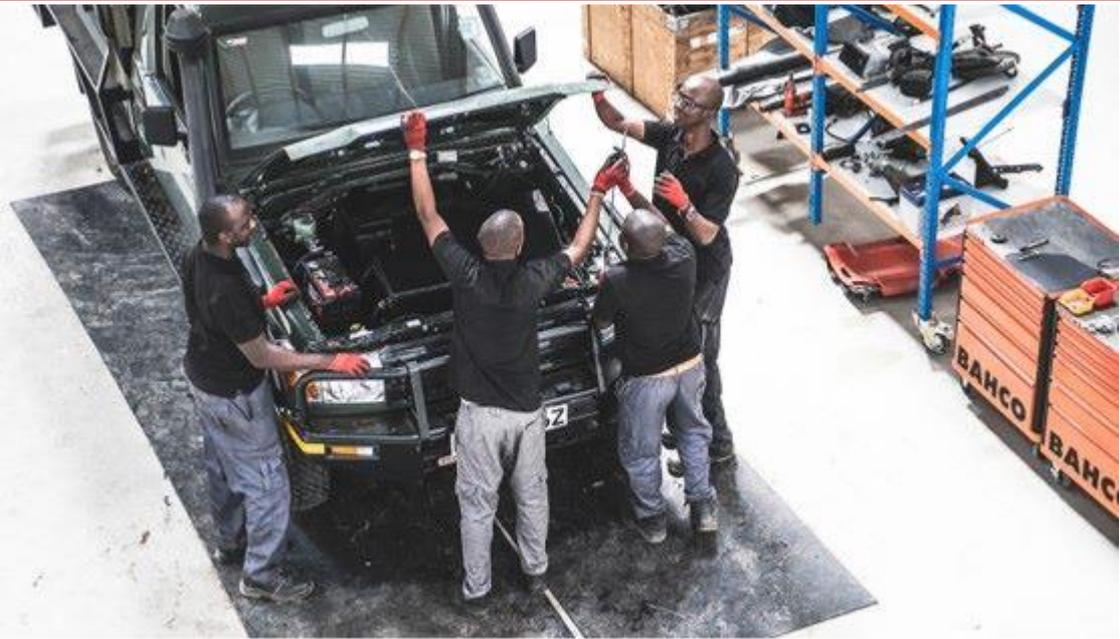


MANUFACTURING AFRICA



Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO)



E-MOBILITY DEAL SUPPORT

Enabling Africa's Transition to Sustainable Transport Solutions

Opibus is a company that develops and produces electric mobility solutions for emerging markets in Africa. Founded in Sweden, the company's East African headquarter is in Nairobi, Kenya and has achieved significant market traction deploying e-mobility products and solutions to more than 60 commercial clients in Kenya and East Africa.

With a current significant unrealised order pipeline, Opibus plans to commence an aggressive expansion phase to increase the manufacturing capacity of locally produced electric vehicles and motorcycles.

The company's product portfolio includes:



Electric Vehicle Powertrains that enable conversion of existing fossil fuel powered vehicles to electricity.



Manufacture of Electric Motorcycles



Installation of charging Infrastructure

TRANSITION TO SUSTAINABLE TRANSPORT SOLUTIONS OUTLOOK

By 2050, **80%** of sales in all vehicle segments are projected to be electric

By 2035 over **50%** of two-wheeler sales will be electric motorbikes

\$88 Million value of sub-Saharan e-mobility market

Factors driving disruption of transport sector by e-mobility in Kenya

- **Regulatory Push**
- **Decline in Battery Costs**
- **Technology and Infrastructure readiness**

Current sales accelerated by commercial clients targeting potential OPEX reductions

THE CHALLENGE

Opibus plans to expand its electric mobility products manufacturing operations to additional African countries to accelerate the transition to sustainable transport. The accelerated transition will contribute to improved air quality from decreasing CO2 emissions, NOx, Sox, HC pollutants and noise levels generated by fossil fuel powered transport sector, consequently improving the general health of city inhabitants. In addition, setting up of production facilities in focus countries across Africa will generate economic activity and lead to the creation of jobs.

Opibus solicited MA support on the following:

- An understanding of the market size for electric vehicles in its focus countries in East Africa (Kenya, Uganda, Rwanda and Ethiopia).
- An overview of the electric vehicle value chain in East Africa and identify key players at each step, considering the potential for collaboration with the company.
- An overview of current and emerging trends that will influence the growth of the electric vehicle market in its focus countries.
- A review of the company's sustainability strategy and recommendations on how to strengthen.
- A shortlist of high-potential debt and equity financiers that could be target for outreach by the organisation's management team.

OUR SUPPORT

1. We provided an overview of the electric vehicles value chain, indicating the key players at each step i.e. potential partners, gaps and key barriers to inform decision on which African markets to set up local manufacturing in.
2. We generated a market potential estimate of vehicles and motorcycles based on I-2 methodologies (working with the McKinsey Centre for Future Mobility) and benchmarked the uptake for electric drivetrains based on activities in other emerging markets.
3. We identified a shortlist of eight impact investors, DFIs, Private Equity firms and debt providers whom the company may consider for outreach

IMPACT

- As a result of MA's recommendation of a phased-approach to expansion, the company adjusted its expansion plans and decided to consolidate operations in its core East African markets, derive learnings and expand based on experience gained.
- MA's expert assessment of Opibus' business strategies gave the company confidence in their plan and product offering in the focus countries identified for expansion.
- MA's investor relations support prepared them for key investor questions they had not anticipated.
- Through the government of Kenya's Business Situation Room (BSR) initiative driven by MA, Opibus made presentations that contributed to Kenya's circular economy policy and is now a part of the national discourse on the Green Economy.



Example of a safari tour van in Kenya that has been converted to an electric vehicle

LESSONS LEARNED

- A close working relationship with the management team was key to refine our analysis and incorporate the local industry nuances into our market sizing
- Building a good rapport allowed MA to help push management's thinking on their approach to raising capital i.e., focus first on firming up the core markets (East Africa) and make the plan clear for investors then consider Pan-Africa expansion thereafter

"The material results of the collaboration are very valuable and will create a solid baseline indicating the market opportunities – strengthening our case for potential investors" – Filip Gardler, Opibus CEO

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