



Head Office: 9th, 10th, 11th and 12th Floors

The Wings Office Complex, 17a Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria.

Tel: 234-1-2702400 **Email:** info@oandopl.com **Website:** www.oandopl.com

Oando Partners World's Largest Electric Vehicle Manufacturer, Yutong, Takes Delivery of Electric Buses for Lagos Mass Transit

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LAGOS, NIGERIA April 25, 2023 – In furtherance of Oando Clean Energy Limited's (referred to as "Oando Clean Energy" or "OCEL") commitment to the Lagos Metropolitan Area Transport Authority (referred to as "LAMATA"), as disclosed in *Press Release 1* dated Monday, June 6, 2022, OCEL is pleased to announce that it has taken delivery of the electric mass transit buses that will kick off the Proof of Concept phase of our Sustainable Transport Initiative.

Specifically, on Thursday, April 28, 2022, OCEL and LAMATA, the Lagos State Government Agency tasked with planning, implementing, regulating and franchising sustainable integrated public transport in Lagos, signed a Memorandum of Understanding (MoU) (refer to *Press Release 1* - https://www.oandopl.com/press_release/lamata-oando-sign-mou-to-launch-electric-mass-transit-buses-june-6-2022/) to enable the successful deployment of an Electric Vehicle (EV) Infrastructure Ecosystem (electric buses, charging stations, and other supporting infrastructure) towards the attainment of a sustainable road transport system in Lagos State. The MoU will also bridge the gap in the current mass transit bus system for the increasing number of Lagos commuters and make up a significant part of the State Government's larger drive to improve mass transit infrastructure.

In line with its culture of excellence, OCEL, partnered with Yutong Bus Co Limited (referred to as "Yutong"), the world's largest electric vehicle manufacturer to produce the electric buses, equipped with air conditioning and Wi-Fi. In addition to the arrival of these electric buses, OCEL has also taken delivery of the charging stations and spare parts necessary to ensure their effective operation.



Consequently, and in line with the provisions of the partnership between OCEL and LAMATA, the receipt of both the buses and charging stations marks the commencement of our Sustainable Transport Initiative, which is one of the Company's pipeline projects to support Nigeria in meeting her goal of net zero by 2060.

The Company's strategic vision is to decarbonize the transport system in Nigeria and in the process, strengthen the socio-economic impact of transportation within the country. Over the next seven years, and through the rollout of over 12,000 buses, this initiative will transition the current combustion mass transit buses to electric, starting in Lagos State and eventually across the country.

In the medium to long term, and in line with our ambitions, our efforts within sustainable transport will lead to improved air quality, enhanced public health, enable the employment of at least 3,000 new drivers and an additional 2,000 workers to support bus maintenance, depot management, etc. as well as estimated economic cost savings of US\$2.6bn (3.6% of Lagos's GDP).

Notably, the company's EV roll-out plan is strategically aligned with the Nigeria Energy Transition Plan (NETP); specifically supporting the Government's roadmap for EV implementation across Nigeria and its ambition to boost local capacity in the medium term through the construction of EV assembly plants.

The Oando -Yutong Joint Venture Partnership shall realize the following:

1. The manufacture and deployment of additional electric buses during the Pilot and Roll-out phases of the partnership with Lagos State through LAMATA.
2. Design and facilitate training programs targeted at the following critical stakeholders – bus drivers, bus operators, and regulators including but not limited to LAMATA and the Ministry of Transport.
3. Provide technical support and after-sales service.
4. Manage a supply chain network to support the availability of spare parts as and when required.
5. The construction of a local EV assembly plant to boost indigenous capacity.



Commenting, Mr. Frank Lee, Managing Director, Yutong West Africa stated: *“This is a watershed moment for Yutong. It’s our first delivery of electric mass transit buses in Sub-Saharan Africa and the first step in the large-scale deployment of an electric powered public road transport system in Nigeria. We are excited to be embarking on this journey in partnership with Oando, an organization with a history of stellar performance in the energy sector and are hopeful to see a quick turnaround in our joint plans to advance all facets of the country’s transition to eco-friendly vehicles, including the development of local capacity through the delivery of, and exposure to extensive training programs for all stakeholders, from drivers to operators and the regulators. Our foray into Sub-Saharan Africa has transformed us into a global supplier of EVs with customers across the Middle East, Europe, South America and Asia. Our electric vehicles offer outstanding performance due to their advanced technology capabilities and testing for different terrains; all of which make our buses particularly well suited for use as a public transportation option in Nigeria”.*

Commenting further, the Chairman, OCEL, Adewale Tinubu, said: *“Audacity and innovation have always been key tenets in our journey to transform Nigeria’s energy future. It’s this spirit that has brought us to this juncture today - at the forefront of propelling Nigeria towards realizing her net-zero targets. The arrival of our electric mass transit buses and development of an EV infrastructure ecosystem is a reminder that the only way to remain ahead of the curve is by being unafraid to break new ground and consistently looking for opportunities to leapfrog. Furthermore, this project underscores the African saying, ‘If you want to go fast, go alone; if you want to go far, go together.’ Public-Private Partnerships have been critical to getting the project to this point and will continue to fuel our expansion across the entire country. I must commend the collaborative efforts of the Lagos State Government through LAMATA in seeing this project through. The commencement of this project gives us a platform to showcase to other States what is possible and open the door for engagements on bespoke solutions to suit their local needs as well as act as a model to be adopted by other organizations looking to venture into sustainable transportation.”*

In his remarks, the President & CEO, OCEL, Dr. Ainojie Irune said: *“This is a pivotal moment for Lagos State and the country at large. The development of a sustainable transport ecosystem is much more than the deployment of electric vehicles; it’s about reducing the carbon footprint of*



the seven million public transport commuters and positively impacting the socio-economic indices surrounding transportation. The EV infrastructure, built to facilitate optimal efficiency of the buses, will form the artery of tomorrow's EV utilization in Nigeria by providing charging stations, servicing, spare parts, skills development, and knowledge transfer. The transition from an idea proposition to an operational initiative is validation of our collective commitment to realizing the country's ambition of becoming a net-zero carbon emitter by 2060. For us at OCEL, Lagos State is only the beginning, we look forward to replicating this model nationwide through strategic partnerships across the public and private sectors."

About OCEL:

OCEL is the renewable energy business subsidiary of Oando Energy Resources, a part of the Oando PLC group of companies. Headquartered in Lagos, Nigeria, our agenda is to invest in climate friendly and bankable energy solutions across the African continent; meeting our demand through the exploitation of green and renewable sources, as we strive towards the achievement of a carbon neutral Africa.

Our core areas of interest include Sustainable Transport, Solar Energy Solutions, Gas & Biofuels, Waste to Energy, Wind Farms, Geothermal Power Plants, Hydro Energy and other emerging technologies.

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For further information, please contact:

Ayotola Jagun
Chief Compliance Officer &
Company Secretary
The Wings Office Complex,
17a Ozumba Mbadiwe Avenue,
Victoria Island, Lagos, Nigeria.
Tel: +234 (1) 270400, Ext 6159
ajagun@oandopl.com

Alero Balogun
General Manager, Business Support
Group
The Wings Office Complex,
17a Ozumba Mbadiwe Avenue,
Victoria Island, Lagos, Nigeria.
Tel: +234 (1) 270400, ext. 6761
albalogun@oanodpl.com



For Oando PLC

Ayotola Jagun

Chief Compliance Officer & Company Secretary