

*Canada Enterprise  
Emergency Funding Corporation*

*La Corporation de financement  
d'urgence d'entreprises du Canada*

# CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION

a subsidiary of

CANADA DEVELOPMENT INVESTMENT CORPORATION

**2023 to 2027  
CORPORATE PLAN SUMMARY**

and

**2023 CAPITAL BUDGET SUMMARY**

**APRIL 2023**

CEEFC CORPORATE PLAN SUMMARY  
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## **1.0 EXECUTIVE SUMMARY AND CORPORATE PROFILE**

Canada Enterprise Emergency Funding Corporation (CEEFC), a wholly-owned subsidiary of Canada Development Investment Corporation (CDEV), was incorporated in May of 2020 to implement the Large Employer Emergency Financing Facility (LEEFF) mandated by the Government of Canada (“the Government”).

CEEFC’s primary activities since its incorporation in 2020 have been the negotiation and issuance of loans to applicants and the administration of those loans once issued. LEEFF loans are made based on prescribed terms documented in term sheets authorized by the Minister of Finance. In 2023, CEEFC expects its primary focus to be loan administration as it no longer processes new LEEFF applications.

In 2021, CEEFC’s mandate expanded to include LEEFF loans to airlines for reimbursement of cancelled flights (voucher loans) and LEEFF loans to large airlines under a specialized term sheet.

In July 2022, the Minister directed CEEFC to no longer accept or process new LEEFF loan applications.

As at September 2022, CEEFC has made seven LEEFF liquidity loans, four voucher loans, and one “large airline” loan, with total commitments of \$7.4 billion. A total of \$3.0 billion has been drawn on these loans. \$0.4 billion in loans have been repaid, and \$4.2 billion in loan commitments have been cancelled or expired. CEEFC currently holds \$2.6 billion in loans outstanding and Air Canada shares valued at \$0.4 billion.

The financial projections provided in this plan assume no further loan agreements are signed and existing loans are repaid over the next five years, with assumptions for loan losses depending on the characteristics of the loan and averaging 17% for the portfolio. The assumptions on size, timing and financial results in this document are only for planning purposes.

## **2.0 MANDATE AND BUSINESS OVERVIEW**

### **2.1 Mandate**

CEEFC is a federal non-agent Crown corporation, incorporated in May 2020 and wholly owned by its parent, CDEV. CEEFC is responsible for administering LEEFF. The objectives of LEEFF are to help protect Canadian jobs, help Canadian businesses weather the economic downturn brought on by the COVID-19 pandemic, and avoid bankruptcies of otherwise viable firms where possible. Pursuant to a directive issued to CEEFC on May 10, 2020 (order in council P.C. 2020-307, or “the Directive”), LEEFF

loans are made in accordance with terms and conditions approved by the Minister of Finance.

The focus of the CEEFC board and management team has been to evaluate loan applications in accordance with the LEEFF terms and conditions approved by the Minister and to administer loans issued. Those terms can be periodically amended or supplemented by the Minister. Initial terms of LEEFF loans were provided by the Minister to CEEFC in May 2020. In April 2021, the Minister authorized two new sets of LEEFF terms applicable to borrowers that are air carriers. In February 2022, the Minister authorized amendments to CEEFC's loan agreements with mid-sized air carriers to mitigate the effects of the Omicron COVID-19 wave at that time.

In July 2022, the Minister directed that CEEFC accept no new applications after July 29, 2022. This decision was publicly announced on July 29. The focus of the CEEFC board and management is now to administer approved and issued loans.

The approval of loans under the May 2020 term sheet was based on an assessment of the eligibility and the cash needs of the applicant. If an applicant was able to meet the eligibility requirements and the prescribed terms, the applicant qualified for a LEEFF loan, provided that the loan formed part of projections indicating a return to financial stability.

## **2.2 Business Overview**

Historically, CEEFC has been responsible for receiving LEEFF applications, assessing the requests against the eligibility criteria and terms approved by the Minister of Finance, negotiating and entering into transactions in accordance with such terms, and funding these transactions. After loans are funded, CEEFC is responsible for the administration of those loans (and the management of any related equity instruments obtained).

CEEFC has executed a funding agreement with Her Majesty in Right of Canada as represented by the Minister of Finance that outlines how CEEFC is capitalized. CEEFC is funded through the issuance of preferred shares to the Government.

## **2.3 Loan Application and Approval Process**

Applications to LEEFF opened on May 20, 2020. The basic elements of the process for approving a potential loan under the May 2020 term sheet were as follows:

1. CEEFC conducts an initial review of applications and refers qualifying applications to the Ministers of Finance and Innovation, Science, and Industry.

2. If determined to be acceptable by the Ministers, CEEFC conducts due diligence and enters into negotiations with the borrower. When an agreement is reached, the agreement is signed and the loan is funded and administered by CEEFC.

The May 2020 term sheet governs all LEEFF loans other than certain airline-related LEEFF loans. Canadian corporations were eligible under the term sheet if they satisfied specified eligibility criteria, including having over \$300 million in revenue and requiring at least \$60 million in loans. To compensate taxpayers, in addition to interest CEEFC has received warrants from public companies and fees from private companies.

In April 2021, the Minister of Finance directed that two new supplemental term sheets – one for large air carriers and the other for voucher reimbursements be considered approved LEEFF terms for the purpose of the Directive.

As of July 29, 2022, by direction of the Minister of Finance, CEEFC no longer accepts new LEEFF applications. As there are no outstanding active applications, CEEFC does not expect to process or approve any further LEEFF applications unless further direction to that effect is received from the Minister.

## **2.4 Loan Administration**

With the closing of LEEFF to new applications, CEEFC expects that its primary business activities will relate to the administration of existing loans – both ordinary course loan management and dealing with defaults and special situations presented by borrowers, if any.

## **2.5 Equity Holdings**

CEEFC holds 21,570,942 common shares in Air Canada which were obtained as part of Air Canada's LEEFF loan. CEEFC does not regard itself as a long-term holder of Air Canada equity. CEEFC intends to divest the shares when appropriate.

CEEFC also holds Air Transat warrants which were obtained as part of Air Transat's LEEFF loan. These may be exercised at maturity or at an earlier date, divested at an appropriate time, or called by Air Transat.

## **3.0 CORPORATE GOVERNANCE AND OPERATING ENVIRONMENT**

CEEFC's board of directors consists of three directors of CDEV (including the President and CEO of CDEV), three independent directors of CEEFC, and the President and CEO of CEEFC. In January 2021, Mr. Zoltan Ambrus, a Vice President of CDEV, was appointed by the CEEFC board to serve as President and CEO. Mr. Ambrus serves on a secondment from CDEV.

CEEFC shares staff, office space, and administrative resources with its parent, CDEV. A services agreement was agreed between CDEV and CEEFC outlining the services that CDEV shall provide to CEEFC to help it implement LEEFF.

A Memorandum of Understanding was developed between CDEV and CEEFC outlining the responsibilities of each party to help ensure that CEEFC is able to provide the appropriate level of governance and reporting to allow CDEV to meet its obligations as a parent Crown corporation.

An Organization Chart is provided in Appendix A-1.

### **3.1 Cash Management and Dividend Policy**

As loans are repaid, CEEFC may accumulate surplus cash. CEEFC intends to retain sufficient funds to meet its expected obligations, with an additional cushion to allow for further funding of existing LEEFF borrowers if needed (e.g., in a restructuring). Funds above this amount will be returned to the government through the redemption of preferred shares.

### **3.2 COVID-19 Measures**

CEEFC was established to implement LEEFF in response to COVID-19, and therefore its strategic direction is necessarily impacted by the pandemic. The Omicron wave of late 2021 and early 2022 adversely affected CEEFC's loans to airlines, and resulted in the amendments to those loans authorized by the Minister in February 2022.

If another COVID-19 resurgence were to cause greater than anticipated economic hardship on LEEFF borrowers, the financial results of CEEFC are likely to be impacted significantly through related loan losses and potentially through higher loan volumes if LEEFF were re-opened to new applications. However, COVID-19 is not expected to have an impact on CEEFC's operations, beyond the recovery on LEEFF loans and equity instruments.

## 4.0 CORPORATE PERFORMANCE

### 4.1 Assessment of 2022 Results to date

CEEFC's actual performance in 2022 as compared to the objectives outlined in the 2022-2026 Corporate Plan is as follows:

2022 Objectives	2022 Results
Manage enquiries from potential program applicants	CEEFC received a small number of enquiries from interested potential applicants in 2022. These were handled in a timely fashion and none resulted in loan applications being filed. CEEFC is not accepting new applications as of July 29, 2022.
Manage all aspects of the LEEFF loan program including due diligence of loan applications and overseeing the work of financial and legal advisors	CEEFC successfully managed due diligence of loan applications and oversight of advisors. No identified failures of due diligence or advisor oversight occurred.
Execute agreements and fund approved loans	In 2022, before the closing of LEEFF to new applications, CEEFC successfully executed loan agreements with one borrower representing additional loan facilities of approximately \$193 million. All loans were funded in compliance within timelines set out in the agreements.
Evaluate any subsequent loan advance requests from borrowers	CEEFC reviewed and acted on loan advance requests within prescribed timelines.
Consider requests for consents or amendments from LEEFF borrowers and execute where appropriate	CEEFC received several requests for consents and amendments in 2022, some resulting from the Minister's February 2022 guidance on terms for mid-sized airlines. All requests were given due consideration and where appropriate, consents and amendments were given.
Monitor loans and deal with borrower defaults if any occur	CEEFC continuously monitors its loans under its loan monitoring process. To date, no loans have defaulted, and CEEFC monitors for events that may increase the risk of default.
Evaluate the status of loans on a regular basis	In 2022, CEEFC followed its framework to assess the status of the loans in its portfolio.

Enforce compliance with legal and policy requirements of LEEFF loans where appropriate	All LEEFF loans were compliant in 2022. No enforcement actions were needed.
Exercise rights associated with equity instruments as appropriate	In 2022, CEEFC negotiated the cancellation of its Air Canada warrants after Air Canada exercised its call right.
Manage surplus cash within short-term investment policy	Cash balances were kept to a minimum and invested in accordance with CEEFC's short-term investment policy.
Consider opportunities for divestiture or monetization of particular CEEFC assets where appropriate	CEEFC monetized its Air Canada warrants in 2022.

The financial projections for 2022, which were prepared in Q4 2021, forecast that CEEFC would fund \$3.7 billion in loans by the end of 2021. Current estimates are that CEEFC's portfolio will consist of \$2.7 billion in loans and \$0.4 billion in equity at the end of 2022.

## **5.0 CEEFC - OBJECTIVES AND STRATEGIES FOR THE PERIOD 2023 TO 2027**

CEEFC's overarching objective is to manage LEEFF. With the closing of LEEFF to new applications, CEEFC no longer has any objectives relating to new applications and loans. CEEFC does not expect to process any new loans or loan applications in 2023.

For 2023 onward, CEEFC's prime function is managing existing loans and other assets. CEEFC seeks to ensure the prudent and responsible monitoring and administration of its loans in keeping with its stated approach (see 2.4 above). Objectives include:

- Evaluate and fund where appropriate loan advance requests from borrowers;
- Consider requests for consents or amendments from LEEFF borrowers and execute where appropriate;
- Monitor loans and deal with borrower defaults if any occur;
- Contain costs at a reasonable level given level of activity of the corporation
- Evaluate the status of loans on a regular basis;



- Enforce compliance with legal and policy requirements of LEEFF loans where appropriate; and
- Exercise rights associated with equity instruments as appropriate.

## **5.1 Risks and risk mitigation summary**

CEEFC has developed a risk assessment and reporting framework used for managing risks and board reporting. In the context of this framework, CEEFC identified three primary risks below that warrant the greatest attention given their impact on the company. Other risks continue to be evaluated and mitigated.

**Portfolio Credit Risk:** CEEFC's portfolio is inherently exposed to weak credit profiles, unsecured positions and heavy concentrations to certain borrowers and sectors. CEEFC accounts for this risk in its financials and adjusts expectations when appropriate. CEEFC maintains a coordinated approach with key stakeholders to ensure portfolio risks are clear.

**Macro-Economic Risk:** Prolonged adverse economic conditions can cause borrowers to fail despite LEEFF liquidity provided. This risk has been mitigated by sizing loans based on possible downside scenarios, obtaining the ability to extend the draw period and offering other structural flexibilities to borrowers in sectors disproportionately impacted by macro-economic risks.

**Portfolio Climate Risk:** CEEFC has provided financial support to companies which will be impacted by the transition to a lower carbon economy and the physical impacts of climate change. CEEFC manages this risk by requiring each borrower to report on its climate-related risks using the Task Force for Climate-Related Financial Disclosures (TCFD) framework.

## **6.0 FINANCIAL SECTION**

### **6.1 Financial Overview for 2022**

As at September 2022, CEEFC holds \$2.6 billion in loans outstanding, and has \$270 million in as-yet undrawn loan commitments. In 2022, \$35 million in loans were repaid by September 2022, in addition to the \$380 million repaid in 2021. \$4.2 billion in loan commitments have been cancelled or expired, with over \$3 billion of that from Air Canada.

Of the loans outstanding, \$833 million are regular LEEFF loans (secured and unsecured) issued under the May 2020 Term Sheet, as amended. \$1.7 billion are voucher reimbursement loans with 7-year terms.

For CEEFC's operations in 2022, forecast operating costs are estimated at \$80 million, with \$76 million of that resulting from the modifications to the mid-sized airline loans prescribed by the Minister in February 2022. Forecast interest and fee revenue are estimated at \$115 million, supplemented by an \$82 million gain on the dispositions of warrants. Cumulative loans issued by December 31, 2022 are estimated to be \$2.7 billion (including paid-in kind interest).

Revenue booked under Public Sector Accounting Standards (PSAS) will vary from billed interest and fees due to effective interest method accounting which factors in all loan fees and interest through the life of the loan and recognizes all revenue over the life of the loan. In the attached schedules, the expected cash interest and fees are calculated using the effective interest method and the expected loan losses are recognized at the expected time of impairment and write-off.

See Appendix A-2 for the pro forma financial projections (December year-end):

- Schedule 1 - Statements of Financial Position
- Schedule 2 - Statements of Cash Flows
- Schedule 3 - Statements of Comprehensive Income
- Schedule 4 - Statement of Remeasurement Gains and Losses

Key assumptions for the above schedules are outlined below in Section 6.3.

### **6.2 Financial and other reporting**

In 2021, CEEFC's parent CDEV undertook an analysis to determine if CDEV controlled CEEFC under IFRS 10 criteria for accounting purposes and concluded that it does not. CEEFC then determined that it will prepare its financial statements under PSAS.

Starting in 2022, in accordance with Public Sector Accounting Standard PS3450, CEEFC fair values financial instruments. The resulting gain or loss is recognized for each period in CEEFC's financial statements.

### **6.3 Commentary, Highlights and Key Assumptions in Financial Projections**

The financial projections attached are based on an assumption that no further LEEFF loans will be issued, such that the financials are driven by the existing loan portfolio.

Since inception, CEEFC granted loans to seven borrowers. As at September 2022, CEEFC had made seven LEEFF liquidity loans, four voucher loans, and one "large airline" loan, with total commitments made of \$7.4 billion. A total of \$3.0 billion has been drawn on these loans, including \$0.4 billion that has been repaid. In addition to the loans, CEEFC purchased \$500 million in shares of Air Canada and was issued warrants in Air Canada (cancelled in January 2022) and Air Transat.

Partial repayments totalling \$35 million were made on two LEEFF loans in 2022 (as at September 2022).

All voucher loan facilities are now closed and no further funds may be drawn. At September 21, 2022, Air Canada owes \$1.27 billion on its facility, Transat owes \$353 million, Sunwing owes \$100 million and Porter owes \$10 million.

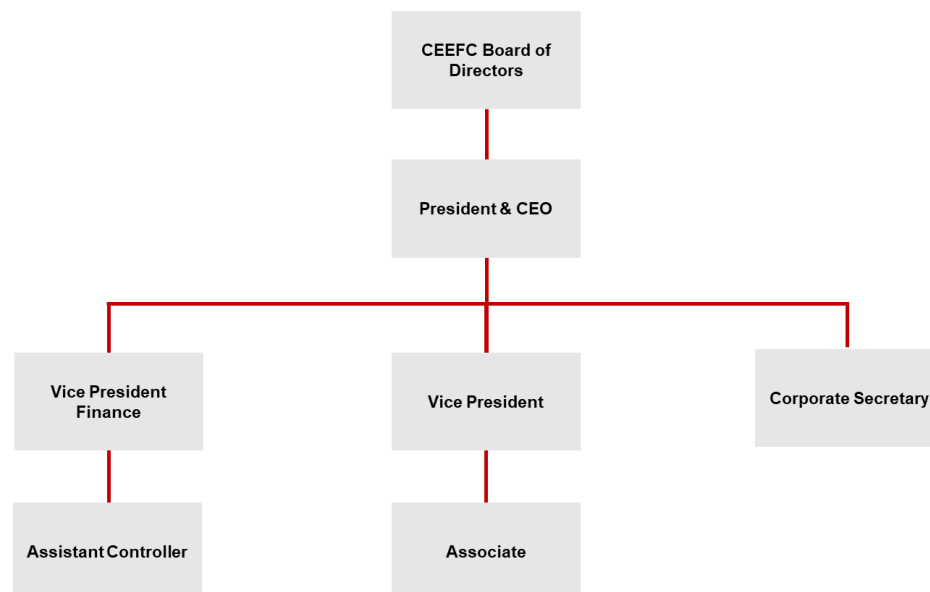
At 2022 year-end, it is estimated that CEEFC will have undrawn commitments of \$120 million.

Based on an analysis of CEEFC's existing portfolio of borrowers, the expected combined credit loss of the portfolio is 17%. We note that currently no loans are in default and no loan losses have been incurred. The accounting framework only recognizes loan losses on an incurred basis when defaults or events of similar effect occur.

### **6.4 Capital Budget**

CEEFC is not a capital-intensive business. Currently it has no plans for major capital investments or commitments, other than loan commitments.

## Appendix A-1 – Organization Chart and Board of Directors



Directors	Current / Past Experience
<b>Sandra Rosch</b>	<ul style="list-style-type: none"> <li>• Chair of CEEFC</li> <li>• EVP and Director, Labrador Iron Ore Royalty Corporation</li> <li>• Former President of Stonecrest Capital Inc.</li> <li>• CDEV Director</li> </ul>
<b>Jennifer Reynolds</b>	<ul style="list-style-type: none"> <li>• President &amp; CEO of Women Corporate Directors Foundation I</li> <li>• CDEV Director</li> </ul>
<b>Jim McArdle</b>	<ul style="list-style-type: none"> <li>• Former Senior Executive at Export Development Canada</li> </ul>
<b>Nathalie Bernier</b>	<ul style="list-style-type: none"> <li>• Former CFO and SVP Strategy for PSP Investments</li> <li>• Former Regional Managing Partner of KPMG - Quebec</li> </ul>
<b>Zoltan Ambrus</b>	<ul style="list-style-type: none"> <li>• President and CEO of CEEFC</li> <li>• Vice President of CDEV</li> </ul>
<b>Barry Pollock</b>	<ul style="list-style-type: none"> <li>• Former Global Head of Corporate Banking at BMO</li> </ul>
<b>Elizabeth Wademan</b>	<ul style="list-style-type: none"> <li>• President &amp; CEO of CDEV</li> <li>• CDEV Director</li> </ul>

## Appendix A-2 – CEEFC Pro-Forma Financial Statements 2021 - 2027

CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION

Schedule 1

Proforma Statement of Financial Position

PSAS

Years ended December 31, 2021 to 2027

Cdn\$ '000

	2021	2022	2022	2023	2024	2025	2026	2027
	Actual	Plan	Forecast	Plan	Plan	Plan	Plan	Plan
<b>Financial Assets</b>								
<b>Current assets:</b>								
Cash and short term investments	332,928	10,031	29,493	200,301	208,988	203,375	209,810	206,977
<b>Total current assets</b>	332,928	10,031	29,493	200,301	208,988	203,375	209,810	206,977
<b>Other assets:</b>								
Loans receivable	2,348,236	2,960,574	2,734,205	2,306,249	2,326,218	2,319,148	1,732,889	1,633,638
Equities	500,000	500,000	345,998	345,998	345,998	345,998	345,998	345,999
Warrants	-	-	26,597	26,597	26,597	26,597	26,597	26,597
Interest and Other receivables	67	-	-	-	-	-	-	-
<b>Total other assets</b>	2,848,303	3,460,574	3,106,800	2,678,844	2,698,813	2,691,743	2,105,484	2,006,234
<b>Total Assets</b>	<b>3,181,231</b>	<b>3,470,605</b>	<b>3,136,293</b>	<b>2,879,145</b>	<b>2,907,801</b>	<b>2,895,118</b>	<b>2,315,294</b>	<b>2,213,211</b>
<b>Financial Liabilities</b>								
<b>Current liabilities:</b>								
Accounts payable and accrued liabilities	2,069	-	-	-	-	-	-	-
Deferred Liability	-	-	3,524	-	-	-	-	-
<b>Total current liabilities</b>	2,069	-	3,524	-	-	-	-	-
<b>Net Financial Assets and Accumulated Surplus</b>	<b>3,179,162</b>	<b>3,470,605</b>	<b>3,132,769</b>	<b>2,879,145</b>	<b>2,907,801</b>	<b>2,895,118</b>	<b>2,315,294</b>	<b>2,213,211</b>
<b>Accumulated surplus is comprised of</b>								
Accumulated operation surplus	3,179,162	3,470,605	3,296,553	3,042,929	3,071,585	3,058,902	2,479,078	2,376,995
Accumulated remeasurement (loss)	-	-	(163,784)	(163,784)	(163,784)	(163,784)	(163,784)	(163,784)
	<b>3,179,162</b>	<b>3,470,605</b>	<b>3,132,769</b>	<b>2,879,145</b>	<b>2,907,801</b>	<b>2,895,118</b>	<b>2,315,294</b>	<b>2,213,211</b>

**CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION**

Schedule 2

**Proforma Statement Of Cash Flow**

**PSAS**

Years ended December 31, 2021 to 2027

Cdn\$ '000

	2021	2022	2022	2023	2024	2025	2026	2027
	Actual	Plan	Forecast	Plan	Plan	Plan	Plan	Plan
<b>Operating activities:</b>								
Net operating profit/(loss)	2,989,704	58,009	117,391	(253,623)	28,655	(12,683)	(579,824)	(102,083)
Adj. for non-cash items	(88,246)	(55,276)	(83,617)	(40,642)	(64,160)	(6,560)	63,823	13,895
Loss on adjustment due to modifications of loans			75,521					
Provision for credit loss	-	-	-	34,977	-	-	175,236	29,355
Changes in non-cash working capital								
Due from Shareholder	187	-	-	-	-	-	-	-
Trade and Other Payables	(3,591)	-	(2,002)	-	-	-	-	-
<b>Cash from operating activities</b>	<b>2,898,054</b>	<b>2,733</b>	<b>107,293</b>	<b>(259,289)</b>	<b>(35,505)</b>	<b>(19,243)</b>	<b>(340,765)</b>	<b>(58,833)</b>
<b>Investing activities:</b>								
Loans issued, net of transaction fees	(2,568,225)	(150,000)	(445,309)	(50,000)	-	-	-	-
Repayment of Loans - received	420,426	144,512	34,582	480,096	44,192	13,630	347,200	56,000
Purchase of Air Canada stock	(500,000)	-	-	-	-	-	-	-
<b>Cash from investing activities</b>	<b>(2,647,799)</b>	<b>(5,488)</b>	<b>(410,727)</b>	<b>430,096</b>	<b>44,192</b>	<b>13,630</b>	<b>347,200</b>	<b>56,000</b>
<b>Cash, beginning of year</b>	<b>82,673</b>	<b>12,786</b>	<b>332,928</b>	<b>29,493</b>	<b>200,301</b>	<b>208,988</b>	<b>203,375</b>	<b>209,810</b>
<b>Change in cash</b>	<b>250,255</b>	<b>(2,755)</b>	<b>(303,435)</b>	<b>170,808</b>	<b>8,687</b>	<b>(5,613)</b>	<b>6,435</b>	<b>(2,833)</b>
<b>Cash, end of year</b>	<b>332,928</b>	<b>10,031</b>	<b>29,493</b>	<b>200,301</b>	<b>208,988</b>	<b>203,375</b>	<b>209,810</b>	<b>206,977</b>

**CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION**  
**Proforma Statement of Operations and Accumulated Surplus**  
**Years ended December 31, 2021 to 2027**  
**Cdn\$ '000**

**Schedule 3**  
**PSAS**

	2021	2022	2022	2023	2024	2025	2026	2027
	Actual	Plan	Forecast	Plan	Plan	Plan	Plan	Plan
<b>Revenue</b>								
Interest income	105,570	132,569	115,293	96,914	85,215	83,877	41,972	23,832
Gain from Sale of warrants	-	-	82,214	-	-	-	-	-
Gain on share sale	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>105,570</b>	<b>132,569</b>	<b>197,507</b>	<b>96,914</b>	<b>85,215</b>	<b>83,877</b>	<b>41,972</b>	<b>23,832</b>
<b>Operating expenses</b>								
Professional fees <sup>1</sup>	4,737	2,000	3,362	4,000	5,000	5,000	5,000	5,000
Management fee	679	1,000	680	680	680	680	680	680
Salaries and benefits	283	680	211	200	200	200	200	200
Loss on adjustment due to modifications of loans	-	200	75,521	-	-	-	-	-
Other expenses	167	680	342	680	680	680	680	680
<b>Total operating expenses</b>	<b>5,866</b>	<b>4,560</b>	<b>80,116</b>	<b>5,560</b>	<b>6,560</b>	<b>6,560</b>	<b>6,560</b>	<b>6,560</b>
Provision for credit loss	-	-	-	(34,977)	-	-	(175,236)	(29,355)
<b>Op. profit (loss) before government contribution</b>	<b>99,704</b>	<b>128,009</b>	<b>117,391</b>	<b>56,377</b>	<b>78,655</b>	<b>77,317</b>	<b>(139,824)</b>	<b>(12,083)</b>
Government contribution	2,890,000	300,000	-	-	-	-	-	-
Government repayment	-	(370,000)	-	(310,000)	(50,000)	(90,000)	(440,000)	(90,000)
<b>Net operating profit/(loss)</b>	<b>2,989,704</b>	<b>58,009</b>	<b>117,391</b>	<b>(253,623)</b>	<b>28,655</b>	<b>(12,683)</b>	<b>(579,824)</b>	<b>(102,083)</b>
Accumulated surplus (deficit), beginning of period	189,458	3,412,596	3,179,162	3,296,553	3,042,929	3,071,585	3,058,902	2,479,078
<b>Accumulated surplus (deficit), end of period</b>	<b>3,179,162</b>	<b>3,470,605</b>	<b>3,296,553</b>	<b>3,042,929</b>	<b>3,071,585</b>	<b>3,058,902</b>	<b>2,479,078</b>	<b>2,376,995</b>

<sup>1</sup> Some of the fees have been recovered from borrowers but are shown as an expense in the year incurred. The recovery is recognized over the life of the loan.

**CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION**  
**Proforma Statement of Remeasurement Gains and Losses**  
**Years ended December 31, 2022 to 2027**  
**Cdn\$ '000**

**NEW Schedule 4**  
**PSAS**  
 adopted in Q1 2022

	2022	2023	2024	2025	2026	2027
	Forecast	Plan	Plan	Plan	Plan	Plan
<b>Accumulated remeasurement gains, beginning of period adjusted</b>	24,770	(163,784)	(163,784)	(163,784)	(163,784)	(163,784)
<b>Remeasurement gains arising during the period</b>						
Unrealized (losses) on equity investments	(109,796)	-	-	-	-	-
Unrealized gains on warrants	3,456	-	-	-	-	-
<b>Amount reclassified to the statement of operations and accumulated surplus</b>						
Realized gains on Warrants	(82,214)	-	-	-	-	-
<b>Net remeasurement gains/losses, for the period</b>	(188,554)	-	-	-	-	-
<b>Accumulated remeasurement losses end of period</b>	(163,784)	(163,784)	(163,784)	(163,784)	(163,784)	(163,784)



Appendix A-3 – Planned results for 2023

Expected Outcomes	Performance Indicators or Targets
Evaluate subsequent advance requests	CEEFC evaluates each subsequent loan advance to ensure continued compliance with LEEFF terms and to validate that all conditions precedent to subsequent advances have been met.
Monitor all loans	Ensure quarterly reporting and regular evaluation of all loans is up to date.
Manage requests for consents and amendments on loans	Requests considered on a timely basis and accorded or rejected with results consistent with LEEFF objectives.
Manage loans to minimize losses, and manage defaults and restructurings where required	Survival of company and related jobs and avoidance of bankruptcy where possible in accordance with LEEFF objectives. Maximization of recovery to CEEFC in conjunction with LEEFF objectives.  Ensure CEEFC is aware of and prepared to handle any restructuring needs of borrowers or to deal with borrower defaults if any occur.
Contain costs	CEEFC Efficiency Ratio maintained below 10% and below that of lending Crown corporation peers. (Efficiency ratio is operating expenses as a percentage of revenue, excluding one-time gains and losses.)
Cash Management	Manage cash in compliance with CEEFC policy and ensure that funds are available for client draw requests within contracted time frame.