



Северо - Западный
Холдинг

Industrial park «ПОДПОРОЗЬЕ»

«North-West Holding» LLC
(Karoteks Corp.)

St. Petersburg
2016

Offered for lease (for sale) land and premises located in the area of industrial site in Podporozhye (Leningrad region).

The site has all the necessary infrastructure to locate industrial enterprises .

The site is developing within the concept of Industrial park.

The current state of the site is brownfield.

There is a plant for the production of ecological wood pellets, wood processing enterprises and co-production functioning on the site.

Management Company "North-West Holding" provides an integrated production site management, technical maintenance and service.

There is also an opportunity for major investors to buy rights for the lease of FOREST FUND!



Park Location

PODPOROZHISKY DISTRICT

The largest territorial entity
of the Leningrad Region

7,7k
SQ KM

FOREST AREA

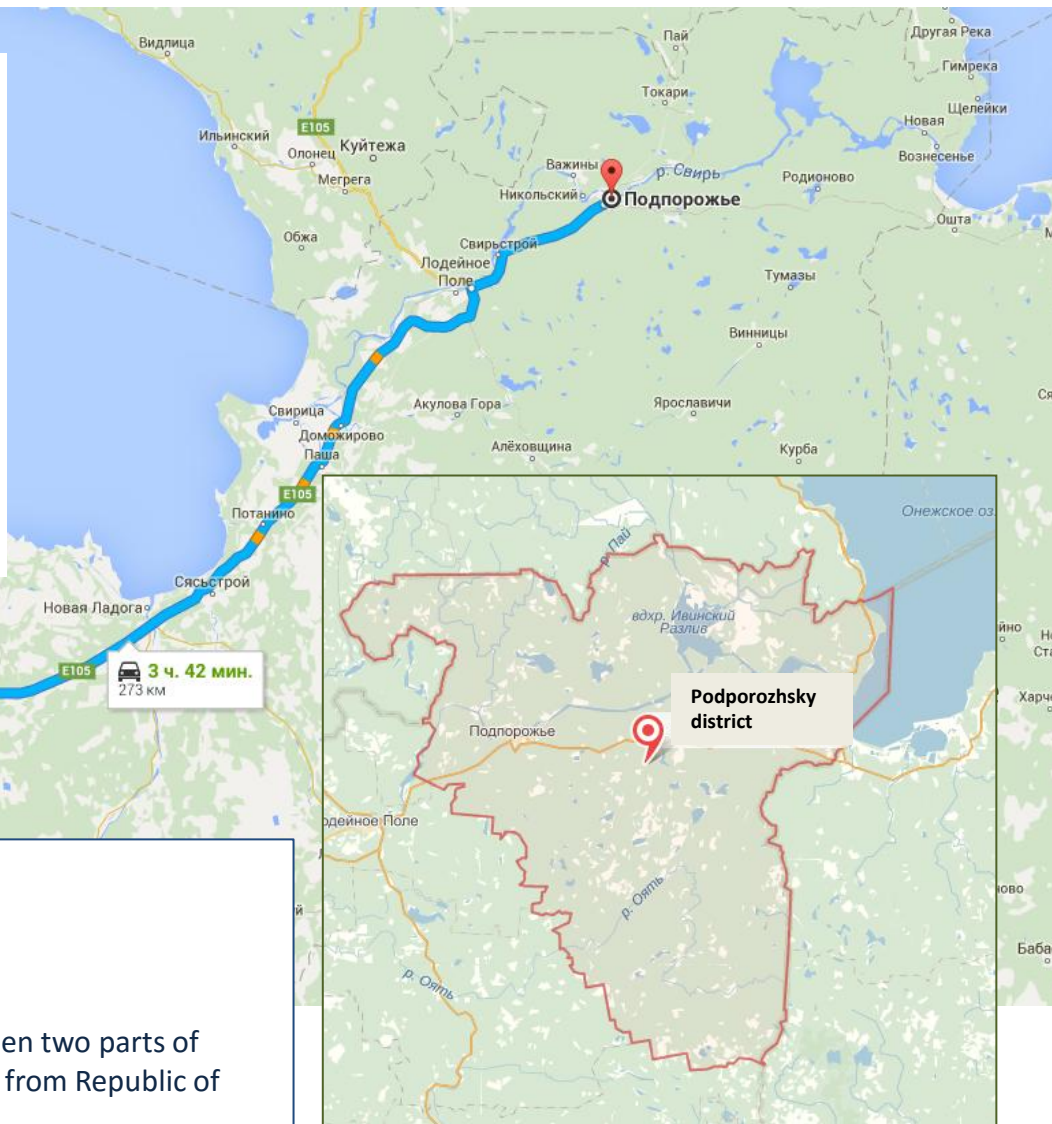
730k
HA

The distance to St. Petersburg

250
KM

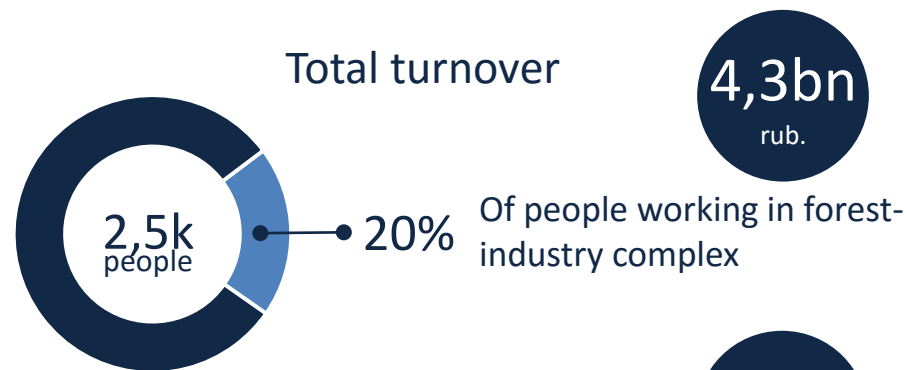
The distance to St. Petersburg

- Line of Oktyabrskaya Railway St. Petersburg-Murmansk
- Federal highway «Kola»
- The Svir River as a part of the Volga-Baltic waterway
- Planned a highway bridge to build over the Svir River between two parts of Podporozhye that increase transport accessibility and flows from Republic of Karelia



Largest enterprises	Specialization
Metsä Forest Podporozhye	Wood procurement
Metsä Svir	Saw-timber and technological chips production
North-West Holding	Wood-pellets production
Ecotekh	Wood-pellets production
Kar'er Scheleyki	Stone quarrying for construction
Podporozhsky Mekhanichesky Zavod	Production of metal construction structures
Podporozhsky khlebokombinat	Confectionery and bakery goods production
Podporozhsky zavod MZhBK	Production of concrete products
BTK-Group	Special clothes production
Svirskaya sudoverf	Shipbuilding
Voznesenskaya REB flota	Repairing of vessels

Economic leader - Wood complex

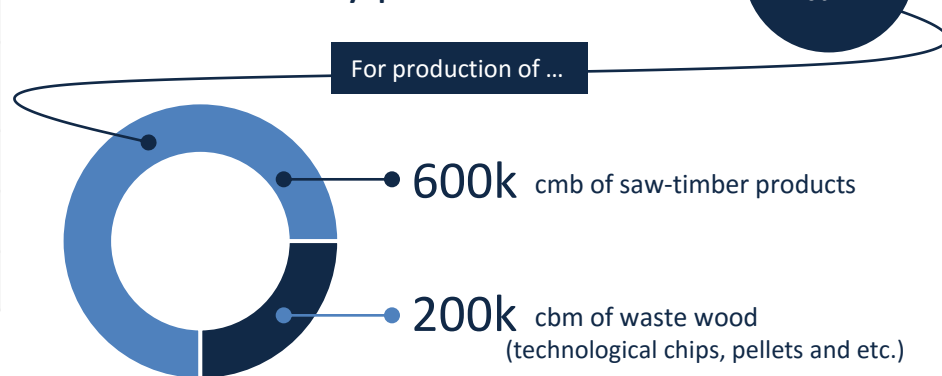


Total turnover

4,3bn
rub.

Annual forestry procurement

>1m
cbm



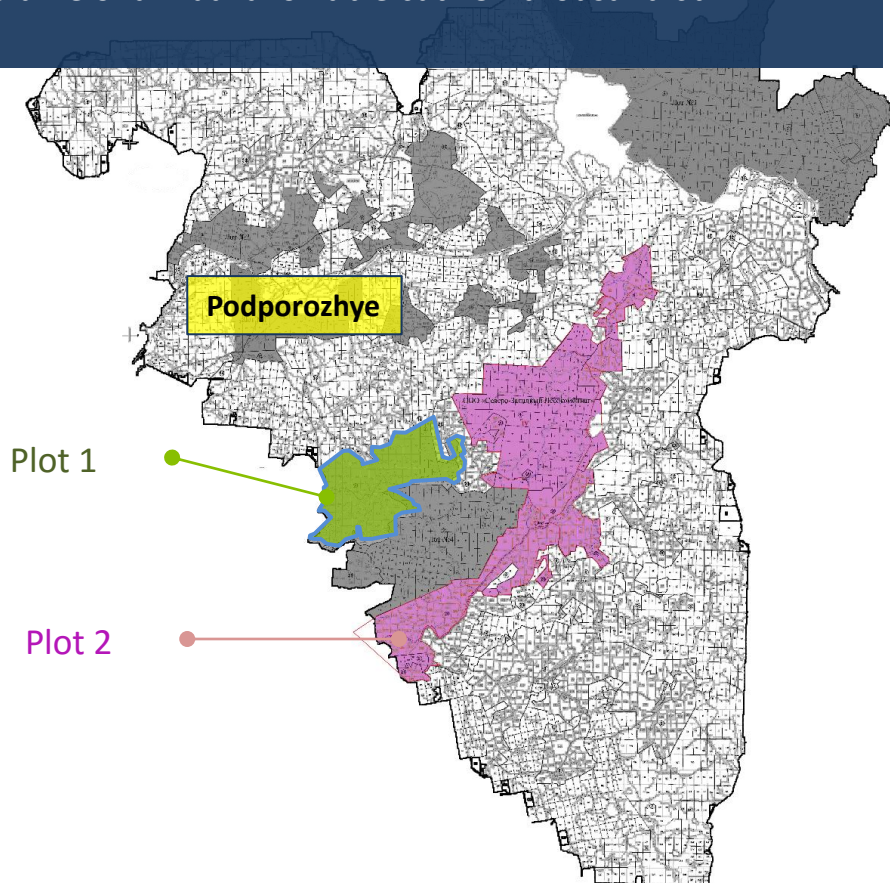
There are several regional forms of support in Podporozhye (Leningrad region) for investment projects (with amount from 50m rub. for period from 4 years):

- 4,5% reduction of profit tax
- abolition of property tax (2,2%)

Sale of forest fund

Offered for sale 100% share of subsidiary company that has rights for the long-term lease of forest fund in Podporozhye (Leningrad region)

For sale: 2 forest plots with a total area 1528 ha and a volume of annual allowable cut 194 thousand cbm



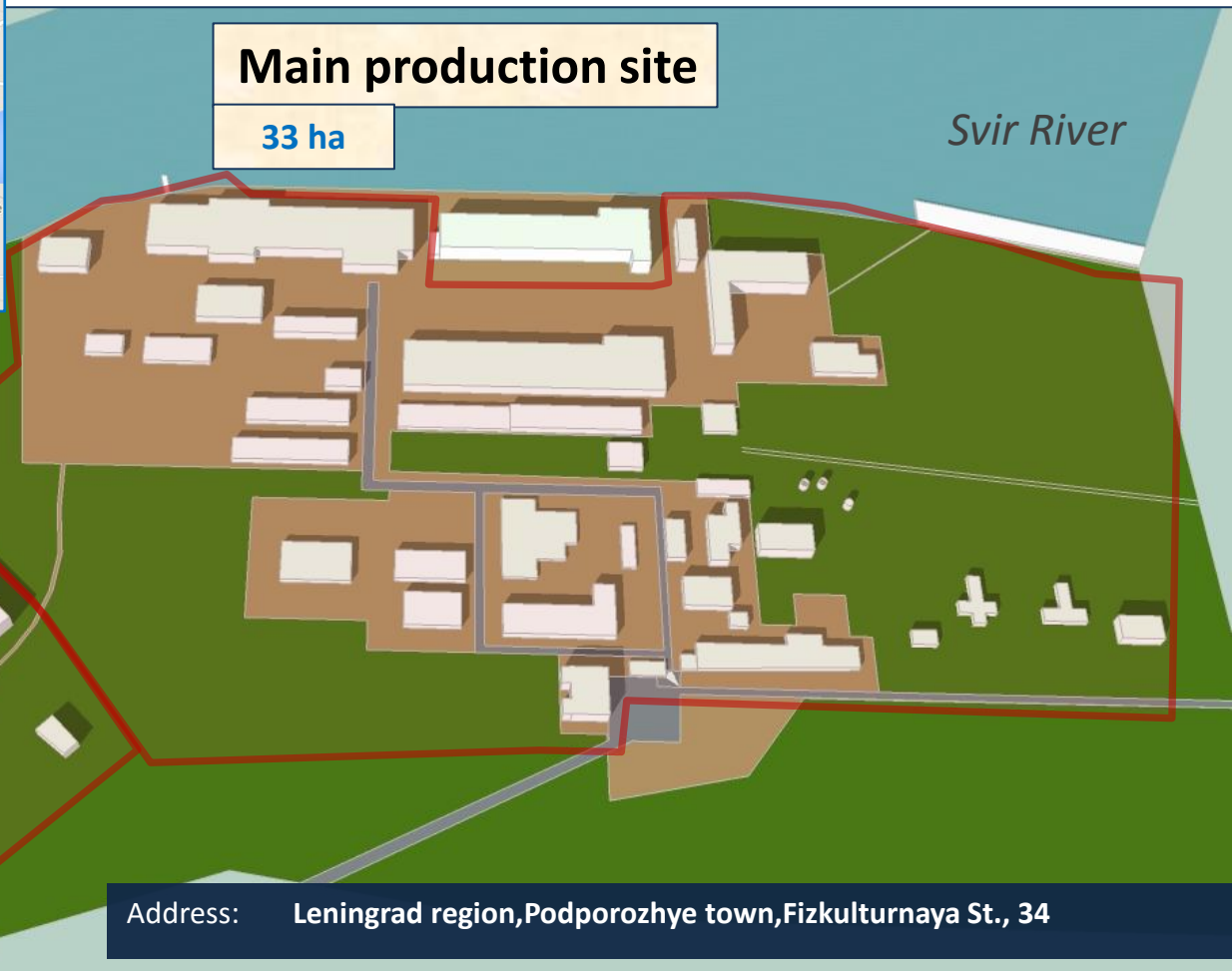
Plot 1

- 2008 lease agreement
- Term of lease: 49 years
- Area – 291 ha
- Annual allowable cut – 21k cbm
 - incl. conifer – 12k cbm
- Lease payment – 105,6 Rub/cbm per year

Plot 2

- 2010 lease agreement
- Term of lease : 49 years
- Area – 1237 ha
- Annual allowable cut – 173k cbm
 - incl. conifer – 48k cbm
- Lease payment – 82,7 Rub/cbm per year

Production site map



**The production site
«Unfinished Fiberboard plant»**

6,7 ha

Production site

Characteristics	MAIN PRODUCTION SITE (Former «Svirsky Energo-Lesokombinat»)	PRODUCTION SITE «UNFINISHED FIBERBOARD PLANT»
Cadastral number	47:05:01-03-001:0119	47:05:01-03-001:0042
Land plot area	37 ha	6,7 ha
Category of land	Land settlements	
Form of property	Private property	
Private property	Placement of industrial areas	
Buildings	45 real estate objects, including: <ul style="list-style-type: none"> • Administration building (area – 2271 sq.m) • 36 industrial and storage buildings (total area – 40k sq.m) • 8 objects of technical facilities 	3 objects of construction in progress: <ul style="list-style-type: none"> • Fiberboard plant • Secondary department building • Administration building
Road	8 objects of technical facilities	
Railway	There is a branch line operating on the site	
Inland waterway	The production site is located on the left bank of the Svir River. Existing moorage wall	

North-West Holding has an approval on riverside wharf accommodation (1045,3 km of Volgo-Baltic Waterway)



Advantages of the Production site



The possibility of accommodation on the site of various industries, from wood-processing complex, to pharmaceutical manufacturing and cultivation of agro products.



Most of the site takes a suspended unfinished building of the plant for the production of wood-based panels. Best application is the organization of similar production.



The opportunity for the major investor (lessee) to acquire rights for the lease of forest fund with the allowable annual cut up to 200 thousand cmb per year.



Sufficient electrical power. According to individual agreement for large-scale projects applying an electric power can be increased to the required level.



Ecologically Pure Area.



Urban communications.



The necessary infrastructure for offices in the administrative building.



Excellent transport accessibility.



Provision of production staff.



Low level of staff costs.



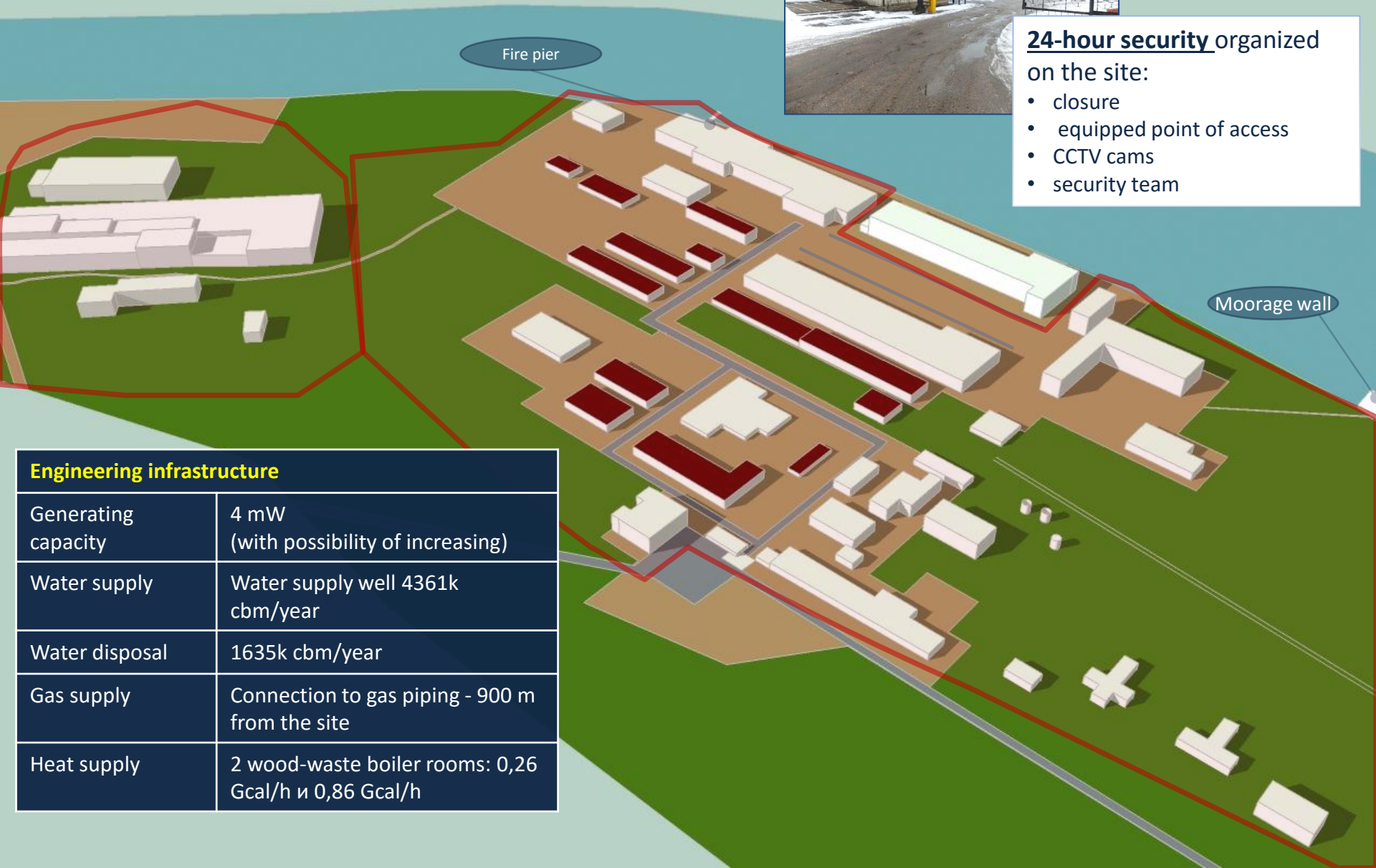
Preferential leasing rates on industrial premises.

Situation plan



24-hour security organized on the site:

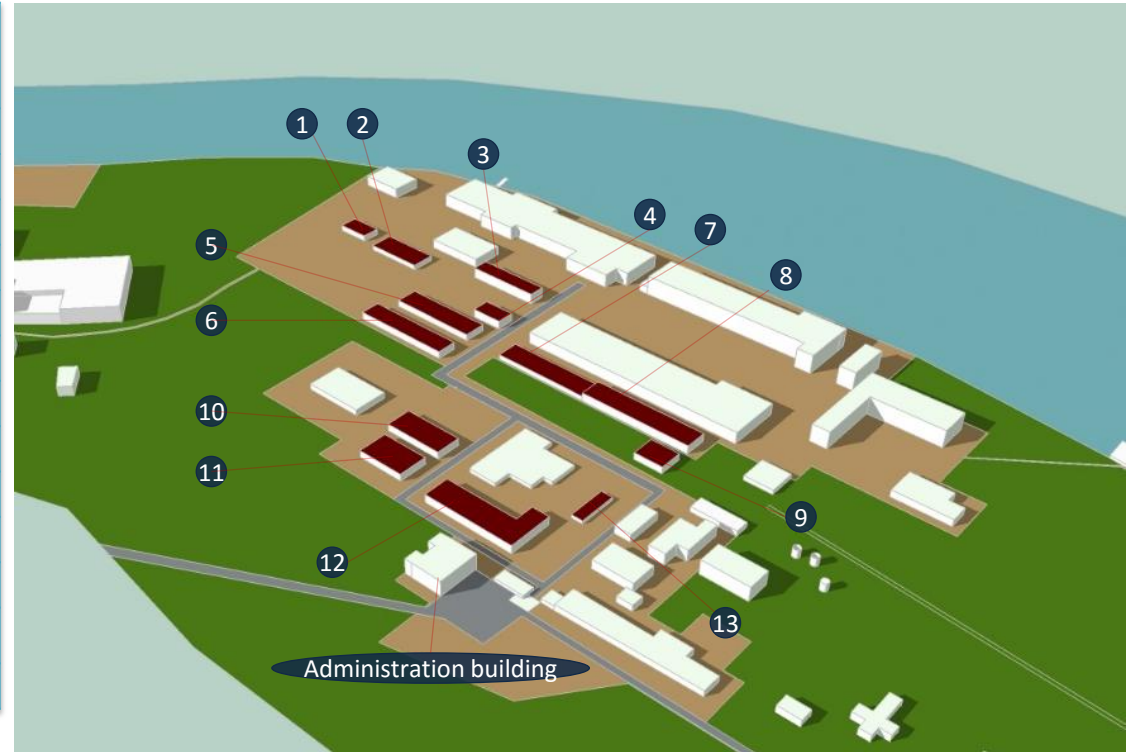
- closure
- equipped point of access
- CCTV cams
- security team



Engineering infrastructure	
Generating capacity	4 mW (with possibility of increasing)
Water supply	Water supply well 4361k cbm/year
Water disposal	1635k cbm/year
Gas supply	Connection to gas piping - 900 m from the site
Heat supply	2 wood-waste boiler rooms: 0,26 Gcal/h и 0,86 Gcal/h

Buildings and premises for lease

№	Industrial and storage buildings*	Area (sq.m)	Ceiling height (m)
1	STORAGE BUILDING № 7	343	4,5
2	STORAGE BUILDING № 5	607	4,2
3	ЗДАНИЕ СКД	882	6,0
4	STORAGE BUILDING № 3	371	6,5
5	STORAGE BUILDING № 4	982	5,1
6	STORAGE BUILDING № 2	1 015	5,9
7	COVERED STORAGE	853	4,0
8	WORKSHOP BUILDING	1 236	7,3
9	STORAGE BUILDING	327	5,8
10	WORKSHOP BUILDING	1 104	5,9
11	WORKSHOP BUILDING	832	5,7
12	WORKSHOP BUILDING	1 530	7,0
13	STORAGE BUILDING № 6	193	2,5



* All buildings are one-storey and constructed from bricks

Administration brick building

Number of storeys	3 storeys and basement
Total area	2 271 sq.m
Office premises	1 216 sq.m.
incl. available for lease	736 sq.m.



The attractiveness of the lease

North-West Holding creates favorable conditions in project implementation for lessees:

- Providing the access to forest fund for deliveries of raw materials required for wood working and related production (for investor/lessee)
- Cooperation with suppliers of logging and saw-timber products
- Preferential terms for a period of investment project kickoff (until commissioning)
- Ability to attract co-investors to the project implement
- Assistance in obtaining state support, including small and medium businesses programs (preferential taxation, subsidization, removal of administrative barriers)
- Provision of supplementary services: services for the integrated accounting, personnel accounting, legal and environmental support, registration of export transactions and VAT refund

NWH development prospects

Increasing the annual allowable cut	Up to 400k cbm
Lease of real estate objects	<ul style="list-style-type: none"> • Industrial and storage needs • Office accomodation • Safekeeping
Sawmill organization	Prerequisites: <ul style="list-style-type: none"> • Existence of raw-material base • Complete recycling of wood materials on pellets production
Implementation of other projects	<ul style="list-style-type: none"> • Wood-working • Wood-chemical industry • Agriculture
Creation of Industrial park	<ul style="list-style-type: none"> • Wood cluster • Production and material zone • Logistics center

Form of cooperation

Contacts

Lease of property

«NWH» LLC offers potential leaseholders:

- Lease of industrial, storage and office premises
- Favorable long terms of lease
- Possibility of providing lease holidays for production deployment

General Director of
«NWH» LLC

DRITCHKO

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Implementation of shared projects

Karoteks Corp. offers investors:

- A production site «NWH» for implementation of projects
- Commodity opportunities: supply of wood materials for sawmilling projects
- Co-funding of investment projects with acquisition of equity shares in SPV

General Director of
Karoteks Corp.

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Main business of «NWH» LLC

Wood pellets production

There is a plant for the production of ecological wood pellets on the site. Plant capacity is up to 50k tones of pellets per year.

50k
tones

Leasing activity

«NWH» LLC offers for lease real estate objects, located on the site of former Svirsky Energo-Lesokombinat.

>13
lessees

Wood procurement

Subsidiary company «NWLK» LLC supplies wood products (predominantly conifers: pine and spruce). Annual allowable cut – up to 200k cbm/year.

200k
cbm