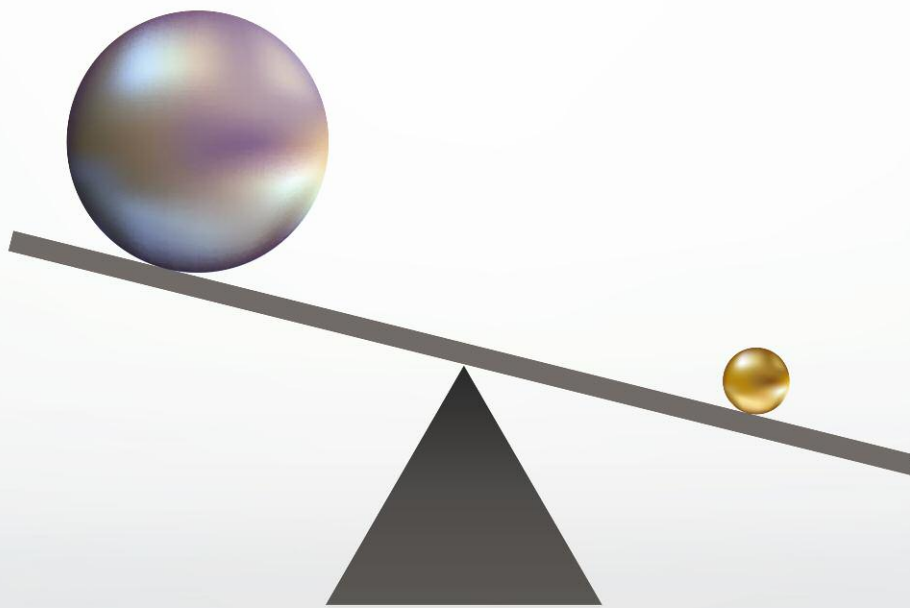


INFORMED

PROMOTING EXCELLENCE IN INVESTOR RELATIONS

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IR for small caps: making an impact



Staying on top of future trends and going
beyond the annual report is essential

ir
society

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Bringing prosperity while acting sustainably

In the energy industry, reporting on ESG issues is particularly important. Sally Marshak gives an overview of one small-cap company's IR strategy.

Savannah's Stubb Creek field, Nigeria.



Sally Marshak is head of IR and communications at Savannah Energy. sally.marshak@savannah-energy.com

Last year was a milestone year for Savannah Energy, the AIM-listed company, as it represented our first full year of operating the Nigerian oil and gas assets we acquired in November 2019. This was a transformational acquisition for Savannah, and a major focal point of our IR programme over the last 18 months or so has been to communicate this transformation; how we are delivering on our strategy and how we are positioned for future growth. As an energy company, it has become particularly important to communicate our approach to sustainability and the role we are playing in Africa's energy transition. Our ethos is to 'punch above our weight' in IR, striving to adopt a best practice approach which can adapt to Savannah's growth ambitions. With this growth and the increased attention on ESG, we have therefore spent the past year upgrading and

About Savannah Energy

Savannah is an African-focused British independent energy company, listed on the AIM market of the London Stock Exchange. In Nigeria, Savannah has a large-scale integrated gas production and distribution business, which supplies gas enabling over 10% of the country's thermal electricity generation. In Niger, it is one of four international companies operating in the energy sector, where their licence interests cover approximately 50% of the country's main petroleum basin. In June this year, Savannah announced that it is in exclusive discussions with ExxonMobil Corporation with respect to the proposed acquisition of its entire upstream and midstream asset portfolio in Chad and Cameroon.

investing in the IR function to ensure it is future proof and fit for future demands and scale.

Africa's energy transition

We place a great deal of emphasis on our annual report; it not only serves as a consolidated source of information, but also provides the foundation for our wider IR and communications collateral and is a key tool for engagement with our investors and other

stakeholders. This year working with Design Portfolio we substantially upgraded our annual report in line with best practice, in particular revamping the communication of our investment case and strategy, and providing stronger linkages between our strategy, KPI and risks sections. We also invited leading energy industry expert, Dr. Richard Norris, to guest author a new 'Market Context' section. This provided in-depth analysis of what the energy transition means in an African context and helped to shape Savannah's narrative further, with a focus on the importance of the 'S' in ESG for a company that is playing a vital role in pulling people out of poverty in its host countries. It sparked considerable interest from our investors and, leveraging on that, we held interactive webinars for both institutional and retail investors co-hosted by Dr Norris and Savannah's CEO, Andrew Knott, focusing on Africa's energy transition and how we see Savannah's role in that.

Other IR initiatives undertaken this past year include the launch of our new corporate website, the broadening of our sell-side research coverage, more frequent investor engagement with both our institutional and retail investors, the launch of our re-focused sustainability strategy, the appointment of Camarco, a leading financial communications firm in our sector to help sharpen our media relations activities, and increased use of social media such as Twitter and LinkedIn.

Small-cap challenges

Attracting broader sell-side analyst coverage can often be a challenge for smaller cap companies, especially in the wake of MiFID II. We have noticed that some of the larger banks have started to offer sponsored research and investor access packages. We view this as an attractive option for smaller companies combining access to high-quality research with reach into overseas markets to target new investors. We have also added a new research tool, Research Tree, to our website which has made it easier for retail investors to access sell-side research coverage on Savannah.

We have invested in upgraded systems and external support for the investor relations function, including a new shareholder identification and database management system from JP Morgan and a comprehensive ESG software solution from World Wide Generation. We have devoted considerable time and effort during this past year in developing our new sustainability strategy. Our

“ We conducted an in-depth survey with our largest institutional investors to identify their material issues regarding sustainability ”



Central Processing facility, Esit Eket, Akwa Ibom State, Nigeria.

approach was shaped by an extensive consultation exercise with our key external and internal stakeholder groups. This included a materiality assessment process where we held several materiality workshops with key stakeholders facilitated by external consultants. We also conducted an in-depth survey with our largest institutional investors to identify their material issues regarding sustainability and their views on which sustainability reporting standards were most important to them, given that there are a myriad to choose from.

Four pillars

We launched our refocused sustainability strategy in May this year. It is based on four strategic pillars which are aligned with the 13 key United Nations Sustainable Development Goals (UN SDGs) where we believe Savannah can have the biggest economic, environmental, social and governance impact. We have integrated a further six sustainability reporting standards into our new framework, including the:

- Global Reporting Initiative (GRI);
- International Finance Corporation (IFC) Performance Standards;
- International Association of Oil & Gas Producers (IOGP);
- International Petroleum Industry Environmental Conservation Association (IPIECA);
- Sustainability Accounting Standards Board (SASB); and
- Task Force on Climate-related Financial Disclosures (TCFD).

These standards have been selected as being the most relevant for our sector and of most importance to our stakeholders. We are currently working on rolling out our new sustainability performance and reporting framework across the whole group. This will allow us to set meaningful sustainability performance targets and track our progress against these, forming the basis for our sustainability reporting from 2022 onwards.

There is always more we can do to improve the IR function and our next challenge will be to ensure that it continues to evolve to support Savannah's growth ambitions in Africa as we look to play a leading role in the continent's energy transition. ■