

Madrid, October 4 2019

## **QUEENSPPOINT REFINANCES THE LINE 9 TRANCHE 2 AUTOMATIC SUBWAY CONCESSION IN BARCELONA**

The refinancing of Linia Nou Tram Dos S.A., the concessionaire of Barcelona's subway Line 9 Tranche 2 ("L9T2"), reached financial close on October 4 2019, becoming one of the largest transport deals to complete in Spain in recent years, and the largest refinancing to date for a transport concession project in Catalonia.

The L9T2 refinancing transaction involved raising EUR 725.6m of debt to refinance existing loans provided by commercial banks over a decade ago to finance the construction of the project, as well as unwinding the existing interest rate swaps.

Seventeen lenders participated in the refinancing, the majority being institutional investors from Europe and North America.

Of the seventeen investors in the book, three were existing lenders -Spanish banks Caixabank, BBVA and Sabadell- which provided one of the three tranches of the new debt package. This tranche is a 10-year EUR 170m floating rate loan with a margin of 2.75%.

The new debt package also comprised two long-term 18-year private placements, which were subscribed to by fourteen institutional investors. The larger of the two private placements is a EUR 415m fixed-rate tranche, and the smaller is a EUR 140m floating-rate tranche. The margin of the long-term debt is 3.5%. Investors in the private placements are from Canada, France, Germany, Ireland, Italy and the US.

The L9T2 sponsors are Queenspoint, an investment vehicle owned by Allianz and Danish pension fund Arbejdsmarkedets Tillaegspension (ATP), with 36.5%; funds managed by Dalmore Capital and Equitix, each holding 26.75% following the JLIF takeover last year; and ACS's concessions arm Iridium, holding the remaining 10%.

Goldman Sachs acted as lead arranger, whilst BBVA was co-arranger. Clifford Chance acted as the sponsors' legal adviser, while Risk Management Solutions acted as sponsors' hedging coordinator. Lenders' advisers included Allen & Overy, TYPASA, Marsh and PwC.



The concessionaire, Linia Nou Tram Dos S.A., holds the concession until 2042 for designing, building, financing and maintaining 15 stations of Tranche 2 of Line 9 of the Barcelona automatic subway system which, once completed, will be the longest automatic subway line in Europe. The grantor is IFERCAT, the railway authority of the regional Catalan government.

Queenspoint also holds 36.5% in Linia Nou Tram Quatre, S.A. ("L9T4", the concessionaire of Barcelona's subway Line 9 Tranche 4), 36.5% in Linia Nou Manteniment, S.A. ("L9M", the operator for both L9T2 and L9T4), , and 20% of Metro Liger Oeste S.A. ("MLO", the concessionaire of Line 2 and Line 3 of Madrid's light rail system).