



Kenya Power

Integrated Annual Report
and Financial Statements

2025

Pamoja Twang'aa 





Pamoja Twang'aa

Pamoja Twang'aa is our partnership agenda aimed at rallying our employees, customers and all stakeholders to co-create a safe, reliable and stable power grid while reinforcing the Company's commitment to service excellence.

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ABBREVIATIONS AND ACRONYMS

AFD	French Development Agency	GWh	Gigawatt hours	SAIFI	System Average Interruption
AfDB	African Development Bank	KEMP	Kenya Electricity		Frequency Index
Ag.	Acting		Modernisation Project	SCAC	State Corporations Advisory
AGM	Annual General Meeting	KOSAP	Kenya Off-grid Solar Access		Committee
AGPO	Access to Government		Project	SCADA	System Control and
	Procurement Opportunities	kV	Kilovolt		Data Acquisition
AMI	Advanced Metering	LMCP	Last Mile Connectivity Project	SDGs	United Nation's
	Infrastructure	MD	Managing Director		Sustainable
CAIDI	Customer Average Interruption	MIEK	Member of the Institution of		Development Goals
	Duration Index		Engineers of Kenya	SMEs	Small and Microenterprises
EBK	Engineers Board of Kenya	MIEE	Member of the Institution of	SPMA	Supplies Practitioners
EIB	European Investment Bank		Electrical Engineers		Management Act
ENIS	E-Mobility Network	MW	Megawatts	STEM	Science, Technology
	Infrastructure System	NDC	Nationally Determined		and Mathematics
EPCs	Electric Pressure Cookers		Contributions towards	TVET	Technical, Vocational
ESG	Environment, Social and		climate change mitigation		& Education Training
	Governance	NEMA	National Environment	UNEP	United Nations Environment
ESIA	Environmental Social Impact		Management Authority		Programme
	Assessments	OGW	Order of the Grand Warrior of	UNFCCC	United Nations Framework
EU	European Union		Kenya		Convention on Climate
EVs	Electric Vehicles	OSH	Occupational Safety and		Change
FIEK	Fellow of the Institution of		Health	USD	United States Dollar
	Engineers of Kenya	OSHA	Occupational Safety and	World Bank	International Development
FTTX	Fiber-To-The-Premise		Health Act	(IDA)	Association - World Bank
FY	Financial Year	PPADA	Public Procurement and Asset		
GHG	Greenhouse Gases		Disposal Act		
GoK	Government of Kenya	PPADR	Public Procurement and Asset		
GREEN	Green And Resilient Expansion		Disposal Regulations		
	of Energy Programme				

BUSINESS PERFORMANCE HIGHLIGHTS

Overall Performance

Pre-Tax Profit

KShs. 35.37B



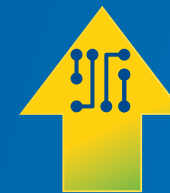
After Tax Profit

KShs. 24.47B

Electricity Sales

11,403 GWh

(8.4% Growth)



Electricity Revenue

KShs.219.28 Billion

Cost & Efficiency Gains



Loan Repayments

Reduced interest expenses by

KShs.2.58 Billion



Stable Currency

Power purchase costs lower by **KShs.5.94 Billion**



+1.95%

Distribution Efficiency

Net Working Capital Position

2025 KShs.(19 Billion)

2020 KShs.(78 Billion)

Working Capital



Driven by higher collections & better working capital management

Operational Highlights



401,848
New Customer
Connections



76%
Access Rate

72%



Customer Satisfaction
Index (from 69%)

Grid Investment
KShs. 29.4B

Grid Length
328,000 Km

Outlook for FY2026



Sales & Revenue Growth Expected

- » Rising demand
- » Network expansion
- » Customer acquisition



GREEN Programme
Renewable integration
& network efficiency



Priorities:

- » System efficiency
- » Revenue diversification
- » Capital discipline
- » Debt reduction



A man in a blue hard hat and safety vest stands with arms crossed in front of a blue Versalift truck at a utility site. The truck has "VERSALIFT" and "LINE TEAM" written on it. The background shows power lines and a cloudy sky.

01

About this
Integrated Report

About this Report

The Kenya Power and Lighting Company Plc is pleased to present its Integrated Annual Report and Financial Statements, a comprehensive account of our performance, prospects, and value creation journey. This Report seeks to provide shareholders and stakeholders with an objective view of the Company's business results, strategy execution, and disclosure of any material matter for consideration by shareholders.

Guided by the International Integrated Reporting Framework, we aim to provide our stakeholders with a comprehensive view of how we apply integrated thinking to demonstrate our creation, preservation, and sustainability of value over time. In doing so, we aim to reinforce our socio-economic relevance, respond to stakeholder expectations, and highlight the financial and non-financial performance that guides our long-term success.

This Report will be tabled for adoption by shareholders at the 104th Annual General Meeting, scheduled for 28th November 2025. The Board of Directors assumes responsibility for the accuracy, balance, and completeness of the information contained herein.

Scope of the Report

This Report gives an overview of our financial, operational, business sustainability and governance performance for the year ended 30th June 2025. Additionally, the report outlines our corporate governance framework.

Basis of Preparation

This Report has been prepared in accordance with applicable legal and regulatory requirements including the Companies Act 2015, International Financial Reporting Standards (IFRS), Global Reporting Initiative (GRI), the Code of Corporate Governance for State Corporations (Mwongozo Code), the Capital Markets Act and applicable regulations namely; the Capital Markets Authority's Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023 as well as global best practices. This approach emphasises our commitment to excellence in corporate reporting and governance.

Material Issues

Material issues are matters that significantly influence our ability to achieve strategic objectives, sustain our business model, and deliver value to stakeholders. These issues were identified through engagement with stakeholders, internal processes such as risk management and strategy reviews, and consideration of global and industry trends. The outcome of this process enabled us to prioritise matters that are most relevant to the Company, our stakeholders, and the broader society. Material events up to the date of publication have been incorporated into this Report.

Feedback

We appreciate your feedback on this report for improvement in future reporting. Please forward suggestions to integratedreport@kplc.co.ke

Approval of the Annual Integrated Report

The Board of Directors acknowledges responsibility for ensuring the integrity of this Integrated Report, which in its view fairly reflects the Company's activities, material issues, relationships, and performance. The Report, together with the audited financial statements for the year ended 30th June 2025, was approved by the Board of Directors of The Kenya Power and Lighting Company Plc on 6th October 2025 and signed on its behalf by:



Joy Brenda Masinde
Chairman,
Board of Directors



CPA Dr. Caleb B. Manyaga
Chairman,
Audit Committee



Dr. (Eng.) Joseph Siror, FIEK
Managing Director
& CEO



CORPORATE INFORMATION

Background Information

The Kenya Power and Lighting Company Plc is a public limited company domiciled in the Republic of Kenya. The Company was incorporated on 6th January 1922 as East Africa Power and Lighting Company Limited, and changed to the current name on 11th October 1983. The Government of Kenya has a controlling shareholding of 50.1% with other investors holding 49.9% of the ordinary shares. The Kenya Power shares have been listed on the Nairobi Securities Exchange since 1954.

Principal Activities

The Company's core business is transmission, distribution and retail of electricity. Kenya Power's key mandate is to plan for sufficient electricity generation and transmission capacity to meet demand; build and maintain the power distribution and transmission network, and retail electricity to its customers.



MISSION

Powering people for better lives by innovatively securing business sustainability

By striving to provide world-class products and services that delight our customers and transform lives as we ensure viability of our business



VISION

Energy solutions provider of choice

By becoming the preferred energy solution for businesses and individuals, we empower our customers to achieve more and reach their full potential

CORE VALUES



We put our **Customers First** as they matter most

We believe in **Integrity** and delivering on our promises



We work together as **One Team** to achieve our goals

We strive for **Excellence** in all that we do



We are **Passionate** about powering the nation

We are **Accountable** to our customers and stakeholders





02

Our Leadership **Team**

Board of Directors

Chairman

Managing
Director
& CEO

Directors

Alternate
Directors

Company
Secretary



Joy Brenda Masinde

Dr. (Eng.) Joseph Siror,
FIEK

Hon. FCPA John Mbadi,
EGH CS,
National Treasury

Alex Wachira,
CBS PS,
Energy

Eng. James Rege,
CBS

Eng. Albert Mugo

Logan Hambrick

Ezekiel Saina,
HSC

Ruth Muiruri

CPA Dr. Caleb B. Manyaga

Dr. Stephen Ikikii,
National Treasury

Dr. (Eng.) Isaac Kiva
MBS,
FIEK,
Energy

Imelda Bore

Board of **Directors**



Board Members **Profile**



JOY BRENDA MASINDE

LL.B, LL.M, Dip (Law),
CPS (K)
Chairman of the Board of Directors
•Advocate and member of Law Society of Kenya
Joined the Board and appointed Chairman on 16th December 2022
•48 years of age



DR. (ENG.)

JOSEPH SIROR, FIEK

BSc(EE), LLB, MBA, PhD(Eng),
Reg Eng, MCI Arb, PGD KSL,
Member-LSK, Member-EALS,
Fellow “ndc”, FIEK
•Appointed Managing Director & CEO on 2nd May 2023
•60 years of age



HON. FCPA

JOHN MBADI, EGH

Bachelor of Commerce (Hons), CPA(K)
Cabinet Secretary, The National Treasury & Economic Planning
•Accountant and member of ICPAK
•Appointed to the Cabinet on 7th August 2024
•54 years of age



ALEX WACHIRA, CBS

Bachelor of Science degree in Nursing, MBA (Leadership)
Principal Secretary, Ministry of Energy & Petroleum, State Department of Energy
•Investment Banker
•Appointed Principal Secretary on 2nd December 2022
•43 years of age



JAMES REGE, CBS

B.Sc (Elec. Eng.), M.Sc (Eng)
Independent Director
•Electrical Engineer
•Joined the Board on 8th December 2023
•77 years of age



ENG. ALBERT MUGO

B.Sc (Elec. Eng.),
MBA (Strategic Management)
Non-Independent Director
•Electrical Engineer with experience in business leadership
•Joined the Board on 16th December 2022
•68 years of age



LOGAN HAMBRICK

Bachelor of Law (juris doctor),
Bachelor of Political Science
Independent Director
•Advocate with experience in Human Rights
•Joined the Board on 16th December 2022
•45 years of age



EZEKIEL SAINA, HSC

Bsc. Computer Science,
MBA (Strategic Management)
Independent Director
•Extensive experience in IT Governance, Business Process Re-Engineering & Risk Management
•Joined the Board on 8th December 2023
•66 years of age



RUTH MUIRURI

LL.B, Dip (Law), MBA
(Strategic Management)
Independent Director
•Advocate and member of Law Society of Kenya
•Joined the Board on 8th December 2023
•43 years of age



CPA DR. CALEB B. MANYAGA

B.Sc (Business Admin),
MBA (Financial Management),
PhD (Business Admin)
Independent Director
•Accountant and financial management expert, and member of ICPAK
•Joined the Board on 8th December 2023
•70 years of age



DR. STEPHEN IKIKII

BSc (Mathematics),
MSc (Economics),
PhD (Economics)
Alternate Director to the Cabinet Secretary,
National Treasury & Economic Planning
•Economist, and member of ICPAK
•Joined the Board on 20th December 2024
•47 years of age



DR. (ENG.) ISAAC KIVA, MBS, FIEK

B.Sc (Elec. Eng.),
Msc. (Energy Technology),
PhD
Alternate Director to the Principal Secretary,
State Department for Energy,
Ministry of Energy and Petroleum
•Electrical Engineer with experience in renewable energy
•Joined the Board on 25th April 2024
•57 years of age



IMELDA BORE

LL.B, LL.M, Dip (Law),
H.Dip (HR), CPS(K), AMCI Arb
General Manager,
Legal, Regulatory Affairs &
Company Secretary
•Member ICS (K)
•Advocate and member of Law Society of Kenya
•Company Secretary since August 2018

Executive Management



Executive Management



**DR. (ENG.)
JOSEPH SIROR, FIEK**
Managing Director & CEO
BSc(EE), LLB, MBA, PhD(Eng),
Reg Eng, MCI Arb, PGD KSL,
Member-LSK, Member-EALS,
Fellow "ndc", FIEK



IMELDA BORE
General Manager,
Legal, Regulatory Affairs &
Company Secretary
LL.B, LL.M, Dip. (Law),
H.Dip (HR), CPS(K),
AMCI Arb



**ENG.
AGGREY MACHASIO**
General Manager,
Business Strategy
B.Sc (Elec. Tech.), MBA, R.
Eng., MIEK, MIEEE



**ENG.
KENNEDY OWINO**
Ag. General Manager,
Infrastructure Development
B.Sc (Elec. Eng.), M.Sc, MA,
R. Eng., MIEK, CPM



JOHN IHUTHIA
Ag. General Manager,
Power Planning & Purchase
Bachelor of Commerce (Hons)



DAVID N. SYENGO
Ag. General Manager,
Network Management
B.Sc (Elec. Eng.),
M.A, PPM

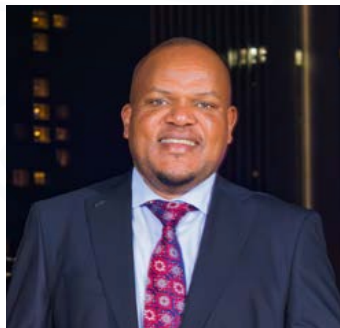


**ENG.
ROSEMARY ODUOR**
General Manager,
Commercial Services & Sales
BTech. (Elec & Comms.)
MBA, R.Eng. MIEK



PHINEAS MARETE

Ag. General Manager,
Regional Coordination
B.Sc (Elec. Eng.),
Certified Thermographer



STEPHEN VIKIRU

General Manager, Finance
B.Com (Finance), MBA,
CPA (K)



DR. JOHN NGENO, OGW

General Manager,
Supply Chain & Logistics
B.Com, M.Sc Procurement,
PhD Business Management



ROBERT MUGO

General Manager, ICT
B.Sc (Elec. Eng.), MBA, AMP



CECILIA KALUNGU-UVYU

General Manager,
Human Resource &
Administration
B.Sc, MBA, MCIPD



DR. JEREMIAH KIPLAGAT

Director, Institute of Energy
Studies & Research
B.Sc (Appropriate Tech.),
MSc. (Tech.), PhD
(Engineering), MET



CHARLES CHERUIYOT

General Manager,
Internal Audit
B.Com (Accounting),
MBA, CIA (US),
CPA (K)

Regional Management



Regional Management



ENG. DAN OBIERO
Regional Manager,
South Nyanza



ENG. KENNEDY OGALO
Regional Manager,
Western



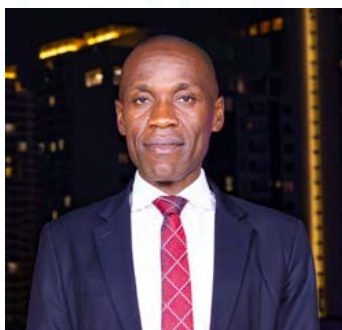
ENG. MARY KIRUI
Regional Manager,
North Rift



DANIEL KIPKOECH
Regional Manager,
Central Rift



DR. (ENG.) ARIEL MUTEGI
Regional Manager,
Mount Kenya



ENG. HICKS WASWA
Regional Manager,
Nairobi



ENG. SIMON KAMAU
Ag. Regional Manager,
North Eastern



ERICK LANGAT
Ag. Regional Manager,
Coast





“

The year was defined by resilient financial performance, strengthened governance, enhanced operational efficiency, and renewed market confidence, clear evidence of the steady progress being realised under the Company's five-year Corporate Strategy (FY2023/24-2027/28) towards sustainable growth and long-term value creation.

”

03

Message from **the Chairman**



Joy Brenda Masinde
Chairman, Board of Directors

Dear investors and business partners,

It is my distinct honour to present the Company's financial report for the year ended 30th June 2025. As I reflect on the period under review, I take great pride in the remarkable progress Kenya Power has achieved under the stewardship of a dedicated and forward-looking Board and Management.

I am happy to report that we have remained profitable as we continue to implement strategic investments to strengthen the grid, expand access and support national priorities, including digital inclusion and a just energy transition.

A relatively stable shilling during the year eased power-purchase costs and reduced the burden of foreign-currency debt, but it also lowered the Company's foreign exchange linked revenue recoveries. In parallel, the regulated tariff, structured with declining average yields in accordance to sector revenue requirements, constrained topline growth. Despite these headwinds, the Company remained resilient, intensifying operational efficiency and service reliability.

Governance remains central. The Board continued to exercise robust oversight through its committees, with clear separation between Board and Management roles. We strengthened policy frameworks, enhanced director induction and progressed recommendations from external assurance across governance, data protection and ethics. Owing to these improvements over the last two years, the Capital Markets Authority independently rated our governance at 80%, up from 74% in the prior assessment. >>>

Corporate Strategy Pillars



Financial
Sustainability



Customer Focus



Operational
Excellence



Human Capital
Development

Five-year corporate strategy launched in December 2023
Mid-term review underway, Target year FY2027/28

We also intensified our integrity agenda. The Company strengthened whistle-blower channels and protections, undertook systems reviews with the Ethics and Anti-Corruption Commission, and rolled out ethics and integrity training. An independent integrity survey confirmed a positive trend in reducing corruption risks, reinforcing a culture of accountability and transparency.

Operationally, network reliability improved, transmission availability increased, and system losses declined, supported by targeted refurbishment and reinforcement, as well as meter inspections to curb commercial losses. On electricity access, strategic programmes, including Last Mile Connectivity Project, public lighting and electrification of health facilities, enabled us to cross the ten-million customer milestone and advancing the country's universal electricity access agenda. >>>

At a Glance

Profit & Revenue Performance

Profit Before Tax:
KShs.35.37 Billion
Previous Year:
KShs.43.67 Billion

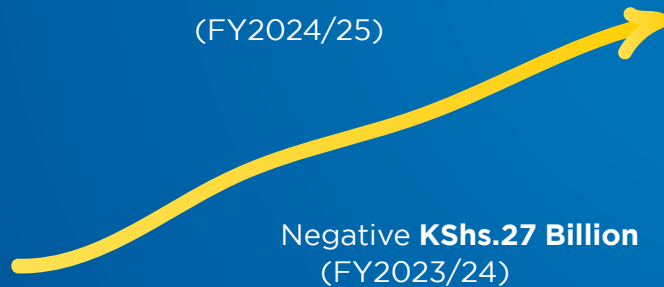


Electricity Sales to
11,403 GWh
(8% Growth)

Rising Shareholder Value

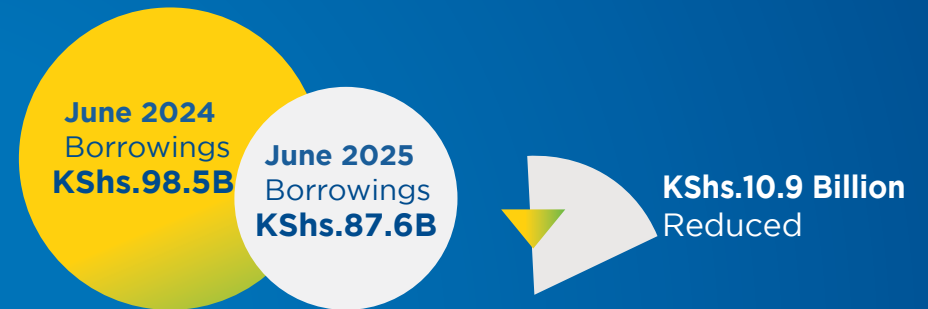
Working Capital Improvement

Negative **KShs.19 Billion**
(FY2024/25)

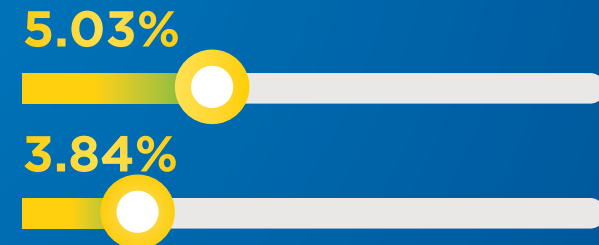


Strengthening Financial Health

Total borrowings reduced from
KShs.98.5 Billion to KShs.87.6 Billion

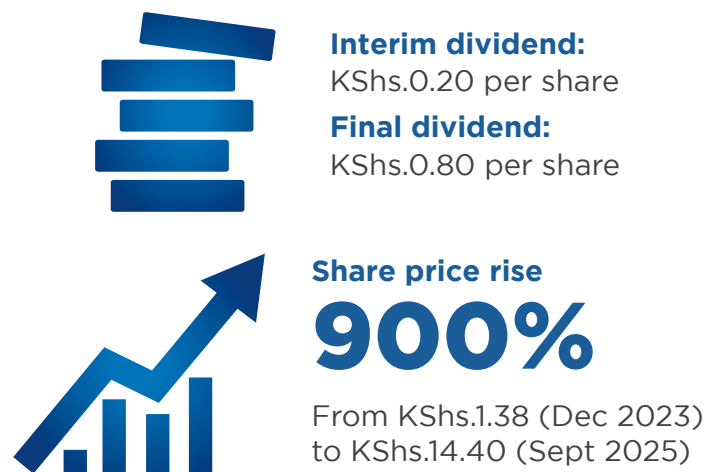


Weighted Average Cost of Debt:
from 5.03% to 3.84%



Shifted to low interest rate and local-currency loans,
reducing exposure to forex volatility.

Dividend Payment and Share Price



In the year ended 30th June 2025, the Company recorded profit before tax of KShs.35.37 billion (FY2023/24: KShs.43.67 billion), reflecting a decline in profitability despite growing energy demand and system efficiency gains. The reduction in revenue primarily arose from lower foreign exchange recoveries following sustained local currency stability over the year, and a lower base tariff.

Financial stewardship remained disciplined. We reduced total borrowings from KShs.98.5 billion to KShs.87.6 billion, shifted our debt mix towards concessionary and local-currency facilities, and lowered the weighted average cost of debt to 3.84 percent from 5.03 percent the previous year. Our working capital continued to improve from a negative of KShs.51 billion in FY2022/23 to negative KShs.19 billion as at end of FY2024/25.



I am delighted to report continued improvement in shareholder returns and resumption of payment of dividends from the previous year. During the year, the Board approved payment of an interim dividend of KShs.0.20 per ordinary share which will be presented for approval by shareholders during the Annual General Meeting. In addition, the board recommends payment of a final dividend of KShs.0.80 per share for FY2024/25. We remain confident that as our financial performance improves, payment of dividends will be sustained.

Investor confidence has strengthened significantly. The Kenya Power share price has appreciated by more than 900 percent from a low of KShs.1.38 in December 2023 to a remarkable KShs.14.40 in September 2025 outpacing the broader market gain of about 94 percent. This performance reflects renewed investor confidence in our transformation, and in our capacity to deliver sustainable growth and long-term value.

Implementation of our five-year Corporate Strategy, launched in December 2023, is well on course. The FY2023/24 - FY2027/28 plan is anchored on four pillars aimed at enhancing our financial sustainability, customer focus, operational excellence and human capital. Towards this, the Board is working closely with management in a mid-term review stock-take to sequence our corporate targets and effectively implement the strategy.

Looking ahead, our priorities are clear: protect power supply adequacy as energy demand grows; modernise the grid; enhance system and operational efficiency; and entrench ethics, transparency and accountability. With the continued support of all stakeholders, Kenya Power will continue delivering reliable, affordable and sustainable electricity while creating enduring value.



Joy Brenda Masinde
Chairman, Board of Directors



“

Mwaka huu ulikuwa wa matokeo imara ya kifedha, wakati usimamizi bora uliimarishwa, utendakazi bora, na kuimarika kwa imani ya soko — ithibati tosha ya ufanisi imara unaopatikana chini ya Mpango Mkakati wa Shirika wa Miaka Mitano (FY2023/24–FY2027/28) unaolenga ukuaji endelevu na uundaji wa thamani ya muda mrefu.

”

Ujumbe
Kutoka kwa
Mwenyekiti



Joy Brenda Masinde
Mwenyekiti, Bodi ya Wakurugenzi

Nguzo za Mkakati wa Kampuni



Uendeleu
wa Kifedha



Kuboresha Uhusiano
na Wateja



Kuboresha
Utendakazi



Uendelezaji wa
mtaji wa watu

Mkakati wa miaka mitano wa kampuni uliozinduliwa Desemba 2023,
Mapitio ya kipindi cha kati yanaendelea, Mwaka lengwa: FY2027/28

Tuliimarisha pia ajenda yetu ya uadilifu. Kampuni iliboresha njia na ulinzi wa kutoa taarifa za ukiukaji wa maadili (whistle-blower), ikafanya tathmini ya mifumo kwa ushirikiano na Tume ya Maadili na Kupambana na Ufisadi (EACC), na ikaanzisha mafunzo ya maadili na uadilifu. Utafiti huru wa uadilifu ulithibitisha mwenendo chanya katika kupunguza hatari za ufisadi, hivyo kuimarisha utamaduni wa uwajibikaji na uwazi.

Kihuduma, uaminifu wa mtandao uliimarika, upatikanaji wa usafirishaji wa umeme uliongezeka, na upotevu wa umeme kwenye mfumo ukapungua, kwa msaada wa ukarabati na uimarishaji mahususi, pamoja na ukaguzi wa mita ili kudhibiti hasara za kibiashara. Kuhusu upatikanaji wa umeme, programu za kimkakati zikiwemo Mradi wa Last Mile Connectivity, taa za barabarani na usambazaji wa umeme katika vituo vya afya, zilituwezesha kuvuka kiwango cha wateja milioni kumi na kufanikisha ajenda ya taifa ya upatikanaji wa umeme kwa wote.

Wawekezaji wapendwa na washirika wa kibiashara,

Ni fahari yangu kuu kuwasilisha ripoti ya kifedha ya Kampuni kwa mwaka uliomalizika Juni 30, 2025. Nikitafakari kipindi kinachoangaziwa na ripoti hii, najivunia sana maendeleo makubwa ambayo Kenya Power imepata chini ya uongozi wa Bodi na usimamizi uliojitolea na wenye maono ya mbele.

Ninafuraha kuripoti kwamba, tumeendelea kupata faida tunapotekeleza uwekezaji wa kimkakati wa kuimarisha mtandao wa umeme, kutanua upatikanaji, na kusaidia vipaumbele vya kitaifa ikiwemo kuongeza idadi ya wanaofurahia huduma za kidijitali na mabadiliko ya haki ya nishati.

Thamani ya Shilingi ya Kenya, iliyosalia kuwa thabiti kwa kiasi fulani katika mwaka huo ilipunguza gharama za ununuzi wa umeme na mzigo wa madeni ya fedha za kigeni, lakini pia ilipunguza mapato ya Kampuni yanayohusishwa na ubadilishaji wa fedha za kigeni. Wakati uo huo, kiwango cha ushuru kilichodhibitiwa, ambacho kiliundwa kwa mapato ya wastani yanayopungua kulingana na mahitaji ya mapato ya sekta, kilizuia ukuaji wa mapato ya jumla. Licha ya changamoto hizi, Kampuni iliendelea kuwa imara, ikiongeza ufanisi wa kiutendaji na kutoa huduma za kutegemewa.

Uongozi unasalia kuwa kiini cha mafanikio. Bodi iliendelea kusimamia kwa uangalifu kupitia kamati zake, huku kukiwa na mgawanyo wa wazi wa majukumu kati ya Bodi na Wasimamizi. Tuliboresha mifumo ya sera, tukaimarisha mafunzo ya utangulizi kwa wakurugenzi, na tukatekeleza mapendekezo kutoka kwa tathmini za nje kuhusu utawala bora, ulinzi wa data na maadili.

Kutokana na maboresho haya katika kipindi cha miaka miwili iliyopita, Mamlaka ya Masoko ya Mitaji ilikadiria kwa kujitegemea kiwango chetu cha utawala bora kuwa asilimia 80, kutoka asilimia 74 katika tathmini iliyotangulia.

»»»

Matokeo ya Faida na Mapato

Faida Kabla ya Ushuru:
KShs.35.37 Bilioni
Mwaka Uliopita:
KShs.43.67 Bilioni

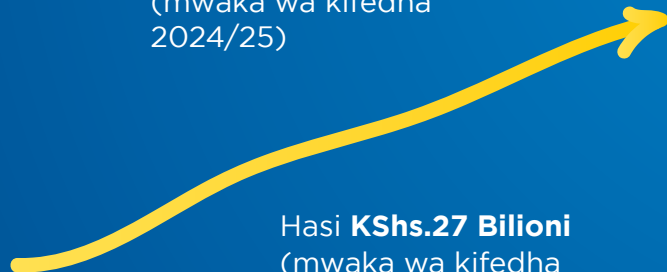


Uuzaji wa
Umeme hadi
11,403 GWh
(8% ukuaji)

Kuongezeka kwa Thamani ya Hisa

Uboreshaji wa Mtaji wa Uendeshaji

Hasi **KShs.19 Bilioni**
(mwaka wa kifedha
2024/25)

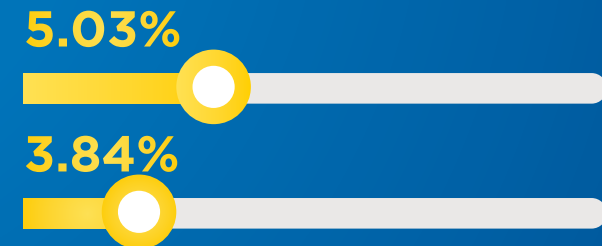


Hasi **KShs.27 Bilioni**
(mwaka wa kifedha
2023/24)

Kuimarisha Hali ya Kifedha

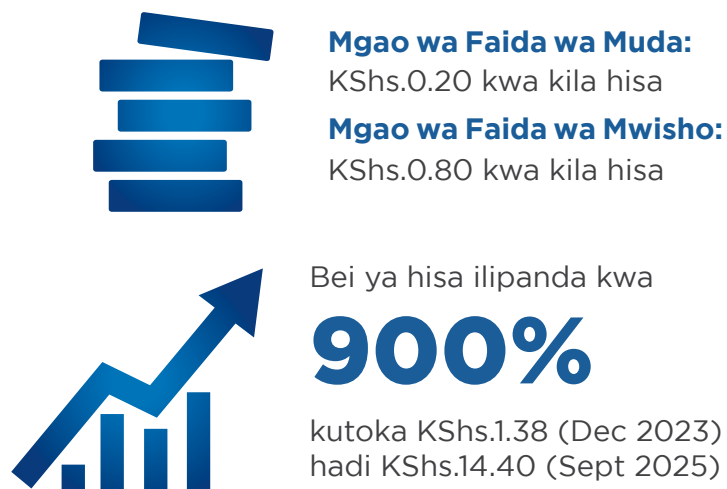


Gharama ya wastani Iliyopimwa
ya deni: kutoka 5.03% hadi 3.84%



Imehamia mikopo yenye masharti nafuu na ya
sarafu ya ndani, kupunguza athari za mabadiliko ya
thamani ya fedha za kigeni.

Malipo ya Mgao wa Faida na Bei ya Hisa



Katika mwaka uliomalizika tarehe 30 Juni 2025, Kampuni ilipata faida kabla ya ushuru ya shilingi bilioni 35.37 (Mwaka wa Kifedha 2023/24: Shilingi bilioni 43.67), ikionyesha kupungua kwa faida licha ya kuongezeka kwa mahitaji ya nishati na uboreshaji wa ufanisi wa mfumo. Upungufu wa mapato ulitokana hasa na kupungua kwa mapato ya urejeshaji wa fedha za kigeni kufuatia uthabiti wa shilingi ya Kenya katika kipindi chote cha mwaka, pamoja na kiwango cha chini cha bei ya msingi (base tariff).

Usimamizi wa kifedha uliendelea kuwa wa hali ya juu. Tulipunguza jumla ya mikopo kutoka shilingi bilioni 98.5 hadi shilingi bilioni 87.6, tukabadilisha muundo wa madeni yetu kuelekea mikopo ya masharti nafuu na inayotumia sarafu ya ndani, na kupunguza gharama ya wastani ya riba ya madeni kutoka asilimia 5.03 mwaka uliopita hadi asilimia 3.84. Mtaji wetu wa uendeshaji umeendelea kuimarika kutoka hasi ya shilingi bilioni 27 katika mwaka wa kifedha 2023/24 hadi shilingi bilioni 19 kufikia mwisho wa mwaka wa kifedha 2024/25.



Ni furaha yangu kuripoti kuendelea kwa uboreshaji wa mapato kwa wenyehisa na kurejelea kwa ulipaji wa mgao wa faida kutoka mwaka uliopita. Katika mwaka huu, Bodi iliidhinisha ulipaji wa mgao wa muda wa KSh 0.20 kwa kila hisa ya kawaida, ambao utawasilishwa kwa wenyehisa kwa ajili ya kuidhinishwa wakati wa Mkutano Mkuu wa kila Mwaka. Aidha, Bodi inapendekeza ulipaji wa mgao wa mwisho wa KSh0.80 kwa kila hisa kwa mwaka wa fedha 2024/25. Tuna imani kwamba, kadri utendaji wetu wa kifedha unavyoimarika, ndivyo ulipaji wa mgao utakavyoendelea kudumishwa.

Imani ya wawekezaji imeimarika kwa kiwango kikubwa. Bei ya hisa za Kenya Power imepanda kwa zaidi ya asilimia 900 kutoka kiwango cha chini cha shilingi 1.38 mnamo Disemba 2023 hadi shilingi 14.40 mwezi Septemba 2025, ikizidi ongezeko la wastani wa soko la takriban asilimia 94. Utendaji huu unaonyesha kuongezeka kwa imani ya wawekezaji katika mabadiliko yetu na uwezo wetu wa kuwasilisha ukuaji endelevu na thamani ya muda mrefu.

Utekelezaji wa Mkakati wetu wa Kampuni wa miaka mitano, uliozinduliwa Disemba 2023, unaendelea vyema. Mpango huo, kwa mwaka wa kifedha 2023/24 hadi 2027/28, umejikita kwenye nguzo nne zinazolenga kuboresha uthabiti wetu wa kifedha, kuzingatia wateja, ubora wa operesheni, na rasilimali watu. Kwa lengo hili, Bodi inafanya kazi kwa karibu na wasimamizi katika tathmini ya wastani na kupanga vipaumbele vya kampuni hadi mwaka wa kifedha 2027/28.

Kuendelea mbele, vipaumbele vyetu ni wazi: kulinda upatikanaji wa umeme kadri mahitaji yanavyoongezeka; kuendelea kupunguza hasara; kuendeleza mtandao na kuendesha shughuli kidijitali; na kuimarisha maadili, uwazi na uwajibikaji. Kwa msaada endelevu wa Serikali, wadhibiti, washirika wa maendeleo, wawekezaji na jamii, Kenya Power itaendelea kutoa umeme wa kuaminika, wa bei nafuu na endelevu huku ikizalisha thamani ya kudumu.



Joy Brenda Masinde
Mwenyekiti, Bodi ya Wakurugenzi



“

The Company strengthened its operational performance by growing electricity sales despite a decrease in total revenue, reducing system losses, and improving grid reliability. It also expanded its customer base beyond 10 million, leading to higher sales. Strategic investments in regional projects, employee welfare, and sustainability initiatives position the company to support Kenya's future growth

”

04

Message from the **Managing Director & CEO**



Dr. (Eng.) Joseph Siror, FIEK
Managing Director & CEO

At a Glance

Strengthening our Core Operations



Unit sales up by
+887 GWh
(10,516 to 11,403 GWh)



Efficiency
Gains



Improved Distribution & Reliability

People & Performance



Employee
Satisfaction
67% to 83%



Productivity
index out of 5
2.45 to 3.95



Additional Employees
490

Financial Highlights



Revenue
KShs.11.8B



Finance costs
KShs.5.4B



Power purchase
KShs.5.9B



Operating expenses
KShs.3.8B

System Reliability & Efficiency Gains



Transmission Availability
99.9%



System losses reduced
23.16% → 21.21%

Grid Stability & Service Reliability

 SAIDI Reduced from **120.6hrs → 113hrs**

 SAIFI (Less Frequent Outages) from **47 → 44.07**

Expanding Electricity Access

10M+
Customer Base

↑ 72%
Customer Satisfaction

203 GWh
New Sales

401,848
New Connections

Pamoja Twang'aa 

Throughout the year, we continued to strengthen the business fundamentals to ensure provision of quality and reliable service to our customers. This was achieved by executing investments targeted towards stabilising the grid, improving system efficiency, and unlocking value from commercial initiatives. As a result, we realised growth in electricity unit sales, improved distribution efficiency and system reliability. The total unit sales grew by 887 GWh from 10,516 GWh to 11,403 GWh owing to new connections and enhanced system efficiency.

However, total electricity revenue decreased by KShs.11,839 million to KShs.219,285 million primarily due to lower foreign exchange recoveries as the Kenya Shilling remained stable against the major world currencies, and a reduced average tariff. Finance costs increased by KShs.5,400 million on account of a reversal of unrealised foreign exchange gains in the previous year. The power purchase costs decreased by KShs.5,942 million despite a 682 GWh increase in units purchased, in addition, operating expenses declined by KShs.3,857 million following refinement of the IFRS 9 expected credit loss model which incorporated updated macro-economic factors, debt collection patterns and analysis of customer payment history.

Across the network, improvement in availability and reliability was highlighted by transmission availability of 99.9 per cent, System Average Interruption Duration Index (SAIDI) improvement from 120.6 hours to 113 hours, and System Average Interruption Frequency Index (SAIFI) from 47.00 to 44.07. Total system losses reduced from 23.16 percent to 21.21 percent as at end of June 2025. The reduction was supported by coordinated interventions including accelerated smart meters roll out, faulty meters replacement, targeted feeder upgrades and improved energy accounting. This also contributed to the growth in unit sales.

To strengthen energy security, we aligned the rollout of distribution projects with the 2024-2043 Least Cost Power Development Plan. At the same time, we commenced negotiations of Power Purchase Agreements to secure additional generation capacity, while refurbishing and maintaining the transmission network to address grid constraints. The commissioning of the 400kV Kenya-Tanzania interconnector and our active participation in the Eastern Africa Power Pool has broadened opportunities to import during peak shortfalls and export surplus, enhancing our system resilience.

On electricity access and improving customer experience, the momentum was equally sustained. We crossed the 10 million customer mark with 401,848 new connections, which contributed approximately 203 GWh in new sales, with Industrial customers accounting for more than half of the incremental unit sales.

A customer-first approach was exemplified across our touch points which resulted in an improved Customer Satisfaction Index to 72 percent from 69 percent in the previous year. Our strategic stakeholder engagements were also impactful leading to improved Corporate Reputation Index from 63 percent to 75 percent by year end, signalling stronger trust among customers, communities, investors, regulators and partners.

In the year, we also commenced implementation of the Government-funded Digital Superhighway project, which aims at extending the country's fibre network to over 53,000 identified public institutions and facilities countrywide. Upon completion, the project also presents an opportunity for the Company to leverage the installed fibre infrastructure in smartening the grid for improved business efficiency.

In the period, we onboarded 490 additional employees to enhance responsiveness to customer needs, bringing our staffing strength to 10,582. Owing to implemented initiatives to enhance staff welfare and capacity, our Employee Satisfaction Index rose to 83 percent up from 67 percent, reflecting a resourced, engaged and motivated workforce. Consequently, the Company's Productivity Index rose from 2.45 out of 5 the previous year to 3.95.

Sustainability remained integral to our operations, as we mitigated adverse environmental and social impacts while amplifying positive outcomes through the Kenya Power Foundation and our Sustainability Framework.



Sustainability in Action



+456,000

Trees Planted

Empowering communities and protecting our planet through the Kenya Power Foundation.

We planted over 456,135 trees to support the ongoing national climate change action plan and the Government-led trees growing campaign. Further, we continue to promote the adoption of clean energy use through electric cooking and electric motorisation. In addition, we reviewed policies and plans to establish a comprehensive waste management framework. This will strengthen the handling of waste while promoting recycling, safe disposal, and circular economy practices.

Looking ahead, we remain firmly focused on consolidating these gains to deliver greater value to our customers, shareholders, and the nation at large. With a robust grid, deeper regional and community partnerships, and a motivated workforce, we are well-positioned to support Kenya's industrial growth, digital transformation, and climate resilience agenda. Our commitment is to sustainably provide quality and reliable electricity that not only lights homes and businesses today but also powers the country's ambitions for tomorrow.

Asanteni sana. Pamoja Twang'aa!



Dr. (Eng.) Joseph Siror, FIEK
Managing Director & CEO

Pamoja Twang'aa 

Strategic Engagements to Build Trust



CORPORATE
REPUTATION
INDEX
75%
(FROM 63%)

Pamoja Twang'aa

“

Kampuni iliboresha utendaji wake wa kiutendaji kwa kuongeza mauzo ya umeme licha ya kupungua kwa mapato ya jumla kutokana na kushuka kwa faida za ubadilishaji wa fedha za kigeni na viwango vya ushuru. Iliweza pia kupunguza upotevu wa mfumo na kuboresha uaminifu wa mtandao wa umeme. Aidha, kampuni ilipanua wigo wa wateja wake hadi zaidi ya milioni kumi, jambo lililopelekea kuongezeka kwa kuridhika kwa wateja. Uwekezaji wa kimkakati katika miradi ya kikanda, ustawi wa wafanyakazi, na mipango ya uendelevu unaweka kampuni katika nafasi nzuri ya kusaidia ukuaji wa baadaye wa Kenya

”

Ujumbe kutoka kwa **Mkurugenzi Mkuu na Afisa Mkuu Mtendaji**



Dkt. (Mhandisi) Joseph Siror, FIEK
Mkurugenzi Mkuu na Afisa Mkuu Mtendaji

Kwa Mukhtasari

Kuimarisha Utendakazi wa Shughuli Zetu Kuu



Mauzo ya umeme yalipanda kwa

+887 GWh

(10,516 hadi 11,403 GWh)



Mafanikio ya Ufanisi



Usambazaji na Utegemevu Ulioboreshwa

Wafanyakazi na Utendaji



Kuridhika kwa Wafanyakazi

67% hadi 83%



Kiwango cha Uzalishaji kati ya 5

2.45 hadi 3.95



Wafanyakazi Wapya

490

Maswala Muhimu ya Kifedha



Mapato
KShs.11.8B



Gharama za Kifedha
KShs.5.4B



Ununuzi wa Umeme
KShs.5.9B



Gharama za Uendeshaji
KShs.3.8B

Ufanisi wa Miundo Msingi za Usafirishaji Umeme



Usafirishaji wa Umeme

99.9%



Kupunguzwa kwa

Hasara za Mfumo

23.16% → 21.21%

Ubora wa Mtandao wa kusafirisha Umeme na Utegemevu wa Huduma

 SAIDI ilipungua kutoka
Saa 120.6 → Saa 113

 SAIFI (Kupunguzwa kwa Umeme Mara kwa Mara) kutoka
47 → 44.07

Usambazaji wa Umeme

203 GWh
Uuzaji Mpya

10M+
Msingi wa Wateja

401,848
Uunganisho Mpya

↑ 72%
Kuridhika kwa Wateja

Mwaka mzima, tuliendelea kuimarisha misingi ya biashara muhimu ili kuhakikisha utoaji wa huduma bora na ya kuaminika kwa wateja wetu. Hii ilifanikishwa kwa kutekeleza kimpango uwekezaji ulioelekezwa kwenye kusawazisha gridi, kuboresha ufanisi wa mfumo, na kupanua mapato kutoka kwa mipango ya kibiashara. Matokeo yake ni kuwa tuliona ukuaji wa mauzo ya umeme kwa vitengo, uboreshaji wa ufanisi wa usambazaji, na kuimarika kwa uaminifu wa mfumo.

Mauzo ya jumla ya vitengo yalikua kwa 887 GWh kutoka 10,516 GWh hadi 11,403 GWh kutokana na unganisho mpya na ufanisi wa mfumo. Hata hivyo, jumla ya mapato ya umeme yalipungua kwa KSh11,839 milioni hadi KSh219,285 milioni, hasa kutokana na kupungua kwa mapato ya ubadilishaji wa fedha za kigeni kwa kuwa Shilingi ya Kenya ilibaki thabiti dhidi ya sarafu kuu za dunia, na kupunguzwa kwa wastani wa gharama ya umeme.

Gharama za kifedha ziliongezeka kwa KShs.5,400 milioni kutokana na kurudishwa kwa faida zisizotekelezwa za ubadilishaji wa fedha za kigeni mwaka uliopita. Gharama za ununuzi wa umeme zilipungua kwa KShs.5,942 milioni licha ya ongezeko la vitengo 682 GWh vilivyopatikana, na gharama za uendeshaji zilipungua kwa KShs.3,857 milioni kufuatia uboreshaji wa mfano wa IFRS 9 wa kupoteza mikopo inayotarajiwa. Kwenye mtandao mzima, uboreshaji wa upatikanaji na uaminifu uliodhihirika kwa upatikanaji wa usambazaji wa 99.9%, Uboreshaji wa Kiashiria cha Kawaida cha Muda wa Kutokuwepo kwa Umeme (SAIDI) kutoka saa 120.6 hadi 113, na Kiashiria cha Kawaida cha Mara za Kutokuwepo kwa Umeme (SAIFI) kutoka 47.00 hadi 44.07.

Hasara ya mfumo kwa jumla ilipungua kutoka asilimia 23.16 hadi 21.21 kufikia mwisho wa Juni 2025. Kupunguka huku kulisaidiwa na hatua za pamoja ikiwemo kuenea kwa haraka kwa mita za kidijitali, kubadilishwa kwa mita zilizoharibika, maboresho maalumu ya feeders, na uboreshaji wa uhasibu wa nishati. Hii ilisababisha ukuaji wa mauzo ya vitengo. Ili kuimarisha usalama wa nishati, tuliunganisha utekelezaji wa miradi ya usambazaji na Mpango wa Maendeleo ya Umeme wa Gharama ya Chini Zaidi wa 2024-2043.

»»»

Wakati uo huo, tulianzisha mazungumzo ya Makubaliano ya Ununuzi wa Umeme (Power Purchase Agreement) ili kuhakikisha upatikanaji wa uwezo wa uzalishaji zaidi, huku tukirekebisha na kudumisha mtandao wa usambazaji kuziba mapengo yaliyopo ya umeme. Uanzishaji wa kiunganishi cha 400kV kati ya Kenya na Tanzania na ushiriki wetu kabambe katika Hali ya Umeme ya Afrika Mashariki (Eastern Africa Power Pool) umepanua fursa za kuingiza umeme wakati wa uhaba mkubwa na kuuza ziada, ikikuza uthabiti wa kikanda.

Kuhusu upatikanaji wa umeme na kuboresha uzoefu wa wateja, kasi hiyo pia ilidumishwa. Tumegonga jumla ya wateja milioni kumi kwa kuongeza wateja wapya 401,848, waliochangia takriban 203 GWh katika mauzo mapya, huku wateja wa viwanda wakichangia zaidi ya nusu ya mauzo ya vitengo vya ziada. Mbinu ya kuweka wateja kwanza ilionekana katika njia zote za kuwasiliana nasi, ambayo ilisababisha Kuongezeka kwa Kiwango cha Kuridhika kwa Wateja hadi asilimia 72 kutoka asilimia 69 mwaka uliopita. Ushirikiano wetu wa kimkakati na wadau pia ulikuwa na matokeo chanya, ukiongeza Kiwango cha Sifa ya Shirika kutoka asilimia 63 hadi 75 mwishoni mwa mwaka, hii ikionyesha kuongezeka kwa imani miongoni mwa wateja, jamii, wawekezaji, wakaguzi na washirika.

Katika mwaka huo pia, tulianzisha utekelezaji wa mradi wa Digital Superhighway unaofadhiliwa na Serikali, ambao una lengo la kupanua mtandao wa nyuzi za wavu (fiber network) wa taifa hadi zaidi ya taasisi na vituo vya umma 53,000 zilizotambuliwa kote nchini. Baada ya kukamilika, mradi huu pia unatoa fursa kwa Kampuni kutumia miundombinu ya nyuzi za wavu iliyowekwa katika kuboresha mfumo wa umeme kwa ufanisi wa kibiashara ulioboreshwa.

Katika kipindi hicho, tuliajiri wafanyakazi wapya 490 ili kuongeza uwezo wa kutimiza mahitaji ya wateja, hivyo kuongeza idadi ya wafanyakazi hadi 10,582. Kutokana na hatua zilizotekelezwa za kuboresha ustawi na uwezo wa wafanyakazi, Vipimo vya Kuridhika kwa Wafanyakazi vilipanda hadi asilimia 83 kutoka asilimia 67, ikionyesha kuwa tuna nguvu-kazi iliyo na rasilimali, wachapakazi na wenye motisha. Hivyo basi, kiashiria cha uzalishaji cha Kampuni kilipanda kutoka 2.45 kati ya 5 mwaka uliopita hadi 3.95. Uendeleu ulizidi kuwa sehemu muhimu ya shughuli zetu, tunapopunguza athari mbaya za kimazingira na kijamii huku tukikuza matokeo chanya kupitia Kenya Power Foundation na Mfumo wetu, »

Uendeleu Katika Vitendo



+456,000

Miti iliyopandwa

Kuwezesha jamii na kulinda sayari yetu kupitia Msingi wa Kenya Power.

Tulipanda zaidi ya miti 456,135 ili kusaidia kufanikisha mpango wa kitaifa wa kupambana na mabadiliko ya tabianchi pamoja na kampeni ya serikali ya kupanda miti. Aidha, tunaendelea kukuza matumizi ya nishati safi kupitia kupikia kwa umeme na matumizi ya magari yatumiayo umeme. Zaidi ya hayo, tulikagua sera na mipango ili kuanzisha mfumo kamili wa usimamizi wa taka. Hii itaimarisha usimamizi wa taka huku ikikuza upandikizaji upya (recycling), utupaji salama, na mbinu za uchumi mzunguko.

Kuendelea mbele, tumejitolea kuimarisha mafanikio haya ili kutoa thamani kubwa zaidi kwa wateja wetu, wenyehisa, na taifa kwa ujumla. Kwa gridi imara, ushirikiano wa kina kimaeneo na kijamii, pamoja na wafanyakazi wenye motisha, tuko kwenye nafasi nzuri ya kuunga mkono ustawi wa kiviwanda nchini Kenya, mabadiliko ya kidijitali, na ajenda ya kustahimili mabadiliko ya tabianchi. Ahadi yetu ni wazi: kutoa umeme wa ubora na wa kuaminika kwa njia endelevu, ambao unawasha si tu nyumba na biashara leo, bali pia unaowezesha malengo ya taifa la kesho.

Asanteni sana. Pamoja Twang'aa!



Dkt. (Mhandisi) Joseph Siror, FIEK

Mkurugenzi Mkuu na Afisa Mkuu Mtendaji



Kujenga Uaminifu kwa Ushirikiano



Kipimo
cha Sifa
ya Kampuni

75%
(kutoka 63%)

Pamoja Twang'aa



“

Our financial position continues to strengthen consistent with the market's growing confidence in the Company's shares

”

05

Financial Performance Highlights by **General Manager, Finance**

CPA Stephen Vikiru
General Manager, Finance



Question: How would you describe the Company's financial performance this year?

Answer: Resilient.

Electricity sales rose by 887 GWh to 11,403 GWh, driven by improved system efficiency and new customer connections. However, total electricity revenue declined by KShs.11,839 million to KShs.219,285 million due to lower average tariffs and reduced foreign exchange recoveries. Positively, operating expenses reduced by KShs.3,857 million and power purchase costs by KShs.5,942 million, which cushioned profitability. Profit before tax for the year ended 30 June 2025 was KShs.35,375 million, compared with KShs.43,666 million in FY2023/24.

Question: What were the principal drivers of cost and efficiency improvement?

Answer: Three key factors made the difference.

First, we reduced interest expenses by early repayment of high interest loans which improved our debt profile. Second, a stable Kenya Shilling lowered our electricity purchase costs despite procuring more units from the generators. Third, distribution efficiency improved by 1.95 percentage points to 78.79 percent, achieved through enhanced energy accounting and subsequent network optimisation.

Question: Explain the drop in net cash and cash equivalents in the year.

Answer: We made significant investments to strengthen the network, and repaid high interest loans to reduce interest expenses.

This led to a reduction in cash and cash equivalents to KShs.7,685 million, compared to KShs.10,353 million the previous year. On a positive note, cash generated from operations improved, rising by KShs.11,394 million on the back of higher collections and enhanced working-capital management.

Question: What strategic initiatives were undertaken to strengthen financial management?

Answer: We focused on restructuring our debt mix, managing the working capital, and improving revenue collections.

We also deployed an upgraded IFRS 9 model that incorporates updated macroeconomic factors, debt collection patterns, and analysis of customer payment history, thereby strengthening the accuracy and robustness of credit loss estimation. These initiatives are key in strengthening the Company's balance sheet and positioning us for sustainable growth.

Question: What is the impact of these initiatives?

Answer: As a result of the synergistic interventions undertaken, liquidity and solvency metrics improved.

Working capital also improved to negative KShs.19,209 million from negative KShs.27,439 million, reflecting better receivables management and enhanced operating efficiency conversion. Gross loans reduced by 11 per cent to KShs.87,635 million, lowering the weighted average cost of debt to 3.84 per cent from 5.03 per cent. Fixed assets increased by KShs.11,702 million to KShs.287,477 million as we continued investing in grid expansion and reinforcement.

Question: What do the key financial ratios tell us?

Answer: Our capital structure is markedly stronger and near-term liquidity has improved, albeit with lower than expected returns owing to tariff and forex dynamics.

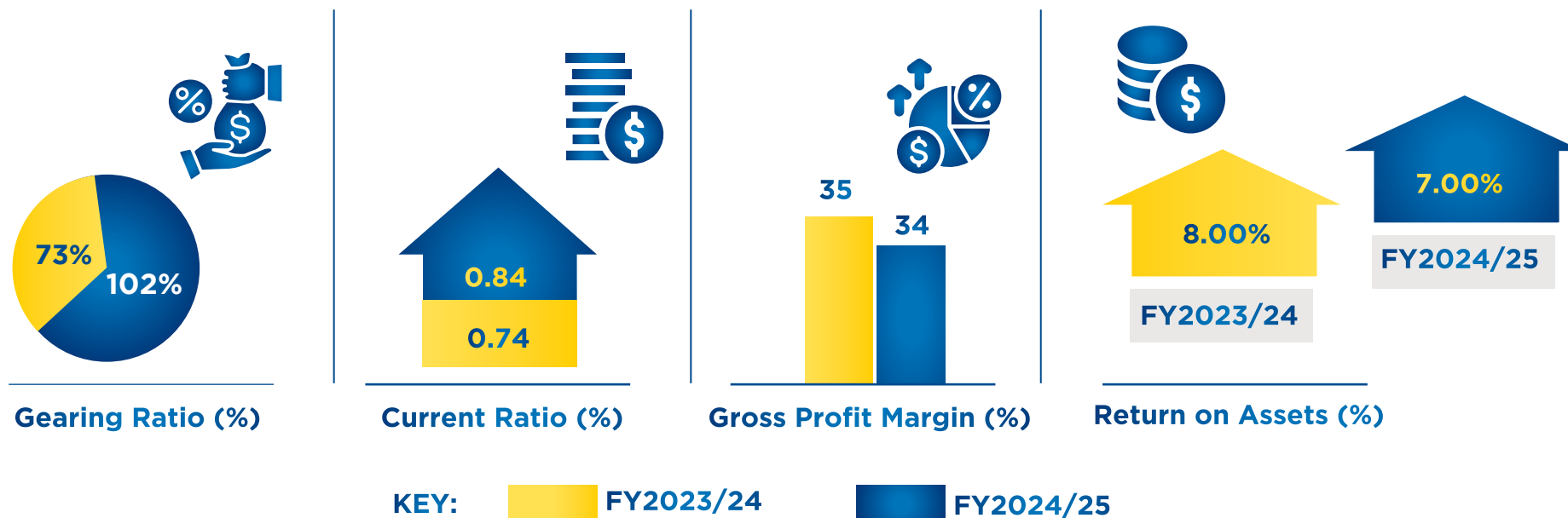
The gearing ratio improved to 73 percent from 102 percent, demonstrating reduced dependence on debt and increase in reserve. The current ratio rose by 10 percent to 0.84, from 0.74. The Return on Assets (RoA) and Gross Profit Margin dipped slightly by 1 percentage point to 7 percent and 34 percent respectively. Overall, the financial position remains robust, consistent with the market's confidence in the Company's stock.

»»»

Resilience and Strategic Optimisation



Financial Ratios: FY2025 vs. FY2024 Analysis



Question: What were the main challenges during the year?

Answer: Delayed payments from certain large customers and from national and county entities also weighed on liquidity.

We mitigated these risks through prudent cost control measures, targeted collections drives, structured payment arrangements and continued debt reprofiling. We will continue to actively manage foreign exchange exposure to mitigate the impact of currency fluctuations on the Company's financial performance.

Question: What is your outlook for the coming year?

Answer: We expect sales and revenue to continue improving with rising electricity demand, targeted customer acquisition and ongoing network expansion.

Our priority is to further enhance system efficiency, diversify revenue streams, and maintain prudence in capital allocation while reducing debt. We will also advance sustainability initiatives, including the GREEN Programme, to support renewable integration and network efficiency, underpinning the country's energy transition and long-term growth.



Stephen Vikiru

General Manager, Finance B.Com (Finance), MBA, CPA(K)



06

Corporate Governance

6.1 CORPORATE GOVERNANCE

The Company is committed to promoting good corporate governance for improved business performance and to meet stakeholders' expectations. In this regard, the Company continues to comply with applicable best governance practices, key among them the Capital Markets Authority Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (CMA Code), and the Mwongozo Code of Governance for State Corporations, 2015.

6.1.1 Corporate Governance Assessment Report

The Capital Markets Authority assessed the Company's application of the CMA Code. The review focused on multiple areas of governance, with the results presented in Table 6.1.

Table 6.1: Corporate Governance Assessment Summary



Commitment to Strong Accountability



Governance score improved from

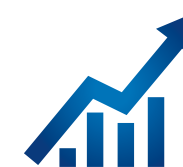
74% to 80%



Stakeholder mapping



Transparency



Sustainability Alignment

As seen in Table 6.1, the Governance Score improved from 74 percent to 80 percent, reflecting the Board's sustained efforts to strengthen practices beyond CMA's minimum requirements. The Company has mapped stakeholders and disclosed, in the Annual Report, each stakeholder group, their material relationship, means of engagement, interests, and outcomes, while aligning its activities with the relevant Sustainable Development Goals (SDGs) and reporting on progress achieved.

CMA further recommended that policies under the 2023 Public Offers, Listings and Disclosure Regulations be submitted to shareholders for explicit approval at the AGM. Unlike the previous AGM, where directors were authorised to adopt them, this year each policy has been presented for shareholder approval. CMA also advised disclosure of the Company's data privacy approach, now detailed in the Governance, Risk and Compliance Report.

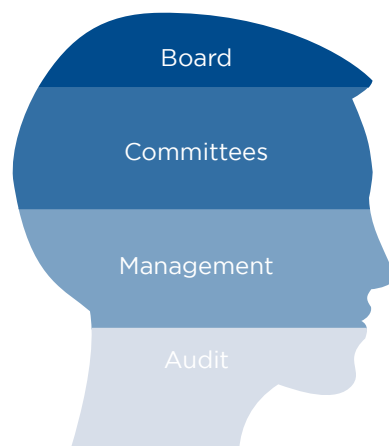
6.1.2 Roles and Responsibilities of the Board

The Board is responsible for providing strategic direction to the Company to achieve its objectives and deliver sustained value to shareholders, while acting in the best interests of the Company.

- Good corporate governance
- Strategic planning
- Accountability, risk management and internal control
- Preparation of financial accounts
- Human resources and operations

Details on the roles and responsibilities of the Board are contained in the Board Charter available on the Company website www.kplc.co.ke

Accountability & Transparency Framework



The Board operated through five Committees, to which it delegated certain responsibilities and which operate in accordance with specified terms of reference. The Chairman is not a member of any committee while the Managing Director and CEO is a member of all committees except the Audit Committee.

Table 6.2 sets out the Board Committees memberships and responsibilities.

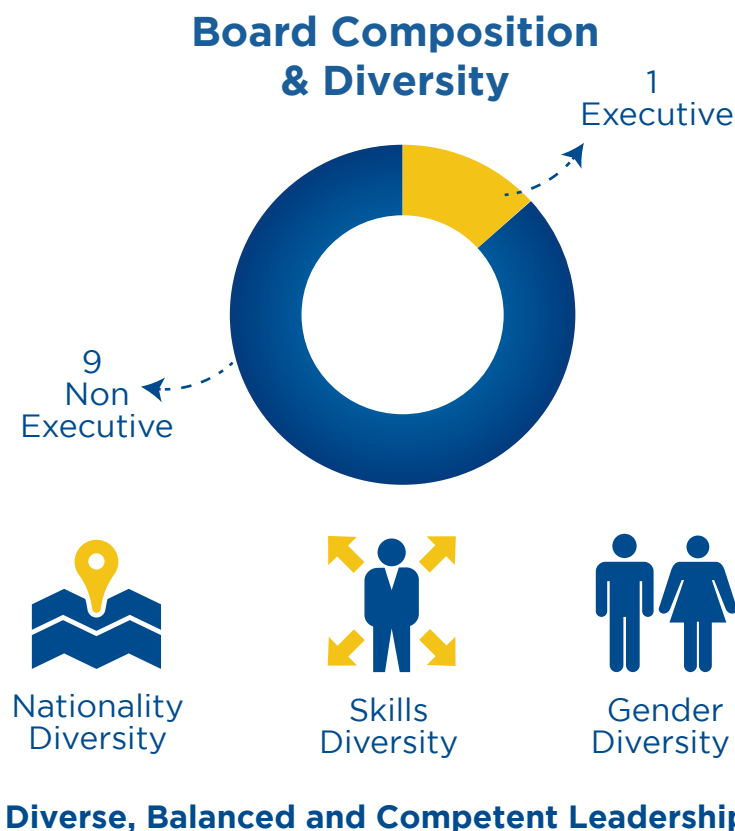


Table 6.2: Board Committees

Board Committees	Terms of References/Key Deliberations
Finance, Strategy & Risk Committee  Eng. James Rege, CBS Committee Chairman Members 1. Dr. Stephen Ikikii 2. Eng. Albert Mugo 3. Dr. (Eng.) Isaac Kiva 4. MD & CEO	• Financial Oversight and Strategy – Approve accounting policies and oversee financial reporting, budget performance, long-term goals, funding, and capital-raising strategies. • Procurement Oversight – Monitor the annual procurement plan. • Risk and Strategy Monitoring – Assess emerging risks and track implementation of corporate strategic and annual plans. • Performance and Sustainability – Review performance contracts, drive sustainability objectives, and identify value creation opportunities. FY2024/25 Key Deliberations: • Considered funding for various infrastructure and sustainability investments as per corporate strategy. • Reviewed accounts, liquidity, foreign currency position, and sales performance to inform cash flow and revenue strategies. • Considered the Company's annual procurement plan and asset write-offs to enhance operational efficiency. • Evaluated enterprise risks, insurance coverage, and board performance to strengthen accountability. • Advanced ESG strategy, reviewed pension scheme reports, and considered financing for staff welfare initiatives.
Governance & Human Resource Committee  Ruth Muiruri Committee Chairman Members 1. CPA Dr. Caleb B. Manyaga 2. Ezekiel Saina 3. Dr. (Eng.) Isaac Kiva 4. MD & CEO	• Leadership and Talent Management – Oversee senior staff appointments, promotions, disciplinary matters, and succession planning. • Remuneration and Rewards – Develop, review, and recommend the Company's remuneration structure. • Governance Oversight – Review governance documents and recommend changes; oversee Board succession planning. • Ethics and Integrity – Promote adherence to the Code of Ethics and foster a culture of integrity across the Company. FY2024/25 Key Deliberations: • Considered contract renewals for senior management, HR policies, succession planning, and staff welfare. • Set CBA 2025–2028 terms, reviewed HR surveys, training programmes, and recruitment feedback. • Reviewed governance, legal, ethics, board performance, and considered AGM preparations. • Considered customer service issues, reputation management and CSI programmes. • Deliberated issues on litigations, real estate management, security, and safety health and environment performance.

Board Committees

Audit Committee



CPA Dr. Caleb B. Manyaga
Committee Chairman

Members

1. Logan Hambrick
2. Dr. Stephen Ikikii
3. Ezekiel Saina

Terms of References/Key Deliberations

- Financial Reporting Oversight – Ensure accuracy and credibility of financial statements; review half-year and annual accounts before Board approval.
- Audit and Assurance – Assess performance, independence, and findings of external auditors.
- Risk and Internal Controls – Review effectiveness of internal control and risk management systems.
- Internal Audit Oversight – Approve audit charter, plan, and budget; review audit activities, reports, investigations, and coordination with external auditors.

FY2024/25 Key Deliberations:

- Approval of revised Board Audit Committee Charters and Internal Audit Work Plan 2025/2026
- Consideration of both half and full year trading results for the year ended 30th June 2025
- Consideration of Draft Audit Opinion and Management Letter for the year ended 30th June 2024
- Consideration of status of pending issues raised by OAG for the year ended 30th June 2024
- Consideration of Internal Audit Quarterly Reports for Financial Year 2024/2025
- Review of status of aged electricity debt for half year from June 2023 to December 2024
- Consideration of Information paper on Land Management.
- Performance Score Card for General Manager, Internal Audit

Technical Committee



Eng. Albert Mugo
Committee Chairman

Members

1. Dr. Stephen Ikikii
2. Logan Hambrick
3. Dr. (Eng) Isaac Kiva
4. MD & CEO

- Project Oversight – Oversee implementation of projects, identify challenges in technical operations, and project management, and recommend solutions to the Board.
- Operational Oversight – Oversee Network Management, Infrastructure Development, Commercial Services, and Regional Operations, and present periodic reports to the Board.
- Stakeholder Value – Safeguard the interests of shareholders, customers, and stakeholders by ensuring cost-effective power purchase costs
- Technology and Innovation – Promote technology adoption, research, and awareness of industry trends.

FY2024/25 Key Deliberations:

- Reviewed power system planning status and supply reliability reports, including updates on network performance and outages.
- Evaluated proposals for transmission lines and substations, and monitored progress on major infrastructure projects and connectivity.
- Oversight on system losses strategy implementation, considered initiatives to support loss reduction.
- Assessed energy purchase trends and ongoing PPA negotiations.

Board Committees

Telecoms, SCADA, ICT & Innovation



Ezekiel Saina
Committee Chairman

Members

1. Eng. James Rege
2. Ruth Muiruri
3. MD & CEO

Terms of References/Key Deliberations

- ICT Strategy and Alignment – Advise the Board on Telecoms, SCADA, and ICT strategies.
- Process and Policy Oversight – Guide ICT policy review and process re-engineering.
- ICT Security and Risk – Oversight of ICT security and audit issues, and follow up on mitigation measures.
- Technology and Trends – Consider proposals on major ICT positions, long-term plans, and emerging trends, and recommend to the Board.

FY2024/25 Key Deliberations:

- Reviewed ICT Five Year Strategy and progress on enterprise architecture and business process re-engineering.
- Oversight Kenya Power's participation in the Digital Superhighway Project, including fibre rollout under the One Government Network.
- Reviewed periodic reports on telecoms, fibre business, SCADA systems, and overall ICT systems performance.
- Reviewed information security posture and performance of the telecoms business unit.

6.1.3 Separation of roles of the Chairman and the Managing Director and Chief Executive Officer

The Chairman and the Managing Director & Chief Executive Officer have distinct and clearly defined duties and responsibilities under the Board Charter. The separation of the functions of the two promotes accountability, facilitates division of responsibilities while ensuring balance of power and authority by providing checks and balances.

Table 6.3 : Separation of Roles of the Chairman, and the Managing Director and Chief Executive Officer

Chairman, Board of Directors

- Board Leadership & Governance – Guide meetings, ensure effective decisions, and uphold governance standards.
- Board Development – Oversee succession, director training, evaluations, and committee performance.
- Strategy & Oversight – Collaborate with the MD & CEO on strategy while ensuring proper delegation and independent oversight.
- Stakeholder Representation – Represent the Board to shareholders and stakeholders, chair AGMs, and safeguard shareholder interests.

Managing Director and Chief Executive Officer

- Operations & Execution – Oversee daily operations in line with Board strategies and policies.
- Leadership & Culture – Lead senior management, oversee recruitment and succession, and foster an ethical, high-performance culture.
- Strategy & Finance – Implement strategies, and budgets; execute Board decisions; ensure strong financial, control, and risk systems.
- Reporting & Representation – Provide accurate reporting to the Board and represent the Company to stakeholders.

6.1.4 Changes in the Board

On 7th August 2024, Hon. FCPA John Mbadi, EGH, was appointed the Cabinet Secretary, National Treasury & Economic Planning to replace Prof. Njuguna Ndung'u, EGH. Further, on 20th December 2024, Dr. Stephen Ikikii was appointed as Alternate Director to the Cabinet Secretary, National Treasury & Economic Planning to replace Mr. Humphrey Muhu, who retired. Director Albert Mugo was redesignated from Independent to Non-Independent pursuant to The Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023, which provide that an independent director is one who, among other requirements, does not hold any shares in the Company.

6.1.5 Board Size, Independence and Diversity

As of 30th June 2025, the Board of Directors comprised ten members, nine of whom were non-executive directors and one executive director who is the Managing Director and CEO. The Board reflects diversity in gender, professional expertise, and nationality, in line with good governance practises.

The composition also demonstrates a balance of independent and non-independent directors, ensuring effective oversight and decision-making as demonstrated in Table 6.4

Table 6.4 : Board Size, Independence and Diversity

Name	Gender	Nationality	Field	Date of Appointment	Independence Status
Joy Brenda Masinde	F	Kenyan	Law	08.12.2023	Independent
Dr. (Eng.) Joseph Siror, FIEK	M	Kenyan	Engineering	02.05.2023	Executive
Logan Hambrick	F	American	Law	08.12.2023	Independent
Ruth Muiruri	F	Kenyan	Law	08.12.2023	Independent
Eng. Albert Mugo	M	Kenyan	Engineering	08.12.2023	Non-Independent
Ezekiel Saina	M	Kenyan	ICT	08.12.2023	Independent
CPA Dr. Caleb B. Manyaga	M	Kenyan	Financial Management	08.12.2023	Independent
Eng. James Rege	M	Kenyan	ICT	08.12.2023	Independent
Dr. (Eng.) Isaac Kiva, FIEK (Alternate to the PS, Energy)	M	Kenyan	Engineering	25.04.2024	Non-Independent
Dr. Stephen Ikikii (Alternate to the CS, National Treasury)	M	Kenyan	Economist	20.12.2024	Non-Independent

6.1.6 Board and Committee Meetings Attendance

The Board held 14 meetings in the Financial Year ended 30th June 2025. The Board and committees attendance is as shown in Table 6.5

Table 6.5 : Board and Committees Meetings Attendance for the Year ended 30th June 2025

Directors	Position	Board Meetings	Finance, Strategy & Risk (FSR) Committee	Governance & Human Resource Committee	Audit Committee	Technical Committee	Telecoms, SCADA, ICT and Innovation (TSI) Committee
Joy Brenda Masinde	Board Chairman	14/14	-	-	-	2/2*	-
Dr. Eng. Joseph Siror	Managing Director & CEO	14/14	7/7	6/6	8/8*	7/7	3/3
Eng. James Rege	FSR (Chair)	14/14	7/7	-	-	1/1*	3/3
CPA Dr. Caleb B. Manyaga	Audit (Chair)	14/14	-	3/3	8/8	3/3**	-
Ezekiel Saina	TSI (Chair)	13/14	1/1*	6/6	8/8	2/2*	3/3
Eng. Albert Mugo	Technical (Chair)	14/14	4/4	-	3/4**	7/7	-

Directors	Position	Board Meetings	Finance, Strategy & Risk (FSR) Committee	Governance & Human Resource Committee	Audit Committee	Technical Committee	Telecoms, SCADA, ICT (TSI) Committee
Ruth Muiruri	Governance and HR (Chair)	14/14	1/1*	6/6	5/5**	2/2*	-
Logan Hambrick	Member	14/14	3/3**	3/3**	2/2	5/7	3/3**
Dr. Stephen Ikikii	Alternate to CS, National Treasury (Joined 20.12.2024)	5/5	4/4	-	3/3	3/3	-
Dr. (Eng) Isaac Kiva	Alternate to PS, Energy	11/14	7/7	6/6	1/1*	7/7	-
Humphrey Muhu	Ceased Alternate to CS, National Treasury on 20.12.2024	7/9	3/3**	-	5/5**	4/4**	-

*Attendance by invitation

** Ceased as member of Committee

6.1.7 Board Induction and Capacity Development

Upon joining the Board, all new directors are taken through an induction programme. The director who joined the Board during the year underwent a comprehensive induction programme. During the year, the Company organised various competence up-skilling programmes for board members. Further, each of the Directors who served for the full year received at least 12 hours of training on areas of governance as prescribed by the CMA Code. The Board also underwent trainings on the CMA Code of Corporate Governance and the Data Protection Act, spearheaded by CMA and the Office of the Data Protection Commissioner respectively.

6.1.8 Board Evaluation

The Board conducted its annual evaluation with the support of the State Corporations Advisory Committee (SCAC). The exercise assessed the performance of the Board, Chairman, Committees and their respective Chairs, the Managing Director & CEO, the General Manager Internal Audit, and the Company Secretary. Improvement areas were identified, and an implementation matrix was developed to facilitate continuous growth, strengthen governance, and enhance collective performance outcomes.

6.1.9 Equitable Treatment of Minority and Foreign Shareholders

In line with its commitment to uphold the highest standards of corporate governance, Kenya Power continues to take deliberate measures to ensure the equitable treatment of all shareholders, including minority and foreign investors with the aim of fostering trust and inclusivity in shareholder engagement.

During the year, the Company ensured equitable treatment of all shareholders by:

- Issuing timely communication to streamline information flow, voting, and alerts on key matters such as AGMs, financial results, and dividend payments.
- Upholding fair disclosure through timely, accurate, and equal access to material information via the website and press releases, while avoiding selective disclosure.
- Maintaining majority of directors as independent to strengthen oversight and safeguard minority interests.
- Enhancing participation of shareholders by providing adequate AGM/EGM notices with detailed agendas, and enabling proxy voting and electronic access.
- Strengthening engagement through the Shareholder Communication Policy, effective complaints resolution, and shareholder education via AGMs, briefing sessions, and website FAQs.

6.1.10 Access to Independent Advice

The Company recognises that the Board may, from time to time, require independent expert advice, ranging from engineering and ICT to legal, financial, governance, or other technical areas. To this end, directors may invite Senior Management to provide technical support as and when necessary and are entitled to seek external professional advice at the Company's expense. This provision is anchored in the Board Charter and each Committee's Terms of Reference.



6.1.11 Legal and Governance Audits

The CMA Code provides that a comprehensive independent legal audit should be carried out at least once every two years by a legal professional in good standing with the Law Society of Kenya. The Code also provides that a governance audit should be carried out by an accredited governance auditor by the Institute of Certified Secretaries to confirm the Company is operating on sound governance practices.

The Company is currently undertaking a Legal and Governance audit with Robson Harris Advocates LLP, an independent legal and governance auditor. The Company will implement the recommendations of the legal and governance audits.

6.1.12 Independence of Auditors

The Company, through the Audit Committee of the Board, ensures independence and competence of external auditors. The Audit Committee requires the Office of the Auditor-General to give an undertaking in writing, that there is no relationship between the Auditor-General or any of its staff and Kenya Power, that in their professional judgement may be thought to bear on their independence. To provide further assurance, the auditors are required to have quality management systems to ensure safeguards are applied to eliminate identified threats to independence or reduce them to acceptable levels

6.1.13 Board Charter and Governance Policies

The Board Charter was reviewed in November 2023 and recently updated to align with the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023. To ensure effective operations and regulatory compliance, the Company has implemented robust internal control systems. These include the establishment of key governance policies, some of which are summarised in Table 6.6, with the full set available on the Company's website at www.kplc.co.ke:

Table 6.6 : Governance Policies

Name of Policy	Brief Highlights of Provisions of Policies	Status of Implementation
Whistleblowing Policy	The policy provides protection for all individuals reporting malpractice, unethical conduct, or fraudulent activities. It guarantees confidentiality, prohibits retaliation, and offers an anonymous online whistleblowing platform.	- An independent party has been engaged to manage the whistleblowing platform. - The platform is active and accessible via the Company website. Whistleblowing reports and statistics are submitted regularly to the Governance and Human Resource Committee. - The Board ensures that identified ethical risks are addressed through the Company's risk management framework.
Corporate Social Responsibility (CSR) Policy	Provides strategic direction for social and environmental investments, anchored on the Triple Bottom Line approach, Profit, People & Planet. It establishes the framework for the Kenya Power Foundation, which supports initiatives in energy and environment, education and skills development, as well as sports and wellness.	Through the Kenya Power Foundation, the Company participated in Corporate Social Responsibility and Investment (CSRI) initiatives focused on environmental sustainability and educational advancement.
Sustainability Policy	Promotes environmental stewardship, social responsibility, good governance and economic resilience. It integrates key Sustainable Development Goals (SDGs) including gender equality, clean energy, climate action and sustainable supply chains, into our operations, and supports transparent sustainability reporting in line with Global Reporting Initiative (GRI) Standards.	- Sustainability reporting is ongoing, aligned with the key reporting areas of the GRI Standards. - This report highlights the Company's key sustainability achievements during the year and outlines forward-looking plans.
Stakeholder Engagement Policy	Provides a structured framework for inclusive, transparent, accountable and mutually beneficial stakeholder engagement. It outlines clear processes for identifying, categorising and prioritising stakeholders based on material interests and influence.	Various stakeholder plans, engagement forums held and activities held during the year are outlined on page 106.

Name of Policy	Brief Highlights of Provisions of Policies	Status of Implementation
Independence of Directors and Conflict of Interest Policy	Ensures the Board exercises independent judgment through annual assessments of director independence. Requires disclosure of any actual or perceived conflicts of interest, and mandates that directors engage at arm's length in all matters relating to the Company.	- During the year, none of the independent directors held executive positions in the Company or served on the Board for more than six years. - One director was redesignated from Independent to Non-Independent pursuant to The CMA (Public Offers, Listings and Disclosures) Regulations, 2023 owing to his shareholding in the Company.
Board Remuneration Policy	Sets guiding principles for non-executive director remuneration covering allowances, incentives, reimbursements, and insurance; requires retroactive shareholder approval at AGM.	Remuneration of directors was aligned with the policy and approved by shareholders.
Board Diversity and Inclusion Policy	Promotes inclusive and diverse Board membership based on merit; ensures representation of varied skills, experiences, demographics and gender; supports strategic decision-making.	The current Board meets these requirements and comprises highly experienced professionals in finance, business management, engineering, accounting, law, and ICT as demonstrated on page 59.
Enterprise Risk Management (ERM) Policy	Provides integrated approach to identifying and managing strategic, financial, compliance, operational, sustainability and ethical risks; promotes staff accountability for risk management.	Risk management is embedded across operations as detailed in the Risk and Compliance Report on page 70.
Dispute Resolution Policy	Provides mechanisms for efficient and timely resolution of disputes with stakeholders.	- The Company preferred Alternative Dispute Resolution (ADR) pathways to manage contingent liability exposures, and foster good relations with our stakeholders. - In addition, we achieved a litigation success rate of 95.74 percent during the year owing to enhanced internal legal capacity to effectively manage litigations.
Procurement Policy	Promotes fair competition, transparency, equity, supplier diversity and accountability; ensures compliance with laws; fosters sustainable procurement and leverages technology.	The Company's procurements were in line with the Procurement Policy and there is continuous improvement in our procurement practices and systems.

Name of Policy	Brief Highlights of Provisions of Policies	Status of Implementation
Policy on Insider Trading	Prohibits insider trading and disclosure of non-public material information; requires observance of quiet periods, prohibits trading on undisclosed information.	There were no known cases of insider trading during the year.
Shareholder Communication Policy	Ensures equitable treatment of all shareholders, safeguards the interests of minority shareholders, and provides clear channels for redress and resolution of concerns.	The Company implemented the Policy while ensuring equitable shareholder treatment.
ICT Policy	Provides a unified framework for ICT governance, ensuring continuous service availability, data protection, business continuity, regulatory compliance, and responsible use of ICT assets.	In line with the Policy, the Company's ICT systems remained fully operational, supported by necessary redundancies and robust compliance structures.

In line with the Capital Markets (Public Offers, Listings and Disclosures) Regulations 2023, the following policies have been presented for shareholders approval:

- Appointment of Directors Policy
- Board Remuneration Policy
- Shareholders Communication Policy
- Stakeholder Engagement Policy
- Dispute Resolution Policy

6.1.13 Data Privacy and Protection

In the period, the Company reinforced the importance of safeguarding customer confidence by protecting their personal data. We endeavor to ensure that all customer information is processed in compliance with the Data Protection Act, 2019 and its attendant regulations. During the year, we implemented a series of targeted initiatives to strengthen our data privacy practices, including:

- Operationalised Data Protection Policy and Governance Framework along with complementary guidelines, providing clear direction on the secure and lawful handling of personal data.
- Enhanced data access controls to ensure that personal data is only accessed by authorised personnel on a need-to-know basis, and initiated periodic internal reviews of data handling processes.
- Undertook structured sensitisation and awareness programmes across the Company to enhance organisational competence in data protection principles and practices.
- Raised awareness to customers on fraud prevention related to their personal data and clarified the Company's privacy commitments.
- Underwent a compliance audit by the Office of the Data Protection Commissioner that reviewed our data handling procedures and we are implementing the recommendations.

Going forward, Kenya Power will continue to improve its data security practices, strengthen governance frameworks, and increase public engagement to address privacy concerns, combat misinformation, and reinforce customer trust.

6.1.14 Performance on Ethics

During the year, Kenya Power advanced implementation of its Ethics and Integrity Programme to promote a strong ethical culture, safeguard public trust, and enhance service delivery. These efforts mainly focused on strengthening whistleblower protection, mitigating corruption risks, evaluating anti-corruption strategies, raising staff and public awareness, and addressing reported cases.

Key Achievements

- Engaged an independent whistleblowing service provider to manage the anonymous whistleblowing platform available via link <https://kplc.confideapp.online> and QR-code based reporting channels. We are working to integrate the USSD Code *977# with the whistleblowing system.
- The Company, in partnership with the EACC, reviewed policies, processes, and systems to identify gaps and strengthen internal controls. Implementation of the recommendations is underway.
- All employees have been sensitised on the provisions of the Company's Code of Ethics and signed the Code of conduct.
- A total of 222 allegations were received in the FY, with an 85.4 percent resolution rate.

The key ethical risks that were identified have been integrated into our risk management process.



6.1.15 Accountability and Audit

The Statement of Directors Responsibility is set out on page 119 and the Independent Auditors report is on page 122.

6.1.16 Directors' Emoluments

A director is entitled to a fee payment KShs.1,000,000 per annum which is paid on pro rata basis for period served. In addition the Chairman is paid a monthly honorarium of KShs.80,000 per month.

The fees are approved by shareholders during Annual General Meetings and paid annually in accordance with Government's guidelines for all state corporations. Directors are entitled to a sitting allowance and, where applicable, lunch allowance (to compensate for lunch being provided), accommodation allowance and mileage reimbursement as per the Government approved rates.

Details of Directors' emoluments amounting to KShs.58.87 million paid during the year is shown on page 118 of the Report.

6.1.17 Shareholding Structure

Attached as Appendix 1 is a list of the major shareholders and analysis as at 30th June 2025.





07

Risk Management

RISK MANAGEMENT

Kenya Power acknowledges that risk is an inherent aspect of conducting business. In line with our commitment to deliver on our mandate, we proactively identify, assess, and manage uncertainties that may impact our strategic objectives. Further, we strive to provide reasonable assurance to our stakeholders by embedding a robust risk management culture across the Company.

To this end, we continuously enhance and adapt our Enterprise Risk Management (ERM) framework to remain responsive to our evolving risk landscape. This ensures that we are well-positioned to mitigate potential threats, seize emerging opportunities, and maintain compliance with regulatory requirements and industry best practices.

7.1.1 Risk Governance

The Board of Directors of Kenya Power holds ultimate accountability for the Company's risk management and assurance frameworks. It is responsible for defining the acceptable level of risk of the Company in pursuit of our strategic objective (risk appetite). Oversight of risk-related matters is delegated to the Finance, Strategy & Risk Committee, which works in close coordination with the Audit Committee to ensure comprehensive governance.

These Board Committees review the Company's principal risks and the effectiveness of mitigation strategies on a quarterly basis, ensuring alignment with the approved Corporate Risk Appetite and the adequacy of internal control mechanisms.

Operational responsibility for risk mitigation lies with Senior Management, who are tasked with implementing appropriate measures to manage and reduce risk exposures across the business.

7.1.2 Overview of Key Risks

The Company is exposed to a variety of uncertainties that could have a material adverse effect on our financial position, operations, and/or stakeholder interests.

These are outlined in Table 7.1.



Table 7.1 : Summary of Key Risks

Key Risks

Currency Risk

Kenya Power is exposed to foreign exchange risk arising from fluctuations in currency exchange rates, which may result in financial losses. This exposure primarily stems from the Company's substantial obligations that are denominated in foreign currencies, including power purchase costs, loan repayments, and payments to international suppliers.

Impact - Profitability

Outlook - Stable

Management Actions

- New debt-financing is in Kenya Shillings and at lower interest rates.
- Pre-payment of foreign-currency commercial loan.
- The hard currency requirements of new Power Purchase Arrangements (PPAs) are aligned to amortisation and operational expenditures of the power plants.

Tariff Risk

The Company faces the risk of revenue shortfalls arising from variances between projected and actual electricity demand. The current retail tariff structure is underpinned by demand forecasts across various customer categories, with revenue projections contingent upon the achievement of these targets. Any shortfall in actual demand is relative to projection results in unrecovered revenue, which is absorbed by the Company.

Impact - Profitability

Outlook - Sustained for FY 2025/26

Management Actions

- Incorporate sector revenue requirement surplus/deficits in the base tariff review scheduled for 2025/26.
- Shifting sales focus from generic indicators to specific customer categories.

Political Risks

The Company also faces the risk that political decisions, events, or conditions may adversely affect its operations and financial performance. This risk may materialise through abrupt policy shifts, legislative or regulatory changes, and broader geopolitical or social tensions. Such developments can impact the Company's strategic direction, cost structure, and overall business environment.

Impact - Profitability

Outlook - Increasing Risk

Management Actions

- Improved strategic engagements to align stakeholder expectations, and address stakeholder concerns.
- Implemented internal governance reforms designed to run Kenya Power as a commercial enterprise.

Litigation Exposure Risk

Kenya Power faces potential liabilities arising from legal disputes and litigation involving various stakeholders. These risks may stem from issues such as service disconnections, wayleave and land encroachment disputes, safety-related incidents, and breaches of data privacy regulations, among others. Such legal exposures can result in financial losses, reputational damage, and operational disruptions. The Company remains committed to proactive legal risk management.

Management Actions

Staff sensitisation to ensure compliance with applicable legal, regulatory and policy requirements.

- Incorporation of Alternative Dispute Resolution (ADR) mechanisms.
- Strengthening of internal controls.

Outlook – Increasing Risk

Impact – Customer Satisfaction; Reputation

Demand Shifts Risk

The Company faces the risk of declining grid-based electricity demand as customers increasingly adopt alternative energy solutions. This shift is driven by factors such as cost considerations, reliability concerns, and the growth of enabling energy policies and technologies. The proliferation of alternative resources poses a potential threat to traditional revenue streams. Kenya Power continues to monitor these trends and is exploring innovative business models and strategic partnerships to remain competitive in an evolving energy landscape.

Management Actions

Prioritised the resourcing and fast-tracking of strategic initiatives to address customer pain-points such as connectivity and reliability.

- Implemented innovation and diversification pathways to increase overall revenue while reducing costs.

Impact – Financial Sustainability

Impact – Financial Sustainability Outlook – Increasing risk

Emerging Risks

Digital and Technological Disruption

Kenya Power is increasingly exposed to the risk of digital and technological disruption, particularly from the accelerated adoption of emerging technologies such as Artificial Intelligence (AI) within the global utilities sector. These advancements have the potential to redefine operational models, customer engagement, and service delivery expectations. While such innovations present opportunities for efficiency and growth, they also pose a competitive threat if not proactively embraced.

- We continue to monitor technological trends and invest in digital transformation initiatives to remain agile and future-ready.
- In this regard, we are currently overhauling our systems to ensure our Information Technology & Operating Technology capabilities adequately support the business into the future.

Transition Toward a Low-Carbon, Climate-Resilient Future

The evolving energy landscape is further shaped by the national and global imperative to transition toward a low-carbon, climate-resilient future. While the implementation of sustainability and climate action measures-such as renewable energy integration, energy efficiency enhancements, and climate-resilient infrastructure-is essential, it presents significant financial and operational challenges. These include high capital investment requirements, evolving regulatory obligations, and the need for technological innovation.

- Kenya Power Sustainability framework was developed in the FY2024/25 and currently under implementation.
- New PPAs for variable renewable energy plants have mandatory requirement for Battery Energy Storage Systems (BESS) appropriately sized.

As we continue to operate in a dynamic energy landscape, we remain steadfast in our commitment to proactive risk management and strategic agility. Looking ahead, we anticipate a stable outlook in key areas such as currency and tariff risks, supported by prudent financial restructuring and targeted demand forecasting. Operational resilience is expected to improve through accelerated infrastructure upgrades and enhanced grid reliability initiatives. However, we remain vigilant to increasing risks in areas such as political uncertainty, litigation exposure, and shifting demand patterns. Through focused interventions, we are building a resilient foundation for sustainable growth, operational excellence, and enhanced customer satisfaction in the years ahead.



08

Corporate Strategy Implementation and **Grid Investments**



8.0 CORPORATE STRATEGY IMPLEMENTATION AND GRID INVESTMENTS

Our Five-Year Corporate Strategy, which was launched in December 2023, is the blueprint guiding the Company towards its vision of becoming the energy provider of choice. The Plan sets out a bold agenda anchored on four pillars: Financial Sustainability, Customer Centricity, Operational Excellence, and Human Capital Investment. Together, these pillars drive several strategic objectives and priority initiatives that position the Company to provide safe, reliable, clean, and affordable energy, while optimising costs, enhancing customer experience, and safeguarding long-term sustainability.

At the heart of implementation are key strategic initiatives that define our transformation journey: connectivity, resilient infrastructure and supply security, customer experience, people and culture, sustainability and safety with social impact, digital and data-driven innovation, and strong stakeholder partnerships. These initiatives provide the framework for flagship programmes ranging from network modernisation and e-mobility to customer service reforms and social impact investments, each scoped with clear outcomes, expected benefits, and targeted financial commitments.

Alignment to Sustainability Principles

Building on this foundation, the Company has aligned its Corporate Strategy with sustainability principles to ensure long-term resilience while balancing commercial interests with Environmental, Social and Governance (ESG) best practices. This alignment advances our contribution to the climate change agenda and supports the Sustainable Development Goals.

During the year, we launched a Sustainability Framework and cascaded it across all our administrative regions. Key business operations were streamlined to embed safety, environmental stewardship, social responsibility and governance into daily practices, creating long-term value for customers, shareholders and communities.



At a Glance

Grid Expansion & Resilience



**KShs.
91.8 Billion**

Cumulative Investment
towards Last Mile Connectivity
Projects

90% 

Renewable energy share



Annual CO₂ Sequestration



E-Fleet Expansion



Customer Satisfaction Index
(from 69%)



Energy Purchase Increase

6,086

New Public
Street-Lighting
Lanterns



Incremental Unit Sales from
New Connections

Composition of
New Customer Connections

163,092
Last Mile
Customers

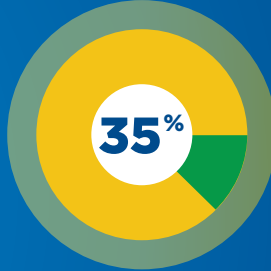
238,757
Paid up
Customers

KShs.
23.6 B 
Local Procurement


78.79%
System Efficiency

1M+ 
Customer Engagements
Via Digital Platforms

AGPO
Suppliers
(Youth,
Women and PWDs)



35%

 **KShs.**
5 Billion
Gross Revenue Generated
from the **202 GWh**
Incremental Unit Sales

22%
Increase in Uptake of
Self-Service Platforms

Alignment to Sustainability Principles

Table 8.1 : Key Material Matters

Reference	Material Matters	Description	Linked Strategic Goal
L	Liquidity	The financial health of the Company is key to ensuring service delivery and creating long-term stakeholder value. Prudent management of our debt and short-term obligations, coupled with sustained sales growth and income diversification, determines our ability to achieve our Strategic and Sustainability targets.	SG1 , SG3
G	Government Support	The Government remains a pivotal stakeholder for the Company - serving as majority shareholder, policy setter, and major customer at both national and county levels. Its support and collaboration are therefore critical to strengthening the resilience of the electricity sector, particularly through responsive tariff frameworks, well-structured PPAs, and effective management of outstanding receivables.	SG1
R	Grid Reliability & Expansion	With a growing customer base and electricity's central role in driving our economy, enhancing grid reliability and availability is critical to improving customer experience while powering growth. Ongoing initiatives have thus prioritised this supply security and flexibility across the network.	SG2, SG3
C	Customer Experience	Customer centricity and operational excellence remain the pillars of our strategy to preserve and grow our customer base while sustaining demand. By fostering transparent communication, strengthening stakeholder engagements, and ensuring responsive service delivery, we consolidate our reputation as a trusted and dependable service provider.	SG2, SG3
P	Our People	Our employees are the cornerstone of our operations and the strongest ambassadors of our brand. We remain committed to attracting, developing, and retaining highly skilled talent by fostering engagement, enhancing productivity, and creating an enabling environment that empowers our people to excel.	SG3, SG4

Alignment to Sustainability Principles

Reference	Material Matters	Description	Linked Strategic Goal
S	Social Investments	With a legacy spanning over a century, Kenya Power remains deeply embedded in the nation's social and economic development. Recognising the material importance of corporate social responsibility, we continue to invest in initiatives that foster community trust, strengthen our social license to operate, and reinforce our purpose of powering lives with sustainable and inclusive growth.	SG2, SG4
E	Climate Change & Environmental Degradation	Climate change remains a material consideration for our business, with growing impacts posing both operational and strategic risks. In recognition of this, Kenya Power has prioritised initiatives aimed at reducing our carbon footprint and advancing sustainable environmental practices. These efforts not only align with global climate action goals but also safeguard the long-term resilience and competitiveness of our operations.	SG3
PG	Public Governance	Safeguarding the interests of our diverse stakeholders remains a material priority for Kenya Power. We have embedded initiatives that strengthen regulatory compliance, enhance transparency, and uphold accountability across all operations. By aligning our practices with ethical standards and evolving reporting requirements, we not only mitigate governance and reputational risks but also reinforce stakeholder trust.	SG3

Highlights of the key investments and initiatives geared towards implementing the Corporate strategy are described in the subsequent sections of this report.

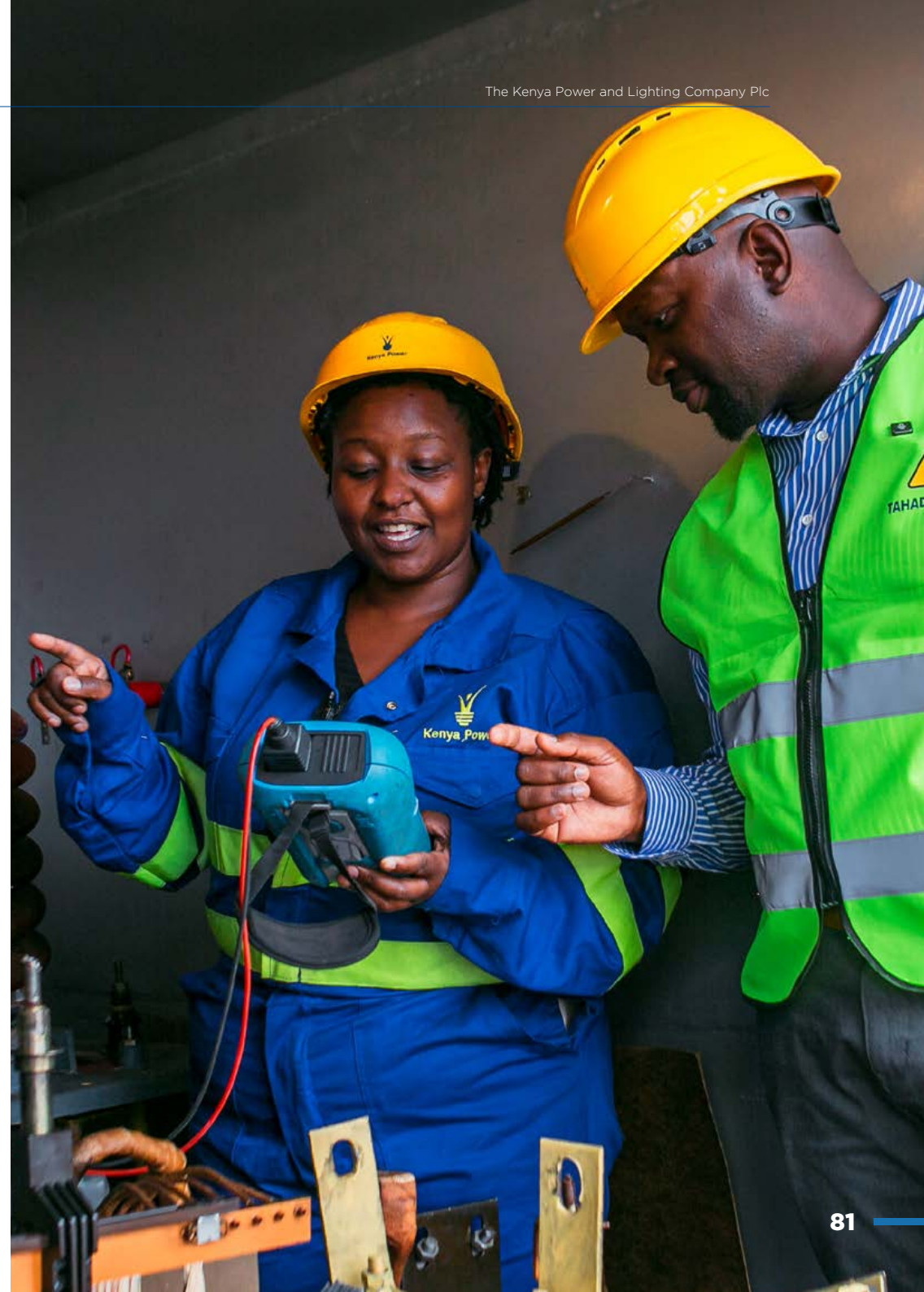
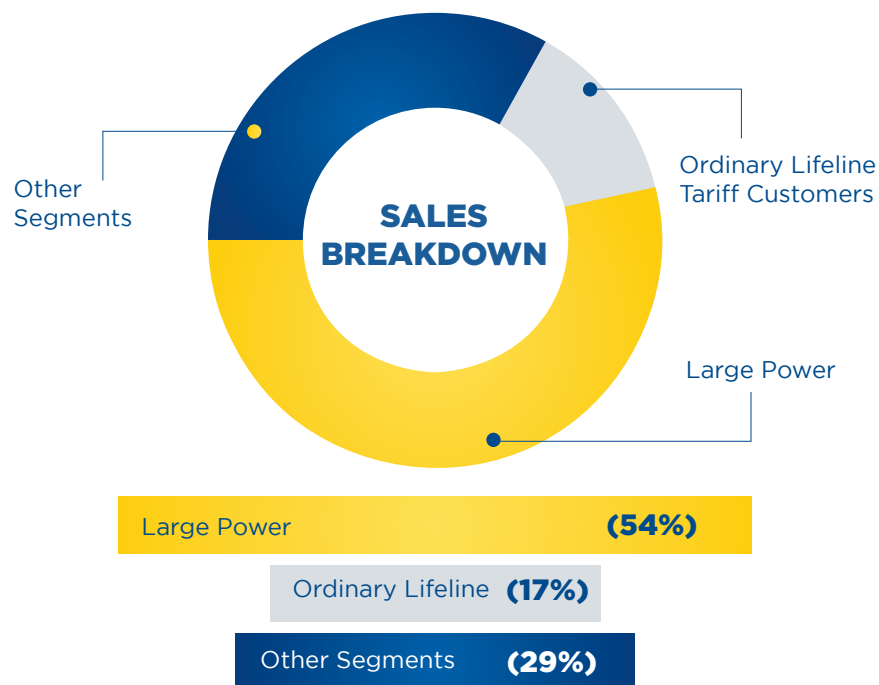
8.1.1 Accelerating Electricity Access and Customer Growth

Electricity is a key driver of our country's social and economic development. In this regard, the Company continues to onboard more customers to the grid as a key sales strategy and to support Kenya's target of attaining universal access to electricity in line with its development vision. Towards this, the Company connected 401,848 new customers during the year against a target of 400,000.

The composition of the new customer connections is as follows:

- 163,092 - Last Mile customers
- 238,757 - Paid-up customers

The new customers accounted for 202.98 GWh of the total electricity sales. The segment that had high contribution to the sales was Large Power (54%) followed by ordinary lifeline tariff customers (17percent) as shown below.



8.1.1.1 Status of the Last Mile Connectivity Project

The Last Mile Connectivity Project (LMCP) is a flagship national electrification initiative delivering reliable and affordable electricity to underserved rural and peri-urban communities. Funded jointly by the Government of Kenya and development partners, the project underpins Kenya's universal access agenda, catalysing investment, creating jobs, and improving livelihoods. The LMCP is reinforced by network upgrades for improved power supply stability.

Project Description (Phase I - VI)

Since its inception, the Last Mile Connectivity Project (LMCP) has been rolled out in 5 project phases, progressively expanding electricity access to underserved communities throughout the country. The summary of the phases is shown in Table 8.2.

Table 8.2: Summary of the LMCP Implementation (completed and ongoing)

Phase (Ph)	Funding Partner(s)	Status	Customers Connected / Targeted	Counties Covered	Capital Investment (KShs.)
Ph I – AfDB I	African Development Bank	Completed-2020	314,200	47	15.2 B
Ph II – World Bank / IDA	World Bank (International Development Association)	Completed-2022	320,500	46	15.3 B
Ph III – AfDB II	African Development Bank	Completed-2022	278,000	46	19.8 B
Ph IV – AFD / EU / EIB	Agence Française de Développement, European Union, European Investment Bank	Ongoing (Commenced 2023)	251,000 (target)	32	22 B
Ph V – JICA	Japan International Cooperation Agency	Ongoing (Commenced 2023)	9,000 (target)	4	2.2 B
Ph VI – AfDB III	African Development Bank	Commenced 2025	150,000*	35	15.9 B
REREC/ Kenya Power	Government of Kenya	Ongoing (Commenced 2023)	163,092	47	1.4 B

*LMCP Phase VI component entails 13 reinforcement schemes including new or uprated substations and associated medium-voltage lines.

Table 8.3: Unit Sales from New Connections FY2024-25

Customer Segment	Number of Customers	Unit Sales (GWhrs)	Sum of Amount KShs. '000	% of Unit Sales
E-Mobility	40	1.63	35,647	0.8%
Large Power	397	110.03	2,734,885	54.2%
Ordinary	97,733	18.79	497,324	9.3%
Ordinary Lifeline	286,515	35.04	932,219	17.3%
Small Commercial	15,309	29.14	776,268	14.4%
Street Lighting	1,854	8.35	143,113	4.0%
Grand Total	401,848	202.98	5,119,456	100%

Last Mile Connectivity Project Strategic Benefits

- Demonstrates Kenya's ability to scale up cost-effective grid expansion as a practical model for future electrification programmes.
- Broadens the customer base and directly contributes to the Government's goal of achieving universal electricity access.
- Maximises the use of existing electricity infrastructure, lowering the cost per connection and making power more affordable, especially in rural and peri-urban areas.
- Creates the foundation for future growth by supporting new industries, digital services, and home-based enterprises.
- Transforms social outcomes by powering schools, health centres, and households, improving education, healthcare delivery, and quality of life.
- Promotes equity by prioritising previously underserved communities and bridging the urban-rural divide in access to modern energy.
- Stimulates local economies by powering small businesses, agro-processing ventures, and social amenities.
- Enhances safety and wellbeing through reliable street lighting, refrigeration, and communication networks.

 Capital Investment: **KShs.91.8 Billion**

8.1.1.2 The Kenya Off-Grid Solar Access Project

Project Description

The Kenya Off-Grid Solar Access Project (KOSAP) is a transformative off-Grid electrification initiative, aimed at extending electricity to the most underserved areas located far from the national grid. By deploying solar-hybrid mini-grids and stand-alone systems for community institutions, the project not only reduces diesel dependency but also provides measurable improvements in public service delivery.

Project Scope

Installation of 113 mini-grid solar systems covering 14 counties: Kenya Power is implementing 83 mini-grids and Rural Electrification and Renewable Energy Corporation (REREC) is installing 30. In addition, the Company is installing 343 stand-alone solar systems to power community facilities such as boreholes, provision of 178,598 stand-alone solar home systems to individual households, therefore providing electricity to an estimated 900,000 people.

Strategic Benefits

- Expand electricity coverage to remote, off-grid counties, supporting national electrification targets.
- Facilitate business growth, job creation, and improved livelihoods through reliable power supply.
- Power schools, health centres, and water facilities, strengthening education, healthcare, and water access.
- Promote renewable energy adoption, reducing reliance on diesel generators and lowering carbon emissions.
- Build positive relationships with local communities through co-created solutions and participatory planning.
- Encourage local enterprises to participate in solar equipment supply, installation, and maintenance.

 Capital Investment – **KShs.8.4 Billion** (Kenya Power component)

8.1.1.3 The National Public Lighting Project

Project Description

The National Public Lighting Project, funded by the Government of Kenya and implemented by Kenya Power, is an initiative designed to light public spaces including markets, and streets, creating safer, more vibrant communities. Implemented in close partnership with county Governments, the project aims at facilitating extended trading hours and enabling 24-hour business operations while enhancing public safety and security.

Project Scope

Installation of 6,086 lanterns across the 47 counties.

Strategic Benefits

- Enable businesses to operate longer hours, boost evening commerce, and support night-time markets.
- Reducing crime and accidents, and enhancing safety in our communities
- Aligns with the Bottom-Up Economic Transformation Agenda (BETA) and Vision 2030 goals on infrastructure, economic growth, and social inclusion.

 Capital Investment – **KShs.333 Million** (FY2024/25)

8.1.1.4 Electrification of Health Facilities

Project Description

This initiative supports Kenya's Universal Health Coverage objectives by powering public health facilities. Electrification improves service reliability in maternity wards, theatres, laboratories, and cold chain storage for vaccines. The programme's impact extends beyond the facilities themselves, anchoring surrounding communities to the grid.

Project Scope

880 facilities countrywide to be covered, 244 connected to date.

Strategic Benefits

- Provide reliable electricity for maternity wards, theatres, laboratories, and diagnostic equipment, improving patient care outcomes.
- Provision of electricity to strengthen the healthcare infrastructure necessary for the success of equitable health service delivery.
- Support the country's Vision 2030 health pillar and aligns with Sustainable Development Goal 3 (Good Health and Well-being).
- Extend grid infrastructure to surrounding communities, enabling household and commercial electrification beyond the facilities.

 Capital Investment – **KShs.933 Million** to date





8.1.2 System Reinforcement and Capacity Enhancement

Recent analysis of our power system data links the widespread power outages to system disturbances driven by transmission constraints, which created major imbalances on the grid and triggered service disruptions.

To mitigate this, we are working with other sector players to strengthen the network by enhancing the transmission capacity, a more meshed 220 kV and 132 kV backbone, and stronger interconnection of substations so that power flows can be safely redistributed when any element is lost.

Central to this is the rigorous application of the N-1 security criterion, a core reliability standard that ensures the grid remains within voltage, thermal and stability limits even if a single generator, transformer or line is out of service.

By embedding this principle in system planning and operations, Kenya Power enhances resilience in high-load areas, maintains operational flexibility, and supports the integration of new generation and interconnector capacity without compromising grid stability.

Some of the projects implemented during the year include:

8.1.2.1 Narok Substation-Bomet Substation 33kV Interconnector



Project Description

This project aimed at de-loading (relieving) the Muhoroni - Chemosit 132kV link that primarily serves South Nyanza and parts of Central Rift. The Narok-Bomet 33kV interconnector is an interim measure to strengthen power supply to the Western part of the country by enabling efficient evacuation from geothermal generation at Olkaria.

The designed long-term solution is the completion of the ongoing Narok-Bomet 132kV transmission power line being constructed by the Kenya Electricity Transmission Company (KETRACO) that will serve as the critical link to Western and South Nyanza regions.



Project Scope

Design, construct and commission 89 kilometers 33kV double circuit line.



Strategic Benefits

- Offloading of the Muhoroni-Chemosit 132kV line, to better serve South Nyanza and parts of South Rift.
- Improves reliability and voltage stability in Narok and Bomet counties.
- Provides redundancy in supply, reducing outage durations during maintenance or faults.
- Reduces technical losses by optimising feeder load distribution.



Capital Investment - **KShs.500 Million.**

8.1.2.2 Chepseon Substation -Kericho Substation 33kV Link



Project Description

To further de-load the Muhoroni-Chemosit line, the Company completed the critical power line linking Chepseon and Kericho substations, enabling operational flexibility and creating alternative power lines to serve customers in the area.



Project Scope

Design, construct and commission 27 kilometers of 33kV line.



Strategic Benefits

- Offloading of the Muhoroni-Chemosit 132kV line.
- Improves reliability and voltage stability in Kericho county.
- Provides redundancy in supply, reducing outage durations during maintenance or faults.
- Reduces technical losses by optimising feeder load distribution.



Capital Investment - **KShs.93.7 Million**



Impact

Power quality and reliability improved significantly in parts of Central Rift and South Nyanza following the completion of the Narok-Bomet line and the Chepseon-Kericho link projects during the year, resulting in a 60 percent reduction in outages caused by load management.

8.1.2.3 Substation Upgrades and Feed-Outs to Support High Growth Areas



Project Description

Targeted capacity upgrades in high-growth areas in Kiambu, Laikipia and Nandi counties, ensure that high-potential industrial, agricultural and residential zones have adequate and reliable power supply. These projects not only alleviate current energy constraints but also provide headroom for planned developments and sustain the momentum of local investment inflows.



Project Scope

- Construction of 66kV feed-outs from Thika Road 220/66kV substation to Kirigiti, Ruiru and Ruaraka substations and Tatu City in Kiambu County.
- Installation of additional 2.5 MVA transformer at Maralal 33/11kV, substation Laikipia County.
- Installation of additional 2.5 MVA transformer at Kapsumbeiywo 33/11kV substation, Nandi County.



Strategic Benefits

- Enhance electricity supply capacity in these high-growth areas, reducing outages and voltage fluctuations thus improving customer satisfaction.
- Meet the rising demand from manufacturing hubs, agribusinesses, and housing developments, enabling economic expansion.
- Reduce technical losses.



Capital Investment- **KShs.339.3 Million**

8.1.2.4 Other Ongoing System Reinforcement Projects

Project Description

Spanning multiple counties, these projects are aimed at balancing short-term capacity relief with long-term system resilience. The goal is to ensure that the grid can accommodate demand growth, integrate new generation, and maintain power quality standards.

Projects Scope

- Construction of 17 kilometers of 66kV lines in Nairobi, and 183 kilometers of 33kV lines across Kisii, Migori, Homabay, Kisumu, Siaya and Vihiga counties.
- Construction of a new 2.5MVA 33/11kV substation and associated lines in Kwale.
- Upgrade of the 33/11kV Tononoka substation, increasing its transformation capacity to 46MVA.
- Refurbishment of the Webuye 33/11kV substation.
- Upgrade Lessos 220/132kV substation, increasing transformation capacity by 75 MVA.
- Construction of the new 45 MVA 132/33kV Bomani substation and associated lines.
- Construction of Ngema 66kV switching station.

Strategic Benefits

- Strengthen the network's ability to handle operational stresses, minimise outages, and maintain stable voltage levels across multiple counties.
- Expand the network's capability to supply growing residential, commercial, and industrial demand thus reducing congestion and supply bottlenecks.
- Create headroom for anticipated demand growth, reducing the need for emergency upgrades and enabling phased, cost-effective expansions.
- Prepare the grid to efficiently absorb and distribute power from planned generation projects.
- Reduce overload on existing infrastructure, extending asset life and lowering long-term maintenance costs.

 Capital Investment – **KShs.2.3 Billion**

8.1.2.5 Nairobi and Geothermal Corridors – Targeted Reconductoring and Uprating Works

Project Description

We fast-tracked upgrades on key Kenya Power transmission lines from geothermal plants serving Nairobi to ensure the grid can withstand the loss of any single line (N-1 standard). These improvements reduce overloads, enhance reliability and create capacity for new and rehabilitated power plants.

Project Scope

- Reconductoring with high capacity conductors on priority links, particularly the Dandora-Juja 132 kV; Suswa-Nairobi North-Thika Rd-Dandora 220 kV; Olkaria 1AU-Naivasha 132 k.
- Upgrading transformers at the critical Dandora 220/132 kV substation, to extend to other key substations.

Strategic Benefits

- Meet N-1 criteria in high- stress corridors, reduces peak time curtailments and load shedding.
- Prepare the grid for additional imports and geothermal injections.
- Improves reliability indices and customer experience in high growth areas.

8.2 Greening the Grid

8.2.1 Ongoing Hybridisation of Diesel Mini-grids with Solar

Project Description

- By integrating solar photovoltaic (PV) systems into existing diesel mini-grids, this programme addresses the twin challenges of high fuel costs and environmental impact in off-grid areas.

Project Scope

Retrofitting four off-grid diesel generation plants in Elwak, Habasweni, Merti and Eldas with solar PV.

Strategic Benefits

- Reduce diesel fuel consumption, lowering generation costs and improving the financial sustainability of off-grid power supply.
- Stabilise supply by integrating solar PV, reducing outages and voltage fluctuations in off-grid areas.
- Reduce wear on diesel generators, lowering maintenance costs and extending operational life.
- Decrease greenhouse gas emissions, contributing to Kenya's climate change mitigation commitments.

 Capital Investment - **KShs.5.94 Billion**

8.2.2 Ongoing Lodwar 66/11kV Substation and Associated Lines

Project Description

Connecting Turkana's administrative capital to the national grid is a game-changer for the county's social and economic development. Beyond replacing expensive diesel generation, the project will provide reliable electricity that will stimulate investments in agriculture, commerce, and public services thus helping to unlock Turkana's latent development potential.

Project Scope

- Construction of a 10MVA 66/11kV substation in Lodwar and 100 kilometers of 66kV line from Lokichar substation.

Strategic Benefits

- Eliminate reliance on expensive diesel generation, lowering the cost of electricity for businesses, institutions, and households.
- Provide stable, grid-connected power, reducing outages and voltage fluctuations that previously hindered economic activity.
- Unlock investment in agriculture, manufacturing, retail, and tourism by providing dependable electricity supply.
- Reduce greenhouse gas emissions by displacing diesel-based generation, aligning with Kenya's climate commitments.

 Capital Investment - **KShs.900 Million**

8.2.3 Green and Resilient Expansion of Energy Programme

Project Description

The Green and Resilient Expansion of Energy (GREEN) programme is a World Bank funded programme-for-results financing designed to fortify the Company's governance frameworks, financial health, and expand electricity access. It embeds a culture of compliance, operational discipline, and talent development while ensuring that access milestones are independently verified for transparency and accountability.

Project Scope

Achievement of the following Disbursement-Linked Indicators (DLIs):

- DLI 1: Improved Kenya Power governance
- DLI 2: Kenya Power cost-recovery
- DLI 3: Clearance of last mile receivables
- DLI 4: Sustainable power purchase arrears
- DLI 5: Reduced Kenya Power system losses
- DLI 6: New connections added under the improved Last Mile Program

Strategic Benefits

- Embed robust oversight, compliance, and ethical standards, enhancing transparency and accountability in Company operations.
- Enhance cost recovery mechanisms, reducing arrears and strengthening cash flow to support ongoing investments.
- Clear Last Mile receivables and sustainably addresses power purchase arrears, improving supplier confidence and operational stability.
- Lower both technical and commercial losses, optimising asset utilisation and improving overall efficiency.
- Adds new connections under an improved Last Mile Programme, prioritising underserved and marginalised communities.
- Ensure that access, governance, and financial milestones are externally validated, bolstering stakeholder trust.
- Promote talent development and operational discipline, positioning Kenya Power to better manage current and future challenges.
- Support Kenya's universal access targets and contributes to Sustainable Development Goal 7 (Affordable and Clean Energy).

 Capital Investment – **KShs.52 Billion**

8.3 Improvement of Power System Reliability and Efficiency

8.3.1 Enhancing Network Reliability

Project Description

The Company undertook planned maintenance programs and strategic refurbishments on our distribution and transmission network, aimed at operational enhancements to guarantee supply quality and fortify system robustness. These initiatives were instrumental in mitigating supply disruptions, optimising asset performance, and enhancing the reliability of our infrastructure. This has resulted in high-quality service to our customers and proactively managing operational risks.

Project Scope

- Preventive maintenance, including refurbishment at all levels of the transmission and distribution network.
- Construction of new lines aimed at offloading existing network to improve reliability and reduce technical losses.
- SCADA expansion and manning of critical substations to improve restoration of supply.
- Co-ordination with KETRACO/KenGen on grid constraints and transfer capacity.

Strategic Benefits

- The transmission network maintained a high level of operational reliability, with average availability recorded at approximately 99.9 percent.
- Improvement in reliability indices for the distribution network: System Average Interruption Duration Index (SAIDI) 113 hours (improved from 120 hours in FY2023/24) and System Average Interruption Frequency Index (SAIFI) 44.07 times (improved from 47.5 times in FY2023/24)
- Improvement of technical transformer failure rate from 5.0 percent to 4.6 percent.

 Capital Investment – **KShs.6.16 Billion**

Impact of Loss Reduction Initiatives

Key Indicator	Achievement (FY2024/25)
 Units purchased (GWh)	14,472
 Unit sales (GWh)	11,403
 System efficiency	78.79%
 System losses	21.21%
 Recoveries (all customer categories) GWh	327.91
 Smart meters retrofitted	304,903

8.3.2 System Loss Reduction Projects

Overall system losses declined from 23.16 percent in FY2023/24 to 21.21 percent in FY2024/25, signaling progress in both technical and commercial loss reduction and reflecting the impact of ongoing operational and revenue-protection measures.

The most significant gain was achieved in commercial losses, which fell from 6.38 percent to 4.36 percent on the back of stronger revenue protection measures. Transmission and medium voltage networks held steady, supported by modest efficiency improvements in substations. Low-voltage conductors and informal settlements remain areas of focus, though their impact is being managed within the overall downward trend. Table 8.4 provides a summary of the loss reduction outcomes during the year under review. The positive trend was driven primarily by a combination of strategic investments and targeted initiatives to reduce both technical and commercial losses as follows:

8.3.2.1 Technical Loss Reduction Projects

The Company continued to prioritise technical loss reduction through targeted network upgrades and reinforcement of critical infrastructure. These efforts were aimed at improving efficiency, enhancing grid reliability, and supporting sustainable financial performance.

b) Energy Accounting and Feeder/Transformer Metering

Project description

As a core pillar for sustained loss reduction, this initiative delivers complete visibility from generation injection points, transmission and medium voltage distribution, to low-voltage network levels. Through feeder and transformer meters installation and maintenance, the Company has enhanced its ability to localise losses, enabling precise and targeted field interventions. These measures not only support operational efficiency but also reinforce regulatory compliance and network planning.

Project Scope

- Maintenance of the existing meters at the bulk supply points from generators, transmission and distribution lines at 66kV, 33kV, and 11kV voltage levels.
- Install feeder meters on unmetered distribution lines.
- Install meters on 1,000 distribution transformers in the current year.
- Deploy bulk meters on high rise buildings for energy accounting.

Strategic Benefits

- Detailed localisation of losses to feeder/transformer/customer clusters.
- Faster targeting of teams and measurable closure of loss hotspots.
- Improved data integrity for planning, SCADA correlation and regulatory reporting.

 Capital investment – **KShs.2.7 Billion**

8.3.2.2 Commercial Loss Reduction Projects and Initiatives

The Company continued to address commercial losses by strengthening metering systems, enhancing revenue assurance, and combating electricity theft. These measures are aimed at safeguarding revenue, improving customer confidence, and supporting sustainable business performance. These initiatives include:

a) Gigawatt Project

Project Description

We launched a major loss reduction drive, dubbed the 'Gigawatt Project', as a decisive intervention against theft and metering anomalies. This intensive, data-driven initiative targeted high-loss sectors and deployed multi-disciplinary field teams to carry out rapid inspections, implement fix-and-bill actions, and replace faulty meters.

Project Scope

- Inspections on targeted premises across all counties
- Audits and correction of meter anomalies.
- Rapid fix-and-bill on all affected accounts (meter replacements, sealing, reconnect/bill).

Strategic Benefits

- A major contributor to the reduction in commercial losses from 6.28 percent to 4.36 percent.
- Recovered a total of 327.91 GWh across all customers categories.
- Enhanced deterrence through transparent, data-driven enforcement mechanisms.

b) Digitising meter reading for improved accuracy and efficiency

Project Description

The accelerated smart metering programme marked a major step in strengthening Kenya Power's ability to monitor, measure and respond to consumption anomalies in real time.

Targeting high-consumption, high-risk segments, the rollout currently stands at over 304,000 meters retrofitted. In parallel, meter reading modernisation using geofencing and OCR was piloted in Nairobi to improve coverage and billing accuracy, with a nationwide rollout planned in the coming financial year.

Project Scope

- Retrofit smart meters for Industrial, SME and public lighting.
- AMR to Smart metering conversion for Industrial Customers to restore two way visibility.
- Scale up OCR and geo fencing with integrated data quality checks to effectively read legacy meters.
- Transition HV metering configuration from 3-phase 3-wire (3P3W) to 3-phase 4-wire (3P4W) to enhance measurement accuracy.

Strategic Benefits

- Reduced non technical losses through visibility and enhanced responsiveness.
- Higher reading accuracy, lower estimated bills and fewer disputes.
- Foundation for proactive analytics (remote alarms, tamper, outage, power quality).

 Capital investment – **KShs.1.56 Billion**

c) Electricity Theft Deterrence and Enforcement

Project Description

To strengthen deterrence against electricity theft, multi-agency teams were deployed to hotspot areas, combining intelligence-led investigations

with targeted field enforcement. The initiative led to material recoveries, successful prosecutions, and sent strong deterrent signals that reinforced ongoing technical and commercial loss reduction measures.

Project Scope

- Deploy field enforcement Unit in the regions to coordinate raids on electricity theft hotspots.
- Carry out inspections based on data-led analytics and field intelligence.
- Diligent follow-through on resolution including comprehensive processing of court cases, accurate billing, and effective recovery strategies.

Strategic Benefits

- KShs.630 million was recovered through 3,597 operations, during FY 2024/25
- 1,032 arrests during the year, acting as a deterrent and reinforcing our zero-tolerance stance on electricity theft.

8.4 Digital Transformation, Data and Innovation

8.4.1 Grid Monitoring and Control Systems

Project Description

The SCADA /ADMS platform remains central to the real-time monitoring, control, and optimisation of the national grid. During the FY2024/25, strategic efforts focused on expanding system coverage, and modernising communication infrastructure. These upgrades coupled with automation of the distribution network equipment have strengthened grid responsiveness, improved operational efficiency, and elevated overall system availability.





Major Milestones in the Year

- Recommissioned tele-protection on Rabai-Kiambere 220 kV line to safeguard generation continuity from 82 MW Kiambere Unit 2.
- Integrated Isebania 132/33 kV and Naivasha SGR 66/11 kV substations into SCADA.
- The SCADA system has maintained availability at near-100 percent for central system and 88 percent for the regional control systems in the financial year under review.
- 80 percent of our transmission and distribution substations are on SCADA

Strategic Benefits

- Improves grid reliability and operational safety.
- Enables advanced Energy Management System functionalities for predictive control.

 Capital Investment - **KShs.300 Million**

8.4.2 Geospatial Data Mapping for Asset and Customer Management

Project Description

The ongoing data mapping campaign is a key determinant of our digital transformation programme designed to enhance asset management, network planning, and customer service by integrating geospatial intelligence into Kenya Power's operational backbone. This project ensures accurate, real-time mapping of assets and customers on Geospatial Information System (GIS), thus enabling faster decision-making, targeted maintenance and efficient resource allocation. Its strategic relevance is underscored by the growing need for data-driven grid management, regulatory reporting, and service reliability improvements.

Project Scope

- Comprehensive digitisation of network assets, including substations, lines, transformers, and customer connections.
- Integration of GIS with customer management and outage management systems.
- Development of spatial analytics dashboards for load growth tracking, operation and maintenance planning, project monitoring.

Strategic Benefits

- Improved planning accuracy and reduced project execution delays.
- Enhanced outage responsiveness through precise fault location and crew dispatching.
- Provides granular visibility into customer distribution and revenue mapping, supporting targeted sales growth strategies.
- Strengthen compliance with regulator reporting requirements for asset and service coverage.
- 85.6 percent of customer meters were accurately mapped to the distribution network.

8.4.3 Digital Super Highway (DSH)

Project Description

The Digital Super Highway is a flagship Government initiative under the Ministry of Information and Communication Technology (ICT) and Digital Economy aimed at enhancing nationwide broadband connectivity to accelerate socio-economic transformation. Kenya Power's role is to deploy last-mile fibre connectivity leveraging its electricity distribution network, targeting 53,000 Government institutions countrywide. This project is strategically significant for enabling e-Government services, education, healthcare, and commerce in both urban and rural settings, and positions Kenya

Power as a key player in the national digital economy rollout.

Project Scope

Deploy 100,000 km of fibre cable to connect 53,000 Government institutions riding on Kenya Power's network.

Strategic Benefits

- Strengthens Kenya Power's diversification into telecoms infrastructure and smartening the Grid.
- Accelerates digital inclusion and access to Government services.
- Support the Country's youth empowerment through ICT-enabled services.

 Capital Investment - **KShs.10 billion under Phase I.**

8.5 Demand Outlook and System Planning

The Company, in conjunction with other energy sector players, continually monitors demand trends against the prevailing economic environment to forecast medium- to long-term energy and infrastructure needs, thereby guiding sector investments.

8.5.1 Least Cost Power Development Plan (2024-2043)

The Least Cost Power Development Plan (LCPDP) is a long-term comprehensive plan that guides the electricity sub-sector in the optimal sequencing of generation and transmission projects, aligned with projected demand growth. LCPDP is reviewed every two years to align it with the changing energy requirements for the country.

Project Description

In the year, the Government approved the LCPDP for the period 2024–2043, enabling sector wide alignment on the timing and sequencing additional generation capacity. This is strategically important to pace investments with energy demand growth while safeguarding security of supply while enhancing affordability.

Project Scope

Comprehensive review of the country's present and projected electricity demand to inform the generation and transmission requirements. To address the emerging needs arising from use of renewable energy sources, priority was given to flexible capacity (Battery Energy Storage System/ BESS, pumped storage, selected hydro) and policy guide for future Variable Renewable Energy (VRE) to include appropriately sized BESS.

Strategic Benefits

- Alignment of additional generation and transmission capacity with projected electricity demand growth in the long term.
- Enhanced system flexibility and grid stability as we integrate Variable Renewable Energy (VRE) into the grid.

8.5.2 LCPDP Medium-Term Plan (MTP) 2025–2029

Project Description

The Medium-Term Plan, coordinated by Kenya Power, translates the LCPDP into a five-year implementation blueprint covering demand, generation and grid expansion.

The 2025–2029 cycle identifies a temporary adequacy gap in 2026 and sets out interventions to minimise peak-period load shedding.

Project Scope

Updates demand forecasts, least-cost supply projections, grid reinforcement needs, tariff evolution and implementation schedules. Near-term measures include 200 MW of contracted power imports from Ethiopia (up from the initial 100 MW), new geothermal capacity from Menengai IPPs (70 MW), Olkaria I uprating to a total of 63 MW and repair of the Sondu hydro unit to enhance capacity to 30 MW.

Mid-term pipeline advances a diversified mix of geothermal, wind and solar with battery storage, selective LNG and incremental imports, supported by grid readiness investments.

Strategic Benefits

- Addresses the 2026 adequacy gap and reduces peak-shedding risk.
- Lowers cost exposure by displacing expensive thermal generation and strengthens portfolio resilience.
- Creates headroom for electrification and clean energy growth.
- Provides greater clarity on the timing and sequencing of new capacity and imports.

Capital Investment

Generation investment is primarily developer funded through KenGen and Independent Power Producers, while grid readiness is supported through transmission and distribution capital expenditure. Kenya Power's role is focused on integration, interconnection and contracting.

FY2024/25 Review

Thermal utilisation remained within target, with the supply mix anchored by geothermal and complemented by hydro, wind, imports and solar.

8.5.3 Regional Integration for Improved Grid Resilience

Grid Resilience refers to strengthening the grid's ability to withstand and recover quickly from disturbances while leveraging regional interconnections for support. A resilient network manages capacity shortfalls, equipment failures and renewable variability to ensure stable supply under both normal and stressed conditions. Regional links, such as the Kenya–Tanzania interconnector, enhance this resilience by enabling cross-border trade, balancing surpluses and deficits, and preparing for participation in the Eastern Africa Power Pool Day-Ahead Market.

8.5.3.1 Commissioning of the Kenya–Tanzania 400 kV Interconnector

Project Description

Implemented by KETRACO and energised in December 2024, the interconnector links Ethiopia, Kenya and Tanzania - strengthening regional stability, enabling mutual support, and preparing for regional market operations under the EAPP.

Project Scope

- Finalisation of Energy Exchange Agreement; system studies and energisation.
- Initial operations: ~30 GWh exports to TZ and ~33 GWh imports since go-live; ongoing 100 MW wheeling trial (Ethiopian Electric Power-EEP Tanzania Electricity Supply Company-TANESCO) via Kenya.

Strategic Benefits

- Improves adequacy and resilience during domestic peaks/outages.
- Expected to unlock arbitrage and flexibility as EAPP Day-Ahead Market goes live.

Capital Investment

Interconnection project costs borne by KETRACO.

8.5.4 Ancillary Services for Improved Grid Stability

Project Description

Within the medium-term pipeline, the planning of ancillary services sufficient to address inadequate reserves, reduced dispatchable capacity amidst higher Variable Renewable Energy (VRE) variability, is paramount. We have prioritised energy storage systems and peaking plants to facilitate the requisite grid stability.

Project Scope

- Procure Battery Energy Storage Systems (BESS) ancillary services; accelerate near-term Independent Power Producers-IPPs and key grid reinforcements.
- Advance Liquefied Natural Gas peaking plant and geothermal rehabilitation and uprates.

Strategic Benefits

- Improves reserve margin and frequency stability at peak.
- Enhances ability to integrate higher VRE shares without curtailment.

Capital Investment

Mix of developer-funds and the Government of Kenya financing.

8.5.5 PPA Portfolio and Commercial Optimisation

This pertains to an optimal combination of various generation technologies from the existing portfolio to ensure security of supply while managing power purchase costs.

Project Description

This involves active PPA management and targeted negotiations to maintain security of supply at least cost, with thermal utilisation kept within targets and a generation mix anchored on geothermal and hydro sources.

Project Scope

- 57 projects under negotiation covering small hydro, geothermal, wind/solar with BESS.
- Rapid results approach prioritising baseloads, then wind/solar with BESS, and ready to proceed projects.

Strategic Benefits

- Supports adequacy and flexibility while minimising average purchase costs.
- Improves portfolio resilience to demand and hydrology variability.

8.6.1 Improving customer engagement and satisfaction

We strengthened our customer-first operating model to deliver faster, more reliable service and deepen trust. During the year, we enhanced our Contact Centre with 130 additional agents, increasing agent-handled calls by 44 percent and lifting service levels to an average of 85.7 percent, supported by a 22 percent rise in digital self-service usage.

On the ground, we intensified engagement through 1,332 customer barazas, 839 targeted visits to foster relations with our industrial and SME customers, and 173 nationwide Pika na Power forums to promote safe, efficient electric cooking.

As a result, overall customer satisfaction improved, with the index rising to 72 percent from 69 percent, and we will continue to prioritise education, partnerships and service reliability to sustain this positive trajectory.



8.7 Building and Retaining a Skilled Workforce

Our people remain the cornerstone of the Company's operational excellence and service delivery to our customers. The dedication and expertise of our workforce has been instrumental in driving innovation and providing quality service to our stakeholders. During the reporting period, we enhanced our talent base through strategic retention initiatives, targeted recruitment, capacity development and rewards schemes. These initiatives ensure the right mix of skills and expertise to drive our efficiency and improve business performance.

8.7.1 Workforce Distribution and Retention

As at 30 June 2025 the Company had a total work force of 10,582 employees with a gender mix of 79 percent male and 21 percent female, and corporate average age of 43 years. Affirmative action is being taken to increase female representation to a minimum of 30 percent. Over 85 percent of our staff members are in technical business operations to manage our extensive grid spanning 328,000 Kilometres, and in customer facing functions to serve our 10 Million customers.

As part of its commitment to attract, retain, and motivate talent, the Company implemented several compensation and benefits initiatives during the year. These included the rollout of a fully funded car and mortgage loan facility at a subsidised interest rate of 3 percent, a review of the shift compensation structure to enhance remuneration for staff working outside standard hours, and the promotion of 1,640 employees across various job grades in recognition of performance and long service.

In recognition of the Company's strong performance in the FY2023/24, a comprehensive reward and recognition programme was implemented to boost engagement, morale and productivity, foster a performance-driven culture, and support staff retention. Recognition included bonus payments to qualifying individuals and team rewards. Together, these interventions strengthened employee well-being, loyalty, and long-term business performance.



8.7.2 Employee skills development

The Company reinforced employee capability through 254 training programmes in technical, leadership, professional and e-learning, reaching 4,126 staff and 472 external participants in areas such as smart metering, overhead line construction and fibre-optic, among others. A further 258 employees undertook specialised training and global knowledge exchange in emerging areas such as renewable energy, nuclear energy and sustainability. Online learning platforms expanded coverage and managed costs, resulting in 67.5 per cent training reach and an average of 3.04 training days per employee.

Further, 585 interns were engaged, and 2,459 students were placed on industrial attachment, reinforcing youth empowerment. To address evolving skills needs, the Company is establishing advanced laboratories at the Institute of Energy Studies and Research to support training in renewable energy, mini-grid systems, power electronics, and energy analytics with artificial intelligence.

8.7.3 Employee wellness programmes

In 2024/25, the Company strengthened employee wellness and occupational safety, guided by Board-approved policies on Medicare, HIV/AIDS, and Alcohol and Drug Abuse. A total of 45 employees completed structured rehabilitation programmes and 147 received detox support. Expanded mental health services delivered 699 individual counselling sessions, 17 group therapy sessions reaching 245 employees, and 20 family therapy sessions.

Preventive healthcare was also prioritised, with 3,209 employees benefiting from medical camps. These initiatives foster a healthier, more engaged and productive workforce, reinforcing operational resilience and supporting sustainable business growth.

8.7.4 Improved Employee Engagement and Satisfaction

As a result of the various employee-centric initiatives implemented during the year, we recorded an improved Employee Satisfaction index of 83 percent, up from 67 percent reflecting a strong overall performance. This uplift is a testament of stronger alignment with the Company's mission and values, greater teamwork and collaboration, recognition of high performance, renewed optimism about the future, and better access to the tools and resources needed to excel.

In the period, we anchored our work on four focus areas - Environmental Stewardship, Social Responsibility, Economic Resilience, and Robust Governance supported by a Company-wide governance and monitoring framework. The Board sets strategic direction; and our sustainability initiatives support 10 Sustainable Development Goals (SDGs), namely 3, 5, 7, 8, 9, 12, 13, 15, 16 and 17 and our reporting is aligned to the GRI framework.

8.8 Climate Change, Safety and Social Impact

Strategic Focus and Pillars



8.8.1 Climate Change

8.8.1.1 Energy and Carbon Transition

Kenya's vision for 100 percent renewable energy by 2030 remained central to our operations. In FY2024/25, renewable energy accounted for 9 percent of the generation mix, compared to 92 percent the previous year. The marginal reduction in growth reflects system constraints that required increased thermal dispatch to meet rising electricity demand.

Initiatives towards carbon neutrality:

- Onboarding of renewable plants with Battery Energy Storage Systems (BESS) to manage intermittency.
- Hybridisation of four diesel plants with solar and battery storage, which is ongoing and is to be completed in the FY2025/2026.
- Steady growth of Electric Vehicles adoption - The Company fleet expanded by 30 percent to 26 vehicles.
- KShs.25 million was invested in public charging, including a charging hub at Stima Plaza.
- Promotion of electric cooking solutions through 173 Pika na Power forums and wider education initiatives.

8.8.1.2 Environmental Stewardship

Kenya Power supports national climate change mitigation and biodiversity conservation objectives through tree growing, ensuring environmental regulatory compliance for our projects and environmental monitoring among other ways. During FY2024/25, 456,135 seedlings were planted and nurtured across designated forest blocks, public institutions and community lands. Partnerships with KFS, CBOs, schools and local authorities as well as follow up care continue to enhance survival rates and community ownership. Targeted environmental monitoring for AfDB I Savings, JICA LMCP, and AFD/EU/EIB LMCP lots was done in the year. In addition, 11 Environmental Impact Assessment (EIA) submissions were made to NEMA as part of environmental compliance for our projects.

Some of the areas where trees were planted include:

- Southwest Mau Complex - Londiani (Sitoton and Kuresoi blocks) and Narasha (Mumberes) forests.
- Nairobi River Basin/Arboretum; Sirikwa and Gacharage forests; Meru, Embu and Bunyala forest blocks.
- Schools and community sites in Kitui, Kericho, Migori, Kajiado and Kilifi.

8.8.1.3 Energy Access and Network Reliability

The Company is a key enabler in the achievement of SDG 7 which provides for access to clean, reliable and affordable energy for all, necessary for economic and social development. During the year, the Company implemented network projects to improve power supply availability and also connected 456,135 new customers, including 105,924 households under the Last Mile Connectivity Project (LMCP).

8.8.1.4 Local Empowerment and inclusion

As part of contribution towards SDGs 1 (No Poverty) and 10 (Reduced Inequalities), in the year under review, the Company's workforce comprised 10,582 staff all drawn from our local communities comprising of 21 percent female and 79 percent male, which was an improvement of 2 percentage points year-on-year. We engaged 376 contractors, employing about 6,200 people, mainly from host communities, and engaged 1,032 interns and 214 students on attachment to deepen the talent pipeline. Local procurement totaled KSh 23.6 billion, with 35 percent channeled through AGPO to youth, women and persons with disabilities.

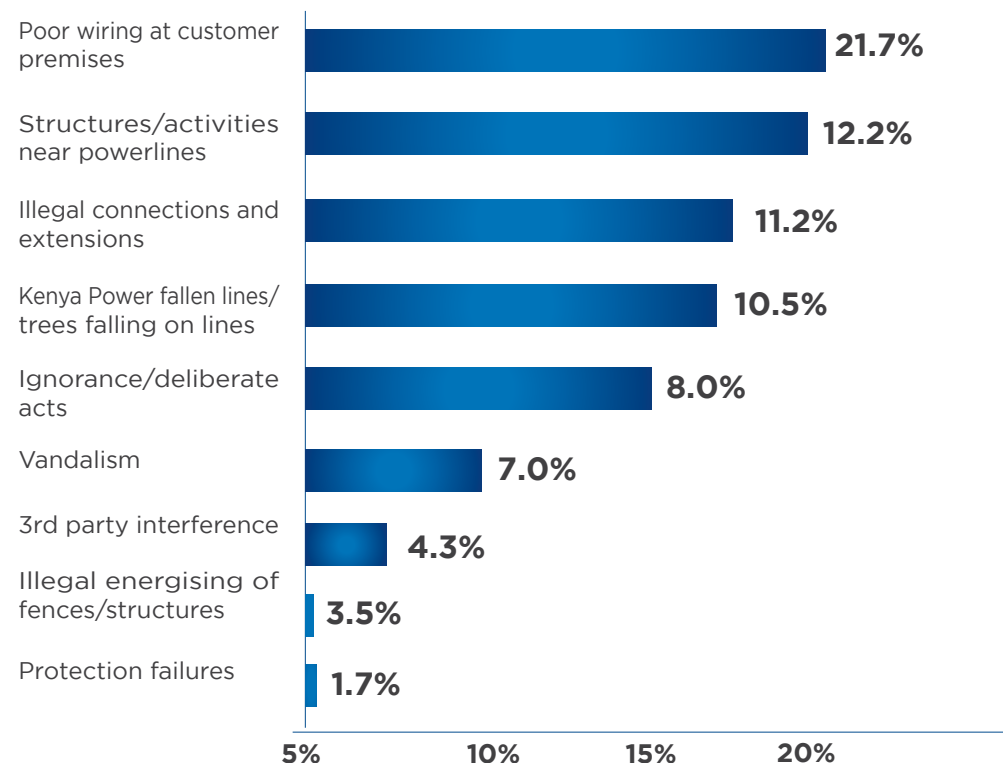
8.8.2 Occupational and Public Safety

Table 8.4 : Occupational and Public Safety

Indicator	FY2024/25	Remarks
Staff fatalities (FY24/25)	5	50 % reduction from previous year
Contractor fatalities (FY24/25)	2	33% reduction from previous year
Public fatalities (FY24/25)	115	3% reduction from previous year
Public safety campaigns	648	36 % increase from previous year
Safety talks (technical teams)	237	7 % less than previous year
Statutory Compliance Audits		
Occupational Safety & Health (OSH)	83.9%	5.6% Improvement
Fire Safety	78.9%	15.1% Improvement

Safety remains a top priority for the Company, and we deeply regret every life lost or affected in the course of our operations. Unfortunately, there were 122 fatalities attributed to electrocutions and operational-related accidents, comprising 115 members of the public, five employees and two contractors. The number of occupational staff fatalities reduced by 50 percent from ten in the previous year to five in the year ended June 2025. The staff accident frequency per 100,000 man-hours decreased from 0.19 in the previous year to 0.13 in the year ended June 2025, while accident frequency per 1000 transformers decreased from 2.49 in the previous year to 2.19 in the year ended June 2025.

Causes of fatal public electrocutions FY2024/25



Key Safety Actions Delivered

To improve occupational and public safety, the Company intensified its safety interventions during the year, focusing on both prevention and awareness. We implemented targeted occupational safety and health programs, directly benefitting 6,686 employees, including routine surveillance to detect occupational illnesses at total cost of KShs.14.4 million.

We also procured and supplied to our frontline and field-based employees Personal Protective Equipment (PPE) including overalls, safety shoes, gloves, reflector jackets, and helmets to the tune of KShs.100 million.

Additionally, we conducted routine worksite safety inspections to ensure compliance with safe operating procedures and conducted staff and contractor competency and authorisation interviews for safe operation of the network.

We also conducted 648 public safety campaigns through chiefs' barazas, schools and churches, 237 safety talks for technical teams, and delivered targeted training to reinforce safe work practices. We strengthened compliance with applicable safety regulations to entrench a culture of safety across all our operations.

While these measures have contributed to notable progress, our commitment remains steadfast: to continually enhance safety in our business operations towards a future where every employee, contractor, and member of the public is free from accidents.

8.8.3 Community Investment & Social Impact (Kenya Power Foundation)

During the year, we launched the Kenya Power Foundation as the strategic delivery vehicle to implement Corporate Social Responsibility and Investment (CSRI) programme programmes.

The Company's CSRI programmes are anchored on three strategic pillars - Education and Skills Development, Environmental Conservation, and Social Impact and Community Wellness. These are aligned to the Foundation's mission of creating lasting socio-economic value. These initiatives not only foster goodwill and trust but also directly support the Company's licence to operate, advance Kenya's national priorities, and contribute to the United Nations Sustainable Development Goals (SDGs), including SDG 4 (Quality Education), SDG 13 (Climate Action), and SDG 15 (Life on Land). In FY2024/25, KShs.15 million was invested in CSRI, delivering measurable outcomes and sustainable impact nationwide.

The key achievements under CSRI were:

- Rolled out mentorship programmes with a focus on STEM education and career readiness.
- Maintained a revolving fund at Starehe Boys' and Girls' Centres to provide full scholarships for academically gifted students from underprivileged backgrounds.
- Invested KShs.10.5 million in construction and rehabilitation of classrooms at schools including Miu CEB (Machakos), Our Lady of Mercy (Nairobi), Napetet Mixed Secondary (Lodwar), Nairobi School, Kabarnet High, Kositei High (Baringo), Athi School (Meru), Charera Special School (Kericho), and Kirigi Day Secondary (Embu).



8.8.3.1 Education & Skills Development – Outcomes

- Invested KShs.10.5 million in construction and rehabilitation of classrooms across nine schools, benefiting over 3,500 learners with improved learning environments.
- Maintained a revolving fund at Starehe Boys' and Girls' Centres to support fully funded scholarships for academically gifted students from underprivileged backgrounds; 18 beneficiaries graduated into tertiary education this year.
- Rolled out STEM-focused mentorship programmes, reaching over 1,000 students through school visits and career talks, aimed at improving transition to STEM careers.
- Donation of 250 school uniforms to learners at Mukuru Kwa Njenga and Our Lady of Nazareth Primary under the Luku Safi Campaign; sanitary products supplied to Huruma Girls.

8.8.3.2 Environmental Conservation – Outcomes

- Partnered with the Kenya Forest Service (KFS), community-based organisations (CBOs), and schools in the Kijani Tree Planting Campaign, planting 456,135 seedlings nationwide.
- Estimated carbon sequestration potential of ~9,000 tonnes CO₂ equivalent annually, supporting Kenya's National Climate Change Action Plan.
- Achieved an average seedling survival rate of 78 percent through community-led nurturing and follow-up visits.





8.9.1 Strategic Stakeholder Engagements

Strategic and collaborative engagement underpins our license to operate, supports grid reliability, combats vandalism and electricity theft, accelerates growth areas such as e-mobility and regional power trade, and improves customer experience. Insights from stakeholders feed directly into our leadership and Board-level decision-making processes, influencing strategic priorities, partnerships, capital allocation, and programme design. This ensures that Kenya Power remains responsive to the evolving needs of customers, communities, investors, regulators, and other partners.

Our stakeholder engagements in FY2024/25 directly supported the Company's strategic priorities across Customer Centricity, Reliability, Digital Transformation, Sustainability, and Financial Sustainability as shown in Table 8.6. By linking each initiative to our five-year strategy themes, we ensured that the voice of stakeholders shaped decisions, strengthened operational excellence, and delivered tangible benefits to customers, communities, partners, and investors.

Table 8.5 : Strategic Stakeholder Engagements

Stakeholder Group	Interests	How we engage	What we heard	Actions & Outcomes (2024/25)	Priorities 2025/26
Customers	Reliable, safe, affordable supply; transparent billing; fair connections; clear communication.	County dialogues and forums with KARA; targeted customer meetings; LMCP/KOSAP consultations.	Need for reliability, billing clarity, faster connections; support for co-created solutions.	3,000+ LMCP IV engagements in 32 counties; 186 LMCP V in 4 counties; 426 KOSAP engagements in 13 counties; co-created local fixes.	Expand county-level co-creation; sharpen billing comms; sustain faster outage restoration.
Communities	Safe, reliable, affordable power; minimal disruption; socio-economic benefits.	Public consultations; project outreach; stakeholder energy dialogues.	Desire for timely information and local benefits from projects.	County dialogues and outreach shaped project planning, improved service delivery.	Publish 'you said, we did' summaries; integrate feedback into scheduling and safety campaigns.
National and County Government / Regulators	Energy security; affordability; reliability; policy alignment.	Sector planning sessions; policy dialogues; regulatory consultations; site visits.	Focus on coordinated planning, vandalism prevention, and affordable tariffs.	Issued draft Medium Term Plan 2024-2029; rolled out anti-vandalism campaigns.	Secure MTP approval; align anti-theft actions with county enforcement.
Investors and Financiers	Strategy execution; cash generation; risk management; ESG performance.	Investor briefings; bank meetings; regular financial updates.	Need for clarity on working capital improvements and transaction timelines.	Strengthened banking relationships; reinforced efficient capital operations.	Maintain proactive lender/investor engagement; publish working capital KPIs.

Stakeholder Group	Interests	How we Engage	What we Heard	Actions & Outcomes (2024/25)	Medium Term Priorities
Supply Chain and Local Manufacturers	Fair procurement; local participation; capacity building.	Framework agreements; restricted tenders to local manufacturers; AGPO sensitisation.	Requests for faster procurement and financing linkages.	Local manufacturers spend 42.29%; local content 88.86%; AGPO awards 8.43% (KShs.3.19b); ordering cycle cut from 6 months to 14 days.	Deepen quality assurance; expand AGPO participation; maintain just-in-time deliveries.
Telecommunications Clients	Uninterrupted power for critical telecom infrastructure; accurate metering; responsive service.	Nationwide regional caravans with Safaricom, Airtel, ATC, Eaton Towers, JTL, Telkom.	Need for smart meter upgrades, billing accuracy, and rapid issue resolution.	Recovered KShs.1.1B through reconciliations; 97% smart meter retrofit; 8 regional WhatsApp groups created for real-time issue management.	Maintain meter upgrade programme; sustain WhatsApp engagement groups; enhance proactive outage communication.
Residential and Commercial Cooking Customers	Affordable, clean, and reliable cooking solutions; energy efficiency awareness.	Nationwide 'Pika na Power' forums and e-cooking demonstrations.	Interest in affordable appliance financing, time-of-use tariffs, and efficiency tips.	Held 173 forums nationwide; promoted clean cooking and appliance adoption.	Expand forum reach; integrate appliance financing options; enhance tariff education.
General Public and Communities	Digital platform literacy; safety awareness; energy-efficient practices.	Barazas and door-to-door customer education campaigns.	Requests for improved access to self-service digital platforms and faster fault reporting.	1,332 campaigns executed vs target of 1,272 (105% achievement); regional highs: Mt. Kenya (122%), West Kenya (139%), North Eastern (147%).	Expand outreach to underperforming regions; integrate digital demos into Barazas.
Large Power and SME Customers	Reliable supply; customised technical support; transparent communication.	On-site visits and structured customer forums.	Desire for improved outage management, technical advice, and tariff clarity.	839 visits; 33 forums held in final quarter; proactive technical engagement in NE, Coast, Nairobi South.	Institutionalise quarterly forums; publish regional reliability scorecards.
Corporate and Institutional Clients	Efficient issue resolution; strong partnership; customised services.	Dedicated account managers; scheduled visits to strategic clients.	Need for faster resolution of technical and billing issues; proactive infrastructure upgrades.	537 visits across water companies, county/national Governments, embassies, public health facilities, banks, corporates, Telcos, and parastatals.	Introduce quarterly performance reviews; implement proactive upgrade plans for key accounts.

8.10 Medium Term Sustainability Priorities

Looking ahead, the Company remains committed to advancing sustainability by scaling up renewable energy integration, strengthening grid resilience through BESS deployment, and promoting demand-side management initiatives such as time-of-use tariffs.

We will continue championing energy transition programmes, including e-mobility and e-cooking, while reducing losses, curbing illegal connections and safeguarding operational viability. In line with the SDGs and GRI reporting standards, we are embedding stronger safety practices, enhancing disclosures with independently assured sustainability indicators, and deepening collaboration through PPPs and blended finance.

These efforts position the Company to deliver long-term value whilst contributing to a just and inclusive energy transition.





09

Statement of Performance **against Pre-determined Objectives**

9.0 STATEMENT OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES

The Company, in its vision to be the 'Energy solution provider of choice' has continued to be an effective partner in the National Economic Development Agenda while at the same time strengthening its competitive edge for business sustainability. Towards delivering on our strategic intent, there were eight (8) strategic objectives for the FY2024/25 namely: **Ensure Financial Sustainability, Improve Customer Experience, Enhance Stakeholder Engagement, Enhance Network Reliability and Efficiency, Improve Business Efficiency, Improve Performance Culture, Increase Business Innovation and Leverage on Technology.**

The extent to which the objectives were attained as at June 2025 is as tabulated below.

Key Performance Indicator	Unit Of Measure	Target 2024/25	Actual 2024/25	Variance	Strategic Initiative	Activities
Profit Before Tax	Ksh. (B)	15.408	35.38	19.972	Asset Refinance & Balance Sheet Restructure	• Delivery of Green Resilient Initiative • Balance Sheet Restructuring Roadmap Execution
Debt to EBITDA Ratio	No.	2.5	1.8	(0.7)		• Conversion of Foreign Exchange Dominated loans to Kshs • Increase Incomes from Diversified sources
Return on Assets	%	4.32%	6.55%	2.23%	Revenue Diversification	• Increase Incomes from Diversified sources
Sales Growth	%	6.00%	8.43%	2.43%	Engage in focussed high yield customer recruitment	• Establish project management structure for Premium • Customers to fast-track the implementation of these premium sales projects to completion
Current Ratio	No.	0.75	0.84	0.09	Connectivity Turnaround Time	• Strategic procurement of project materials for smooth implementation.

Key Performance Indicator	Unit Of Measure	Target 2024/25	Actual 2024/25	Variance	Strategic Initiative	Activities
Pending Bills	%	1.0%	7.9%	(6.9)%	Working Capital Management	• Develop & implement roadmap for re-valuation of select assets • Revamp revenue collection
Implementation of Corporate Service Delivery Charter	%	100.0%	100.0%	0.00	Build and Maintain a Stakeholder Eco-system	• Develop and Implement Stakeholder Engagement Workplan develop and implement a roadmap for CSR activities
Customer Satisfaction Index	%	73.7%	-	-		• Increase Incomes from diversified sources
Corporate Reputation Index	%	66.0%	75.23%	9.23%		• Carry out customer awareness for prospective and existing customers.
System Losses	%	21.50%	21.21%	0.29%	Segregate & Measure System Losses	• Retrofitting of large power AMR with SMART meters • Adhere to inspection schedule • SME Inspected
SAIFI	No.per year	30	44.07	14.07	Implement Network Refurbishment projects	• Completion of planned refurbishment projects • Implementation of the transformer Maintenance plan • Preventive maintenance of transmission lines and substations

Key Performance Indicator	Unit Of Measure	Target 2024/25	Actual 2024/25	Variance	Strategic Initiative	Activities
SAIDI	Hrs	2.18	2.57	0.39	Employee Resourcing & Training	• Resourcing & training of O&M staff
Availability of Transmission Grid	%	98.00%	99.86%	0.02	Transmission System Maintenance	• Complete maintainance of all 66kV feeders and loaded (11kv and 33kV) feeders-(60% loading factor)
Employee Satisfaction Index	%	75.0%	81.0%	6	Implement Employee Engagement/Satisfaction Survey Results	• Carry out employee satisfaction/ engagement once a Year • Implement the recommendation of the employee survey
Productivity Index Obtained	%	100%	100%	0	Develop & Implement Productivity Improvement Initiatives	• Stakeholder engagement with NPCC • Develop and monitor productivity improvement Strategies

10

Financial Statements



DIRECTORS AND STATUTORY INFORMATION



DIRECTORS

Joy Brenda Masinde
Dr. (Eng.) Joseph Siror, FIEK
Hon. FCPA John Mbadi, EGH

Prof. Njuguna Ndung'u, EGH

Alex Wachira, CBS

Eng. Albert Mugo
Logan Hambrick
Eng. James Rege, CBS
Ezekiel Saina, HSC
CPA Dr. Caleb B. Manyaga
Ruth Muiruri
Dr. Stephen Ikiiki

Dr. (Eng) Isaac Kiva, MBS, FIEK

Chairman
 Managing Director & CEO
 Cabinet Secretary, National Treasury & Economic Planning
 Appointed to the Cabinet on 7th August 2024
 Cabinet Secretary, National Treasury & Economic Planning
 Ceased to be a Director on 7th August 2024
 Principal Secretary, Ministry of Energy and Petroleum,
 State Department of Energy
 Board Member
 Board Member
 Board Member
 Board Member
 Board Member
 Board Member
 Appointed as the Alternate Director to Cabinet Secretary,
 National Treasury & Economic Planning on 20th December 2024
 to replace Humphrey Muhu
 Alternate to Principal Secretary, Ministry of Energy & Petroleum



COMPANY SECRETARY

Imelda Bore

Certified Secretary (Kenya)
 P.O. Box 30099 – 00100, Nairobi



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The Auditor-General

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PRINCIPAL LEGAL ADVISOR

Dentons Hamilton Harrison & Mathews

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DIRECTORS' REPORT

The core business of the Company continues to be transmission, distribution and retail of electricity purchased in bulk from Kenya Electricity Generating Company Plc (KenGen), Independent Power Producers (IPPs), as well as imports from Uganda Electricity Transmission Company (UETCL), Ethiopia Electric Utility (EEU) and Tanzania Electric Supply Company Limited (TANESCO).

BUSINESS REVIEW.

The Company recorded a profit before tax of KShs.35.4 billion for the year ended 30 June 2025, compared to KShs.43.7 billion in the previous financial year, representing a decline in profitability despite growing electricity demand and enhanced operational efficiencies. This decline was primarily driven by a 5% reduction in electricity revenue, which decreased from KShs.231.1 billion in FY2024 to KShs.219.3 billion in FY2025. The lower revenue was largely attributable to a KShs.13.5 billion reduction in foreign exchange recoveries following the sustained stability of the Kenya Shilling, alongside a reduction in the base tariff in line with the approved tariff reduction schedule aimed at making electricity more affordable for consumers.

Despite these revenue pressures, electricity sales increased by 877 GWh, supported by growing customer demand and efficiency improvements. Distribution efficiency improved to 78.79%, up from 76.84% in the prior year, reflecting continued investments in grid upgrades, system reinforcement, and loss-reduction initiatives.

Power purchase costs decreased by KShs.5.9 billion despite a 788 GWh increase in purchased units, benefiting from the relative stability of the Kenya Shilling, which lowered foreign-currency-denominated costs under Power Purchase Agreements. Operating expenses declined by KShs.3.9 billion, largely due to the implementation of a revised credit risk and provisioning model under IFRS 9. However, finance costs rose to KShs.4.7 billion, compared to a net gain of KShs.0.7 billion in the prior year, mainly due to the reversal of unrealised foreign exchange gains recorded earlier. On a positive note, interest expenses reduced by KShs.2.6 billion, supported by the accelerated repayment of high-interest commercial loans.

The loan book reduced by 11% to KShs.87.6 billion, driven by repayments of KShs.18.9 billion, highlighting the Company's efforts to reduce debt and strengthen overall financial health. To further strengthen its financial position, the Company secured a performance based financing supporting the optimisation of financing costs and facilitating the prepayment of high-interest obligations.

The Company's working capital position improved with the deficit narrowing from negative KShs.27.4 billion in FY2024 to negative KShs.19.2 billion in FY2025. This improvement was driven by enhanced liquidity optimisation initiatives and more efficient resource utilisation across operations.

Capital expenditure totalled KShs.29.4 billion, reflecting continued investment in grid modernisation, system automation, and expansion of customer connections. These investments are central to enhancing network reliability, meeting growing electricity demand, and advancing the Company's commitment to delivering reliable power supply.

Looking ahead, the Company remains focused on enhancing operational efficiency, improving liquidity, and delivering reliable, affordable, and sustainable power. Our strategic priorities are centered on modernising the electricity grid to strengthen reliability, reduce losses, and enable faster connection of new customers; accelerating digital transformation to enhance customer experience and revenue assurance; and improving financial sustainability through disciplined cost management, optimised capital structures, and strong cash flow generation.

RESULTS FOR THE YEAR

	2025	2024
	Shs'000	Shs'000
Profit/(Loss)/ before income tax	35,374,684	43,666,029
Income tax (expense)/credit	(10,908,159)	(13,585,659)
Profit for the year	24,466,525	30,080,370

DIVIDEND

A dividend of KShs.1.93 million (2024: KShs.1.93 million) is payable on the cumulative preference shares and has been recognised in the statement of profit or loss and other comprehensive income under finance costs.

An interim dividend of Kshs.0.20 per ordinary shares was paid in the year (2023/24: Kshs Nil). Subject to the approval of the shareholders, the Directors recommend payment of a final dividend of Kshs.0.80 per ordinary shares for the year ended 30 June 2025 (2024: Kshs.0.70).

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The current Directors are as shown on page 114

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each Director at the time this report was approved:

- a) there is, so far as the Director is aware, no relevant audit information of which the Company's auditor is unaware; and
- b) the Director has taken all the steps that the Director ought to have 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 THE AUDITOR

The Auditor-General is responsible for the statutory audit of the Company's financial statements in accordance with article 229 of the Constitution of Kenya, the Public Finance Management Act, 2012 and Section 35 of the Public Audit Act, 2015.

By Order of the Board



Imelda Bore
Company Secretary
6th October, 2025

DIRECTORS' REMUNERATION REPORT

INFORMATION NOT SUBJECT TO AUDIT

Remuneration of the Company's Board is set within the Government limits for state corporations.

Statement of Company's policy on Directors' remuneration

During the year, the National Treasury approved an increment of the annual Directors' fees from Shs 600,000 to Shs 1,000,000. The current policy as guided by the Government through the State Corporations Advisory Committee (SCAC) will apply in subsequent years until the same is revised. The Company does not have any share options or long-term incentives plans. There was no compensation for past Directors, or any sum paid to third parties in respect of a Director's services.

The only executive Director is the Managing Director and Chief Executive Officer. His performance targets are set by the Board. Non-Executive Directors' remuneration is fixed by SCAC.

Contract of service

The Non-Executive Directors are not under contract but are subject to retirement by rotation at the Annual General Meeting (AGM). Dr. Eng. Joseph Siror was appointed as Managing Director & Chief Executive Officer (CEO) on 02 May 2023.

Statement of voting at general meeting

During the last AGM held on 29 November 2024 the shareholders unanimously approved the Directors' fee of KShs.600,000 per year per Director on a pro-rata basis for the year ended 30 June 2024.

Summary of the remuneration policy

The following are highlights of the Board remuneration policy for the Company:

1. During every Board or Committee meeting, Directors are entitled to a sitting allowance, lunch allowance (in lieu of lunch being provided), accommodation allowance (where applicable) and mileage reimbursement at Automobile Association of Kenya rates.
2. The Chairman receives a monthly honorarium.
3. Directors' fees are paid annually upon approval by shareholders during the AGM in accordance with Government's guidelines for all state corporations.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

4. Non-Executive Directors are paid a Director's fee of Shs 1,000,000 per annum (previously Shs 600,000) or on pro rata basis for period served.
5. The remuneration for executive Director is as per the negotiated employment contracts.
6. The Company does not propose to make any further changes in the remuneration level during the current financial year.
7. There are no Directors' loans in the Company's loans.
8. There are no Directors' shares schemes.
9. A sitting allowance is paid to each Non-Executive Director for attending a duly convened and constituted meeting of the Board or of any of the committees.
10. An allowance is paid to Non-Executive Directors for any day of travel away from his regular station in order to attend to duties of the Company.
11. Medical insurance cover is provided to all Non-Executive Directors for their individual medical requirements covering both outpatient and in-patient services.

Directors' remuneration

Below is a summary of entitlement per Board Member:

Type of payment	Chairman	Member
Honoraria (per month)	Shs 80,000	N/A
Sitting allowance (per sitting)	Shs 20,000	Shs 20,000
Telephone – airtime for mobile phone (per month)	Shs 20,000	N/A
Transport allowance/mileage	N/A*	Automobile Association of Kenya (AAK) rates
Lunch allowance	Shs 2,000	Shs 2,000
Director's fees per annum on prorata basis	Shs 1,000,000	Shs 1,000,000
Director's bonus	N/A	N/A
Accommodation allowance outside Nairobi	Shs 18,200	Shs 18,200

* The Chairman is provided with a Company car.

INFORMATION SUBJECT TO AUDIT

For the financial years ended 30 June 2025 and 30 June 2024, the Directors' fees and remuneration are as below:

Year ended 30 June 2025

	Salary/ honoraria Shs'000	Fees Shs'000	Expense allowances Shs'000	Total Shs'000
Executive Director				
Dr. Eng. Joseph Siror- MD & CEO	17,367	-	6,770	24,137
Non-Executive Directors				
Joy Brenda Masinde - Chairman	960	1,000	3,846	5,806
PS, National Treasury	-	1,000	-	1,000
PS, Energy	-	1,000	-	1,000
CPA Dr. Caleb B. Manyaga	-	1,000	3,919	4,919
Ezekiel Saina	-	1,000	4,582	5,582
Eng. James Rege	-	1,000	1,666	2,666
Ruth Muiruri	-	1,000	2,619	3,619
Eng. Albert Mugo	-	1,000	1,898	2,898
Logan Hambrick	-	1,000	2,601	3,601
Isaac Kiva	-	-	1,757	1,757
FA. Stephen Ikikii, PhD	-	-	1,230	1,230
Mr. Humphrey Muhu	-	-	658	658
	18,327	9,000	31,546	58,873

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Year ended 30 June 2024

	Salary/ honoraria	Fees	Expense allowances	Total
	Shs'000	Shs'000	Shs'000	Shs'000
Executive Director				
Dr. Eng. Joseph Siror- MD & CEO	13,490	-	9,773	23,263
Non-Executive Directors				
Joy Brenda Masinde - Chairman	960	600	3,484	5,044
PS, National Treasury	-	600	-	600
PS, Energy	-	600	-	600
CPA Dr. Caleb B. Manyaga	-	339	1,564	1,903
Ezekiel Saina	-	339	1,803	2,142
Eng. James Rege	-	339	747	1,086
Ruth Muiruri	-	339	845	1,184
Kairo Thuo	-	263	457	720
Dr. Duncan Ojwang	-	263	2,427	2,690
Eng. Albert Mugo	-	600	2,033	2,633
Logan Hambrick	-	600	2,979	3,579
Veska Kangogo	-	263	1,603	1,866
Isaac Kiva	-	-	100	100
Eng. Benson Mwakina	-	-	2,436	2,436
Mr. Humphrey Muhu	-	-	2,128	2,128
	14,450	5,145	32,379	51,974

By Order of the Board



Imelda Bore
Company Secretary
6th October, 2025

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 of its profit or loss for that year. It also requires the Directors to ensure that the Company keeps proper accounting records that: (a) show and explain the transactions of the Company; (b) disclose, with reasonable accuracy, the financial position of the Company; and (c) enable the Directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

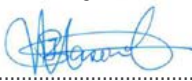
The Directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- Selecting suitable accounting policies and then applying them consistently; and
- Making judgements and accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the Directors have assessed the Company's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation in Note 2 (a) of the financial statements.

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

Approved by the Board of Directors on 6th October, 2025 and signed on its behalf by:



Joy Brenda Masinde
Chairman, Board



CPA Dr. Caleb B. Manyaga
Chairman, Audit Committee



Dr. Eng. Joseph Siror, FIEK
Managing Director & CEO

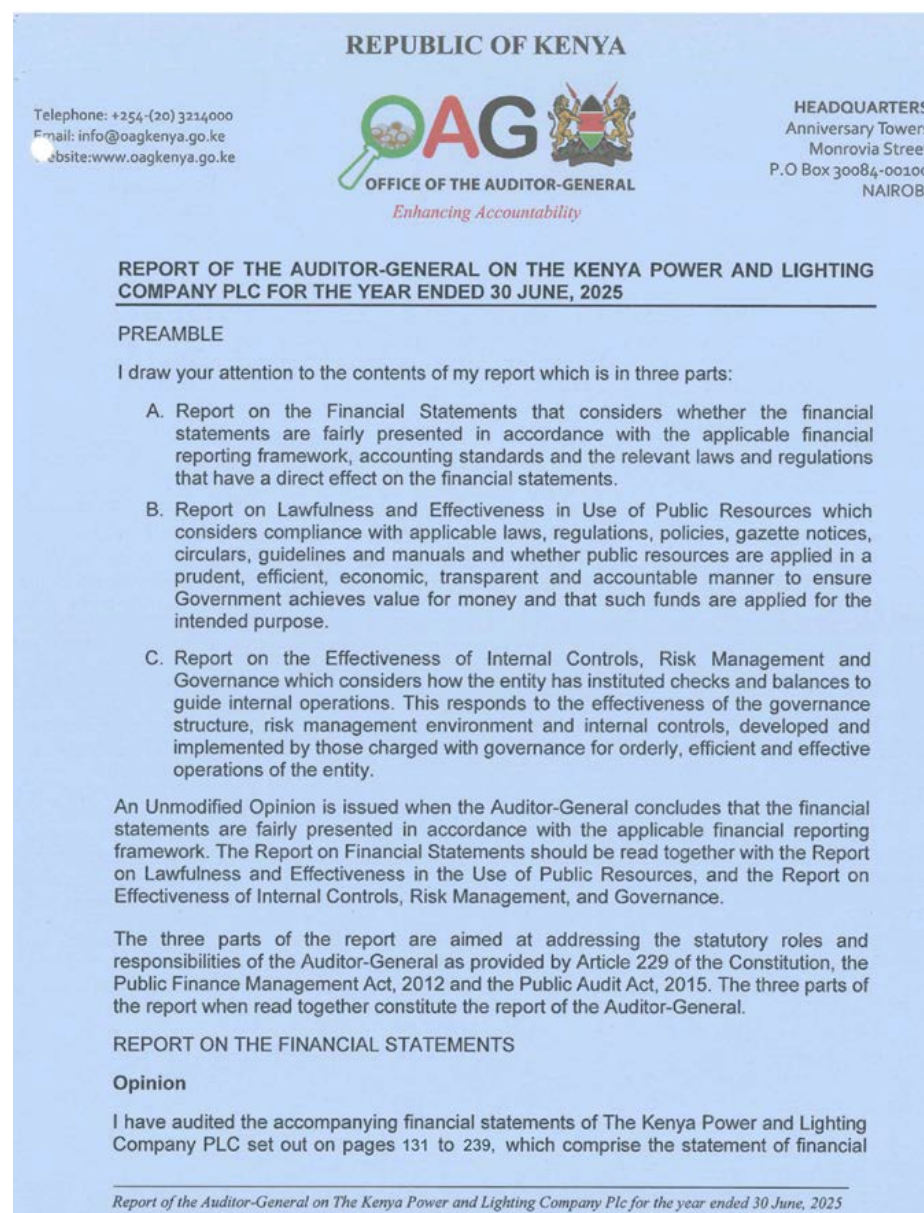
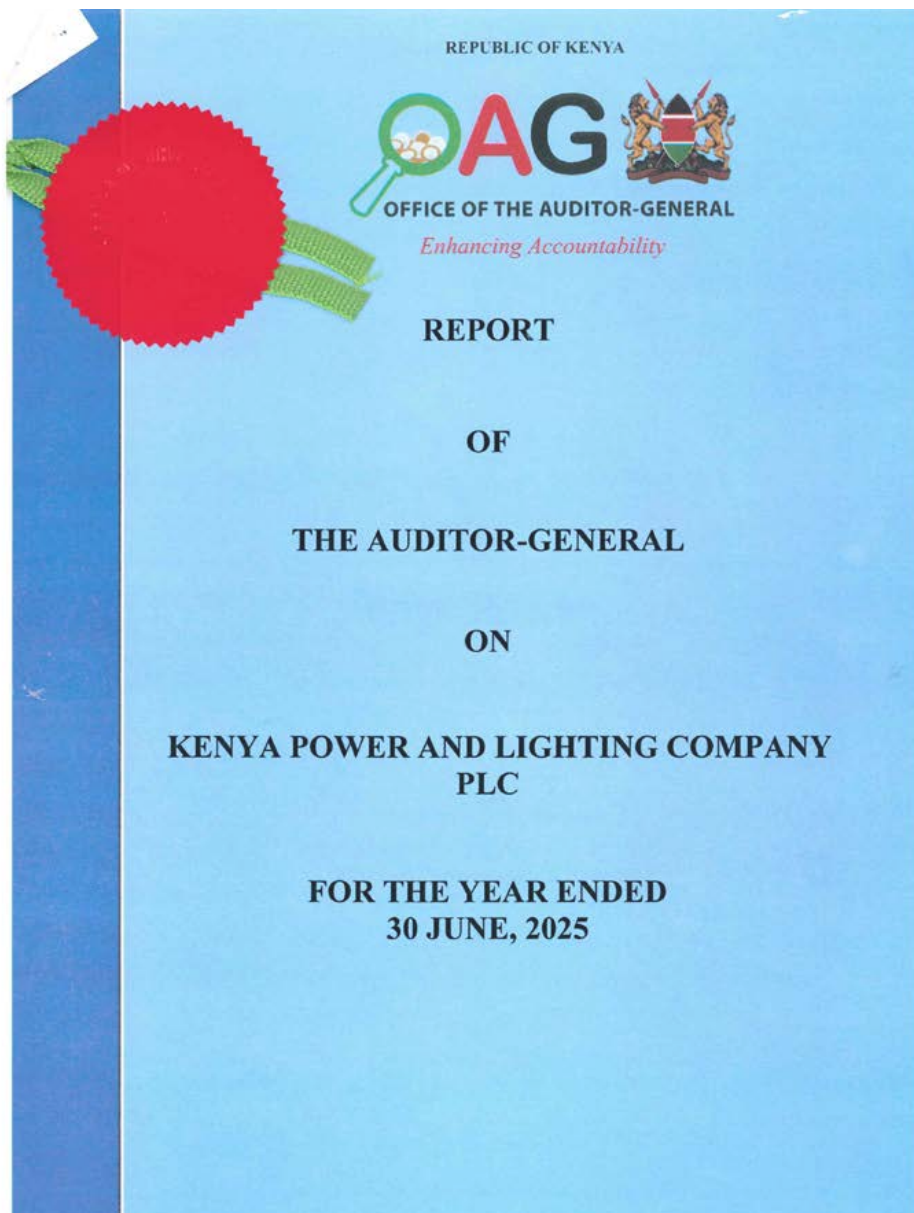




09

Auditor-General Report

REPORT OF THE AUDITOR-GENERAL ON THE KENYA POWER AND LIGHTING COMPANY PLC FOR THE YEAR ENDED 30 JUNE 2025



position as at 30 June, 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. 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, the financial statements present fairly, in all material respects, the financial position of The Kenya Power and Lighting Company PLC as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) and comply with the Companies Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of The Kenya Power and Lighting Company PLC Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits 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.

Emphasis of Matter

1. Land without Ownership Documents

The statement of financial position reflects property, plant and equipment valued at Kshs.287,476,703,000 which, as disclosed in Note 17 to the financial statements, includes freehold land with a book value of Kshs.785,940,000. The land includes fifteen (15) parcels at various locations valued at Kshs.28,574,258 for which the Company had no title deeds. Management indicated that most of these parcels were allotted from trust land and provided evidence of efforts undertaken to follow up with the relevant authorities to have the land demarcated and adjudicated to facilitate acquisition of title deeds. However, as at 30 June, 2025, the processes were still ongoing and title documents were yet to be obtained.

Further, eighteen (18) parcels of land had been charged to a private company between 1970 and 1984. Five (5) of the parcels were charged for Kshs.33,950,080 while the other thirteen (13) were charged for unknown amounts. In addition, five (5) parcels where power substations had been erected were under lien in favour of a law firm. Further, records at the Company indicated that a suit was filed against the law firm at the High Court, seeking to compel the release of the titles. However, efforts to serve the respondent had been unsuccessful as the law firm was said to be untraceable.

In the circumstances, the ownership of the parcels of land valued at Kshs.28,574,258 could not be confirmed.

Report of the Auditor-General on The Kenya Power and Lighting Company PLC for the year ended 30 June, 2025

2. Cost of Power Purchased From Independent Power Producers

As disclosed in Note 8 to the financial statements, the Company purchased a total of 14,472 gigawatt-hour (GWh) units of electricity for a cost of Kshs.144,663,605,000. The power was purchased from the Kenya Electricity Generating Company PLC (KenGen) and from Independent Power Producers (IPPs). A comparative analysis of cost of power purchased from the two sources revealed that, on average, the unit cost of power purchased from the Independent Power Producers was significantly higher compared to power purchased from KenGen.

As previously reported, the disparity was mainly attributed to the terms contained in the power purchase contracts entered with the Independent Power Producers (IPPs). To mitigate against the rising electricity costs, a Presidential Taskforce appointed in March, 2021 to undertake a comprehensive review of Power Purchase Agreements (PPAs) with Independent Power Producers recommended a review of the PPAs with an aim of renegotiation and exploring ways to address the disparity. Management indicated that significant steps had been taken towards renegotiating unfavorable PPAs, where agreements had been secured to lower tariffs and shift contracts to Kenya Shillings. However, the revised terms were yet to be formalized through approvals from the Energy and Petroleum Regulatory Authority (EPRA) and The National Treasury.

Until such negotiations are concluded and requisite approvals obtained, the disparities in costs between power supplied from KenGen and IPPs will continue to persist.

3. Variances Between Electricity Receivables and County Governments Data

The statement of financial position reflects trade and other receivables balance of Kshs.76,021,431,000, which as disclosed in Note 22(b) to the financial statements, include electricity receivables amounting to Kshs.39,032,248,000. The amount further includes an amount of Kshs.5,679,805,786 due from County Governments. Review of data obtained from sampled County Governments revealed variances in amounts owed by ten (10) County Governments totalling Kshs.2,363,985,447 as summarized in the table below:

County	Balance as per KPLC Records Kshs.	Balance as per County Governments Records Kshs.	Variance Kshs.
Bungoma	42,717,024	39,139,895	3,577,129
Embu	63,849,897	56,252,429	7,597,468
Homabay	69,687,399	50,334,129	19,353,270
Isiolo	14,076,267	1,556,851	12,519,416
Kakamega	23,562,965	10,923,420	12,639,545
Kirinyaga	47,328,241	33,092,495	14,235,746
Laikipia	12,979,901	11,856,709	1,123,192
Migori	54,536,667	19,953,069	34,583,598
Nairobi	3,603,991,809	1,345,691,000	2,258,300,809
Samburu	4,787,068	4,731,793	55,275
Total	3,937,517,236	1,573,531,790	2,363,985,447

Report of the Auditor-General on The Kenya Power and Lighting Company PLC for the year ended 30 June, 2025

Management subsequently provided additional information including billing records, joint verifications between the Company and affected County Governments and an ongoing collaboration with the Council of Governors towards addressing the matter.

Until those efforts yield the intended results, the reported disparities will continue to persist thus affecting the Company cashflows and service delivery to citizens.

My Opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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. I do not provide a separate opinion on these matters. For each matter below, a description of how the audit addressed the matter is provided in that context.

Key Audit Matter	How the Audit Addressed the Key Audit Matter
Revenue Recognition As disclosed in Note 7 to the financial statements, the Company revenue is derived from different streams which are subject to different recognition and disclosure requirements based on the nature, timing, amount, and level of uncertainty. Electricity sales revenue is recognised when customers on post-paid metering are billed for power consumed each month based on meter readings or estimated consumption. Uncollected revenue is included in the accounts receivable. On the other hand, sales from prepaid metering are recognised when customers purchase electricity units and are then adjusted for an estimated unconsumed power determined in average over a period. Other revenue charged to electricity sales include fuel cost recoveries as per monthly approved tariff by the Energy and Petroleum Regulatory Authority (EPRA)	Review of revenue systems was conducted to provide an understanding of the design and operating effectiveness of the systems and general controls over input, processes, integration, and transfer of revenue information between the multiple systems involved in recording revenue. In addition, the following procedures were performed: - Existing controls over input changes in the billing systems arising from tariff adjustments were tested for adequacy and effectiveness; - Information Technology (IT) general controls over customer categorization and billing were tested to ascertain accuracy and completeness of generated reports utilised for revenue reporting; - An end-to-end testing of different revenue streams was conducted,

Key Audit Matter	How the Audit Addressed the Key Audit Matter
Fuel Cost Charge (FCC) and foreign cost adjustment adjustment which arises from foreign currency denominated obligations at a difference between tariff factored rates and realised exchange rates. The two revenue categories are passthrough costs to customers. The occurrence and accuracy of amounts recorded as revenue is susceptible to recognition risks due to the complexity of the billing systems, changes in tariffs, and multiple electricity generation sources. The application of International Financial Reporting Standard (IFRS) 15: Revenue from contracts with customers for revenue recognition requires the use of complex rating, billing and accounting systems. The complexity is compounded by the significant number of revenue transactions that occur annually. My audit attention was directed to this area because of the significance of the number of revenue transactions, complexity of billing systems and the risk that inappropriate judgments or assumptions could lead to material misstatements in the financial statements. I therefore identified revenue recognition to be most significance during the year under review as a Key Audit Matter for the purposes of the audit.	iv. and an evaluation done on reconciliations between billing data and journals processed in the general ledger; v. Analytical review procedures were performed over significant revenue streams; vi. A sample-based testing of customer contracts was done to confirm validity and performance obligations as agreed by both parties and that revenue was appropriately recognised; vii. Unconsumed power data for selected months was evaluated to assess the reasonableness of estimates used in adjusting pre-paid electricity sales revenue; viii. Sampled journal entries were reviewed against supporting documentation to ascertain that they related to the correct period and were appropriately authorised; and ix. Accounting policies were reviewed and assessed for compliance with IFRS 15 for adequacy and consistency with other disclosures in the financial statements.

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 risks 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 audit opinion on the accompanying financial statements.

Other Information

Conclusion

The Directors are responsible for the other information set out on page 3 to 66 which comprise of Corporate Information, Board Profile, Executive Management, Statement by the Chairman, Message from Managing Director and the Chief Executive Officer, Operational Highlights, Statement of Performance Against Predetermined Objectives, Sustainability Report, Corporate Governance, Directors' Report, Directors' Remuneration Report and Statement of Directors' Responsibilities. The other information does not include the financial statements and my audit report thereon.

In connection with my audit on The Kenya Power and Lighting Company PLC 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 and based on the audit procedures performed, except for the effect of 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. Non-Compliance With 30% Procurement Reservation for Disadvantaged Groups

Review of the Company's approved procurement plan for the year under review revealed that only 11% of the procurement budget was reserved for the disadvantaged groups. This was contrary to Section 157 (5) of the Public Procurement and Asset Disposal Act, 2015, which requires that an Accounting Officer of a procuring entity shall, when processing procurement, reserve a prescribed percentage of its procurement budget, which shall not be less than thirty per cent, to the disadvantaged group and comply with the provisions of this Act and the Regulations in respect of preferences and reservations.

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

2. Unauthenticated Employees Academic Qualifications

On 19 October, 2022, the Public Service Commission directed that all Authorized Officers of government institutions to validate academic and professional certificates of staff

employed in the last ten (10) years with a view of taking action on any discrepancies arising thereof by 30 June, 2023. Review of Human Resource records revealed that Management concluded authentication of academic and professional certificates for all Management employees and three thousand six hundred and thirty-eight (3,638) union level employees as at 30 June, 2025. However, certificates of four thousand, eight hundred and forty-two (4,842) union level employees were yet to be validated by the Kenya National Examinations Council (KNEC).

In the circumstances, Management was in breach of the Government Guidelines and Circulars.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards requires 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 comply, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Long Outstanding Receivables from Government and Other Entities

The statement of financial position reflects current trade and other receivables amounting to Kshs.76,021,431,000. As disclosed in Note 22(b) to the financial statements, the balance is a net of gross receivables and provisions totalling Kshs.98,426,432,000 and Kshs.21,127,323,000 respectively. Included in the other receivables gross balance is an amount of Kshs.55,029,253,000 due from Government entities and Kshs.39,032,248,000 due from electricity customers. However, review of the balances revealed long outstanding receivables as detailed below:

- i. Receivables totalling Kshs.34,497,240,000 was in respect of Rural Electrification Scheme (RES) which the Company administers on behalf of the Government of Kenya. Management indicated that Rural Electrification Scheme (RES) is funded by the National Government and implemented by the Company on behalf of Ministry of Energy and Petroleum (MOEP). The Schemes of RES are considered sub-economic, given that their operational and maintenance costs exceed their revenues, and it was agreed that the Government will reimburse the Company any deficit arising from the

scheme. The resultant accumulated deficit is recoverable from the Government of Kenya (GOK) as stipulated in the 1973 Mercado Agreement signed between KPLC and the GOK through the MOEP. As at 30 June, 2025, no reimbursement had been made to cover the deficits despite a Cabinet resolution to disburse Kshs.19,400,000,000 to settle the RES losses.

- ii. An amount of Kshs.158,393,000 was due from the Ministry of Energy and Petroleum, Kenya Electricity Generating Company PLC (KenGen), Geothermal Development Company (GDC), Rural Electrification and Renewable Energy Corporation (REREC), Energy and Petroleum Regulatory Authority (EPRA) and Nuclear Power and Energy Agency (NuPEA) which has been outstanding since 2015. The amount relates to media campaigns executed in November, 2014 through electronic, print, and online media to gauge demand for 5000+ MW from existing and potential investors as had been directed by the then Cabinet Secretary for Ministry of Energy and Petroleum. Records at the Company indicates that the Ministry and its parastatals had agreed to share the costs of the integrated media advertising for investors power plan data gathering campaign. However, no evidence was provided to indicate how the Company ended up paying all the costs on behalf of the other entities.
- iii. The receivables balance includes an amount of Kshs.5,679,805,786 in respect of unpaid electricity bills from the forty-seven (47) County Governments which continue to accumulate. In addition, an amount of Kshs.74,402,114 in respect of street lighting maintenance costs was due from several County Governments for works done between 2016 and 2017. Management efforts to recover the amounts had not yielded favorable results.
- iv. The receivables balance includes an amount of Kshs.1,715,063,000 relating to Kenya Electricity Transmission Company (KETRACO) for costs incurred in the construction of Sondu-Miri transmission and distribution line, and repayment of a 0.75% loan from Japan Bank for International Corporation which was transferred to KETRACO in 2018 upon signing of the Novation agreement which remained unpaid. The amount includes Kshs.743,854,974 incurred towards operations and maintenance of transmission assets that were invoiced between 2016 and 2022. However, KETRACO in a letter dated 6 March, 2025, acknowledged owing KPLC the amount but attributed the delay in settlement to lack of supporting documentation to facilitate the payment.
- v. An amount of Kshs.13,907,730 was due from thirty-eight (38) tenants who leased Company premises in Mombasa. However, the tenants vacated the premises without settling the outstanding rent, with some of the debts dating back to nine (9) years. In addition, the rent security deposits paid by the tenants were not equivalent to three (3) months' rent and service charge as required by the lease agreements. Management indicated that part of the debt was subject to court proceedings, others had been referred to external debt collectors for follow-up, while the remaining had been forwarded to The National Treasury for write-off.

In the circumstances, the existence and effectiveness on controls on revenue collection from various entities could not be confirmed.

2. Delays in Customer Electricity Connections

The statement of financial position reflects property, plant and equipment with a net book value of Kshs.287,476,703,000. As disclosed in Note 17 to the financial statements, the balance includes work in progress valued at of Kshs.23,461,184,000, which include projects for which customers had paid a total of Kshs.12,724,014,000 for electricity connections. Review of a list of the works revealed that seven thousand, seven hundred and forty (7,740) projects with a total customer capital contribution of Kshs.877,821,276 were yet to start, thus denying the customers electricity supply as well as revenue to the Company.

Further, five thousand two hundred and fifty-five (5,255) projects with capital contributions of Kshs.366,708,785 paid between one (1) to six (6) years ago were yet to start. This is contrary to the Company's Customer Charter on connection of electricity which provides for timelines within which electricity connection for customers are to be carried out ranging between seven (7) days and twenty-eight (28) days. Management attributed the delays in completion of projects to non-availability of materials, wayleaves acquisition challenges leading to re-design, abandonment of projects by customers, premises not ready for connections and customer requests for refunds or transfers to other sites.

In addition, three thousand four hundred and twenty-seven (3,427) projects with a total capital contribution of Kshs.963,146,886 having incurred costs of Kshs.564,578,158 were behind schedule, and have been outstanding for periods ranging from three (3) to twenty-nine (29) years.

In the circumstances, the effectiveness of measures that monitor customer connections could not be confirmed.

3. Weaknesses in Project Management

Review of the project management practices and work in progress records during the year revealed significant delays in the execution of projects. For instance, one sixty-six (166) projects with a cost of Kshs.937,909,373 were behind schedule having been outstanding for period ranging from three (3) to thirteen (13) years. In addition, the Company lacked regular progress monitoring, root cause analysis for delays, and corrective action plans. Management indicated that the projects are at different levels of execution and delays are occasioned by lack intermittent supply of equipment due to long lead times for some equipment like transformers and switch gears.

In the circumstances, the Company may not have realized value for money spent on the projects and the objectives of the projects may not be achieved.

4. Weaknesses in Electricity Consumption Billings

The statement of profit or loss and other comprehensive income reflects revenue from contracts with customers amounting to Kshs.219,284,568,000. As disclosed in Note 7(a)

to the financial statements, the revenue relates to electricity sales on post-paid and prepaid metering. Review of the billing systems revealed several weaknesses and anomalies as indicated below:

- i. Analysis of the customer billing data revealed that fifty-five thousand and sixty-three (55,063) customer accounts, were billed a total Kshs.1,130,704,199 based on estimated consumption for more than three (3) consecutive months. However, no corrective actions had been taken as provided for in Paragraph 6.3 of the Company's Operating Procedures on handling consecutive estimates, which requires corrective measures to be taken after three (3) consecutive months of bill estimation. The foregoing indicates lack of oversight and adequate systems and controls within the Billing Department, which failed to trigger the required corrective actions and reporting mechanisms as stipulated in the Company's procedures;
- ii. During the year under review, a total of 140,064,582 units billed to customers for electricity consumption equivalent to Kshs.4,669,271,477 remained unpaid. The amount includes 130,958 units attributed to active and vending meters with a consumption of Kshs.1,786,912,737. Reasons for non-payment and measures taken by Management to collect the unpaid amount were not confirmed.
- iii. Review of the receivables revealed an amount of Kshs.4,113,652,203 due from postpaid customers whose accounts were terminated due to non-payment of bills, with some dating back to over twenty (20) years ago. However, meter numbers for the terminated accounts had been reassigned to new customers without reconciliation of outstanding balances. Reassignment of the meter numbers increased the risk of loss of revenue arising from untracking of terminated accounts.
- iv. Review of units of electricity purchased against units sold revealed a total of 14,472 in gigawatt-hours (GWh) purchased from power producers out of which 11,403 GWh were sold to customers resulting in energy losses of 3,069 GWh or 21.21%. The industry regulator, Energy and Petroleum Regulatory Authority (EPRA) approved for the Company to recover from consumers system losses of up to 17.5% that is deemed to be normal loss. The excess power loss of 3.71% above the allowed loss constitutes inefficiency power loss which is borne by the Company thus increasing operating costs.
- v. Further, review of the power transmission data revealed that the losses occurred in the distribution and transmission networks. However, KPLC did not break down losses arising from those networks which, if accurately determined, can be attributed and borne by respective distribution schemes under the Rural Electrification and Renewable Energy Corporation (REREC) and the Kenya Transmission Company Limited (KETRACO).

In the circumstances, the adequacy and effectiveness of controls for customer connections and billing could not be confirmed.

5. Network Inefficiencies

5.1 Instabilities in the Power Supply Network

The Company uses System Average Interruption Frequency Index (SAIFI) as a key performance indicator to measure the average number of interruptions a customer experiences over a specific period, with lower values indicating better performance. During the year under review, the Company recorded actual System Average Interruption Frequency Index (SAIFI) of 44.07, which significantly exceeded a target for the year of 30 as set out in the Company's Strategic Plan by 14.07.

In the circumstances, the effectiveness of measures implemented to mitigate against power outages could not be confirmed.

5.2 Inconsistencies in Electricity Outage Reporting

To establish the reliability of electricity supply within the country, the EPRA requires KPLC to collect and report information on reliability and quality of supply. This information is captured through recording electricity outages in the Incident Management System (IMS) and reported through reliability indices namely System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI).

Review of the selected samples of the manual fault logs and the Incident Management System (IMS) generated fault reports for the period under review revealed the following SAIDI reporting weaknesses:

- i. Sixty-two (62) of the sampled incidents recorded in the manual logs were not recorded in IMS. Management attributed the delays in real-time data entry or updates into the IMS to frequent IMS outages. The outages experienced by customers during these incidents were unaccounted for in IMS.
- ii. Twenty-three (23) of the sampled incidents reflected time variances between manual logs and IMS records which Management attributed to human errors during manual logging or IMS input. The inaccurate recording of start and end times affect the calculated duration of outages and, therefore, the computation of reliability indices such as SAIDI.
- iii. Twenty-five (25) incidents had multiple interruption durations recorded manually. However, only the earliest restored segment time was captured in IMS. Capture of the earliest restored segment time led to understatement of the actual outage duration and affected the accuracy of SAIDI and other performance indicators.
- iv. The Company uses Supervisory Control and Data Acquisition (SCADA) system which typically provide real-time data on grid performance, including faults and restoration events. The SCADA system was able to generate logs whenever an interruption occurred. However, there were no time logs on when the line or sections

of a line was restored. This functionality may provide a more accurate computation of SAIDI.

In the circumstances, the efficiency and effectiveness of system generated value of SAIDI and CAIDI reported in the statement of performance against pre-determined objectives could not be confirmed.

6. Inefficiencies in Operations at Off Grid Power Stations Operations

During the year under review, the Company operated fifty-seven (57) off-grid stations in the regions not connected to the national grid. Thirty (30) stations were powered by diesel generators while twenty-seven (27) utilized solar technology. Review of operations at the off-grid stations revealed several inefficiencies and anomalies as detailed below:

- i. Twenty-five (25) diesel generators deployed to the stations, with a combined capacity of 12,454 kilowatts (kW), were not in operation due to breakdown and lack of maintenance, which contributed to reduction of capacity required to supply customers in these areas.
- ii. Physical visit in August, 2025 to Habaswein and Eldas stations revealed that solar and wind generation plants with an installed capacity of 1,170kw installed with the intention of reducing operational costs of diesel-powered stations. However, the plants were non-functional due to lack of periodic maintenance.
- iii. Power outages in areas served by the Off-Grid Stations were not logged in the Incident Management System (IMS), making it difficult for Management to monitor and track supply reliability in these regions.
- iv. Instances of diesel generator breakdowns resulted in extended outages in the regions. For instance, at the Lokitaung Off-Grid Station in Turkana County a breakdown lasting twenty-five (25) days was experienced in July 2024. The prolonged outages were attributed to delays in procuring spare parts for repairs.
- v. An internal investigation on six (6) Off-Grid Stations revealed low efficiency of diesel generators, evidenced by disproportionate fuel consumption relative to electricity output. The inefficiencies were linked to aging equipment, inadequate maintenance, and substandard operational practices. In addition, the investigation noted that despite the construction of a 33 kV power line intended to connect Sololo Off-Grid Station to the Ethiopian national grid in January, 2012 at a cost of USD 487,413.32 the infrastructure remained unenergized and unused.
- vi. Further, the investigation revealed inconsistencies in reservation logs used to track fuel issuance. According to the report, instances of overlapping dates were detected which compromised the integrity of fuel tracking and inventory management, raising doubts about the accuracy of recorded consumption and stock balances. In addition, the investigation identified stations which either lacked a flow meter or had faulty meters for measuring generator fuel usage. Personnel at the stations relied on manual

dip measurements by station operators which compromised verifiability, and reliability of fuel consumption data.

In the circumstances, existence and effectiveness of controls for effective inventory Management could not be confirmed. Further, inefficiencies in the management of Off-Grid stations presented operational, financial, and service reliability risks to the Company.

7. Weaknesses in Management of Fraud Risks

During the year under review, Management identified thirty-three (33) fraud incidences through internal processes comprising of internal audit assessment and voluntary reporting from employees and customers. Review of the status of the incidences reported and investigations undertaken during the year and previous years revealed the following weaknesses:

- i. An internal investigation during the year on alleged use of forged documents by employees to obtain loans from financial institutions revealed that three hundred and eighty-four (384) employees acquired loans using forged payslips and Human Resource approval letters. Out of those, three hundred and sixty-one (361) employees were in breach of the statutory one-third (1/3) basic salary rule. The practice highlights weaknesses in the Company's payroll and human resource approval processes, which may have facilitated deductions beyond the statutory thresholds.
- ii. There was no tracking and monitoring mechanism to follow up on the implementation status of recommendations arising from fraud investigations. In the absence of such a mechanism, Management was unable to effectively assess progress, enforce accountability, or ensure closure of fraud-related control weaknesses.
- iii. Review of quarterly reports from the Internal Audit and Security departments revealed that investigation reports were included as part of the internal audit quarterly reports to the Board Audit Committee. However, there was no evidence of the reports having been discussed at the Committee of full Board level, which limited the effectiveness of oversight and governance.

In the circumstances, the adequacy, effectiveness, and oversight of controls on fraud risks could not be confirmed.

The audit was conducted in accordance with ISSAI 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 controls, 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

Conclusion

As required by the Companies Act, 2015, I report based on my audit, that:

- i. 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.
- ii. Information given in the Directors' report on pages 61 to 62 is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report on pages 63 to 65 has been properly prepared in accordance with the Companies Act, 2015.

The Companies Act, 2015 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Company's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the 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 controls 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 controls, 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 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 comply 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 The International Standards of Supreme Audit Institutions (ISSAI). The Standards 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 ISSAIs 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

06 October, 2025



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 Shs'000	2024 Shs'000
Revenue from contracts with customers	7(a)	219,284,568	231,123,597
Cost of sales	8	(144,663,605)	(150,605,904)
Gross profit		74,620,963	80,517,693
Net operating expenses			
Network management	9(a)	(24,348,121)	(22,972,920)
Commercial services	9(b)	(6,118,016)	(5,956,215)
Administration	9(c)	(16,388,444)	(16,170,315)
Expected credit losses on financial assets	9(d)	4,433,144	(1,178,489)
		(42,421,437)	(46,277,939)
Operating income		32,199,526	34,239,754
Other income	7(c)	7,266,559	7,249,521
Operating profit		39,466,085	41,489,275
Finance income	11	625,218	1,493,956
Finance costs	12	(4,716,619)	682,798
Profit before income tax		35,374,684	43,666,029
Income tax expense	14(a)	(10,908,159)	(13,585,659)
Profit for the year		24,466,525	30,080,370
Basic and diluted earnings per share (Shs)	15	12.54	15.41
Profit for the year		24,466,525	30,080,370
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss			
Remeasurement of the retirement benefit asset	33	(1,614,406)	495,043
Remeasurement of the gratuity arrangement	34(c)	36,546	63,459
Deferred income tax relating to remeasurement of the retirement benefit asset and gratuity arrangement	28	473,358	(167,551)
Other comprehensive income, net of taxes		(1,104,502)	390,951
Total comprehensive income for the year		23,362,023	30,471,321

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2025 Shs'000	2024 Shs'000
ASSETS			
Non-current assets			
Property and equipment	17	287,476,703	275,774,833
Leasehold land	18	626,480	654,085
Intangible assets	19	2,052,797	2,013,305
Retirement benefit asset	33	--	734,207
Right of use asset	20	656,211	663,797
Trade and other receivables	22(a)	10,267	190,460
		290,822,458	280,030,687
Current assets			
Inventories	21	14,608,124	9,248,406
Trade and other receivables	22(b)	76,021,431	58,532,339
Short-term deposits	23(a)	274,935	543,100
Bank and cash balances	23(b)	7,312,543	9,731,667
		98,217,033	78,055,512
TOTAL ASSETS		389,039,491	358,086,199
EQUITY AND LIABILITIES			
Equity attributable to owners			
Ordinary share capital	24	4,878,667	4,878,667
Share premium	25	22,021,219	22,021,219
Retained earnings	26	82,435,680	60,414,276
TOTAL EQUITY		109,335,566	87,314,162

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONTINUED)

	Notes	2025 Shs'000	2024 Shs'000
Non-current liabilities			
Deferred income tax	28	43,063,649	37,523,737
Deferred income	27	19,142,491	15,700,478
Retirement benefit obligation	33	488,912	-
Trade and other payables	29(a)	29,049,961	29,704,178
Lease liabilities	30	350,832	410,841
Borrowings	31	70,138,830	81,895,385
Preference shares	32	43,000	43,000
		162,277,675	165,277,619
Current liabilities			
Trade and other payables	29(b)	89,937,802	80,339,230
Deferred income	27	4,402,750	3,840,646
Current income tax	14(c)	2,933,425	2,861,362
Provisions	34	765,061	855,162
Lease liabilities	30	259,016	230,644
Borrowings	31	17,496,348	16,619,184
Dividends payable	35	1,631,848	748,190
		117,426,250	105,494,418
TOTAL EQUITY AND LIABILITIES		389,039,491	358,086,199

The financial statements on pages 131 to 239 were approved and authorised for issue by the Board of Directors on 6th October, 2025 and were signed on its behalf by:



Joy Brenda Masinde
Chairman, Board



CPA Dr. Caleb B. Manyaga
Chairman, Audit Committee



Dr. Eng. Joseph Siror, FIEK
Managing Director & CEO

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Ordinary share capital (Note 24)	Share premium (Note 25)	Retained earnings (Note 26)	Total
	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 30 June 2024				
Balance at 1 July 2023	4,878,667	22,021,219	29,942,955	56,842,841
Profit for the year	-	-	30,080,370	30,080,370
Other comprehensive income	-	-	390,951	390,951
Total comprehensive income for the year	-	-	30,471,321	30,471,321
At 30 June 2024	4,878,667	22,021,219	60,414,276	87,314,162
Year ended 30 June 2025				
Balance at 1 July 2024	4,878,667	22,021,219	60,414,276	87,314,162
Profit for the year	-	-	24,466,525	24,466,525
Other comprehensive income	-	-	(1,104,502)	(1,104,502)
Total comprehensive income for the year	-	-	23,362,023	23,362,023
Prior year adjustment- Net retirement obligation (Note 33)			415,701	415,701
Transactions with owners:				
Dividend:				
2024 Final dividend paid	-	-	(1,366,027)	(1,366,027)
2025 Interim dividend paid	-	-	(390,293)	(390,293)
At 30 June 2025	4,878,667	22,021,219	82,435,680	109,335,566

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 Shs '000	2024 Shs '000
Cash flows from operating activities			
Cash generated from operations	37(a)	48,233,138	32,581,946
Income tax paid	14(c)	(4,822,826)	(597,725)
Interest received	37(g)	590,608	1,525,722
Gratuity paid	34(c)	(176,001)	(457,208)
Repayment of interest portion of lease liabilities	30	(67,864)	(76,813)
Interest paid	37(e)	(3,989,117)	(4,601,706)
Net cash flows generated from operating activities		39,767,938	28,374,216
Cash flows from investing activities			
Purchase of property and equipment	37(h)	(29,512,680)	(24,382,155)
Purchase of intangible assets	19	(177,242)	(557,378)
Prepayment of lease relating to leasehold land	18	-	-
Proceeds from disposal of property and equipment	37(d)	92,865	102,123
Net cash flows used in investing activities		(29,597,057)	(24,837,410)
Cash flows from financing activities			
Repayment of borrowings	37(b)	(18,921,858)	(10,982,041)
Proceeds from borrowings	37b)	7,364,956	81,452
Repayment of principal portion of lease liabilities	30	(437,668)	(302,394)
Dividends paid to owners of the Company	37(f)	(874,592)	(5,352)
Net cash flows used in financing activities		(12,869,162)	(11,208,335)
Net increase in cash and cash equivalents		(2,698,281)	(7,671,529)
Cash and cash equivalents at the beginning of year		10,353,440	18,430,616
Effect of foreign exchange rate changes on cash and cash equivalents		30,280	(405,647)
Cash and cash equivalents at end of year	37(c)	7,685,439	10,353,440

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Kenya Power and Lighting Company Plc, a public company domiciled in the Republic of Kenya, was incorporated on 6 January 1922, as East Africa Power & Lighting Limited. The Company changed its name on 11 October 1983. The core business of the Company continues to be the transmission, distribution and retail of electricity purchased in bulk from Kenya Electricity Generating Company Plc (KenGen), Independent Power Producers (IPPs), Ethiopian Electric Power (EEP), Uganda Electricity Transmission Company Limited (UETCL), Tanzania Electric Supply Company Limited (TANESCO) and Ethiopian Electric Utility (EEU). The shares of the Company are listed on the Nairobi Securities Exchange. The Government of Kenya is the principal shareholder in the Company holding a 50.1% equity interest.

The address of the Company's registered office is as follows:

Stima Plaza
Kolobot Road, Parklands
P.O. Box 30099 – 00100, Nairobi.

2. BASIS OF PREPARATION

The financial statements are prepared on a going concern basis and in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015. They are presented in Kenya Shillings, which is also the functional currency (see Note 3(i) below), rounded to the nearest thousand (Shs'000), except where otherwise indicated.

The financial statements comprise a profit and loss account (statement of profit or loss and other comprehensive income), balance sheet (statement of financial position), statement of changes in equity, statement of cash flows, and notes. Income and expenses, excluding the components of other comprehensive income, are recognised in the profit or loss section of the statement of profit or loss and other comprehensive income. Other comprehensive income is recognised in the other comprehensive income section of the statement of profit or loss and other comprehensive income and comprises items of income and expense (including reclassification adjustments) that are not recognised in the profit and loss account as required or permitted by IFRS.

Reclassification adjustments are amounts reclassified to the profit and loss account in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the Company in their capacity as owners are recognised in the statement of changes in equity.

(a) Going concern assessment

The Company recorded a profit before tax of KShs. 35,375 million for the year ended 30 June 2025, compared to KShs.43,666 million in the previous year, representing a decline of KShs. 8,291 million. While the performance remained strong, it was lower than that of the previous year due to lower electricity revenue which decreased by KShs.11,839 million from KShs.231,124 million in the prior year to KShs.219,285 million.

Finance costs also increased by KShs.5,400 million when compared to the previous year due to the lower unrealized gain from the translation of foreign currency borrowings owing to a more stable Kenya Shilling during the reporting period. Actual interest costs continued to reduce with the enhanced repayment of both commercial and on-lent loans.

The reduction in gross revenue was not entirely adverse to the business as it arose from lower foreign exchange recoveries by 56% as forex rates remained stable at a stronger Kenya Shilling over the period leading to a compensating effect in terms of lower power purchase costs by KSh.5,942 Million, despite an increase in the units purchased over the period. The base electricity per unit price to consumers, also reduced in tandem with the approved tariff yield reduction path.

Electricity unit sales grew by 887 GWh while unit purchases increased by 788 GWh during the year, demonstrating continued expansion in electricity demand and significant gains in efficiency improvement. Distribution efficiency improved by 1.95% from 76.84% recorded the previous year to 78.79%. Over the period new peak demand levels were achieved despite some generation and transmission constraints that resulted in isolated instances of load shedding during peak hours.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(a) Going concern assessment (continued)

Operating expenses declined by KSh. 3,857 Million, primarily driven by lower expected credit losses following a review of the IFRS 9 provisioning model which incorporated updated macro-economic factors, debt collection patterns and analysis of customer payment history. Staff costs, depreciation and other operating costs increased during the period.

The Company's working capital position improved during the period under review. The negative working capital improved from a low of Ksh 74,849 million in June 2020 to Ksh 19,209 Million as shown in the schedule below for the past 6 year period.

	2020	2021 Restated	2022 Restated	2023	2024	2025
	KShs. M	KShs. M	KShs. M	KShs. M	KShs. M	KShs. M
Net Working Capital	(74,849)	(66,938)	(56,535)	(51,234)	(27,439)	(19,209)

This trend reflects the positive impacts of the strategic initiatives implemented towards strengthening the balance sheet through resource optimization to enhance financial sustainability.

Under its Five-Year Strategic Plan, the Company seeks to transform its operational model to enhance the reliability and efficiency of power distribution while unlocking new growth opportunities aimed at strengthening long-term financial performance. The strategy prioritizes key areas such as improving cash flow generation through revenue growth and protection, driving cost optimization across all business segments, reducing financing costs and foreign currency exposure to reinforce its financial resilience.

To realize these objectives, the Company will continue to implement targeted initiatives focused on increasing sales, maximizing revenue collection, debt portfolio realignment, exploring innovative financing mechanisms, and diversifying income streams.

Preparation of financial statements on a going concern basis

The Company has made notable progress in improving its financial position, especially its working capital, as evidenced by positive cash flows from operations and a strengthened working capital position. These improvements, together with the strategic initiatives outlined above, are expected to further solidify the Company's financial standing and support improved business performance into the future.

The Board of Directors and Management remain confident that the ongoing initiatives will drive a sustainable financial turnaround and enhance long-term business viability. They reaffirm their unwavering commitment to these efforts, aimed at ensuring business continuity and delivering excellence in service to customers.

In view of the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

(b) Changes in accounting policy and disclosures

(i) New and amended standards and interpretations in issue and effective in the year ended 30 June 2025.

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(b) Changes in accounting policy and disclosures (continued)

Title	Description	Effective Date
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	The amendments specify: i. when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date. ii. how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and iii. new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.	1 January 2026

The Directors have assessed the applicable standards and amendments. Based on their assessment of the impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt these standards, if applicable, when they become effective:

Title	Description	Effective Date
IFRS 18 Presentation and Disclosure in Financial statements	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.
IFRS 19 Subsidiaries without Public Accountability	IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024. IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for their disclosure requirements. Instead, these entities apply the requirements in IFRS 19	An entity may elect to apply this Standard for reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

None of the standards and interpretations listed above are expected to have a significant impact on the Company's financial statements when they become effective.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

(b) Changes in accounting policy and disclosures (continued)

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue

(i) Electricity sales

The Company's contracts with domestic business and other electricity consumers covers the sale of electricity, with a performance obligation on the Company to supply electricity to the customer. The transaction price depends on the customer tariff category as determined by the Energy and Petroleum Regulatory Authority (EPRA). The revenue is recognised based on the fees chargeable from the customer. If automated meter reading is not available, the electricity consumption between the last meter reading and end of the month is estimated.

Electricity sales revenue is recognised when customers on post-paid metering are billed for the power consumed. The billing is done for each monthly billing cycle based on the units consumed as read on the customers' electricity meters and the approved consumer tariffs. Uncollected revenue is included in electricity receivables, net of provision for expected credit losses, to the extent that it is considered recoverable. Electricity sales revenue for customers on prepaid metering is recognised when customers purchase electricity units and then adjusted for the estimated amount of unconsumed power based on the consumption rate over a period of time.

(ii) Fuel cost charge

The Company recognises revenue relating to fuel costs recoveries in the month of approval by the Energy and Petroleum Regulatory Authority (EPRA). The billing to customers is based on their individual consumption in the month and applied as a charge per KWh. Fuel costs recoveries comprise the actual amounts billed to the customers.

(iii) Foreign exchange adjustment

Exchange variations on payments for foreign currency denominated obligations, arising from exchange rate differences beyond the approved rate as factored in the retail tariffs, are recognised and charged or refunded to the consumers of electricity to recover/credit the losses/gains in the foreign exchange rates. The net foreign currency losses/gains are passed on to the customers as a charge per KWh, which is approved each month by the EPRA.

The recovery of fuel costs and the foreign exchange costs is based on supplier invoices and factors in the Regulator's target loss factor in transmission and distribution. For the year ended 30 June 2025, the target loss factor was 17.5% (2024: 18.5%).

(iv) Deferred revenue

The Company has used a weighted average approach to determine the amount of revenue to defer and recognise in the subsequent period(s).

Historical value of transactions and the current month's value of transactions is obtained over each day of the current month.

The historical data is then used to obtain the average number of tokens purchased in a month that is to be applied to the current month's (June 2025) data to obtain the revenue to be deferred.

(b) Other income

(i) Finance revenue

Finance revenue comprises interest receivable from bank and other deposits. Finance revenue is recognised as it accrues in profit or loss, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Other income (continued)

(ii) Rental income

Rental income is recognised on the straight-line basis over the lease term.

(iii) Capital contribution

When the connection provides the customer with a material right to supply of electricity, the connection is allocated to deferred income (contract liabilities) when the customer is connected to the electricity network.

The deferred income is recognised in profit or loss within revenue on a straight-line basis over the estimated customer life/relationship period of 5 years as the connection provides the customer with a material right of renewal that extends the revenue recognition period beyond the initial contractual period. A period of 5 years was determined after considering, inter alia, assumptions about the life cycle of the distribution network used to supply electricity to customers.

(iv) Fibre optic income

This represents income from the lease of Company fibre optic cable lines to third parties. The revenue from fibre optic leases is recognised on a straight-line basis over the lease term.

(c) Power purchase costs

Power purchase costs are recognised based on the actual amounts invoiced to the Company by power suppliers. These costs comprise the following components:

(i) Power Purchase Costs – Renewable Generators

These relate to non-thermal power purchase costs incurred from renewable energy producers, classified either as KenGen or IPPs. The costs include capacity charges, energy charges, steam charges, and foreign currency losses incurred by KenGen which are charged to the Company in accordance with the PPAs.

(ii) Power Purchase Costs – Thermal Power Plants

These relate to power purchase costs incurred from thermal power producers, classified as either KenGen or IPPs. The costs include capacity charges, energy charges, fuel costs, and foreign currency losses incurred by KenGen and recharged to the Company in accordance with the PPAs.

(iii) Unrealised Foreign Exchange Costs

These represent exchange differences arising from the revaluation of outstanding balances denominated in foreign currencies, payable to power suppliers, at the reporting date.

(iv) Other Power Purchase Costs

These comprise additional charges incurred in relation to imported power, including import declaration fees, railway development levies, and any other statutory charges associated with power procurement from foreign sources.

The recharge of power purchase costs relating to customers under the Rural Electrification Scheme (RES) is covered in Note 3 (s).

(d) Inventories

Inventories are stated at the lower of cost and net realisable value after due regard for obsolete and slow-moving stocks. The cost of inventories comprises purchase price, import duties, transport and handling charges and is determined on a weighted average price. Net realisable value is the price at which the inventory can be realised in the normal course of business after allowing for the costs of realisation.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property and equipment

All property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

No depreciation is charged on freehold land. Leasehold land parcels have a finite useful life. The Company amortises the cost of leasehold land over the duration of the lease term. Depreciation on other assets is calculated to write down their cost to their residual values, on a straight-line basis, over their expected useful lives. The depreciation rates used are as follows:

Class	Rates
Buildings	The greater of 2% and 1/the unexpired period of the lease
Transmission and distribution lines	2.5 – 20%
Machinery	2.85 – 6.66%
Motor vehicles & aircrafts	25%
Furniture, equipment and fittings	6.66 – 20%
Computers and photocopiers	20%

The assets' residual values estimated useful lives and methods of depreciation are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for prospectively. An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the recognition of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset at the disposal date) is included in profit or loss for the year. This does not apply to assets acquired by the Company on sale and leaseback transactions.

Properties in the course of construction for production, supply or administrative purposes are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for intended use.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. At the end of each accounting period, the Company conducts impairment tests where there are indications of impairment of an asset.

Capital work in progress

Capital work-in-progress is included under property and equipment and comprises costs incurred on ongoing capital works relating to both customer and internal works. These costs include material, transport and labour cost incurred.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The company's intangible assets currently include software with both finite and indefinite useful lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for the Company's intangible assets are reviewed at least at each financial year end. 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible assets (continued)

Software with indefinite useful lives is not amortised but is reviewed periodically to assess whether the indefinite life classification remains appropriate. If it is determined that the useful life is no longer indefinite, the reclassification to a finite life will be treated as a change in accounting estimate and amortised accordingly.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from unforeseeable changes of such intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(g) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax

Deferred income tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax liabilities are generally recognised for all taxable temporary differences. Deferred income tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred income tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amounts of deferred income tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and assets 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 and liabilities.

Current and deferred income tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(h) Leases

A contract is or contains a lease if it conveys the right to control the use of an identifiable asset for a period of time in exchange for a consideration.

Company as a lessee

For a contract that contains a lease component and additional lease and non-lease components such as the lease of an asset and provision of a maintenance services, the Company shall allocate the consideration payable on the basis of the relative stand-alone prices, which shall be estimated if observable prices are not readily available.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. These two items will be separately disclosed on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Leases (continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs and adjusted for any lease incentives, payments at or prior to commencement of the lease and restoration obligations.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The Lease liability is initially measured at the present value of the lease payments payable over the lease term discounted using the incremental borrowing rate. The incremental borrowing rate is the rate the Company would have to borrow funds necessary (over similar term, with similar security), to obtain similar value asset, in similar economic environment.

The lease liability is subsequently remeasured to reflect changes in the lease term, the assessment of a purchase option, the amounts expected to be payable under residual value guarantees or future lease payments resulting from a change in an index or a rate used to determine those payments.

Company as a lessor

When the Company acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease. Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

The Company recognises operating lease payments as income on a straight-line basis.

(i) Functional currency

The financial statements are presented in Kenya Shillings (Shs), which is the Company's Functional and Presentation currency. Transactions in foreign currencies are initially recorded at the Functional Currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the Functional Currency rate of exchange ruling at the reporting date. Transactions during the year are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in the statement profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(j) 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.

The Company adopted IFRS 9 Financial Instruments with a date of transition of 1 July 2018.

The Company classifies its financial assets into the 'amortised cost' classification category based on the cash flow characteristics of the asset and the business model assessment. All financial liabilities are classified as subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (Continued)

This is demonstrated in the following table.

Description of financial asset/ Financial Liability	IFRS 9 Classification
Short-term deposits (Note 23 (a))	Amortised cost
Cash and bank balances (Note 23 (b))	Amortised cost
Overdraft (Note 23 (b))	Amortised cost
Trade and other receivables (Note 22 (a) and (b))	Amortised cost
Lease liabilities (Note 30)	Amortised cost
Borrowings (Note 31)	Amortised cost
Dividends payable (Note 35)	Amortised cost
Trade and other payables (Note 29 (a) & (b))	Amortised cost
Preference shares (Note 32)	Amortised cost

Financial assets

Classification and measurement

The Company recognises financial assets when it becomes a party to the contractual rights and obligations in the contract. The classification requirements for debt instruments are described below;

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.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Company classifies its debt instruments into amortised 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. For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Trade receivables are amounts due from customers for electricity supplied. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

A provision for impairment of receivables is established using an ECL model in line with the requirements of IFRS 9 as outlined in the next section below. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is charged to profit or loss.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company does not have any financial assets classified as debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company does not have any financial assets classified as equity instruments at fair value through OCI.

Financial assets at fair value through profit or loss

This include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

The Company does not have any financial assets classified under this category.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without considering any collateral held by the Company).

Except for amounts where the counterparty is the Government or related public sector entities or Government Business Entities, the Company considers that default has occurred when a financial asset is more than 90 days past due

The Company writes off debt only when there is objective evidence that the debt will not be recovered and after it has exhausted its collection avenues.

(iii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The Company recognises an impairment gain or loss in profit or loss or other comprehensive income for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(k) 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.

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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(l) Provisions

Provisions are recognised when:

- the Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

(m) Impairment of non-financial assets

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 at reporting date, or when there are indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated, and an impairment loss is recognised in profit or loss whenever the carrying amount of the asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the asset's or cash-generating unit's (CGU's) fair value less costs to sell and its value in use.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

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. In determining fair value less costs to sell, an appropriate valuation model is used. Where it is not possible to estimate the recoverable amount of an individual asset, the Directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment of transmission and distribution lines

A decline in the value of the transmission and distribution lines could have a significant effect on the amounts recognised in the financial statements. Management assesses the impairment of the lines whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that are considered important which could make an impairment review necessary include the following:

- (i) Significant decline in the market value beyond that which would be expected from the passage of time and normal use.
- (ii) Evidence from internal reporting which indicates that the performance of the asset is, or will be, worse than expected.
- (iii) Significant changes with adverse effect on the Company have taken place during the period, or will take place in the near future, in the technology or market environment in which the Company operates, or in the market to which an asset is dedicated.
- (iv) Evidence is available of the obsolescence or physical damage of an asset.
- (v) Significant changes with an adverse effect on the Company have taken place during the period or are expected to take place in the near future, which impact the manner or the extent to which an asset is used. These changes include plans to discontinue or restructure
- (vi) The operation to which an asset belongs to or an asset is disposed before the previously expected date.

In management's judgment, the impaired carrying values of the lines and substations are reinforced, replaced or upgraded under network strengthening, reinforcement and modernisation programs, after considering the above key indicators of impairment.

(n) Employees' benefits

(i) Company's defined contribution scheme

The Company employees are eligible for retirement benefits under a defined contribution scheme. Payments by the company to the defined contribution scheme are charged to the statement of profit or loss as incurred.

(ii) Company's defined benefit scheme

Pensioners and deferred pensioners (those who have left the employment of the Company but have not attained retirement age to qualify as pensioners) existing at 30 June 2006 are eligible for retirement benefits under a defined benefit scheme.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as service costs (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), net interest expense or income and remeasurement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

(ii) Company's defined benefit scheme (continued)

The Company presents the first two components of defined benefit costs in profit or loss in the line item of pension cost-defined benefit scheme (included in staff costs). Curtailment gains and losses are accounted for as past service costs.

The retirement benefit asset recognised in the Company's statement of financial position represents the actual surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(iii) Statutory defined contribution pension scheme

The employees and the Company also contribute to the National Social Security Fund, a national defined contribution scheme. Contributions are determined by the country's statutes and the Company's contributions are charged to profit or loss as incurred.

(o) Operating segments

The Company's business is organised by regions comprising : Nairobi, Coast, Central Rift, Mt Kenya, North-Eastern, Western, South Nyanza, and North Rift. These operating segments have been aggregated into four reportable segments: Nairobi, Coast, West Kenya, and Mount Kenya. Business administration is by geographic region as the Company deals in only supply of electricity. There are no inter-region sales. The Chief Operating Decision Maker (CODM) is the Executive Management Committee.

Regions derive their revenues from the distribution and retail of electricity purchased centrally in bulk by the head office. Region assets and liabilities comprise those operating assets and liabilities that are directly attributable to the region or can be allocated to the region on a reasonable basis.

Capital expenditure represents the total cost incurred during the year to acquire assets for the regions that are expected to be used during more than one period (property and equipment).

(p) Earnings per share

Basic and diluted earnings per share (EPS) data for ordinary shares are presented in the financial statements. Basic EPS is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares, if any.

(q) Dividends

Dividends on ordinary shares are charged to reserves in the period in which they are declared. Proposed dividends are not accrued until ratified in an Annual General Meeting.

(r) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

(s) Recharge of costs to Rural Electrification Scheme

The Rural Electrification Scheme (RES) was established in 1973 by the Government of Kenya following an agreement between the Government and East African Power & Lighting Company (now The Kenya Power and Lighting Company Plc (KPLC)). The Scheme was established with the specific objective of extending electricity to the rural areas

Recharge of costs to the RES is based on a formula determined by the Government of Kenya following an agreement between it and East African Power & Lighting Company Limited, the predecessor to The Kenya Power & Lighting Company Plc.

The power purchase costs recharge is calculated as a proportion of RES electricity unit sales to gross electricity unit sales. The distribution costs recharge is calculated based on 2% and 4% of the total high voltage and low voltage assets respectively in the books of RES at the close of the financial year.

Customer service costs recharge is calculated as a proportion of RES metered customers to total number of metered customers. Administration costs recharge are calculated based on the proportion of RES electricity unit sales to gross electricity unit sales.

(t) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the accounting policies adopted by the Company, the Directors make certain judgements and estimates that may affect the amounts recognised in the financial statements. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. However, actual results may differ from those estimates. The judgements and estimates are reviewed at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available, and any revisions to such judgements and estimates are recognised in the year in which the revision is made.

(a) Significant judgements made in applying the Company's accounting policies

The judgements made by the Directors in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

- (i) Whether it is probable that future taxable profits will be available against which temporary differences can be utilised;
- (ii) Classification of financial assets: whether the business model in which financial assets are held has as its objective the holding of such assets to collect contractual cash flows or to both collect contractual cash flows and sell the assets; and whether the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest; and whether credit risk on financial assets has increased significantly since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Key sources of estimation uncertainty

The key assumptions about the future, and other sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year include;

Deferred prepaid revenue

Revenue from prepaid customers is recognised when the customer purchases the tokens, before the customer actually consumes the electricity. The amount of unused tokens to be adjusted at year end is estimated based on historical customer trends.

Further details on deferred prepaid revenue are disclosed in Note 29(b).

Impairment losses on trade and other receivables

When measuring expected credit losses (ECL), the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Further details on impairment losses on trade receivables are disclosed in Note 21(c).

Provisions

The Company faces exposure to claims and other liabilities. The claims and other liabilities normally take time to be determined and therefore significant judgement is required in assessing the likely outcome and the potential liabilities for such matters.

Further details on provisions are disclosed in Note 29.

Deferred income tax assets

Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of the carrying value of recognised tax losses at 30 June 2025 are provided in Note 28.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. 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. Details of the defined benefit asset at 30 June 2025 are provided in Note 33.

Useful lives of property and equipment

The Company's management determines the estimated useful lives and related depreciation charges for its property and equipment. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down obsolete items of property and equipment that have been abandoned or sold.

Further details on useful lives of property and equipment are provided in Note 17.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay'. The Company estimates the IBR using observable inputs (such as market interest rates).

Further details on the IBR are disclosed in Notes 3 (h) and 31.

Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

Further details on determination of lease term are disclosed in Note 3(h).

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Property lease classification – Company as lessor

The Company has entered into fibre optic leases on its property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property portfolio and the present value of the minimum lease payments not amounting to substantially all of the fair value of the fibre optic, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Amortisation of capital contribution

Capital contribution is the amount contributed by new customers and relates to assets such as cables used in connecting the customer. Management assumes a useful life of five years for capital contribution assets and therefore amortizing them over 5 years. An amortisation period of 5 years is used after considering, inter alia, assumptions about the life cycle of the distribution network used to supply electricity to customers. Further details on amortisation of capital contribution are disclosed in Note 27.

Provision for slow moving inventories

Provision for inventories is based on the aged report obtained from the system. This is also determined through physical verification of the inventories during stock counts and also based on experience and the usage of the products.

Further details on provisions for slow moving inventories are disclosed in Note 21.

5. OPERATING SEGMENTS

The Company's internal reporting is based on eight administrative regions: Nairobi, Coast, Central Rift, Mt Kenya, North-Eastern, Western, South Nyanza, and North Rift. These regions represent the Company's operating segments, each managed by a Regional Manager who is responsible for monitoring performance, allocating resources, and driving operational decisions. However, for the purposes of external segment reporting, these operating segments have been aggregated into four reportable segments: Nairobi, Coast, West Kenya, and Mount Kenya. The aggregation is based on the similarity of economic characteristics, nature of services, and customer profiles across the regions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OPERATING SEGMENTS (continued)

The table below shows the Company's revenue, expenses, assets and liabilities per region. The table also shows capital expenditure and depreciation by region for the year. There are no inter-segment sales, and all revenue is from external customers. Energy purchase and head office expenses are apportioned to various regions based on percentage unit sales.

2025	Nairobi Region	West Kenya Region	Coast Region	Mount Kenya Region	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Revenue	101,763,750	42,238,472	37,974,244	37,308,102	219,284,568
Energy purchases	(62,254,883)	(32,621,388)	(23,692,764)	(26,094,570)	(144,663,605)
Operating expenses	(14,411,617)	(14,393,234)	(5,048,637)	(8,567,949)	(42,421,437)
Other income	2,684,116	1,793,362	1,036,300	1,752,781	7,266,559
Operating profit	27,781,366	(2,982,788)	10,269,143	4,398,364	39,466,085
Finance income					625,218
Finance costs					(4,716,619)
Income tax expense					(10,908,159)
Profit for the year					24,466,525
Assets	113,129,716	139,048,429	39,682,569	97,178,780	389,039,491
Liabilities	96,594,012	72,665,569	46,350,886	64,035,375	279,645,842
Capital expenditure (including intangible assets)	16,147,297	5,689,275	5,003,032	2,673,076	29,512,680
Depreciation/amortization	6,809,700	5,212,306	2,016,407	3,554,548	17,592,961

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OPERATING SEGMENTS (continued)

There were no revenues deriving from transactions with a single external customer that amounted to 10% or more of the Company's revenue. Finance income, finance costs and tax expenses are not segment specific and are largely head office items and therefore have not been apportioned to the operating segments.

2024	Nairobi Region Shs'000	West Kenya Region Shs'000	Coast Region Shs'000	Mount Kenya Region Shs'000	Total Shs'000
Revenue	105,578,988	44,833,417	41,599,166	39,112,026	231,123,597
Energy purchases	(82,833,247)	(27,109,063)	(27,109,063)	(13,554,531)	(150,605,904)
Operating expenses	(17,474,344)	(14,493,667)	(5,774,628)	(8,535,300)	(46,277,939)
Other income	3,443,824	1,634,249	995,588	1,175,860	7,249,521
Operating profit	8,715,221	4,864,936	9,711,063	18,198,055	41,489,275
Finance income					1,493,956
Finance costs					682,798
Income tax expense					(13,585,659)
Profit for the year					30,080,370
Assets	120,001,077	127,906,313	41,483,777	68,695,032	358,086,199
Liabilities	122,299,867	62,117,695	45,423,845	40,930,630	270,772,037
Capital expenditure (including intangible assets)	13,729,114	4,837,262	4,253,789	2,272,762	25,092,927
Depreciation/amortization	6,877,620	4,896,341	1,953,105	2,768,433	16,495,499

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OPERATING SEGMENTS (continued)

The Company's core business in the four regions (reporting segments) continues to be the transmission, distribution and retail of electricity. There is no distinguishable component of the Company that is engaged in providing an individual service that is subject to risks and returns that are different from those of other business segments.

The information on property and equipment details at net book values is shown below:

2025	Land and buildings*	Lines	Machinery	Motor vehicles	Furniture equipment and other	Intangible assets	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Transmission	361,859	16,193,191	3,910	4,603	315,608	-	16,879,171
Distribution	11,142,523	211,982,813	768,815	1,676,236	22,192,440	2,052,797	249,815,624
Total	11,504,382	228,176,004	772,725	1,680,839	22,508,048	2,052,797	266,694,795

2024	Land and buildings*	Lines	Machinery	Motor vehicles	Furniture equipment and other	Intangible assets	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Transmission	370,337	17,233,855	4,142	7,791	294,588	-	17,910,713
Distribution	11,334,079	208,078,646	828,103	1,667,916	16,625,181	2,013,305	240,547,230
Total	11,704,416	225,312,501	832,245	1,675,707	16,919,769	2,013,305	258,457,943

* Includes freehold land and buildings and prepaid leases on leasehold land disclosed in Note 17 and Note 18 respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FINANCIAL RISK AND CAPITAL MANAGEMENT

Information about the Company's exposure to risks, its objectives, policies and processes for measuring and managing such risks, as well as quantitative disclosure, is discussed in this Note. The management of capital is also discussed.

The Company has an integrated risk management framework. The Company's approach to risk management is based on risk governance structures, risk management policies, risk identification, measurement and reporting. Three types of risks are reported as part of the risk profile, namely operational, strategic and business continuity risks.

For the Company, a strategic risk is a significant unexpected or unpredictable change or outcome beyond what was factored into the organisation's strategy and business model which could have an impact on the Company's performance.

Business continuity risks are those events, hazards, variances and opportunities which could influence the continuity of the Company.

One of the key risks for the Kenya Power and Lighting Company Plc, identified both under the operational and strategic risk categories, is financial sustainability of the Company. The financial risks, as defined by IFRS 7, and the management thereof, form part of this key risk area.

The Board of Directors has delegated the management of the Companywide risk to the Finance and Risk Committee. One of the committee's responsibilities is to review risk management strategies in order to ensure business continuity and survival. Most of the financial risks arising from financial instruments are managed in the centralised finance function of the Company.

The Company's exposure to risk, its objectives, policies and processes for managing the risk and the methods used to measure it have been consistently applied in the years presented, unless otherwise stated.

The Company has exposure to the following risks as a result of its financial instruments:

(a) Credit Risk

The Company has exposure to credit risk, which is the risk that a counter party will be unable to pay amounts in full when due. Credit risk mainly arises from electricity and other receivables, short-term deposits and bank balances. Counterparty risk is the risk that a counterparty is unable to meet its financial and/or contractual obligations during the period of a transaction. Delivery or settlement risk is the risk that counterparty does not deliver on its contractual commitment on maturity date (including the settlement of money and delivery of securities).

Credit risk arising from short-term deposits and bank balances is low because the counter parties are financial institutions with high credit ratings. Bank balances and bank deposits are thus low credit risk assets.

Management assesses the credit quality of each counterparty, taking into account its financial position, past experiences and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FINANCIAL RISK AND CAPITAL MANAGEMENT(continued)

The tables below detail the credit quality of the Company's financial assets as well as the Company's maximum exposure to credit risk by credit risk rating grade:

	Notes	Gross carrying amount	Loss allowance	Net amount
30 June 2025		Shs'000	Shs'000	Shs'000
Electricity receivables	22(a)	39,032,248	(13,328,264)	25,703,984
Prepaid fixed charge receivable		2,407,357	(2,407,357)	-
Other receivables		44,923,900	(5,391,703)	39,532,197
Short-term deposits	23(a)	279,471	(4,536)	274,935
Bank balances	23(b)	7,405,969	(93,426)	7,312,543
		94,048,945	(21,225,286)	72,823,659

	Notes	Gross carrying amount	Loss allowance	Net amount
30 June 2024		Shs'000	Shs'000	Shs'000
Electricity receivables	22(a)	36,066,667	(19,284,855)	16,781,812
Prepaid fixed charge receivable		2,460,567	(2,460,567)	-
Other receivables		38,757,856	(4,828,241)	33,929,615
Short-term deposits	23(a)	550,460	(7,360)	543,100
Bank balances	23(b)	9,068,894	(71,313)	8,997,581
		86,904,444	(26,652,336)	60,252,108

The customers under the fully performing category are paying their debts.

The loss allowance represents the debt that is fully provided for in line with the expected credit loss model.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FINANCIAL RISK AND CAPITAL MANAGEMENT(continued)

Trade Receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Company's electricity receivables and other receivables using a provision matrix:

Total exposure as at 30 June 2025

	0-30	31-90	>90	
	Shs'000	Shs'000	Shs'000	Shs'000
Electricity receivables	16,498,565	4,057,979	18,475,704	39,032,248
Prepaid fixed charge receivable		-	2,407,357	2,407,357
Other receivables	7,666,409	917,808	36,339,682	44,923,899
Short term deposits	279,471	-	-	279,471
Bank balances	7,405,969	-	-	7,405,969
Total	31,850,414	4,975,787	57,222,743	94,048,944

Total exposure as at 30 June 2024

	0-30	31-90	>90	
	Shs'000	Shs'000	Shs'000	Shs '000
Electricity receivables	14,688,764	3,223,554	18,154,349	36,066,667
Prepaid fixed charge receivable		-	2,460,567	2,460,567
Other receivables	5,264,538	537,959	32,955,359	38,757,856
Short term deposits	550,460	-	-	550,460
Bank balances	9,068,894	-	-	9,068,894
Total	29,572,656	3,761,513	53,570,275	86,904,444

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FINANCIAL RISK AND CAPITAL MANAGEMENT(continued)

Trade Receivables (continued)

Total impairment as at 30 June 2025

	0-30	31-90	>90	
	Shs'000	Shs'000	Shs'000	Shs'000
Electricity receivables	237,451	277,024	12,813,789	13,328,264
Prepaid fixed charge receivable	-	-	2,407,357	2,407,357
Other receivables	166,218	48,132	5,177,352	5,391,702
Short term deposits	4,536	-	-	4,536
Bank balances	93,426	-	-	93,426
Total	501,631	325,156	20,398,498	21,225,285

Total impairment as at 30 June 2024

	0-30	31-90	>90	
	Shs'000	Shs'000	Shs'000	Shs'000
Electricity receivables	639,101	1,330,675	17,315,079	19,284,855
Prepaid fixed charge receivable	-	-	2,460,567	2,460,567
Other receivables	605,970	431,636	3,790,635	4,828,241
Short term deposits	7,360	-	-	7,360
Bank balances	71,313	-	-	71,313
Total	1,323,744	1,762,311	23,566,281	26,652,336

Expected credit loss rate (Electricity receivables) at:	0-30 days	31-90 days	>90 days
30 June 2025	1%	7%	70%
30 June 2024	4%	41%	95%

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

Management of credit risk

Financial instruments are managed by the Finance and Commercial Services functions.

Management of electricity receivables

The Company supplies electricity to customers in its licensed areas of supply. A large proportion comprises small commercial and domestic customers who settle their accounts within twenty-one days after receipt of the bill. The Company's exposure to credit risk is influenced by the individual characteristics of each customer.

In monitoring credit risk, customers are grouped according to their credit characteristics, including whether they are large, small or domestic electricity users, profile, security (deposits and guarantees) held and payment history.

The main classes of electricity receivables are industrial, government ministries, local authorities, parastatals, commercial and domestic customers. Electricity supply agreements are entered into with all customers. All postpaid customers are required to deposit an amount equivalent to two times their monthly consumption being security in the form of a cash deposit depending on the load supplied, subject to a minimum of two thousand five hundred shillings. Industrial and large commercial customers have the option of providing a bank guarantee in lieu of a cash deposit. Payment is enforced by way of disconnection of the supply if bills are not paid within twenty-one days after billing. No interest is charged on balances in arrears.

The Company has well-established credit control procedures that monitor activity on customer accounts and allow for remedial action should the customer not comply with payment terms. These procedures include the issue of a notice for disconnection of supply, an internal collection process; follow up of the customer by telephone or in person, negotiations of mutually acceptable payment arrangements and letters of demand. Non-payment will result in disconnection of supply and the account's closure if the disconnection is done and there is no payment within three months. Any collateral, whether a cash deposit or bank guarantee, will be applied against the outstanding debt. The legal collection process is pursued thereafter.

The decision to impair overdue amounts is assessed on the probability of recovery based on the customer's credit risk profile.

Progress on the collection process is reviewed on a regular basis and if it is evident that the amount will not be recovered, it is recommended for write-off in terms of the Company's policy. The process of recovery continues unless it is confirmed that there is no prospect of recovery or the costs of such action will exceed the benefits to be derived. Amounts written off are determined after taking into account the value of the security held.

The Company evaluates the concentration of risk with respect to electricity receivables as low, as its customers are located in all regions in Kenya and electricity is supplied to different classes of customers including individual households, private industries, companies and Government institutions. The total cumulative provision for impairment of electricity receivables at 30 June 2025 was Shs 13,328 million (2024: Shs 19,284 million).

The Company continues to install prepaid and smart meters as strategies to minimise the risk of non-collection. In addition, the following strategies are currently in operation and are largely successful in other high-risk areas of non-paying customers. These include:

- Disconnections
- Increased internal debt management capacity
- Use of third party debt collectors
- Focus on early identification and requirement for higher security deposits for defaulting customers

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient financial resources to meet its obligations when they fall due or will have to do so at excessive cost. This risk can arise from mismatches in the timing of cash flows from revenue and capital and operational outflows. The objective of the Company's liquidity management is to ensure that all foreseeable operational, capital expansion and loan commitment expenditure can be met under both normal and stressed conditions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

(b) Liquidity Risk (continued)

The Company has adopted an overall balance sheet approach, which consolidates all sources and uses of liquidity, while aiming to maintain a balance between liquidity, profitability and interest rate considerations.

The Company's liquidity management process includes:

- Projecting cash flows and considering the cash required by the company and optimising the short-term requirements as well as the long-term funding;
- Monitoring statement of financial position liquidity ratios;
- Maintaining a diverse range of funding sources with adequate back-up facilities;
- Managing the concentration and profile of debt maturities; and
- maintaining liquidity contingency plans.

The table below summarises the maturity profile of the Company's financial liabilities based on the remaining period using 30 June as a base period to the contractual maturity date and the undiscounted cash flows:

	On demand Shs'000	Less than 3 months Shs'000	3 -12 months Shs'000	1-5 Years Shs'000	>5 years Shs'000	Total Shs'000
At 30 June 2025						
Borrowings	-	-	17,496,348	55,892,192	40,389,068	113,777,608
Trade and other payables	373,065	58,024,367	24,630,650	227,325	14,139,344	97,394,751
Lease liabilities	-	-	259,016	469,101	331,595	1,059,712
Dividends payable	1,631,848	-	-	-	-	1,631,848
	2,004,913	58,024,367	42,386,014	56,588,618	54,860,007	213,863,919
At 30 June 2024						
Borrowings	-	-	16,619,184	75,152,127	41,537,733	133,309,044
Trade and other payables	330,636	48,575,338	22,767,601	516,424	14,566,800	86,756,799
Lease liabilities	-	-	230,644	417,716	295,272	943,632
Dividends payable	748,190	-	-	-	-	748,190
	1,078,826	48,575,338	39,617,429	76,086,267	56,399,805	221,757,665

The Company has an established corporate governance structure and process for managing the risks regarding guarantees and contingent liabilities. All significant guarantees issued by the Company are approved by the Board of Directors and are administratively managed by the treasury department. Updated guarantee schedules are compiled every month.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FINANCIAL RISK AND CAPITAL MANAGEMENT(continued)

(c) Market Risk

Market risk is the risk that the fair value or future cash flow of financial instruments will fluctuate because of changes in foreign exchange rates, commodity prices and interest rates. The objective of market risk management policy is to protect and enhance the statement of financial position and statement of comprehensive income by managing and controlling market risk exposures within acceptable parameters and to optimise the funding of business operations and facilitate capital expansion. The Company is exposed to the following risks:

(i) Currency Risk

Currency risk arises primarily from purchasing imported goods and services directly from overseas or indirectly via local suppliers and foreign borrowings. The Company is exposed to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities that are denominated in a currency other than the Functional Currency of the Company.

The following table demonstrates the sensitivity to a reasonably possible change in the respective foreign currency/Shs exchange rate, with all other variables held constant, on the Company's loss/profit before income tax (due to changes in the fair value of monetary assets and liabilities)

Currency	Appreciation/ (depreciation) of exchange rate	Effect on profit/ (loss) before tax Shs million	Effect on equity Shs million
Year 2025			
US\$	+/-5%	+/- 4,293	+/- 3,005
Euro	+/-4%	+/- 821	+/- 575
Year 2024			
US\$	+/-5%	+/- 4,820	+/- 3,374
Euro	+/-4%	+/- 749	+/- 524

Management of currency risk

Exposure due to foreign currency risk is managed by recovering from customers the realised fluctuations in the exchange rates not factored in the retail tariffs.

(ii) Commodity or price risk

Commodity or price risk arises from the fuel that is used for the generation of electricity.

Exposure due to commodity risk is managed by passing the cost of fuel used in generation to customers. In addition, the Company has well-established credit control procedures that monitor activity on customer accounts and allow for remedial action should the customer not comply with payment terms. These procedures include the issue of a notice of disconnection of supply, an internal collection process; follow up of the customer by telephone or in person, negotiations of mutually acceptable payment arrangements and letters of demand. Non-payment will result in disconnection of supply and the customer's account being closed. The legal collection process is pursued thereafter.

The decision to impair overdue amounts is assessed on the probability of recovery based on the customer's credit risk profile.

(iii) Interest rate risk

Interest rate risk is the risk that the Company's financial condition may be adversely affected as a result of changes in interest rate levels. The Company's interest rate risk arises from short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Long-term borrowings issued at fixed rates expose the Company to fair value interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Company's borrowings.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FINANCIAL RISK AND CAPITAL MANAGEMENT(continued)

(c) Market Risk (continued)

Management of interest rate risk

To manage the interest rate risk, the Company monitors the changes in interest rates in the currencies in which loans and borrowings are denominated. Additionally, the Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Based on the various scenarios, the Company also manages its fair value interest rate risk by using floating -to- fixed interest rate swaps, where applicable.

Sensitivity Analysis

The Company analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The calculation excludes borrowing costs capitalised in terms of the Company's accounting policy. The analysis has been performed on the same basis as the prior year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Change in interest rate	Effect on profit / (loss) before tax Shs' 000	Effect on equity Shs' 000
2025			
	1%	876,352	613,446
	5%	4,381,759	3,067,231
2024			
	1%	945,518	661,863
	5%	4,727,592	3,309,314

The assumed movement in interest rate is based on the currently observable market environment.

d) Capital Management

Capital managed by the Company is the equity attributable to the equity holders. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

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 or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2025 and 30 June 2024.

The Company monitors capital using a gearing ratio. This ratio is calculated as net debt divided by capital. Net debt is calculated as total of interest-bearing loans and borrowings, less cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

d) Capital Management (continued)

	2025	2024
	Shs' million	Shs' million
Interest-bearing loans and borrowings (Note 37 (b)(i)))	87,635	98,515
Cash and cash equivalents (Note 37 (b)(i)))	(7,685)	(9,574)
Net debt	79,950	88,941
Equity	109,336	87,314
Gearing Ratio	73%	102%

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. Further information on compliance of debt covenants is disclosed in Note 31 (d).

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2025 and 30 June 2024.

(e) Fair Values of Financial Assets and Liabilities

The management assessed that the fair values of the Company's financial instruments approximate their carrying amounts.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

None of the financial instruments is carried at fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. REVENUE

IFRS 15 Revenue from contracts with customers requires disclosure to reflect the nature, timing, amount and uncertainty of its revenue within its disclosure requirements. The Company has determined that the disaggregation using the below segments and the nature of revenues is appropriate for its circumstances.

(a) Revenue from contracts with customers

	2025 Shs'000	2024 Shs'000
Electricity sales*		
• Post-paid	146,508,705	150,969,121
• Prepaid	37,565,704	34,297,848
Foreign exchange adjustment	10,412,662	23,938,217
Fuel cost charge	27,168,969	24,292,059
	221,656,040	233,497,245
Revenue apportioned to RES**	(2,371,472)	(2,373,648)
	219,284,568	231,123,597

*All electricity sales are recognised at a point in time.

**Revenue apportioned to RES based on electricity retail tariff approved by EPRA.

(b) Unit sales

Analysis of unit sales by broad customer category in gigawatt-hours (GWh) is as follows:

	2025 GWh	2024 GWh
Type of customers		
Domestic	3,649	3,220
Small Commercial	1,910	1,717
Commercial and Industrial	5,621	5,432
Street Lighting	150	104
Exports	73	43
	11,403	10,516
Less:		
RES unit sales	(760)	(661)
KPLC unit sales	10,643	9,855

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. REVENUE (continued)

(c) Other income

	2025 Shs'000	2024 Shs'000
Amortisation of capital contribution (Note 27)	2,804,165	3,675,584
Fibre optic leases	935,873	939,530
Miscellaneous Revenue	2,339,597	1,322,782
Capital contribution - KPLC last mile	135,700	162,606
Reconnection charges	930,607	1,004,351
Rent	120,617	144,668
	7,266,559	7,249,521

8. COST OF SALES

	2025 Shs'000	2024 Shs'000
Renewable energy (8 (a))	100,031,199	106,366,490
Thermal energy (8 (b))	44,198,185	43,756,771
Unrealised foreign exchange costs (8 (d))	416,110	279,497
Other power purchase costs*	18,111	203,146
	144,663,605	150,605,904

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

2025

(a) Renewable Energy

The purchase costs from renewable energy sources, categorised by generation technology and power producer, were as follows:

(i) Hydro

	Units GWh	Energy Shs'000	Capacity Shs'000	Forex Shs'000	Steam Shs'000	Total Shs'000
KenGen						
Major hydros	3,374	1,029,683	7,783,902	587,570	-	9,401,155
Small hydros	75	740,072	-	2,474	-	742,546
	3,449	1,769,755	7,783,902	590,044	-	10,143,701
Independent Power Producers						
Regen-Terem	22	275,802	-	-	-	275,802
Metumi Power Plant	15	150,105	-	-	-	150,105
Gura	13	132,461	-	-	-	132,461
Hydro Project Services Peters	3	43,686	-	-	-	43,686
Power Technology Solutions Limited	1	18,156	-	-	-	18,156
Chania Power Limited	0.8	1,166	-	-	-	1,166
Imenti Tea Factory	0.014	109	-	-	-	109
	55	621,485	-	-	-	621,485
Hydros Total	3,504	2,391,240	7,783,902	590,044	-	10,765,186

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

(ii) Geothermal

	Units GWh	Energy Shs'000	Capacity Shs'000	Forex Shs'000	Steam Shs'000	Total Shs'000
KenGen						
Olkaria II	689	90,390	2,888,377	277,737	-	3,256,504
Olkaria IV	993	1,259,209	4,160,320	390,355	2,569,335	8,379,219
Olkaria I AU (units 4 & 5)	786	996,095	2,649,574	341,542	2,033,780	6,020,991
Olkaria V	1,183	1,548,991	7,620,809	343,193	-	9,512,993
Olkaria I (unit 6)	586	638,765	3,768,834	264,326	-	4,671,925
Eburru Hill	4	43,540	-	-	-	43,540
Wellheads	268	1,837,674	-	-	1,041,450	2,879,124
	4,509	6,414,664	21,087,914	1,617,153	5,644,565	34,764,296
Independent Power Producers						
OrPower 4 Inc.	883	4,061,735	10,939,359	-	-	15,001,094
Sosian Menengai	326	2,212,644	-	-	-	2,212,644
GDC	-	-	-	-	845,333	845,333
	1,209	6,274,379	10,939,359		845,333	18,059,071
Geothermal Total	5,718	12,689,043	32,027,273	1,617,153	6,489,898	52,823,367

(iii) Wind

KenGen						
Ngong	48	331,074	-	72,707	-	403,781
Independent Power Producers						
Lake Turkana Wind Power	1,437	16,376,255	-	-	-	16,376,255
Kipeto Energy Plc	423	6,561,562	-	-	-	6,561,562
	1,860	22,937,817	-	-	-	22,937,817
Wind Total	1,908	23,268,891	-	72,707	-	23,341,598

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

(iv) Solar

	Units GWh	Energy Shs'000	Capacity Shs'000	Forex Shs'000	Steam Shs'000	Total Shs'000
Independent Power Producers						
Strathmore University	0.07	1,157	-	-	-	1,157
Selenkei Solar Farm	94	1,511,124	-	-	-	1,511,124
Cedate Solar Farm	92	1,487,384	-	-	-	1,487,384
Malindi Solar Group	97	1,552,729	-	-	-	1,552,729
Alten Kenya	107	1,724,960	-	-	-	1,724,960
	390	6,277,354	-	-	-	6,277,354
REREC Garissa Solar Plant	83	588,396	-	-	-	588,396
Solar Total	473	6,865,750	-	-	-	6,865,750
(v) Cogeneration						
Biojoule Kenya Limited	0.003	47	-	-	-	47
(vi) Imports						
Uganda Electricity Transmission Company Limited	226	2,692,854	-	-	-	2,692,854
Ethiopia Electricity Power Company (EEP)	1,268	11,480,474	-	-	-	11,480,474
Ethiopian Electric Utility (EEU) Moyale	6	163,858	-	-	-	163,858
TANESCO- 400kV	34	419,715	-	-	-	419,715
Imports Total	1,534	14,756,901	-	-	-	14,756,901
	13,136	59,971,871	39,811,175	2,279,904	6,489,898	108,552,849
Less:						
Recharged to RES	(876)	-	-	-	-	(8,521,650)
	12,260	59,971,871	39,811,175	2,279,904	6,489,898	100,031,199

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

(b) Thermal energy

The purchase costs from thermal energy sources, categorised by power producer, were as follows:

	Units GWh	Energy Shs'000	Capacity Shs'000	Fuel Shs'000	Forex Shs'000	Total Shs'000
KenGen						
Kipevu Diesel Power III	461	487,864	2,352,535	8,900,148	303,035	12,043,582
Muhoroni GT	15	10,004	288,769	714,823	-	1,013,596
	476	497,868	2,641,304	9,614,971	303,035	13,057,178
Independent Power Producers						
Rabai Power Limited	489	681,801	3,051,159	8,361,731	-	12,094,691
Thika Power Limited	133	200,618	2,657,861	2,438,981	-	5,297,460
Iberafrica Power (E.A.) Company Limited	60	107,795	2,139,313	1,259,672	-	3,506,780
Gulf Power Limited	42	54,421	2,590,200	919,510	-	3,564,131
Triumph Power Generating Company Limited	47	74,453	3,555,953	884,603	-	4,515,009
	771	1,119,088	13,994,486	13,864,497	-	28,978,071
Off grid power stations	88	-	-	4,017,883	-	4,017,883
	1,335	1,616,956	16,635,790	27,497,351	303,035	46,053,132
Less:						
Recharged to RES	(89)	-	-	-	-	(1,854,947)
	1,246	1,616,956	16,635,790	27,497,351	303,035	44,198,185

Fuel cost is a pass through cost. During the year, fuel cost amounted to Shs 23,479 million (2024: Shs 24,910 million) against recovery of Shs 27,169 million (2024: Shs 24,292 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

2024

(a) Renewable Energy

The non-thermal purchase costs according to technology of generation and the source/ power producer were as follows:

(i) Hydro

	Units GWh	Energy Shs'000	Capacity Shs'000	Forex Shs'000	Steam Shs'000	Total Shs'000
KenGen						
Major hydros	3,260	1,000,334	7,874,949	938,564	-	9,813,847
Small hydros	75	773,697	-	49,326	-	823,022
	3,335	1,774,031	7,874,949	987,890	-	10,636,869
Independent Power Producers						
Regen-Terem	23	319,103	-	-	-	319,103
Metumi Power Plant	17	264,178	-	-	-	264,178
Gura	14	156,219	-	-	-	156,219
Hydro Project Services Peters	3	48,796	-	-	-	48,796
Power Technology Solutions Limited	2	22,264	-	-	-	22,264
Chania Power Limited	1	29,949	-	-	-	29,949
Imenti Tea Factory	1	8,296	-	-	-	8,296
	61	848,805	-	-	-	848,805
Hydros Total	3,396	2,622,836	7,874,949	987,890	-	11,485,674

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

(a) Renewable Energy (Continued)

	Units GWh	Energy Shs'000	Capacity Shs'000	Forex Shs'000	Steam Shs'000	Total Shs'000
(ii) Geothermal						
KenGen						
Olkaria I (units 1,2 & 3)	-	-	-	-	-	-
Olkaria II	627	79,879	2,404,278	350,510	-	2,834,667
Olkaria IV	970	1,195,332	4,132,285	594,980	2,801,603	8,724,200
Olkaria I AU (units 4 & 5)	1,020	1,257,907	3,758,096	588,227	3,019,308	8,623,538
Olkaria V	1,164	1,485,429	7,583,782	529,298	-	9,598,509
Olkaria I (unit 6)	583	620,116	3,975,645	470,020	-	5,065,781
Eburru Hill	9	107,132	-	-	-	107,132
Wellheads	260	2,074,317	-	-	1,144,257	3,218,574
	4,633	6,820,112	21,854,086	2,533,035	6,965,168	38,172,401
Independent Power Producers						
OrPower 4 Inc.	793	4,204,212	11,501,045	-	-	15,705,257
Sosian Menengai	281	2,092,779	-	-	-	2,092,779
GDC	-	-	-	-	760,181	760,181
	1,074	6,296,991	11,501,045	-	760,181	18,558,217
Geothermal Total	5,707	13,117,103	33,355,131	2,533,035	7,725,349	56,730,618
(iii) Wind						
KenGen						
Ngong	50	350,145	-	89,931	-	440,076
Independent Power Producers						
Lake Turkana Wind Power	1,326	18,294,625	-	-	-	18,294,625
Kipeto Energy Plc	404	7,159,634	-	-	-	7,159,634
	1,730	25,454,259	-	-	-	25,454,259
Wind Total	1,780	25,804,404	-	89,931	-	25,894,335

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

(a) Renewable Energy (Continued)

(iv) Solar

	Units GWh	Energy Shs'000	Capacity Shs'000	Forex Shs'000	Steam Shs'000	Total Shs'000
Independent Power Producers						
Strathmore University	0.08	1,463	-	-	-	1,463
Selenkei Solar Farm	94	1,704,844	-	-	-	1,704,844
Cedate Solar Farm	96	1,716,217	-	-	-	1,716,217
Malindi Solar Group	99	1,743,485	-	-	-	1,743,485
Alten Kenya	100	1,822,605	-	-	-	1,822,605
	389	6,988,614	-	-	-	6,988,614
REREC Garissa Solar Plant	84	674,942	-	-	-	674,942
Solar Total	473	7,663,556	-	-	-	7,663,556
(v) Cogeneration						
Biojoule Kenya Limited	0.11	1686	-	-	-	1686
(vi) Imports						
Uganda Electricity Transmission Company Limited	217	3,559,726	-	-	-	3,559,726
Ethiopia Electricity Power Company (EEP)	977	9248359	-	-	-	9,248,359
Ethiopian Electric Utility (EEU) Moyale	5	124218	-	-	-	124,218
Imports Total	1,199	12,932,303	-	-	-	12,932,303
	12,555	62,141,888	41,230,080	3,610,856	7,725,349	114,708,172
Less:						
Recharged to RES	(789)	-	-	-	-	(8,341,683)
	11,766	-	-	-	-	106,366,489

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

(b) Thermal energy

	Units GWh	Energy Shs'000	Capacity Shs'000	Fuel Shs'000	Forex Shs'000	Total Shs'000
KenGen						
Kipevu Diesel Power I	-	-	-	-	-	-
Kipevu Diesel Power III	365	375,528	2,315,205	7,935,049	131,038	10,756,820
Muhoroni GT	0.09	-	-	-	-	-
	365	375,528	2,315,205	7,935,049	131,038	10,756,820
Independent Power Producers						
Rabai Power Limited	441	658,418	3,337,569	8,652,568	-	12,648,555
Thika Power Limited	121	204,228	2,914,922	2,465,364	-	5,584,514
Iberafrica Power (E.A.) Company Limited	38	76,200	2,393,082	866,376	-	3,335,658
Gulf Power Limited	53	76,177	2,836,230	1,176,676	-	4,089,083
Triumph Power Generating Company Limited	26	46,413	3,481,344	525,410	-	4,053,167
	679	1,061,436	14,963,147	13,686,394	-	29,710,977
Off grid power stations	85	-	-	4,981,992	-	4,981,992
	1,129	1,436,964	17,278,352	26,603,435	131,038	45,449,789
Less:						
Recharged to RES	(71)	-	-	(1,693,018)	-	(1,693,018)
	1,058	1,436,964	17,278,352	24,910,417	131,038	43,756,771

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

(c) Summary of purchased energy units

Analysis of power purchases by utility source in gigawatt-hours (GWh) is as follows:

	2025 GWh	2024 GWh
Geothermal	5,718	5,707
Hydro	3,504	3,396
Wind	1,908	1,780
Thermal	1,335	1,129
Solar	473	473
Imports	1,534	1,199
	14,472	13,684
Less:		
Recharged to RES	(965)	(860)
	13,507	12,824

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

(d) Unrealised foreign exchange costs

The unrealized foreign exchange costs according to source/ power producer were as follows:

	2025 Shs'000	2024 Shs'000
KenGen	(3,640)	19,315
Lake Turkana Wind Power	252,545	630,653
OrPower 4 Inc.	(8,516)	(226,445)
Kipeto Energy Plc	(939)	130,076
Uganda Electricity Transmission Company Limited	(579)	41,235
Rabai Power Limited	85,971	(107,106)
Triumph Power Generating Company Limited	(2,846)	16,728
Thika Power Limited	75,003	135,708
Gulf Power Limited	53,871	58,391
Iberafrica Power (E.A.) Company Limited	(1,443)	(10,786)
Cedate	(588)	(6,556)
Selenkei Solar Farm	(589)	(2,143)
Malindi	(373)	9,118
Garissa Solar Power Plant	101	20,214
Tsavo Power Company Limited	(187)	(8,658)
Gura	(54)	(839)
Regen-Terem	(170)	1,976
Metumi Power Plant	(1,673)	(97,925)
Ethiopia Electricity Power Company (EEP)	(345)	(238,423)
Ethiopian Electric Utility (EEU)	(181)	(150)
Hydro Project Services Peters	(10)	(904)
Power Technology Solutions Limited	12	(375)
Chania Power Limited	(116)	(6,171)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. COST OF SALES (Continued)

(d) Unrealised foreign exchange costs (continued)

	2025 Shs'000	2024 Shs'000
Geothermal Development Company (GDC)	(179)	(2,738)
Sosian Menengai Geothermal	400	(44,477)
Biojoule Kenya Limited	-	40
Alten Kenya Solarfarm	420	(11,219)
Imenti Tea Factory	(1)	(212)
Tanzania Electric Supply Company Limited	(61)	(24)
Strathmore University	(1)	(72)
	445,832	298,231
Less:		
Recharged to RES	(29,722)	(18,734)
	416,110	279,497

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. NET OPERATING EXPENSES

(a) Network management

	2025 Shs'000	2024 Shs'000
Salaries and wages	9,262,801	8,347,921
Depreciation of property and equipment	13,202,391	12,363,447
Impairment loss on WIP	22,544	2,858
Reversal of impairment loss on WIP	-	(1,636)
Wheeling charges – KETRACO*	5,580,707	5,215,614
Loss on disposal of fixed assets	681,412	498,377
Losses on transformer repairs	9,282	199,143
Fuel costs	1,175,584	1,337,158
Consumable goods	789,696	903,812
Staff welfare	649,531	415,018
Repairs & maintenance- vehicles	456,341	399,411
Transport and travelling	(657,443)	(258,547)
Office expenses	1,297	1,380
Net recharge of distribution and transmission costs to RES	(6,826,022)	(6,451,036)
	24,348,121	22,972,920

* These are fees levied by KETRACO for the use of their transmission lines to transport electricity from the generators. The amount is determined by EPRA.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. NET OPERATING EXPENSES (continued)

(b) Commercial services

	2025	2024
	Shs'000	Shs'000
Salaries and wages	5,390,191	4,967,294
Depreciation of property and equipment	2,733,731	2,222,840
Advertising and public relations	3,073	11,513
Staff welfare	345,016	225,944
Transport and travelling	162,128	114,099
Consumable goods	2,228	2,644
Office expenses	2,484	805
Net recharge of customer service costs to RES	(2,520,835)	(1,588,924)
	6,118,016	5,956,215

(c) Administration

	2025	2024
	Shs'000	Shs'000
Salaries and wages	6,149,195	5,287,919
Depreciation of property and equipment	1,077,866	1,405,706
Staff welfare	1,468,527	1,410,010
Depreciation- ROU asset (Note 20)	413,617	273,596
Amortisation of intangible assets (Notes 19, 37 (a))	137,750	208,206
Amortisation of operating lease prepayment (Notes 18,37 (a))	27,605	27,696
Repairs and maintenance	538,153	612,013
Security and surveillance	996,634	827,448
Transport and travelling	935,645	849,927
External services	1,364,298	724,291
Office expenses	100,851	127,821

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. NET OPERATING EXPENSES (continued)

(c) Administration (continued)

	2025 Shs'000	2024 Shs'000
Other financial expenses*	64,928	53,726
Licenses	1,360,253	1,646,529
Legal expenses	292,560	185,606
Insurance	574,247	408,838
Public relations	191,264	323,128
Company electricity expenses	370,711	200,076
Training expenses and consumer services	147,606	192,522
Other consumable goods	366,271	287,252
Movement in leave obligation (Note 34 (a))	(54,979)	155,434
Movement in gratuity provision (Note 34 (c))	223,926	229,938
Movement in leave allowance provision (Note 34 (b))	(46,501)	31,914
Consultancy fees	135,490	249,918
Directors' emoluments	23,525	19,509
Auditor's remuneration	20,509	20,509
Other Directors' expenses	25,263	19,070
Allowance for inventories (Note 21)	243,286	836
Expense relating to leases of low-value assets (Note 20)	19,978	16,375
Other costs**	205,350	112,710
Retirement benefit plan debits (Note 33)	24,414	877,394
	17,398,242	16,785,917
Recharge of administration costs to RES***	(1,009,798)	(615,602)
	16,388,444	16,170,315

*Other financial expenses mainly relate to bank charges, excise duty on financial services and exchange differences arising from foreign denominated transactions.

**Other costs mainly relate to prepaid vendor commission, wayleaves, representation, AGM costs, local authority taxes, utilities and contracted services including cleaning, service maintenance contracts among others.

*** Recharges to RES relate to operating costs apportioned to RES based on the predetermined formula developed by the Government of Kenya.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(d) Expected credit losses on financial assets

	2025 Shs'000	2024 Shs'000
Provision for electricity debtors (Note 22(c))	(4,962,684)	1,998,622
Provision /(Write back) for other receivables, bank deposits and bank balances and guarantees	582,751	(757,143)
Write back of provisions for prepaid fixed charge (Note 22(c))	(53,211)	(62,990)
Movement in expected credit losses	(4,433,144)	1,178,489

The Company conducted a comprehensive review of its IFRS 9 provisioning model and transitioned to an enhanced framework that incorporates updated macroeconomic indicators, refined debt collection trends, and improved analysis of customer payment behaviour. The initial model, which had been in use since the adoption of IFRS 9 in FY2018/2019, had become less effective in capturing evolving credit risk dynamics, necessitating a methodological upgrade. As a result, expected credit losses decreased by KShs. 4,433,144,000 during the year under review.

10. EMPLOYEE BENEFITS

	2025 Shs'000	2024 Shs'000
Salaries and wages		
Salaries and allowances of permanent employees	19,291,138	17,768,360
Wages of temporary employees	1,522,489	1,216,122
Recharge of capital works supervision to capital jobs*	(1,296,723)	(1,515,474)
NSSF employer contributions	346,936	191,862
Pension costs – defined contribution	938,346	942,265
Salaries and wages	20,802,186	18,603,135
Pension credit - defined benefit scheme (Note 33)	24,414	877,394
	20,826,600	19,480,529
Movement in leave pay provision (Note 34 (a))	(54,979)	155,434
Movement in gratuity and leave allowance provisions (Note 34 (b) and Note 34 (c))	177,425	261,852
	20,949,046	19,897,815

* Recharge of recurrent expenditure to capital jobs relates to the labour and transport costs incurred by staff on capital jobs.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. FINANCE INCOME

(a) Finance income

	2025	2024
	Shs'000	Shs'000
Interest income on bank and other deposits (Note 37 (g))	625,218	1,493,956

12. FINANCE COSTS

	2025	2024
	Shs'000	Shs'000
Interest incurred on:		
• Loans	(3,459,567)	(6,038,662)
• Bank overdrafts	(271)	(83)
• Lease liabilities (Note 30)	(67,864)	(76,813)
Foreign exchange differences on loans*	(793,792)	7,881,752
Interest on late payment of invoices	(382,718)	(981,803)
Time value of money of RES receivable (Note 22 (b))	(10,477)	(99,663)
Dividends on cumulative preference shares	(1,930)	(1,930)
	(4,716,619)	682,798

* Finance costs include unrealised foreign exchange loss of Shs 794 million against a gain of Shs 7,882 million in 2024 arising from movement of the Shilling against the USD and EURO in which some of the loans are denominated in.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. EXPENSES BY NATURE

The profit before income tax is arrived at after charging/(crediting):

	2025 Shs'000	2024 Shs'000
Employee benefits (Note 10)	20,949,046	19,897,815
Depreciation of property and equipment (Note 17)	17,013,988	15,991,991
Impairment loss on WIP (Note 17)	22,544	1,221
Finance costs (Note 12)	4,716,619	(682,798)
Expected credit losses on financial assets (Note 9 (d))	(4,433,144)	1,178,489
Amortisation of intangible assets (Note 19)	137,750	208,206
Loss on disposal/retirement of assets (Note 37 (d))	(681,412)	(498,377)
Movement in leave provision (Note 34 (a))	(54,979)	155,434
Movement in gratuity provision (Note 34 (c))	223,926	229,938
Movement in leave allowance provision (Note 34 (b))	(46,501)	31,914
Amortisation of leasehold land (Note 18)	27,605	27,696
Directors' emoluments:		
- Fees (Note 38 c (ii))	9,000	5,145
- Other (Note 38 c (ii))	14,305	14,366
Other Directors' expenses	25,483	18,220
Auditor's remuneration (Note 9 (c))	20,509	20,509
Movement in provision for inventories (Note 21)	243,286	836
Retirement benefit debit (Note 33)	24,414	877,394

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. (a) INCOME TAX EXPENSE

Reconciliation of the income tax expense and the accounting profit multiplied by the statutory income tax rate for 2025 and 2024:

	2025 Shs'000	2024 Shs'000
Statement of profit or loss		
Income tax:		
Current income tax (Note 14 (c))	4,894,889	3,446,951
Deferred income tax:		
Adjustment in respect of deferred tax for previous year (Note 28)	93,074	156,929
Movement for the year (Note 28)	5,920,196	9,981,779
Tax charge	10,908,159	13,585,659

(b) RECONCILIATION OF INCOME TAX EXPENSE

	2025 Shs'000	2024 Shs'000
Profit before income tax	35,374,684	43,666,029
Tax calculated at the statutory income tax rate of 30%	10,612,406	13,099,809
<i>Tax effect of adjustments on taxable income:</i>		
Expenses not deductible for tax purposes	171,043	485,850
Prior year adjustment	124,710	-
Income tax expense	10,908,159	13,585,659

(c) CURRENT INCOME TAX RECOVERABLE

	2025 Shs'000	2024 Shs'000
At start of year	(2,861,362)	(12,136)
Tax paid	4,822,826	597,725
Tax charge (Note 14 (a))	(4,894,889)	(3,446,951)
At end of year	(2,933,425)	(2,861,362)

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on continuing operations attributable to the ordinary equity holders of the Company. There were no discontinued operations during the year. There were no potentially dilutive ordinary shares as at 30 June 2025 and 2024. Diluted earnings per share is therefore the same as basic earnings per share.

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2025 Shs'000	2024 Shs'000
Profit for the year attributable to owners of the Company	24,466,525	30,080,370

The total number of shares and the weighted average number of shares for the purpose of calculating the basic and diluted earnings are as follows:

	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,951,467,045	1,951,467,045

Earnings per share is calculated by dividing the profit attributable to owners of the Company by the number of ordinary shares.

	2025	2024
Basic earnings per share (Shs)	12.54	15.41
Diluted earnings per share (Shs)	12.54	15.41

16. DIVIDENDS PER SHARE

Proposed dividends are accrued after they have been ratified at an Annual General Meeting. An interim dividend of Kshs 0.20 per ordinary shares was paid (2023/2024: Nil). At the Annual General Meeting to be held before 31 December 2025, the Directors will recommend a final dividend payment of Kshs 0.80 per ordinary share in respect of the year ended 30 June 2025 (2024: Kshs 0.70).

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. PROPERTY AND EQUIPMENT

2025	Freehold land	Buildings	Transmission lines	Distribution lines	Machinery	Motor Vehicles**	Furniture equipment	Work in Progress	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Cost									
At 1 July 2024	785,710	13,378,925	33,320,201	298,737,190	1,330,906	8,563,959	67,130,164	20,275,415	443,522,470
Work in progress additions	-	-	-	-	-	-	-	29,512,680	29,512,680
Transfers from work in progress	230	198,356	826	15,560,308	2,570	420,582	9,846,281	(26,029,153)	-
Retirements	-	-	-	(1,203,074)	-	(35,746)	-	-	(1,238,820)
At 30 June 2025	785,940	13,577,281	33,321,027	313,094,424	1,333,476	8,948,795	76,976,445	23,758,942	471,796,330
Depreciation									
At 1 July 2024	-	3,114,304	16,086,346	90,658,544	499,095	6,903,739	50,210,395	-	167,472,423
Charge for the year	-	371,015	1,041,490	10,885,438	61,656	396,388	4,258,002	-	17,013,989
Retirements	-	-	-	(432,371)	-	(32,172)	--	-	(464,543)
At 30 June 2025	-	3,485,319	17,127,836	101,111,611	560,751	7,267,955	54,468,397	-	184,021,869
Impairment									
At 1 July 2024	-	-	-	-	-	-	-	275,214	275,214
Impairment loss for the year*	-	-	-	-	-	-	-	22,544	22,544
At 30 June 2025	-	-	-	-	-	-	-	297,758	297,758
Net book value									
At 30 June 2025	785,940	10,091,962	16,193,191	211,982,813	772,725	1,680,840	22,508,048	23,461,184	287,476,703

Included in property, plant and equipment are certain parcels of land subject to historical charges and liens amounting to Shs. 33,950,080 (2024: Shs. 33,950,080); the Company is actively pursuing release of these titles.

Included in property and equipment as at 30 June 2025 are assets with a gross value of Shs 71,592,541,221 (2024: Shs 61,124,759,739) which are fully depreciated but still in use. The notional depreciation charge on these assets for the year would have been Shs 12,351,491,119.24 (2024: Shs 11,219,289,739)

*This relates to impairment loss on Work in Progress (WIP) relating to projects that have stalled for the last three years.

**Included in motor vehicles is an aircraft with a gross value of Shs 297,700,693 (2024: Shs 297,700,693) and accumulated depreciation of Shs 265,008,337 (2024: Shs 261,820,384)

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. PROPERTY AND EQUIPMENT (Continued)

2024	Freehold land	Buildings	Transmission lines	Distribution lines	Machinery	Motor Vehicles**	Furniture equipment	Work in Progress	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Cost									
At 1 July 2023	785,710	13,027,318	33,318,332	284,738,549	1,328,844	8,219,319	61,875,270	16,941,963	420,235,305
Work in progress additions	-	-	-	-	-	-	-	24,382,155	24,382,155
Transfers from work in progress	-	351,607	1,869	14,828,166	2,062	610,003	5,254,996	(21,048,703)	-
Retirements	-	-	-	(829,525)	-	(265,363)	(102)	-	(1,094,990)
At 30 June 2024	785,710	13,378,925	33,320,201	298,737,190	1,330,906	8,563,959	67,130,164	20,275,415	443,522,470
Depreciation									
At 1 July 2023	-	2,747,881	15,033,587	80,561,218	437,571	6,680,224	46,526,366	-	151,986,847
Charge for the year	-	366,423	1,052,759	10,364,844	61,524	462,367	3,684,073	-	15,991,990
Retirements	-	-	-	(267,518)	-	(238,852)	(44)	-	(506,414)
At 30 June 2024	-	3,114,304	16,086,346	90,658,544	499,095	6,903,739	50,210,395	-	167,472,423
Impairment									
At 1 July 2023	-	-	-	-	-	-	-	273,992	273,992
Impairment loss for the year	-	-	-	-	-	-	-	2,858	2,858
Reversal	-	-	-	-	-	-	-	(1,636)	(1,636)
At 30 June 2024	-	-	-	-	-	-	-	275,214	275,214
Net book value									
At 30 June 2024	785,710	10,264,621	17,233,855	208,078,646	831,811	1,660,220	16,919,769	20,000,201	275,774,833

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. LEASEHOLD LAND

	2025 Shs'000	2024 Shs'000
Cost		
At start of year	866,532	871,032
Additions	-	-
Transfer to ROUA	-	(4,500)
Disposal	-	-
At end of year	866,532	866,532
Amortisation		
At start of year	(212,447)	(185,338)
Charge for the year	(27,605)	(27,696)
Transfer to ROUA	--	587
Charge on disposals	-	-
At end of year	(240,052)	(212,447)
Net book value	626,480	654,085

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. INTANGIBLE ASSETS

	2025 Shs'000	2024 Shs'000
Cost		
At start of year	9,879,759	9,322,381
Additions	177,242	557,378
Disposal	(272,929)	-
At end of year	9,784,072	9,879,759
Amortisation		
At start of year	(7,866,454)	(7,658,248)
Charge for the year	(137,750)	(208,206)
Charge on disposals	272,929	-
At end of year	(7,731,275)	(7,866,454)
Net book value	2,052,797	2,013,305

As at 30 June 2025, the Company continues to use certain intangible assets, primarily computer software, which have been fully amortised. The gross carrying amount of these assets is Shs 7,321,302,026 (2024: Shs 7,549,234,420.55).

In line with IAS 38, the useful lives of intangible assets are reviewed at each reporting date. Assets assessed to have no foreseeable limit to the period over which they will generate economic benefits are classified as having an indefinite useful life and are subject to annual impairment testing under IAS 36.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. RIGHT-OF-USE (ROU) ASSET

	2025 Shs'000	2024 Shs'000
Cost		
At start of year	1,238,581	1,801,561
Additions	406,031	82,642
Retirements	(110,214)	(645,622)
At end of year	1,534,398	1,238,581
Depreciation		
At start of year	(574,784)	(938,799)
Charge for the year	(413,617)	(273,596)
Charge on retirements	110,214	637,611
At end of year	(878,187)	(574,784)
Net book value	656,211	663,797

The following are the amounts recognized in profit or loss:

	2025 Shs'000	2024 Shs'000
Depreciation expense of right-of-use assets (Note 9 (c))	407,149	270,589
Interest expense on lease liabilities (Note 30)	67,864	105,047
Expense relating to leases of low-value assets ((Note 9 (c))	19,978	16,375
	494,991	392,011

The Company had total cash outflows for leases of Shs 521,907,000 in 2025 (2024: Shs 395,582,000). The Company also had non-cash additions to right-of-use assets and lease liabilities of Shs 406,031,000 in 2025 (2024: Shs 82,642,000). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 41.

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. INVENTORIES

	2025 Shs'000	2024 Shs'000
General stores	8,686,052	5,489,378
Transformers	2,072,918	2,179,221
Conductors and cables	3,345,015	2,201,550
Metering accessories	1,955,109	1,212,874
Poles	795,062	294,374
Fuel and oil	347,998	244,384
Motor vehicle spares	145,535	127,700
Engineering spares	12,113	12,114
	17,359,802	11,761,595
Provision for impairment	(2,751,678)	(2,513,189)
	14,608,124	9,248,406

Movements in the provisions for inventories were as follows:

	2025 Shs'000	2024 Shs'000
At start of year	(2,513,189)	(2,878,763)
Correction of incomplete good issues during system transition	-	170,745
Write off	4,797	195,665
Additional provision Note 9 (c))	(243,286)	(836)
At end of year	(2,751,678)	(2,513,189)

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. TRADE AND OTHER RECEIVABLES

(a) Non-current - Trade and other receivables

	2025 Shs'000	2024 Shs'000
Prepayments-loan origination fee*	10,267	190,460

*This relates to arrangement costs charged upfront on long-term loans extended by NCBA Kenya Bank Plc (2024: Standard Chartered Bank, NCBA Kenya Bank Plc and Rand Merchant Bank). The fee is amortised over the tenure of the loans.

(b) Current - Trade and other receivables

	2025 Shs'000	2024 Shs'000
Electricity receivables (Note 22(c))	39,032,248	36,066,667
Receivable from Government of Kenya-RES recurrent losses***** (Note 38 (b) (ii))	34,770,199	30,886,124
RES – intercompany (Note 38 (b) (ii))	8,057,991	6,104,883
Prepayments- Loan origination fees	177,043	189,642
Receivable from Government of Kenya**** (Note 38 (b))	478,642	424,549
Last mile prepaid debtors	1,613,148	1,710,840
Sundry debtors & prepayments	84,429	110,582
Conversion to prepaid debt	2,836,697	510,216
Non-commercial debt	734,391	792,983
Last mile token contribution for RES	607,039	597,834
Prepaid fixed charge debt	2,407,357	2,460,567
VAT recoverable (Note 38 (b) (ii))	2,110,772	1,784,046
Project funds***	587,592	46,103
Due from KETRACO**	1,715,063	1,715,063
Staff receivables	838,947	803,114
Stima loan deferred payment customers *	157,145	200,402

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. TRADE AND OTHER RECEIVABLES (continued)

(b) Current - Trade and other receivables (Continued)

	2025 Shs'000	2024 Shs'000
GPOBA prepaid debtors***	36,834	36,915
Other *****	2,180,895	1,932,673
Gross trade and other receivables	98,426,432	86,373,203
Provision for credit losses		
Electricity receivables	(13,328,264)	(19,284,855)
Prepaid fixed charge	(2,407,357)	(2,460,567)
Last mile debtors	(1,587,141)	(1,299,727)
Receivable from GOK-RES Recurrent	(150,545)	(150,753)
Staff debtors	(268,812)	(349,249)
Other receivables	(3,385,204)	(3,028,512)
	(21,127,323)	(26,573,663)
Impairment of RES receivable*****	(1,277,678)	(1,267,201)
Net trade and other receivables	76,021,431	58,532,339

Movement in impairment of RES receivable is as follows;

	2025 Shs'000	2024 Shs'000
At start of year	1,267,201	1,167,539
Increase during year (Note 12)	10,477	99,662
At end of year	1,277,678	1,267,201

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. TRADE AND OTHER RECEIVABLES (continued)

Trade and other receivables are non – interest bearing.

* Deferred payment customers balances represent debts outstanding under the Stima Loan Revolving Fund Programme which was established in 2010 to facilitate credit access to the low-income segments of the market for the purpose of electricity connection. It is funded by Agence Francaise de Development (AFD).

**This represents amounts due from KETRACO for local costs incurred in the construction of Sondu Miriu transmission and distribution line and repayments in relation to 0.75% Japan Bank for International Corporation loan that was transferred to KETRACO in 2018 upon signing of the Novation agreement.

***GPOBA prepaid debtors relate to the Global Partnership on Output Based Assistance (GPOBA) project for customers with prepaid meters. This project aims to provide safe, legal and affordable electricity to informal settlements. In 2015, the Company entered into an arrangement with the World Bank's International Development Association (IDA), which acts as an administrator of GPOBA. Under the agreement, the Company pre-invests its own resources to provide electricity to informal settlements after which IDA reimburses the Company for every connection done under this project.

**** The Company receives funding from the World Bank through Credit No.5587-KE to support electrification projects. The total amount received as at 30 June 2025 was Shs 15,996,633,000 (2024: Shs 15,996,633,000) and Shs 15,409,041,000(2024: Shs 15,572,000,000) has been spent on the projects.

*****Receivable from Government of Kenya (GoK) relates to subsidies due to the Company to enhance universal access to electricity through connectivity to the national grid. During the year, the Company received Shs nil` disbursements (2024: Shs nil) of which Shs 31,138,000 (2024: Shs 207,092,000) was utilised to improve electricity supply in off grid stations through supply of generators.

*****Included in other receivables is an amount of Shs 247,339,000 (2024: Shs 247,339,000) deposited in Imperial Bank Limited which was placed under receivership in 2015. The balance is fully Impaired.

***** KPLC is the management agent for RES on behalf of Ministry of Energy and Petroleum (MOEP). The Schemes of RES are generally sub-economic since their operational and maintenance costs exceed their revenue. The resultant accumulated deficit is recoverable from the Government of Kenya (GOK) as stipulated in the 1973 agreement signed between KPLC and the GOK through the MOEP.

***** This relates to additional impairment of the RES receivable as a result of the time value of money. The amount was recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. TRADE AND OTHER RECEIVABLES (continued)

(c) Electricity receivables

	<30 days Shs'000	30-90 days Shs'000	>90 days Shs'000	Total Shs'000
2025				
Gross	16,498,565	4,057,979	18,475,704	39,032,248
Impairment	(237,451)	(277,024)	(12,813,789)	(13,328,264)
Net	16,261,114	3,780,955	5,661,915	25,703,984
2024				
Gross	14,688,764	3,223,554	18,154,349	36,066,667
Impairment	(639,101)	(1,330,675)	(17,315,079)	(19,284,855)
Net	14,049,663	1,892,879	839,270	16,781,812

Information about the credit exposure is disclosed in Note 6 (a).

(d) Movement in the expected credit losses for trade and other receivables is as follows;

	Electricity receivables Shs'000	Prepaid fixed charge Shs'000	Other receivables Shs'000	Total Shs'000
2025				
At start of year	(19,284,855)	(2,460,567)	(4,828,241)	(26,573,663)
Additional provision (Note 9 (d))	-	-	(960,321)	(960,321)
Write back (Note 9 (d))	4,962,684	53,211	396,859	5,412,754
Write off	993,907	-	-	993,907
At end of year (Note 21(b))	(13,328,264)	(2,407,356)	(5,391,703)	(21,127,323)
2024				
At start of year	(17,286,233)	(2,523,558)	(5,460,964)	(25,270,755)
Additional provision (Note 9 (d))	(1,998,622)	-	(377,129)	(2,375,751)
Write back (Note 9 (d))	-	62,990	1,009,853	1,072,843
At end of year (Note 21(b))	(19,284,855)	(2,460,567)	(4,828,241)	(26,573,663)

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. SHORT-TERM DEPOSITS, BANK AND CASH BALANCES

a) Short-term deposits

	2025 Shs'000	2024 Shs'000
Housing Finance Company of Kenya Limited	-	547,848
Short-term deposits – NCBA, KCB & STIMA SACCO	276,859	
The Co-operative Bank of Kenya Limited	2,612	2,612
	279,471	550,460
Expected credit losses- charge for the year	(4,536)	(7,360)
	274,935	543,100

The average effective interest rate on the short-term deposits for the year ended 30 June 2025 was 7.47% (2024: 7.47%).

Movement in the expected credit losses is as follows;

	2025 Shs'000	2024 Shs'000
At start of year	7,360	7,091
Movement during the year	(2,824)	269
At end of year	4,536	7,360

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. SHORT-TERM DEPOSITS, BANK AND CASH BALANCES (continued)

b) Bank and cash balances

	2025 Shs'000	2024 Shs'000
Cash at bank	7,401,476	9,799,393
Cash on hand	4,493	3,587
	7,405,969	9,802,980
Expected credit losses	(93,426)	(71,313)
	7,312,543	9,731,667

Movement in the expected credit losses is as follows;

	2025 Shs'000	2024 Shs'000
At start of year	71,313	192,336
Increase during the year	22,113	(121,023)
At end of year	93,426	71,313

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. SHORT-TERM DEPOSITS, BANK AND CASH BALANCES (continued)

(c) Detailed analysis of the cash and cash equivalents

	2025	2024
	Shs'000	Shs'000
a) Current Account		
Other Commercial banks	6,027,741	6,068,279
Sub- Total	6,027,741	6,068,279
b) On - Call Deposits		
Other Commercial banks	373,596	1,685,237
Sub- Total	373,596	1,685,237
c) Fixed Deposits Account		
Other Commercial banks	-	-
Sub- Total	-	-
d) Staff Car Loan/ Mortgage		
Other Commercial banks	19,139	547,848
Sub- Total	19,139	547,848
e) Others		
Cash in transit	1,260,471	2,048,489
Cash in hand	68	68
Mobile money account	4,425	3,519
Sub- Total	1,264,964	2,052,076
Grand Total	7,685,440	10,353,440

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. SHARE CAPITAL

	2025 Shs'000	2024 Shs'000
Authorised:		
2,592,812,000 ordinary shares of Shs 2.50 each	6,482,030	6,482,030
Issued and fully paid:		
1,951,467,045 ordinary shares of Shs 2.50 each	4,878,667	4,878,667

25. SHARE PREMIUM

The share premium arose from the redemption of the 7.85% redeemable non-cumulative preference shares and a rights issue in the year 2011 at a price of Shs 207.50 giving rise to a share premium of Shs 14,367 million.

A further premium was received from the rights issue of 488,630,245 ordinary shares of Shs 2.50 each at a price of Shs 19.50, hence resulting to a share premium of Shs 17 per share or a total share premium of Shs 8,307 million. The transaction costs amounting to Shs 653 million were netted off against the share premium.

26. RETAINED EARNINGS

The retained earnings balance represents the amount available for distribution to the shareholders of the Company. Further details on retained earnings are provided in statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. DEFERRED INCOME

Deferred income relates to capital contributions received from electricity customers for the construction of electricity assets. The amounts are amortised through profit or loss on a straight-line basis over five years of the related asset used in delivering the ongoing service.

	2025 Shs'000	2024 Shs'000
At start of year	19,541,124	17,002,674
Additional contributions	6,808,280	6,214,033
Recognised as income (Note 7(c))	(2,804,165)	(3,675,584)
At end of year	23,545,239	19,541,124

Maturity analysis:

Non-current	19,142,489	15,700,478
Current	4,402,750	3,840,646
At end of year	23,545,239	19,541,124

28. DEFERRED INCOME TAX

	2025 Shs'000	2024 Shs'000
At start of year	37,523,737	27,217,478
(Credit)/ Debit to other comprehensive income	(473,358)	167,551
Prior year adjustment	93,074	156,929
(Credit)/Charge to profit or loss (Note 14 (a))	5,920,196	9,981,779
At end of year	43,063,649	37,523,737

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. DEFERRED INCOME TAX (continued)

Deferred income tax balance is analysed as follows:

2025

	At July 2024	Prior year adjustments	(Credited)/ Charged to profit or loss	Credited to OCI	At 30 June 2025
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Deferred income tax liabilities					
Property and equipment	54,922,605	41,085	3,693,051	-	58,656,741
Unrealised foreign exchange loss	(7,789,492)	-	918,289	-	(6,871,203)
Right of use asset	199,141	-	(2,276)	-	196,865
Retirement benefit asset	220,264	51,989	65,397	(484,322)	(146,672)
	47,552,518	93,074	4,674,461	(484,322)	51,835,731
Deferred income tax assets					
Lease liabilities	(192,445)	-	9,491	-	(182,954)
Provisions	(9,836,336)	-	1,236,244	10,964	(8,589,128)
Tax losses	-	--	-	-	-
Prior year adjustments	-	--	-	-	-
	(10,028,781)	93,074	1,245,735	10,964	(8,772,082)
Net deferred income tax liabilities	37,523,737	93,074	5,920,196	(473,358)	43,063,649

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. DEFERRED INCOME TAX (continued)

2024

	At July 2023	Prior year adjustments	(Credited)/ Charged to profit or loss	Credited to OCI	At 30 June 2024
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Deferred income tax liabilities					
Property and equipment	51,424,061	-	3,498,544	-	54,922,605
Unrealised foreign exchange loss	(11,135,828)	-	3,346,336	-	(7,789,492)
Right of use asset	258,830	-	(59,689)	-	199,141
Retirement benefit asset	334,968	-	(263,218)	148,514	220,264
	40,882,031	-	6,521,973	148,514	47,552,518
Deferred income tax assets					
Lease liabilities	(258,371)	-	65,926	-	(192,445)
Provisions	(9,522,348)	-	(333,025)	19,037	(9,836,336)
Tax losses	(3,883,834)	156,929	3,726,905	-	-
Prior year adjustments	-				
	(13,664,553)	156,929	3,459,806	19,037	(10,028,781)
Net deferred income tax liabilities	27,217,478	156,929	9,981,779	167,551	37,523,737

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. TRADE AND OTHER PAYABLES

(a) Non-current trade and other payables

	2025 Shs'000	2024 Shs'000
Capital contribution - on-going projects**	12,724,014	12,323,602
Customer deposits*	7,312,118	7,192,801
Capital contributions-projects not commenced	3,128,826	3,732,037
RES current account - capital (Note 38 (b) (iii))	1,941,897	2,350,513
Donor funds	1,213,165	1,236,783
Kenya Off-Grid Solar Access Project (KOSAP)	91,981	110,801
Electrification of health facilities	116	15,572
Sub-Station Installation-GOK Funded Account	150,000	150,000
Nuclear electricity project	4,000	4,000
Other payables	2,483,844	2,588,069
	29,049,961	29,704,178

*Customer deposits are held as a non-current liability because the Company will continue to offer services to the customers for the foreseeable future and the customers are not expected to discontinue their use of electricity in the short run. In addition, the customer deposits are a security for the electric meters supplied to the customer for long-term electricity supply.

**Capital contributions for on-going projects relate to customer contributions for capital works not completed.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. TRADE AND OTHER PAYABLES (continued)

(b) Current trade and other payables

	2025 Shs'000	2024 Shs'000
KenGen (Note 38 (e))	17,708,072	17,327,379
Other suppliers' accounts	7,739,990	4,980,589
Other electricity suppliers	32,570,974	26,264,483
Other payables	13,412,236	11,285,128
RES current account - Last Mile Project (Note 38 (b) (iii))	1,496,093	1,978,051
Deferred KPLC last mile	1,522,723	1,658,424
RES - EIB Project	2,393	-
Retention money	214,642	479,052
Rural Electrification Authority Levy** ((Note 38 (b) (iii)))	10,414,792	10,591,274
Ketraco wheeling charge (Note 38 (f))	2,678,739	3,485,769
Ministry of Finance (Note 38 (b) (iii))	875,041	875,041
Prepaid revenue****	373,065	330,636
Street lighting project (Note 38 (b) (iii) and Note 39)	590,783	808,619
Energy Regulatory Levy	335,455	236,655
Deferred creditor (Fibre optic)	-	35,326
	89,934,998	80,336,426
Provision for impairment (Note 29 (c))	2,804	2,804
	89,937,802	80,339,230

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. TRADE AND OTHER PAYABLES (continued)

(c) Movement in the provision for impairment for the Company guaranteed staff loans is as follows;

	2025 Shs'000	2024 Shs'000
At start of year	2,804	6,469
Increase/(decrease) in provision	--	(3,665)
At end of year (Note 29 (b))	2,804	2,804

(d) Aging analysis for trade payables

	2025 Shs'000	% of the total	2024 Shs'000	% of the total
0-30 days	14,340,100	29%	13,233,799	30%
31-60 days	14,258,980	28%	12,821,144	30%
61-90 days	10,187,840	20%	7,379,045	17%
Over 90 days	11,492,126	23%	10,040,142	23%
Total	50,279,046		43,474,130	

30. LEASE LIABILITIES

Lease liabilities include the net present value of the fixed lease payments discounted using the incremental borrowing rate.

	2025 Shs'000	2024 Shs'000
Balance at start year	641,485	861,237
Additions for the year	406,031	82,642
Interest charge (Note 12)	67,864	76,813
Payment of interest	(67,864)	(76,813)
Payment of principal	(437,668)	(302,394)
	609,848	641,485

The carrying amount of the current portion is Shs.259,016,000 (2024: Shs.230,644,000) while the non-current portion is Shs.350,832,000 (2024: Shs.410,841,000).

The maturity analysis of undiscounted lease liabilities is disclosed in Note 6 (b).

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. BORROWINGS

(a) Borrowings summary

	Currency	Interest rate	Start date	End date	2025 Shs'000	2024 Shs'000
Commercial borrowings						
Standard Chartered Bank Loan	USD	4.15% + Libor	19/06/2016	23/06/2026	7,067,501	14,167,016
Equity Bank USD Medium Term Loan	USD	4.5% + Libor	30/09/2014	30/09/2025	--	265,948
Rand Merchant Bank Medium Term Loan	USD	7.95%	26/09/2018	26/09/2025	--	2,266,723
NCBA Bank Kenya Plc	Shs	7% (CBR +2%)	09/10/2020	03/10/2032	3,372,927	6,535,382
Accrued Interest (Note 37 (b))					402,800	616,600
					10,843,228	23,851,669
On-lent borrowings						
GOK/IDA Kenya Electricity Expansion Project	USD	3.00%	11/05/2011	01/03/2036	16,671,559	17,692,219
GOK/CHINA EXIM BANK (USD 109,414,646)	USD	3.00%	28/08/2014	28/08/2035	17,216,269	18,693,200
GOK/IDA 3958 & 4572 KE ESRP	USD	4.50%	28/06/2005	01/09/2030	11,546,944	13,132,842
GOK/NORDEA	EUR	3.00%	15/12/2014	15/09/2027	2,833,863	3,243,710
GOK/EIB 23324 KE ESRP	EUR	3.97%	10/10/2007	20/07/2026	2,356,278	2,637,120
GOK/Agence Francaise de Development	EUR	4.50%	23/05/2007	30/03/2026	1,420,589	1,589,908
GOK/ Nordic Development Fund 435 ESRP	EUR	4.50%	22/05/2007	15/09/2027	589,867	638,349
KPLC/AFD Revolving Fund Loan	EUR	2.70%	31/12/2014	31/07/2035	3,095,685	3,096,710
GOK/IDA 7343-KE Kenya Green & Resilient Expansion for Energy program	Shs	2.50%			7,364,956	-
GOK/IDA 5587 KE LOAN	USD	2.00%	27/02/2016	15/11/2053	8,962,955	9,273,038
GOK/IDA 2966 KE loan	Shs	7.70%	30/06/2016	30/06/2023	188,349	188,349
GOK/AFD Transformer Densification	EUR	3.20%	31/12/2014	31/07/2035	1,131,267	1,131,326
Accrued interest (Note 37 (b))					3,413,369	3,346,129
					76,791,950	74,662,900
Total borrowings					87,635,178	98,514,569

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. BORROWINGS (continued)

Description

	2025 Shs'000	2024 Shs'000
Commercial borrowings		
Balance at beginning of the year	23,851,669	35,927,660
Repayments of during the year	(12,768,259)	(10,982,041)
Revaluation (gain)/loss	(26,382)	(1,151,150)
Accrued Interest brought forward	(616,600)	(559,400)
Accrued Interest carried forward	402,800	616,600
Balance at end of the year	10,843,228	23,851,669
On Lent borrowings		
Balance at beginning of the year	74,662,900	79,480,477
On lent borrowings during the year	7,364,956	81,452
Repayments during the year	(6,153,600)	-
Capitalised interest	--	5,686,521
Revaluation (gain)/loss	850,454	(4,790,699)
Accrued Interest brought forward	(3,346,129)	(9,140,980)
Accrued Interest carried forward	3,413,369	3,346,129
Balance at end of the year	76,791,950	74,662,900
Total borrowings at end of the period	87,635,178	98,514,569
Total borrowings	87,635,178	98,514,569
Less: amounts repayable within 12 months	(17,496,348)	(16,619,184)
Non-current	70,138,830	81,895,385

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. BORROWINGS (continued)

(b) Analysis of borrowings by currency

	Shs Shs' 000	USD Shs' 000	Euros Shs' 000	Total Shs' 000
2025				
Loans	14,742,401	61,465,227	11,427,550	87,635,178
2024				
Loans	10,686,461	75,490,985	12,337,123	98,514,569

(c) Maturity of borrowings

	2025 Shs'000	2024 Shs'000
Due within 1 year	17,496,348	16,619,184
Due between 1 and 2 years	13,095,755	23,970,253
Due between 2 and 5 years	25,789,849	28,314,972
Due after 5 years	31,253,226	29,610,160
	87,635,178	98,514,569

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. BORROWINGS (continued)

(d) Compliance with debt covenants

During the year, the Company met all its loan repayment obligations. The Company was in compliance with all financial covenants during the year except for the Current Ratio covenant relating to the below borrowings from Standard Chartered Bank. This covenant compares the current assets with the current liabilities.

	Current Shs'000	Non-current Shs'000	Total Shs'000
Standard Chartered Bank USD 350m loan	7,067,501	-	7,067,501
	7,067,501	-	7,067,501

	Covenant requirement	As per the financial statements
For Standard Chartered Bank and Rand Merchant Bank		
Current assets (Shs'000)	-	98,217,033
Current liabilities (Shs'000)	-	117,426,250
Current ratio	1	0.84

Paragraph 74 of IAS 1 'Presentation of financial statements' requires the reclassification of the non-current portion of borrowings with covenant breaches to current. This reclassification has not been performed in the financial statements because the Company obtained waivers before the end of the reporting period, 30 June 2025, which gave consent of extension of the breach from 30 June 2025 to 30 June 2026.

Through a letter from Standard Chartered Bank dated 17 June 2025, the lender communicated consent of extension of the breach from 30 June 2025 to 30 June 2026.

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. PREFERENCE SHARES

	2025 Shs'000	2024 Shs'000
Authorised, issued and fully paid:		
350,000 - 7% cumulative preference shares of Shs 20 each	7,000	7,000
1,800,000 - 4% cumulative preference shares of Shs 20 each	36,000	36,000
	43,000	43,000

The preference shares are treated as financial liabilities because the Company has a contractual obligation to pay preference dividends on the shares.

33. RETIREMENT BENEFIT ASSET

The Company operates a funded defined benefit plan (the "DB Scheme") for its employees that is established under irrevocable trust. The DB Scheme was closed to new members and future accrual of service as from 1 July 2006. Currently, no contributions are payable by employees to the DB Scheme and the Company is on a contribution holiday. DB Scheme assets are invested in a variety of asset classes comprising of government securities, fixed and time deposits, corporate bonds, equities and offshore investments. A separate defined contribution scheme (the "DC Scheme") was setup in respect of service from 1 July 2006. The contributions to the DC Scheme are accounted separately in the Company's statement of profit or loss.

The benefits provided by the DB Scheme are based on a formula taking into account years and complete months of service with the employer since joining the scheme to the closing date. Under the DB Scheme, the employees are entitled to retirement benefits varying between 3 and 5 percent of final pensionable emoluments on attainment of the retirement age.

The DB Scheme is governed by the Retirement Benefits Act, 1997. This requires that an actuarial valuation be carried out at least every three years for the DB Scheme. The most recent actuarial valuation of the DB Scheme was carried out at 31 December 2022 using the Projected Credit Method, by an independent qualified actuary. For the purposes of calculating the actuarial liability under the Scheme as at 30 June 2025 the Company engaged the services of an actuary, Zamara Actuaries, Administrators & Consultants Limited. The Actuary "rolled forward" the results of the actuarial valuation as at 31 December 2022 to 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. RETIREMENT BENEFIT ASSET (continued)

The Company is exposed to the following actuarial risks:

a) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan assets is below this rate, it will create a plan deficit. Currently, the plan has a relatively balanced investment in investment properties, government securities, equity investments, corporate bonds and short-term deposits. Due to the long-term nature of the DB Scheme liabilities, management considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the DB Scheme.

b) Interest risk

A decrease in bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

c) Longevity risk

Benefits in the DB Scheme are payable on retirement, resignation, death or ill-health retirement. The actual cost to the Company of the benefits is therefore subject to the demographic movements of employees.

d) The benefits are linked to salary and consequently have an associated risk to increases in salary.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2025	2024
Discount rate	13.3%	18%
Expected rate of return on assets	13.3%	18%
Future salary increases	5.0%	5.0%
Retirement age	50% @ 55, Balance @ 60	55 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. RETIREMENT BENEFIT ASSET (continued)

d) The benefits are linked to salary and consequently have an associated risk to increases in salary (continued)

The updated position arising from the Company's obligation in respect of its DB Scheme is as follows:

The current service costs and the net interest expense for the year are included in administration expenses in profit or loss (Note 9 (c)).

The measurement of the defined benefit liability is included in other comprehensive income. The amounts recognised in profit or loss and other comprehensive income in respect of the defined benefit plan are as follows:

	2025 Shs'000	2024 Shs'000
Current service cost	191,759	-
Past service cost	(38,511)	1,044,878
Interest cost on defined benefit obligation	2,193,222	1,954,470
Interest income on plan assets	(2,485,407)	(2,289,438)
Interest on the effect of the asset ceiling	163,351	167,484
Net expense recognised in profit or loss (Note 10)	24,414	877,394
Net actuarial loss/(gain)	1,800,266	(2,291,904)
Return on plan assets (excluding amount in interest cost)	642,590	2,346,695
Changes in effect of asset ceiling (excluding amounts in interest cost)	(1,070,854)	(549,834)
Recognised in other comprehensive income	1,372,002	(495,043)
Total net actuarial losses/ (gains)	2,744,004	(990,086)

The amount included in the statement of financial position arising from the Company's obligation in respect of its defined benefit retirement plan is as follows:

Fair value of plan assets	14,712,740	14,745,708
Present value of funded defined benefit obligation	(15,201,652)	(13,277,292)
	(488,912)	1,468,416
Limit on defined benefit asset	--	(734,209)
Present value of funded defined benefit asset	(488,912)	734,207

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. RETIREMENT BENEFIT ASSET (continued)

d) The benefits are linked to salary and consequently have an associated risk to increases in salary (continued)

The reconciliation of the amount included in the statement of financial position is as follows:

	2025 Shs'000	2024 Shs'000
Net asset at the start of the year	734,207	1,116,558
Net expense recognised in profit or loss (Note 9 (c))	(24,414)	(877,394)
Prior year adjustment* – Net expense	415,701	-
Prior year adjustment* – Other comprehensive income	(242,404)	-
Amount recognised in other comprehensive income	(1,372,002)	495,043
Present value of funded defined benefit asset	(488,912)	734,207

Movement in the present value of defined benefit funded obligations in the current year is as follows:

At start of year	13,277,293	13,458,711
Current service cost	191,759	-
Past service cost	(38,511)	1,044,878
Prior year adjustment*	(346,594)	-
Interest cost on obligation	2,193,222	1,954,470
Actuarial loss/(gain)	1,800,266	(2,291,904)
Benefits paid	(1,875,783)	(888,862)
At end of year	15,201,652	13,277,293

*The adjustment relates to the recognition of updated past service cost based on revised actuarial information received during the current financial year. Since the change arose from updated estimates rather than a prior-period error, the adjustment has been accounted for in the current year and the comparative figures remain unchanged.

Movement in the fair value of defined benefit scheme assets is as follows;

At start of year	(14,745,706)	(15,691,828)
Interest income on plan assets	(2,485,407)	(2,289,438)
Return on plan assets, excluding amount in interest income	642,590	2,346,695
Benefits paid	1,875,783	888,862
At end of year	(14,712,740)	(14,745,709)

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. RETIREMENT BENEFIT ASSET (continued)

d) The benefits are linked to salary and consequently have an associated risk to increases in salary (continued)

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	2025 Shs'000	2024 Shs'000
Property	7,296,700	7,418,718
Debt instruments	4,321,500	4,407,057
Equity instruments	2,618,900	2,251,108
Others	475,640	668,825
Total scheme assets	14,712,740	14,745,708

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties are not based on quoted market prices in active markets. This treatment has been implemented during the current and prior years.

Sensitivity analysis

A sensitivity analysis was performed on the model and A 1% p.a. reduction in the discount rate will increase the actuarial liability estimated at 30 June 2025 to around KShs 15.9 billion (with all other assumptions remaining the same).

34. PROVISIONS

This is estimated provision for monetary liability for employees' accrued annual leave entitlement and present value of employee gratuity benefits.

(a) Leave pay obligation

	2025 Shs'000	2024 Shs'000
At start of year	497,968	342,534
Increase/(decrease) in provisions (Note 9 (c))	(54,979)	155,434
At end of year	442,989	497,968

NOTES TO THE FINANCIAL STATEMENTS (continued)

34. PROVISIONS (continued)

(b) Leave allowance provision

	2025 Shs'000	2024 Shs'000
At start of year	195,463	163,549
Increase/(decrease) in provisions (Note 9 (c))	(46,501)	31,914
At end of year	148,962	195,463

(c) Gratuity provision

	2025 Shs'000	2024 Shs'000
Opening benefit obligation	161,731	452,459
Current service cost	180,677	185,023
Interest cost	43,249	44,915
Actuarial gain	(73,491)	(63,458)
Actuarial (gain) / loss - due to changes in assumptions	36,945	-
Benefits and expenses paid	(176,001)	(457,208)
Net liability at end of year	173,110	161,731

Movement in the present value of defined benefit funded obligations in the current year is as follows:

	2025 Shs'000	2024 Shs'000
Present value of the defined benefit obligation at start of year	161,731	452,459
Charge recognised in the profit or loss for the year (Note 9 (c))	223,926	229,938
Benefits paid to the outgoing employees during the year	(176,001)	(457,208)
Actuarial gain on the obligation recognised in other comprehensive income	(36,546)	(63,458)
Present value of the defined obligation at end of year	173,110	161,731
Total provisions	765,061	855,162

NOTES TO THE FINANCIAL STATEMENTS (continued)

35. DIVIDENDS PAYABLE

	2025 Shs'000	2024 Shs'000
Dividends payable on ordinary shares	1,631,848	748,190
These relate to unclaimed dividends payable to different ordinary shareholders.		
The movement in the dividend payable account is as follows:		
At start of year	748,190	751,612
<i>Declared during the year</i>		
• 4% and 7% Preference shares dividends	1,930	1,930
• Ordinary shares dividends	1,756,320	-
Paid during the year	(874,592)	(5,352)
At end of year	1,631,848	748,190

36. CONTRACT BALANCES

	2025 Shs'000	2024 Shs'000
Electricity receivables (Note 22(b))	25,703,984	16,781,812
Contract liabilities (Note 29)	12,724,014	12,323,602

The net carrying amount of electricity receivables stood at Shs 25,704 million (2024: Shs 16,782 million.)

Contract liabilities relate to contributions from customers for connection to the Company's electricity network and the works are ongoing. These contributions are held in trade payables as progress payments until the work on the connection has been completed. Once the customers are connected to the electricity supply, the Company would have satisfied its performance obligation hence transferring the capital contributions to deferred income and released to revenue in the income statement over the estimated useful economic lives of the related assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. CONTRACT BALANCES (continued)

The movement in the contract liabilities is as follows:

	2025 Shs'000	2024 Shs'000
At start of year	12,323,602	12,079,656
Additions during the year	7,208,692	6,457,979
Transferred to deferred income during the year (Note 27)	(6,808,280)	(6,214,033)
At end of year	12,724,014	12,323,602

37. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to cash generated from operations

	2025 Shs'000	2024 Shs'000
Profit before taxation	35,374,684	43,666,029
Depreciation of property and equipment (Note 17)	17,013,988	15,991,991
Impairment loss on Work in Progress (WIP) (Note 17)	22,544	2,858
Reversal of impairment loss on WIP	--	(1,636)
Amortisation of intangible assets (Note 19)	137,750	208,206
Amortisation of leasehold land (Note 18)	27,605	27,696
Depreciation of ROU (Right-of-use) asset (Note 20)	413,617	273,596
Amortisation of capital contribution (Note 7 (c))	(2,804,165)	(3,675,584)
Loss on disposal of property and equipment (Note 37 (d))	681,412	486,453
Loss on retirement of ROU (Note 37 (d))	--	8,011
Loss on retirement of leasehold to ROU (Note 37 (d))	--	3,913
Finance income (Note 11)	(625,218)	(1,493,956)
Finance costs (Note 12)	4,679,035	(1,165,260)
Interest expense on lease liabilities (Note 12)	67,864	76,813
Movement in provision for leave pay, gratuity and leave allowance (Note 34)	122,446	417,286

NOTES TO THE FINANCIAL STATEMENTS (continued)

37. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(a) Reconciliation of operating profit to cash generated from operations (Continued)

	2025 Shs'000	2024 Shs'000
Movement in provisions for credit losses on short-term deposits (Note 23 (a))	(2,824)	269
Movement in provisions for credit losses on bank balances ((Note 23 (b))	22,113	(121,023)
Movement in provisions for company guaranteed loans ((Note 29 (b))	-	(3,665)
Movement in provisions for credit losses on trade and other receivables	(4,452,433)	1,178,489
Movement in provision for slow moving inventories (Note 21)	243,286	836
Retirement benefit plan credits (Note 9 (c))	24,414	877,394
Unrealised foreign exchange losses on cash and cash equivalents (Note 12)	(30,280)	405,647
Working capital changes:		
- Movement in inventories	(5,603,003)	(3,176,248)
- Movement in trade and other receivables	(12,832,333)	(3,039,662)
- Movement in deferred income	6,808,281	6,214,034
- Movement in trade and other payables	8,944,355	(24,580,541)
Cash generated from operations	48,233,138	32,581,946

(b) (i) Analysis of changes in borrowings

	2025 Shs'000	2024 Shs'000
At start of year	98,514,569	115,408,137
Proceeds	7,364,956	81,452
Capitalised interest	-	5,686,520
Repayments	(18,921,858)	(10,982,041)
Repayment of previous year's accrued interest	(3,962,730)	(9,700,380)
Foreign exchange losses	824,072	(5,941,849)
Accrued interest (Note 31 (a))	3,816,169	3,962,730
At end of year	87,635,178	98,514,569

NOTES TO THE FINANCIAL STATEMENTS (continued)

37. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(b) (ii) Net cash/(debt) reconciliation

	2025 Shs'000	2024 Shs'000
Cash and bank balances (Note 23 (b))	7,405,969	8,997,581
Short-term deposits (Note 23 (a))	279,471	576,368
Borrowings (Note 31)	(87,635,178)	(98,514,569)
Net debt	(79,949,738)	(88,940,620)
Cash, bank balances and short-term deposits	7,685,440	9,573,949
Gross debt – fixed interest rates	(76,791,950)	(77,001,223)
Gross debt – variable interest rates	(10,843,228)	(21,513,346)
Net debt	(79,949,738)	(88,940,620)

(c) Analysis of cash and cash equivalents

	2025 Shs'000	2024 Shs'000
Short-term deposits (Note 23 (a))	279,470	550,460
Cash and bank balances (Note 23(b))	7,405,969	9,802,980
	7,685,439	10,353,440

For the purpose of the cash flow statement, cash and cash equivalents include short-term liquid investments which are readily convertible to known amounts of cash and which were within three months to maturity when acquired; less advances from banks repayable within three months from date of disbursement or date of confirmation of the advance.

NOTES TO THE FINANCIAL STATEMENTS (continued)

37. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

d) Analysis of proceeds from disposal of property and equipment

	2025 Shs'000	2024 Shs'000
Proceeds from disposal of property and equipment	92,865	102,123
Less: disposed assets at net book value	(774,277)	(588,576)
Loss on disposal of property and equipment	(681,412)	(486,453)

Proceeds of retirement of right of use assets (ROU)

	2025 Shs'000	2024 Shs'000
Proceeds from retirement of ROU	-	-
Less: retired assets at net book value	-	8,011
Loss on retirement of ROU	-	(8,011)

Proceeds on retirement of leasehold land

Proceeds from retirement of leasehold land	-	-
Less: retired assets at net book value	-	3,913
Loss on retirement of leasehold land	-	(3,913)
Loss on disposal/retirement of non-current assets (Note 9 (a))	(681,412)	(498,377)

NOTES TO THE FINANCIAL STATEMENTS (continued)

37. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(e) Analysis of interest paid

	2025 Shs'000	2024 Shs'000
Interest on loans (Note 12)	3,459,567	6,038,662
Overdraft interest (Note 12)	271	83
Interest on late payment invoices (Note 12)	382,718	981,803
	3,842,556	7,020,548
Accrued interest brought forward (Note 31 (a))	3,962,730	9,700,380
Interest on loans capitalised		(5,686,520)
Revaluation of Interest capitalised		(2,469,972)
Accrued interest carried forward (Note 31 (a))	(3,816,169)	(3,962,730)
Interest paid	3,989,117	4,601,706

(f) Analysis of dividends paid

	2025 Shs'000	2024 Shs'000
At start of year	748,190	751,612
Declared during the year		
• 4% and 7% Preference shares dividends	1,930	1,930
• Ordinary shares dividends	1,756,320	-
At end of year	(1,631,848)	(748,190)
Dividends paid	874,592	5,352

NOTES TO THE FINANCIAL STATEMENTS (continued)

37. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(g) Analysis of interest received

	2025 Shs'000	2024 Shs'000
Interest received on bank and other deposits (Note 11)	625,218	1,493,956
Accrued interest brought forward	7,890	39,656
Accrued interest carried forward	(42,500)	(7,890)
Interest received	590,608	1,525,722

(h) Purchase of property and equipment

	2025 Shs'000	2024 Shs'000
Work in progress additions (Note 17)	29,512,680	24,382,155
Exchange loss on loans for on-going projects capitalised	-	-
Property and equipment purchased	29,512,680	24,382,155

*The Company capitalises interest on qualifying projects quarterly at the average cost of debt of 3.84% (2024: 5.03%).

NOTES TO THE FINANCIAL STATEMENTS (continued)

38. RELATED PARTY DISCLOSURES

The Government of Kenya is the principal shareholder in The Kenya Power & Lighting Company Plc (KPLC) holding a 50.1% equity interest. The Government also holds 70% and 100% of the equity interest in Kenya Electricity Generating Company Plc (KenGen) and Kenya Electricity Transmission Company (KETRA-CO), respectively. The Company is related to KenGen and KETRACO through common control. During the year, the following transactions were carried out with related parties:

(a) The Company had no individually significant transactions carried out on non-market terms.

(b) Other transactions that are collectively significant are detailed as follows:

	2025	2024
	Shs'000	Shs'000
(i) Ministries:		
Electricity sales to Government Ministries	6,457,058	5,321,714
Electricity sales to strategic parastatals	1,996,461	2,221,635
(ii) Outstanding balances at the year-end included in trade and other receivables:		
Receivable from Government of Kenya-RES recurrent losses (Note 22 (b))	34,770,199	30,886,124
Receivable from Government of Kenya (Note 22 (b))	478,642	424,549
VAT recoverable (Note 22 (b))	2,110,772	1,784,046
Due from KETRACO (Note 22 (b))	1,715,063	1,715,063
RES – intercompany (Note 22 (b))	8,057,991	6,104,883
Last mile token contribution for RES	607,039	597,834
Ministries & County governments- Electricity sales receivable*	6,713,515	5,340,628
Strategic parastatals- Electricity sales receivable	417,639	463,957
Rural Electrification Authority current account (Note 22 (b))	-	-
Ministry of Energy and other sector entities	158,393	158,393
	55,029,253	47,475,477

* Ministries & County governments includes devolved services and public health facilities

NOTES TO THE FINANCIAL STATEMENTS (continued)

38. RELATED PARTY DISCLOSURES (continued)

(iii) Outstanding balances at the year-end included in trade and other payables:

	2025	2024
	Shs'000	Shs'000
RES current account - Last Mile (Note 29 (b))	1,496,093	1,978,051
Rural Electrification Authority levy (Note 29 (b))	10,414,792	10,591,274
KETRACO- wheeling charge (Note 29 (b))	2,678,739	3,485,769
REREC Garissa Solar Plant	236,277	160,181
Ministry of Finance (Note 29 (b))	875,041	875,041
Government of Kenya - Street lighting project (Note 29 (b))	590,783	808,619
RES – capital (Note 29 (a))	1,941,897	2,350,513
	18,233,622	20,249,448
Net amount owed by Government of Kenya	36,795,631	27,226,029

The tariffs applicable to Government institutions are the same as those charged to other ordinary customers.

(c) Staff

	2025	2024
	Shs'000	Shs'000
(i) Advances to staff included in trade and other receivables	839,891	803,114

The Company advances loans to staff at an interest charge of 12% (2024:12%). The loans are mainly classified into salary, motorcycle, laptop and domestic appliances loans. The outstanding amounts are recovered from payroll on a monthly basis. The repayment period is between 12 to 36 months.

(ii) Key management compensation

	2025	2024
	Shs'000	Shs'000
Short-term employee benefits	5,963	8,131
Termination benefits	30,093	28,327
	36,056	36,458

NOTES TO THE FINANCIAL STATEMENTS (continued)

38. RELATED PARTY DISCLOSURES (continued)

Short-term employee benefits include those relating to the Managing Director and Chief Executive Officer who is also a Director are disclosed below:

	2025 Shs'000	2024 Shs'000
Fees for services as Director		
Non-Executive Directors (Note 13)	9,000	5,145
Other emoluments		
Salaries and other short-term employment benefits:		
Non-Executive Directors (Note 13)	14,305	14,366
Executive Directors and key management staff	36,056	36,458
	50,361	50,824
	59,361	55,969

(d) Rural Electrification Scheme (RES)

The Company continued to manage the RES under the Rural Electrification Programme (REP), on behalf of the Government of Kenya.

The Rural Electrification Programme (REP) was established in 1973 by the Government of Kenya following an agreement between the Government and East African Power & Lighting Company Limited, the predecessor to The Kenya Power & Lighting Company Plc. The programme was established with the specific objective to extend electricity to the sub-economic rural areas. In order to intensify the expansion of these sub-economic regions, the Government has established the Rural Electrification Authority (REA). However, KPLC continues to operate and maintain the whole network, in addition to implementing projects for the Authority on contract basis.

The Company has entered into a Mutual Co-operation and Provision of Services Agreement with REA to operate and maintain lines owned by REA. In return, the Company will retain revenues generated from RES customers to cover maintenance costs incurred by the Company. However, the Company continues to invoice the Government for the expenditure incurred to complete on-going projects.

The REP is funded by the Government of Kenya. Any property acquired by REP remains the property of the Government of Kenya. KPLC only acts as a management agent on behalf of the Government. The balances due to RES are disclosed in Note 37 (b) (ii) and (iii).

NOTES TO THE FINANCIAL STATEMENTS (continued)

38. RELATED PARTY DISCLOSURES (continued)

(e) KenGen

	2025 Shs'000	2024 Shs'000
Electricity purchases (before allocation to RES)	58,368,957	60,006,167
Amounts due to KenGen on electricity purchases (Note 29 (b))	17,708,072	17,327,379
Electricity sales	336,260	553,568
Amounts due from KenGen on account of electricity sales	(251,336)	186,746
Amounts due from KenGen on account of sector entities media campaign	30,000	30,000
Amounts due from KenGen on account of lease of fiber	41,004	29,586

(f) KETRACO

	2025 Shs'000	2024 Shs'000
During the year, the following transactions were carried out with KETRACO		
Wheeling charge KETRACO (Note 9 (a))	5,580,707	5,215,614
	5,580,707	5,215,614

Outstanding balances at the year-end included in trade and other payables:

KETRACO wheeling charge (Note 29 (b))	2,678,739	3,485,769
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Outstanding balances at the year-end included in trade and other receivables:

KEEP/KETRACO 132kV Transmission lines	47,208	47,208
KEEP/KETRACO 132/33kV substations	107,391	107,391
Interest paid on repayment of 2.5% Exim Bank Loan	27,695	27,695
Amount due from Ketraco on account of local costs*	567,642	567,642
Amount due from Ketraco on 0.75% JICA loan (inclusive of interest)	221,272	221,272
Maintenance costs for Transmission lines	743,855	743,855
	1,715,063	1,715,063

*These are local costs incurred by KPLC in the construction of Kisii Chemosit and Kamburu- Meru lines

NOTES TO THE FINANCIAL STATEMENTS (continued)

38. RELATED PARTY DISCLOSURES (continued)

(g) KPLC Staff Retirement Benefits Scheme

The Company rents property owned by the staff retirement benefits scheme for office space. Rent paid to the scheme in the year amounted to Shs.177 million (2024: Shs.177 million). The outstanding balance to the retirement benefit scheme as at 30 June 2025 was Shs nil million (2024: Shs nil million).

The year-end outstanding balances with related parties are interest free and settlement occurs in cash.

(h) Information and Communications Technology Authority (ICTA)

The Government, through the Information and Communications Technology Authority (ICTA), contracted the Company to implement the Last-Mile Fibre Optic Connectivity to government institutions across the country under the Digital Super Highway (DSH) Project. The Company's mandate includes the design, supply, and installation of fibre infrastructure nationwide. In line with the agreed project milestones and deliverables, the Company received a reimbursement of KShs.940,610,307.10 from ICTA as at 30 June 2025. This amount represents a partial settlement of the contract sum invoiced for works partially completed in accordance with the project agreement.

39. CAPITAL COMMITMENTS

The capital commitments relate to the ongoing capital projects which have been approved and are at various stages of implementation.

	2025 Shs'000	2024 Shs'000
Authorised and contracted for	53,452,354	62,749,332
Less: amount incurred and included in work-in-progress	(16,275,680)	(10,375,190)
	37,176,674	52,374,142

40. CONTINGENT LIABILITIES

	2025 Shs'000	2024 Shs'000
Bank guarantees	740,002	663,525
Claims on the Company	8,565,518	7,917,493
	-	-
	9,305,520	8,581,018

Cases filed against the Company are being handled by legal counsel appointed by the Company.

The Directors, based on professional advice and previous courts' pronouncements, are of the opinion that significant loss may arise from these matters.

NOTES TO THE FINANCIAL STATEMENTS (continued)

40. CONTINGENT LIABILITIES (continued)

The following is a highlight of the significant claims against the Company: -

Litigation and claims

- i) Case No. 1720 of 2002 is a case for alleged trespass to land.
- ii) Case No. 3564 of 2003 seeks compensation for the wayleaves trace.
- iii) Case No. 87 of 2012 (formerly CoA 73 of 2016) is a claim for an alleged trespass to land.
- iv) Case No. 1048 of 2014 is a case for alleged trespass to land.
- v) Case No. 166 of 2016 seeks for payments, interest, and demurrages charges for an alleged loss occasioned as a result of an alleged breach of contract.
- vi) Case No. 311 of 2016 is a claim on account of the alleged losses incurred due to alleged transformer failure.
- vii) Case No. 322 of 2017 is a claim for an alleged breach of contract.
- viii) Case No. E049 of 2018 claims for alleged breach of contracts for supply of poles.
- ix) Case No. 206 of 2018 is a claim for an alleged breach of contract.
- x) Miscellaneous Application No. 331 of 2018 seeks to stop the Company from disconnecting power supply to the Plaintiff arising out of unpaid electricity debt.
- xi) Petition No. 448 of 2018 seeks orders to stop the commissioning of a project.
- xii) Cause No. 17 of 2019 (formerly Case No. 74 of 2003) is an employment matter instituted by former staff.
- xiii) Case No. E091 of 2020 claims for alleged breach of contracts for supply of poles.
- xiv) Case No. E006 of 2021 is a claim for alleged breach of contract.
- xv) Case No. E008 of 2021 is a claim for alleged trespass on land.
- xvi) Case No. E307 of 2021 is a claim for alleged trespass on land.
- xvii) Case No. E802 of 2021 is a claim arising out of a procurement.
- xviii) Case No. E047 of 2022 is a claim for alleged trespass on land.
- xix) Case No. E106 of 2022 is a claim for compensation for an alleged breach of contract.
- xx) Case No. E157 of 2022 claims for alleged breach of contract for supply of wooden poles.
- xxi) Case No. E215 of 2022 is a dispute regarding alleged termination of contracts for supply of transformers.
- xxii) Petition No. E103 of 2023 challenges the implementation of the RTA.
- xxiii) Case No. E727 of 2024 is a claim for compensation for an alleged breach of contract.
- xxiv) Case No. E010 of 2024 is a claim for compensation for an alleged breach of contract.
- xxv) Case No. E005 of 2024 is a claim for compensation for an alleged breach of contract.

Other claims lodged against the Company relate to civil suits which have arisen in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS (continued)

41. FUTURE RENTAL COMMITMENTS UNDER OPERATING LEASES

As lessor:

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2025 Shs'000	2024 Shs'000
Not later than 1 year	107,819	100,213
Later than 1 year and not later than 5 years	333,183	347,498
More than 5 years	81,327	80,465
	522,329	528,176

As a lessor, the Company has entered into commercial property leases on its property, and it retains all the significant risks and rewards of ownership of these properties and therefore accounts for the contracts as operating leases.

42. WORLD BANK FINANCING

(a) KEEP Loan (IDA Credit No. 4743-KE)

The Company received funding from the World Bank through Credit No.4743-KE to support electricity expansion projects.

Included in the long-term borrowings is an amount of Shs 16,671,559,000(US\$ 129,002,588) (2024: Shs 17,692,219,000 (US\$ 136,590,975) in respect of the amounts disbursed under the loan to date. The proceeds of the World Bank loan have been expended in accordance with the intended purpose as specified in the loan agreement.

(b) KEMP (IDA Credit No. 5587-KE) LOAN

The Company received funding from the World Bank through Credit No.5587-KE to support electricity modernization projects. Summary information on transactions under KEMP Loan during the two years ended 30 June 2025 and 2024 were as follows:

	2025 Shs'000	2024 Shs'000
At start of year	33,045	102,797
Amounts received during the year	-	-
Net interest income	851	1,447
Expenditure during the year	--	(71,199)
Balance at end of year	33,896	33,045

NOTES TO THE FINANCIAL STATEMENTS (continued)

42. WORLD BANK FINANCING (continued)

(b) KEMP (IDA Credit No. 5587-KE) LOAN (continued)

The closing balances shown above are included in cash and cash equivalents and represent balances in the World Bank funded Special Account No. 01100690198002 held at Cooperative Bank Limited. Included in the long-term borrowings is an amount of Shs.7,364,956,000 (2024: Shs Nil) in respect of the amounts disbursed under the loan to date. The proceeds of the World Bank through Credit No. 7343-KE & 7344-KE have been expended in accordance with the intended purpose as specified in the loan agreement.

(c) KEMP (IDA Credit No. 5587-KE) GRANT

The Company received funding from the World Bank through Credit No.7343-KE & 7344-KE to support the Green and Resilient energy expansion program. Summary information on transactions under GREEN Program Loan during the years ended 30 June 2025 and 2024 were as follows:

	2025 Shs'000	2024 Shs'000
At start of year	38,199	55,099
Amounts received during year	-	-
Net interest income	984	1,068
Expenditure during year	--	(17,968)
Balance at end of year	39,183	38,199

The closing balances shown above are included in cash and cash equivalents and represent balances on the World Bank funded Special Account No1400266766088 held at Equity Bank Limited. The proceeds of World Bank grant have been expended in accordance with the intended purpose as specified in the loan agreement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

42. WORLD BANK FINANCING (continued)

(d) Kenya Green and Resilient Expansion for Energy (GREEN) Program (IDA Credit No. 7343-KE & 7344-KE) LOAN

The Company received funding from the World Bank through Credit No. 7343-KE & 7344-KE to support the Green and Resilient energy expansion program. Summary information on transactions under GREEN Program Loan during the years ended 30 June 2025 and 2024 were as follows:

	2025 Shs'000	2024 Shs'000
At start of year	-	-
Amounts received during year	7,364,956	-
Net interest income	121,338	-
Expenditure during year	(5,873,954)	-
Balance at end of year	1,612,340	-

The closing balances shown above are included in cash and cash equivalents and represent balances in the World Bank funded Special Account No. 01100690198002 held at Cooperative Bank Limited. Included in the long-term borrowings is an amount of Shs.7,364,956,000 (2024: Shs Nil) in respect of the amounts disbursed under the loan to date. The proceeds of the World Bank through Credit No. 7343-KE & 7344-KE have been expended in accordance with the intended purpose as specified in the loan agreement.

Additional information is presented in Annexure II

43. EUROPEAN INVESTMENT BANK (EIB) FINANCING

The Company received financial support from EIB for Grid development. Included in the long-term borrowings is an amount of Shs.2,356,278,000 (Euro 15,537,606) (2024: Shs.2,637,120,000 (Euro 18,990,408) in respect of the outstanding loan balance. The proceeds of the European Investment Bank loan have been expended in accordance with the intended purpose as specified in the loan agreement.

44. EVENTS AFTER THE REPORTING DATE

The Directors are not aware of any other material events after the reporting date that would require adjustment to, or disclosure in, these financial statements.

ANNEXURE I : IMPLEMENTATION STATUS OF AUDITOR-GENERAL PRIOR YEAR RECOMMENDATIONS			
Matter in the 2024 Auditor-General Report	Status in 2025	Management Response	Timeframe
Material Uncertainty Relating to Going Concern	Recurring	The strategic initiatives put in place will strengthen the Company's financial position and improve its performance. The working capital position continues to improve with the liability position decreasing from KShs.27,439 Million in June 2024 to KShs.19,209 Million in June 2025. We have accelerated loan repayments; 2 loans are also scheduled to mature in FY2025/26 with significant improvement on working capital.	30.06.2026
Land Without Titles	Recurring	The Company has taken various steps towards expediting registration of the parcels by the relevant Government agencies, including: - Collaboration with Government departments including request for support made to the Directorate of Survey with a view to hastening survey processes covering survey and resurvey of various KPLC land parcels. We have further closely collaborated with National Land Commission to progress issuance of letters of allotments. - Engagement of external physical planners as consultants to complement the internal professional capacity. - Corresponding with various agencies based on the stage of the process. These include county governments, county land registrars under the Ministry of Lands and various offices at the National Lands Commission. - KPLC has maintained key ownership documents to support the titling and registration process. - Amongst the parcels under adjudication, the adjudication process for Kapkoiwa (Baringo) is complete and is now at transfer to KPLC. - Visits and enquiries to the Land Adjudication offices in various counties to make follow-up on progress and provide information on KPLC's interests. Planning, adjudication, survey and subsequent registration of the previously unregistered areas is a preserve of the National Government through the Ministry of Lands and is carried out as per the plans and programs of the Ministry. All landowners (including KPLC) are therefore subject to the Ministry plans and programs."	30.06.2026
Unsupported decline in value of leased land	Resolved		

ANNEXURE I : IMPLEMENTATION STATUS OF AUDITOR-GENERAL PRIOR YEAR RECOMMENDATIONS			
Matter in the 2024 Auditor-General Report	Status in 2025	Management Response	Timeframe
Unprocedural procurement of off-grid generation fuel	Resolved		
Acting allowance beyond the limit	Resolved	Majority of the positions were filled & the rest have been advertised for competitive filling.	
Non-Compliance with the One-Third Basic Salary Rule	Recurring		30.06.2026
Non-Authentication of Academic Qualifications for Employees	Recurring	3638 certificates had been forwarded to various institutions for verifications.	30.06.2026
Non-Compliance with Age Limit requirement for Appointment to Board	Resolved		
Penalties on Overdue Invoices	Recurring	The interest in late payment of invoices is aimed at compensating the counterparties for payments made outside the agreed credit period as provided for in the Power purchase agreement. KPLC incurred this interest based on the following; - Owing to the persistent negative working capital position of the business, KPLC had, over the last seven years, accumulated overdue obligations for which payment plans had to be entered into with the counterparties. In the year under review KPLC made payments of over KShs.24 billion (KenGen KShs.5.2b, IPPs KShs.18.3b, Ketraco KShs.0.9b) over and above the annual invoice total in a deliberate effort to reduce the overdue amounts that lead to penalty charges. - Relatedly, if KPLC was to make payment of all outstanding obligations within the credit period, it would have to borrow funds thus incurring a financing cost at the market rate that is much higher than the charges incurred. The acute shortage of foreign currency in the market over the past two years drove up the outstanding obligations especially considering that a significant part of power purchase is denominated in foreign currency. This was a situation beyond KPLC's control and thus not avoidable.	30.06.2026

ANNEXURE I : IMPLEMENTATION STATUS OF AUDITOR-GENERAL PRIOR YEAR RECOMMENDATIONS			
Matter in the 2024 Auditor-General Report	Status in 2025	Management Response	Timeframe
Comparative Cost of Power Purchase Between KenGen and Independent Power Producers	Recurring		30.06.2026
Failure to prepare financial statements for a Donor Project	Resolved		
Long Outstanding Receivables from Government Entities	Recurring	- The Company wrote to the MOE requesting the Cabinet Secretary to assist in demanding the sector agencies to honour their commitments and settle the outstanding payments. - The Company has since stopped invoicing the County Governments and has subsequently sought MOEP approval for any County Street Lighting requirement. MOEP has since given consent for the implementation of Street Lighting projects utilizing funds allocated for the National Street lighting program. The Company is seeking assistance of the National Government in having the county governments pay these amounts. - The RES deficit of KShs.30,734,586,000 is an accumulation of carried forward deficit KShs.26,926,060,000 plus current deficit of KShs.4,618,026,000 less part repayment of KShs.809,500,000 by GOK in the year 2023/24. The KShs.19,400,000,000 provided in The MOEP Budget is yet to be disbursed. The Company, on a monthly basis, provides the MOEP with a reconciliation on RES Schemes, hence Ministry is aware of the increasing RES Deficit.	30.06.2026

ANNEXURE I : IMPLEMENTATION STATUS OF AUDITOR-GENERAL PRIOR YEAR RECOMMENDATIONS			
Matter in the 2024 Auditor-General Report	Status in 2025	Management Response	Timeframe
Outstanding Rent	Recurring	The issue in respect to vacated tenants has been addressed as follows: i. Part of the arrears equivalent to KShs.1,054,075.00 has been covered by the tenants' security deposit held. ii. The Company has initiated recovery of KShs.4,734,002.87 through a court process. The case is live before a Mombasa High Court awaiting determination. iii. The Company has engaged external debt collection agents to facilitate arrears collection. Debt of KShs.5,693,705.22 has been transferred to debt collectors. iv. The Company has sought National Treasury approval for write-off of the unrecoverable debt of KShs.4,199,742.29 accrued by deceased sole proprietors and untraceable and dissolved companies. v. Two tenants with arrears of KShs.539,847.24 are making periodic payments in installments. vi. The Company has carried out reconciliation of tenants' accounts and determined that KShs.995,109.35 that were part of the stated arrears had been paid. Mitigation measures on current tenants to minimize the risk of accruing rent arrears: i. Billing one month in advance to ensure advance payment of quarterly rent. Holding of security deposit equivalent to the highest quarterly rent payable in the course of the lease period to cover for any quarter rent owed in the course of the tenancy. Engaging auctioneers where the rent is one quarter overdue. The Company has listed the services of auctioneers to proclaim, attach and sell items belonging to tenants who are more than one-quarter in arrears. ii. In-person visits to tenant premises to demand for rent payment. This escalates to reentering the premises and terminating the lease where the tenant is reasonably determined to be unable to continue meeting their rent payment obligations, to avoid accumulation of rent arrears. iii. Expansion of the scope of third-party debt collectors to include the collection of non-electricity arrears.	30.06.2026
Delays in completion of customer electricity connection projects	Recurring	During the year under review there has been enhanced customer connectivity and schemes over 3 years reduced from 21,231 as reported in last year audit findings to the reported 2,202 schemes in the year under Audit. The rapid response initiative to connect all pending customers are still ongoing in the current financial year.	30.06.2026

ANNEXURE I : IMPLEMENTATION STATUS OF AUDITOR-GENERAL PRIOR YEAR RECOMMENDATIONS			
Matter in the 2024 Auditor-General Report	Status in 2025	Management Response	Timeframe
Weaknesses in project management	Not Resolved	Major challenges of materials availability has been addressed and project implementation has made considerable progress. Currently there are 4,293 valued at KShs.1,048,361,933 under implementation. Additionally, project management framework has already been developed and is awaiting management approval.	31.12.2025
Weaknesses in Electricity Consumption Billings	Not Resolved		30.06.2026
Network Inefficiencies Power Losses	Recurring	The segregation findings have been shared with the Ministry of Energy and the regulator with a view of having the losses apportioned to each entity separately rather than have KPLC bear the responsibility for the entire losses of the sector. To exact the figure of actual losses for each of the network segments of Transmission and Distribution, The Ministry of Energy has retained a consultant with support of the World Bank with task of segregation of losses. The kickoff meeting was held on 15th October 2024 and the report should be completed by June 2025.	30 June 2026
Instabilities in the Power Supply Network	Resolved	Management has in place robust plans to ensure enhanced grid stability and reduce the frequency of interruptions experienced by customers as a strategy to also increase sales. Despite the plans in place and their execution, two critical factors of intermittent generation impact and generation shortfall affected the quality of supply.	
Weaknesses in Management of Risks	Resolved	Implementation of the recommendations arising out of the cited investigation reports, are either complete or ongoing. Engagement with stakeholders is ongoing, which is part of the expanded investigation. Disciplinary action has been taken against implicated employees.	



Dr. Eng. Joseph Siror
Managing Director and CEO

ANNEXURE II- THE PROGRAM FOR RESULTS UNDER THE KENYA GREEN AND RESILIENT EXPANSION OF ENERGY PROGRAM (GREEN).

The Green and Resilient Expansion of Energy Program (GREEN Program) is implemented under the Program for Results (PforR) financing arrangement between the Government of Kenya and the World Bank. The overall goal of the Program is to enhance access to affordable, reliable, and sustainable energy while strengthening the resilience and operational performance of the energy sector.

Expenditures under the GREEN Program are drawn from the approved expenditure framework which incorporates the Company's eligible budget lines. The expenditures are aimed at achieving the agreed results.

Name of PforR: THE KENYA GREEN AND RESILIENT EXPANSION OF ENERGY PROGRAMME - P176698				Name of Financing Partners: WORLD BANK IDA(International Development Association)			
Opening Cumulative for Previous FY- 01.07.2024		Current FY2024/25		Total Cumulative			
Expenditure Details	Budget Shs'000	Actual Shs'000	Budget Shs'000	Actual Shs'000	Budget Shs'000	Actual Shs'000	Actual Shs'000
	(a)	(b)	(c)	(d)	e = (a) + (c)	f = (b) + (d)	
Operating Costs							
Power Purchase costs from Renewables							
Capacity Costs- IPPs	6,616,048	6,221,839	25,242,844	24,925,190	31,858,892	31,147,030	
Energy Purchase from IPPs	10,331,683	7,642,332	39,052,850	37,812,736	49,384,533	45,455,068	
KENGEN- Capacity Costs	8,011,067	7,828,127	33,311,503	31,513,120	41,322,570	39,341,247	
KENGEN Steam Charges	1,741,292	1,404,931	6,884,760	5,644,566	8,626,052	7,049,497	
Sub-total	29,030,044	25,181,623	115,796,352	108,908,973	144,826,396	134,090,596	
Capital Costs							
Meter Rollout	1,705,190	499,155	2,400,000	8,718,305	2,775,000	9,217,460	
Last Mile Electrification	1,549,517	917,394	4,188,000	4,896,728	5,737,517	5,814,122	
Subtotal	1,924,517	1,416,549	6,588,000	13,615,033	8,512,517	15,031,582	
Total	30,579,561	26,598,172	122,384,352	122,524,006	153,338,913	149,122,178	





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APPENDICES

SHAREHOLDING STRUCTURE - APPENDIX 1

The Top Twenty (20) Shareholders as at 30th June 2025

NO.	NAME OF SHAREHOLDER	ORDINARY SHARES (SHS. 2.50 EACH)	4% PREF. SHARES (SHS. 20/= EACH)	7% PREF. SHARES (SHS. 20/= EACH)	TOTAL	%
1	THE NATIONAL TREASURY AND ECONOMIC PLANNING	977,641,695	656,808	193,531	978,492,034	50.09
2	STANDARD CHARTERED KENYA NOMINEES LTD A/C 131550500013	58,000,000	-	-	58,000,000	2.97
3	STANDARD CHARTERED NOMINEES RESD A/C KE11450	32,518,589	-	-	32,518,589	1.66
4	NYORO, SAMSON NDINDI	26,918,500	-	-	26,918,500	1.38
5	STANDARD CHARTERED NOMINEES NON-RESA A/C KE11794	24,076,800	-	-	24,076,800	1.23
6	HIRANI, NARAN KHIMJI & HIRANI, VIRJI KHIMJI	24,055,364	-	-	24,055,364	1.23
7	KENYA COMMERCIAL BANK NOMINEES LIMITED A/C 915B	22,887,288	-	-	22,887,288	1.17
8	HYDERY (P) LIMITED	15,068,500	-	-	15,068,500	0.77
9	OOKO, JAMES OCHIENG	13,662,400	-	-	13,662,400	0.70
10	MAIYO, WILSON KIMELI	12,100,000	-	-	12,100,000	0.62
11	KALEB INVESTMENTS LIMITED	12,000,100	-	-	12,000,100	0.61

NO.	NAME OF SHAREHOLDER	ORDINARY SHARES (SHS. 2.50 EACH)	4% PREF. SHARES (SHS. 20/= EACH)	7% PREF. SHARES (SHS. 20/= EACH)	TOTAL	%
12	WIZPRO ENTERPRISES LIMITED	11,898,500	-	-	11,898,500	0.61
13	RUHARI, NEHEMIA IKUAH	11,273,655	-	-	11,273,655	0.58
14	KALE, KIPKALES CHETALAM	11,100,355	-	-	11,100,355	0.57
15	SBM BANK NOMINEES LTD AC 0037	10,908,200	-	-	10,908,200	0.56
16	STANBIC NOMINEES LIMITED AC R7551918	8,064,279	-	-	8,064,279	0.41
17	NGUGI, JOHN NJUGUNA	7,987,800	-	-	7,987,800	0.41
18	TAPIOCA LIMITED	7,112,500	-	-	7,112,500	0.36
19	KESTREL CAPITAL NOMINEE SERVICES LIMITED A/C 13	6,500,000	-	-	6,500,000	0.33
20	HIRANI, DARMES NARAN KHIMJI; HIRANI, NARAN KHIMJI	6,478,300	-	-	6,478,300	0.33
SUB - TOTAL		1,300,252,825	656,808	193,531	1,301,103,164	66.60
OTHER SHAREHOLDERS		651,214,220	1,143,192	156,469	652,513,881	33.40
TOTAL ISSUED SHARES		1,951,467,045	1,800,000	350,000	1,953,617,045	100.00

Directors' Shareholding

NAME	SHARES
Eng. Albert Mugo	2,993,062
Dr. (Eng) Joseph Siror	63,000

Distribution of Ordinary Shares as at 30th June 2025

RANGE	NO. OF SHAREHOLDERS	SHARES
<1,000	18,343	5,708,561
1001-10,000	12,009	39,752,405
10,001-50,000	3,168	69,211,639
50,001-100,000	638	45,745,666
100,001-1,000,000	708	194,316,739
Over 1,000,000	145	1,596,732,035
TOTAL	35,011	1,951,467,045

Distribution of 4 Percent Cumulative Preference Shares as at 30th June 2025

RANGE	NO. OF SHAREHOLDERS	SHARES
<1,000	362	62,284
1001-10,000	55	137,759
10,001-50,000	12	310,355
50,001-100,000	2	134,164
Over 100,000	3	1,155,458
Total	434	1,800,000

Distribution of 7 Percent Cumulative Preference Shares as at 30th June 2025

RANGE	NO. OF SHAREHOLDERS	SHARES
<1,000	78	20,962
1001-10,000	14	41,458
10,001-50,000	2	36,432
50,001-100,000	1	57,617
Over 100,000	1	193,531
Total	96	350,000

Shareholders Analysis as at 30th June 2025

CATEGORY	ORDINARY SHARES	%	4% PREF. SHARES	%	7% PREF. SHARES	%	TOTAL SHARES	%
The National Treasury and Economic Planning	977,641,695	50.10%	656,808	36.49%	193,531	55.29%	978,492,034	50.09%
Local E.A. institutional investors	284,736,787	14.59%	428,744	23.82%	41,122	11.75%	285,206,653	14.60%
Local E.A. individual investors	562,790,662	28.84%	610,678	33.93%	99,919	28.55%	563,501,259	28.84%
Foreign Investors	126,297,901	6.47%	103,770	5.77%	15,428	4.41%	126,417,099	6.47%
GRAND TOTAL	1,951,467,045	100%	1,800,000	100%	350,000	100%	1,953,617,045	100%

GRI Content Index - APPENDIX 2

Statement of use

Kenya Power has reported the information cited in this GRI content index for the period 1 July 2024 to 30 June 2025 with reference to the GRI Standards. GRI 1 used

GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE PAGE	LOCATION	PAGE
General Disclosures			
GRI 2: General Disclosures 2021			
	2-1 Organizational details	Corporate Information	14
	2-2 Entities included in the organization's sustainability reporting	About our Integrated Report	12
	2-3 Reporting period, frequency and contact point	About our Integrated Report	12
	2-5 External assurance	Financial Statements	113
	2-6 Activities, value chain and other business relationships	Corporate Information	14
	2-7 Employees	Building and Retaining a Skilled Workforce	99
	2-9 Governance structure and composition	Corporate Governance	54
	2-10 Nomination and selection of the highest governance body	Corporate Governance	54
	2-11 Chair of the highest governance body	Corporate Governance	54
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	54
	2-13 Delegation of responsibility for managing impacts	Corporate Governance	54
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	54
	2-15 Conflicts of interest	Corporate Governance	54
	2-16 Communication of critical concerns	Corporate Governance	54
	2-17 Collective knowledge of the highest governance body	Corporate Governance	54

GRI STANDARD/ OTHER SOURCE	DISCLOSURE PAGE	LOCATION	PAGE
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	54
	2-19 Remuneration policies	Corporate Governance	54
	2-20 Process to determine remuneration	Corporate Governance	54
	2-22 Statement on sustainable development strategy	Corporate Strategy Implementation & Grid Investments	76
	2-23 Policy commitments	Corporate Strategy Implementation & Grid Investments	76
	2-24 Embedding policy commitments	Corporate Strategy Implementation & Grid Investments	76
	2-25 Processes to remediate negative impacts	Corporate Strategy Implementation & Grid Investments	76
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Strategy Implementation & Grid Investments	76
	2-27 Compliance with laws and regulations	Risk Management	70
	2-28 Membership associations	Partnerships and Stakeholder Engagements	106
	2-29 Approach to stakeholder engagement	Partnerships and Stakeholder Engagements	106
	2-30 Collective bargaining agreements	Building and Retaining a Skilled Workforce	99
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Corporate Strategy Implementation & Grid Investments	76
	3-2 List of material topics	Corporate Strategy Implementation & Grid Investments	76
	3-3 Management of material topics	Corporate Strategy Implementation & Grid Investments	76

GRI STANDARD/ OTHER SOURCE	DISCLOSURE PAGE	LOCATION	PAGE
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Statements	115
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management	70
	201-3 Defined benefit plan obligations and other retirement plans	Financial Statements	113
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Corporate Strategy Implementation & Grid Investments	76
	203-2 Significant indirect economic impacts	Financial Statements	113
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Corporate Strategy Implementation & Grid Investments	76
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance	54
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance	54
GRI 207: Tax 2019	207-1 Approach to tax	Financial Statements	113
	207-2 Tax governance, control, and risk management	Financial Statements	113
	207-3 Stakeholder engagement and management of concerns related to tax	Partnerships and Stakeholder Engagements	106

GRI STANDARD/ OTHER SOURCE	DISCLOSURE PAGE	LOCATION	PAGE
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Corporate Strategy Implementation & Grid Investments	76
	302-2 Energy consumption outside of the organization	Corporate Strategy Implementation & Grid Investments	76
	302-3 Energy intensity	Corporate Strategy Implementation & Grid Investments	76
	302-4 Reduction of energy consumption	Corporate Strategy Implementation & Grid Investments	76
	302-5 Reductions in energy requirements of products and services	Corporate Strategy Implementation & Grid Investments	76
GGRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Corporate Strategy Implementation & Grid Investments	76
	303-2 Management of water discharge-related impacts	Corporate Strategy Implementation & Grid Investments	76
	303-3 Water withdrawal	Corporate Strategy Implementation & Grid Investments	76
	303-4 Water discharge	Corporate Strategy Implementation & Grid Investments	76
	303-5 Water consumption	Corporate Strategy Implementation & Grid Investments	76
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Corporate Strategy Implementation & Grid Investments	76
	305-2 Energy indirect (Scope 2) GHG emissions	Corporate Strategy Implementation & Grid Investments	76
	305-3 Other indirect (Scope 3) GHG emissions	Corporate Strategy Implementation & Grid Investments	76
	305-4 GHG emissions intensity	Corporate Strategy Implementation & Grid Investments	76
	305-5 Reduction of GHG emissions	Corporate Strategy Implementation & Grid Investments	76

GRI STANDARD/ OTHER SOURCE	DISCLOSURE PAGE	LOCATION	PAGE
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Corporate Strategy Implementation & Grid Investments	76
	306-2 Management of significant waste-related impacts	Corporate Strategy Implementation & Grid Investments	76
	401-1 New employee hires and employee turnover		
	306-3 Waste generated	Corporate Strategy Implementation & Grid Investments	76
	306-4 Waste diverted from disposal	Corporate Strategy Implementation & Grid Investments	76
	306-5 Waste directed to disposal	Corporate Strategy Implementation & Grid Investments	76
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Building and Retaining a Skilled Workforce	99
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Building and Retaining a Skilled Workforce	99
	401-3 Parental leave	Building and Retaining a Skilled Workforce	99
GRI STANDARD/ OTHER SOURCE	DISCLOSURE PAGE	LOCATION	PAGE
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational and Public Safety	102
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational and Public Safety	102
	403-3 Occupational health services	Occupational and Public Safety	102
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational and Public Safety	102
	403-5 Worker training on occupational health and safety	Occupational and Public Safety	102
	403-6 Promotion of worker health	Occupational and Public Safety	102

GRI STANDARD/ OTHER SOURCE	DISCLOSURE PAGE	LOCATION	PAGE
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational and Public Safety	102
	403-8 Workers covered by an occupational health and safety management system	Occupational and Public Safety	102
	403-9 Work-related injuries	Occupational and Public Safety	102
	403-10 Work-related ill health	Occupational and Public Safety	102
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Building and Retaining a Skilled Workforce	99
	404-2 Programs for upgrading employee skills and transition assistance programs	Building and Retaining a Skilled Workforce	99
	404-3 Percentage of employees receiving regular performance and career development reviews	Building and Retaining a Skilled Workforce	99
GRI 405: Diversity & Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance	54
		Building and Retaining a Skilled Workforce	99
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate Governance	54



Pamoja Twang'aa

A modern kitchen interior featuring a large, silver, double-door refrigerator with a water dispenser on the left. To the right is a white countertop with a sink, a black faucet, and a black kettle. Below the countertop is a white cabinet and a built-in white washing machine. A young boy in a green and white striped shirt is sitting on a colorful rug on the floor in the foreground. A large yellow vertical bar is on the left side of the image. The floor is made of light-colored wood. A wicker basket and a wooden side table with a lamp are on the right. A window with white blinds is in the background.

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Statistical
Information

THE KENYA POWER AND LIGHTING COMPANY PLC

TEN YEAR FINANCIAL AND STATISTICAL RECORDS

For year ended	30th June 2016	30th June 2017	30th June 2018 (Restated)	30th June 2019	30th June 2020	30th June 2021 (Restated)	30th June 2022 (Restated)	30th June 2023	30th June 2024	30th June 2025
UNITS SOLD (GWh)	7,385	7,717	7,905	8,173	8,171	8,571	9,163	9,567	9,855	10,742
Average yield of units sold (cents)	1,467.50	1,564.63	1,661.97	1,629.03	1,630.87	1,681.48	1,717.27	1,996.18	2,345.24	2,041.38
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
Revenue from sale of electricity	108,374,612	120,742,270	131,378,974	133,140,887	133,258,602	144,119,605	157,353,254	190,974,954	231,123,597	219,284,568
Operating Profit	16,930,645	13,652,536	11,917,723	10,530,956	5,312,226	17,084,918	17,146,920	19,213,426	41,489,275	39,466,085
TAXATION (CHARGE)/ CREDIT	(4,885,834)	(2,376,214)	(1,699,641)	(72,061)	6,102,532	(6,707,968)	(1,520,742)	1,240,677	(13,585,659)	(10,908,159)
NET PROFIT AFTER TAXATION BEFORE FINANCE INCOME/COSTS	12,044,811	11,276,322	10,218,082	10,458,895	11,414,758	10,376,950	15,626,178	20,454,103	27,903,616	28,557,926
Finance Income	964,957	46,004	100,000	117,900	123,188	162,862	396,940	506,640	1,493,956	625,218
Finance Costs	(5,811,275)	(6,039,971)	(7,047,526)	(10,315,242)	(12,477,428)	(9,050,124)	(12,760,259)	(24,153,922)	682,798	(4,716,619)
Preference dividends (gross)	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)	(1,930)
NET PROFIT ATTRIBUTABLE TO										
ORDINARY SHAREHOLDERS	7,196,563	5,280,425	3,268,626	261,553	(939,482)	1,489,688	3,262,859	(3,193,179)	30,080,370	24,466,525
ORDINARY DIVIDENDS (gross)	(975,733)	(585,440)	(975,734)	-	-	-	-	-	-	1,756,320
OTHER COMPREHENSIVE INCOME	(168,673)	(740,849)	(68,486)	(1,165,286)	(395,560)	787,454	(498,836)	402,552	390,951	(1,104,502)
RETAINED PROFIT FOR THE YEAR	6,052,157	3,954,136	2,224,406	(903,733)	(1,335,042)	2,277,142	2,764,023	(2,790,627)	30,471,321	25,118,343
FUNDS GENERATED FROM OPERATIONS										
Profit/(Loss) for the year after dividends	6,052,157	3,954,136	2,224,406	(903,733)	(1,335,042)	2,277,142	2,764,023	(2,790,627)	30,471,321	25,118,343
Depreciation	9,434,511	11,951,350	15,284,953	17,253,356	17,869,493	18,218,443	17,641,988	16,391,321	16,501,488	17,592,961
	15,486,668	15,905,486	17,509,359	16,349,623	16,534,451	20,495,585	20,406,011	13,600,694	46,972,809	42,711,304
CAPITAL EMPLOYED										
Fixed Assets less depreciation	233,714,593	262,347,609	273,376,882	277,066,960	276,859,904	277,333,014	272,360,574	267,974,466	275,774,833	287,476,703
Intangible assets	2,602,033	2,593,483	3,842,816	3,491,263	2,380,739	1,480,429	613,312	1,664,133	2,013,305	2,052,797
Leasehold land	868,519	868,463	813,423	883,126	667,014	659,686	644,822	685,694	654,085	626,480
Investment	-	-	-	-	-	-	-	-	-	-
Other non current assets	5,079,411	4,133,291	4,001,887	2,342,637	2,732,763	3,177,952	2,017,954	2,359,422	1,588,464	666,478
Net current assets/(Liabilities)	(2,793,900)	(17,535,199)	(56,012,987)	(70,969,861)	(74,848,822)	(66,937,941)	(56,534,952)	(51,233,931)	(27,438,906)	(19,209,217)
	239,470,656	252,407,647	226,022,021	212,814,125	207,791,598	215,713,140	219,101,710	221,449,784	252,591,781	271,613,241

THE KENYA POWER AND LIGHTING COMPANY PLC

TEN YEAR FINANCIAL AND STATISTICAL RECORDS

For year ended	30th June 2016	30th June 2017	30th June 2018 (Restated)	30th June 2019	30th June 2020	30th June 2021 (Restated)	30th June 2022 (Restated)	30th June 2023	30th June 2024	30th June 2025
FINANCED BY:										
Non cumulative preference shares	-	-	-	-	-	-	-	-	-	-
Cumulative preference shares	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000
Deferred Income	18,154,796	19,562,051	16,999,103	15,103,027	12,900,609	11,187,465	11,131,733	12,775,248	15,700,478	19,142,489
Loan capital	105,017,783	111,075,216	96,929,050	92,615,401	94,957,232	91,042,791	87,230,904	94,456,942	81,895,385	70,138,830
Deferred taxation	26,702,741	28,683,216	28,904,087	26,886,643	20,590,805	27,415,359	28,579,124	27,217,478	37,523,737	43,063,649
Non current liability	30,172,855	29,710,547	22,524,358	21,935,192	24,403,153	29,155,080	32,483,481	30,114,275	30,115,019	29,889,705
	239,470,656	252,407,647	226,022,021	212,814,125	207,791,598	215,713,140	219,101,710	221,449,784	222,120,460	219,120,514
CAPITAL EXPENDITURE	48,815,284	41,516,132	28,668,423	21,533,352	17,073,419	18,661,904	12,275,327	13,817,256	24,939,533	29,512,680
Average cost of units sold (cents)	1,339.41	1,493.09	1,627.34	1,607.31	1,656.27	1,564.35	1,675.24	1,890.43	1835.184	1683.647
Profit for the year before taxation as a										
percentage of average capital employed	7.07%	5.41%	5.27%	4.95%	2.56%	7.92%	7.83%	8.68%	16.43%	14.53%
ORDINARY DIVIDENDS RATES	20%	20%	0%	0%	0%	0%	0%	0%	28%	
Earnings per share	3.69	2.71	1.67	0.13	(0.48)	0.76	1.67	(1.64)	15.41	12.54
Customers/employees ratio	439	615	615	643	723	814	925	920	923	951
Sales (KWh) per employee	663,343	682,800	719,094	743,473	837,198	904,294	1,017,524	1,021,561	1,004,585	1,077,585

TABLE 1 : POWER SYSTEM OPERATION STATISTICS FOR 5 YEARS

COMPANY	Capacity (MW) as at 30.06.2025		Energy Purchased GWh				
	Installed	Effective1 / Contracted2	2020/21	2021/22	2022/23	2023/24	2024/25
KenGen							
Hydro:							
Gitaru	225.0	216.0	884	709	456	806	777
Kamburu	94.2	90.0	443	368	236	407	399
Kiambere	168.0	164.0	977	796	516	806	802
Kindaruma	72.0	70.5	184	165	102	188	187
Masinga	41.2	40.0	176	154	77	116	161
Tana	25.7	20.0	123	87	82	118	109
Turkwel	106.0	105.0	715	539	486	413	574
Sondu Miriu	60.7	60.0	431	339	375	280	235
Sang'oro	21.2	20.0	144	110	122	126	128
Small Hydros	12.27	11.26	16	34	67	75	75
Hydro Total	826	797	4,091	3,300	2,520	3,335	3,448
Thermal:							
Kipevu Diesel Power I	0.0	0.0	55	141	93	0	0
Kipevu Diesel Power III	120.0	115.0	147	399	231	365	461
Muhoroni GT	52.0	52.0	43	40	35	0	15
Thermal Total	172	167	245	580	360	365	476
Geothermal:							
Olkaria I (Units 1,2&3)	0.0	0.0	70	204	113	0	0
Olkaria II	104.5	101.0	500	488	730	627	688
Eburru	2.4	2.1	8	4	8	9	4
OW37 - WellHead 373	22.0	17.5	101	65	70	56	91
OW 43 - WellHead 43	14.0	10.0	55	40	29	44	0
OW 914 - WellHead 9144	52.5	42.5	231	215	211	161	177
Olkaria IV	149.9	140.0	960	1,007	1,013	970	993
Olkaria I AU (Units 4&5)	150.5	140.0	861	774	1,042	1,020	786
Olkaria V	172.3	158.0	1,268	1,066	1,266	1,164	1,183

TABLE 1 : POWER SYSTEM OPERATION STATISTICS FOR 5 YEARS

COMPANY	Capacity (MW) as at 30.06.2025		Energy Purchased GWh				
	Installed	Effective1 / Contracted2	2020/21	2021/22	2022/23	2023/24	2024/25
Olkaria I (Unit 6)	86.9	80.0		113	607	583	586
Geothermal Total	755	691	4,053	3,977	5,089	4,633	4,509
Wind							
Ngong	25.5	25.5	53.6	53.6	57	50	48
KenGen Total	1,779	1,680	8,443	7,911	8,027	8,383	8,482
Government of Kenya (Rural Electrification Programme)							
Off-grid Diesel	41.0	24.2	64.8	71	74	85	88
Off-grid Solar	2.3	1.7	0.26	0.25	0.34	0.28	0.26
Off-grid Wind	0.6	0.0	0.00	0.00	0.00	0.00	0.00
Total Offgrid	44	26	65	71	75	85	88
Independent Power Producers (IPP) - Thermal & Geothermal							
Thermal:							
Iberafrica	52.5	52.5	45	86	116	38	60
Rabai Power	90.0	88.6	266	502	446	441	489
Kipevu II (Tsavo)	0.0	0.0	183	48	0	0	0
Thika Power	87.0	87.0	93	211	194	121	133
Gulf Power	80.3	80.3	21	81	170	53	42
Triumph Power	83.0	83.0	22	70	35	26	47
Thermal Total	393	391	630	997	961	678	772
Geothermal:							
OrPower 4 -Geothermal (1st plant)	63.8	63.8	390	392	399	332	371
OrPower 4 -Geothermal (2nd plant)	39.6	39.6	269	265	245	210	240
OrPower 4 -Geothermal (3rd plant)	17.6	17.6	128	128	116	104	117
OrPower 4 -Geothermal (4th plant)	29.0	29.0	194	190	180	147	155
Sossian Menengai Geothermal	35.0	35.0			6	282	326
Geothermal Total	185	185	981	976	946	1,075	1,209

TABLE 1 : POWER SYSTEM OPERATION STATISTICS FOR 5 YEARS

COMPANY	Capacity (MW) as at 30.06.2025		Energy Purchased GWh				
	Installed	Effective1 / Contracted2	2020/21	2021/22	2022/23	2023/24	2024/25
Wind							
Lake Turkana Wind Power	310.0	300.0	1,559	1,573	1,678	1,326	1,437
Kipeto Energy PLC	100.0	100.0	88	426	466	404	423
Wind Total	410	400	1,647	1,999	2,144	1,730	1,859
Small Hydro:							
Imenti Tea Factory	0.0	0.0	0.4	0.2	0.3	1	0
Gikira small hydro	0.5	0.5	1.8	0.9	1.0	2	1
Regen-Terem	5.0	5.0	22	15	20	23	22
Gura KTDA	2.8	2.8	11.3	20	11	14	13
Chania KTDA	0.5	0.5	1	1	0.2	1	1
North Mathioya (Metumi) KTDA	3.6	3.6	13.8	9.9	14	17	15
Kianthumbi Small hydro	0.5	0.5	0.36	2.0	1.5	3	3
Small Hydro Total	12.9	12.9	50.3	48.5	48.9	60.7	55.2
Cogeneration:							
Biojoule Biogas	2.0	2.0	0.3	0.4	0.2	0.1	0.0
Cogeneration Total	2.0	2.0	0.3	0.4	0.2	0.1	0.0
Solar:							
Strathmore Solar	0.3	0.3	0.09	0.05	0.08	0.08	0.07
Selenkei Solar Farm	40.0	40.0	1.50	89	86	94	94
Cedate Solar Farm	40.0	40.0		88	94	96	92
Malindi Solar Group	40.0	40.0		54	99	99	97
Alten Kenya SolarFarm	40.0	40.0			79	100	108
Solar Total	160.3	160.3	1.6	230.4	357.8	389.0	390.2
IPP Total	1,163	1,152	3,310	4,251	4,458	3,933	4,285
REREC Garissa Solar Plant							
Garissa Solar Plant	50.0	50.0	86	82	86	84	83
REREC Garissa Total	50	50	86	82	86	84	83

TABLE 1 : POWER SYSTEM OPERATION STATISTICS FOR 5 YEARS

COMPANY	Capacity (MW) as at 30.06.2025		Energy Purchased GWh				
	Installed	Effective1 / Contracted2	2020/21	2021/22	2022/23	2023/24	2024/25
Imports							
UETCL			192	332	275	217	226
TANESCO			0.0	0.0	0.0	0.0	0.0
EEU (MOYALE)			4.8	5.5	5.5	5.5	6.5
EEP 500 HVDC	200.0	200.0			364	977	1,268
TANESCO- 400kV							33.8
Total Imports	200	200	197	338	644	1,199	1,534
SYSTEM TOTAL	3,236	3,108	12,101	12,653	13,290	13,684	14,472
SUMMARY OF KEY STATISTICS							
SALES - KPLC System (GWh)			8,553	9,147	9,539	9,813	10,570
- REP System (GWh)			632	650	667	660	760
- Export to Uganda (GWh)			17	16	27	43	42
- Export to Tanesco (GWh)			0.00	0.00	0.00	0.00	0.00
- Export to Tanesco 400kV (GWh)							30.16
TOTAL SALES (GWh)			9,203	9,813	10,233	10,516	11,403
System Losses (GWh) ⁵			2,898	2,839	3,057	3,169	3,069
System Peak Demand (MW)⁶			1,994	2,057	2,149	2,177	2,316
System Load Factor			69.3%	70.2%	70.6%	71.8%	71.3%
Sales % of Energy Purchased			76.1%	77.6%	77.0%	76.8%	78.8%

TABLE 1 : POWER SYSTEM OPERATION STATISTICS FOR 5 YEARS

COMPANY	Capacity (MW) as at 30.06.2025		Energy Purchased GWh				
	Installed	Effective ¹ / Contracted ²	2020/21	2021/22	2022/23	2023/24	2024/25
Losses as % of Energy Purchased			23.95%	22.44%	23.00%	23.16%	21.21%
Annual Growth: - Energy Purchased			5.57%	4.56%	5.04%	2.97%	5.76%
-Total Sales			4.90%	6.63%	4.28%	2.76%	8.43%
-KPLC Sales			4.90%	6.94%	4.28%	2.87%	7.71%
-REP Sales			5.02%	2.89%	2.58%	-1.06%	15.17%
-System Peak Demand			3.51%	3.18%	4.49%	1.30%	6.36%

Notes:

1)PPA Effective Capacity - Contracted Capacity for the Power Plant on Energy PPA

2)PPA Contracted Capacity – Contracted Capacity for the Power Plant on Capacity PPA

3) Includes OW37, OW 37 kwg 12, OW 37 kwg 13 and OW 39 Olkaria Mobile Wellheads centrally metered at OW 37

4) Includes OW905,OW914 ,OW915 and OW 919 Olkaria Mobile Wellheads centrally metered at OW 914

5) System losses comprise of technical and non-technical losses.

6) The peak demand shown includes export to Uganda.

TABLE 2: REGIONAL MAXIMUM DEMAND (MW)

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	993	1,008	1,032	1,141	1,038
Coast	382	402	380	323	298
West Kenya	456	466	507	466	479
Mt. Kenya	251	231	304	243	269
TOTAL SYSTEM (SIMULTANEOUS)	1,994	2,057	2,149	2,177	2,316
% INCREASE P.A.	3.5%	3.2%	4.5%	1.3%	6.4%

TABLE 3: KPLC SALES BY CUSTOMER CATEGORY IN GWh

CUSTOMER CATEGORY	2020/21	2021/22	2022/23	2023/24	2024/25
Domestic-DC	2,630	2,728	2,798	2,769	3,104
Small Commercial-SC	1,326	1,474	1,504	1,526	1,710
Commercial and Industrial-CI	4,514	4,851	5,137	5,415	5,603
Street lighting-SL	84	95	99	102	148
E-Mobility				1.24	4.88
TOTAL	8,553	9,147	9,539	9,813	10,570
% INCREASE P.A.	4.9%	6.9%	4.3%	2.9%	7.7%

TABLE 4: TOTAL UNIT SALES BY REGION IN GWh

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	4,009	4,241	4,346	4,470	4,879
Coast	1,573	1,674	1,800	1,873	1,932
Central Rift	722	811	840	850	933
North Rift	317	357	349	386	436
South Nyanza	127	134	137	145	151
West Kenya	395	429	479	485	504
Mt Kenya	496	531	548	558	621
North Eastern	914	969	1,039	1,046	1,113
KPLC Sales	8,553	9,147	9,539	9,813	10,570
R.E.P. Schemes	632	650	667	660	760
Export Sales	17	16	27	43	73
TOTAL	9,203	9,813	10,233	10,516	11,403
%INCREASE P.A.	4.90%	6.63%	4.28%	2.76%	8.43%

TABLE 5: REGIONAL SALE OF ELECTRICITY FOR CATEGORY "DC1" DOMESTIC LOAD IN GWh

REGION	2024/25
Nairobi	247
Coast	73
Central Rift	61
West Kenya	67
North Rift	37
South Nyanza	19
Mt Kenya	68
North Eastern	92
TOTAL	665
% INCREASE P.A.	

TABLE 6: REGIONAL SALE OF ELECTRICITY FOR CATEGORY "DC2" DOMESTIC LOAD IN GWh

REGION	2024/25
Nairobi	368
Coast	113
Central Rift	69
West Kenya	54
North Rift	44
South Nyanza	18
Mt Kenya	73
North Eastern	147
TOTAL	885
% INCREASE P.A.	

TABLE 7: REGIONAL SALE OF ELECTRICITY FOR CATEGORY “DC3” DOMESTIC LOAD IN GWh

REGION	2024/25
Nairobi	861
Coast	234
Central Rift	64
West Kenya	45
North Rift	49
South Nyanza	16
Mt Kenya	65
North Eastern	221
TOTAL	1,553
% INCREASE P.A.	

TABLE 8: REGIONAL SALE OF ELECTRICITY FOR CATEGORY “SC1” SMALL COMMERCIAL LOAD IN GWh

REGION	2024/25
Nairobi	17
Coast	5
Central Rift	6
West Kenya	4
North Rift	6
South Nyanza	2
Mt Kenya	6
North Eastern	6
TOTAL	53
% INCREASE P.A.	

TABLE 9: REGIONAL SALE OF ELECTRICITY FOR CATEGORY “SC2” SMALL COMMERCIAL LOAD IN GWh

REGION	2024/25
Nairobi	19
Coast	6
Central Rift	9
West Kenya	4
North Rift	3
South Nyanza	1
Mt Kenya	28
North Eastern	5
TOTAL	75
% INCREASE P.A.	

TABLE 10: REGIONAL SALE OF ELECTRICITY FOR CATEGORY “SC3” SMALL COMMERCIAL LOAD IN GWh

REGION	2024/25
Nairobi	667
Coast	202
Central Rift	195
West Kenya	98
North Rift	78
South Nyanza	41
Mt Kenya	148
North Eastern	155
TOTAL	1,583
% INCREASE P.A.	

TABLE 11: REGIONAL SALE OF ELECTRICITY FOR CATEGORY "C11" LARGE COMMERCIAL AND INDUSTRIAL LOAD (415V) IN GWh

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	681	739	766	767	790
Coast	209	235	237	244	252
Central Rift	226	248	257	277	273
West Kenya	65	72	74	73	71
North Rift	91	104	100	108	106
South Nyanza	46	45	44	47	41
Mt Kenya	150	165	171	177	171
North Eastern	144	144	149	152	151
TOTAL	1,611	1,753	1,799	1,845	1,854
% INCREASE P.A.	-4.5%	8.8%	2.6%	2.6%	0.5%

TABLE 12: REGIONAL SALE OF ELECTRICITY CATEGORY "C12" LARGE COMMERCIAL AND INDUSTRIAL LOAD(11kV) IN GWh

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	835	867	886	957	983
Coast	107	114	116	123	124
Central Rift	38	43	39	40	45
West Kenya	41	50	39	33	37
North Rift	15	21	19	23	27
South Nyanza	10	9	10	9	10
Mt Kenya	26	26	26	29	34
North Eastern	173	183	194	213	228
TOTAL	1,245	1,313	1,330	1,428	1,487
% INCREASE P.A.	-3.6%	5.5%	1.3%	7.4%	4.2%

TABLE 13: REGIONAL SALE OF ELECTRICITY CATEGORY "C13" LARGE COMMERCIAL AND INDUSTRIAL LOAD (33KV) IN GWh

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	45	46	54	60	55
Coast	306	333	394	393	411
Central Rift	101	108	108	102	100
West Kenya	45	46	94	121	109
North Rift	29	29	28	49	76
South Nyanza	0	0	0	0	0
Mt Kenya	9	6	6	5	6
North Eastern	3	5	9	6	4
TOTAL	538	573	694	736	760
% INCREASE P.A.	38.5%	6.6%	21.1%	6.0%	3.3%

TABLE 14: REGIONAL SALE OF ELECTRICITY CATEGORY "C14" LARGE COMMERCIAL AND INDUSTRIAL LOAD (66KV) IN GWh

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	591	613	615	654	767
Coast	0	0	0	0	0
Central Rift	6	7	7	8	14
West Kenya	0	0	0	0	0
North Rift	0	6	0	0	0
South Nyanza	0	0	0	0	0
Mt Kenya	0	0	0	0	0
North Eastern	59	68	81	88	93
TOTAL	656	694	703	749	874
% INCREASE P.A.	16.0%	5.8%	1.4%	6.5%	16.6%

TABLE 15: REGIONAL SALE OF ELECTRICITY CATEGORY "CI5" LARGE COMMERCIAL AND INDUSTRIAL LOAD (132KV) IN GWh

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	32	35	38	43	43
Coast	399	413	485	533	498
Central Rift	26	56	64	70	73
West Kenya	17	20	29	21	6
North Rift	0	1	0	0	0
South Nyanza	0	0	0	0	0
Mt Kenya	1	4	7	2	0
North Eastern	2	2	2	2	4
TOTAL	476	531	625	669	624
% INCREASE P.A.	23.9%	11.3%	17.7%	7.2%	-6.8%

TABLE 16: REGIONAL SALE OF ELECTRICITY CATEGORY "CI6" LARGE COMMERCIAL AND INDUSTRIAL LOAD (220KV) IN GWh

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	0	0.09	0.11	0.21	0.19
Coast	0	0.49	0.46	0.45	0.45
Central Rift	0	0	1.10	1.32	1.20
West Kenya	0	0	0	0	0
North Rift	0	0	0.93	2.62	1.86
South Nyanza	0	0	0	0	0
Mt Kenya	0	0	0	0.08	0.56
North Eastern	0	0	0	0	0
TOTAL	0	0.84	2.60	4.68	4.26
% INCREASE P.A.			207.6%	80.0%	-8.8%

TABLE 17: REGIONAL SALE OF ELECTRICITY FOR CATEGORY "SL" STREET LIGHTING IN GWh

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	37.6	40.5	41.6	36.5	58.0
Coast	11.0	11.9	9.2	10.1	14.4
Central Rift	9.0	13.7	18.5	13.3	23.1
West Kenya	5.9	6.4	6.8	7.0	9.3
North Rift	6.5	7.4	8.0	7.8	10.3
South Nyanza	1.0	1.8	2.6	3.4	3.6
Mt Kenya	10.1	10.6	9.6	16.3	21.1
North Eastern	4.3	4.6	4.7	9.3	8.3
TOTAL	85.4	96.8	101.0	103.6	148.0
% Increase P.A.	10.3%	13.4%	4.3%	2.6%	42.8%

TABLE 18: REGIONAL SALE OF ELECTRICITY FOR CATEGORY "EM" E-MOBILITY IN GWh

REGION	2023/24	2024/25
Nairobi	0.80	3.36
Coast	0.27	0.94
Central Rift	0.00	0.00
West Kenya	0.00	0.00
North Rift	0.00	0.02
South Nyanza	0.00	0.01
Mt Kenya	0.00	0.01
North Eastern	0.16	0.54
TOTAL	1.24	4.88
% Increase P.A.		293.4%

TABLE 19: REGIONAL SALES OF ELECTRICITY FOR R.E.P. SCHEMES IN GWh

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	96	92	102	102	109
Coast	40	42	43	44	61
Central Rift	111	121	121	120	140
West Kenya	73	73	73	71	95
North Rift	73	75	76	74	81
South Nyanza	51	54	57	56	63
Mt Kenya	118	124	124	122	134
North Eastern	70	70	71	71	77
TOTAL	632	651	667	660	760
% Increase P.A.	5.0%	3.0%	2.5%	-1.1%	15.2%

TABLE 20: NUMBER OF CUSTOMERS BY REGION

REGION	2020/21	2021/22	2022/23	2023/24	2024/25
Nairobi	2,663,594	2,775,550	2,820,392	2,942,223	3,027,788
Coast	598,005	640,935	657,401	697,562	721,896
Central Rift	569,960	681,448	676,673	718,617	740,393
West Kenya	512,437	544,400	553,932	565,414	575,681
North Rift	360,881	409,034	401,965	430,210	438,789
South Nyanza	193,804	208,636	215,150	233,492	240,054
Mt Kenya	628,861	642,016	678,590	733,263	760,894
North Eastern	838,215	916,687	993,941	989,884	1,032,632
KPLC Customers	6,365,757	6,818,706	6,998,044	7,310,665	7,538,127
R.E.P. Customers	1,912,447	2,100,734	2,214,710	2,349,340	2,507,851
TOTAL	8,278,204	8,919,440	9,212,754	9,660,005	10,045,978
% Increase P.A.	9.3%	7.7%	3.3%	4.9%	4.0%

TABLE 21: NUMBER OF CUSTOMERS BY TARIFF CATEGORY

TAR- IFF	MAIN TYPE OF CUSTOMERS COVERED BY THIS TARIFF	2024/25
DC1	Domestic	
	KPLC	5,273,857
	REP	2,015,574
DC2	Domestic	
	KPLC	1,339,642
	REP	293,224
DC3	Domestic	
	KPLC	539,450
	REP	76,373
SC1	Small Commercial	
	KPLC	189,807
	REP	75,600
SC2	Small Commercial	
	KPLC	63,936
	REP	24,156
SC3	Small Commercial	
	KPLC	102,759
	REP	22,379
C11	KPLC	3,433
	REP	45

TAR- IFF	MAIN TYPE OF CUSTOMERS COVERED BY THIS TARIFF	2024/25
CI2	Large Commercial and Industrial	
	KPLC	611
CI3	Large Commercial and Industrial	
	KPLC	108
CI4	Large Commercial and Industrial	
	KPLC	54
CI5	Large Commercial and Industrial	
	KPLC	52
CI6	Large Commercial and Industrial	
	KPLC	26
SL	Street lighting	
	KPLC	24,304
	REP	499
EM	E-Mobility	
	KPLC	88
	REP	1
TOTAL (KPLC)		7,538,127
TOTAL (R.E.P.)		2,507,851
GROSS TOTAL		10,045,978

TABLE 22: REVENUE (Shs 'Milion) BY CUSTOMER CATEGORY

TAR- IFF	MAIN TYPE OF CUSTOMERS COVERED BY THIS TARIFF	2020/21	2021/22	2022/23	2023/24	2024/25
DC	Domestic	43,210	46,105	57,057	69,155	68,189
SC	Small Commercial	25,953	29,799	34,811	41,998	41,715
CI	Commercial Industrial	73,887	80,261	97,596	117,692	106,493
SL	Street Lighting	821	923	948	1,318	1,640
EM	E-Mobility				24	85
TOTAL		143,871	157,087	190,412	230,187	218,122
	Export	249	266	562	936	1,162
TOTAL KPLC		144,120	157,353	190,974	231,124	219,285
	R.E.P.	10,369	10,551	12,473	12,429	12,013
TOTAL REVENUE		154,489	167,904	203,447	243,553	231,298
%INCREASE P.A.		7.8%	8.7%	21.2%	19.7%	-5.0%

TABLE 23: STAFF ANALYSIS

Number of Staff in Each Region	2020/21	2021/22	2022/23	2023/24	2024/25
Central Office	1,649	1,554	1,502	1,426	1,578
Nairobi	2,322	2,176	2,289	2,386	2,339
Coast	988	937	949	982	949
West Kenya	850	802	852	909	932
South Nyanza	440	409	426	488	508
Central Rift	1,104	1,054	1,125	1,195	1,193
North Rift	785	740	767	838	853
Mt Kenya	1,069	1,022	1,101	1,157	1,158
North Eastern	970	961	1,007	1,056	1,072
Total Number of Staff*	10,177	9,655	10,018	10,437	10,582
% INCREASE P.A.	-2.9%	-5.1%	3.8%	4.2%	1.4%

Gender:

Male	7,913	7,457	7,829	8,217	8,319
Female	2,264	2,198	2,189	2,220	2,263
Ratio- Male/Female	3.5	3.4	3.6	3.7	3.7

TABLE 24: TRANSMISSION AND DISTRIBUTION LINES, CIRCUIT LENGTH IN KILOMETRES

VOLTAGE	2020/21	2021/22	2022/23	2023/24	2024/25
500kV HVDC Ketraco			1,254	1,254	1,254
400 kV Ketraco	1,981	2,031	2,031	2,031	2,127
220kv Ketraco & KenGen links	454	724	724	792	792
132kv Ketraco	1,094	1,094	1,264	1,358	1,494
Kplc					
220 kV	1,352	1,352	1,352	1,352	1,352
132 kV	2,350	2,350	2,350	2,350	2,350
66 kV	1,187	1,188	1,227	1,313	1,457
33 kV	36,570	38,051	39,168	39,940	41,029
11 kV	41,553	42,971	44,077	44,959	46,062
Total HV and MV	86,541	89,761	93,447	95,349	97,917
415/240V or 433/250V	168,595	200,050	217,784	225,413	234,120

TOTAL	255,136	289,811	311,231	320,762	332,037
% INCREASE P.A.	5%	14%	7%	3%	4%

TABLE 25: TRANSFORMERS IN SERVICE, TOTAL INSTALLED CAPACITY IN MVA

	2020/21	2021/22	2022/23	2023/24	2024/25
Generation Substations					
33/220	528	608	648	648	648
15/220KV	95	95	95	95	95
11/220kV	1,212	1,292	1,327	1,327	1,327
33/132	95	95	145	145	145
15/132	175	175	175	175	175
11/132kV	1,095	1,095	945	945	945
11/66kV	516	516	516	516	516
11/33kV	238	238	238	238	238
3.3/33kV	4	4	4	4	4
TOTAL	3,958	4,118	4,093	4,093	4,093
Transmission Substations					
132/220 and 220/132kV	1,350	1,350	1,350	1,350	1,350
220/66kV	1,655	1,655	1,655	2,055	2,055
220/33 kV	69	69	69	92	92
132/66kV	600	600	600	600	600
132/33kV	1,766	1,766	1,766	1,789	1,789
132/11kV	15	15	15	15	15
TOTAL	5,455	5,455	5,455	5,901	5,901
Distribution Substations					
66/11kV	2,817	2,883	2,929	3,021	3,021
66/33kV	161	161	161	161	161
33/11kV	1,625	1,625	1,757	1,774	1,802
TOTAL	4,603	4,669	4,847	4,956	4,984
Distribution Transformers					
11/0.415kV and					
33/0.415kV	8,778	9,170	9,444	10,193	10,786



12

AGM NOTICE



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN to Shareholders that, the 104th Annual General Meeting of **The Kenya Power and Lighting Company Plc**, will be held via electronic communication on **Friday, 28th November 2025 at 11.00am** to conduct the following business:

1. To read the Notice convening the Meeting and note the presence of a quorum.
2. To receive, consider and adopt the Company's Audited Financial Statements for the year ended 30th June 2025, together with the Chairman's, Directors' and Auditors' Reports thereon.
3. To approve payment of a final dividend of Shs. 0.80 per ordinary share, subject to withholding tax where applicable, in respect of the year ended 30th June 2025 and to ratify the interim dividend of Shs. 0.20 per ordinary share already paid for the period.
4. Directors:
 - i. Mr. Ezekiel Saina retires by rotation in accordance with Article 26 of the Company's Articles of Association and, being eligible, offers himself for re-election.
 - ii. Eng. James Rege, being over the age of seventy (70) years, offers himself to be retained as a director.
 - iii. CPA Dr. Caleb B. Manyaga, being over the age of seventy (70) years, offers himself to be retained as a director.
5. In accordance with the provisions of Section 769 of the Companies Act 2015, the following Directors, being members of the Board Audit Committee, be elected to continue to serve as members of the said Committee subject to the re-election of Directors mentioned in Agenda 4. above:
 - i. CPA Dr. Caleb Manyaga
 - ii. Logan Hambrick
 - iii. Dr. Stephen Ikiiki
 - iv. Ezekiel Saina

6. To approve payment of fees to non-executive Directors for the year ended 30th June 2025.

7. 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.

8. To authorise the Directors to fix the Auditors' remuneration.

SPECIAL BUSINESS

9. To consider and, if thought fit, to pass the following Ordinary and Special Resolutions;

Ordinary Resolution

- i. To approve the Company's policies which have been developed by the Board of Directors pursuant to provisions of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023:
 - a. Board Remuneration Policy
 - b. Stakeholder Engagement Policy
 - c. Market Disclosure Policy
 - d. Dispute Resolution Policy; and
 - e. Appointment of Directors Policy.

Special Resolution

- ii. To pass the following Special Resolution:

"That the Articles of Association of the Company be amended by inserting the following new sub-articles under Article 26, Retirement of Directors by Rotation, as follows:

NOTICE OF THE ANNUAL GENERAL MEETING

(14) Pursuant to Article 25(5)(b), the holder of Class B shares shall be entitled to appoint as Directors:

- a) The Cabinet Secretary responsible for the National Treasury,
- b) The Principal Secretary responsible for Energy and
- c) Three (3) Directors.

(15) The Three (3) Directors shall hold office for a term of three years and may be eligible for re-appointment for a further and final term of three years.

(16) At every Annual General Meeting, one-third of the independent Directors appointed by the Holder of Class B shares shall retire from office and shall be eligible for re-appointment. The Directors to retire each year shall be those who have been longest in office since they were first appointed or re-appointed.

(17) Alternate Directors appointed by the Cabinet Secretary responsible for the National Treasury and the Principal Secretary responsible for Energy shall serve for a maximum period of six years.

(18) The removal or replacement of the Directors appointed by the Holder of Class B shares, shall be by, written notice served upon the Company Secretary by the said Shareholder."

10. To consider any other business for which due notice has been given.

By Order of the Board



Imelda Bore
Company Secretary
6th November 2025

NOTES:

1. Registration for the AGM

Shareholders wishing to participate in the meeting should register for the AGM using either of the following means:

- (i) Dialling ***483*816#** on their mobile telephone and following the various prompts on the registration process or;
- (ii) Send an email request to be registered to **kplcagm@image.co.ke** providing their details i.e., Name, Passport/ID No., CDS No. and Mobile telephone number requesting to be registered. Image Registrars shall register the shareholder and send them an email notification once registered.
- (iii) Shareholders with email addresses will receive a registration link via email through which they can use to register.
- (iv) 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: **+254709170000 / 709170041** from 8.00am to 5.00pm from Monday to Friday. Shareholders outside Kenya may dial the helpline number for assistance during registration.
- (v) Registration for the AGM opens on 6th November 2025 at 9.00am and will close on 26th November 2025 at 11.00am. Shareholders will not be able to register after this time.

2. Shareholders' Briefing

Further, the Company has organised for a live stream on Tuesday, 25th November 2025 at 10.00am.

All shareholders are encouraged to attend this session to get more details on proposed policies to shareholders. The link will be shared a day before shareholders briefing.

3. In accordance with Article 85 of the Company's Articles of Association, the following documents may be viewed on the Company's website <https://www.kplc.co.ke/img/full/AGM2025.zip>

- a) Copy of this Notice and the Proxy Form.
- b) The Company's Annual Report & Audited Financial Statements for the year ended 30th June 2025.
- c) The proposed policies for approval by Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING

4. Any shareholder who is entitled to attend and vote at the AGM may appoint a proxy to attend and vote in his/her stead. Such proxy need not be a member of the Company. Please visit the Company's website for further details on the voting process and/or access the Proxy Form.

A Proxy Form can also be obtained from the Company's website <https://www.kplc.co.ke/img/full/AGM2025.zip> or from Image Registrars Limited, Absa Towers, 5th Floor, Loita Street, P. O. Box 9287 – 00100, Nairobi, Kenya. Shareholders unable to attend the AGM have the option to complete and return the Proxy Form to Image Registrars Limited, or to KPLC's Shares' Registry on 2nd floor, Stima Plaza, Parklands by 26th November 2025 at 11:00am.

Duly signed proxy forms may also be emailed to kplcagm@image.co.ke in PDF format. A proxy form must be signed by the appointer or his duly authorised attorney 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 authorised attorney of such body corporate.

5. Shareholders wishing to raise any question or clarifications regarding the AGM may do so by sending their written questions:

- To kplcagm@image.co.ke; or
- By dialling USSD code ***483*816#** and selecting the option (Ask Question) on the prompts; or
- To the extent possible, shareholders may also physically deliver or post their written questions, with a return physical, postal or email address, to the registered office of the Company (KPLC's Shares' Registry) or P.O. Box 30099 – 00100, Nairobi, or to Image Registrars offices at P. O. Box 9287 – 00100, Nairobi, Kenya.

Shareholders must provide their full details (full names, National ID/ Passport Number/CDSC Account Number) when submitting their questions or clarifications.

6. 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.

- 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, twenty-four (24) hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one (1) hour before the AGM, as a reminder that the AGM will begin in one hour and providing a link to the livestream.
- Shareholders and proxies following the proceedings, via the livestream platform, may access the agenda and vote when prompted by the Chairman via ***483*816#** or via the AGM weblink.
- Results of the resolutions voted on will be published on the Company's website <https://www.kplc.co.ke/img/full/AGM2025.zip> within twenty-four (24) hours following conclusion of the AGM.



NOTISI YA MKUTANO MKUU WA MWAKA (AGM) 2025

NOTISI INATOLEWA kwa wenyehisa kwamba, Mkutano Mkuu wa 104 wa Kila Mwaka wa **Kenya Power and Lighting Company Plc**, utafanyika kwa njia ya mtandao siku ya Ijumaa, **tarehe 28, Novemba 2025 saa tano kamili asubuhi** kuendesha shughuli zifuatazo:

1. Kusoma notisi ya kuitisha Mkutano na kubaini ikiwa kuna idadi ya wanachama inayohitajika ili kuendelea na mkutano huo.
2. Kupokea, kuzingatia na zikiidhinishwa, kuanza kutekeleza Taarifa za Kifedha za Kampuni hii zilizokaguliwa katika mwaka uliokamilika Juni 30, 2025 pamoja na Ripoti za Mwenyekiti, Wakurugenzi na Wakaguzi wa hesabu za fedha.
3. Kuidhinisha malipo ya mgao wa mwisho wa faida ya KShs 0.80 kwa kila hisa ya kawaida, ikitegemea Kodi au Ushuru wa Zuo (Withholding Tax) inakohitajika, kwa mujibu wa mwaka uliokamilika Juni 30, 2025 na kuidhinisha wa kwanza wa KShs 0.20 kwa kila hisa ya kawaida ambao tayari umelipwa kwa kipindi hicho.
4. Wakurugenzi:
 - i. Bw. Ezekiel Saina ambaye anastaafu kwa zamu kwa mujibu wa Kifungu cha 26 cha Katiba ya Kampuni hii, na kwa kuwa anastahiki, anajitokeza kuchaguliwa tena..
 - ii. Mhandisi James Rege, akiwa na umri wa zaidi ya miaka sabini (70) anajitokeza kudumishwa kama mkurugenzi.
 - iii. CPA Dkt. Caleb B. Manyaga, akiwa na umri wa zaidi ya miaka sabini (70), anajitokeza kudumishwa kama mkurugenzi.
5. Kwa mujibu wa vipengele vya sehemu ya 769 ya Sheria ya Kampuni 2015, Wakurugenzi wafuatao wakiwa wanachama wa Kamati ya Bodi ya Uhasibu kuchaguliwa kuhudumu kama wanachama wa Kamati ya Bodi ya Ukaguzi ikitegemea uchaguzi wao kama Wakurugenzi inavyofafanuliwa kwenye Ajenda 4 hapo juu:
 - i. CPA Dkt. Caleb Manyaga
 - ii. Bi. Logan Hambrick
 - iii. Dkt. Stephen Ikikii
 - iv. Bw. Ezekiel Saina

6. Kuidhinisha ripoti ya malipo ya Wakurugenzi wasio na mamlaka kwa kipindi kilichokamilika Juni 30, 2025.
7. Wahasibu: Wafahamu kwamba ukaguzi wa vitabu vya hesabu vya Kampuni hii utaendelea kufanywa na Mkaguzi Mkuu wa Serikali au kampuni ya ukaguzi atakayoiteua kwa mujibu wa Kifungu cha 23 cha Sheria ya Ukaguzi wa Umma ya mwaka 2015.
8. Kuwapa Wakurugenzi hao mamlaka ya kuamua malipo ya Wahasibu.

SHUGHULI MAALUMU

9. Kuzingatia, na iwapo itafaa, kupitisha maazimio maalumu na ya kawaida yafuatayo:

Azimio la Kawaida

- i. Kuidhinisha sera za Kampuni ambazo zimeandaliwa kwa mujibu wa Kanuni za Masoko ya Mtaji (Uuzaji wa Hisa na Ufichuzi) 2023:
 - a. Sera ya Malipo ya Bodi;
 - b. Sera ya Mawasiliano mahususi na washikadau;
 - c. Sera na taratibu za ufichuzi wa Kampuni;
 - d. Sera za utatuzi wa mizozo; na
 - e. Sera ya uteuzi wanachama wa Bodi.

Azimio Maalumu

- ii. Kupitisha azimio maalumu lifuatalo:

“Kwamba, Katiba ya Kampuni inaweza kubadilishwa kwa kuingiza vipengee vipya vifuatavyo chini ya Kifungu 26, Kustaafu kwa Wakurugenzi kwa zamu, kama ifuatavyo:

(14) Kwa mujibu wa Kifungu cha 25(5)(b), mmiliki wa hisa za Daraja B atastahili kuteua kama Wakurugenzi:

- a) Waziri anayehusika na Hazina Kuu,
- b) Katibu anayehusika na Kawi;
- c) Wakurugenzi watatu (3).

NOTISI YA MKUTANO MKUU WA MWAKA (AGM) 2025

- (15) Wakurugenzi hao watatu (3) watashikilia nyadhifa zao kwa kipindi cha miaka mitatu na wanaweza kuteuliwa tena kwa kipindi kingine cha mwisho cha miaka mitatu.
- (16) Katika kila Mkutano Mkuu wa Mwaka, theluthi moja ya Wakurugenzi Huru walioteuliwa na Mmiliki wa Hisa za Daraja B sharti wastaafu na watastahiki kuteuliwa tena. Wakurugenzi watakaostaafu kila mwaka watakuwa wale ambao wamehudumu kwa muda mrefu zaidi tangu wateuliwe au walipoteuliwa tena mara ya mwisho.
- (17) Wakurugenzi wanaohudumu kwa zamu walioteuliwa na Waziri wa Fedha na Katibu anayehusika na Kawi watahudumu kwa kipindi kisichozidi miaka sita.
- (18) Kuondolewa au kubadilishwa kwa Wakurugenzi walioteuliwa na Mmiliki wa hisa za Daraja B kutafanywa kupitia notisi iliyoandikwa na kuwasilishwa kwa Katibu wa Kampuni na mwenyehisa huyo.
10. Kufanya shughuli nyingine yoyote ile ambayo notisi kuihusu imetolewa ipasavyo.

Kwa Amri ya Bodi



Imelda Bore
Katibu wa Kampuni
Novemba 6, 2025

MAELEZO:

1 Usajili kwa Mkutano Mkuu wa Mwaka (AGM)

Mwenyehisa yeyote ambaye angependa kufuatilia mkutano huo ambao utafanyika mtandaoni anapaswa kujiandikisha kwa ajili ya Mkutano huo Mkuu wa Kila Mwaka kwa kufanya yafuatayo:

- Kubonyeza kwenye rununu yake ***483*816#** kwa laini yoyote ya kampuni za simu kisha kufuata maelekezo kuhusu mchakato wa kujisajili; au
- Kutuma ombi la kusajiliwa kupitia baruapepe kplcagm@image.co.ke na kutoa maelezo yake kama vile Jina, Nambari ya Pasipoti/Kitambulisho, Nambari ya CDS na Nambari ya rununu akiomba kusajiliwa. Kampuni ya Image Registrars itamsajili mwenyehisa na kumtumia ujumbe kupitia baruapepe pindi baada ya kusajiliwa.

- Wenyehisa ambao wana anwani za baruapepe watapokea kiungo cha kujisajili ambacho wanaweza kutumia kujiandikisha.
- Ili kukamilisha mchakato wa kujisajili, wenyehisa watahitajika kukumbuka na kutoa Nambari zao za Vitambulisho vya Kitaifa/Pasipoti ambazo zilitumika kununua hisa zao na/au Nambari zao za Akaunti ya CDSC. Ili kupata usaidizi, wenyehisa wanapaswa kupiga simu zifuatazo: **+254 709 170 000/ 709 170 041** kati ya saa mbili kamili asubuhi na saa kumi na moja kamili jioni kila siku ya kazi kutoka Jumatatu hadi Ijumaa. Wenyehisa nje ya Kenya wanaweza kupiga nambari ya usaidizi wakati wa kujisajili.
- Usajili kwa ajili ya Mkutano Mkuu wa Kila Mwaka utafunguliwa Novemba 6 2025 saa tatu kamili asubuhi na kufungwa tarehe 26 Novemba 2025 saa tano kamili asubuhi. Mwenyehisa hawataweza kujiandikisha tena baada ya hapo.

2. Maelezo kwa Wenyehisa

Vilevile, Kampuni itapeperusha moja kwa moja shughuli za kikao mtandaoni mnamo Jumanne, Novemba 25, 2025 saa nne asubuhi. Wenyehisa wote wanahimizwa kuhudhuria kikao hiki ili kupokea maelezo zaidi kuhusu sera zinazopendekezwa kwa wenyehisa. Kiungo kitasambazwa siku moja kabla ya kikao chenye kuandaliwa.

- Kwa mujibu wa Kifungu cha 85 cha Katiba ya Kampuni, nyaraka zifuatazo zinaweza kuangaliwa kwenye tovuti ya Kampuni kupitia kiungo hiki: <https://www.kplc.co.ke/img/full/AGM2025.zip>
 - Nakala ya Tangazo hili na Fomu ya Wakala.
 - Ripoti ya Mwaka ya Kampuni na Taarifa Zilizokaguliwa za Kifedha kwa mwaka uliomalizika tarehe 30 Juni 2025.
 - Sera zilizopendekezwa kwa ajili ya kuidhinishwa na wenyehisa.
- Kila mwenyehisa anayestahili kuhudhuria na kupiga kura katika Mkutano Mkuu wa Mwaka (AGM) anaweza kuteua mwakilishi (proxy) kuhudhuria na kupiga kura kwa niaba yake. Mwakilishi huyo si lazima awe mwanachama wa Kampuni. Tafadhali tembelea tovuti ya Kampuni kwa maelezo zaidi kuhusu mchakato wa upigaji kura na/au upate Fomu ya Uwakilishi (Proxy Form). Fomu ya Uwakilishi pia inaweza kupatikana kwenye tovuti ya Kampuni <https://www.kplc.co.ke/img/full/AGM2025.zip> au kutoka Image Registrars Limited, Absa Towers, Ghorofa ya 5, Barabara ya Loita, S. L. P. 9287 - 00100, Nairobi, Kenya.

NOTISI YA MKUTANO MKUU WA MWAKA (AGM) 2025

Wenyehisa ambao hawataweza kuhudhuria Mkutano Mkuu wa Mwaka (AGM) wana chaguo la kujaza na kurejesha Fomu ya Uwakilishi kwa Image Registrars Limited, au kwa Kenya Power Shares' Registry iliyoko Ghorofa ya 2, Stima Plaza, Parklands ifikapo tarehe 26 Novemba 2025 saa 5:00 asubuhi.

Fomu za uwakilishi zilizotiwa saina ipasavyo zinaweza pia kutumwa kwa njia ya barua pepe kwa anwani kplcagm@image.co.ke katika muundo wa PDF.

Fomu ya uwakilishi lazima itiwie sahihi na mtu anayemteua mwakilishi au wakili wake aliyeidhinishwa kwa maandishi.

Iwapo anayemteua ni shirika, hati ya kumteua mwakilishi itakuwa na muhuri wa kampuni au sahihi ya afisa au wakili aliyeidhinishwa wa shirika hilo.

5. Wenyehisa wanaotaka kuuliza maswali au kutaka ufafanuzi kuhusu Mkutano Mkuu wa Mwaka (AGM) wanaweza kufanya hivyo kwa kutuma maswali yao kwa maandishi:
 - a. Kupitia barua pepe kwa anwani kplcagm@image.co.ke; au
 - b. Kwa kupiga **USSD *483*816#** na kubofya chaguo la (Uliza Swali) kwenye menyu; au
 - c. Iwapo inawezekana, wenyehisa wanaweza pia kuwasilisha kwa mkono au kutuma kwa barua maswali yao yaliyoandikwa, wakiambatanisha anwani yao ya afisi, ya posta au barua pepe, kwa ofisi iliyosajiliwa ya Kampuni (Kitengo cha Usajili wa Hisa cha Kenya Power) kupitia S.L.P. 30099 – 00100, Nairobi, au kwa ofisi za Image Registrars, S.L.P. 9287 – 00100, Nairobi, Kenya.

Wenyehisa wanapaswa kutoa maelezo yao kamili (majina kamili, Nambari ya Kitambulisho cha Taifa/Pasipoti/Nambari ya Akaunti ya CDSC) wanapowasilisha maswali au kutafuta ufafanuzi wowote.

6. Wakurugenzi wa Kampuni watajibu maswali yaliyopokelewa kupitia njia ambazo wanahisa walitumia kutuma maswali yao, yaani SMS (kwa chaguo la USSD), Barua pepe, Barua au Simu. Maswali pia yatatajibiwa wakati wa mkutano.

Orodha kamili ya maswali yote yaliyopokelewa na majibu yao itachapishwa kwenye tovuti ya Kampuni ndani ya saa 24 baada ya kumalizika kwa mkutano.

7. Mkutano Mkuu wa Kila Mwaka (AGM) utapeperushwa moja kwa moja mtandaoni kupitia kiungo kitakachowasilishwa kwa wenyehisa wote watakaosajiliwa kushiriki katika mkutano huo. Wenyehisa na mawakala wali osajiliwa ipasavyo watapokea ujumbe mfupi wa maandishi (SMS/USSD) kwenye nambari zao za simu zilizosajiliwa, saa ishirini na nne (24) kabla ya mkutano, ukiwakumbusha kuhusu mkutano huo. Ujumbe wa pili wa SMS/USSD utatumwa saa moja (1) kabla ya mkutano, ukiwakumbusha kwamba mkutano utanza baada ya saa moja na ukiwapa kiungo cha matangazo ya moja kwa moja.
8. Wenyehisa na wawakilishi wanaofuatilia kikao kupitia jukwaa la matangazo ya moja kwa moja (livestream) wanaweza kufikia ajenda na kupiga kura watakapohimizwa kufanya hivyo na Mwenyekiti kupitia ***483*816#** au kupitia kiungo cha tovuti cha Mkutano Mkuu wa Kila Mwaka (AGM).
9. Matokeo ya maazimio yaliyopigiwa kura yatachapishwa kwenye tovuti ya Kampuni <https://www.kplc.co.ke/img/full/AGM2025.zip> ndani ya saa ishirini na nne (24) baada ya kumalizika kwa Mkutano Mkuu wa kila Mwaka (AGM).



PROXY FORM

The Company Secretary
The Kenya Power and Lighting Company Plc
P.O. Box 30099-00100
Nairobi, Kenya

I/WE _____ CDSC No _____

of P.O. Box _____ being a shareholder of the above Company.

HEREBY APPOINT _____ of P.O. Box _____

and Mobile No. _____ or failing him/her the Chairman of the Meeting as my/our proxy to attend, represent and vote for me/us on my/our behalf at the Annual General Meeting (AGM) of the Company to be held electronically on 28th November 2025 at 11.00am and at any adjournment thereof.

Signed this _____ day of _____ 2025

Signature _____

I/WE direct my/our proxy to vote on the following resolutions as I/WE have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or withhold his or her vote at his or her discretion and I/WE authorise my/our proxy to vote (or withhold his or her vote) as he or she thinks fit in relation to any other matter which is properly put before the Meeting.

Please clearly mark the box below to instruct your proxy how to vote:

Item	Business	For	Against	Withheld
1.	To receive, consider and adopt the Company's Audited Financial Statements for the year ended 30 th June 2025, together with the Chairman's, Directors' and Auditors' Reports thereon.			
2.	To approve payment of a final dividend of Shs. 0.80 per ordinary share, subject to withholding tax where applicable, in respect of the year ended 30 th June 2025 and to ratify the interim dividend of Shs. 0.20 per ordinary share already paid for the period.			
3.	Directors: i. Mr. Ezekiel Saina retires by rotation in accordance with Article 26 of the Company's Articles of Association and, being eligible, offers himself for re-election. ii. Eng. James Rege, being over the age of seventy (70) years, offers himself to be retained as a director. iii. CPA Dr. Caleb B. Manyaga, being over the age of seventy (70) years, offers himself to be re-retained as a director.			
4.	Election of Board Audit Committee Members: In accordance with the provisions of Section 769 of the Companies Act 2015, the following Directors, being members of the Board Audit Committee, be elected to continue to serve as members of the said Committee subject to the re-election of Directors mentioned in Agenda 4; i. CPA Dr. Caleb Manyaga ii. Ms. Logan Hambrick iii. Dr. Stephen Ikikii iv. Mr. Ezekiel Saina			
5.	To approve payment of fees to non-executive Directors for the year ended 30 th June 2025.			
6.	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 authorise the Directors to fix the Auditors' remuneration.			
8.	To pass the ordinary resolution to approve the Company's policies which have been developed by the Board of Directors pursuant to provisions of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023.			
9.	To pass the Special Resolution to amend the Articles of Association of the Company to provide for Retirement of Directors by rotation for directors appointed by the holder of Class B shares i.e. the Cabinet Secretary, National Treasury.			

ELECTRONIC COMMUNICATIONS CONSENT FORM

Please complete in **BLOCK CAPITALS**

Full name of membe (s) :

Address:

CDSC No:

Mobile No:

Date:

Signature:

Please tick the boxes below and return to kplcagm@image.co.ke or delivered to Registered Office of the Company or posted to the Company Secretary P.O. Box 30099 – 00100 Nairobi, or to Image Registrars at P.O. Box 9287- 00100 Nairobi.

Approval of Registration

I/WE approve to register to participate in the virtual Annual General Meeting to be held on 28th November 2025.

Consent for use of the Mobile Number provided

I/WE would give my/our consent for the use of the mobile number provided for purposes of voting at the AGM.

Notes:

1. In accordance with Section 298 (1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company.
2. This proxy must be signed by the appointer or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be under the hand of an officer or duly authorized attorney of such body corporate.
3. To be valid the form of proxy should be completed, signed and delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarised certified copy of such power or authority to kplcagm@image.co.ke or delivered to Registered Office of the Company or posted to the Company Secretary P.O. Box 30099 – 00100 Nairobi, or to Image Registrars Limited, 5th Floor, Absa Towers, Loita Street, P.O. Box 9287 – 00100, Nairobi, so as to be received not later than 26th November 2025 at 11.00am.
4. Any person appointed as a proxy should submit his/her mobile telephone number to the Company not later than 26th November 2025 at 11.00am. Any proxy registration that is rejected will be communicated to the concerned shareholder.
5. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder's right to attend, 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" and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company.
6. 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.
7. A "vote withheld" option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.



TUS!CHOME
BRAND



The Kenya Power and Lighting Company Plc



POWER

Mimi ni Mtu wa Power, Sitachoma Brand

WER



TUS!CHOME
BRAND

TUS!CHOME
BRAND

The New Kenya Power Digital Apps

Self Service is now at your fingertips with
MyPower App and **USSD *977#**

Buy Tokens | Pay Your Bills | Report Incidences
Jua for Sure | Get Your Digital Receipts

Pamoja Twang'aa 



Integrated Annual Report & Financial Statements for the Financial Year 2024/25

The Kenya Power and Lighting Company Plc