

NO.	QUESTION (FROM SHAREHOLDER)	RESPONSE
1	What's the company doing to increase revenues?	<p>Revenues are expected to increase as economies recover from Covid-19. Some of the measures the Group has put in place to increase revenues are, but not limited to the following:</p> <ul style="list-style-type: none"> • Continued investment in new curriculum; • Digital transformation to expand our product base beyond print business. These products will include eLearning, SOMO, providing content-as-a-service, self-publishing portal etc; • Entry into new markets to cushion the Group from shocks experienced in Kenya, which is currently a significant part of the business. In FY22, we have entered Ghana and continue to grow our 'young' markets such as Cameroon and DRC.
2	Will there be any dividend payment for the period ended 30th June 2021?	<p>No</p> <p>As explained during the AGM, the Group wants to preserve liquidity to be able to repay the borrowings and support the investments in curriculum for the next financial year. This will also protect the Group's net asset value as the recovery efforts continue.</p>
3	What is the management doing for the company to mitigate decrease of the profit margins and have more dividends earnings for the shareholders every year?	<p>The new strategy (running from 2022 to 2024) recognizes the need for quality and sustainable business that will ensure better margins and consistent shareholder returns. Some of the measures include:</p> <ul style="list-style-type: none"> • Increasing contribution of higher margin digital business to the portfolio of products; • Shifting costs from fixed to variable to the extent possible; • Creation of dedicated teams for categories such as ECDE, Creatives and Publishing Services which have a significant potential; and • Repayment of borrowings that will reduce finance costs.
4	Why are you giving the remuneration to the employees whereas the company is in a loss for the year 2020-2021? Where is the money coming from?	<p>Employees have to be paid for us to have a business. Otherwise, operations would grind to a halt.</p> <p>It is important to note that there were no unusual payments made to staff during the financial year under review other than the contractual salaries protected by the Employment Act. The cash used for such purpose was generated from normal operations.</p>
5	Where does the Board of Directors and the Management see the company growth in the next 3 years?	<p>We expected to have achieved the following in the next 3 years, the current strategy period:</p> <ul style="list-style-type: none"> • Focus on our growing customer base and tailor solution to each segment's needs; • Expand presence in Africa through print and digital businesses, the next of which is Ghana; • Increase government business since governments have become more involved in the education sector; • Unlock digital valuation through fundraising and product diversification.
6	What caused the high deduction in expenses?	<p>Two main reasons:</p> <ul style="list-style-type: none"> • Lower level of activity in H1 due to Covid-19 disruptions including closure of schools; and • Cost rationalization including shifting most costs from fixed to variable.

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7	When will shareholders be receiving a dividend and a bonus?	Refer to Question 2 above.
8	What factors are contributing to declining trend of the shares?	<p>Most counters on the Nairobi Securities Exchange (NSE) suffered because of the Covid-19 pandemic as reflected by the movement in the leading indices (such as NSE-20 and NSE 25). This has been widely reported over the last 18 months.</p> <p>This also affected Longhorn share price. However, we have seen improvement in the same over the last 2 months and the share price remains higher than the net asset value of the company. Further, the plans we have in place over the next 3 years will see the share price rise even further.</p>
9	Longhorn's risk management methodology that has been mentioned on page 24 of the Longhorn Publishers PLC Integrated Report and Financial Statements 2021 is based on the old COSO ERM framework which was subsequently revised in 2017 by the Committee of Sponsoring Organizations of the Treadway Commission. Question: Is Longhorn Management planning to update this methodology to be in line with the new COSO ERM Framework? How soon will this be done?	We have recognized the 2017 updates and have already incorporated the same in the development of the new 2021/24 strategy to ensure alignment between strategy, risk management and performance.
10	Greetings, I have not yet received Dividends in 2020 and Image Registrars confirms this is the same for a number of shareholders. There has been no communication on this. Please address this issue. What is the position?	<p>We have paid dividends where all payment details are updated. We have experienced some challenges where cheques are either not cashed by shareholders or delivered to correct address and we have to reissue once we have received the necessary details from the shareholders.</p> <p>Nevertheless, please get in touch with Image Registrars so that the exact nature of your issue is dealt with specifically.</p>
11	I would wish to know within the Management Team are there any staff who have invested in the company as shareholders or any plan for ESOP?	Yes. Some Longhorn staff have purchased shares in their individual capacity.
12	<ul style="list-style-type: none"> • When will we stock reference and post-secondary text? • Do we have an inventory of past Longman publications and are they reprintable on request as they resurface in demand? • Are there plans to stock, print or publish post-secondary text books in lieu of the fact growth in post graduate is bound to treble soon? 	<ul style="list-style-type: none"> • We have reference and tertiary materials available. Further, we are continuously monitoring demand in all categories and adjust our supply of books accordingly. • We did not acquire all the Longman publications. However, for those that we acquired, we rebranded the titles to Longhorn and are available for printing based on demand.
13	What CSR activities did the company do last year and what activities are planned for this year?	<p>There are a number of CSR activities that the Group participated in including:</p> <ul style="list-style-type: none"> • Providing free access to our eLearning platform. • Donating learning aids to primary schools in Nyanza province.
14	Does the company have or participate in afforestation activities?	Not at the moment.
15	Does the company donate books to schools or public libraries in the countries that it operates in?	Yes, the company donates books to schools and libraries.
16	What is the board of directors doing about competition among regional publishers? Rose at the end of the end of month when Uganda resumed learning.	We are aware of competition in all markets we operate in. For the case of Uganda, we are well prepared for resumption of learning in schools in January 2022. Our marketing activities have been ongoing and we are in the process of printing necessary learning materials that will be required in January 2022.

LONGHORN PUBLISHERS PLC 2021 ANNUAL GENERAL MEETING RESPONSES TO SHAREHOLDERS QUESTIONS

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17	When are u giving us dividend and at least you should consider gifting us i.e voucher	Refer to Questions 2 and 3 above.
18	How will shareholders be appreciated for attending the meeting bearing in mind they have to use data for the virtual meeting?	Airtime was sent to the shareholders who registered. We value your continued support and our priority is to ensure we return value back to shareholders in the near future.
19	What caused the low profit margins in Tanzania that had no lockdown as compared to Uganda and Kenya which had lockdowns?	Tanzania turned a profit in the year under review. This is an improvement from prior years.
20	On the financial highlights, some countries (Cameroon, DRC) were not featured. Why?	Cameroon and DRC are captured under Kenya because we do not have subsidiaries in those markets.
21	Measures put in place to ensure the company remains agile in the view of limited national resources.	Refer to Question 3 above.
22	How does Longhorn support SMEs?	The SMEs in our ecosystem mainly include printers, distributors and booksellers. We have worked with these and other partners to ensure that they continue in business throughout this difficult economic environment. Some of the initiatives were renegotiating trading terms, allowing returns of stocks, providing free warehousing, extending new business to them etc.
23	What is the company's future sustainability plan?	Refer to Question 3 above.
24	Why are: <ul style="list-style-type: none"> • Finance costs high? • Current liabilities higher than assets? • Payables higher than receivables? • Borrowings high? 	<p>Finance costs and borrowings are high because the Group continues to invest in new curriculum in most of the markets we operate in. These investments are crucial because they will secure long-term future revenues. However, the finance costs will reduce going forward as we start realising cashflows from the new markets as we have already seen in the case of Cameroon.</p> <p>The Group is in a net current liability position was mainly attributable to the COVID-19 crisis and the related mitigating measures implemented by governments where Longhorn operates, including the suspension of learning in schools which caused disruption in the learning cycle. The plans we have in place (as indicated under Question 3 above), will reverse this position in the next financial year.</p> <p>Payables were higher than receives because of the trading terms that we have with respective suppliers. Being balance sheet items, the position changes at each reporting date and it is not reflective of how it should always be.</p>