1 July 2022	-	2,245,442	767,735	5,934,322	2,065,354	5,223,071	-	16,235,924
Charge for year	-	1,982,660	402,927	12,735,598	125,255	639,287	-	15,885,725
Reversal on impairment**	-	(217,457)	(18,435)	(1,311,988)	-	-	-	(1,547,880)
At 30 June 2023	**-**	**4,010,645**	**1,152,227**	**17,357,932**	**2,190,609**	**5,862,358**	**-**	**30,573,769**
Net book value at 30 June 2023	**4,972,513**	**64,014,811**	**4,001,963**	**299,743,763**	**657,787**	**1,984,204**	**57,108,275**	**432,483,315**
Net book value at 30 June 2023 (cost basis)	**619,613**	**38,611,739**	**763,505**	**175,802,872**	**657,787**	**1,984,204**	**57,108,275**	**275,547,996**

*An assessment for impairment was carried out in respect to assets under capital work in progress including unconnected wells and feasibility studies. It was determined that some assets could no longer be carried in the books and were impaired.

** During the year, 2023 assets assigned to two thermal plants whose PPAs had expired and had not been renewed and one geothermal plant that had been temporarily halted for refurbishment were impaired and the related accumulated depreciated was adjusted to derive the net impairment loss for each asset.

15(b). Revaluation of property plant and equipment

Plant, machinery and transmission lines were last professionally valued on 30 June 2022 by Aon Risk Services Australia Limited registered professional valuers, on a depreciated replacement cost basis which represents the plant, machinery and transmission lines' highest and best use value.

The freehold land and buildings were last revalued, and the report adopted on 30 June 2022 based on prevailing market values by Ebony limited, Zenith Limited and Syagga Associates registered professional valuers.

The values were incorporated in the financial statements for the year ended 30 June 2022.

15(c). Property plant and equipment – other disclosures

The Company's freehold and leasehold land is located in the following locations:

- Olkaria
- Gitaru
- Kiambere
- Kamburu
- Kindaruma
- Masinga
- Sangoro
- Turkwel
- Sosiani
- Gogo
- Wanjii
- Tana
- Sagana
- Ndula
- Mesco
- Garissa
- Lamu
- Kipevu
- Sondu Miriu

If the freehold land, buildings, plant and machinery and transmission lines were stated on the historical cost basis, the amounts would be as follows:

	Freehold land Shs'000	Buildings Shs'000	Transmission lines Shs'000	Plant and machinery Shs'000	Total Shs'000
At 30 June 2024					
At cost	619,613	59,939,161	3,753,065	262,453,577	326,765,416
Accumulated depreciation	-	(21,791,420)	(3,224,388)	(82,031,177)	(107,046,985)
	619,613	**38,147,741**	**528,677**	**180,422,400**	**219,718,431**
At 30 June 2023					
At cost	619,613	58,789,153	3,746,436	261,788,704	324,943,906
Accumulated depreciation	-	(20,177,414)	(2,982,931)	(85,985,832)	(109,146,177)
	619,613	**38,611,739**	**763,505**	**175,802,872**	**215,797,729**

Impairment
At each reporting date, the directors review the conditions of property, plant and equipment to determine whether there are any indicators of impairment. If any such indication exists, an impairment assessment is performed.

16. Intangible assets

Year ended 30 June 2024	Computer software and licences Shs'000	Plant monitoring software Shs'000	Work-in-progress Shs'000	Total Amount Shs'000
Cost or Valuation				
At 1 July 2023	2,122,075	853,721	143,305	3,119,101
Additions	-	-	108,416	108,416
Transfers	34,512	31,590	(66,102)	-
At 30 June 2024	**2,156,587**	**885,311**	**185,619**	**3,227,517**
Accumulated amortization				
At 1 July 2023	577,852	285,134	-	862,986
Charge for the year	175,161	70,438	-	245,599
At 30 June 2024	**753,013**	**355,572**	**-**	**1,108,585**
Net book value as at 30 June 2024	**1,403,574**	**529,739**	**185,619**	**2,118,932**
Net book value as at 30 June 2023	**1,544,223**	**568,586**	**143,305**	**2,256,114**

Intangible assets comprise of Supervisory Control and Data Acquisition (SCADA), computer software and licences that are acquired for business process and operations and have a useful life of over one year. They were acquired separately and measured on initial recognition at cost less subsequent amortization and any accumulated impairment losses. The SCADA is part of the operation of the power plants and was last professionally revalued as at 30 June 2022 on a depreciated replacement cost basis which represents the intangible asset's highest and best use value by Aon Risk Services Australia Limited.

16. Intangible assets (continued)

Year ended 30 June 2023	Computer software and licences	Plant monitoring software	Work-in-progress	Total Amount
Cost or Valuation				
At 1 July 2022	1,926,838	853,721	127,540	2,908,099
Additions	-	-	226,949	226,949
Transfer	195,237	-	(195,237)	-
Impairment*	-	-	(15,947)	(15,947)
At 30 June 2023	**2,122,075**	**853,721**	**143,305**	**3,119,101**
Accumulated amortization				
At 1 July 2022	431,982	216,970	-	648,953
Charge for the year	145,870	68,164	-	214,034
At 30 June 2023	**577,852**	**285,134**	**-**	**862,986**
Net book value as at 30 June 2023	**1,544,223**	**568,587**	**143,305**	**2,256,114**
Net book value as at 30 June 2022	**1,494,856**	**636,750**	**127,540**	**2,259,146**

*An assessment for impairment was carried out in respect to the assets under capital work in progress. It was determined that some assets could no longer be carried in the books and were impaired.

If the Intangible Assets were stated on the historical cost basis, the amounts would be as follows:

	Computer software and licences Shs'000	Plant monitoring software Shs'000	Work-in-progress Shs'000	Total Shs'000
At 30 June 2024	2,122,075	849,035	143,305	3,114,415
Additions	34,512	31,590	42,314	108,416
Accumulated depreciation	(753,013)	(446,275)	-	(1,199,288)
	1,403,574	**434,350**	**185,619**	**2,023,543**
At 30 June 2023				
At cost	2,122,075	849,035	143,305	3,114,415
Accumulated depreciation	(577,852)	(375,837)	-	(953,689)
	1,544,223	**473,198**	**143,305**	**2,160,726**

Notes to the financial statements (continued)
For the year ended 30 June 2024

17. Right of Use assets

Year ended 30 June 2024	Leasehold Land Shs'000	Buildings Shs'000	Total Shs'000
Cost or valuation			
At 1 July 2023	6,213,571	944,936	7,158,507
Additions (Note 31)	332,015	-	332,015
At 30 June 2024	**6,545,586**	**944,936**	**7,490,522**
Accumulated depreciation			
At 1 July 2023	88,255	490,502	578,757
Charge for the year (Note 10(a))	95,495	151,085	246,580
At 30 June 2024	**183,750**	**641,587**	**825,337**
Net carrying value as at 30 June 2024	**6,361,836**	**303,349**	**6,665,185**

The Leasehold land was last revalued on 30 June 2022 based on prevailing market values and amortised to reflect carrying amounts by Ebony limited, Zenith Limited and Syagga Associates registered professional valuers.
They were incorporated in the Financial Statements for the year ended 30 June 2022.

Year ended 30 June 2023	Leasehold Land Shs'000	Buildings Shs'000	Total Shs'000
Cost or valuation			
At 1 July 2022	6,213,571	1,027,879	7,241,450
Adjustments* (Note 31)	-	(82,943)	(82,943)
At 30 June 2023	**6,213,571**	**944,936**	**7,158,507**
Accumulated depreciation			
At 1 July 2022	42,857	380,650	423,507
Charge for the year (Note 10(a))	45,398	109,852	155,250
At 30 June 2023	**88,255**	**490,502**	**578,757**
Net carrying value as at 30 June 2023	**6,125,316**	**454,434**	**6,579,750**

*During the year, an adjustment to correct the lease liability with respect to service charge was made to align the lease obligations under IFRS 16.

17. Right of Use assets (continued)

Presentation of Right of Use at cost

Year ended 30 June 2024	Leasehold Land Shs'000	Buildings Shs'000	Total Shs'000
Cost			
At 1 July 2023	2,119,331	944,936	7,158,507
Additions	332,015	-	332,015
Accumulated depreciation	(511,583)	(641,587)	(1,153,170)
At 30 June 2024	**19,939,763**	**303,349**	**2,243,112**
Cost			
At 1 July 2022	2,119,331	944,936	3,064,267
Accumulated depreciation	(454,896)	(490,502)	(945,398)
At 30 June 2023	**1,664,435**	**454,434**	**2,118,868**

18. Financial assets held at amortized cost

	2024 Shs'000	2023 Shs'000
Deferred debt due from KETRACO (Note 18(a))	666,385	841,092
Financial asset due from KPLC-Olkaria V transmission line (Note 18(b)	1,298,199	1,319,019
Treasury bonds at amortised cost (Note 18 (d))	2,323,042	2,336,075
	4,287,626	**4,496,186**
Presentation analysis:		
Non-current	4,153,672	4,358,942
Current	133,954	137,244
	4,287,626	**4,496,186**

a) Deferred debt due from Kenya Electricity Transmission Company Limited (KETRACO)

Deferred debt relates to the amounts recoverable from Kenya Electricity Transmission Company Limited (KETRACO) in respect of a loan taken out by the Company for the construction of the Sondu Miriu transmission and sub-station project implemented by the Company on behalf of KETRACO under a management agreement. Japan Bank for International Corporation funded the foreign component of the Sondu Miriu project under the loan agreement between the Japan Bank for International Corporation and the Company. The debt is payable over a period of 30 years commencing 15 August 2014.

18. Financial assets held at amortized cost (continued)

a) Deferred debt due from Kenya Electricity Transmission Company Limited (KETRACO)

The effective interest rate in Japanese Yen on the deferred debt during the year was 0.75% (2023: 0.75%).

The deferred debt and corresponding loan from Japan Bank for International Corporation are both denominated in Japanese Yen (JPY). The amount outstanding as at year end was JPY 858,008,628 (2023: JPY 895,338,775).

Deferred debt due from KETRACO (Sondu Miriu Transmission Line)

	2024 Shs'000	2023 Shs'000
At start of year	875,055	816,485
Interest charge	7,936	7,798
Repayment during the year	(50,678)	(48,676)
Foreign exchange (loss)/gain	(139,428)	99,448
	692,885	**875,055**
Allowance for impairment	(26,500)	(33,963)
At end of year	**666,385**	**841,092**
Maturity analysis of deferred debt is as follows:		
Within one year	34,174	41,028
After one year	632,211	800,064
	666,385	**841,092**
The movement in the allowance for impairment in the year is as follows:		
At start of year	(33,963)	(12,011)
(Credit/(charge)to profit or loss (Note 10(f))	7,463	(21,952)
Allowance for impairment	**(26,500)**	**(33,963)**

18. Financial assets held at amortized cost (continued)

b) Financial asset due from KPLC-Olkaria V transmission line

KenGen implemented Substation and Transmission lines component for Olkaria V Geothermal Power Plant on behalf of Kenya Power and Lighting Company Plc (KPLC). The cost of the Substation and Transmission line will be recovered through the PPA. During implementation of the project the costs were booked in WIP and later transferred to financial asset account as per IFRIC 12 "Service Concession Arrangements". On full recovery of the costs through PPA, the transmission assets will be transferred to KPLC.

	2024 Shs'000	2023 Shs'000
At start of year	1,372,280	1,439,551
Interest amortization (Note 11)	53,686	55,454
Recoveries through billing	(123,595)	(122,725)
	1,302,371	**1,372,280**
Allowance for impairment	(4,172)	(53,261)
At end of year	**1,298,199**	**1,319,019**
Maturity analysis of deferred debt is as follows:		
Within one year	99,780	96,216
After one year	1,198,419	1,222,803
Net book amount	**1,298,199**	**1,319,019**
The movement in the allowance for impairment in the year is as follows;		
At start of year	(53,261)	(21,177)
Credit/(charge) to profit or loss (Note 18(d))	49,089	(32,084)
Allowance for expected credit loss	**(4,172)**	**(53,261)**

18. Financial assets held at amortized cost (continued)

c) Treasury Bonds (T. BOND FD1 2010/25)

The company invested in long term treasury bonds (non-current asset) which continues to earn interest on a semi-annual basis. They are recognized as financial assets at amortized cost. The coupon rate is 11.25%.

	2024 Shs'000	2023 Shs'000
At start of year	2,359,883	2,371,142
Bond premium amortization (Note 9)	(12,355)	(11,259)
	2,347,528	**2,359,883**
Allowance for expected credit loss	(24,486)	(23,808)
At end of year	**2,323,042**	**2,336,075**
The movement in the provision of expected credit losses in the year is as follows		
At start of year	(23,808)	(14,535)
Charge to profit or loss (Note 10(f))	(678)	(9,273)
Allowance for impairment	**(24,486)**	**(23,808)**

d) Contract asset -KETRACO-Olkaria 280MW transmission line

On or around the year 2010 the Government of the Republic of Kenya received financing for the Kenya Electricity Expansion Project (KEEP) from various financiers for the construction of 280MW Olkaria of Olkaria IV & I AU Geothermal Project. KenGen was the Implementing Agency for the construction of Olkaria IV & I AU power plants, High Voltage Substations and Transmission Lines (the Project). The High Voltage Substations and Transmission Lines (Lot C) were implemented by KenGen on behalf of KETRACO.

The Project was financed by European Investment Bank (EIB) (through an on-lent loan) and Kreditanstalt Für Wiederaufbank (KFW) through a Government-guaranteed loan. On September 8th, 2010, KenGen and KETRACO signed an Implementation Agreement Framework to collaborate on certain services related to the transmission of electricity as part of the Kenya Electricity Expansion Project (KEEP) Project. According to the agreement, KenGen was responsible for constructing high voltage transmission lines and substations to transfer power from the Olkaria Geothermal hub, and upon completion, transfer the asset and associated liability to KETRACO. KETRACO would reimburse KenGen for the costs incurred during implementation, and upon project completion, take over the entire loan and its repayments.

Upon completion of the Project in 2015 and in accordance with the Implementation Agreement, KenGen was to sign a novation agreement that would govern the transfer of assets and fulfilment of obligations thereof. This is in line with KETRACO's mandate as outlined in the Sessional Paper No.4, 2004, on Energyand Energy Act No. 12, 2006. KenGen incurred costs in the implementation of the project and has been servicing the loan principal and interest since June, 2015 to date. The total cost incurred and due to KenGen by KETRACO amounts to (**EURO 36,897,460** equivalent to KShs 5,123,798,954). In June 2024, the Government signed an amendment to the subsidiary loan agreement with KenGen to offset an equivalent amount from on-lent loan as consideration for the transfer of the asset to KETRACO. A novation agreement was subsequently signed with KETRACO for the transfer.

18. Financial assets held at amortized cost (continued)

d) Contract asset -KETRACO-Olkaria 280MW transmission line (continued)

	2024 Shs'000	2023 Shs'000
At start of year	5,563,491	4,663,722
Movement during the year*	(439,692)	899,769
Settlement**(Note 28d)	(5,123,799)	-
	-	**5,563,491**
Allowance for impairment	**-**	**(215,931)**
At end of year	**-**	**5,347,560**
Maturity analysis of deferred debt is as follows:		
Within one year	-	-
After one year	5,347,560	5,347,560
Net book amount	**5,347,560**	**5,347,560**
The movement in the allowance for impairment in the year is as follows;		
At start of year	(215,931)	(68,610)
(Credit/(charge)to profit or loss (Note 10(f))	215,931	(147,321)
Allowance for expected credit loss	**-**	**(215,931)**

*The movement during the year relates to additional interest paid on the European Investment Bank (EIB) and Kreditanstalt Für Wiederaufbank (KFW) loan facilities and foreign exchange (gains)/losses on the valuation of the Contract Asset.
**The settlement was effected by offsetting the KETRACO Contract Asset with existing European Investment Bank (EIB) on-lent loan facility as approved by The National Treasury. This resulted in the Contract Asset and a similar amount of EIB on-lent loan in the borrowings being extinguished.

19. Financial assets held at fair value through profit or loss

The financial assets at fair value through profit or loss relates to unrealized exchange differences on foreign denominated borrowings recoverable from The Kenya Power & Lighting Company Plc under the respective Power Purchase Agreements ("PPAs") with Kenya Power. The derivative financial instrument is entered into to manage foreign exchange borrowings exposures. The PPA provides that the amounts should be billed to Kenya Power as the related borrowings are repaid. This allows the Company to bill and recover all realized foreign currency fluctuations relative to the base rates allowed by the PPA. The amount in the statement of financial position relates to fair value of this financial asset.

19. Financial assets held at fair value through profit or loss (Continued)

The movement in the financial asset during the year is as follows:

	2024 Shs'000	2023 Shs'000
At start of year	20,053,353	3,993,732
Realized foreign exchange loss recovered through billing	(2,229,463)	(1,238,322)
Realized foreign exchange loss capitalised	(6,288)	(107,864)
Realized foreign exchange loss not billed – borrowings (Note 9)	(98,933)	(2,457,623)
Unrealized (loss)/gain on revaluation of the financial asset at fair value through profit or loss (Note 9)	(16,455,406)	21,909,225
Realized exchange difference on EIB Loan on settlement of KETRACO contract asset (Note 9)*	(949,982)	-
Unrecoverable foreign exchange differences (Note 9)	115,734	697,961
Unrecoverable foreign exchange gain/(loss) capitalised	1,195,318	(2,330,701)
Impairment of recoverable forex for Kipevu I due to expiry of PPA (Note 9)	-	(413,054)
At end of year	1,624,333	20,053,353
Less: current portion recoverable within one year	(895,818)	(2,236,554)
At end of year (long term portion)	**728,515**	**17,816,799**

*The foreign exchange loss amount related to EIB loan was reversed as the PPAs do not permit recovery when the loans are repaid through the offset described in note 18.

20. Inventories

	2024 Sh'000	2023 Sh'000
Machinery and consumable spares	2,753,564	2,190,526
Fuel and lubricants	178,141	202,975
General stores	617,881	532,549
	3,549,586	**2,926,050**
Allowance for impairment and provisions	(1,413,302)	(1,077,604)
	2,136,284	**1,848,446**

*The cost of inventories recognized as an expense and included in operating costs and reimbursable expenses are machinery consumable spares amounting to Shs 1,684,337,000 (2023: Shs 1,447,115,000) and fuel consumed amounting to Shs 7,836,831,000 (2023: Shs 7,995,258,000) respectively. Impairment allowance for inventory is recognized on items that are slow moving and/or obsolete.

21. Trade receivables

The following amounts due from The Kenya Power and Lighting Company Plc (KPLC) relate to outstanding balances at year end arising from billings as per the respective PPA's.

	2024 Shs'000	2023 Shs'000
Due from KPLC	17,096,299	22,314,971
Allowance for impairment	(466,706)	(866,093)
Balance at end of the year	**16,629,593**	**21,448,878**

The amounts include Shs 2,525,202,000 (2023: Shs 5,049,737,000) which is denominated in foreign currency.

The movement in the allowance for expected credit losses in the year is as follows:

	2024 Shs'000	2023 Shs'000
At start of year	(866,093)	(1,238,088)
Net credit to profit or loss (Note 10(f))	399,387	371,995
Allowance for expected credit loss	**(466,706)**	**(866,093)**

22. Other receivables and prepayments

	2024 Shs'000	2023 Shs'000
Receivables from diversification sources.	57,426	415,170
Prepayments*	1,725,637	586,523
Sundry debtors	472,987	206,689
Staff receivables	111,022	133,284
Other receivables**	982,420	3,617,437
	3,349,492	**4,959,104**
Allowance for expected credit loss***	(321,910)	(517,404)
	3,027,582	**4,441,700**

*Included in prepayments is an amount of Shs 1,464,278,000 (2023: Shs 260,041,000) relating to advances to Contractors for ongoing projects.
**Included in last year's figures under other receivables is an amount of Shs. 1,259,619,330 relating to insurance claim paid in the current year and Shs. 1,586,079,358 receivables from the ministry of finance on the EIB on - lent loans.
*** Expected credit loss on other receivables includes provisions on non-commercial receivables that have been assessed as qualifying as financial assets.

22. Other receivables and prepayments (Continued)

The movement in the allowance for impairment in the year is as follows:

	2024 Shs'000	2023 Shs'000
At start of year	(517,404)	(566,541)
Net credit to profit or loss (Note 10(f))	195,494	49,137
Allowance for impairment	**(321,910)**	**(517,404)**

23. Financial asset at fair value through other comprehensive income

	2024 Shs'000	2023 Shs'000
At start of year	320,422	338,920
Fair value gain/(loss) through other comprehensive income	732	(18,498)
At end of year	**321,154**	**320,422**

The FVOCI asset relates to the treasury bonds - FXD1 2010/25, coupon rate of 11.25% held by the Company. This treasury bond is held for sale.

24. (a) Cash and bank balances

	2024 Shs'000	2023 Shs'000
Cash at bank	25,618,247	15,470,703
Allowance for expected credit loss	(767,905)	(475,572)
	24,850,342	14,995,131
Cash at hand	-	3,300
	24,850,342	**14,998,431**
The movement in the allowance for impairment in the year is as follows;		
At start of year	(475,572)	(271,268)
Net charge to profit or loss (Note 10(f))	(292,333)	(204,304)
Allowance for expected credit loss	**(767,905)**	**(475,572)**

24. (a) Cash and bank balances (Continued)

For purposes of the statement of cashflows, the cash and cash equivalents are presented as;

	2024 Shs'000	2023 Shs'000
Cash at bank*	25,618,247	15,470,703
Cash at hand	-	3,300
	25,618,247	**15,474,003**

* Included in the cash at bank is local currency of Shs 21,831,636,000 (2023: Shs 14,826,231,000) and foreign currency of Shs 3,786,611,000 (2023: Shs 647,772,000).

(b) Restricted cash balances

The restricted cash balances relate to funds deposited with institutions to enable those institutions to facilitate lending of car and mortgage facilities to company staff at affordable interest rate. The funds earn a nominal interest and is not available for use since it is locked. It can only be accessed if management decides to stop the staff loan schemes.

	2024 Shs'000	2023 Shs'000
Restricted cash	2,733,585	1,875,206
Allowance for expected credit loss	(20,836)	(13,849)
	2,712,749	**1,861,357**

(c) Expected credit loss on restricted cash balances

	2024 Shs'000	**2023 Shs'000**
At start of the year	(13,849)	(6,489)
Net charge to profit or loss (Note 10(f))	(6,987)	(7,360)
Allowance for expected credit loss	**(20,836)**	**(13,849)**

(d) Restricted cash movement

	2024 Shs'000	**2023 Shs'000**
At start of year	1,861,357	1,344,220
Un-utilized funds as year end	14,847	308,932
Staff mortgage funding	800,000	200,000
Interest earned	57,381	22,054
Amortisation of deferred restricted cash asset	(20,836)	(13,849)
Net deferred restricted cash	**2,712,749**	**1,861,357**

Notes to the financial statements (continued)

For the year ended 30 June 2024

24. Cash and bank balances (Continued)

(e) Detailed analysis of the cash and cash equivalents

Description Financial institution	Account number	2024 Shs'000	2023 Shs'000
a. Current Account			
Other Commercial banks	Various	3,497,547	1,519,709
Sub- Total		**3,497,547**	**1,519,709**
b. On - Call Deposits			
Other Commercial banks	Various	5,084,484	4,843,141
Sub- Total		**5,084,484**	**4,843,141**
c. Fixed Deposits Account			
Other Commercial banks	Various	17,036,216	9,107,853
Sub- Total		**17,036,216**	**9,107,853**
d. Others (Specify)			
Restricted cash-KCB and Stima SACCO		2,733,585	1,875,206
Cash in hand		-	3,300
Sub- Total		**2,733,585**	**1,878,506**
Grand Total		**28,351,832**	**17,349,209**

25. Ordinary share capital and share premium

Ordinary share capital and share premium	Number of shares (Thousands)	Ordinary shares Shs'000	Share premium Shs'000
Authorised			
At 30 June 2023 and 30 June 2024	**10,000,000**	**25,000,000**	**-**
Issued and fully paid			
At 30 June 2023	**6,594,522**	**16,487,710**	**22,151,131**
At 30 June 2024	**6,594,522**	**16,487,710**	**22,151,131**

The total authorised number of ordinary shares is 10,000,000,000 with a par value of Shs 2.50 per share. All issued shares are fully paid.

Notes to the financial statements (continued)

For the year ended 30 June 2024

26. Other reserves

	Capital reserve Shs'000	Investment revaluation reserve Shs'000	Property revaluation reserve Shs'000	Actuarial gains/ (losses) Shs'000	Total Shs'000
At 1 July 2023	8,579,722	(94,222)	115,515,545	(1,639,880)	122,361,165
Other comprehensive loss for the year;					
- Net gain on revaluation on investments in financial instruments measured at FVOCI	-	732	-	-	732
- Re-measurement of defined benefit	-			(912,714)	(912,714)
- Net impairment on assets	-	-	(382,572)	-	(382,572)
- Deferred income tax on revaluation of financial instruments		(220)	-	-	(220)
- Deferred tax relating to defined benefit	-	-	-	273,814	273,814
- Deferred income tax on impairment of assets	-	-	114,772	-	114,772
Total other comprehensive gain(loss) for the year	**-**	**512**	**(267,800)**	**(638,900)**	**(906,188)**
Transfer of excess depreciation	-	-	(3,892,561)	-	(3,892,561)
Deferred tax on excess depreciation	-	-	1,167,768	-	1,167,768
At 30 June 2024	**8,579,722**	**(93,710)**	**112,522,952**	**(2,278,780)**	**118,730,184**

26. Other reserves (Continued)

	Capital reserve Shs'000	Investment revaluation reserve Shs'000	Property revaluation reserve Shs'000	Actuarial gains/ (losses) Shs'000	Total Shs'000
At 1 July 2022	8,579,722	(81,273)	121,811,273	(1,037,478)	129,272,244
Other comprehensive loss for the year;					
- Net loss on revaluation on investments in financial instruments measured at FVOCI	-	(18,498)	-	-	(18,498)
- Re-measurement of defined benefit	-			(860,574)	(860,574)
- Net impairment on assets	-	-	(4,980,578)	-	(4,980,578)
- Deferred income tax thereon		5,549	-	-	5,549
- Deferred tax relating to components of other comprehensive income	-	-	-	258,172	258,172
- Deferred income tax thereon	-	-	1,494,173	-	1,494,173
Total other comprehensive loss for the year	**-**	**(12,949)**	**(3,486,405)**	**(602,402)**	**(4,101,756)**
Transfer of excess depreciation	-	-	(4,013,319)	-	(4,013,319)
Deferred tax on excess depreciation	-	-	1,203,996	-	1,203,996
At 30 June 2023	**8,579,722**	**(94,222)**	**115,515,545**	**(1,639,880)**	**122,361,165**

(a) The capital reserve relates to development surcharge received from Kenya Power for financing the development of certain power projects for the period on or before 1998. The reserve is not distributable to shareholders.

(b) The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of financial assets that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of. The reserve is not distributable to shareholders.

(c) The property revaluation reserve arises on the revaluation of property, plant & machinery and intangible assets as well as leasehold land which is part of Right of Use Assets. When revalued property, plant and equipment are disposed, the portion of the plant and machinery revaluation reserve that relates to that asset is transferred directly to retained earnings. The reserve is not distributable to shareholders.

(d) Actuarial reserves represent the accumulated remeasurements arising from the retirement benefit scheme recognized through other comprehensive income as disclosed under Note 29. The reserve is not distributable to shareholders.

27. Retained earnings

The retained earnings represent amounts available for distribution to the Company's shareholders. Undistributed retained earnings are retained to finance the Company's business activities, (Shs 113,193,447,000 and Shs 120,736,895 000 as at end of year's 2023 and 2024 respectively).

28. Borrowings

The movement in borrowings is as follows:

	2024 Shs'000	2023 Shs'000
At start of year	148,866,024	133,002,263
External borrowings received in the year	1,620,282	2,519,394
Domestic borrowings received in the year	-	9,952,232
External borrowings repayments in the year	(12,036,593)	(10,343,240)
Borrowing offset of KETRACO contract asset (Note 18d)	(5,123,799)	-
Domestic borrowings repayments in the year	-	(8,173,850)
Exchange (gain) /loss on revaluation of borrowings (Note 19)	(16,455,406)	21,909,225
At end of year	116,870,508	148,866,024
Add: Accrued interest	913,584	985,782
At end of year	117,784,092	149,851,806
Less: Amounts due within one year (Current portion)	(10,035,376)	(12,809,721)
Amounts due after one year (Non-current portion)	107,748,716	137,042,085

(a) Analysis of interest-bearing borrowings:

	Maturity Year	2024 Shs'000	2023 Shs'000
Government of Kenya Guaranteed loans			
2.6% Japan Bank for International Cooperation KE P20-Kipevu 1 (JPY 425,316,000)	2025	343,464	825,196
2.3% Japan Bank for International Cooperation KE P21 –Sondu Miriu (JPY 1,014,582,000)	2027	819,326	1,312,325
0.75% Japan Bank for International Cooperation KE P23 -Sondu Miriu (JPY 6,920,600,001)	2044	5,588,730	7,049,343
0.75% Japan Bank for International Cooperation KE P24 -Sangoro (JPY 3,256,156,000)	2047	2,629,509	3,296,129
0.20% Japan International Cooperation Agency KE P26 -Olkaria I & IV JPY 19,228,092,951)	2040	15,527,646	18,669,222
2.09% Kreditanstalt Fur Wiederaufbau (KfW)-Kindaruma (Euro nil)	2024	-	598,158
2.2% Kreditanstalt Fur Wiederaufbau (KfW)-Olkaria I & IV (Euro 10,436,000)	2026	1,449,204	2,394,772
0.98% DSSI I (JICA KP20, KP21, KP23, KP24 & KP26) (JPY 878,340,000)	2027	709,303	1,136,101
0.68% DSSI II (JICA KP20, KP21, KP23, KP24 & KP26) (JPY 1,020,145,000)	2027	823,818	1,272,395
		27,891,000	36,553,641

28 Borrowings (Continued)

(a) Analysis of interest-bearing borrowings: (continued)

	Maturity Year	2024 Shs'000	2023 Shs'000
Government of Kenya onlent loans			
3.5% International Development Association IDA 4743 KE-Olkaria I & IV (USD 20,438,621.84)	2035	2,647,353	3,133,207
2.003% Agence Francaise de Development (AFD) - Olkaria I & IV (EURO 43,486,667.44)	2031	6,038,815	7,539,676
2.645% European Investment Bank-Olkaria I & IV (Euro nil)	2037	-	600,018
2.50% Export-Import Bank of China (EXIM) – 89 wells (USD 250,096,153.84)	2033	32,394,205	39,279,021
1.50% Spanish loan-Ngong Phase II - 13.6MW (Euro 10,829,875.86)	2030	1,503,900	1,911,659
0.50% National Bank of Belgium (NBB) Ngong 1 Phase 11 - 6.8 MW (Euro 5,774,100)	2043	801,826	929,822
3.5% International Development Association IDA 5844-KE Olkaria I& IV (USD 49,775,860.44)	2041	6,447,318	7,406,130
0.20% Japan International Cooperation Agency Loan (KE-P31) Olkaria V (JPY 29,918,660,106)	2046	24,160,814	28,965,922
3.5% EIB Olkaria 1 Unit 6 (Euro 32,316,728.90)	2042	4,487,692	10,575,238
1.0% Japan International Cooperation Agency (JICA) KE-P33 -Olkaria I Rehabilitation (JPY 167,698,028)	2048	135,425	-
		78,617,348	100,340,693

	Maturity Year	2024 Shs'000	2023 Shs'000
Direct borrowings			
2.68% Agence Francaise de Developpement (AFD)-Olkaria II Unit 3 (Euro Nil)	2024	-	254,969
5.1% HSBC Bank Loan-Rigs (USD Nil)	2024	-	474,841
Absa Bank Loan (USD 80,000,000)	2035	10,362,160	11,241,880
		10,362,160	11,971,690
		116,870,508	**148,866,024**
Accrued interest		913,584	985,782
		117,784,092	149,851,806

28. Borrowings (Continued)

	2024 Shs'000	2023 Shs'000
(b) Borrowings maturity analysis:		
Due within 1 year	10,035,376	12,809,721
Due between 1 and 2 years	10,403,831	10,495,971
Due between 2 and 5 years	29,436,789	34,805,113
Due after 5 years	67,908,096	91,741,001
	117,784,092	**149,851,806**
(c) Analysis of loans by currency:		
Borrowing in US$	51,851,036	61,535,079
Borrowings in JPY	50,738,035	62,526,633
Borrowings in EUR	14,281,437	24,804,312
Borrowings in foreign currencies	116,870,508	148,866,024
Accrued interest	913,584	985,782
Total	**117,784,092**	**149,851,806**

On-lent loan facilities are entered into by the Government of Kenya with Development Finance Institutions (DFIs) and subsequently cascaded down to the Company through subsidiary loan agreements.

Securities:

The Government of Kenya has issued guarantees to the lenders in relation to the guaranteed borrowings.

28. Borrowings (Continued)

(d) The movement in borrowings is as follows:

	2024 Shs'000	2023 Shs'000
At start of year	148,866,024	133,002,263
Received in the year	1,620,282	12,471,626
Repayments in the year	(9,701,910)	(14,713,281)
Realized exchange loss on repayment of borrowings billed to KPLC	(2,235,750)	(1,346,186)
Borrowing offset from KETRACO contract asset (Note 18d)	(5,123,799)	-
Realized exchange loss on repayment of borrowings not billed to KPLC	(98,933)	(2,457,623)
Unrealized exchange (gain)/loss on revaluation of borrowings	(16,455,406)	21,909,225
At end of year	116,870,508	148,866,024
Add: Accrued interest	913,584	985,782
At end of year	117,784,092	149,851,806
Less: Amounts due within one year (Current portion)	(10,035,376)	(12,809,721)
Amounts due after one year (non-current portion)	**107,748,716**	**137,042,085**

29. Retirement benefits asset

The Company operated a joint defined benefit scheme with Kenya Power, which was funded by contributions from both the Company and employees up to 31 December 1999.

The Company registered its own defined benefits scheme in 2000 and commenced making contributions to the scheme, alongside employees' contributions, with effect from 1 January 2000. The scheme is administered internally by a Secretariat while Sanlam Asset Managers and GenAfrica Investment Services act as investment managers for the scheme. NCBA bank Kenya plc are the custodians of the Scheme.

Under the plan, the employees are entitled to retirement benefits of 3% of final pensionable emoluments for pensionable service up to 1 January 2000 and 2% of final pensionable emoluments for pensionable service after 1 January 2000 on attainment of a retirement age of 60 years. No other post-retirement benefits are provided to these employees.

The KenGen Staff Retirement Benefits Scheme (DB Scheme) is established under trust and was closed to new entrants and to future accrual of benefits with effect from 31 December 2011 in respect of members aged below 45 years. A new Defined Contribution Scheme, the KenGen Defined Contribution (DC Scheme) 2012 was established effective 1 January 2012, for all new eligible employees. All active in-service members aged 45 years and over as at 31 December 2011 had an option to either remain in the DB scheme for future benefit accrual or join the new DC scheme. Some members opted to join the new DC scheme for future benefit accrual while others opted to remain in the DB scheme. The DC scheme is administered internally by a Secretariat while ICEALion Investment Asset Management Limited and Old Mutual Investment Group Limited act as Investment Managers for the Scheme. The Company therefore only makes contributions to the DB scheme in respect of those members who opted to remain in the DB scheme. DB scheme member contributions are a fixed percentage of their basic pay with the Company responsible for the balance of the contributions.

29. Retirement benefits asset (Continued)

An actuarial valuation to fulfill the financial reporting and disclosure requirements of IAS 19 was carried out as at 30 June 2024 by Kenbright Actuarial & Financial Services Limited. On this basis, the present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2024	2023
Discount rate(s) [1]	15.26%	14.6%
Future salary increases	8%	8%
Future pension increases per annum		
- Pre KPLC-Service Pension	3%	3%
- Post KPLC Service Pension	0%	0%
Mortality (pre-retirement)	A(55) males/Female Ultimate	A(55) males/Female Ultimate
Mortality (post-retirement)	N/A	N/A
Withdrawals	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Ill health	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Retirement age	60 years	60 years

IAS 19 requires the discount rate to be determined by reference to market yields on high quality corporate bonds, or where there no deep market in such bonds, the market yield on government bonds. The discount rate assumption has been determined with reference to Nairobi Stock Exchange (NSE) bond yields based on the weighted average duration of the defined benefit obligation as at the valuation date.

Recognition

The amount recognized in the statement of profit or loss and other comprehensive income and statement of financial position in respect of the defined benefit plan are as shown below:

(a) Amounts recognized in the statement of profit or loss and other comprehensive Income

The amount recognized in the statement of profit or loss and other comprehensive income in respect of the defined benefit plan are as follows:

	2024 Shs'000	2023 Shs'000
(i) Statement of profit or loss		
Service cost:		
Current service cost (employer)	(307,990)	(91,506)
	(307,990)	**(91,506)**
Interest income/(cost):		
Interest cost on defined benefit obligation	(996,314)	(968,644)
Interest income on plan assets	1,272,863	1,106,927
Interest income on the effect of the asset ceiling	(164,166)	(83,484)
	112,383	54,799
Net expense included in profit or loss in respect of scheme (Note 10(b))	**(195,607)**	**(36,707)**

29. Retirement benefits asset (Continued)

Recognition (Continued)

(a) Amounts recognized in the statement of profit or loss and other comprehensive Income (Continued)

	2024 Shs'000	2023 Shs'000
(ii) Other comprehensive income (OCI)		
Actuarial (loss)/gain due to change in financial assumptions	(1,056,087)	267,925
Return on plan assets	(402,568)	(736,489)
Change in effect of asset ceiling (excluding amount in interest cost)	545,941	(392,010)
Amount recognized in OCI	**(912,714)**	**(860,574)**
(iii) Movement in retirement benefit asset		
Net asset at start of the year	-	-
Net expense recognized in the income statement	(195,607)	(36,707)
Employer contributions	1,108,321	897,281
Amount recognized in OCI	(912,714)	(860,574)
Net asset at end of the year	-	-

(b) Amounts recognized in the statement of financial position

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	2024 Shs'000	2023 Shs'000
Present value of funded defined benefit obligation	(8,590,166)	(7,267,478)
Fair value of plan assets	9,284,491	8,343,578
	694,325	1,076,100
Effect of asset ceiling	(694,325)	(1,076,100)
	-	-

29. Retirement benefits asset (Continued)

Recognition (Continued)

(b) Amounts recognized in the statement of financial position (Continued)

Reconciliation of the effect of asset ceiling is as follows:

	2024 Shs'000	2023 Shs'000
Effect of asset ceiling	(1,076,100)	(600,606)
Interest effect of the asset ceiling	(164,166)	(83,484)
Change in the effect of the asset ceiling excluding interest	545,941	(392,010)
Effect of asset ceiling at end of the period	**(694,325)**	**(1,076,100)**

The reconciliation of the amount included in the statement of financial position is as follows: Movements in the present value of the defined benefit obligation in the current year were as follows:

	2024 Shs'000	2023 Shs'000
Opening benefit obligation	(7,267,478)	(7,353,265)
Current service cost	(307,990)	(91,506)
Interest cost	(996,314)	(968,644)
Employee contributions	(6,960)	(11,241)
Actuarial (loss)/gain due to change in financial assumptions	(1,056,087)	267,925
Benefits paid	1,044,663	889,253
Closing defined benefit obligation	**(8,590,166)**	**(7,267,478)**

Movements in the present value of the plan assets in the current year were as follows:

	2024 Shs'000	2023 Shs'000
Opening market value of assets	8,343,578	7,953,871
Interest income on plan assets	1,272,863	1,106,927
Employer contributions	1,108,321	897,281
Employee contributions	6,960	11,241
Return on plan assets	(402,568)	(736,489)
Benefits paid	(1,044,663)	(889,253)
Closing fair value of plan assets	**9,284,491**	**8,343,578**

29. Retirement benefits asset (Continued)

Recognition (Continued)

(b) Amount recognized in the statement of financial position (Continued)

The fair values of the plan assets at the end of the reporting period for each category are as follows:

	2024 Shs'000	2023 Shs'000
Asset Class		
*Government Securities	4,098,516	2,707,334
Quoted Equities	528,798	553,284
Immovable Property in Kenya	4,124,827	4,319,981
Listed Corporate Bonds	34,366	34,343
Fixed Deposits	168,620	597,897
Offshore investments	161,030	115,177
Cash & Demand Deposits	182,110	150,842
**Any Other Asset	80,376	90,559
Creditors & Payables	(94,150)	(225,838)
Closing Market Value of Assets	**9,284,491**	**8,343,578**

* Government Securities include Treasury Bills and Treasury Bonds
** Other Current Assets

(c) Sensitivity analysis

When there is an unfavorable change in the principal assumptions, they negatively affect the Company's obligation. The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

Parameter	Sensitivity	2024	Change in assumption	Impact on defined benefit obligation
Discount rate	14.76%	15.26%	Decrease by 0.5%	Increase in the present value of obligation by Shs 316,986,148
Discount rate	15.76%	15.26%	Increase by 0.5%	Decrease in the present value of obligation by Shs 294,908,900
Salary	7%	8%	Decrease by 1%	Increase in the present value of obligation by Shs 5,492,502
Salary	9%	8%	Increase by 1%	Decrease in the present value of obligation by Shs 5,155,625
Retirement age	55	60	Decrease by 5yrs	Increase in the present value of obligation by Shs 2,014,111,785

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit asset recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

30. Deferred income tax

Deferred income taxes are calculated on all temporary differences under the liability method using the applicable rate, currently at 30%. The makeup of the deferred tax liabilities in the year and the movement on the deferred tax account during the year are presented below:

	2024 Shs'000	2023 Shs'000
Movement on the deferred tax account is as follows:		
At the start of year	81,629,986	80,216,843
Income statement charge (Note 13(a))	3,277,671	3,171,038
Prior year overprovision (Note 13(a))	12,114	-
Credit to other comprehensive income (Note 26)	(388,366)	(1,757,895)
At the end of the year	**84,531,405**	**81,629,986**

The increase in deferred tax liability arises from revaluation of assets and profit of the year.

30. Deferred income tax (continued)

	At start of year Shs'000	Charged / (Credited) to P/L Shs'000	Charged / (Credited) to OCI Shs'000	At end of year Shs'000
Year ended 30 June 2024				
Deferred tax assets:				
Tax losses	(7,997,326)	3,080,003	-	(4,917,323)
Provisions and other temporary differences	(1,646,599)	(252,860)	(273,594)	(2,173,053)
Overprovision in the prior year	-	12,114	-	12,114
	(9,643,925)	2,839,257	(273,594)	(7,078,262)
Deferred tax liabilities:				
Unrealized exchange gains	560,734	(880,019)	-	(319,285)
Revaluation surplus - Capital gains	511,194	-	-	511,194
Revaluation surplus	43,982,591	(1,167,768)	(114,772)	42,700,051
Accelerated capital allowances	46,219,392	2,498,315	-	48,717,707
	91,273,911	**450,528**	**(114,772)**	**91,609,667**
Net deferred tax liability	**81,629,986**	**3,289,785**	**(388,366)**	**84,531,405**

	At start of year Shs'000	Charged / (Credited) to P/L Shs'000	Charged / (Credited) to OCI Shs'000	At end of year Shs'000
Year ended 30 June 2023				
Deferred tax assets:				
Tax losses	(9,873,325)	1,875,999	-	(7,997,326)
Provisions and other temporary differences	(1,290,170)	(92,707)	(263,722)	(1,646,599)
	(11,163,495)	**1,783,292**	**(263,722)**	**(9,643,925)**
Deferred tax liabilities:				
Unrealized exchange gains	147,718	413,016	-	560,734
Revaluation surplus - Capital gains	170,398	340,796	-	511,194
Revaluation surplus	46,680,761	(1,203,997)	(1,494,173)	43,982,591
Accelerated capital allowances	44,381,461	1,837,931	-	46,219,392
	91,380,338	**1,387,746**	**(1,494,173)**	**91,273,911**
Net deferred tax liability	**80,216,843**	**3,171,038**	**(1,757,895)**	**81,629,986**

31. Lease Liabilities

	2024 Shs'000	2023 Shs'000
At the start of year	851,702	1,053,886
Additional leases (Note 17)	332,015	-
Adjustments (Note 17)	-	(82,943)
Interest on lease liability (Note 12)	155,794	112,561
Paid during the year	(275,885)	(231,802)
At the end of year	**1,063,626**	**851,702**
Comprising:		
Current Portion	172,127	159,826
Non- current portion	891,499	691,876
	1,063,626	**851,702**
Maturity Analysis of undiscounted cash flows		
Year 1	275,227	227,262
Year 2	223,041	237,130
Year 3	130,077	126,468
Year 4	115,064	66,091
Year 5 and beyond	2,658,098	1,034,891
	3,401,507	**1,691,842**

32. Grants

	2024 Shs'000	2023 Shs'000
At the start of year	833,351	331,949
Received during the year	396,828	501,402
Amortization to profit or loss	(1,778)	-
***At the end of year**	**1,228,401**	**833,351**

* This relates to funds received from the World Bank as a grant towards the construction of the East Africa Skills for Transformation and Regional Integration Projects (EASTRIP) and Subsidy for Olkaria I Unit 6 for exploration and development of geothermal resources in Kenya. The EASTRIP Project is expected to be completed by the financial year ending June 2025.

Other grants which the Company has benefited through funding from Donors where funds were disbursed directly to the consultants include Marsabit Wind Feasibility Study **(Euros 642,898.00)** from AFD, Floating Solar Pre-feasibility Study **(Euros 148,898.40)** from KfW, Raising Masinga Dam Feasibility Study update **(Euros 818,260.30)** from AFD, and Redevelopment of Gogo Hydro Power Development Feasibility Study **(Euros 590,446.00)** from European Union (EU).

33. Trade and other payables

	2024 Shs'000	2023 Shs'000
Contractors and retention money	322,187	197,222
Trade payables	5,934,937	5,804,922
Due to KPLC (note 36(a)(ii))	156,223	164,685
Sundry creditors accruals	1,844,558	1,821,408
Gratuity accrual	121,798	46,592
Leave accrual	199,608	259,012
Total trade and other payables	**8,579,311**	**8,293,841**

34. Dividends payable

Proposed dividends are accounted for as part of equity until they have been ratified and declared at the relevant Annual General Meeting (AGM). At the AGM, a final dividend in respect of the year ended 30 June 2024 of Shs. 0.65 (2023: Shs. 0.30) for every ordinary share of par value of Shs.2.50 is to be proposed. No interim dividend was declared during the year. The dividend account is as follows:

	2024 Shs'000	2023 Shs'000
At start of year	923,086	1,384,628
Approved dividends	1,978,357	1,318,693
Amount paid during the year	(2,901,443)	(1,780,235)
At end of year	**-**	**923,086**

35. Notes to the statement of cash flows

(a) Reconciliation of profit before taxation to cash generated from operations.

	2024 Shs'000	2023 Shs'000
Profit before taxation	**10,946,865**	**8,524,816**
Adjustments for:		
Depreciation (Note 10(a))	15,215,524	15,431,161
Amortization of intangible assets (Note 10(a)	245,599	214,034
Depreciation of Right of use assets (Note 10(a)	246,580	155,250
Finance income (Note 11)	(4,201,745)	(1,688,805)
Finance cost (Note 12)	2,805,920	2,732,106
Net decrease/(increase) in contract asset (Note 18(d)	439,692	(899,769)
Gain on disposal of fixed assets	(3,846)	-
Amortization of treasury bonds (Note 18(c))	(12,355)	(11,259)
Impairment of deferred debt (Note 18(a))	(7,463)	21,952
Impairment of held-to-maturity treasury bonds (Note 18(c))	678	9,273
Impairment of feasibility studies and other project costs (Note 10(g))	39,478	10,040
Impairment of intangible cost (Note 16)	-	15,947
Impairment of Property, plant and equipment (Note 10(g))	912,830	986,114
Impairment of financial asset through profit or loss	(265,020)	179,405
Decrease in financial asset through profit or loss	1,560,692	1,090,599
Tax paid for foreign operations	-	31,906
Financial asset recoveries (Note 18(b))	123,595	122,725
Operating profit before working capital changes	**28,047,024**	**26,925,495**
Changes in working capital:		
Increase in inventories (Note 20)	(287,838)	(401,322)
Decrease/(increase) in trade receivables (Note 21)	4,819,285	(854,582)
Decrease/(increase) in other receivables (Note 22)	1,414,116	(3,013,387)
Increase/(decrease) in trade and other payables (Note 33)	285,469	(300,962)
Cash generated from operations	**34,278,056**	**22,355,242**

Notes to the financial statements (continued)

For the year ended 30 June 2024

35. Notes to the statement of cash flows (Continued)

	2024 Shs'000	2023 Shs'000
(b) Movement in finance income		
At start of year	115,569	93,340
Interest income (Note 11)	4,201,745	1,688,805
Finance income received	(3,181,275)	(1,301,881)
Accrued interest from Kenya Power (Note 11)	(710,165)	(364,696)
At end of year	**425,874**	**115,569**
(c) Movement in interest payable		
At start of year	985,782	1,130,429
Interest expense (Note 12)	2,805,920	2,732,105
Interest paid	(2,878,118)	(2,876,753)
At end of year (Note 28)	**913,584**	**985,782**
(d) Analysis of proceeds from disposal of property and equipment		
Proceeds from disposal of property and equipment	8,988	-
Less: Disposed assets net book value	(5,142)	-
Gain on disposal of property and equipment	**3,846**	-

(e) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2024 Shs'000	2023 Shs'000
Cash and bank balances (Note 24)	24,850,342	14,998,431
Borrowings repayable within one year (Note 28)	(10,035,376)	(12,809,721)
Borrowings repayable after one year (Note 28)	(107,748,716)	(137,042,085)
Net debt	**(92,933,750)**	**(134,853,375)**

35. Notes to the statement of cash flows (continued)

(e) Net debt reconciliation (Continued)

	Cash and bank balances Shs'000	Borrowings Shs'000	Net Debt Shs'000
Net debt as 1 July 2023	15,474,003	(148,866,024)	(133,392,021)
Cashflows	10,156,401	-	10,156,401
Received in the year	-	(1,620,282)	(1,620,282)
Repaid in the year	-	9,701,910	9,701,910
Realized exchange loss on repayment of borrowings		2,334,683	2,334,683
Borrowing offsets from KETRACO contract asset	-	5,123,799	5,123,799
Unrealised exchange loss in the year	-	16,455,406	16,455,406
Accrued interest	-	(913,584)	(913,584)
Expected credit loss on cash and bank balances	(767,905)	-	(767,905)
Expected effect of foreign exchange on cash balances	(12,157)	-	(12,157)
Net debt as at 30 June 2024	**24,850,342**	**(117,784,092)**	**(92,933,750)**
Net debt as 1 July 2022	12,655,202	(133,002,263)	(120,347,061)
Cashflows	2,237,921	-	2,237,921
Received in the year	-	(12,471,626)	(12,471,626)
Repaid in the year	-	14,713,281	14,713,281
Realized exchange loss on repayment of borrowings	-	3,803,809	3,803,809
Unrealised exchange loss in the year	-	(21,909,225)	(21,909,225)
Accrued interest	-	(985,782)	(985,782)
Expected credit loss on cash and bank balances	(475,572)	-	(475,572)
Expected effect of foreign exchange on cash balances	580,880	-	580,880
Net debt as at 30 June 2023	**14,998,431**	**(149,851,806)**	**(134,853,375)**

36. Related party transactions

The Company is 70% owned by the Government of Kenya. The remaining 30% of the shares are widely held by the public. In line with the exemptions in IAS 24, and by virtue that the government is the major shareholder of the company, we do not consider as related parties: providers of finance, trade unions, public utilities and any agencies, departments of the government of Kenya, any state corporations or other state or county entities that do not control, jointly control or significantly influence the reporting entity. The Government of Kenya has provided some guarantees to long-term external lenders of the entity and on-lent loans to the Company (Note 28).
The company's main related parties include Government of Kenya - Ministry of Energy, The National Treasury, The Kenya Power and Lighting Company Plc (Kenya Power), Geothermal Development Company Limited (GDC). Rural Electrification & Renewable Energy Corporation, Water Resource Authority (WRA), Board of Directors and Key Management.

36. Related party transactions (Continued)

(a) The Kenya Power and Lighting Company Plc (KPLC)

Kenya Power is the authorised electricity distributor in Kenya with its majority shareholder being the Government of Kenya.

(i) During the year the following transactions were carried out with KPLC;

	2024 Shs'000	2023 Shs'000
Electricity sales (Note 6(a))	41,252,372	38,783,964
Steam revenue (Note 6 (a))	6,875,964	6,129,269
Fuel charges billed (Note 6(a))	7,923,700	8,165,345
Water charges billed (Note 6(a))	166,593	125,892
Interest income on amounts due (Note 11)	710,165	364,696
Realized foreign exchange loss billed to KPLC- borrowings (Note 19)	2,235,750	1,346,186
Realized foreign exchange loss billed to KPLC-other transactions (Note 9)	1,512,403	593,080
	60,676,947	**55,508,432**
Electricity purchases from KPLC	**648,563**	**698,712**

(ii) The following amounts due to Kenya Power relate to outstanding balances at year end for purchase of electricity.

	2024 Shs'000	2023 Shs'000
Trade payables (Note 33)	156,223	164,685

The sales to Kenya Power are made in accordance with the signed Power Purchase Agreements whereas the purchases from Kenya Power are made at normal market prices. Outstanding balances at end of year are unsecured and have credit period of 40 days.

36. Related party transactions (continued)

(a) The Kenya Power and Lighting Company Plc (KPLC) (continued)

(iii) Amounts due from KPLC

	2024 Shs'000	2023 Shs'000
Amount due for electricity sales (Note 21)	17,096,299	22,314,971
Emergency power receivable	231,085	245,560
	17,327,384	22,560,531
(iv) Financial asset due from KPLC-Olkaria V transmission line Note 18(b)	1,302,371	1,372,280
	18,629,755	23,932,811
(v) Recoverable foreign exchange differences (Note 19)	1,624,333	20,053,353

(b) Geothermal Development Company Limited (GDC)

Geothermal Development Company Limited is wholly owned by the Government of Kenya and its principal activities are the development of geothermal resources in Kenya through surface exploration and drilling for steam, and to avail steam power to developers for electricity generation.

	2024 Shs'000	2023 Shs'000
(i) Amount due to GDC (included in trade payables)	1,097,353	2,184,280
Foreign currency translation difference	-	28,157
	1,097,353	2,212,437
(ii) Steam purchases (Note 10(c))	4,393,595	3,731,112

(c) Rural Electrification and Renewable Energy Corporation

	2024	2023
At the start of year	111,894	9,088
Receipts during the year	-	135,595
Payments during the year	(67,596)	(32,789)
Amounts due to REREC at end of year (included in other payables)	44,298	111,894

The balance relates to amounts received in advance from REREC for the operation and maintenance of the 50MW Garissa Solar Plant.

36. Related party transactions (continued)

(d) Water Resource Authority (WRA)

WRA charges for water use at the rate of 0.05 Shs/kWh for power plants with capacity of over 1MW with approval from the Energy Regulatory and Petroleum Regulation.

	2024 Shs'000	2023 Shs'000
Amount due to WRA (included in trade payables)	179,482	45,597
Water charge	166,593	125,892

The Water Resource Regulations 2021 introduced an increase of water use charges from KShs 0.05 cents/ kWh to KShs. 2/kWh for hydro power generation above 1MW and additional 5% conservation levy. The same has not been validated since there is court Order that suspended the implementation of the said Regulations. Additionally, the increase has not been gazetted by Energy & Petroleum Regulatory Authority (EPPRA) as a pass-through cost of energy. Following the commencement of the Regulations, WRA billed the Company KShs. 493,685,414.00 for the water use charges in February and March 2023. The court allowed a temporary injunction setting aside the implementation of the Regulations as proposed by WRA and as at the reporting period the matter was still pending before the High Court.

(e) Kenya Electricity Transmission Company Limited (KETRACO) – Balances due from:

	2024 Shs'000	2023 Shs'000
Sondu Miriu Transmission Line (Note 18(a))	692,885	875,055
Contract asset -KETRACO-Olkaria 280MW transmission line (Note 18(d))	-	5,563,491
Amounts due from KETRACO	**692,885**	**6,438,546**

(f) Directors' remuneration, other expenses and key management compensation

Director's remuneration and other expenses

	2024 Shs'000	2023 Shs'000
Fees for services as a director	6,000	6,000
Sitting & other allowances	16,714	17,418
	22,714	**23,418**
Key management compensation		
Salaries and other short-term employment benefits		
Key management (Departmental Heads)	95,686	67,657
Managing Director and CEO	14,642	20,233
Leave accrual – Managing Director and CEO	403	1,048
	110,731	88,938
Total fees, salaries and other emoluments	133,445	112,356

36 Related party transactions (continued)

(f) *Directors' remuneration and key management compensation (continued)*

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including director (whether executive or otherwise) of the entity.

(g) *Loans to directors of the Company*

There were no loans from directors outstanding at 30 June 2024 (2023: Nil).

(h) *Loans from Shareholders*

Government of Kenya onlent loans amounted to Shs 78.6million (2023: Shs 100.3 million).

(i) *Donations to KenGen Foundation*

Donations made during the year amounted to Shs 92 million (2023: Shs 94 million).

(j) *Kerio Valley Development Authority (KVDA)*

Payments made during the year amounted to Shs 45 million (2023: Shs 45 million) for Dam and environmental management. There is no outstanding amount.

(k) *Tana and Athi River Development Authority (TARDA)*

Payments made during the year amounted to Shs 62 million (2023: Shs 62 million) for Dam and environmental management. There is no outstanding amount.

(l) *Subsidiary*

The following relationships exists within KenGen PLC:

Related parties	Held by	Percentage of interest held as at 30 June 2024	Percentage of interest held as at 30 June 2023
KenGen Foundation	KenGen	100%	100%

KenGen Foundation was established by KenGen PLC as a public charitable trust by Declaration of trust deed dated 2009 and is domiciled in Kenya. The Foundation serves as the philanthropic arm of KenGen and is mandated to: Turn short term one-off CSR Projects into CSI-Corporate Social Investments; Upscale CSI activities for greater impact and increase and diversify resources available for CSI projects. The Foundation is wholly controlled by KenGen Plc but its financial statements have not been consolidated as it is considered immaterial by the directors.

37. Emergency Power Project

The Company managed an Emergency Power Supply project known as Aggreko International Projects as an implementing commissioning agent on behalf of the Ministry of Energy. These funds are held in an Escrow bank account at the NCBA Bank Kenya Plc. Movements in the Escrow account which is not included in the Company's cash and cash equivalents, are Summarized below;

	2024 Shs'000	2023 Shs'000
At start of year	598,475	495,936
Interest income	7,550	8,345
(Loss)/gains on foreign exchange during the year*	(46,585)	94,194
At end of year	**559,440**	**598,475**

*The amount relates to foreign exchange fluctuations.
An amount of Shs 231 million (2023: Shs 245 million) for Emergency Power Project is due from Kenya Power and Lighting Company Plc.

38. Contingent liabilities and assets

i. Letters of credit

Letters of credit signify commitment by the Company to make payments to third parties for contracts entered into, generally relating to foreign payments. Outstanding letters of credit as at 30 June 2024 amounted to Shs 1,235,169,162 (30 June 2023 Shs: 544,264,000).

ii. Disputed withholding tax

In 2014, Kenya Revenue Authority (KRA) performed a tax audit for the financial years 2009-2013. Subsequently, KRA issued an assessment of Shs 975,848,686 in respect of withholding tax. The Company objected to the assessment and KRA issued a stand over notice pending resolution of matter in dispute. The Company appealed to the National Treasury and Planning for the abandonment of collection of withholding tax. The National Treasury referred the matter back to KRA and directed that the matter be resolved between KRA and KenGen. Various meetings and technical sessions have taken place between KenGen and KRA where a final agreement was reached. The Withholding Tax assessment was reduced from Shs 975,848,686 to Shs 143,662,033 (Principal Tax of Shs 69,478,227, with penalties of Shs 4,705,579 and interest of Shs 69,478,227). KenGen paid the Principal Tax and penalty of Shs 74,183,806 on 24 June 2022.

KenGen applied for the waiver of interest of Shs 69,478,227 and this is currently under review by KRA who have undertaken to support KenGen's application. Further the Finance Act 2023 provided an amnesty on the penalties and interest for taxes which were settled by 31 December 2022. KenGen applied and successfully received the waiver of the outstanding interest of KShs 69,478,227 as a result of the amnesty introduced by the Finance Act 2023. Therefore, the issue was officially closed.

iii . Compensating tax

In 2016, the Company paid dividends of Shs 5,735,428,884 to the majority shareholder, The National Treasury and Planning, giving rise to a compensating tax obligation of Shs 2,431,000,000. The Company applied for abandonment of principal, penalty and interest from the National Treasury and Planning. The application for abandonment of collection of tax was declined by the National Treasury and Planning which directed Kenya Revenue Authority and KenGen to enter into a payment plan to settle the principal tax with the waiver of penalty and interest to be considered after full settlement of principal tax.

38. Contingent liabilities and assets (continued)

iii. Compensating tax (continued)

KenGen then entered into a payment plan with KRA for the principal tax amount of Shs 2,431,000,000. As at 30th June 2024, the company had completed the settlement of the principal tax of KShs 2,431,000,000. Thereafter KenGen applied for waiver of penalties and interest of KShs 530,805,888. The waiver of the penalties and interest amounting to KShs 530,805,888 was approved by KRA through the action of the amnesty introduced through the Finance Act 2023. Considering the above, the matter was officially closed.

iv. Customs Duty Assessment

Kenya Revenue Authority (KRA) conducted a post clearance audit for the period 2019 to 2022. KRA raised an estimated assessment of KShs 342,780,004 relating to tariff classification, valuation for custom duties, proof of exports and temporary importation of equipment. Through a Government-to-Government engagement, KenGen and KRA resolved to drop assessment amounting to KShs 124,312,190, while KShs 164,355,339 was deemed payable and an amount of KShs 54,112,475 is still under engagement under the Government to Government initiative.

KenGen and KRA entered into an eight (8) month payment plan for the amount of KShs 164,355,339. KenGen paid the first and second installment amounting to KShs 41,088,840 within the financial year. The outstanding balance is KShs 123,266,499. The company is on course to clear the balance by December 2024.

v . Bank guarantee

Bank guarantees in the form of Performance Guarantees were issued to third parties on account of contracts signed with them. This amounted to Shs 219.3 million as at 30 June 2024. (2023: Shs 231.6 million).

vi. Land in Changamwe

KenGen holds land designated as L.R. NO.: MAINLAND NORTH/SECTION VI/2564, spanning approximately 8.36 acres in Changamwe, Mombasa. The Kenya National Highways Authority (KENHA) compulsorily acquired about 2.52 acres of this land for the dualling of the Mombasa-Mariakani Road, which left a remaining area of 5.84 acres. The National Lands Commission (NLC) assessed the property and awarded the Company Shs 250,612,000, which includes compensation for the land, improvements, and a disturbance allowance. They advised KenGen to file a claim for this amount to KENHA. The disposal of the land has not been accounted for because a proper survey and valuation is yet to be undertaken, and agreement reached with KENHA on the assessment done by NLC. The Company is currently working with KENHA to resolve the outstanding matters and settlement.

vii. Legal cases

The entity is a defendant in various legal actions. After seeking appropriate legal advice, the directors are of the opinion that the outcomes of such actions are not expected to give rise to any significant losses.

39. Capital commitments

The capital commitments relate to the ongoing capital projects and new projects which have been approved and are at various stages of implementation. They are financed by Development Financial Institutions (DFIs) and internal resources. The projects include rehabilitation of Olkaria I, Olkaria I & IV uprating, Seven Forks Solar, Gogo Hydro Project, Olkaria VII and Olkaria II Extension among other projects.

Capital commitments at the year-end for which no provision has been made in these financial statements are:

	2024 Shs'000	2023 Shs'000
Authorised but not contracted for	119,693,830	97,350,506
Authorised and contracted for	75,535,388	71,086,276
Less: Amounts included in Work in progress	(63,921,181)	(57,108,275)
	131,308,037	**111,328,507**

40. Operating segments

The Company's Key Management, which consists of the Managing Director & Chief Executive Officer and Departmental General Managers is the Company's Chief Operating Decision Maker (CODM).

In accordance with IFRS 8 - Operating segments, information reported to the CODM for the purposes of resource allocation and assessment of segment performance is focused on the principal activities and the products offered by the company.

The Company has one main reportable segment, which is the electricity generation. In its strategy, KenGen is pursuing revenue diversification and has engaged in drilling services in Ethiopia and Djibouti. Drilling operations ended and KenGen demobilized. In making this consideration, the CODM considers the following:

a) Reported revenue/ Products and Services

All the primary activities of the company resulted in the generation of revenue from electricity which is the sole product and revenue stream.

b) Geographical areas

All the plants are based in Kenya and operate effectively within one geographical location (Kenya).

c) Major customers

The company operates in a regulated industry. All its revenue as outlined is derived from one single external customer, Kenya Power and lighting Company Plc.

d) Assets and liabilities

All the assets and liabilities of the company are managed and operated as per company's policies, procedures laws and regulations.

41. Financial risk management

Introduction and overview

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Company's business and the operational risks are an inevitable consequence of being in business. The Company's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance. The key types of risks include:

- Market risk – includes currency, interest rate and other price risk
- Credit risk
- Liquidity risk

The Company's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise potential adverse effects of such risks on its financial performance within the options available by setting acceptable levels of risks.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's Finance department identifies, evaluates and hedges financial risks in close cooperation with operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as credit risk, liquidity risk, foreign exchange risk, interest rate risk and price risk. The Company does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

(a) Market risks

The Board has assigned the Internal Audit, Risk & Compliance function to assist in monitoring the risks faced by the Company on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit, Risk & Compliance Committee.

The Company's Internal Audit, Risk and Compliance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit, Risk & Compliance Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk

Foreign currency risk

Foreign currency exposures on borrowings and also through purchases of goods and services that are done in currencies other than the local currency. The Company has loans from multilateral donors, which are denominated in currencies other than the functional local currency. Loan payments are made by using the prevailing exchange rate as there is no forward currency contracts to eliminate the currency exposures. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Exposure to foreign currency risk is mitigated by the terms of the Power Purchase Agreement that allow the Company to recover certain foreign currency losses/gains from Kenya Power.

41. Financial risk management (Continued)

Risk management framework (continued)

(a) Market risks (Continued)

Foreign currency risk (Continued)

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities is;

	2024 Shs '000	2023 Shs '000
Financial assets		
Financial asset at amortised cost (Note 18(a))	692,885	875,055
KETRACO Contract asset (Note 18(d))	-	5,563,491
Trade receivables (Note 21)	2,525,202	5,049,737
Cash and cash equivalents	3,786,611	647,772
	7,004,698	12,136,055
Liabilities		
Trade and other payables	(180,989)	(197,222)
Borrowings (Note 28(c))	(117,784,092)	(149,851,806)
	(117,965,081)	(150,049,028)
Net currency liability	**(110,960,383)**	**(137,912,973)**

41. Financial risk management (Continued)

Introduction and overview (Continued)

(a) Market risks (Continued)

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Company's profit or loss on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse is also true.

Foreign currency sensitivity analysis

	Change in currency rate	Effect on Profit before tax Shs' 000	Effect on Equity Shs' 000
2024			
United States Dollars (US$)	-7.8%	(1,115,904)	(2,603,775)
Japanese Yen (Yen)	-16.8%	(2,544,425)	(5,936,991)
Euro (Euro)	-9.2%	(391,886)	(914,401)
Total		**(4,052,215)**	**(9,455,167)**
2023			
United States Dollars (US$)	19.3%	3,347,955	7,811,896
Japanese Yen (Yen)	12.4%	2,320,657	5,414,867
Euro (Euro)	23.4%	1,728,544	4,033,268
Total	-	**7,397,156**	**17,260,031**

Interest rate risk
The Company exposure to interest rate risk is with regards to fluctuation in banks' interest rates in the market which affects the borrowings by the Company. The Company's non-current borrowings are at fixed rates thus minimising the exposure to the interest rate risk. The effect of fluctuation of overdraft floating interest rate would not be significant. The interest earning financial assets that the Company holds include investments in government securities and short-term deposits whose rates of return are predetermined.

Other price risk
This is the risk that the rate of the tariff will decline in the future. It is the risk of losing energy revenues due to a fall in the tariff or due to expired PPAs not being renewed. The Company's exposure to this kind of risk is highly regulated by the Power Purchase Agreement, which is a product of discussion by Kenya Power and the Company, with Energy Regulatory Commission as a moderator. The Company's main input for thermal energy generation is fuel which is a significant cost component. The Company is in an arrangement to pass this cost to the customer, Kenya Power.

41. Financial risk management (Continued)

Introduction and overview (Continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets and is managed on a company-wide basis. The Company has adopted a policy of only dealing with credit worthy counterparties.

The Company sells generated electricity to Kenya Power, and this minimizes the credit risk exposure on amount due from Kenya Power. Both companies have a contract that stipulates a 40-day credit period. Receivable balances from Company staff are recovered on payment of salaries.

Credit risk from balances with banks and financial institutions is managed by Company's treasury department in accordance with the Company's policies. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Directors on an annual basis and may be updated throughout the year subject to approval of the Company's audit and risk management committee. The Company has one main customer Kenya Power; however, limits are set to minimise the concentration of risk around Kenya Power and therefore mitigate financial loss through potential counterparty failure.

In assessing whether the credit risk on a financial asset has increased significantly, the Company compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Group and Company considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For this purpose, default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations.

If the Company does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognized on a collective basis. For such purposes, the Company group's financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument
- industry in which the debtor operates
- nature of collateral

41. Financial risk management (continued)

(b) Credit risk (Continued)

The carrying amount of financial assets represents the maximum exposure to credit risk:

	2024 Shs '000	2023 Shs '000
Trade receivables-Kenya Power	16,629,593	21,448,878
Treasury bonds at amortized cost	2,323,042	2,336,075
Treasury bonds at FVOCI	321,154	320,422
Financial assets at amortised cost-Debt	666,385	841,092
Contract asset	-	5,347,560
Financial assets at amortised cost-IFRIC 12	1,298,199	1,319,019
Other receivables (excluding prepayments)	1,301,945	3,855,177
Cash and cash equivalents held at bank	24,850,342	14,995,131
Restricted cash	2,712,749	1,861,357
Exposure to credit risk	**50,103,409**	**52,324,711**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties.

In order to minimise credit risk, the Company has to develop and maintained the Company's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12 months Expected Credit Loss (ECL)
Doubtful	Amount is past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
In default	Amount is >360 days past due or there is evidence indicating the asset is credit impaired. This is based on historical experience that indicates financial assets that are outstanding more than 360 days are generally not recoverable.	Lifetime ECL – credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery and the company has also exhausted all the mechanism to recover the debt e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.	Amount is written off

Notes to the financial statements (continued)

For the year ended 30 June 2024

41. Financial risk management (continued)

(b) Credit risk (continued)

The gross carrying amount of financial assets with exposure to credit risk at the balance sheet date was as follows:

Basis for measurement of loss allowance	Note	External credit rating	Internal credit rating	12 month or Life time ECL	Gross carrying value	Credit loss allowance	Net carrying amount
					Shs '000	Shs '000	Shs '000
30 June 2024							
Trade receivables-Kenya Power	21	N/A	Performing	Lifetime ECL	17,096,299	(466,706)	16,629,593
Treasury bonds at amortized cost	18(c)	N/A	Performing	Lifetime ECL	2,347,528	(24,486)	2,323,042
Treasury bonds at FVOCI	23	N/A	Performing	Lifetime ECL	321,154	-	321,154
Deferred debt receivable	18(a)	N/A	Performing	Lifetime ECL	692,885	(26,500)	666,385
Contract asset	18(d)	N/A	Performing	Lifetime ECL	-	-	-
Financial asset-IFRIC 12	18(b)	N/A	Performing	Lifetime ECL	1,302,371	(4,172)	1,298,199
Other receivables (excluding prepayments)	22	N/A	Performing	Lifetime ECL	1,623,856	(321,911)	1,301,945
Cash and cash equivalents held at bank	24 (a)	A, BBB, B+, B-	Performing	12 Month ECL	25,618,247	(767,905)	24,850,342
Restricted cash	24 (b)	A, BBB, B+, B-	Performing	12 Month ECL	2,733,585	(20,836)	2,712,749
Exposure to credit risk					**51,735,925**	**(1,632,516)**	**50,103,409**

41. Financial risk management (continued)

(b) *Credit risk (continued)*

Basis for measurement of loss allowance	Note	External credit rating	Internal credit rating	12 month or Life time ECL	Gross carrying value	Credit loss allowance	Net carrying amount
					Shs '000	Shs '000	Shs '000
30 June 2023							
Trade receivables-Kenya Power	21	N/A	Performing	Lifetime ECL	22,314,971	(866,093)	21,448,878
Treasury bonds at amortized cost	18(c)	N/A	Performing	Lifetime ECL	2,359,882	(23,807)	2,336,075
Treasury bonds at FVOCI	23	N/A	Performing	Lifetime ECL	320,422	-	320,422
Deferred debt receivable	18(a)	N/A	Performing	Lifetime ECL	875,055	(33,963)	841,092
Contract asset	18(d)	N/A	Performing	Lifetime ECL	5,563,491	(215,931)	5,347,560
Financial asset-IFRIC 12	18(b)	N/A	Performing	Lifetime ECL	1,372,280	(53,261)	1,319,019
Other receivables (excluding prepayments)	22	N/A	Performing	Lifetime ECL	4,959,104	(517,405)	4,441,699
Cash and cash equivalents held at bank	24 (a)	A, BBB, B+, B-	Performing	12 Month ECL	15,470,703	(475,572)	14,995,131
Restricted cash	24 (b)	A, BBB, B+, B-	Performing	12 Month ECL	1,875,204	(13,848)	1,861,356
Exposure to credit risk					**55,111,112**	**(2,199,880)**	**52,911,232**

(i) For financial contracts, the gross carrying amount represents the maximum amount the Company has guaranteed under the respective contracts, and the net carrying amount represents the loss allowance recognised for the contracts.

(ii) For trade receivables, financial assets and contract assets, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on customer rating status in terms of the provision matrix.

The loss allowance on corporate bonds measured at FVTOCI is recognised against other comprehensive income and accumulated in the investment revaluation reserve.

The carrying amount of the Company's financial assets at FVTPL best represents their respective maximum exposure to credit risk. The Company holds no collateral over any of these balances.

41. Financial risk management (continued)

(b) Credit risk (continued)

Basis for measurement of loss allowance	Gross carrying value	Stage 1	Stage 2	Stage 3	Net amount
		12 month -ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
30 June 2024					
Trade receivables-Kenya Power	17,096,299	(420,067)	(46,639)	-	16,629,593
Treasury bonds at amortized cost	2,347,528	(24,486)	-	-	2,323,042
Treasury bonds at FVOCI	321,154	-	-	-	321,154
Deferred debt receivable	692,885	(26,500)	-	-	666,385
Contract asset	-	-	-	-	-
Financial asset-IFRIC 12	1,302,371	(4,172)	-	-	1,298,199
Other receivables (excluding prepayments) *	1,623,856	(629,938)	15,185	292,842	1,301,945
Cash and cash equivalents held at bank	25,618,247	(767,905)	-	-	24,850,342
Restricted cash	2,733,585	(20,836)	-	-	2,712,749
Exposure to credit risk	**51,735,925**	**(1,893,904)**	**(31,454)**	**292,842**	**50,103,409**
Basis for measurement of loss allowance					
30 June 2023					
Trade receivables-Kenya Power	22,314,971	6,555	(873,649)	-	21,448,878
Treasury bonds at amortized cost	2,359,882	(23,807)	-	-	2,336,075
Treasury bonds at FVOCI	320,422	-	-	-	320,422
Deferred debt receivable	875,055	(33,963)	-	-	841,092
Contract asset	5,563,491	(215,931)	-	-	5,347,560
Financial asset-IFRIC 12	1,372,280	(53,261)	-	-	1,319,019
Other receivables	4,959,104	(15,017)	-	(502,388)	4,441,699
Cash and cash equivalents held at bank	15,470,703	(475,572)	-	-	14,995,131
Restricted cash	1,875,204	(13,848)	-	-	1,861,356
Exposure to credit risk	**55,111,112**	**(824,844)**	**(873,649)**	**(502,388)**	**52,911,232**

*** The Amount in stage 3 mainly relates to AKIRA for the drilling of exploration wells**

41. Financial risk management (continued)

(b) Credit risk (continued)

Financial assets for which the loss allowances have been measured at an amount equal to lifetime expected credit losses have been analysed based on their credit risk as follows:

a) *Financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired*
b) *Financial assets that are credit impaired at the balance sheet date*
c) *Trade receivables for which loss allowance is always measured at an equal amount to lifetime expected credit losses.*

	Neither past	Lifetime ECL not Credit impaired			
	Due nor impaired	over 60 days	over 365 days	Expected credit loss	Total
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
At 30 June 2024					
Trade receivables-Kenya Power	14,077,809	848,545	1,703,239	466,706	17,096,299
Financial asset at amortized cost-Treasury bonds	2,323,042	-	-	24,486	2,347,528
Financial asset at FVOCI-Treasury bonds	321,154	-	-	-	321,154
Financial asset at amortized cost-Deferred debt	666,385	-	-	26,500	692,885
Contract assets	-	-	-	-	-
Financial asset-IFRIC 12	1,298,199	-	-	4,172	1,302,371
Other receivables (excluding prepayments)	1,301,945	-	-	321,911	1,623,856
Cash and cash equivalents	24,850,342	-	-	767,905	25,618,247
Restricted cash	2,712,749	-	-	20,836	2,733,585
At 30 June 2024	**47,551,625**	**848,545**	**1,703,239**	**1,632,516**	**51,735,925**
At 30 June 2023					
Trade receivables-Kenya Power	**14,410,436**	**7,038,442**	-	**866,093**	**22,314,971**
Financial asset at amortized cost-Treasury bonds	2,336,075	-	-	23,807	2,359,882
Financial asset at FVOCI-Treasury bonds	320,422	-	-	-	320,422
Financial asset at amortized cost-Deferred debt	841,092	-	-	33,963	875,055
Contract assets	5,347,560	-	-	215,931	5,563,491
Financial asset-IFRIC 12	1,319,019	-	-	53,261	1,372,280
Other receivables (excluding prepayments)	4,441,699	-	-	517,405	4,959,104
Cash and cash equivalents	14,995,131	-	-	475,572	15,470,703
Restricted cash	1,861,356	-	-	13,848	1,875,204
At 30 June 2023	**45,872,790**	**7,038,442**	-	**2,199,880**	**55,111,112**

41. Financial risk management (continued)

(b) Credit risk (continued)

The changes in the loss allowance during the year were as follows

Basis for measurement of loss allowance	12-month expected credit losses	Lifetime expected credit losses	Total
	Shs '000	Shs '000	Shs '000
Year ended 30 June 2024			
At start of year	(824,844)	(1,375,037)	(2,199,881)
ECL movement in the year	(1,069,059)	1,636,424	567,365
At end of year	(1,893,903)	261,387	(1,632,516)
Year ended 30 June 2023			
At start of year	(860,072)	(1,337,354)	(2,197,426)
ECL movement in the year	35,228	(37,683)	(2,455)
At end of year	(824,844)	(1,375,037)	(2,199,881)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters and political violence.

The Company monitors its risk to shortage of funds using a recurring liquidity planning tool. This tool considers the account receivables from Kenya Power and maturity of financial instruments, together with projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and other borrowings.

Notes to the financial statements (continued)

For the year ended 30 June 2024

41. Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the undiscounted maturity profiles of the financial liabilities of the Company based on the remaining period using 30 June 2023 as a base period to the contractual maturity date. These amounts have not been discounted.

	Weighted average effective interest rate	Less than 1 Months	1-3 Months	3 Months to 1 year	1 to 2 years	3 to 4 years	5 and above years	Total	Carrying Amount
	%	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
At 30 June 2024									
Trade and other payables	-	-	6,257,125	-	-	-	-	6,257,125	6,257,125
Amount due to Kenya Power	-	156,223	-	-	-	-	-	156,223	156,223
Lease liabilities	11	-	-	275,227	223,041	245,141	2,658,098	3,401,507	3,401,507
Borrowings	4	-	-	10,035,376	10,403,832	29,436,789	67,908,095	117,784,092	117,784,092
Off balance sheet items		-	-	-	-	-	-	-	-
Letters of credit	-	-	-	1,235,169	-	-	-	1,235,169	1,235,169
Capital commitments	-	-	-	-	131,308,037	-	-	131,308,037	131,308,037
		156,223	**6,257,125**	**11,545,772**	**141,934,910,**	**29,681,930**	**70,566,193**	**260,142,153**	**260,142,153**
At 30 June 2023									
Trade and other payables	-	-	6,002,144	-	-	-	-	6,002,144	6,002,144
Amount due to Kenya Power	-	164,685	-	-	-	-	-	164,685	164,685
Lease liabilities	11	-	-	227,262	237,130	192,559	1,034,891	1,691,842	1,691,842
Borrowings	4	-	-	12,809,721	10,495,971	34,805,113	91,741,001	149,851,806	149,851,806
Off balance sheet items		-	-	-	-	-	-		-
Letters of credit	-	-	-	544,264	-	-	-	544,264	544,264
Capital commitments	-	-	-	-	111,328,507	-	-	111,328,507	111,328,507
		164,685	**6,002,144**	**13,581,247**	**112,061,608**	**34,997,672**	**92,775,892**	**269,583,248**	**269,583,248**

41. Financial risk management (continued)

(d) Fair value measurement

Fair value measurement

Financial instruments

Fair Value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

IFRS 7 specifies a hierarchy of valuation techniques based on whether inputs used in the valuation techniques of financial instruments are observable or unobservable. Financial instruments are grouped into 3 levels based on the degree to which fair value data / input is observable.

i. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active trading markets for identical assets or liabilities. This level includes corporate bonds traded on the Nairobi Securities Exchange ("NSE").

ii. Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices).

iii. Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

Assets	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000	Total Shs'000
Year ended 30 June 2024				
Financial asset at fair value OCI (Note 23)	-	321,154	-	321,154
Financial asset at fair value through P&L (Note19)	-	1,624,333	-	1,624,333
Total assets	-	**1,945,487**	-	**1,945,487**
Assets				
Year ended 30 June 2023				
Financial asset at fair value OCI (Note 23)	-	320,422	-	320,422
Financial asset at fair value through P&L (Note19)	-	20,053,353	-	20,053,353
	-	**20,373,775**	-	**20,373,775**

There are no financial liabilities measured at fair value for the year ended 30 June 2024 (2023: Nil).

There were no transfers between levels 1, 2 and 3 in the period (2023: Nil).

41. Financial risk management (continued)

d) Fair value measurement (continued)

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

(i) the use of quoted market prices – This was used to value the treasury bonds

Sensitivity of fair value of level 2 financial instruments

The fair value of level 2 financial instruments is determined using valuation techniques which incorporate assumptions that are indirectly supported by prices from observable current market transactions in the same instruments and are based on available observable market data. Such assumptions include risk premiums, liquidity discount rates, credit risk, volatilities and correlations. Changes in these assumptions could affect the reported fair values of these financial instruments.

Financial instruments not measured at fair value.
The fair value hierarchy for financial assets not measured at fair value but for which fair value is disclosed as shown in the table below:

These amounts have not been discounted.

	Level 1 KShs'000	Level 2 KShs'000	Level 3 KShs'000	Fair value KShs'000	Carrying value KShs'000
At 30 June 2024					
Assets					
Cash and balances with banks	24,850,342	-	-	24,850,342	24,850,342
Restricted cash	2,712,749	-	-	2,712,749	2,712,749
Financial assets at amortized cost	-	-	1,964,585	1,964,585	1,964,585
Trade receivables	-	-	16,629,593	16,629,593	16,629,593
Financial assets at amortized cost-Treasury bond	-	2,323,042	-	2,323,042	2,323,042
Other receivables	-	-	3,027,582	3,027,582	3,027,582
Total	**27,563,091**	**2,323,042**	**21,621,760**	**51,507,893**	**51,507,893**
Liabilities					
Trade and other payables	-	-	6,413,348	6,413,348	6,413,348
Borrowings	-	-	117,784,092	117,784,092	117,784,092
Total	**-**	**-**	**124,197,440**	**124,197,440**	**124,197,440**

41. Financial risk management (continued)

d) Fair value measurement (continued)

Financial instruments measured at fair value (continued)

	Level 1	Level 2	Level 3	Fair value	Carrying value
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
At 30 June 2023					
Assets					
Cash and balances with banks	14,998,431	-	-	14,998,431	14,998,431
Restricted cash	1,861,356	-	-	1,861,356	1,861,356
Financial assets at amortized cost	-	-	7,507,671	7,507,671	7,507,671
Trade receivables	-	-	21,448,878	21,448,878	21,448,878
Financial assets at amortized cost-Treasury bond	2,336,075	-	-	2,336,075	2,336,075
Other receivables	-	-	4,441,699	4,441,699	4,441,699
Total	19,195,862	-	33,398,248	52,594,110	52,594,110
Liabilities					
Trade and other payables	-	-	6,166,829	6,166,829	6,166,829
Borrowings	-	-	149,851,806	149,851,806	149,851,806
Total	-	-	**156,018,635**	**156,018,635**	**156,018,635**

The valuation techniques used in determining the fair value of financial assets and liabilities classified within level 2 and level 3.

The table below indicates the valuation techniques and main assumptions used in the determination of the fair value of the level 2 and level 3 assets and liabilities not measured at fair value but for which fair value is disclosed:

	Valuation basis/technique	Main assumptions
Deferred Debt – Kenya Power	Discounted cash flow model	Discount rate
Trade receivables	Discounted cash flow model	Discount rate
Financial assets	Discounted cash flow model	Market yield of the bond
Other receivables	Discounted cash flow model	Discount rate
Trade and other payables	Discounted cash flow model	Discount rate
Borrowings	Discounted cash flow model	Discount rate

41. Financial risk management (continued)

d) Fair value measurement (continued)

Financial instruments measured at fair value (continued)

Non-financial assets held at fair value

This note explains the judgements and estimates made in determining the fair values of non-financial assets recognized and measured at fair value in the financial statements. To provide transparency regarding the reliability of the inputs used in determining fair value, the company has classified its non-financial assets into three levels as prescribed under IFRS 13.

Sensitivity Analysis for Level 3 Fair Value Measurements

For Level 3 fair value measurements, which rely on significant unobservable inputs, the following sensitivities to changes in key assumptions are considered:

Discount Rate:
A 1% increase in the discount rate used for the deferred debt, trade receivables, and borrowings would result in a decrease in fair value of approximately 5%. Conversely, a 1% decrease in the discount rate would result in an increase in fair value of approximately 6%.

Market Yield of Bonds:
The fair value of financial assets is sensitive to changes in the market yield of bonds. A 0.5% increase in market yield would result in a 3% decrease in fair value, while a 0.5% decrease in market yield would lead to a 3.5% increase in fair value.

Interrelationships Between Inputs
In certain instances, there are interrelationships between unobservable inputs used in the fair value measurements of non-financial assets, which may magnify or mitigate the overall effect on fair value:

41. Financial risk management (continued)

d) Fair value measurement (continued)

Non-financial assets held at fair value (Continued)

Assets	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000	Total Shs'000
Year ended 30 June 2024				
Property plant and equipment	-	-	359,864,786	359,864,786
Total assets	-	-	359,864,786	359,864,786
Assets				
Year ended 30 June 2023				
Property plant and equipment	-	-	375,375,042	375,375,042
Total assets	-	-	**375,375,042**	**375,375,042**

There were no transfers between levels 1, 2 and 3 in the period (2023: Nil).

Valuation techniques used to determine level 3 fair values

The Company obtains independent valuations for its property plant and equipment at least every five years. The valuation method used is the depreciated replacement cost approach. The property plant and equipment classes subject to fair valuation are land and buildings, transmission lines and plant and equipment.

Fair value measurements using significant unobservable inputs (level 3)

We have disclosed under Note 15, the changes in level 3 items for the periods ended 30 June 2023 and 30 June 2022 for recurring fair value measurements

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See above for the valuation techniques adopted.

Description	Fair value as at 30 June 2024	Fair value as at 30 June 2023	Unobservable inputs	Relationship of unobservable inputs to fair value
	Shs'000	Shs'000		
Property plant and equipment	359,864,786	375,375,042	Estimated useful life	The higher the estimated useful life, the higher the fair value

The Company's land, buildings, transmission lines, intangible assets and plant and machinery are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements as at 30 June 2022 were performed by AON valuation services of Australia, Zenith Associates, Syagga and associates and Ebony Limited, independent valuers not related to the Company. These firms have appropriate qualifications in fair value measurement. The valuation conforms to International Valuation Standards.

42. Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains some strong and healthy capital ratios in order to support its business and maximize shareholder value.

The Capital Management policy as approved by the Board of Directors (the Board) is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends to ordinary shareholders.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares as circumstances would dictate. There were no changes in the Company's approach to capital management as regards the objectives, policies or processes during the year.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's target is to keep the gearing ratios below 70%.

	2024 Shs'000	2023 Shs'000
Ordinary shares and distributable reserves	159,375,736	152,684,660
Borrowings	117,784,092	149,851,806
Less: cash and bank balances (Note 24)	(24,850,342)	(14,998,431)
Net debt	92,933,750	134,853,375
Gearing ratio	37%	48%

43. Subsequent events

Subsequent to the end of the reporting period, the company appointed Eng. Frank Konuche as Chairman of the Board of Directors on 28 October 2024 to serve until the 2024 Annual General Meeting following the appointed of Julius Migos Ogamba as Cabinet Secretary Ministry of Education.

The Company received funding for Seven Forks Solar Power Plant. Agence Française de Développement (AFD) is financing the Project through a loan facility of Euros 60 million and a Grant of Euros 200,000. The Credit and Grant Facility Agreements between KenGen and AFD were signed on 15 July 2024.

The Company also received a new loan to implement the installation of the first Battery Energy Storage System (BESS) of up to 100 MW/200MWh herein referred to as BESS Project. The Subsidiary Loan Agreements between KenGen and The National Treasury & Economic Planning for USD 45 million and EURO 32.08 million from The Green Climate Fund (GCF) and International Development Association (IDA) respectively were signed on 7 August 2024.

STATISTICS

Historical Performance

Company's Ten Years Financial Review

Plant Performance

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Units Sold(GWh)	8,384	8,027	7,918	8,447	8,233	8,277	7,989	7,556	7,819	7,027
Average weighted tariff (Shs/KWh)	4.92	4.83	3.91	4.13	4.10	3.60	3.67	3.84	3.70	3.60

Statement of Comprehensive Income	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**
Electricity revenue	41,252,372	38,783,964	30,973,503	34,901,252	33,783,190	29,796,983	29,285,691	29,006,622	28,933,568	25,307,784
Steam revenue	6,875,964	6,129,269	5,119,412	5,227,392	5,549,684	5,871,921	6,222,056	5,189,072	6,856,018	3,689,361
Fuel charges	7,923,700	8,165,345	9,672,038	3,674,626	4,155,499	10,111,516	9,622,740	9,069,403	3,182,623	7,238,204
Water charges	166,593	125,892	164,872	204,408	181,774	185,226	159,172	166,822	329,079	375,341
Diversification revenue	78,593	759,207	1,546,647	1,783,693	440,344	-	-	-	-	-
	56,297,222	**53,963,677**	**47,476,472**	**45,791,372**	**44,110,492**	**45,965,646**	**45,289,660**	**43,431,920**	**39,301,288**	**36,610,690**
Reimbursable expenses										
Fuel costs	(7,836,831)	(7,995,258)	(9,587,828)	(3,955,710)	(4,106,504)	(10,006,336)	(9,246,855)	(8,812,614)	(3,261,460)	(7,129,037)
Water costs	(166,593)	(125,892)	(164,872)	(204,408)	(181,786)	(185,226)	(159,172)	(166,822)	(329,079)	(375,341)
Revenue less reimbursable expenses	**48,293,798**	**45,842,527**	**37,723,772**	**41,631,254**	**39,822,202**	**35,774,084**	**35,883,633**	**34,452,483**	**35,710,749**	**29,106,312**
Other income	1,297,070	2,083,709	769,403	676,853	472,526	618,822	274,771	553,148	1,945,524	515,418
Other(losses)/gains	(722,117)	428,317	(514,978)	1,539,746	6,382,970	3,179,185	(1,049,948)	343,268	(7,384,454)	(333,151)
Operating income	**48,868,751**	**48,354,553**	**37,978,197**	**43,847,853**	**46,677,698**	**39,572,091**	**35,108,456**	**35,348,899**	**30,271,819**	**29,288,579**
Expenses										
Depreciation	(15,707,703)	(15,800,445)	(12,461,630)	(11,520,128)	(12,029,561)	(10,360,329)	(10,147,886)	(9,244,422)	(10,223,370)	(6,478,945)
Employee expenses	(10,376,066)	(9,206,178)	(8,246,955)	(7,685,411)	(7,082,496)	(6,800,376)	(6,132,305)	(5,754,748)	(4,951,535)	(4,508,522)

Steam costs	(4,393,595)	(3,731,112)	(3,093,308)	(3,028,982)	(3,160,582)	(3,357,126)	(3,549,428)	(2,795,798)	(3,167,173)	(3,689,361)
Plant operation and maintenance expenses	(3,667,517)	(2,979,740)	(3,151,087)	(1,880,704)	(1,503,237)	(1,512,278)	(1,669,068)	(1,554,480)	(1,624,005)	(1,386,081)
Other expenses	(5,740,196)	(7,067,800)	(4,343,426)	(2,821,651)	(2,298,972)	(2,257,402)	(2,168,131)	(2,454,146)	(2,465,306)	(2,552,803)
IFRS 9 ECL provisions	567,366	(1,162)	(601,984)	(493,196)	-	-	-	-	-	-
Operating Profit	**9,551,040**	**9,568,116**	**6,079,807**	**16,417,781**	**20,602,850**	**15,284,580**	**11,441,638**	**13,545,304**	**7,840,430**	**10,672,867**
Compensating tax	-	-	-	-	-	-	-	-	(2,431,022)	-
Finance income	4,201,745	1,688,805	2,072,598	1,938,538	1,431,118	1,423,062	3,341,383	1,333,325	8,893,845	1,027,804
Finance costs	(2,805,920)	(2,732,105)	(1,960,420)	(3,053,208)	(8,244,181)	(5,053,924)	(3,037,554)	(3,417,442)	(3,132,187)	(3,010,659)
Profit Before Tax	**10,946,865**	**8,524,816**	**6,191,985**	**15,303,111**	**13,789,787**	**11,653,717**	**11,745,467**	**11,461,187**	**11,171,066**	**8,690,012**
Taxation (charge)/credit	(4,149,853)	(3,508,339)	(2,810,237)	(13,472,564)	4,587,306	(3,769,382)	(3,854,834)	(2,454,972)	(4,492,659)	2,827,315
Profit After Tax	**6,797,012**	**5,016,477**	**3,381,748**	**1,830,547**	**18,377,093**	**7,884,335**	**7,890,633**	**9,006,216**	**6,678,407**	**11,517,327**
Other Comprehensive Income/ (Loss)	(906,189)	(4,101,756)	66,211,409	(205,069)	(374,610)	(62,060)	(622,921)	(528,500)	(351,569)	54,246,436
Total Comprehensive Income	5,890,823	914,721	69,593,157	1,625,478	18,002,483	7,822,275	7,267,712	8,477,716	6,326,839	65,763,763
Number of Shares Issued	6,594,522,339	6,594,522,339	6,594,522,339	6,594,522,339	6,594,522,339	6,594,522,339	6,594,522,339	6,594,522,339	6,243,098,469	2,198,361,456
Earnings per share -										
Basic and diluted (Shs)	1.03	0.76	0.51	0.28	2.79	1.20	1.20	1.37	1.07	5.24
Dividends per share(Shs)	0.65	0.30	0.20	0.30	0.30	0.25	0.40	-	-	0.65
	======	======	======	======	======	======	======	======	======	======
Number of Employees	2,516	2,593	2,476	2,572	2,519	2,526	2,508	2,476	2,406	2,407
	======	======	======	======	======	======	======	======	======	======

STATISTICS

Historical Performance

Company's Ten Years Financial Review

Statement of financial position

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
ASSETS	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Non-current assets										
Property, plant and equipment	426,723,308	432,483,315	440,181,406	353,249,245	349,619,269	346,737,310	328,082,460	323,843,363	320,932,980	305,378,764
Prepaid leases on land	-	2,256,114	-	-	-	4,110,583	4,170,183	4,229,783	4,150,673	3,223,658
Intangible assets	2,118,932	6,579,750	2,259,146	1,523,213	1,528,948	1,524,693	1,477,691	1,317,066	1,181,241	1,122,452
Right of Use Asset	6,665,185		6,817,943	4,733,193	4,936,545	-	-	-	-	-
Non-current receivables	-	-	-	-	-	-	987,875	1,032,014	1,147,368	965,266
Treasury bonds	-	-	-	-	-	-	2,407,047	2,414,108	2,420,560	2,426,440
Financial asset at amorised costs	4,153,672	4,358,942	4,443,409	4,642,164	4,545,797	3,319,106	-	-	-	-
Contract asset	-	5,347,560	4,595,112	4,496,503	4,571,009	-	-	-	-	-
Fair value asset through profit & loss	728,515	17,816,799	2,888,923	8,526,063	8,334,673	11,958,359	10,490,414	13,117,376	13,890,353	6,242,228
Retirement benefit asset	-	-	-	-	-	143,025	325,268	1,136,503	1,098,771	1,792,214
Restricted cash	2,712,749	1,861,357	1,344,220	1,117,241	924,966	-	-	-	-	-
	443,102,363	470,703,837	462,530,159	378,287,622	374,461,206	367,793,076	347,940,938	347,090,213	344,821,946	321,151,022
Current assets										
Inventories	2,136,284	1,848,446	1,447,124	2,051,828	1,371,280	1,324,294	1,149,180	1,082,044	866,698	899,076
Trade receivables	16,629,593	21,448,878	20,594,295	24,348,846	23,402,447	18,855,494	21,842,957	15,751,937	9,347,411	8,082,805
Coporate tax recievable	195,667	441,713	348,627	385,696	305,068	150,942	126,988	-	-	-
Financial asset at amortised cost	133,954	137,244	136,046	140,653	42,911	41,061	40,321	-	-	-
Fair value through profit & loss	895,818	2,236,554	1,104,809	1,084,721	1,209,899	1,116,274	815,682	888,457	698,229	633,872
Other receivables and prepayments	3,027,582	4,441,700	1,428,312	1,755,119	2,099,012	2,597,941	3,359,793	3,741,225	3,925,727	8,119,110
Asset held for sale	-	-	-	-	-	-	344,053	-	-	-
Treasury bonds	321,154	320,422	338,920	360,957	365,181	367,837	349,690	344,603	322,031	341,803
Cash and cash balances	24,850,342	14,998,431	12,383,934	12,505,186	4,391,024	9,175,330	3,383,402	7,831,103	6,756,324	3,292,307
	48,190,395	45,873,388	37,782,067	42,633,006	33,186,823	33,629,173	31,412,067	29,639,369	21,916,420	21,368,973

TOTAL ASSETS	**491,292,758**	**516,577,225**	**500,312,226**	**420,920,628**	**407,648,029**	**401,422,249**	**379,353,006**	**376,729,582**	**366,738,366**	**342,519,995**
EQUITY AND LIABILITIES										
Capital and reserves										
Share capital	16,487,710	16,487,710	16,487,710	16,487,710	16,487,710	16,487,710	16,487,710	16,487,710	15,609,684	5,495,904
Share premium	22,151,131	22,151,131	22,151,131	22,151,131	22,151,131	22,151,131	22,151,131	22,151,131	21,056,341	5,039,818
Other reserves	118,730,184	122,361,165	129,272,244	65,051,484	67,235,860	69,696,451	71,805,994	74,588,305	77,248,388	79,912,755
Retained earnings	120,736,895	113,193,447	106,686,340	103,291,982	101,460,485	86,629,244	79,658,790	69,608,767	58,470,964	51,145,614
	278,105,920	274,193,453	274,597,425	206,982,307	207,335,186	194,964,536	190,103,625	182,835,914	172,385,376	141,594,091
Non-current liabilities										
Borrowings	107,748,715	137,042,085	122,216,146	134,777,599	137,349,669	128,771,882	121,287,608	127,884,286	126,149,009	137,191,309
Non-current liabilities		-	-	-	-	-	-	-	-	-
Deferred income tax	84,531,405	81,629,986	80,216,843	55,786,804	42,678,446	48,868,799	45,496,036	42,056,582	40,073,728	35,924,900
Lease Liability	891,499	691,876	828,574	656,192	744,568	-	-	-	-	-
Grants	1,228,401	833,351	331,949	200,000	200,000	-	-	-	-	-
Long term Contract payables	-	-	-	1,030,082	857,431	3,219,566	1,586,258	3,859,604	9,940,189	5,329,722
	194,400,021	220,197,298	203,593,512	192,450,677	181,830,114	180,860,247	168,369,902	173,800,472	176,162,926	178,445,931
Current liabilities										
Borrowings due within one year	10,035,376	12,809,721	11,916,546	10,797,898	8,481,495	12,463,018	10,620,761	10,829,802	10,757,003	9,427,225
Trade and other payables	8,579,311	8,293,841	8,594,803	8,115,264	6,785,498	9,127,257	7,927,695	6,771,915	4,943,371	8,176,731
Compensating Tax		-	-	401,022	1,361,022	2,161,022	2,331,022	2,431,022	2,431,022	-
Tax Payable	-	-	-	-	-	-	-	60,458	58,663	140,843
Lease liability due within ne year	172,127	159,826	225,312	195,103	206,083	-	-	-	-	-
Dividends payable	-	923,086	1,384,628	1,978,357	1,648,631	1,846,170	-	-	-	4,735,174
	18,786,814	22,186,474	22,121,289	21,487,644	18,482,729	25,597,466	20,879,478	20,093,197	18,190,059	22,479,973
TOTAL EQUITY AND LIABILITIES	**491,292,754**	**516,577,225**	**500,312,226**	**420,920,629**	**407,648,029**	**401,422,249**	**379,353,005**	**376,729,583**	**366,738,362**	**342,519,995**

STATISTICS

Historical Performance

Company's Ten Years Financial Review

	=========	=========	=========	=========	=========	=========	=========	=========	=========	=========
CAPEX	11,235,968	14,346,902	14,472,131	15,398,536	18,060,828	29,566,784	15,311,876	13,509,704	27,545,275	27,686,471
	=========	=========	=========	=========	=========	=========	=========	=========	=========	=========

EBITDA Review for the last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Revenue	56,297,222	53,963,677	47,476,472	45,791,372	44,110,492	45,965,646	45,289,660	43,431,920	39,301,288	36,610,690
Reimbursable expenses	(8,003,424)	(8,121,150)	(9,752,700)	(4,160,118)	(4,288,290)	(10,191,562)	(9,406,027)	(8,979,437)	(3,590,539)	(7,504,378)
Revenue less reimbursable expenses	48,293,798	45,842,527	37,723,772	41,631,254	39,822,202	35,774,084	35,883,633	34,452,483	35,710,749	29,106,312
Other income	1,296,534	2,083,709	769,403	676,853	472,526	618,822	274,771	553,148	1,945,524	515,418
Operating expenses	(23,609,472)	(22,985,992)	(19,436,760)	(15,909,943)	(14,045,287)	(13,927,183)	(13,518,931)	(12,559,173)	(12,208,019)	(12,136,767)
EBITDA	**25,980,860**	**24,940,244**	**19,056,415**	**26,398,164**	**26,249,441**	**22,465,723**	**22,639,473**	**22,446,458**	**25,448,254**	**17,484,963**
Depreciation & Amortisation	(15,707,703)	(15,800,445)	(12,461,630)	(11,520,128)	(12,029,561)	(10,360,329)	(10,147,887)	(9,244,421)	(10,223,370)	(6,478,945)
EBIT	**10,273,157**	**9,139,799**	**6,594,785**	**14,878,036**	**14,219,880**	**12,105,394**	**12,491,586**	**13,202,037**	**15,224,884**	**11,006,018**
Compensating tax	-	-	-	-	-	-	-	-	(2,431,022)	-
Other (losses)/gains	(722,117)	428,317	(514,978)	1,539,746	6,382,970	3,179,185	(1,049,948)	343,268	(7,384,454)	(333,151)
Finance income	4,201,745	1,688,805	2,072,598	1,938,538	1,431,118	1,423,062	3,341,383	1,333,325	8,893,845	1,027,804
Finance costs	(2,805,920)	(2,732,105)	(1,960,420)	(3,053,209)	(8,244,181)	(5,053,924)	(3,037,554)	(3,417,442)	(3,132,187)	(3,010,659)
Profit Before Tax	**10,946,865**	**8,524,816**	**6,191,985**	**15,303,111**	**13,789,787**	**11,653,717**	**11,745,467**	**11,461,188**	**11,171,066**	**8,690,012**

Taxation (charge)/credit	(4,149,853)	(3,508,339)	(2,810,237)	(13,472,564)	4,587,306	(3,769,382)	(3,854,834)	(2,454,972)	(4,492,659)	2,827,315
Profit After Tax	**6,797,012**	**5,016,477**	**3,381,748**	**1,830,547**	**18,377,093**	**7,884,335**	**7,890,633**	**9,006,216**	**6,678,407**	**11,517,327**
External funding	1,620,282	12,471,626	1,688,919	10,525,728	6,945,856	16,424,322	4,948,566	11,848,974	9,422,158	26,981,206
Internal funding	9,615,687	1,875,276	12,783,213	4,872,808	11,114,972	13,142,462	10,363,309	1,660,730	18,123,117	705,265

Financial ratios	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
	Value or %	**Value or %**	**Value or %**	**Value or %**	**Value or %**	**Value or %**	**Value or %**	**Value or %**	**Value or %**	**Value or %**
Net Profit Margin	14.07%	10.94%	8.96%	4.40%	46.15%	22.04%	21.99%	26.14%	18.70%	39.57%
Return on total assets	1.59%	1.09%	0.76%	0.56%	5.74%	2.71%	2.67%	2.95%	2.45%	4.19%
Current Ratio	2.57	2.07	1.71	1.98	1.80	1.31	1.50	1.48	1.20	0.95
Debt Service Coverage Ratio	2.36	1.55	1.86	2.28	2.15	1.96	2.08	1.95	2.58	1.16
Self Financing Ratio	175.94%	144.47%	106.08%	79.80%	127.68%	81.31%	125.17%	88.91%	61.20%	41.00%
Debt/(Debt+Equity)	25.05%	32.97%	30.68%	39.13%	40.55%	40.38%	40.34%	41.72%	43.02%	50.30%
Return on Equity	2.44%	1.83%	1.23%	0.88%	8.86%	4.04%	4.15%	4.93%	3.87%	8.13%

STATISTICS

Installed vs Effective Capacity (MW)

	2024		2023		2022		2021		2020	
Power Plant	Installed	Effective	Installed	Effective	Installed	Effective	Installed	Effective	Installed	Effective
HYDRO										
Tana	25.70	20.00	25.70	20.00	25.70	20.00	25.70	20.00	25.70	20.00
Masinga	41.20	40.00	41.20	40.00	41.20	40.00	41.20	40.00	41.20	40.00
Kamburu	94.20	90.00	94.20	90.00	94.20	90.00	94.20	90.00	94.20	90.00
Gitaru	225.00	216.00	225.00	216.00	225.00	216.00	225.00	216.00	225.00	216.00
Kindaruma	72.00	70.50	72.00	70.50	72.00	70.50	72.00	70.50	72.00	70.50
Kiambere	168.00	164.00	168.00	164.00	168.00	164.00	168.00	164.00	168.00	164.00
Turkwel	106.00	105.00	106.00	105.00	106.00	105.00	106.00	105.00	106.00	105.00
Sondu Miriu	60.66	60.00	60.66	60.00	60.66	60.00	60.66	60.00	60.66	60.00
Sang’oro	21.20	20.00	21.20	20.00	21.20	20.00	21.20	20.00	21.20	20.00
Small Hydros	12.49	11.23	12.49	11.23	12.49	11.83	11.73	11.22	11.73	11.22
Hydro Total	**826.45**	**796.73**	**826.45**	**796.73**	**826.45**	**797.33**	**825.69**	**796.72**	**825.69**	**796.72**

STATISTICS

Installed vs Effective Capacity (MW)

	2024		2023		2022		2021		2020	
Power Plant	Installed	Effective	Installed	Effective	Installed	Effective	Installed	Effective	Installed	Effective
GEOTHERMAL										
Olkaria I	0.00	0.00	45.00	30.00	45.00	44.00	45.00	44.00	45.00	44.00
Olkaria I AU 4&5	150.52	140.00	150.52	140.00	150.52	40.00	150.52	140.00	150.52	40.00
Olkaria I AU 6	86.60	80.00	86.60	80.00	86.60	80.00				
Olkaria II	104.49	101.00	104.49	101.00	104.49	101.00	104.49	101.00	104.49	101.00
Olkaria IV	149.85	140.00	149.85	140.00	149.85	140.00	149.85	140.00	149.85	140.00
Olkaria V	172.33	158.00	172.33	158.00	172.33	158.00	172.33	158.00	172.33	158.00
Eburru	2.44	2.10	2.44	2.10	2.44	2.10	2.44	2.10	2.44	2.10
Wellhead 37	16.50	15.00	16.50	15.00	16.50	15.00	16.50	15.00	16.50	15.00
Wellhead 43	14.00	10.00	14.00	10.00	14.00	10.00	14.00	10.00	14.00	10.00
Wellhead 914	30.50	25.00	30.50	25.00	30.50	25.00	30.50	25.00	30.50	25.00
Wellhead 915	11.00	10.00	11.00	10.00	11.00	10.00	11.00	10.00	11.00	10.00
Wellhead 919	5.50	5.00	5.50	5.00	5.50	5.00	5.50	5.00	5.50	5.00
Wellhead 905	5.50	2.50	5.50	2.50	5.50	2.50	5.50	2.50	5.50	2.50
Wellhead 39	5.50	2.50	5.50	2.50	5.50	2.50	5.50	2.50	5.50	2.50
Wellheads Total	88.50	70.00	88.50	70.00	88.50	70.00	88.50	70.00	88.50	70.00
Geothermal Total	**754.73**	**691.10**	**799.73**	**721.10**	**799.73**	**735.10**	**713.13**	**655.10**	**713.13**	**655.10**

STATISTICS

Installed vs Effective Capacity (MW)

	2024		2023		2022		2021		2020	
Power Plant	**Installed**	**Effective**	**Installed**	**Effective**	**Installed**	**Effective**	**Installed**	**Effective**	**Installed**	**Effective**
THERMAL										
Kipevu 1	-	-	73.50	60.00	73.50	60.00	73.50	60.00	73.50	60.00
Kipevu III	120.00	115.00	120.00	115.00	120.00	115.00	120.00	115.00	120.00	115.00
Muhoroni GT1*	-	-	30.00	28.00	30.00	28.00	30.00	28.00	30.00	28.00
Muhoroni GT2*	-	-	30.00	28.00	30.00	28.00	30.00	28.00	30.00	28.00
Garissa & Lamu	-	-	-	-	-	-	-	-	-	-
Thermal Total	120.00	115.00	253.50	231.00	253.50	231.00	253.50	231.00	53.50	231.00
Geothermal Total	**754.73**	**691.10**	**799.73**	**721.10**	**799.73**	**735.10**	**713.13**	**655.10**	**713.13**	**655.10**
WIND										
Ngong I phase I & II	11.90	11.90	11.90	11.90	11.90	11.90	11.90	11.90	11.90	11.90
Ngong II	13.60	13.60	13.60	13.60	13.60	13.60	13.60	13.60	13.60	13.60
Wind Total	**25.50**	**25.50**	**25.50**	**25.50**	**25.50**	**25.50**	**25.50**	**25.50**	**25.50**	**25.50**
KenGen TOTAL	**1,726.68**	**1,628.33**	**1,905.18**	**1,774.33**	**1,905.18**	**1,788.93**	**1,817.82**	**1,708.32**	**1,817.82**	**1,708.32**

Notes:
1) * Active/Reactive power
2) Installed capacity corrected to reflect the actual machine rating

STATISTICS

Installed vs Effective Capacity (MW)

	2024		2023		2022		2021		2020	
Power Plant	Generated	Sales	Generated	Sales	Generated	Sales	Generated	Sales	Generated	Sales
HYDRO										
Tana	120.69	117.84	84.25	82.02	89.03	87.07	126.09	123.32	135.66	132.76
Masinga	116.77	115.56	76.57	77.00	154.45	154.27	176.41	176.20	47.96	47.65
Kamburu	407.89	407.12	236.60	236.23	369.18	368.13	443.86	442.60	351.31	349.66
Gitaru	809.92	806.20	532.21	455.88	738.02	716.35	910.43	883.69	879.77	878.66
Kindaruma	188.87	188.47	104.18	101.73	165.77	165.11	184.26	183.53	203.20	202.75
Kiambere	807.34	806.00	517.17	516.43	797.13	795.75	978.31	976.62	906.57	905.34
Turkwel	416.01	413.28	538.95	486.37	540.89	538.95	717.72	715.14	428.00	425.70
Sondu Miriu	280.47	279.52	375.91	374.97	339.98	339.08	428.78	427.65	510.70	509.15
Sang'oro	126.54	126.25	122.63	122.39	109.65	109.50	144.22	144.02	166.10	165.80
Sagana	8.36	8.51	7.33	7.33	7.42	7.42	8.45	8.45	9.91	9.91
Mesco	3.14	3.14	2.43	2.43	2.72	2.72	3.06	3.06	2.04	2.03
Wanjii	57.14	56.56	51.58	51.18	19.25	19.25	-	-	-	-
Gogo	6.48	6.57	6.67	6.40	3.49	3.49	4.08	4.08	6.70	6.65
Sosiani	-	-	-	-	-	-	-	-	-	-
Total Hydro	**3,349.63**	**3,335.01**	**2,656.48**	**2,520.36**	**3,336.99**	**3,307.09**	**4,125.68**	**4,088.35**	**3,647.92**	**3,636.06**

STATISTICS

Installed vs Effective Capacity (MW)

	2024		2023		2022		2021		2020	
Power Plant	**Generated**	**Sales**	**Generated**	**Sales**	**Generated**	**Sales**	**Generated**	**Sales**	**Generated**	**Sales**
GEOTHERMAL										
Olkaria I	-	-	119.68	113.05	216.37	204.43	74.21	70.12	303.40	291.09
Olkaria I AU unit 4&5	1,062.55	1,019.71	1084.76	1042.42	810.78	774.24	901.59	860.96	1,028.72	984.78
Olkaria I AU unit 6	606.34	583.46	628.18	607.31	118.25	112.92				
Olkaria II	661.25	626.50	754.09	730.05	517.13	488.46	528.87	499.55	615.13	583.33
Olkaria IV	1,004.80	969.64	1056.84	1012.70	1,056.21	1,007.08	1,007.03	960.19	1,053.37	1,005.88
Olkaria V	1,216.68	1,164.23	1317.45	1266.29	1,105.93	1,066.18	1,314.98	1,267.72	977.37	945.34
Eburru	10.01	8.71	8.79	7.65	4.05	3.56	8.68	7.63	8.09	7.25
Wellhead 37 & 39	61.06	56.01	75.55	70.30	71.91	64.98	108.23	97.79	125.82	118.12
Wellhead 43	46.98	43.81	31.04	28.80	41.58	40.18	52.01	50.26	59.74 55.61	
Wellhead 914, 919, 905 & 915	177.49	160.54	226.78	210.82	229.25	215.31	242.32	227.59	304.20	284.62
Wellheads Total	285.53	260.36	333.37	309.92	343.44	320.47	402.56	375.63	489.76	458.34
Total Geothermal	**4,847.17**	**4,632.61**	**5,303.16**	**5,089.39**	**4,172.16**	**3,977.34**	**4,237.93**	**4,041.80**	**4,475.84**	**4,276.01**

STATISTICS

Installed vs Effective Capacity (MW)

	2024		2023		2022		2021		2020	
Power Plant	**Generated**	**Sales**	**Generated**	**Sales**	**Generated**	**Sales**	**Generated**	**Sales**	**Generated**	**Sales**
THERMAL										
Kipevu I	-	-	95.64	93.14	143.71	140.73	56.45	55.28	81.49	79.74
Kipevu III	371.04	364.64	235.04	231.41	405.81	398.97	149.61	147.08	164.70	162.07
Embakasi/Muhoroni Gas Turbine (Active)		0.09	35.44	35.30	40.19	40.00	42.98	42.98	36.90	36.76
Embakasi/Muhoroni Gas Turbine (Active)		-	0.18	0.18	0.29	0.29	0.02	0.02	1.24	1.24
Total Thermal	**371.04**	**364.73**	**366.12**	**359.85**	**589.72**	**579.70**	**249.04**	**245.35**	**283.08**	**278.58**
WIND										
Ngong I Phase I & II	23.98	23.72	31.08	30.72	30.51	29.70	26.82	26.10	24.06	23.44
Ngong II	27.74	26.77	26.63	26.58	24.75	24.06	28.26	27.47	23.28	23.20
Total Wind		50.49	57.71	57.30	55.26	53.76	55.08	53.58	47.34	46.64
TOTAL KenGen	**8,567.83**	**8,382.85**	**8,383.47**	**8,026.91**	**8,154.13**	**7,917.88**	**8,667.74**	**8,429.07**	**8,454.18**	**8,237.28**

Notes:
1) The difference between the units generated and sold out is due to system losses and auxiliary consumption
2) System losses comprise of technical and non-technical losses
3) PPA for Olkaria I, Kipevu I and Muhoroni GT expired in the course of the year

STATISTICS

Weighted Factors in % as at 30th June 2024

Power plant	2024			2023			2022			2021			2020		
	Effective Capacity	Availability	Load factor	Effective Capacity	Availability	Load factor	Effective Capacity	Availability	Load factor	Effective Capacity	Availability	Load factor	Effective Capacity	Availability	Load factor
HYDRO															
Sagana	1.5	99.17	62.04	1.5	91.12	46.95	1.50	91.28	56.22	1.50	80.36	64.00	1.50	97.05	75.43
Mesco	0.43	87.53	92.64	0.43	89.34	64.28	0.43	85.65	77.67	0.36	96.65	86.98	0.36	69.89	64.53
Wanjii	7.4	95.74	86.24	7.4	96.29	73.41	8.00	46.30	30.41	7.40	-	-	7.40	-	-
Tana	20	94.02	65.84	20	95.64	36.88	20.00	96.46	49.55	20.00	91.07	70.24	20.00	94.64	77.43
Masinga	40	72.33	32.98	40	73.13	22.27	40.00	81.28	44.02	40.00	71.56	50.23	40.00	68.38	13.69
Kamburu	90	96.76	50.79	90	97.22	28.95	90.00	96.76	46.62	90.00	94.71	55.87	90.00	77.65	44.56
Gitaru	216	94.52	41.92	216	93.85	23.32	216.00	97.23	37.83	216.00	94.65	46.49	216.00	95.40	46.50
Kindaruma	70.5	92.16	29.16	70.5	96.77	15.89	70.50	92.86	26.69	70.50	95.01	29.58	70.50	97.33	32.90
Kiambere	164	95.37	54.71	164	94.79	37.75	164.00	93.98	55.36	164.00	92.70	67.69	164.00	95.22	63.10
Turkwel	105	95.48	45.61	105	95.35	54.05	105.00	90.60	58.60	105.00	98.74	77.57	105.00	95.96	46.53
Sondu Miriu	60	56.31	53.56	60	96.27	62.51	60.00	95.53	64.44	60.00	98.03	81.54	60.00	99.61	97.17
Sang'oro	20	90.47	69.12	20	94.41	58.59	20.00	94.21	60.61	20.00	97.28	79.38	20.00	96.14	94.81
Gogo	1.6	79.08	38.18	1.6	80.52	37.82	1.60	33.65	19.85	1.60	41.07	23.14	1.60	65.68	47.80
Sosiani	0.3	-	-	0.3	-	-	0.30	-	-	0.36	-	-	0.36	-	-
Total Effective Capacity	**796.73**			**796.73**			**797.33**			**796.72**			**796.72**		
Weighted Factors - Hydro		**90.71**	**46.39**		**94.03**	**34.41**		**93.53**	**47.03**		**92.84**	**58.32**		**91.56**	**52.27**

STATISTICS

Weighted Factors in % as at 30th June 2024

Power plant	2024			2023			2022			2021			2020		
	Effective Capacity	Availability	Load factor	Effective Capacity	Availability	Load factor	Effective Capacity	Availability	Load factor	Effective Capacity	Availability	Load factor	Effective Capacity	Availability	Load factor
GEOTHERMAL															
Olkaria I	-	-	-	30	79.74	71.86	45.00	90.78	53.04	44.00	31.16	15.64	44.00	88.97	78.72
Olkaria I AU unit 4 & 5	140	94.47	83.67	140	93.33	82.83	140.00	71.55	63.13	140.00	82.47	64.73	140.00	95.10	83.88
Olkaria I AU unit 6	80	90.39	84.45	80	88.93	86.46	80.00	92.93	92.93						
Olkaria II	101	71.79	70.38	101	80.51	85.58	101.00	56.62	55.21	101.00	56.85	52.98	101.00	69.75	69.53
Olkaria IV	140	96.59	79.94	220	93.68	81.80	140.00	89.53	82.12	140.00	91.78	64.68	140.00	95.97	85.89
Olkaria V	158	97.14	85.20	158	96.87	91.38	158.00	78.94	77.03	158.00	95.42	83.92	158.00	98.43	94.15
Eburru	2.1	92.13	41.19	2.1	81.88	41.76	2.10	37.05	19.35	2.10	84.78	36.67	2.10	66.33	43.98
Wellhead KWG12, KWG13, 37 & 39	17.5	64.34	36.53	17.5	74.45	45.19	17.50	70.45	42.38	17.50	84.47	64.41	17.50	83.88	82.07
Wellhead 43	10	87.65	50.01	10	54.18	27.99	10.00	66.12	45.87	10.00	83.10	48.15	10.00	87.67	68.20
Wellhead 914, 919, 905 & 915	42.5	72.55	43.12	42.5	82.41	52.56	42.50	81.46	57.83	42.50	83.96	57.98	42.50	93.49	81.71
Total Effective Capacity	**691.1**			**801.10**			**736.10**			**655.10**			**655.10**		
Weighted Factors - Geothermal		**89.5**	**77.1**		**90.05**	**81.31**		**78.38**	**70.10**		**80.36**	**63.45**		**91.16**	**83.67**

STATISTICS

Weighted Factors in % as at 30th June 2024

Power plant	2024			2023			2022			2021			2020		
	Effective Capacity	Availability	Load factor	Effective Capacity	Availability	Load factor	Effective Capacity	Availability	Load factor	Effective Capacity	Avail-ability	Load factor	Effective Capacity	Avail-ability	Load factor
THERMAL															
Kipevu I Diesel	-	-	-	60	59.82	19.07	60.00	56.98	26.84	60.00	66.22	10.62	60.00	69.67	15.50
Kipevu III Diesel	115	88.77	36.34	115	94.98	21.97	115.00	93.45	39.81	115.00	97.46	14.56	115.00	97.12	16.35
Total Effective Capacity	**115**			**175.00**			**175.00**			**175.00**			**175.00**		
Weighted Factors - Thermal		**88.77**	**36.3**		**82.93**	**20.97**		**80.95**	**35.36**		**86.75**	**13.21**		**87.71**	**16.06**
GAS TURBINES															
Gas Turbines	56.0	-	-	56	62.04	7.82	56.00	82.28	8.18	56.00	54.35	8.78	56.00	72.63	7.52
Total Effective Capacity	56.0			56			56.00			56.00			56.00		
Weighted Factors - Thermal		-	-		62.04	7.82		82.28	8.18		54.35	8.78		72.63	7.52
ISOLATED THERMALS															
Garissa (KenGen)							-			-	-	-	-	-	-
Garissa (Aggreko)							-			-	-	-	-	-	-
Lamu							-			-	-	-	-	-	-
Total Effective Capacity							-			-	-	-	-	-	-
Weighted Factors - Thermal											-	-		-	-

STATISTICS

Weighted Factors in % as at 30th June 2024

Power plant	2024			2023			2022			2021			2020		
	Effective Capacity	Availabil-ity	Load factor	Effective Capacity	Availabil-ity	Load factor	Effective Capacity	Availability	Load factor	Effective Capacity	Avail-ability	Load factor	Effective Capacity	Avail-ability	Load factor
WIND															
Ngong I phase I	5.1	87.45	28.39	5.1	88.01	40.49	5.10	98.59	36.81	5.10	85.10	31.78	5.10	90.08	28.45
Ngong I phase II	6.8	92.90	20.92	6.8	91.92	25.65	6.80	97.27	22.18	6.80	78.87	19.94	6.80	84.42	18.01
Ngong II	13.6	78.91	23.50	13.6	71.51	23.71	13.60	69.10	20.17	13.60	76.04	23.03	13.60	78.95	19.54
Total Effective Capacity	**25.5**			**25.50**			**25.50**			**25.50**			**25.50**		
Weighted Factors - Thermal	**1628.3**	**84.35**	**23.79**		**80.25**	**27.59**		**82.51**	**24.03**		**78.61**	**23.96**		**82.63**	**20.92**

Notes:

1) Availability and Load Factor is a Percentage (%)

2) Effective Capacity is in Megawatts (MW)

KenGen Shareholders Tour flag-off by the Chairman


KenGen Shareholders' Tour at the Sondu Miriu Power Station Control-room

SHAREHOLDERS CALENDAR

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN to Shareholders that, in accordance with the provisions of section 280 of the Companies Act, 2015 and Articles of Association of the Company Article 67, the Seventy-second Annual General Meeting of Kenya Electricity Generating Company PLC will be held via electronic communication on Thursday, 28 November 2024 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the resolutions set out below:

Ordinary Business

1. To table the proxies and note the presence of a quorum.
2. To read the Notice convening the meeting.
3. To consider and if approved, adopt the Company's Audited Financial Statements for the year ended 30th June 2024, together with the Chairman's, Directors' and Auditors' Reports thereon.
4. To approve the payment of a final dividend of Kshs. 0.65 per ordinary share of Kshs. 2.50, subject to withholding tax where applicable, in respect of the financial year ended 30 June 2024.
5. To consider and approve the Directors' Remuneration Report and approve payment of the Directors Fees for the year ended 30 June 2024.
6. Auditors: To note that the audit of the Company's books of accounts will continue to be undertaken by the Auditor-General or an audit firm appointed by her in accordance with Section 23 of the Public Audit Act 2015.
7. To authorize the Directors to fix the remuneration of the Auditors
8. To Elect Directors:
   i. Dr. Rosemarie Wanyoike who retires on rotation in accordance with Article 126 of the Articles of Association of the Company and being eligible, offers herself for re-election as a Director of the Company.
   ii. Hon. John Mbadi, Cabinet Secretary-The National Treasury who retires on rotation in accordance with Article 126 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director of the Company.
   iii. Mr. Alex Wachira Principal Secretary-State Department for Energy who retires on rotation in accordance with Article 126 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director of the Company.
   iv. Hon. Alfred Agoi was appointed during the financial year to fill a casual vacancy on the Board. He retires in accordance with the provisions of Article 127 of the Articles of Association of the Company and being eligible, offers himself for election.
9. In accordance with the provisions of Section 769 of the Companies Act, 2015 the following directors, being members of the Audit, Risk & Compliance Committee of the Board be elected to continue to serve as members of the said Committee:
   i. Mr. Bernard Ngugi
   ii. Ms. Josphine Koisaba
   iii. Hon. Stephen Mutai
   iv. Mr. Umuro Wario
   v. Mr. Kennedy Ondieki, Alternate to Hon. John Mbadi (Cabinet Secretary -The National Treasury) [Subject to re-election to the Board as per Agenda item 8(ii)]

10. To consider any other business for which due notice has been given.

By Order of the Board

FCS. Austin Ouko
Company Secretary

7th November 2024

SHAREHOLDERS CALENDAR

Notice of the Annual General Meeting

Notes:

1. KenGen PLC has convened and will conduct its Seventy second Annual General meeting via virtual/electronic means in accordance with Article 67 of the Articles of Association of the Company which provides that "The Members may, if they think fit, confer or hold a meeting by radio, telephone, closed circuit television, video conferencing or other electronic, or other, means of audio or audio/visual communication, or a combination thereof ("Conference"). Notwithstanding that the Members are not present together in one place at the time of the Conference, a resolution passed by the Members constituting a quorum at such a Conference shall be deemed to have been passed at a General Meeting held on the day on which and at the time at which the Conference was held. The provisions of these Articles relating to proceedings of Members apply insofar as they are capable of application mutatis mutandis to such Conference." KenGen intends to hold a Virtual Annual General Meeting for the financial year ended 30th June 2024
2. Shareholders will be able to register to follow the meeting, vote electronically or by proxy and may ask questions in advance before the date of the Annual General meeting.
3. Shareholders wishing to participate in the meeting should register for the AGM using either of the following means:
    - Dialling ***483*901#** on their mobile telephone and follow the various prompts on the registration process or;
    - Send an email request to be registered to **kengenagm@image.co.ke** providing their details i.e., Name, Passport/ID No., DS No. and Mobile telephone number requesting to be registered. Image Registrars shall register shareholders and send them an email notification once registered.
4. Shareholders with email addresses will receive a registration link via email through which they can use to register.
5. To complete the registration process, shareholders will need to provide their National ID/Passport Numbers which they used to purchase their shares and/or their CDSC Account Number. For assistance shareholders should dial the following helpline number: +254 709170 000/709170 039 from 9.00 a.m. to 3.00 p.m. from Monday to Friday. Shareholders outside Kenya should dial the helpline number for assistance during registration.
6. Registration for the AGM opens on **Thursday, 7 November 2024 at 9.00 a.m**. and will close on **Tuesday, 26 November 2024 at 5.00 p.m.** Shareholders will not be able to register after this time.
7. In accordance with Article 168 of the Company's Articles of Association, the following documents may be viewed on the Company's website **www.kengen.co.ke**
    (a) A copy of this Notice and the Proxy Form;
    (b) The Company's Annual Report & Audited Financial Statements for the year ended 30th June 2024;
8. The reports may also be accessed upon request by dialling the USSD ***483*901#** and selecting the reports option. The reports and agenda can also be accessed on the livestream link.
9. Any shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. Such proxy need not be a member of the Company.
10. A Proxy Form is provided with the Integrated Annual Report & Accounts. The Proxy Form can also be obtained from the Company's website **www.kengen.co.ke** or from Image Registrars Limited, Absa Towers (formerly Barclays Plaza), 5th Floor, Loita Street, P. O. Box 9287 –00100, Nairobi, Kenya. Shareholders who do not wish to attend the Annual General Meeting have an option to complete and return the Proxy Form to Image Registrars Limited, or alternatively to the Registered Office of the Company so as to arrive not later than **11.00a.m. on 26th November 2024**.

11. Duly signed proxy forms may also be emailed to **kengenagm@image.co.ke** in PDF format. A proxy form must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under the Company's common seal or under the hand of an officer or duly authorized attorney of such body corporate.
12. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so may do so by sending their written questions:
    i. Sending their written questions by email to **agmquestions@kengen.co.ke**; or
    ii. By dialling USSD code ***483*901#** and selecting the option (Ask Question) on the prompts; or
    iii. To the extent possible, physically delivering or posting their written questions with a return physical, postal or email address to the registered office of the Company or P.O. Box 47938 – 00100, Nairobi, or to Image Registrars offices at P. O. Box 9287 –00100, Nairobi, Kenya.
    iv. Shareholders must provide their full details (full names, National ID/Passport Number/CDSC Account Number) when submitting their questions or clarifications via email or letter.
    v. The Company's Directors will provide responses to questions received via the channel used by shareholders to send their questions i.e. SMS (for USSD option), Email, Letters or Telephone call. Questions will also be responded to during the meeting. A full list of all questions received and the answers thereto will be published on the Company's website not later than 24 hours following the conclusion of the meeting.
13. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, as a reminder that the AGM will begin in one hour and providing a link to the live stream.
14. Shareholders and proxies who have registered to attend the AGM may follow the proceedings using the live stream platform, access the agenda and vote when prompted by the Chairman via the USSD prompts.
15. Results of the resolutions voted on will be published on the Company's website that is, **www.kengen.co.ke** within 24 hours following conclusion of the AGM. Shareholders are encouraged to continuously monitor the Company's website for any updates relating to the AGM.
16. Dividends: To ensure receipt of future dividends in a timely manner, Shareholders are hereby requested to provide their bank details and update their payment option to electronic funds transfer method through their respective stockbrokers or the Registrar to facilitate remittance of dividends through their bank accounts in future. In addition, shareholders can opt-in for their future dividends to be paid to them via mobile money transfer when registering for the AGM.

SHAREHOLDERS CALENDAR

Ilani ya Mkutano Mkuu wa Kila Mwaka

TAARIFA IMETOLEWA HAPA kwa Wenyehisa kwamba, kwa mujibu wa kanuni za vipengele vya sehemu ya 280 ya Sheria za Kampuni, 2015 na Hati ya Ushirika ya Kampuni, Kifungu cha 67, Mkutano Mkuu wa Sabini na mbili wa Kila Mwaka wa Kampuni ya Kenya Electricity Generating PLC utafanywa kupitia mawasiliano ya kielektroniki siku ya Alhamisi, tarehe 28 Novemba 2024 saa 5.00 asubuhi. kwa madhumuni ya kuzingatia na, ikiwa sawa, kupitisha maamuzi yaliyobainishwa hapa chini:

Shughuli ya Kawaida

1. Kuwasilisha majina ya washirika na kutambua uwepo wa idadi ya kutosha ya wanachama kuendesha mkutano.
2. Kusoma Taarifa inayoitisha mkutano.
3. Kuzingatia na ikiidhinishwa, kupitisha Taarifa za Kifedha za Kampuni zilizofanyiwa ukaguzi kwa mwaka uliokamilika tarehe 30 Juni 2024, pamoja na Ripoti za Mwenyekiti, Wakurugenzi Watendaji na Wakaguzi waliomo.
4. Kuidhinisha malipo ya mgao wa mwisho wa mapato ya hisa wa Kshs.0.65 kwa kila hisa ya kawaida ya Kshs. 2.50, inayotolewa kodi inayoshikiliwa panapohitajika, katika mwaka wa kifedha uliokamilika tarehe 30 Juni 2024.
5. Kujadili na kuidhinisha Ripoti ya Mshahara wa Wakurugenzi Watendaji na kuidhinisha malipo ya ada za Wakurugenzi Watendaji kwa mwaka uliokamilika tarehe 30 Juni 2024.
6. **Wakaguzi:**
   Kubaini kuwa ukaguzi wa vitabu vya akaunti za Kampuni utaendelea kufanywa na Mkaguzi Mkuu au na shirika la ukaguzi atakaloliteua kwa mujibu wa Sehemu ya 23 ya Sheria ya Ukaguzi wa Umma ya 2015.
7. Kuidhinisha Wakurugenzi Watendaji kusuluhisha malipo kwa Wakaguzi
8. Kuchagua Wakurugenzi
   i. DKt. Rosemarie Wanyoike - ambaye anastaafu kwa awamu kulingana na Kifungu cha 126 cha Hati ya Ushirika ya Kampuni na kwa kuwa anastahiki, anajitokeza kuchaguliwa tena kama Mkurugenzi Mtendaji wa Kampuni.
   ii. Bw. John Mbadi, Waziri wa Fedha ambaye anastaafu kwa awamu kwa mujibu wa Kifungu cha 126 cha Hati ya Ushirika ya Kampunina kwa kuwa anastahiki, anajitokeza kuchaguliwa tena kama Mkurugenzi Mtendaji wa Kampuni.
   iii. Bw. Alex Wachira Katibu-Idara ya Kawi ambaye anastaafu kwa awamu kwa mujibu wa Kifungu cha 126 cha Hati ya Ushirika ya Kampunina kwa kuwa anastahiki, anajitokeza kuchaguliwa tena kama Mkurugenzi Mtendaji wa Kampuni.
   iv. Bw. Alfred Masadia- ambaye anastaafu kwa awamu kulingana na Kifungu cha 127 cha Hati ya Ushirika ya Kampuni na kwa kuwa anastahiki, anajitokeza kuchaguliwa tena kama Mkurugenzi Mtendaji wa Kampuni.
9. Kwa mujibu wa kanuni za Sehemu ya 769 za Sheria ya Kampuni ya 2015, wakurugenzi watendaji wafuatao, kwa kuwa wanachama wa Kamati ya Bodi ya Ukaguzi, Hatari na Utiifu ya Bodi wanachaguliwa kuendelea kuhudumu kama wanachama wa Kamati husika:
   i. Bw. Kennedy Ondieki Mwakilishi wa Bw. John Mabdi (Waziri wa Fedha)
   ii. Bw. Bernard Ngugi
   iii. Bi. Josphine Koisaba
   iv. Bw. Stephen Mutai
   v. Bw. Umuro Wario

10. Kuzingatia shughuli nyingine yoyote ambayo taarifa yake imetolewa

Kwa Agizo la Bodi

FCS. Austin Ouko
Katibu wa Kampuni
7 Novemba 2024

SHAREHOLDERS CALENDAR

Ilani ya Mkutano Mkuu wa Kila Mwaka

Vidokezo:

Wenyehisa wataweza kujisajili ili kufuatilia mkutano, kupiga kura kwa njia ya kielektroniki au kupitia washirika na wanaweza kuuliza maswali mapema kabla ya tarehe ya Mkutano Mkuu wa Kila Mwaka kwa namna iliyobainishwa ifuatavyo:

1. Shirika la KenGen PLC limeita na litaendesha mkutano wake wa Sabini na mbili wa Kila Mwaka kupitia mtandao/ kielektroniki kwa mujibu wa Kifungu cha 67 cha Makala ya Ushirika ya Kampuni kinasema kwamba “Wanachama wanaweza, ikiwa watafikiri ni sawa, kuendesha au kufanya mkutano kupitia redio, simu, televisheni, mkutano wa video au kifaa chochote cha kielektroniki, au njia nyingine za mawasiliano ya sauti/picha, au mchanganyiko wazo (“Mkutano”). Licha ya kwamba Wanachama hawako pamoja wakati wa Mkutano, uamuzi utakaopitishwa na Wanachama ambao wamefikisha idadi hitajika katika Mkutano kama huo utachukuliwa kuwa umepitishwa katika Mkutano Mkuu uliofanyika siku na wakati ambapo Mkutano ulifanywa. Kanuni katika Vifungu hivi zinazohusiana na vikao vya Wanachama zinatumika kadri zinavyoweza kutekeleza hitaji la kubadilisha masuala yanayohitajika kubadilika katika Mkutano kama huo. KenGen inanuia kufanya Mkutano Mkuu wa Kila Mwaka Mtandaoni kwa mwaka wa kifedha unaoisha tarehe 30 Juni, 2024
2. Wenyehisa ambao wangependa kushiriki katika mkutano huu wanapaswa kujisajili kwa ajili ya AGM kwa kutumia mojawapo ya njia zifuatazo:
   c. Kubofya ***483*901#** kwenye simu zao za mkononi na kufuata maelekezo kuhusu mchakato wa kujisajili au;
   d. Watume ombi la baruapepe ili usajiliwe kwenda **kengenagm@image.co.ke** kwa kutoa maelezo yao yaani., Jina, Nambari ya Pasipoti au Kitambulisho., Nambari ya DS na nambari ya simu ya mkononi wakiomba kusajiliwa. Image Registrars itasajili wenyehisa na kuwatumia arifa za baruapepe baada ya kuwasajili.
   e. Wenyehisa walio na anwani za baruapepe watapokea kiungo cha kujisajili kupitia baruapepe ambacho wanaweza kutumia kujisajili.
6. Ili kukamilisha mchakato wa kujisajili, wenye hisa watahitaji kutoa Nambari za Kitambulisho cha Kitaifa/ Pasipoti ambayo walitumia kununua hisa zao na/au Nambari Yao ya Akaunti ya CDSC. Kwa usaidizi, wenyehisa wanapaswa kupiga nambari ifuatayo ya usaidizi: +254 709170 000/709170 039 kuanzia saa 3.00 asubuhi hadi saa 9.00 jioni Jumatatu hadi Ijumaa. Wenyehisa walio nje ya Kenya wanapaswa kupiga nambari ya usaidizi ili kupata usaidizi wakati wa usajili.
7. Usajili kwa ajili ya AGM unafunguliwa **Alhamisi 7 Novemba, 2024 saa 3.00 asubuhi**. na utafungwa **Jumanne, tarehe 26 Novemba 2023 saa 11.00 jioni**. Wenyehisa hawataweza kujisajili baada ya wakati huu.
8. Kwa mujibu wa Kifungu cha 168 cha Hati ya Ushirika ya Kampuni, hati zifuatazo zinaweza kutazamwa kwenye wavuti wa Kampuni www.kengen.co.ke.
   a. Nakala ya Taarifa hii na Fomu ya Mshirika;
   b. Ripoti ya Kila Mwaka na Taarifa za Kifedha Zilizokaguliwa za Kampuni za mwaka uliokamilika tarehe 30 Juni 2024;
9. Ripoti hizi pia zinaweza kufikiwa baada ya kuombwa kwa kupiga msimbo wa USSD wa ***483*901#** na kuteua chaguo la “ripoti”. Ripoti na ajenda pia inaweza kufikiwa kwenye kiungo cha kutiririsha mkutano moja kwa moja.
10. Mwenyehisa yeyote ambaye ana haki ya kuhudhuria na kupiga kura katika Mkutano Mkuu wa Kila Mwaka ana haki ya kuteua mshirika kuhudhuria na kupiga kuwa kwa niaba yake. Si lazima mshirika kama huyo awe mwanachama wa Kampuni.

SHAREHOLDERS CALENDAR

Ilani ya Mkutano Mkuu wa Kila Mwaka

11. Fomu ya Mshirika imetolewa pamoja na Ripoti ya Kila mwaka na Akaunti. Fomu ya Mshirika pia inaweza kupatikana kwenye wavuti wa Kampuni www.kengen.co.ke au kutoka Image Registrars Limited, Jumba la Absa (lililokuwa Jumba la Barclays), Orofa ya 5, Barabara ya Loita, S.L.P 9287 – 00100, Nairobi, Kenya. Wenyehisa ambao hawangependa kuhudhuria Mkutano Mkuu wa Kila Mwaka wana chaguo la kukamilisha na kurejesha Fomu ya Mshirika kwa Image Registrars Limited, au vinginevyo kwa Ofisi Iliyosajiliwa ya Kampuni ili ifike sio baada ya **saa 5:00 asubuhi tarehe 26 Novemba 2024**.
12. Fomu za mshirika zilizotiwa sahihi ifaavyo pia inaweza kutumwa kwa **kengenagm@image.co.ke** katika umbizo la PDF. Fomu ya mshirika lazima itiwe sahihi na mteuzi au wakili wake ambaye amehalalishwa kupitia maandishi. Ikiwa mteuzi ni shirika, chombo kinachoteua mshirika kitatolewa chini ya muhuri ya kawaida ya Kampuni au chini ya mkono wa afisa au wakili aliyehalalishwa wa shirika kama hilo.
13. Wenyehisa ambao wangependa kuuliza maswali yoyote au ufafanuzi kuhusiana na AGM wanaweza kufanya hivyo kwa kutuma maswali yake yaliyoandikwa:
    a. Kutuma maswali yaliyoandikwa kupitia baruapepe kwa **agmquestions@kengen.co.ke**; au
    b. Kwa kubofya msimbo wa USSD ***483*901#** na kuteua chaguo la (Uliza Swali) kwenye vidokezo; au
    c. Kadri iwezekanavyo, kuleta maswali yao yaliyoandikwa wao wenyewe mahali halisi au kuchapisha maswali yao yaliyoandikwa kwa anwani ya posta au ya barua pepe kwenye ofisi iliyosajiliwa ya Kampuni au S.L.P 47938 – 00100, Nairobi, au katika ofisi za Image Registrars kwa S.L.P 9287 – 00100, Nairobi, Kenya.
    d. Ni lazima Wenyehisa watoe maelezo yao kamili (majina kamili, Kitambulisho cha Kitaifa/Nambari ya Paspoti/Nambari ya Akaunti ya CDSC) wanapotuma maswali au ufafanuzi wao.
    e. Wakurugenzi wa Kampuni watatoa majbu ya maswali yaliyopokelewa kupitia kituo kinachotumiwa na wenyehisa kutuma maswali yao yaani., SMS (chaguo la USSD), Baruapepe, Barua au Simu. Maswali pia yatajibiwa wakati wa mkutano. Orodha kamili ya maswali yaliyopokewa na majibu yaliyofuata baadaye yatachapishwa kwenye wavuti wa Kampuni muda usiozidi saa 24 baada ya kuhitimishwa kwa mkutano.
14. Mkutano wa AGM utatiririshwa moja kwa moja kupitia kiungo ambacho kitatolewa kwa wenye hisa wote ambao wamejisajili kushiriki katika AGM. Wenye hisa waliosajiliwa halali na washirika watapokea ujumbe mfupi (SMS)/USSD) Kwenye nambari zao za simu zilizosajiliwa, saa 24 kabla ya mkutano wa AGM kuanza hii ikiwa ni kikumbusho kuhusu AGM. Ujumbe wa pili wa SMS/USSD utatumwa saa moja kabla ya AGM, ukiwakumbusha wenye hisa na washirika waliosajiliwa halali kwamba AGM itaanza baada ya saa moja na kutoa kiungo cha kutiririsha moja kwa moja.
15. Wenyehisa na washirika wao ambao wamejisajili kushiriki katika AGM wanaweza kufuatilia vikao kwa kutumia jukwaa la kutiririsha moja kwa moja, kufikia agenda na kupiga kura Mwenyekiti akiwaomba kufanya hivyo kupitia USSD.
16. Matokeo ya maamuzi yaliyopigiwa kura yatachapishwa kwenye wavuti wa Kampuni ambao ni, www.kengen.co.ke ndani ya saa 24 baada ya kuhitimishwa kwa AGM. Wenyehisa wanahimizwa kuendelea kufuatilia wavuti wa Kampuni kwa taarifa zozote zinazohusiana na mkutano wa AGM.
17. Migao: Ili kuhakikisha kuwa wenyehisa wanapata migao yao ijayo kwa muda ufaao, Wenyehisa wanaombwa kutoa taarifa zao za benki na kusasisha njia zao za malipo iwe njia ya uhamishaji wa fedha kielektroniki kupitia mabroka wao husika au Msajili ili kuwezesha migao itumwe kwenye akaunti zao za benki siku zijazo. Kando na hayo, wenyehisa wanaweza kuchagua migao yao ya siku zijazo ilipwe kupitia uhamisho wa pesa kwenye simu wanapojisajili kwa ajili ya AGM.

Proxy Form

THE COMPANY SECRETARY,
Kenya Electricity Generating Company PLC
P. O. BOX 47936-00100
NAIROBI, KENYA

I/We____

Share A/c No___________________________________of (Address) ____

Being a member(s) of KenGen PLC, hereby appoint: ____

Or failing him/her, the duly appointed Chairman of the Meeting, to be my/our proxy, to vote for me/us and on my/our behalf at the Annual

General Meeting of the Company, to be held on Thursday, November 28, 2024, and at any adjournment thereof. As witness, I/we lay my/our

hand(s) this __________________________ day of__________________________ 2024.

Signature ____________________________________ Signature ______________________________________

NOTES

1. If a member is unable to attend personally, this Proxy Form should be completed and returned not later than Tuesday, 26th November 2024 at 11.00 a.m., to the Company Secretary P.O. Box 47936 -00100 GPO Nairobi or physically to the registered office of the Company at Pension Plaza, Kolobot Road, Parklands, Nairobi, or to the Company's Shares Registrar firm, Image Registrars Ltd on P. O. Box 9287 - 00100, Nairobi, Kenya. Alternatively, duly signed proxies can be scanned and emailed to info@image.co.ke in PDF form

2. In case of a member being a corporate body, the proxy form must be under its common seal or under the hand of an officer or duly authorized attorney of such corporate body

3. As a shareholder you are entitled to appoint one proxy to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as proxy has been included for convenience. To appoint as a proxy any other person, delete the words "the Chairman of the Meeting or" and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company

4. Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.

5. To be valid, a proxy form, which is available from the Company's Head Office or the Share Registrar's offices, must be completed and signed by the shareholder or the duly authorised attorney of the shareholder and must be either emailed to info@image.co.ke or lodged at the offices of the Company's Share Registrar firm, Image Registrars Ltd, 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street, Nairobi, so at to arrive not later than Tuesday, 26th November 2024 at 11.00 a.m.

Fomu ya Uwakilishi

Katibu Wa Kampuni ya Kenya Electricity Generating PLC
S.L.P 47936-00100
NAIROBI, KENYA

Mimi/Sisi____

Nambari ya Akaunti ya Hisa______________________________wa (Anwani) ____

Kwa kuwa mwachama wa KenGen PLC, ninamteua hapa: ____

Au yeye akikosa, Mwenyekiti aliyechauliwa wa Mkutano, awe mshirika wangu, kunipigia kura mimi/sisi na kwa niaba yangu/yetu katika

Mkutano Mkuu wa Kila Mwaka wa Kampuni, utakaofanyika siku ya Alhamisi, tarehe 28 Novemba 2024 na wakati wowote ule wa kufungwa

kwa mkutano. Kama shahidi, Mimi/Sisi ninaweza kuweka mikono yangu/yetu siku hii ya __________________ ya_______________ 2024.

Sahihi ___________________________________ Sahihi _____________________________________

VIDOKEZO

1. Ikiwa mwanachama hawezi kuhudhuria mwenyewe, Fomu hii ya Mwakilishi inafaa kujazwa na kurudishwa si baada ya Jumanne, 26 Novemba 2024 saa tano asubuhi, kwa Katibu wa Kampuni S.L.P 47936 -00100 GPO Nairobi au mwenyewe katika ofisi zilizosajiliwa za Kampuni katika Jumba la Pension, Barabara ya Kolobot, Parklands, Nairobi, au kwa shirika la Rejistra wa Hisa za Kampuni, Image Registrars katika S.L.P 9287 - 00100, Nairobi, Kenya. Vinginevyo, fomu za mshirika zilizotiwa sahihi ifaavyo pia zinaweza kutumwa kwa info@image.co.ke katika umbizo la PDF.

2. Ikiwa mwanachama ni shirika la kibiashara, fomu ya mshirika lazima ipigwe muhuri ya kawaida ya shirika hilo au kutiwa saini na afisa au wakili aliyeidhinishwa halali wa shirika kama hilo.

3. Kama mwenyehisa, una haki ya kuteua shirika moja au zaidi kutekeleza haki zako zote au haki yoyote ile ya kuhudhuria na kuzungumza na kupiga kura kwa niaba yako katika mkutano. Uteuzi wa Mwenyekiti wa mkutano kama mshirika umejumuishwa kwa ajili ya kurahisisha mambo. Ili kuteua mtu yeyote kuwa mshirika, futa maneno "Mwenyekiti wa Mkutano au" na uweke jina kamili la mshirika wako katika nafasi iliyoachwa wazi. Si lazima mshirika awe mwenyehisa katika Kampuni

4. Kukamilisha na kuwasilisha fomu ya mshirika hakutakuzuia kuhudhuria mkutano na kupiga kura mwenyewe katika mkutano, hii ikitokea kura zozote zilizopigwa na mwakilishi wako hazitajumuishwa.

5. Ili iwe halali, fomu ya mshirika, ambayo inapatikana katika Ofisi Kuu ya Kampuni au katika ofisi za Rejistra wa Hisa, lazima ijazwe na kutiwa saini na mwenyehisa au wakili aliyeishinishwa na ni lazima ama itumwe kupitia barua pepe kwa info@image.co.ke au kuwasilishwa katika ofisi za Shirika la Rejistra wa Hisa za Kampuni, Image Registrars Ltd, Orofa ya 5, Jumba la Absa (iliyokuwa Jumba la Barclays), Barabara ya Loita, Nairobi, ili makataa ya kupokewa kwake iwe Jumanne, tarehe 26 Novemba, 2024 saa 5.00 asubuhi.

SHAREHOLDER NOTIFICATIONS

Final Dividend for the Financial Year ended 30 June 2024

Closure of Register and Date of Payment

The Register of Members will be closed from Friday, 29th November 2024 to Monday, 2nd December 2024 both dates inclusive. If approved, the dividend will be paid, less withholding tax where applicable on or about Thursday, 13th February 2025 to the shareholders whose names appear in the Register of Members at the close of business on Thursday, 28th November 2024.

Update of Particulars

- For all CDS account holders, please update your postal address, email address and bank account details at the CDSC
- through your Stockbroker or Custodian Bank
- For all Share Certificate holders, please update your postal address, email address and bank account details at the offices of Image Registrars Ltd, Absa Plaza 5th Floor, Loita Street, P.O. BOX 9287-00100 GPO Nairobi.

Mgao wa Mwisho wa Mwaka 30 Juni 2024

Kufungwa kwa Rejista na Tarehe ya Malipo

Rejista ya wanachama itafungwa kuanzia Ijumaa, 29 Novemba hadi Jumanne, 2 Disemba 2024 siku zote zikiwemo. Ikiwa itaidhinishwa, mgao wa faida utalipwa baada ya kuondoa ushuru wa kushikilia mnamo au karibu Jumanne, 13 Februari 2025, kwa wenyehisa ambao majina yao yamo orodha ya wenyehisa mnamo Alhamisi, 28 Novemba 2024.

Kuteng'eneza Upya/Kurekebisha Maelezo

Kwa wote walio na akaunti za CDS, tafadhali toa maelezo mapya kuhusu anwani yako, barua pepe na akaunti ya benki katika CDSC kupitia wakala wako wa hisa au Benki Angalizi. Kwa wote walio na vyeti vya kumili hisa, tafadhali toa malezo upya kuhusu anwani yako ya posta, barua pepe na maelezo kuhusu akaunti yako ya benki katika afisi za Image Registrars, Absa Plaza ghorofa ya tano barabara ya Mama Ngina, SLP 47936-00100 GPO Nairobi.

Dematerialization

The Central Depository and Settlement Corporation (CDSC) commenced operations in 2004 with the intention of facilitating the holding of shares in electronic accounts instead of paper/physical share certificates to enable electronic trading & settlement of shares. This migration would shorten the settlement period, and enhance the safety & security of dealing with shares listed on the securities. The first step towards achieving electronic trading of shares was immobilization of share certificates which commenced in 2004. The number of Central Depository System (CDS) accounts has grown significantly and CDSC is now targeting to have all the shares owned by Kenyans to be transferred into electronic accounts by 1st November 2013 through a process called Dematerialization.

Dematerialization (continued)

We trust that the following FAQ's will explain the dematerialization process:

1. **What is Dematerialization?**
   Dematerialization is the next step after immobilization. On the dematerialization date, the underlying physical certificates will cease to be evidence of ownership under the Company listed at the Nairobi Securities Exchange (NSE). Evidence of ownership will be in the electronic holdings maintained in the Central Depository System (CDS) operated by CDSC.

2. **What is a Dematerialized Security?**
   It is a book entry security which has been prescribed by CDSC under section 24 of the Central Depositories Act, whereby the underlying physical certificate is no longer recognized as evidence of ownership under the Companies Act Cap 486 on or after the dematerialization date.

3. **What is the impact of dematerialization?**
   Currently, shares can be withdrawn from a CDS account and held in a certificated form. With effect from the dematerialization date, shares will not be withdrawn from the CDS account because the law does not permit the issuing of share certificates with respect to a dematerialized security. Share Certificates will no longer be recognized as prima facie evidence of ownership and will be replaced with and electronic record at CDSC.

4. **What do I need to do as a shareholder if I have already deposited all my shares in the CDS account?**
   You shall not be required to take any further action as a result of dematerialization

5. **What happens if I do not immobilize my share certificates by the dematerialization date?**
   After the Dematerialization date, all shares that have not been immobilized will be reflected as a record in the CDS in the shareholder's name.

6. **What if I want to access my shares which are held in CDS?**
   If you wish to access your shares for purposes of trading, you will be required to open a CDS account and follow a verification process through KenGen's shares registrar firm, Image Registrars Limited, after which your shares will be transferred to your personal CDS account.

7. **When is the dematerialization date?**
   CDSC dematerialized securities of listed companies in three groups/tranches on 1st September 2013, 1st October 2013 and 1st November 2013 respectively. KenGen's dematerialization date is 1st November 2013. Additionally, KenGen will place a notice in the newspapers informing the public about the dematerialization date for KenGen shares. In the meantime, we urge shareholders who still hold physical certificates to immediately contact any Stockbroker for assistance to immobilize their shares.

8. **How do I keep track of my shares?**
   CDSC shall send you monthly statements if your account is active otherwise; you will receive your statement only once a year. However, if you would like to view/download/print your statements, you can visit the CDSC website at www.cdsckenya.com. You can also subscribe to the CDSC mobile services where you will receive an alert every time there is an activity in your accounts such as sale or purchase of shares for a minimum fee of Kshs.10.00 per alert. To subscribe, send the word 'register' to 22372 and follow the instructions.

SHAREHOLDER NOTIFICATIONS

Bank Details

We encourage all shareholders who hold certificates and whose dividends are paid via cheques to provide their bank details to our Company's shares registrar firm, Image Registrars Limited, ABSA Plaza 5th Floor, Loita Street, Nairobi P.O. Box 9287,00100 GPO, Nairobi Tel: 020-2212065/2230330, 0770052116, 0735565666, 0724699667, email: info@image.co.ke to enable us post the future dividends directly to their bank accounts. Also, we encourage all shareholders who hold CDSC accounts and whose dividends are paid via cheques to provide their bank details through their stockbrokers to enable us pay future dividends directly to their bank accounts.

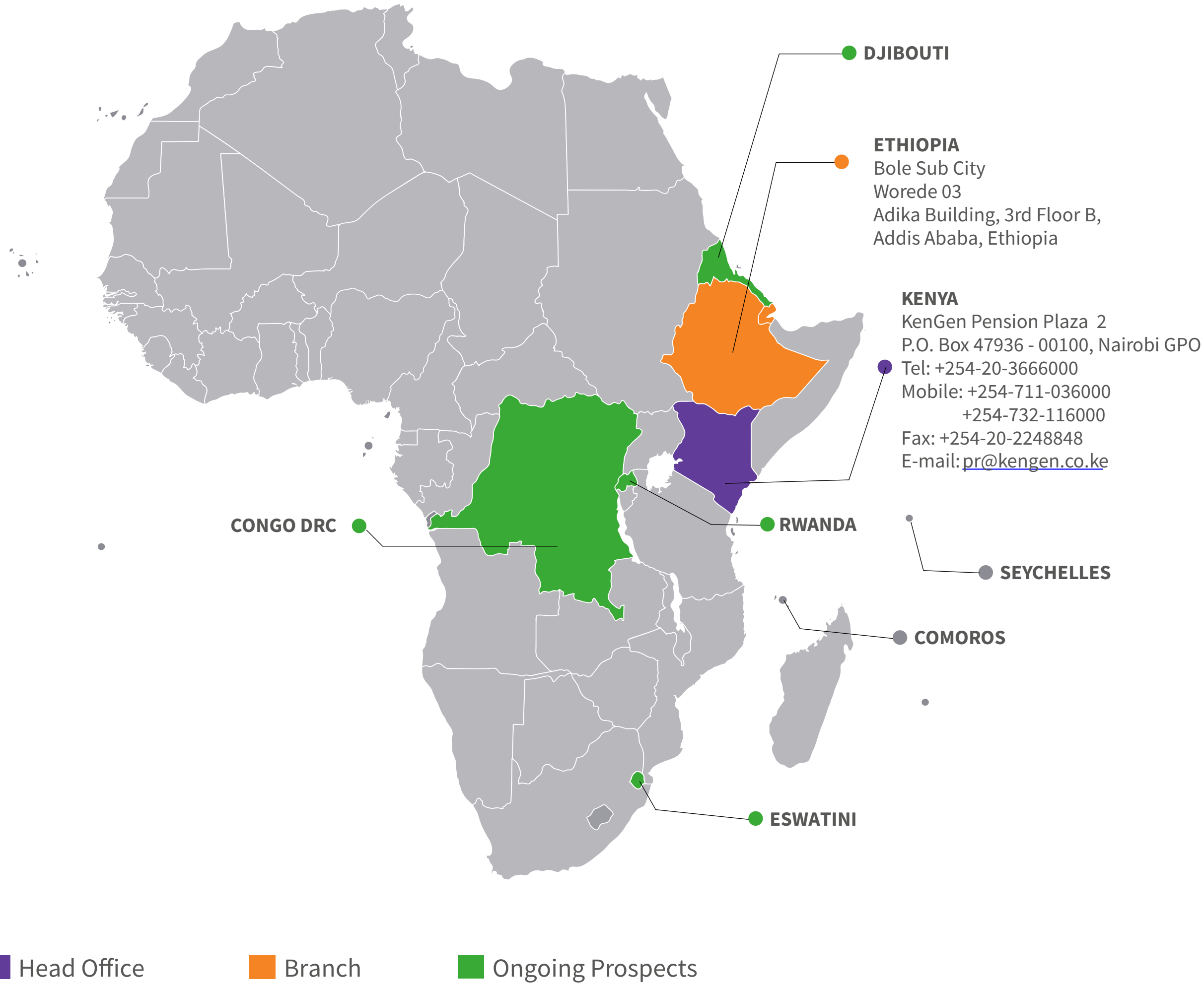
Unclaimed Dividends

Further to the Unclaimed Financial Assets Act 2011, we are appealing to Shareholders who have unclaimed dividends to do so with immediate effect to avoid the dividends being surrendered to the Unclaimed Assets Authority. Dividend enquiries can be made at the Shares & Securities Office, KenGen Pension Plaza 2, Kolobot Road, Parklands, Nairobi P.O. Box 47936-00100 Nairobi, Tel: 020-3666961/5, 0711036961/5, email: shares@kengen.co.ke or offices of the Company's shares registrar firm, Image Registrars Limited, ABSA Plaza 5th Floor, Loita Street, Nairobi P.O. Box 9287, 00100 GPO, Nairobi Tel: 020-2212065/2230330, 0770052116, 0735565666, 0724699667, email: info@image.co.ke

Declaration of Dormancy on Inactive CDS Accounts

The Central Depository and Settlement Corporation Limited (CDSC) has formulated, and the Capital Markets Authority has approved the CDS Accounts Dormancy Rules and Procedures. The declaration of dormancy is intended to safeguard investors' holding in CDS accounts. An investor will not be able to carry out any transactions in a CDS Account that has been declared dormant. CDSC has granted a grace period of seven (7) months beginning June 1st 2020 before the declaration of dormancy is affected. Pursuant to the Dormancy Rules, CDS Accounts (Individual or Corporate, Local or Foreign) with no activity for a continuous period of twenty-four (24) months will be declared dormant. CDS account holders are advised that one may re-active a dormant account by submitting a duly completed re-activation request and identification documents to their CDA or stockbroker. Account holders are further advised to visit their CDAs or stockbrokers to update their account details and ensure the names, ID or passport number, postal address, email address mobile phone number(s) and other information is accurately recorded.

OUR FOOTPRINT



Kenya Electricity Generating Company PLC
KenGen Pension Plaza 2,
Kolobot Road, Parklands
PO Box 47936 - 00100 GPO,
Nairobi, Kenya

www.kengen.co.ke

@KenGenKenya

@KenGenKenya

KenGenKenya

KenGenKenya

KenGenKenya