

InvestEU Scoreboard

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Presentation of the financing or investment operation:

Implementing Partner: NIB

Name of the Operation: Balticovo

Project ID: INVEU-ICR-0066-2024

Type of approval:

☒ Individual financing or investment operation or

☐ Framework Operation

Name of the final recipient: JSC Balticovo

Country(-ies) of implementation of the operation: Latvia

Short description of the financing or investment operation:

Balticovo is an egg producer and small mid-cap located in the assisted area Zemgale in Latvia. The operation would support the construction of new aviary production houses and a rearing poultry house. The new aviary production houses are expected to increase energy efficiency, improve animal welfare as well as enable the scaling up of the production. A transition is planned from the conventional cage system (Category 3) to the more humane barn egg production system (Category 2). The barn system to be implemented will provide the layers with the freedom to roam across three levels, offering a more natural and higher welfare environment. To support this advancement, the company will be incorporating advanced poultry layer housing equipment sourced from European suppliers, that help to improve living conditions through automation and ventilation systems.

Public Statement

The project aligns with the European Union's communication on 'A Farm to Fork Strategy for a fair, healthy and environmentally friendly food system' that supports the advancement of sustainable practices across various stages of the food supply chain, including production, processing, wholesale, retail, hospitality, and food services. It further promotes food security, the adoption of sustainable consumption patterns and diets, and the reduction of food loss and waste, among other objectives.

The project is expected to lead to improved animal welfare for hens and agricultural production practices. The operation focuses on the construction of new aviary production houses and a rearing poultry house. Over the course of the next years, there is a strategic plan in place to double the number of layers from the current count of approximately 3 million to an estimated 6.2 million. This investment is not only crucial for scaling up production but plays a key role in improving animal welfare. A transition is planned from the conventional cage system (Category 3) to the more humane barn egg production system (Category 2), which will reduce the percentage of caged layers from 60% to 14% by the year 2028. The operation can be expected to lead to a significant positive impact for animal welfare.

Iecava is located in an assisted area in Latvia and the operation is aligned with EU Cohesion policy priorities such as the European Regional Development Fund to improve competitiveness by supporting small and

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medium-sized companies. Assisted areas as per Article 107(3)(c) of the TFEU allows for aid schemes to improve economic development and employment in economically disadvantaged areas.

The longer-term financing makes the InvestEU support critical for NIB participation. NIB's participation is expected to support the crowding in of other lenders.

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation **(Good)**

Pillar 4 - Financial and technical contribution by the implementing partner **(Very Good)**

Pillar 5 - Impact of the financing or investment operation **(Good)**

Pillar 7 - Complementary indicators

Leverage and multiplier effect:

Ex-ante estimated leverage effect is 4.2x.

Estimated multiplier effect is 11,2x.

Amount of investment mobilised:

Ex-ante estimation of investment mobilised is EUR 80 million.