

Navigating New Realities - How Venture and Cleantech Companies in British Columbia Can Weather the COVID-19 Crisis

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Conveners

Joan Elangovan, VEC
Wei Shao, Dentons Canada LLP

Moderator

Shivam Kishore, VEC

Panelists

Ken Su, KPMG Canada LLP
Arik Broadbent, Dentons Canada LLP
Alex Tong, Information Venture Partners

Financial support for venture and cleantech companies*

Emergency Wage Subsidy (CEWS)

- Up to 12 week subsidy for first \$58,700 (\$847 per employee per week)
- Requires 15% decrease in revenue in March YoY (or compared to January / February) and 30% in April or May YoY
- Amount is taxable

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

Innovation Assistance Program

- Matches financial terms of CEWS
- Technology driven, unable to access CEWS, and lack resources to sustain operations between April 1 to June 23
- 500 or fewer employees
- applications close April 29, 2020 at 8:59pm PT

<https://nrc.canada.ca/en/support-technology-innovation/nrc-irap-innovation-assistance-program-iap>

Expanded Work Share

- Employment insurance for employees implementing reduced hours
- Equal reductions of all WS unit members
- Requires average reduction of 10-60%.
- Periods of 6-26 weeks (extension possible to 76 weeks)
- At least 1 year operations

<https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus/employees-overview.html>

BDC Bridge Financing

- 1 for 1 matching of VC investments
- Previously raised \$500k (external)
- Raising a minimum of \$250K
- Impacted by COVID-19
- Convertible Notes - 8.5% floating, 3 year maturity, conversion at BDC's election and 20% discount
- Generally unsecured and subordinated

<https://www.bdc.ca/en/bdc-capital/venture-capital/pages/venture-capital.aspx>

Emergency Business Account

- \$40,000 interest free business loan
- 2019 payroll between \$20,000 and \$1.5m
- 25% forgiven if repaid by December 31, 2022
- If not repaid on December 31, 2022, converts into a 3 year term loan at 5% interest

<https://ceba-cuec.ca/>

Commercial Rent Assistance

- Forgivable* loan to property owners to cover 50% of rent (excluding other costs) for 3 months
- Forgivable if owner reduces rent by 75%
- Focus on mortgaged commercial properties where tenant forced to shut down or revenue reduced by 70% or more
- Tenant rent must be less than \$50,000/m
- Anticipated to be in place mid-May

* Current as of April 26. All terms subject to change.

Questions?

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