

Investment Memorandum for Lieksa

Industrial growth bioeconomy tourism clean energy



Prepared for preliminary investor review

This memorandum presents a city-level investment thesis for Lieksa, Finland. It is not an offering document and does not identify a specific asset, seller, investment amount, return, or financing commitment. Project economics must be prepared once the investor selects a site and operating model.

Status Structural investment case based on public sources available on 14 September 2026

Executive Summary

Liekka offers a credible platform for investors whose projects depend on forest resources, industrial sites, access to existing wood-processing capability, nature-based tourism demand, or clean-energy development. The strongest immediate industrial signal is Kevätiniemi, where the city reports substantial private investment and is advancing a new EUR 1.9 million transport connection supported by EUR 950,000 of ERDF funding. The city also reports 29 new companies and 11 closures during the first half of 2025, alongside a year-on-year increase of 28 industrial jobs at the end of 2024. [1][3][4]

The investment case is selective. Liekka has a small local population, long distances to major markets, a lower employment rate than Finland overall, and exposure to tourism seasonality and forest-industry cycles. These conditions favour projects that can use existing industrial clusters, automate production, recruit regionally or internationally, and sell beyond the local market. [2][5]

Investment Thesis

Priority	Platform	Rationale	Current evidence posture
1	Wood products and bioeconomy	Existing industrial base and identified companies at Kevätiniemi; local forest resource context.	Supported by municipal and regional sources
2	Industrial sites and circular production	New heavy-traffic connection is intended to improve safety, efficiency, and expansion capacity.	Public infrastructure project confirmed
3	Koli and Liekka tourism	National landscape, nature assets, accommodation base, and a funded international tourism growth programme.	Demand and project-level economics still required
4	Clean energy and transition projects	Large land area and active planning for solar development create a basis for screening.	Grid, permitting, land, and offtake must be confirmed

Decision Recommendation

Proceed to a 60 to 90 day opportunity-screening phase focused on one investable use case. Do not set valuation, return targets, or a financing structure until the investor has confirmed the site, market demand, grid and logistics requirements, capital expenditure, operating costs, permits, and counterparties.

Liekka Investment Context

Indicator	Published figure	Interpretation
Population	9,848	A small labour and consumer market; regional recruitment and automation may be necessary.
Total area	4,067.72 km ²	Large land base, but project suitability depends on zoning, ownership, infrastructure, and environmental constraints.
Water area	649.75 km ²	Pielinen and other waters support destination value and require careful environmental planning.
Municipal income tax rate	8.36 percent	A municipal context figure, not a corporate tax incentive.
Employment rate age 18 to 64	60.7 percent	Indicates labour-market slack, but skills fit and availability require project-level validation.

Source note The population, area, water area, and municipal tax rate are published by the City of Lieksa. The employment-rate figure is from Statistics Finland's municipal table included in Finland in Figures 2026. Publication timing and statistical reference periods should be reconfirmed before an investment committee relies on the figures. [2][5]

Investor Relevance

- Projects should target national or export markets rather than depend mainly on local demand.
- A phased project can reduce risk by validating workforce, logistics, utilities, and customer demand before full capital deployment.
- The city-owned development company Lieksan Kehitys Oy LieKe provides advice on establishment, investments, location, business development, workforce, and support instruments. [6]

Industrial and Bioeconomy Platform

Kevätniemi is the clearest near-term industrial location in the public evidence. The City of Lieksa describes it as one of the significant industrial areas in Lieksa and North Karelia and identifies Anaika Wood Ltd, Binderholz Nordic Oy, Fin-Terpuu Oy, and Nevel Oy as companies operating there. The city's 2026 road project is designed to separate inbound and outbound industrial traffic and connect the area to road 73 through Kalliokatu. [3]

Priority Use Cases

Use case	Operational logic	Value driver	Evidence gap
Value-added wood products	Use regional forest-industry capability and existing cluster relationships.	Manufacturing margin and export revenue	Feedstock contracts, product demand, site utilities, labour
Industrial side streams	Convert wood or process residues into higher-value materials, heat, fuels, or components.	Raw-material efficiency and waste-cost reduction	Volume, quality, permits, technology, offtake
Shared industrial services	Provide maintenance, logistics, energy, warehousing, or digital production services to cluster firms.	Utilisation and recurring service revenue	Customer commitments and pricing

Conditions for Investment

- Obtain written site, utility, road, rail-interface, water, wastewater, and power-capacity data.
- Secure feedstock and customer offtake before committing full production capital.
- Confirm environmental-permit scope, emissions limits, noise, traffic, and waste handling.
- Test recruitment for critical technical roles and define training or international recruitment needs.

Tourism and Hospitality Platform

Liekka includes Koli's national landscape and access to Ruunaa and Patvinsuo nature destinations. Public tourism material for North Karelia reports 1,212 accommodation bed places in Liekka in its 2025 business case. A separate regional programme for international tourism and sustainable growth for 1 April 2026 to 31 March 2028 received EUR 706,483 in EU and state funding, with Lieksan Kehitys Oy among the applicants. [7][8][9]

Investable Concepts to Screen

Concept	Investment logic	Commercial proof required
Year-round resort or serviced villas	Combine Koli and Pielinen demand with wellness, nature, and corporate retreat use.	Monthly occupancy, average daily rate, distribution cost, staffing, build cost
Activity and mobility platform	Package guided activities, equipment, transfers, and digital booking across Liekka and Koli.	Customer acquisition cost, partner contracts, utilisation, seasonality
Hospitality conversion	Repurpose a suitable existing property where renovation economics outperform new construction.	Title, condition survey, zoning, capex, brand/operator terms

Tourism investment should be underwritten month by month. Regional statistics cannot establish the performance of a specific hotel, villa portfolio, or activity operator. The base case should include a conservative shoulder-season assumption, winter-weather variability, labour availability, and the cost of reaching international customers.

Clean Energy and Land Intensive Projects

Liekسا's land area and active planning work create a screening opportunity for solar, storage, energy efficiency, and industrial decarbonisation projects. The city has published planning material for the Tiuransuo solar-power project. This confirms planning activity, not grid capacity, project consent, construction readiness, ownership, or investability. [10]

Screening Sequence

1. Define the technology, land requirement, connection capacity, production profile, and customer or offtake model.
2. Verify land control, zoning, environmental constraints, defence and aviation considerations, and grid-connection terms.
3. Confirm capex, operating cost, construction schedule, supplier guarantees, insurance, and decommissioning obligations.
4. Assess current public support only after project eligibility is understood. Funding calls and tax-credit rules can change.

Public Support Context

Business Finland states that the 2026 tax credit for large clean-transition investments requires at least EUR 50 million of eligible costs, or an investment programme containing up to five site-specific projects with at least EUR 10 million per project. Separate aid programmes have their own eligibility, aid-intensity, cumulation, and timing rules. Any support should be treated as conditional until the relevant authority issues a decision. [11][12]

Item	Status in this memorandum
Grant or tax credit	Potential only; no eligibility or award assumed
Grid connection	Missing and project critical
Power purchase or offtake agreement	Missing and project critical
Permitting timetable	Missing and site specific

Infrastructure and Market Access

Liekka is served by road and passenger rail, and the municipality provides links to current rail, bus, taxi, and air-connection information. For industrial projects, the critical issue is freight performance rather than the mere existence of a connection. Investors should obtain verified door-to-door cost, winter reliability, axle and loading constraints, terminal access, and backup-route data from carriers. [13]

Infrastructure Diligence

Workstream	Minimum evidence before site commitment
Road freight	Carrier quotations, route survey, winter assumptions, hazardous or oversized-load requirements
Rail interface	Freight service availability, terminal and siding access, loading capability, timetable and volume commitments
Electricity	Connection offer, available capacity, reinforcement cost, schedule, redundancy, energy-price basis
Water and wastewater	Capacity, quality, discharge conditions, tariffs, required pre-treatment, expansion cost
Digital connectivity	Provider offers, redundancy, latency, service levels, cybersecurity requirements

The Kevätmiemi road investment is a positive capacity signal, but it does not replace project-specific logistics engineering. The city states that the new 360 metre connection will enable expansion and improve safety by separating flows. [4]

Development Partner and Public Interface

Lieksan Kehitys Oy LieKe is the city-owned development company and the natural first contact for location options, business advisory services, workforce, business support, and tourism development. Its role can reduce coordination time, but it does not replace an investor's legal, technical, tax, environmental, or commercial advisers. [6]

Proposed Engagement Structure

Phase	Investor output	Local interface	Decision gate
1 Opportunity screen	Shortlist of three sites or acquisition targets	LieKe and City of Lieksa	Select one use case and site
2 Feasibility	Market, technical, permitting, workforce, ESG, and financial model	Utilities, landowners, authorities, training partners	Approve development budget
3 Commercial close	Land or share purchase, financing, supply and offtake contracts	Counterparties and professional advisers	Final investment decision
4 Delivery	Construction, recruitment, commissioning, and reporting plan	Contractors and operating partners	Commercial operation

Governance Principle

All public-sector support, infrastructure work, permits, zoning changes, and financing should be recorded as separate conditions. No project budget should treat them as secured until the responsible authority or counterparty has given written approval.

Structural Financial Model

The absence of a defined asset and operating model prevents credible return calculations. The following structure identifies the inputs needed for a finance-ready low, base, and high case.

Model block	Required inputs	Current status
Revenue	Volume, capacity ramp, utilisation or occupancy, price, product mix, seasonality, contract term	Missing
Operating costs	Materials, labour, energy, logistics, maintenance, sales cost, property cost, insurance	Missing
Capital expenditure	Land or acquisition, construction, equipment, grid, utilities, design, contingency, working capital	Missing
Financing	Equity, debt, interest, fees, covenants, grants or credits, drawdown timing	Missing
Exit or terminal value	Hold period, residual value, exit multiple or stabilised cash flow, transaction costs	Missing

Core Calculations

- Unlevered free cash flow equals earnings before interest, tax, depreciation and amortisation, less tax, capital expenditure, and change in working capital.
- Net present value equals the discounted value of project cash flows less initial investment.
- Equity internal rate of return must use actual equity contributions, distributions, debt service, and exit proceeds.
- Sensitivity analysis should test sales volume or occupancy, price, energy cost, capex, schedule, financing cost, and terminal value.

No return percentage, payback period, valuation, or investment amount in this memorandum is a forecast or recommendation.

Principal Risks and Mitigations

Risk	Why it matters	Mitigation before investment
Small and ageing labour pool	Specialist recruitment may constrain ramp-up.	Skills map, employer interviews, training plan, international recruitment pathway
Distance and logistics cost	Freight cost and reliability can erode margin.	Carrier tenders, route engineering, inventory policy, alternative routes
Forest-industry cycle	Demand and pricing may move with construction and export markets.	Diversified customers, contracted volume, flexible production
Tourism seasonality	Annual averages can hide weak shoulder months.	Monthly underwriting, mixed segments, staged capacity
Permitting and environment	Forests, waters, landscapes, emissions, and traffic can limit sites.	Early authority engagement and independent studies
Grid and energy	Connection cost and timing can determine feasibility.	Written grid study, energy contracts, efficiency design
Public funding uncertainty	Programmes change and awards are conditional.	Base case without aid; upside case after a formal decision
Cross-border and geopolitical exposure	Eastern Finland may face perception, insurance, or route impacts.	Security, insurance, customer and route diversification

Due Diligence Information Request

Commercial and Financial

- Customer pipeline, contracts, pricing, churn or repeat use, capacity and utilisation data
- Five-year monthly operating model with low, base, and high cases
- Capex quotations, contingency, working capital, taxes, financing terms, and funding assumptions

Site Technical and Environmental

- Title, boundaries, encumbrances, zoning, building rights, ground conditions, contamination, and flood risk
- Power, heat, water, wastewater, digital connectivity, road and rail capacity
- Permit register, environmental studies, protected areas, emissions, noise, waste, and decommissioning plan

People Legal and Governance

- Organisation, critical roles, recruitment data, wages, collective agreements, training, housing, and mobility
- Company, ownership, contracts, intellectual property, litigation, insurance, sanctions, and data protection
- Decision rights, reporting, audit, procurement, related parties, anti-corruption, and public-support conditions

Minimum Conditions Before Final Investment Decision

5. Approved market and operating model with contracted or independently validated demand.
6. Site control and written confirmation of utilities, logistics, zoning, and permit pathway.
7. Independent capex review and a funded contingency appropriate to project maturity.
8. Finance model that remains viable without unapproved grants, credits, or infrastructure commitments.
9. Documented management, workforce, delivery, ESG, and risk-monitoring plan.

Implementation Roadmap

Timing	Work	Output
Weeks 1 to 2	Confirm investment mandate, sector, ticket size, ownership preference, return framework, and exclusions.	Investment brief
Weeks 2 to 5	Screen sites, projects, acquisition targets, utilities, logistics, workforce, market, and public support.	Ranked shortlist
Weeks 5 to 8	Obtain commercial evidence, technical studies, preliminary terms, and management plan.	Feasibility package
Weeks 8 to 12	Build financial scenarios, negotiate conditions, complete red-flag diligence, and define next approvals.	Investment committee pre-read
After approval	Full diligence, binding agreements, financing, permits, procurement, and delivery planning.	Final investment decision package

Immediate Investor Decision

Select one of the four platforms in this memorandum and authorise a bounded feasibility budget. The first deliverable should be a site- and use-case-specific model, not a broad regional study. The preferred first screen is Kevätniemi for an industrial or bioeconomy project, or Koli and Lieksa for a defined hospitality concept.

Source Register

[1] City of Lieksa Positive development in the number of companies 15 July 2025

<https://lieksa.fi/vapaat-uivat-vastavirtaan-lieksassa-positiivinen-kehitys-yritysten-maarassa/>

[2] City of Lieksa Information about Lieksa

<https://www.lieksa.fi/kaupunki-ja-hallinto/tietoa-lieksasta/>

[3] City of Lieksa Investment in a new route for Kevätniemi industrial area 12 March 2026

<https://www.lieksa.fi/lieksan-kaupunki-investoi-kevatniemen-teollisuusalueelle-uuden-vaylan/>

[4] City of Lieksa Nearly EUR 2 million in EU funding for transport projects 2026

<https://www.lieksa.fi/pohjois-karjalan-maakuntaliitto-lieksan-liikennehankkeille-lahes-kaksi-miljoonaa-euroa-eu-rahoitusta/>

[5] Statistics Finland Finland in Figures 2026 municipal employment table

<https://otos.stat.fi/server/api/core/bitstreams/b7fb0055-344c-4c81-baa1-3db43c90839b/content>

[6] City of Lieksa Business advisory services and Lieksan Kehitys Oy LieKe

<https://www.lieksa.fi/elinvoima-ja-yrittaminen/yritysneuvonta/>

[7] City of Lieksa Recreation areas and nature destinations

<https://www.lieksa.fi/en/vapaa-ajan-alueet>

[8] VisitKarelia North Karelia Business Case 2025 accommodation capacity

<https://dmo.visitkarelia.fi/files/north-karelia-business-case-2025.pdf>

[9] City of Lieksa Funded international tourism and sustainable-growth programme 2026

<https://www.lieksa.fi/pohjois-karjalan-maakuntaliitto-lieksan-liikennehankkeille-lahes-kaksi-miljoonaa-euroa-eu-rahoitusta/>

[10] City of Lieksa Tiuransuo solar-power planning document

<https://www.lieksa.fi/documents/89419/0/Tiuransuon%2Baurinkovoimapuiston%2Bosayleiskaavan%2Bosallistumis-%2Bja%2Barviointisuunnitelma%2BOAS.pdf/c59f18a6-ffaf-e961-ea7d-3891f8c607fe>

[11] Business Finland Tax credit for large clean-transition investments 2026 call

<https://www.businessfinland.fi/palvelut/rahoitus/haut/2026/verohyvitys-suurille-puhtaan-siirtyman-investoinneille2/>

[12] Business Finland Investment aid for large clean-transition investments

<https://www.businessfinland.fi/en/services/funding/funding-services/investment-aid-for-large-clean-transition-investments>

[13] City of Lieksa Transport public transport and current connection links

<https://www.lieksa.fi/asuminen-ja-ymparisto/asuminen/kuljetus-liikennointi-joukkoliikenne/>

Important Notice

This document is a preliminary discussion memorandum prepared from public information. It is not investment, legal, tax, accounting, environmental, technical, or financing advice. It is not an offer to sell or a solicitation to buy any security, asset, land, business, or service. No person has authorised a transaction, committed financing, approved a permit, granted public support, or warranted the accuracy or completeness of the information for a specific investment.

Figures and programmes may change after the stated preparation date. Investors must verify all information with original sources and qualified advisers. A final decision should rely on project-specific diligence, binding agreements, authority decisions, and an independently reviewed financial model.

Information Required to Convert This into a Project Memorandum

- Investor identity, strategy, target return, investment range, hold period, and decision timetable
- Selected asset, land parcel, company, development concept, or operating partner
- Ownership and financing structure, commercial contracts, cost plan, permits, and delivery schedule
- Authorised issuer, recipient list, confidentiality status, and legal review requirements