Kenya Power

THE KENYA POWER AND LIGHTING PLC
104^{TH} AGM ON 28^{TH} NOVEMBER 2025

QUESTIONS FROM SHAREHOLDERS FY2024/2025

No.	Question	Answer
1.	1. The Company is doing very well in profitability. Why is it paying so little Dividends? Kengen is paying 75% of their net earnings while Kenya Power is paying below 10%. That should be improved drastically. Does the company have a Dividends policy? 2. Still on Investors compensation, has the company thought of issuing Bonus shares. The Board should consider this. 3. Why does the company always carry so much inventory. The company should stick to it's core mandate instead of always procuring excess inventory of materials that decimate cash flow. 4. How many directors and senior management have shares in Kenya Power? What percentage? 5. The company should consider having a more robust Investor Relations.	***The company is profitable yet the dividends so low? Does the company have a dividend policy?*** Kenya Power operates under an established Dividend Policy that guides profit distribution with a focus on sustainability and long-term value creation. The policy balances shareholder returns with the Company's funding needs for growth, investment, and working capital, ensuring that dividend decisions support both shareholder value and the Company's overall financial health. ***Has the Company considered issuing bonus shares?*** The proposal to issue bonus shares is noted and appreciated. The Board continually reviews options for enhancing shareholder value, including bonus shares and other capital restructuring opportunities. Any such decision will be based on the Company's financial position, strategic priorities, and regulatory requirements.

No.	Question	Answer
		Why does the company always carry so much inventory? It hurts cash flow. Inventory levels reflect operational needs and are closely monitored. While we acknowledge the cash flow concerns, the Company is enhancing efficiency measures to optimise inventory while maintaining uninterrupted service delivery. ***How many Directors and Senior Management hold shares in Kenya Power? What percentage?*** The MD & CEO and Director Eng. Albert Mugo currently own shares, and the information is disclosed in the Annual Report for FY 2024/2025 on page 244. General Managers also own shares in the Company, but the CMA does not require disclosure. ***The company should improve its Investor Relations function*** Thank you for the feedback. Strengthening our engagement with shareholders and the investment community remains a priority, and we welcome continued input as we enhance our Investor Relations function.
2.	1. Can Kenya Power confirm the total amount outstanding from government and public entities 2. KP to share the list of these government and public entities with pending amounts as at previous financial year and showing the movement if any in the current year. 3. What specific actions have been taken to ensure collection of these amounts?	***Total amount outstanding from government and public entities and movements year-to-date*** Information on amounts outstanding from government and public entities is fully disclosed in the Company's audited Annual Report, which is available on the Company's website. Please refer to the Notes to the Financial Statements specifically the 'Trade and Other Receivables' note and the 'Related Party Disclosures' note which provide detailed balances and movements relating to government and public sector receivables.

No.	Question	Answer
	4. What is causing the delay in issuance of meters? What should the turnaround time be from application to issuance? 5. Why are customers being asked to pay for transformers which they do not end up owning? If a customer pays for a transformer should they not either have exclusive use of it or alternatively earn from any future connections to recoup their funds.	***What specific actions have been taken to ensure collection of these amounts?*** The Company has intensified engagements with the National Treasury and individual ministries, departments, agencies, and county governments to fast-track settlement of outstanding bills. ***What is causing the delay in issuance of meters, and what is the expected turnaround time from application to installation?*** Meter delays have been influenced by supply chain constraints experienced over the past periods. Our goal is to progressively restore the standard service timelines as supply normalises. ***Why are customers being asked to pay for transformers they do not end up owning? Should they not have exclusive use or receive compensation for future connections?*** Contributions towards network extensions, including transformers, are governed by regulatory guidelines. Once installed, these assets become part of the national grid to ensure safe, reliable, and standardised service for all customers. While contributing customers do not own the equipment, the Company works to ensure equitable access, efficient utilisation of network assets, and alignment with regulatory requirements.
3.	Most companies give complimentary service (Preferential treatment to the owners/workers/shareholders). When and what can we expect from KPLC going forward?	As a publicly owned utility, Kenya Power delivers services equitably to all customers and does not provide preferential treatment to shareholders or staff. We remain committed to improving service delivery for everyone.

No.	Question	Answer
4.	1. If dividends were suspended or reduced, what conditions must be met for them to resume or increase? 2. What measures are being taken to reduce operational costs and improve efficiency? 3. What are the company's top strategic priorities over the next 3–5 years? 4. What is the expected return on these investments? 5. How is the company preparing for economic shocks or currency fluctuations?	***If dividends were suspended or reduced, what conditions must be met for them to resume or increase?*** Dividend decisions are guided by the Company's Dividend Policy, which balances shareholder returns with sustainability and investment needs. The Company resumed payment of dividends in the 2023/24 financial year and will continue to review future payouts based on profitability, liquidity, regulatory requirements, and funding needs for growth, ensuring financial stability is maintained. ***What measures are being taken to reduce operational costs and improve efficiency?*** The Company has implemented several initiatives to reduce costs and improve efficiency, including process automation, resource optimisation, digitisation of operations, and enhanced monitoring of operational performance. These measures are aimed at lowering operating expenses while maintaining reliable service delivery. ***What are the Company's top strategic priorities over the next 3–5 years?*** Over the next 3–5 years, guided by our Corporate Strategic Plan, Kenya Power will focus on expanding and modernising the network, improving efficiency and customer service, accelerating electrification, and strengthening financial sustainability to deliver reliable power and long-term value.

No.	Question	Answer
		What is the expected return on these investments? Expected returns vary by project type but are assessed through financial and economic appraisal to ensure alignment with the Company's objectives. ***How is the Company preparing for economic shocks or currency fluctuations?*** The Company manages economic and currency risks through diversified funding strategies, including new debt financing in Kenyan Shillings at lower interest rates, prepayment of foreign-currency commercial loans, and continuous monitoring of macroeconomic indicators to mitigate the impact of economic shocks and currency fluctuations.
5.	Can the Board explain the main factors that influenced the company's financial performance this year, and whether shareholders can expect a resumption or improvement in dividend payments in the near future?	This year's financial performance was supported by increased electricity sales, improved distribution efficiency and prudent cost management. Kenya Power resumed dividends in 2023/24, and future payouts will be guided by our Dividend Policy, balancing shareholder returns with funding for growth and financial sustainability.
6.	1. What specific measures are in place to protect profitability from currency volatility and tariff reductions in FY 2025/26? 2. What portion of borrowing reduction was due to repayment versus revaluation gains, and what is the long-term debt management plan?	***Measures to protect profitability from currency volatility and tariff reductions (FY 2025/26)*** We mitigate currency and tariff risks through a robust Forex mitigation strategy aligned with IFRS requirements and by limiting exposure through increased use of local-currency funding options. In addition, the approved tariffs incorporate the Company's tariff requirements, helping cushion the impact of tariff adjustments. We continue to monitor economic indicators closely to safeguard profitability

No.	Question	Answer
	3. What corrective actions and timelines have been set to resolve highlighted audit issues, and how will progress be monitored? 4. Has management implemented an internal audit tracking mechanism for Auditor-General recommendations? 5. What criteria or evaluation process informed the retention of directors beyond 70 years?	***Portion of borrowing reduction due to repayment vs. revaluation, and long-term debt plan*** Borrowing reductions reflect both principal repayments and foreign-currency movements. During FY 2024/2025, loan repayments amounted to KSh 18.9 billion, while foreign-exchange losses totalled KSh 842 million. Our long-term plan focuses on optimising the debt mix, refinancing at lower rates, and maintaining prudent leverage to support growth. ***Corrective actions and timelines for audit issues*** Management has implemented a corrective action plan addressing all audit findings, with specific timelines and responsible owners for each action. Progress is monitored through regular updates to the Board Audit Committee. ***Internal audit tracking mechanism for Auditor-General recommendations*** Yes, the Company has implemented an internal audit tracking system to monitor the status of all Auditor-General recommendations. ***Criteria for retention of directors beyond 70 years*** Please note that shareholders are required at AGM to vote to retain/remove directors above the age of seventy (70) years per CMA requirements. The current directors have required skills to serve in the Board.

No.	Question	Answer
7.	What progress has our shares made since we bought the IPO over 10 y ears ago.	Since the 2011 rights issue, the share price has gone through significant ups and downs. However, more recently there has been a strong rally indicating renewed investor confidence. Combined now with resumed dividend payments, we believe that long-term shareholders are beginning to see more meaningful value appreciation.
8.	How does the company plan on improving it's working capital.	The negative working capital has improved from a low of Ksh 74,849 million in June 2020 to Ksh 19,209 Million as at June 2025. Going forward, we will continue strengthening liquidity through growing sales initiatives, enhancing revenue collection, debt portfolio realignment, exploring innovative financing mechanisms, and diversifying income streams.
9.	What is the current composition of the company's total assets and liabilities as reflected in the latest audited financial statements, and how have these changed compared to the previous financial year? Additionally, what measures is being implemented to manage debt levels and improve profitability going forward?	The Company's latest audited financial statements provide a detailed breakdown of total assets and liabilities, and the full Annual Report is available on the Company's website for reference. To further manage debt and enhance profitability, the Company is focusing on debt portfolio realignment toward more KES-denominated facilities, continued loan repayments, operational efficiency initiatives, cost optimisation, revenue growth, and loss-reduction measures.
10.	Since divided are from profits after halve year results should also attract interim dividend.	The Company recognises that dividend payments are based on profitability. In the just-ended financial year, we paid an interim dividend of Ksh 0.20 per ordinary share following improved performance.
11.	Why do we get low dividends each year and KPLC is a big parastatal with a heavy investment background?	The Company's dividend policy is guided by its profitability, cash flow, capital commitments, and long-term financial sustainability. As such, the dividends paid reflect a balance between rewarding shareholders and ensuring sufficient funds are retained to sustain operations and future growth.

No.	Question	Answer
12.	What is the projection for dividends in the next financial year?	Dividend projections are guided by the Company's profitability, cash-flow position, capital commitments, and overall financial sustainability. KPLC aims to ensure that any dividends paid strike a balance between rewarding shareholders and supporting the Company's growth and reliable electricity supply.
13.	A proposal about reaching to the govt to reduce tax on dividend, so as to increase money in circulation	The Company notes the suggestion regarding dividend taxation. Dividend tax is set by government policy, and KPLC, as a public entity, does not have the authority to change tax rates.
14.	What's your projection for the next 10 years	The Company remains focused on sustainable growth and delivering value to shareholders while ensuring a reliable electricity supply.
15.	What is the pre-requisite for one to become a director?	The Company appointment of directors' policy which is in website www.kplc.co.ke require Class A shareholders to submit the names of proposed candidates for appointment to the Board in a prescribed form to the Company Secretary at least fourteen (14) days before the General Meeting.
16.	1. As an investor in Kenya Power & Lighting Company (KPLC), it's vital to gain clarity on the company's financial health, operational efficiency, and long-term strategy. My key questions include: (as a small investor) What plans are in place to sustain or grow dividend payouts? 2. How is KPLC managing its debt levels and improving revenue collection, especially from key clients like government institutions? 3. Additionally, what specific efforts are being made to reduce system losses, both technical and commercial? 4. It's also important to understand KPLCs position in the evolving energy sector. How is the company integrating renewable energy sources into its supply mix?	***Dividend Plans*** Dividends are guided by profitability, cash flow, and capital commitments. KPLC aims to balance rewarding shareholders with funding operations and future growth. ***Debt & Revenue Management*** KPLC actively manages debt levels and focuses on improving revenue collection from all clients, including government institutions through negotiating repayment plans and follow-up on overdue accounts. ***Reducing System Losses*** The Company implements programs to reduce both technical and commercial losses through infrastructure upgrades and enhanced monitoring.

No.	Question	Answer
	5. What innovations are being implemented to enhance customer experience through digital platforms or service delivery improvements? 6. Further, inquiries on tariff negotiations with regulators and future infrastructure investments would help assess the company's growth outlook and risk profile. 7. **Recommendations:** 1. Improve Transparency: KPLC should regularly publish performance updates and strategy milestones to keep investors informed and confident. 2. Invest in Technology: Prioritize digital platforms for billing, customer support, and smart metering to improve efficiency and customer satisfaction.	**Renewable Energy Integration** Kenya Power currently procures over 90% of its energy from renewable sources, supporting Kenya's transition to a cleaner and more sustainable energy mix. **Customer Experience & Innovation** Investments in digital self-service platforms, smart metering, and service delivery improvements aim to enhance customer convenience and satisfaction. **Tariffs & Infrastructure Investments** KPLC engages with EPRA, which is responsible for setting tariffs, through data-backed proposals. The Company also continues to invest in network expansion, maintenance, and modernization to ensure reliable service. **Recommendations Acknowledged** The Company supports greater transparency through regular updates and prioritizes technology investments to improve efficiency and customer experience.
17.	I take this early opportunity to thank the Management, Directors and Staff of KPLC for a wonderful performance and issuance of dividends for the financial year.	Thank you, Shareholder. We are committed to delivering value to our shareholders, sustaining strong performance and reliable electricity supply.
18.	How does KPLC plan to increase renewable energy sources considering energy source mix?	KPLC currently procures over 90% of its energy from renewable sources including geothermal, hydro, solar, and wind. The Company is committed to further increasing this share by engaging with new renewable projects and upgrading the grid to efficiently integrate additional green energy into the supply mix.

No.	Question	Answer
19.	When does the financial year for the company begins and in a situation someone buys mid financial year how is the dividends paid off?	The financial year commence on 1st July to 30th June. You will be entitled to dividend if you are a shareholder before closure of register i.e. by 2nd December 2025 for dividend payment on or about 30/1/2026.
20.	Sijawahi pata divided	Please update your Bank or MPESA details with your broker/investment bank by 2/12/2025. Meanwhile you can contact us on shares@kplc.co.ke for assistance.
21.	What is Kenya power management and board of directors doing to mitigate dollar fluctuations effects to protect investors interests in future?	KPLC's Management and Board of Directors actively monitor foreign exchange risks on foreign currency-denominated power purchase agreements (PPAs), borrowings, and operations. We mitigate these risks through a robust Forex mitigation strategy aligned with IFRS requirements and by limiting exposure through increased use of local-currency funding options.
22.	Kindly assist our area representative. We have been reporting/complaining year after another to your offices in Kikuyu and even at Nairobi headquarters for change of posts that have rotten almost to fall down where the worst has been tied with a rope & others with huge cracks like one in front of the Church. The post has bent on the road side & when a lorry passby, it's hit & the wire removes some sound attaching themselves & sometimes the power goes off. The next post attached has rotten whereby when your staff visit they say it's an climbable since they fear it may fall & just leave with or without any help to the residents. They normally tell us there are no post in their offices for replacement. Kindly assist with the post for replacement for the safety of our children & even ourselves. Enquire from those offices for clarification to acknowledge if they have our complains, we are located at Nyathuna Ward-Kabete. Thank you.	We have noted your complaint and escalated to the relevant department for resolution. We encourage our customers to report power outages and any other issues through our self-service platforms (*977#, MyPower App) or call 97771

No.	Question	Answer
23.	How's KPLC addressing challenges such as drought maintenance outage and system losses to maintain stable power supply.	KPLC addresses challenges such as drought, maintenance outages, and system losses through a combination of proactive planning and operational measures. Maintenance outages are minimized through scheduled preventive maintenance and live-line teams. System losses, both technical and commercial, are reduced through infrastructure upgrades, smart metering, enhanced monitoring, and theft prevention initiatives
24.	Why does it seem like the payout is not matching the investments?	Dividend payouts are determined from the portion of profits available after meeting the Company's operational, maintenance, and growth funding needs. They are designed to strike a balance between rewarding shareholders and ensuring the business remains strong and capable of creating long-term value.
25.	Considering the company's earnings per share of KES 12.54, is a dividend payout of KES 1.00 per share an equitable return for shareholders?	Dividend payout decisions take into account not only earnings per share but also the Company's cash flow, capital requirements, and long-term sustainability. While the earnings per share may suggest potential for higher payouts, KPLC aims to balance rewarding shareholders with retaining sufficient funds to fund operations, maintenance, and future growth.
26.	Why not Hybrid AGM?	Thank you for this feedback. In future, the Company will review the request for Hybrid AGMs.
27.	What are my CDSC account and price per share today	Please contact CDSC for your statement. Also check NSE website for daily shares price.
28.	Do you plan to increase the dividend per share and pay dividends more than once in a year?	Dividend decisions are guided by the Company's profitability, cash flow, capital commitments, and long-term financial sustainability. While KPLC continuously seeks to deliver value to shareholders, any increase in dividend per share or the introduction of multiple dividend payments in a year will depend on these factors.
29.	Will the new shareholders qualify for dividends	You will qualify for dividend if you are a shareholder on register closure date i.e. 2nd December 2025 for dividend payment on 30th January 2026.

No.	Question	Answer
30.	Payment of dividend via my phone no	The Company pays Dividend by MPESA, EFT and other preferred method by our shareholders. Please get in touch with your stockbroker by 2nd December 2025 to register your MPESA. Meanwhile contact shares@kplc.co.ke
31.	Where is the venue of the meeting	Please note that the AGM will be held virtually. The link to join the meeting will be sent a day before the meeting.
32.	1. What is current assets of the company less liabilities 2. What is the fixed assets of the company 3. What is the best dividend ever allocated to shareholders.	KPLC's financial details, including net current assets and fixed assets, are fully disclosed in the latest audited financial statements available on the Company's website. Regarding dividends, the Company's payout depends on profitability and cash flow, and we are pleased to note that this year's dividend of Ksh 1.00 per ordinary share is the highest ever paid to shareholders.
33.	How and when can someone or I buy the 4% and 7% cumulative preference Shares?	Please contact your stockbroker to buy 4% and 7% preference shares.
34.	When will the dividends be paid? How much will I be taxed on the dividends?	The Company has declared a final dividend payment of Kshs. 0.80 per share which will be paid on or about 30/1/2026. The withholding tax is 5% for local investors and 15% for foreigners.
35.	Are dividends given according to the number of share the shareholder have or how are they given?	The dividend will be given according to the number of shares that shareholder holds as at register closure date i.e. 2nd December 2025 for dividend payment on 30th January 2026.
36.	How does KPLC plan to increase renewable energy sources considering energy source mix?	The country's energy demand and supply is guided by the Least Cost Power Development plan which is geared towards attaining energy security and ensuring affordable electricity to power livelihoods.
37.	What is dividend?	Dividend is payment to shareholders on return of their investments. The Company has declared a final dividend of Kshs. 0.80 per share which will be paid on or about 30/1/2026.
38.	Will KPLC be consistent in paying out Dividends to shareholders?	We are committed to delivering value to our shareholders by sustaining strong performance.

No.	Question	Answer
39.	Why do some aging directors insist on holding (offering themselves for re-election) onto leadership roles instead of stepping aside to empower younger, innovative minds who could bring fresh energy and future-focused vision to the company?	Please note that shareholders are required at AGM to vote to retain/remove directors above the age of seventy (70) years per CMA requirements. The current directors have required skills to serve in the Board.
40.	Why are the dividend rates too low?	Thank you for your question. Kenya Power's dividends are determined in line with the Company's established Dividend Policy, which balances shareholder returns with long-term financial sustainability. The policy ensures that profit distribution adequately supports essential investments, operations, and a sound liquidity position. The Company resumed dividend payouts in the previous year and, with continued improvement in profitability, aims to progressively increase returns to shareholders in the future.