PRESES NAMA
KVARTĀLS

AS PN Project raises €8.8 million in latest bond tranche, with investor demand exceeding the planned volume by 76%

AS PN Project, the developer of the Preses Nama Kvartāls in Riga, has successfully completed the latest tranche of its bond issuance program, raising €8.8 million from retail and institutional investors across the Baltic states, including two Baltic banks, as well as corporate bond funds. The initially planned €5 million issue was oversubscribed by 76%, prompting a decision to increase the issue size to accommodate full investor demand.

The offering attracted broad participation, with 682 investors taking part. Investment distribution by country shows 64% of capital originating from Lithuania, with the remainder from Latvia and Estonia. Retail investors accounted for 65% of the capital raised, reflecting continued strong appetite among private individuals for secured, yield-bearing instruments. Notably, one bank from Latvia and one from Lithuania participated as balance-sheet investors, acquiring bonds following internal credit committee approvals. Corporate bond funds also continued to invest.

Strong investor interest repeated the success of the previous tranche — while this time being achieved at a lower yield of 9%, compared to 9.5% in the prior issuance, reflecting the project's advancing maturity and growing investor familiarity with the asset.

"As the project approaches its final stages, existing investors are returning and new ones are joining — they can see both the construction progress and the commercial rationale behind it. Alongside that, we are witnessing a broader shift in the mindset of Baltic investors, particularly in Lithuania, where individuals redirecting savings from pension funds are actively seeking alternatives that offer tangible returns. Corporate bonds yielding 9% and backed by a physical asset of increasing value represent a more predictable and concrete instrument for these investors," says Igors Daņilovs, Investment Manager for Lords LB Asset Management Special Fund V.

With the latest tranche, total funding raised under the bond program has reached €62.7 million in nominal value, representing 83.6% of the overall bond program. Capital raising continues gradually, ensuring that the financing pace remains aligned with construction progress and that the project's overall financing costs remain balanced. PN Project bonds are listed on the Nasdaq Baltic exchange, providing investors with transparency and liquidity.

Main structural construction works on the Preses Nama Kvartāls building have been completed, while landscaping is starting. Funds raised through the bond issuance are being mainly used to finance interior fit-out works and the installation of internal engineering systems, as well as to maintain sufficient working capital. These works are currently ongoing.