

# **FINANCING IN UNCERTAIN TIMES**

## **EARLY STAGE INVESTING CHALLENGES – WORKING WITH INVESTORS AND ACCESSING GOVERNMENT SUPPORT PROGRAMS**

**MAY 14, 2020**

# WEBINARS IN OUR FINANCING SERIES

- May 21 – Raising private capital in challenging circumstances
- May 28 – Emergency capital raising for public companies
- June 4 – Equity crowdfunding developments
- June 11 – Developments in blockchain financing

# M&A IN UNCERTAIN TIMES WEBINARS

- **Past** *(Available on demand on the [GowlingWLG.com](https://www.gowlingwlg.com) website)*
  - April 14 – Disruptive effect of COVID 19 on M&A transactions in Canada
  - April 21– Taking control in uncertain times: how to prepare your business for sale
  - April 28 – COVID-19: Deal dynamics for M&A transactions arising out of the pandemic
  - May 5 – Multi-disciplinary M&A: exploring employment, tax, IP and environmental issues
  - May 12 – International M&A: updates from the UK, EU, Middle East and Asia
- **Upcoming**
  - May 19 – M&A and succession planning
  - May 26 – Spotlight on private equity
  - Jun 2 – Distressed M&A: preparing for consolidation

# LEGAL DISCLAIMER

- The presentation today is not intended as legal advice.
- Because this is a high level overview, it is impossible to cover all relevant details, and your available rights and remedies will depend on the unique facts of each situation, your applicable transaction or the nature of our role in your transaction.
- For specific advice, please contact your qualified legal counsel before making any decisions or taking any action. This is of particular importance as every province and territory in Canada has its own legal regime.
- As you know, the situation is extremely fluid and is changing on a daily basis. As circumstances evolve, your best course of action could also evolve. Please follow up to date and reliable sources for your information.
- This webinar counts for 1 hour of CPD in applicable jurisdictions

# WITH YOU TODAY



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# AGENDA

1. Review of the Investment Climate
2. Overview of Select COVID-19 Specific Relief Programs & Initiatives
3. Overview of Select Existing Resources, Programs & Initiatives
4. Challenges of Navigating Resources, Programs & Initiatives
5. Audience Q & A

# REVIEW OF THE INVESTMENT CLIMATE

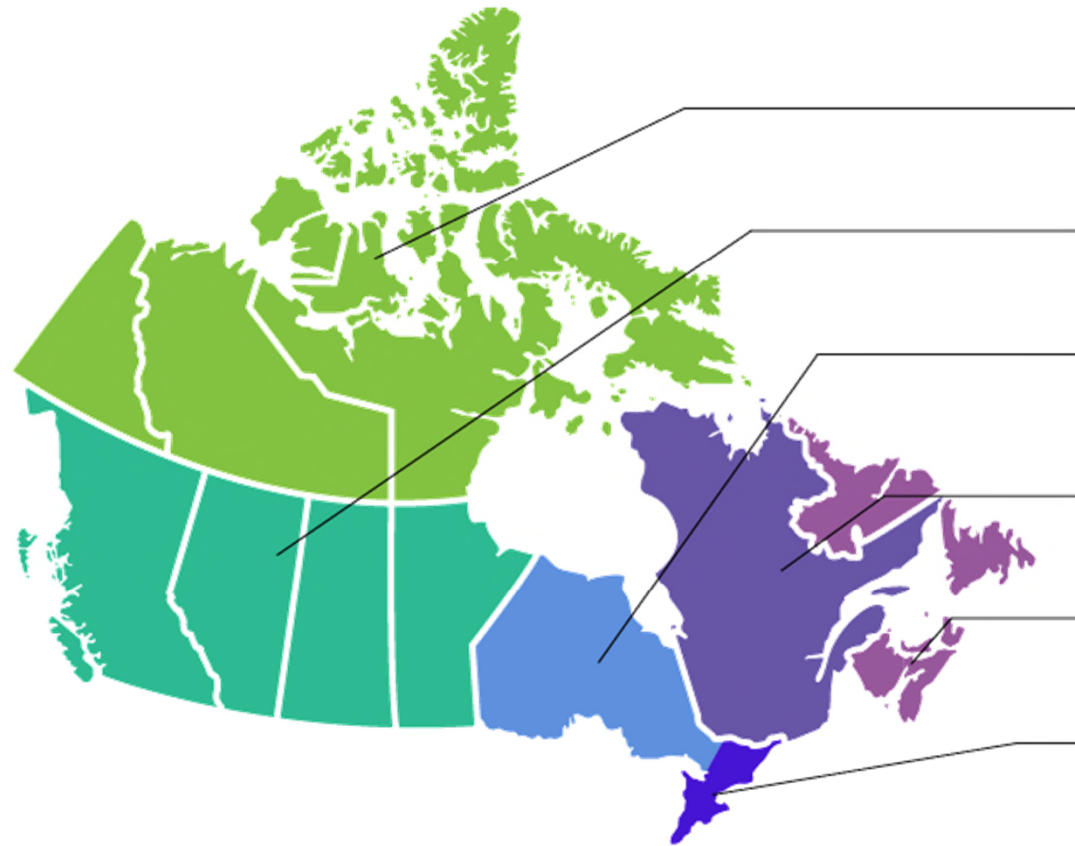
- **Investor Perspective**
- **Founder Perspective**
- **Cause for Optimism?**

# COVID-19 RELIEF PROGRAMS: BDC BRIDGE FINANCING PROGRAM

- **Company and investor eligibility**
- **Terms of the investment**
- **Convertible note details**



# COVID-19 RELIEF PROGRAMS: REGIONAL RELIEF RECOVERY FUNDS



**Canadian Northern Economic Development Agency (CanNor) - \$34.3 million**

**Western Economic Diversification Canada (WD) - \$304 million**

**Federal Economic Development Initiative for Northern Ontario (FedNor) - \$49.5 million**

**Canada Economic Development for Quebec Regions (CED) - \$211 million**

**Atlantic Canada Opportunities Agency (ACOA) - \$110 million**

**Federal Economic Development Agency for Southern Ontario (FedDev Ontario) - \$252.4 million**

# COVID-19 RELIEF PROGRAMS: REGIONAL RELIEF RECOVERY FUNDS

## FedDev (Southern Ontario)

- **\$252.4 million**
  - \$213 million to SMEs
  - \$39.4 million to Community Futures Development Corporations (CFDCs)
- **Repayable loans on two tracks, repayment over 3 years starting in January 2023:**
  - Up to \$40,000 (option for 25% forgiveness with early repayment)
  - \$40,001 to \$500,000
- **Intended to cover operating costs for 3 months**

# COVID-19 RELIEF PROGRAMS: REGIONAL RELIEF RECOVERY FUNDS

## FedNor (Northern Ontario)

- **\$49.5 million**
  - \$24 million through Regional Economic Growth Through Innovation Program
  - \$25.5 million to CFDCs
- **Includes earmarked support for Indigenous organizations like settlement-owned businesses**
- **Intended to cover operating costs for 6 months**

# COVID-19 RELIEF PROGRAMS: REGIONAL RELIEF RECOVERY FUNDS

## **CED (Quebec)**

- **\$211 million**
- **Repayable loans on two tracks, repayment starting in January 2023:**
  - Up to \$40,000 (3 year repayment; option for 25% forgiveness with early repayment)
  - \$40,001 to \$500,000 (5 year repayment)
- **Intended to cover operating costs for 6 months**

# COVID-19 RELIEF PROGRAMS: REGIONAL RELIEF RECOVERY FUNDS

## **WD (Manitoba, Saskatchewan, Alberta, British Columbia)**

- **\$304.2 million**
- **Repayable loans on two tracks, repayment over 3 years starting in January 2023 :**
  - Up to \$40,000 (3 year repayment; option for 25% forgiveness with early repayment)
  - \$40,001 to \$1,000,000 (5 year repayment)
- **Intended to cover operating costs for 6 months**

# COVID-19 RELIEF PROGRAMS: REGIONAL RELIEF RECOVERY FUNDS

## **ACOA (Nova Scotia, Prince Edward Island, Newfoundland, New Brunswick)**

- **\$110 million**
  - \$66.75 million to B2B
  - \$43.3 million to B2C
- **Repayable loans on two tracks, repayment over 3 years starting in January 2023 :**

# COVID-19 RELIEF PROGRAMS: REGIONAL RELIEF RECOVERY FUNDS

## CanNor (Northwest Territories, Nunavut, Yukon)

- **\$34.3 million**
- **Three tracks:**
  1. Increased funding to SMEs through CanNor's Northern Business Relief Fund – non-repayable grants from \$2,500 to \$100,000
  2. Targeted relief and stabilization to key sectors
  3. CFDC-directed relief

# COVID-19 RELIEF PROGRAMS: PRIVATE SECTOR EFFORTS – VC HOURS

- **Spearheaded by venture capital firms and seasoned members of the Canadian entrepreneur and startup community**
- **Reports show a particularly significant impact of COVID-19 on this segment of the economy**
- **One-on-one advisory consultations to help keep operations on track**



# EXISTING PROGRAMS

- **Scientific Research & Experimental Development Credits**
- **Innovation Superclusters Initiative**

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**QUESTIONS?**



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