



SHUMBA
E N E R G Y
Powering the Future

Suite 204
Grand Baie Business Quarters
Chemim Vingts Pied
Grand Bay, 30529
Republic of Mauritius

(A public company registered in the Republic of Mauritius - Company No. 111905 C1/GBL)

CAUTIONARY ANNOUNCEMENT

TRADING STATEMENT – PUBLICATION OF THE AUDITED FINANCIALS STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

The shareholders of Shumba Energy Ltd (“Shumba” or the “Group”) are advised that the Group expects to shortly release audited results for the 12 months ended 30 June 2021, which will reflect a significant decline in performance as compared to the corresponding period ended 30 June 2020. The group expects to report a loss for the period of around USD1m-USD1.5m as compared to a profit of USD2.7m in the prior year. The decrease was mainly due to the once-off item, gain of bargain purchase of USD4.9m that was recognized in the corresponding period of 30 June 2020.

The expected loss for the 12 months ended 30 June 2021 will represent a decline of approximately USD3.7m to USD4.2m, a total decline of approximately 137% to 155% as compared to corresponding period of 30 June 2020.

Despite the apparent negative picture of the loss expected to be declared, the company has navigated successfully its most challenging period since its incorporation and listing on the BSE. The impacts of the COVID-19 pandemic causing contractual force-majeure by both commercial partners that provided revenues and margin sufficient to cover operating costs, and by investors that had committed to various project developments within our portfolio caused significant financial hardship.

However, the company is pleased to report that it has emerged successfully with a strong foundation supported by new investment, in particular within its renewable energy investment portfolio, and by normalized and reinforced relationships with its audit, secretarial and governance partners. In particular the company wishes to express its gratitude for the guidance and support shown by the BSE in this regard.

We can also report that the clear reverse in global sentiment with regard to the requirement for and development of hydrocarbon assets for base load power generation within the growing energy crisis is proving to be positive for the company. This has justified our belief and the decision taken by the Board some 5 years ago that we should maintain our strong hydrocarbon asset portfolio and make it development ready for the inevitable change that would come. Accordingly, the company has received direct approach and engagement with investors which has resumed strongly initiated by the challenges being faced both within the SADC region and internationally for exports, and we look forward to delivering positive news in this regard in due course.

Shareholders are therefore advised to exercise caution when dealing in the company's shares.
The information in this trading statement has not been reviewed by Shumba's independent auditors.

By order of the Board

22nd August 2022

This announcement is issued in accordance with section 5.4 of the Listing Requirements of the Botswana Stock Exchange ("BSE"), in which a listed entity is required to announce through the BSE any circumstances or events that may impact the financial results of the Company. In addition, companies must publish a cautionary announcement as soon as they are satisfied that a reasonable degree of certainty exists that the expected profit or loss (before tax) for the period to be reported upon next will differ by at least 10% to the corresponding comparative period

The Board of Directors of the Company accepts full responsibility for the accuracy of the information contained in this announcement.