

RRP & ML ADVISE ON MEDWAY'S €122M “GREEN” FINANCING

Posted on 03/02/2022



Category: [Archive](#)



RRP Advogados and Morais Leitão have advised on Medway's “green” financing transaction valued at €122 million



RRP Advogados has advised Medway Transporte & Logística on its most recent large-scale financing transaction. The operation has been valued at 122 million euros, agreed and executed with the European Investment Bank and Santander Portugal, with both banking entities advised by Morais Leitão.

The transaction, certified as a "green loan", is based on a complex and innovative hybrid financing structure, which combines project finance and asset finance, representing a landmark deal in the 'green finance' sector both in Portugal and in Europe.

"We congratulate Medway on the completion of this deal, which constitutes one of the most significant syndicated financings in the railroad sector in recent years in the Iberian Peninsula and which will allow the company to continue to invest in its growth and in the promotion of a sustainable economy", said Carlos Vaz de Almeida, partner at RRP Advogados.

In closing this deal, Medway secures new resources to enhance its expansion programme, its investment in 'green' fleet and new interoperable rolling stock as well as its decarbonisation strategy and the promotion of a sustainable economy, while continuing to ensure the recognised quality in freight transportation and the relevant contribution for the efficient supply of logistic chains.

The legal advice from RRP Advogados involved the legal structuring of the operation and the negotiation of the financing agreements, security documentation and ancillary finance documents. The team from RRP was composed of Carlos Vaz de Almeida (pictured left) (partner, head of Banking & Projects), Manuel Cordeiro Ferreira (pictured centre) (partner, head of Capital Markets and Financial Services), José Manuel Alves (associate, Banking & Projects), Bárbara Aragão Botelho (junior associate) and Marta van Zeller (junior associate).

This was the first ROSCO structure implemented in Portugal and included Commercial Banks Facilities (for both existing financing repayment and acquisition of new rolling stock) and an EIB Facility (also for acquisition). Security was granted over the existing rolling stock and over the purchase agreements for the new rolling stock under a structure also benefiting new lenders under potential (and likely) future syndications. A complex structure of ring-fenced rents under a lease agreement was also put in place to ensure receivables and cash-flow and equity contingency funds gave the lenders additional comfort.

The team from Morais Leitão was led by Elmano Sousa Costa (pictured right) (senior lawyer), and included Filipa Morais Alçada, Filipe Lowndes Marques and António Magalhães Ramalho.