

JSC Balticovo

INVEU-ICR-0066-2024 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Name of the final recipient	JSC Balticovo
Type of the final recipients	Mid-Caps
Country of implementation	Latvia
Implementing partner	Nordic Investment Bank

The operation supports the construction of new aviary production houses, a rearing poultry house as well as a new egg-sorting line. The new aviary production houses are expected to increase energy efficiency and improve animal welfare as well as scale up the production of eggs. The operation will enable a transition from the conventional cage system to the more humane barn egg production system. Overall, this investment signifies a commitment to sustainable growth and responsible farming practices in the region.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 11 October 2024 for the above-mentioned operation.

The operation has a higher risk level than generally accepted by NIB making the InvestEU support instrumental. The Final Recipient is a fast-growing mid-sized company planning large investments in production capacity increase and animal welfare improvement. The company operates in a cyclical sector exposed to product and input cost fluctuations as well as to epidemiological risks.

The operation is characterised by a significantly longer tenor compared to the loans that the Final Recipient may obtain in the market, which is also subject to a regulatory risk regarding animal welfare. NIB would also provide a complimentary financing source to the Company.