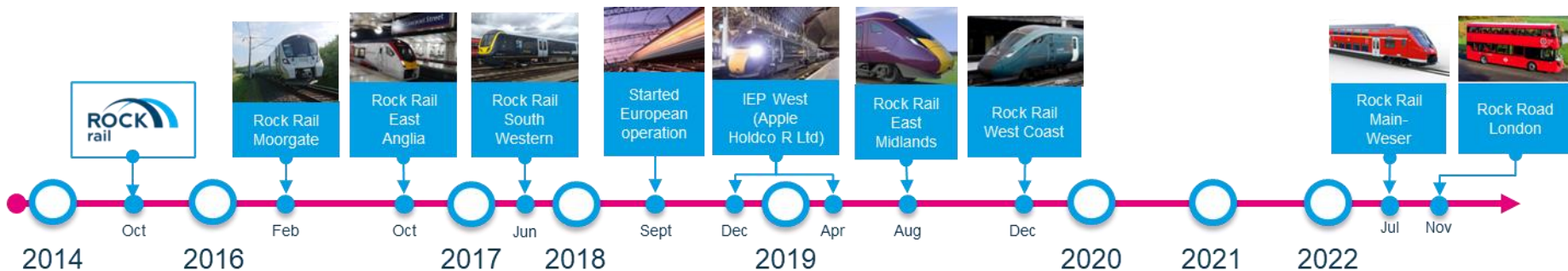




**Rock Road London – Leasing Zero Emission
Buses**
May 2023

Introduction to Rock

- Since its foundation in 2011, Rock has become a leading developer of **transport infrastructure assets** in the UK and Europe
- The business was founded to fill the void in availability of development capital for infrastructure projects post-PFI by offering a unique platform for direct institutional investment
- To date, Rock has invested over £3bn into over 200 new trains and 30 zero-emission buses
- Rock acts as an originator and asset manager of large-scale transport infrastructure projects, and is an active investor in the projects creating both income and capital growth for the business
- Rock's model is highly attractive to long-term institutional investors looking for stable cash flows
- The business is privately owned and has a market-leading and incentivised team which includes technical, commercial, financial and legal experience
- Rock entered the bus market in 2021 and closed the first deal in Nov 2022



Rock's funding model for zero-emission bus

Rock Road has created a proposal that provides a solution for the inefficiencies of the 'Traditional' funding model and improves upon the 'Early Mover' offering

- Rock will provide the investment in zero-emission buses that allows operators to decarbonise their bus fleets at pace
- Rock owns the bus fleets and takes residual value risk after the initial lease
- Rock manage 3 key risks for the operator
 - 'Good Bus'
 - Battery performance and replacement
 - Bus ownership and long-term fit for purpose
- Rock do this through an offer of short term leases (5-8yrs) or a longer a lease that matches the term of the operators' operating contract
 - Transfers Residual value risk away from the operator
 - Minimises impact on operator balance sheet
 - Highly beneficial for operators bidding into shorter term contracts/franchising
- The operator receives the same comfort around battery performance as they would through extended warranty alongside support from Rock's industrial partners as required.
- Operator has '**quiet enjoyment**' throughout operation to use the buses as it wants to meet its passenger and route requirements.
- Rock provides asset management support through regular monthly meetings with operators that focus on asset (including battery) performance.

Implementation

1. Early engagement

- Vehicle OEM & operator
- Finance offering & Legal drafting
- Route analysis and refinement of product offering

2. Strong product offering

- Technical due diligence on product selection
- Battery selection is key
- Powertrain & vehicle specifications matter

3. Charging infra takes time

- Although Rock were not funding the charging infra at Twickenham the delays for grid connections has slowed implementation of the fleet into operations
- We appreciate that managing the energisation of depots is complex

Asset Management

1. Telematics

- Insights for operator and asset owner on performance and risk management
- Optimisation of fleet and assets through collaboration between owner and operator

2. Tier 1 and 2 relationships

- Introducing new vehicles is never plain sailing – having good support from the OEM, and tier 1 and 2 suppliers eases the transition
- Rock has strong relationships with these suppliers and can help operators in making sure these suppliers deliver

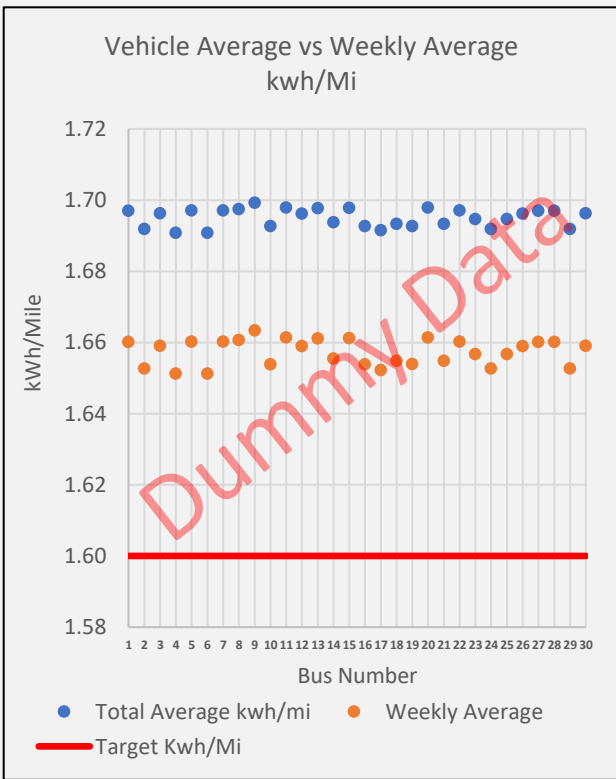
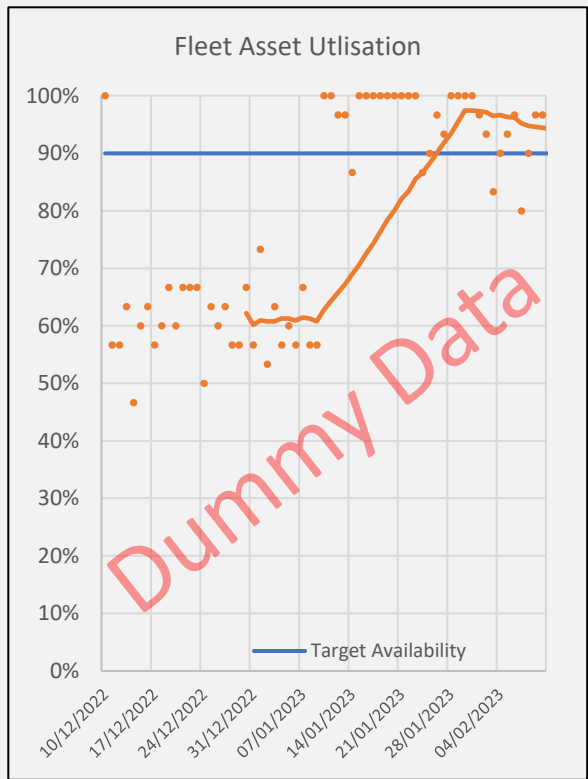
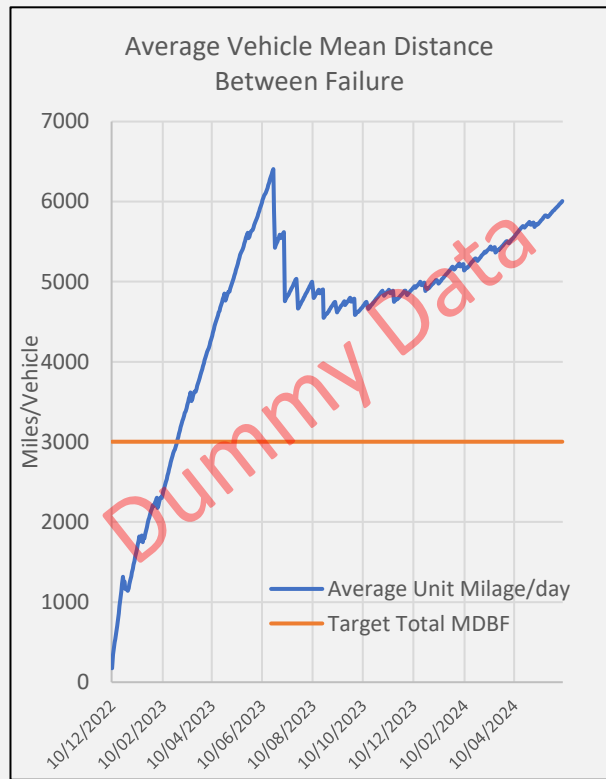
3. Regular engagement with Abellio

- Learning together on what best practises should be
- Implementing and refining data gathering
- Insights on what each other care about

Bus Performance



Parameter	Financial Close	Current status Feb 2023	Trend	Commentary & impact
Reliability and Availability			-	<ul style="list-style-type: none"> Improving reliability as vehicles go through reliability growth curve
Energy Consumption			-	<ul style="list-style-type: none"> Improving energy efficiency as ambient temps increase
Safety Incidents & Insurance Claims			-	<ul style="list-style-type: none"> There have been 0 Major safety incidents during bus operation since financial close
Modifications			-	<ul style="list-style-type: none"> None being discussed
Inspection Schedule			-	<ul style="list-style-type: none"> Bus fleet last inspected by Rock on acceptance Fleet fallen into 2023 inspection schedule as planned



Summary & Questions?

Rock's approach allows operators to decarbonise its fleet and focus on delivering for passengers

Contact Info :

Jake Liver

Commercial Manager

Jake.liver@rockinfrastructure.com

www.rockrail.com



Contact Card