

STATE OF MAINE
BOARD OF ENVIRONMENTAL PROTECTION

IN THE MATTER OF

NORDIC AQUAFARMS, INC)	APPLICATION FOR AIR EMISSION, SITE
Belfast and Northport)	LOCATION OF DEVELOPMENT,
Waldo County, Maine)	NATURAL RESOURCES PROTECTION
A-1146-71-A-N)	ACT, and MAINE POLLUTANT
L-28319-26-A-N)	DISCHARGE ELIMINATION
L-28319-TG-B-N)	SYSTEM/WASTE DISCHARGE LICENSES
L-28319-4E-C-N)	
L-28319-L6-D-N)	
L-28319-TW-E-N)	
W-009200-6F-A-N)	

PRE-FILED REBUTTAL TESTIMONY OF BRENDA CHANDLER

This testimony is provided in response to direct testimony filed by Lawrence Reichard, intervenor to the Nordic Aquafarms, Inc. (“Nordic”) application.

Despite statements made in Mr. Reichard’s direct testimony, I have several examples of interest and confidence in our ability to fund the Belfast Maine project. In a letter dated January 21, 2019 from Frank Heimland Head of Seafood – Investment Banking at Carnegie AS and Henning Lund Senior Partner at Pareto Securities AS (reference **Appendix 3-B in Nordic’s Site Location Of Development Act Application**) regarding equity concluded,

“Based on our analysis of the aquaculture industry along with the current strong investor sentiment for salmon farming in general and land-based salmon farming in particular, we are of the opinion the Nordic Aquafarms will be well positioned to secure the required funding through a private placement of shares primarily towards institutional investors in the Nordics as well as international markets.”

Again, on November 1, 2019 in a letter from Frank Heimland Head of Seafood – Investment Banking at Carnegie AS and as referenced in our DEP letter submitted in **December 2019**, Heimland concludes regarding debt and equity,

“Based on our analysis of the aquaculture industry along with the current strong investor sentiment for salmon farming in general and land-based salmon farming in particular, we are of the opinion that Nordic Aquafarms will be well positioned to secure the required funding through issuance of debt through Direct Lending in a combination with the placement of new equity towards institutional investors in the Nordic as well as in International markets.”

Interest in the project was also provided by Lars Molte Jakobsen, Deputy Director and Christian Lundberg, Chief Underwriter, both of EKF Denmark’s Export Credit Agency in their letter of interest on February 1, 2019, as seen in **Appendix 3-C of the SLODA Application**.

Nordic has demonstrated ability to successfully raise capital, with share issues fully subscribed since the first in 2014. As discussed in our SLODA application, Nordic Aquafarms AS has raised in excess of \$63M from our shareholder group for projects and operations in the US, Denmark and Norway. These investors are among the wealthiest family offices and largest private investors in Norway. Even though our parent Company, Nordic Aquafarms AS is a private company, in Norway investor information is publicly available online. This information is available on regularly updated website “proff.no” as referenced in **Appendix 3-A** of the SLODA Application. Nordic operates the largest land-based system in Europe (3000 MT) and as such remains attractive to investors as Nordic continues its expansion.

We are not new to debt financing in our capital mix. Belfast will be similar to our prior projects; that of funding initially with equity and incorporate debt financing for construction (with a mix of equity) and then move onto traditional bank loans for working capital. No longer considered a startup, we have found this a viable and successful model for funding our prior Company projects and operations and expect no less in Belfast.

And lastly, for the record, NAF already has insurance coverage for current operations. Based upon our Belfast conversations with brokers and insurers, there is no reason to believe that Belfast will not enjoy the same coverages as the rest of the Company.

[INTENTIONALLY LEFT BLANK]

Dated: January 10, 2020

By. Brenda L. Chandler
Brenda L. Chandler, Nordic Aquafarms, Inc

STATE OF MAINE

January 10, 2020

County of Cumberland, ss.

Personally appeared the above-named Brenda Chandler and made oath as to the truth of the foregoing pre-filed testimony.

Before me,

Carol Vining

Notary Public / ~~Attorney at law~~

