

LONGHORN PUBLISHERS PLC 2025 ANNUAL GENERAL MEETING RESPONSES TO SHAREHOLDERS' QUESTIONS

NO.	QUESTION (FROM SHAREHOLDER)	RESPONSE
1	When will a physical meeting be held?	Virtual meetings have continued to prove efficient and effective in facilitating broad shareholder participation. We will keep shareholders informed should there be any changes to the meeting format in future.
2	Why has the Company not declared dividends for the current or previous financial year?	The Company has not declared dividends for FY2025 or the previous year in order to preserve liquidity for loan repayments and to fund ongoing curriculum development investments. The Board remains committed to strengthening the Company's financial position and will reassess dividend declarations once the liquidity position improves.
3	What are the key reasons the Company's share value has not grown as expected?	The Company's share value has not grown as expected primarily due to the significant investments made in curriculum development over the past several years, much of which was financed through short-term borrowing. While these investments are critical for securing long-term revenue, they have temporarily impacted profitability and market perception. Recent curriculum changes also led to impairment of old curriculum costs and inventory, affecting reported earnings. Excluding these, the underlying business remains strong and continues to generate positive operating results. With new curriculum development concluding in the next financial year, coupled with ongoing focus on operational efficiency, digital expansion, and market diversification, we expect improved performance and a stronger valuation outlook.
4	Is the company facing a insolvency risk in light of accumulated losses and decreased net assets?	While accumulated losses and reduced net assets reflect past investments in curriculum development and other strategic initiatives, these were deliberate measures aimed at securing long-term growth. The Company has invested in curriculum development since 2018, primarily financed through external borrowings, as these investments are essential for future business. Recent curriculum changes in the countries of operation led to recognition of impairment losses from old curriculum costs and inventory; however, excluding these, the core business remains profitable, and a turnaround is expected. Furthermore, our intellectual property is recorded at cost and has not been revalued, indicating a higher intrinsic value for the Company.
5	Is there a likelihood that the company may not be able to meet its obligations given the net current liability position?	While the Company currently has a net current liability position, this is primarily due to the use of short-term financing to carry out curriculum development projects, whose economic benefits will be realized over the long term, and to fund the working capital cycle due to the time required to verify deliveries to schools and receive payment from the government. The Board and management remain confident in the Company's ability to meet its financial commitments through disciplined cash flow management, timely collections and renegotiation with key suppliers.

6	What's the outlook of the Company?	The Company's outlook remains positive. We are focused on strengthening our financial position, regaining market leadership, and driving operational efficiency to support sustainable growth. We remain committed to diversifying our revenue streams and pursuing strategic partnerships for expand our regional market. Other key initiatives include enhancing our digital presence through LoHo Learning and our e-commerce platform, MyBidhaa, as well as continuing investment in curriculum development to secure long-term revenues.
7	What measures has the company taken in the midst of growing competition?	The Company has implemented several measures to remain competitive amid increased market competition. We have broadened our product offering and invested in our digital platforms, including LoHo Learning and MyBidhaa, to strengthen our market reach. We continue to diversify our revenue streams and pursue strategic partnerships to reinforce our market position and support sustainable growth.
8	What are the Company's plans for digital transformation?	We are strengthening our digital presence through platforms like LoHo Learning and MyBidhaa, offering interactive learning and e-commerce solutions. This enhances accessibility, widens market reach, and positions the Company for long-term growth.
9	What's the proportion of receivables owed by GOK?	Receivables arising from the Kenya Institute of Curriculum Development (KICD) orders have been recorded separately on the balance sheet under Contract Assets (refer to page 50 of the 2025 Annual Report).
12	What steps is the Company taking to reduce its reliance on Government of Kenya sales?	The Company continues to enhance its focus on digital expansion and market diversification by targeting new customer groups and growing additional business segments, including Tertiary business. With an expanded product portfolio, we are broadening revenue streams and continue to pursue further regional market expansion.
10	Is there potential to enhance our revenue streams by providing printing services to third-party clients	The Company outsources its printing and therefore cannot offer third-party printing services. However, we continue to diversify revenue by targeting new customer groups, growing our digital offerings, and providing publishing services to external partners.
11	What is the remuneration paid to the Directors?	The Directors' Remuneration Report is available in the 2025 Annual Report on pages 40–41.
13	Is the Company exploring initiatives such as model schools or TVET centres to enhance educational excellence and drive business expansion?	The Company continues to explore innovative initiatives to drive business growth. While there are no immediate plans to establish model schools/TVET centres, it remains open to strategic opportunities that align with its long-term growth objectives.
14	What measures has the Company taken to promote clean energy?	The Company is committed to sustainable practices that reduce, reuse, and recycle materials, minimizing environmental impact. Key initiatives include reducing paper consumption through digital products, eLearning platform and eBooks; partnering with local recycling facilities for proper disposal and recycling; and using eco-friendly packaging materials.