

Abridged and published in accordance with Article 85 (3) of the Company's Articles of Association

STATEMENT FROM THE CHAIRMAN



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.

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 (FY 2023/24-2027/28) towards sustainable growth and long-term value creation.

Financial Performance

The Company maintained a strong performance trajectory, recording a profit before tax of KShs.35.4 billion for the year ended 30 June 2025, this was despite reduced foreign exchange recoveries and lower base tariffs.

Movements in foreign exchange rates between the comparative periods led to lower revenues and corresponding cost of sales, while the strengthening of the local currency resulted in the reversal of unrealised foreign exchange gains from the previous year leading to higher financing costs.

The Company's financial position strengthened over the period, with total borrowings reducing from KShs.98.5 billion to KShs. 87.6 billion with a lower weighted average cost of debt at 3.84% down from 5.03%. Net working capital liability position improved significantly (30%) from KShs. 27 billion in FY 2023/24 to KShs.19 billion as at year-end.

Strengthening Governance and Operational Resilience

Kenya Power continued to embed stronger governance practices, enhance system reliability, and deepen customer focus. Governance improvements saw the Capital Markets Authority rating rise to 80% from 74%, reflecting enhanced oversight, ethics, and integrity systems.

Shareholder Value and Market Confidence

Investor confidence strengthened markedly, with the share price appreciating by over 900%, from KShs.1.38 in December 2023 to KShs.14.40 in September 2025, outpacing the broader market.

Dividend

The Board remains committed to delivering value to shareholders as the Company's financial performance strengthens. In recognition of this continued improvement, an interim dividend of KShs. 0.20 per ordinary share was paid during the year.

Building on this momentum, the Board is pleased to recommend a final dividend of KShs.0.80 per ordinary share for the year ended 30 June 2025, subject to applicable withholding tax, to shareholders on the register at the close of business on 2 December 2025. If approved by shareholders, the dividend will be paid on or about 30 January 2026.

Strategic Outlook

Looking ahead, the Company will continue to modernise the grid, enhance business efficiency, and uphold ethics and transparency to deliver reliable service and sustainable electricity supply while creating enduring value for stakeholders.

Thank you. Pamoja Twang'aa!

Joy Brenda Masinde
Chairman, Board of Directors

STATEMENT FROM THE MANAGING DIRECTOR & CEO



Strengthening our Core for Sustainable Growth

Throughout the year, we reinforced the fundamentals of our business to ensure reliable and high-quality power supply to our customers. Focused investments in grid stabilisation, system efficiency, and commercial initiatives resulted in tangible improvements across operations.

Operational Performance

Electricity unit sales grew by 887 GWh to 11,403 GWh, supported by new connections and reduced system losses. However, total electricity revenue declined to KShs.219.3 billion, primarily due to lower foreign exchange recoveries and a reduced average tariff. Power purchase costs decreased by KShs.5.9 billion despite higher purchases, while operating expenses fell by KShs.3.9 billion following refinement of the IFRS 9 credit loss model.

Transmission reliability remained strong at 99.9%, with notable improvements in SAIDI (120.6 → 113 hours) and SAIFI (47.0 → 44.1). Total system losses reduced from 23.16% to 21.21%, driven by smart meter roll-out, network reinforcements and system upgrades, and enhanced energy accounting.

Energy Security and Regional Integration

We aligned new distribution projects with the 2024-2043 Least Cost Power Development Plan and accelerated Power Purchase Agreement negotiations. The commissioning of the 400 kV Kenya-Tanzania interconnector and participation in the Eastern Africa Power Pool expanded our ability to trade electricity regionally, enhancing grid resilience and energy security.

Customer Growth and Experience

Kenya Power surpassed the 10 million-customer milestone, adding 401,848 new connections and contributing 203 GWh in new sales. Industrial customers accounted for more than half of the incremental demand. Our Customer Satisfaction Index rose to 72% (from 69%), and sustained stakeholder engagement improved the Corporate Reputation Index from 63% to 75%, reflecting stronger public trust.

Digital Transformation and Workforce Empowerment

We began implementing the Government's Digital Superhighway Project, extending fibre connectivity to over 53,000 public institutions. This initiative will also support grid smartening and operational efficiency. Improved welfare and capacity-building boosted the Employee Satisfaction Index to 83% (from 67%), and the Productivity Index rose to 3.95 (from 2.45).

Sustainability and Social Impact

Sustainability remained central to our operations, with our Strategy aligned to ESG principles to enhance resilience and advance the national climate agenda and SDGs. We implemented a Sustainability Framework across our business regions, aimed at embedding safety, environmental stewardship, social responsibility, and governance in business operations. Through the Kenya Power Foundation, we planted over 456,000 trees, promoted e-mobility and electric cooking, and reviewed our waste management framework to strengthen recycling and circular-economy practices.

Brighter Future

We remain committed to consolidating these gains to deliver greater value to our customers, shareholders, and partners. With a robust grid, regional integration, and a motivated workforce, Kenya Power is well-positioned to power the nation's industrial growth, digital transformation, and climate-resilience agenda.

Asanteni sana. Pamoja Twang'aa!

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

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 11.00 am** to conduct the following business:

- To read the Notice convening the Meeting and note the presence of a quorum.
- 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.
- 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.
- Directors:
 - 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.
 - Eng. James Rege, being over the age of seventy (70) years, offers himself to be retained as a director.
 - CPA Dr. Caleb B. Manyaga, being over the age of seventy (70) years, offers himself to be retained as a director.
- 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:
 - CPA Dr. Caleb Manyaga
 - Ms. Logan Hambrick
 - Dr. Stephen Ilikii
 - Mr. Ezekiel Saina
- To approve payment of fees to non-executive Directors for the year ended 30th June 2025.
- 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.
- To authorise the Directors to fix the Auditors' remuneration.

SPECIAL BUSINESS

- To consider and, if thought fit, to pass the following Ordinary and Special Resolutions:

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:
 - Board Remuneration Policy
 - Stakeholder Engagement Policy
 - Market Disclosure Policy
 - Dispute Resolution Policy; and
 - Appointment of Directors Policy.

Special Resolution

- 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:

(14) Pursuant to Article 25(5)(b), the holder of Class B shares shall be entitled to appoint as Directors:

- The Cabinet Secretary responsible for the National Treasury.
 - The Principal Secretary responsible for Energy and
 - 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 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."
- To consider any other business for which due notice has been given.

By Order of the Board

I. 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:

- Dialling *483*816# on their mobile telephone and following the various prompts on the registration process or;
- 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.
- Shareholders with email addresses will receive a registration link via email through which they can use to register.
- 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.
- 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.

- 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>
 - Copy of this Notice and the Proxy Form.
 - The Company's Annual Report & Audited Financial Statements for the year ended 30th June 2025.
 - The proposed policies for approval by Shareholders.

- 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

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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:
a) To kplcagm@image.co.ke; or
b) By dialling USSD code ***483*816#** and selecting the option (Ask Question) on the prompts; or
c) 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.

7.
- 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.
8.
- 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.
9.
- 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.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

The Auditor-General audited the financial statements of The Kenya Power and Lighting Company PLC, which comprise the statement of financial position as at 30 June 2025; the statement of profit or loss and other comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended, together with a summary of significant accounting policies and other explanatory information. The audit was conducted in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

The Auditor-General obtained all the information and explanations which, to the best of her knowledge and belief, were necessary for the purpose of the audit.

In the Auditor-General's 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 its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards, and comply with the Companies Act, 2015 and the Public Finance Management Act, 2012.

Emphasis of Matter

1.
- Land without Ownership Documents
2.
- Cost of Power Purchased from Independent Power Producers
3.
- Variances Between Electricity Receivables and County Governments Data

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCE

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of this report, Auditor-General confirms that, nothing else has come to her attention to cause her 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
2.
- Unauthenticated Employees Academic Qualifications

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.
- Long Outstanding Receivables from Government and Other Entities
2.
- Delays in Customer Electricity Connections
3.
- Weaknesses in Project Management
4.
- Weaknesses in Electricity Consumption Billings
5.
- Network Inefficiencies
6.
- Inefficiencies in Operations at Off Grid Power Stations
7.
- Weaknesses in Management of Fraud Risks

*The full report of the Auditor-General can be accessed from the Company's website, www.kplc.co.ke

NOTICE

CLOSURE OF REGISTERS 4% & 7% CUMULATIVE PREFERENCE SHARES

Notice is hereby given that the half-yearly dividends due on **31st December 2025** on the above shares will, subject to Withholding Tax where applicable be paid on the due date to shareholders registered in the books of the Company at the close of business on **Tuesday, 2nd December 2025**.

SUMMARY FINANCIAL STATEMENTS

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

	2025 KShs Million	2024 KShs Million
Revenue from contracts with customers	219,285	231,124
Cost of sales	(144,664)	(150,606)
Gross Margin	74,621	80,518
Other income	7,267	7,250
Operating costs	(42,421)	(46,278)
Operating Profit	39,467	41,490
Interest income	625	1,494
Finance costs	(4,717)	682
Profit Before Tax	35,375	43,666
Income tax expense	(10,908)	(13,586)
Profit After Tax	24,467	30,080
Other comprehensive income	(1,105)	391
Total comprehensive income for the year	23,362	30,471
Basic and diluted earnings per share (KShs)	12.54	15.41

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	2025 KShs Million	2024 KShs Million
Assets		
Property, plant and equipment	287,477	275,775
Other Non-current assets	3,345	4,256
Current assets	98,217	78,055
	389,039	358,086
Equity and Liabilities		
Shareholders' equity	109,335	87,314
Non-current liabilities	162,278	165,278
Current liabilities	117,426	105,494
	389,039	358,086

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	2025 KShs Million	2024 KShs Million
Cash generated from operating activities	39,768	28,374
Net Cash used in investing activities	(29,597)	(24,837)
Net Cash generated from financing activities	(12,869)	(11,208)
Increase in cash and cash equivalents	(2,698)	(7,671)
Cash and cash equivalents at beginning of year	10,353	18,430
Effect of foreign exchange rate changes on cash and cash equivalents	30	(406)
Cash and cash equivalents at close of year	7,685	10,353

SUMMARY OF THE REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE, 2025

The report is in three parts:

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

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

- C.
- Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This

responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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