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## **QUEENSPPOINT REFINANCES THE LINE 9 TRANCHE 4 AUTOMATIC SUBWAY CONCESSION IN BARCELONA**

The refinancing of Linia Nou Tram Quatre S.A., the concessionaire of Barcelona’s subway Line 9 Tranche 4 (“L9T4”), reached financial close on December 23 2020, 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 -only behind Queenspoint’s EUR 725m refinancing of Linia Nou Tram Dos S.A. (“L9T2”) in October 2019.

The L9T4 refinancing transaction involved raising EUR 553m of new debt from 13 commercial lenders 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. The European Investment Bank (“EIB”) novated and extended its EUR 168m tranche.

The debt package comprises a bank loan tranche, a dual-tranche private placement and an EIB tranche. The 10-year floating rate commercial bank loan was provided by Spanish, Portuguese and Japanese banks and institutionals. German, French, Portuguese and Spanish investors subscribed to the 18-year private placement, which has floating and fixed rate tranches. The EIB novated and extended its tranche to fall in line with the private placement.

The L9T4 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 6.75% following the JLIF takeover last year; and Global Borealis (a holdco owned 80% by Brookfield and 20% by ACS’s concessions arm Iridium) with a total 50%.

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, TYPESA, Willis and KPMG.



The concessionaire, Linia Nou Tram Quatre S.A., holds the concession until 2040 for designing, building, financing and maintaining 13 stations of Tranche 4 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 Dos, S.A. (“L9T2”, the concessionaire of Barcelona’s subway Line 9 Tranche 2), 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).

Queenspoint refinanced L9T2 last October 2019 by raising EUR 725m in new debt from European and North American banks and institutional investors.

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