LONGHORN PUBLISHERS PLC
expanding minds

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2026

Condensed consolidated statement of profit or loss and other comprehensive income for the year ended 30 June

	2026	2025
	Kshs '000	Kshs '000
Revenue	810,998	672,088
Cost of sales[1]	(913,840)	(521,027)
Gross (loss)/profit[2]	**(102,842)**	**151,061**
Other income	5,911	7,802
Operating expenses	(405,367)	(328,119)
Finance costs	(182,231)	(203,893)
Loss before tax	**(684,529)**	**(373,149)**
Income tax (expense)/credit	(265,143)	111,705
Loss after tax	**(949,672)**	**(261,444)**
Other comprehensive (loss)/income	(96,098)	256,123
Total comprehensive loss	**(1,045,770)**	**(5,321)**
[1]Breakdown of cost of sales:		
Cost of sales - ordinary activities	(453,546)	(383,455)
Impairment losses recognised in cost of sales	(460,294)	(137,572)
Total cost of sales	**(913,840)**	**(521,027)**
[2]Gross profit excluding impairment losses	**357,452**	**288,633**

Condensed consolidated statement of financial position as at 30 June

	2026	2025
	Kshs '000	Kshs '000
Non-current Assets		
Pre-Publication costs	463,518	748,624
Property and Equipment	314,141	479,698
Intangible assets	7,765	50,383
Deferred income tax	-	185,201
	785,424	**1,463,906**
Current Assets		
Inventories	183,092	482,259
Trade and other receivables	348,888	195,644
Cash and bank balances	15,833	89,023
	547,813	**766,926**
TOTAL ASSETS	**1,333,237**	**2,230,832**
Total equity	(1,027,662)	18,108
Non-current Liabilities		
Deferred income tax	34,623	-
Borrowings	-	573,400
	34,623	**573,400**
Current Liabilities		
Borrowings	1,200,227	442,424
Trade and other payables	1,120,399	1,193,999
Current income tax	5,650	2,901
	2,326,276	**1,639,324**
TOTAL EQUITY AND LIABILITIES	**1,333,237**	**2,230,832**

Condensed consolidated statement of cashflows for the year ended 30 June

	2026	2025
	Kshs '000	Kshs '000
Net cash (used in)/generated from operating activities	(36,744)	337,269
Net cash used in investing activities	(53,926)	(48,222)
Net cash generated from/(used in) financing activities	5,825	(208,057)
Net decrease in cash and cash equivalents	**(84,845)**	**80,990**
Cash and cash equivalents at start of the period	89,023	8,033
Cash and cash equivalents at end of the period	**4,178**	**89,023**

Condensed consolidated statement of changes in equity for the year ended 30 June

	Share capital & premium	Accumulated losses & translation reserve	Non-controlling interest	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
At 1 July 2024	**640,729**	**(611,459)**	**(5,841)**	**23,429**
Total comprehensive loss	-	(6,217)	896	(5,321)
At 30 June 2025	**640,729**	**(617,676)**	**(4,945)**	**18,108**
Total comprehensive loss	-	(1,045,770)	-	(1,045,770)
At 30 June 2026	**640,729**	**(1,663,446)**	**(4,945)**	**(1,027,662)**

COMMENTARY ON THE RESULTS

Operating Environment

The year ended 30 June 2026 was marked with continued implementation of the revised curriculum in our key markets, delays in key institutional procurement and constrained funding for the business. Despite these challenges, Longhorn continued to strengthen its market presence, expand its customer reach and position the business for renewed growth.

Financial Performance

Revenue for the year increased by KShs 139 million, representing growth of 21% compared to the previous year, driven primarily by expanded market coverage and improved sales performance.

Total operating expenses increased by 23% compared to the previous period, mainly due to increased promotional expenditure to support revenue growth and impairment losses arising from curriculum changes. Excluding these impairment losses, the Group recorded an operating profit of KShs 16 million compared to an operating loss in prior year of KShs 20 million, reflecting an improvement in the underlying operating performance.

Loss for the period was KShs 1,045 million compared to loss for the prior year of KShs 5 million. The reported loss was primarily attributable to impairment losses of KShs 518 million and further impacted by the derecognition of previously recognised deferred tax assets amounting to KShs 262 million. While the impairment of old curriculum-related investments impacted the reported results for the year, it represents an important step in completing the transition and creating a cleaner platform for the next phase of growth.

Outlook

The Group remains focused on strengthening its long-term financial performance through continued operational discipline, product diversification and broader market reach. We have made significant progress in improving operational efficiency, maintaining business continuity through key supplier partnerships, and expanding our portfolio of curriculum-aligned intellectual property, which provides a strong foundation for future revenue growth.

The completion of key curriculum revisions provides a platform for renewed sales momentum. At the same time, product innovation, including digital learning solutions through LoHo Learning and diversified customer segments are expected to enhance recurring revenues. Looking ahead, the Group will continue to pursue opportunities to regain market leadership, optimize subsidiary performance, improve gross margins and increase cash generation. Our focus remains on building a more diversified, resilient and sustainable business that is well positioned to respond to the changing needs of customers across our markets.

By order of the Board,

Prof. Githu Muigai, EGH, SC
Group Chairman
Date 29th October 2026

Simon Ngigi
Group Managing Director