

# THE UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

The Directors of Kenya Electricity Generating Company PLC are pleased to present the unaudited interim condensed financial statements for the six months ended 31st December 2021.

## SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Half Year ended 31 December	2021 Unaudited KShs Million	2020 Unaudited KShs Million
Revenue	24,793	21,801
Reimbursable expenses (Fuel and water costs)	(4,154)	(1,234)
<b>Revenue net reimbursable expenses</b>	<b>20,639</b>	<b>20,567</b>
Other income	295	180
Other (losses)/gains-net forex and fair valuation of Financial assets	603	(382)
	<b>21,538</b>	<b>20,365</b>
<b>Expenses</b>		
Depreciation & amortization	(5,882)	(5,738)
Operating expenses	(6,595)	(5,825)
Steam Costs	(1,654)	(1,527)
<b>Operating Profit</b>	<b>7,408</b>	<b>7,275</b>
Finance income	1,009	829
Finance costs	(897)	(1,232)
<b>Profit Before Tax</b>	<b>7,520</b>	<b>6,872</b>
Income tax expense	(2,399)	(1,817)
<b>Profit After Tax</b>	<b>5,121</b>	<b>5,055</b>
Other Comprehensive Income Net Gains on Revaluation of Treasury Bonds	(1)	(4)
<b>Total comprehensive income</b>	<b>5,120</b>	<b>5,051</b>
<b>Basic and diluted earnings per share (KShs)</b>	<b>0.78</b>	<b>0.77</b>

## SUMMARY STATEMENT OF FINANCIAL POSITION

	As at 31 December 2021 Unaudited KShs Million	At 30 June 2021 (Audited) KShs Million
<b>ASSETS</b>		
Property, plant and equipment	354,494	356,135
Other non-current Assets	31,362	25,703
Current assets	45,643	43,819
	<b>431,499</b>	<b>425,658</b>
<b>EQUITY AND LIABILITIES</b>		
Total Equity	213,465	210,323
Non-current Liabilities	196,212	194,939
Current Liabilities	21,822	20,396
	<b>431,499</b>	<b>425,658</b>

## SUMMARY STATEMENT OF CASH FLOWS

Half Year ended 31 December	2021 Unaudited KShs Million	2020 Unaudited KShs Million
Cash generated from operations	11,249	13,950
Finance income received	573	333
Tax	(571)	(465)
Net cash generated from operating activities	11,251	13,818
Net cash used in investing activities	(4,905)	(6,852)
Net Cash used from financing activities	(4,251)	(1,483)
Net increase/(decrease) in cash and cash equivalents	2,095	5,482
At the beginning of the period	13,622	5,374
Effects of exchange rate changes on cash and cash equivalents	130	(62)
<b>At the end of the period</b>	<b>15,847</b>	<b>10,793</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital & Share Premium	Other Reserves	Retained earnings	Total Equity
	KShs Million			
As at 1 July 2021	38,639	65,051	106,633	210,323
Total comprehensive income for the period	-	(1)	5,121	5,120
Transfer of excess depreciation	-	(1,531)	1,531	-
Deferred tax on excess depreciation	-	459	(459)	-
Dividends paid	-	-	(1,978)	(1,978)
<b>As at 31 Dec 2021</b>	<b>38,639</b>	<b>63,978</b>	<b>110,848</b>	<b>213,465</b>
As at 1 July 2020	38,639	67,236	105,444	211,319
Total comprehensive income for the period	-	(4)	5,055	5,051
Transfer of excess depreciation	-	(1,391)	1,391	-
Deferred tax on excess depreciation	-	348	(348)	-
<b>As at 31 Dec 2020</b>	<b>38,639</b>	<b>66,189</b>	<b>111,542</b>	<b>216,370</b>

### Basis of Preparations

The condensed financial statements for the six-months period ended 31st December 2021 have been prepared in accordance with the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the company's audited financial statements for the year ended June 30, 2021.

### Performance Overview

Our performance for the six-months ended 31st December 2021 remained stable supported by increased income from revenue diversification initiatives and overall growth in electricity demand.

Total Revenue increased by 14% from KShs 21,801 million in December 2020 to KShs 24,793 million for the period ended 31st December 2021. This growth is mainly attributed to higher revenue receipts from drilling consultancy and operations outside Kenya.

Operating costs increased by 8% to KShs 14,130 million from KShs 13,090 million in 2020 owing to increased business activities in Ethiopia, repairs and maintenance, and higher steam costs following increased dispatch from Olkaria I AU and V geothermal plants.

Finance income increased by 22% from KShs 829 million to KShs 1,009 million. The interest was earned on increased cash balances held for ongoing projects and loans whose repayment has been rescheduled as part of Covid-19 relief program by financing partners.

Finance costs declined by 27% from KShs 1,231 million to KShs 897 million owing to a reduction in loan balances.

Profitability: Profit before tax increased by 9% from KShs 6,872 million in 2020 to KShs 7,520 million for the six months ended 31st December 2021. Income tax expense increased by 32% to KShs 2,399 million from KShs 1,817 million in December 2020 reflecting the impact of corporate tax reversal from 25% back to 30% and Olkaria V capital allowances all of which resulted in a lower effective tax rate of 26% in 2020. Consequently, profit after tax rose from KShs 5,055 million in 2020 to KShs 5,121 million for the six months ended 31st December 2021.

### Outlook

KenGen is committed to the execution of its strategy for capacity growth from renewables and revenue diversification initiatives. We look forward to commissioning Olkaria I Additional Unit 6 geothermal power plant this year. This will increase our electricity generation portfolio from renewables by 83.4MW and will contribute to further replacement of thermal generation.

We remain steadfast on the path of growth and operational excellence for business sustainability. In the same way we support the ongoing reforms in the Energy Sector.

### Dividend

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

### Appreciation

We appreciate all our stakeholders for their invaluable contribution to the Company's performance.

### By Order of the Board,

**LAWRENCE KIBET**  
COMPANY SECRETARY

28th February 2022



**+14%**

Total Revenue increased by 14% from KShs 21,801 million in December 2020 to KShs 24,793 million for the period ended 31st December 2021.



**+8%**

Operating costs increased by 8% to KShs 14,130 million from KShs 13,090 million in 2020.



**+22%**

Finance income increased by 22% from KShs 829 million to KShs 1,009 million.



**+9%**

Profit before tax increased by 9% from KShs 6,872 million in 2020 to KShs 7,520 million for the six months ended 31st December 2021.