



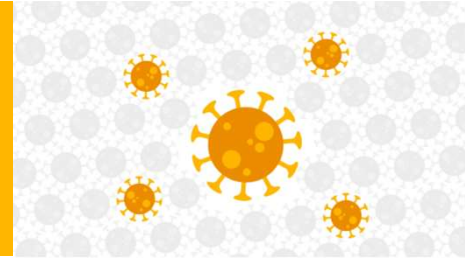
The left side of the slide features a dark grey vertical bar. At the top, there are four stylized orange coronavirus icons of varying sizes. At the bottom, the PwC logo is displayed in white, consisting of a stylized bar chart icon above the lowercase letters 'pwc'.



Coronavirus impacts and updates

 **Webcast**

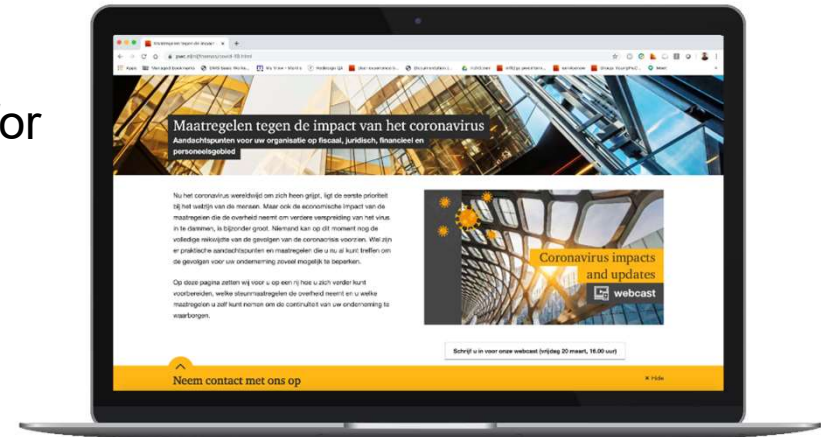
PwC's COVID-19 website



pwc.nl/en/topics/covid-19

- Measures to mitigate the impact of coronavirus
Tax, legal, financial and people points to consider for your organisation
- Questions & Answers about people and work
- Articles providing more detail
- Responding to the potential business impacts of COVID-19 with country information

pwc.com › [issues](#) › [crisis-solutions](#) › [covid-19](#)



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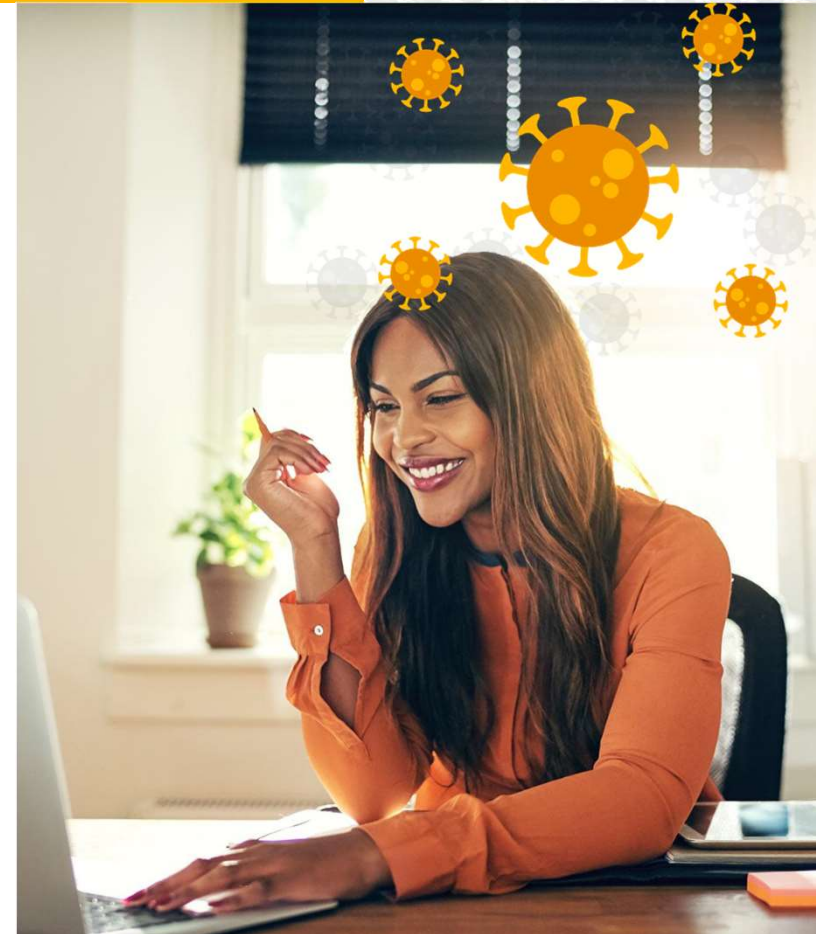
Agenda

1. Introduction
2. Leadership in times of crisis
3. Manage your cash and stakeholders
4. Measures with regard to personnel
5. Governmental and fiscal measures
6. Conclusion



Introduction

- Well-being and safety of people priority number one
- Disruptive effect of the coronavirus on our lives and times of economic uncertainty
- Especially in times like these we want to be there for our relations
- We do not know how long this situation will continue, but we are doing everything we can to endure this crisis together and to improve the chances of recovery



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Key takeaways - Peter van Uhm

- Decisions, decisions!
- Be brave
- Unity of effort
- Emotions and facts
- Learn
- Stick to your values

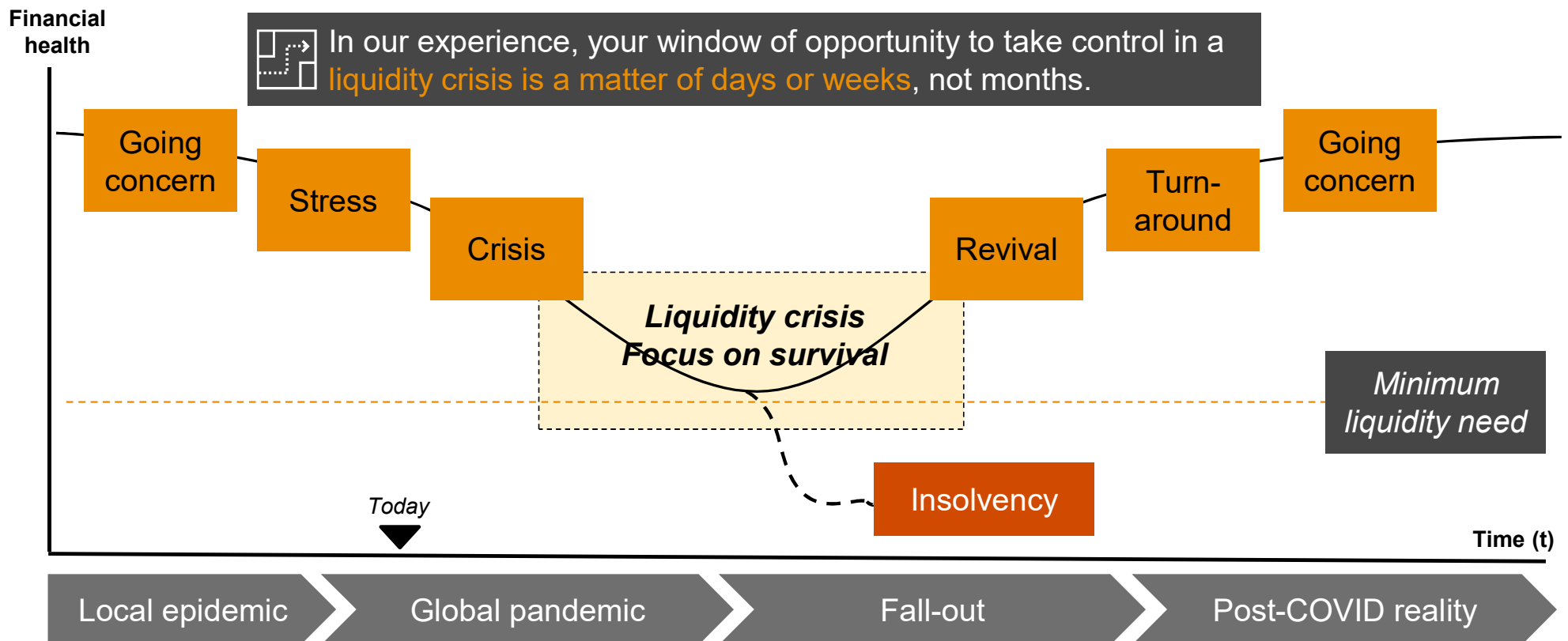
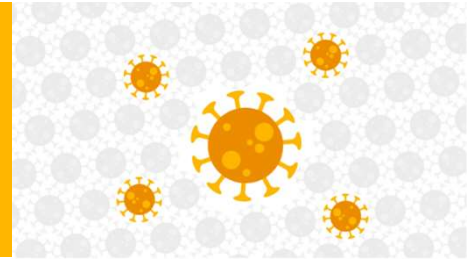


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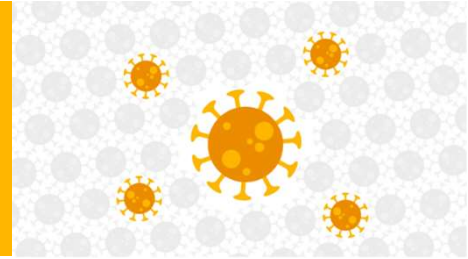
1. Introduction
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Stress on businesses increasing rapidly – crucial to take control of your liquidity position



How to survive the crisis?



 *Focus on cash throughout the 'liquidity gap'*



Internal and external stakeholder management



Focus on cash throughout the 'liquidity gap'



Objective: *ensure sufficient time to work on structural solution, without survival no revival*

Key actions:

- High- (and later detailed) level assessment of liquidity runway (scenario's)
- Identify and take short-term actions (financial, operational and business critical)
- Establish trust and control through transparent communication (financiers, employees, clients)



Focus on cash throughout the 'liquidity gap'



Objective: *common information platform as basis for scenario planning and decision making for in- and external stakeholders*

Key actions:

- Build flexible cash flow model for scenario planning
- Continuous focus (monitor) on cash preservation at all levels of the business
- True business impact of corona crisis translated into financial implications
- Keep key stakeholders informed on your plans and actions



Focus on cash throughout the 'liquidity gap'



Objective: *prepare fully funded turnaround plan*

Key actions:

- Prepare (qualitative and quantitative) turnaround plan to bridge crisis and return to positive cash flow and that supports increased debt levels
- Quantify funding need for plan under various scenarios
- Identify necessary stakeholder buy-in (works council, financier, shareholder)
- Option analysis including preparation of Plan B, C, D, etc.
- Obtain (new) stakeholder buy-in



Focus on cash throughout the 'liquidity gap'

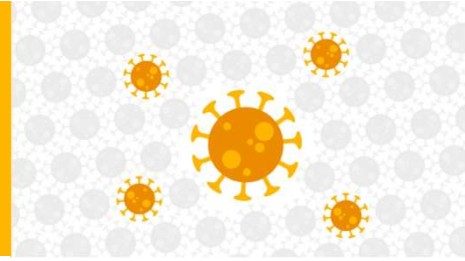


Objective: *implement turnaround plan*

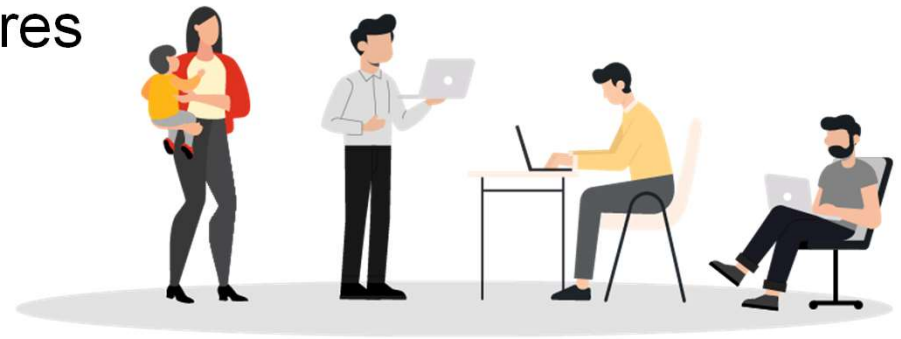
Key actions:

- Create ownership of plan in organization, strengthen team where necessary
- Monitor on all three levels (Plan, KPI's, financial results)
- Strategic communication around turnaround plan
- Execute on the plan (incl. M&A / disposals, new products / markets etc.)
- Keep stakeholders informed throughout execution phase

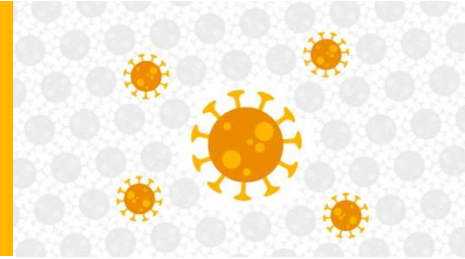
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People - Short-term measurements



What measures are expected proactively from an employer?

- Hygiene measurements, working from home, cancelling business trips
- Instruction right is limited

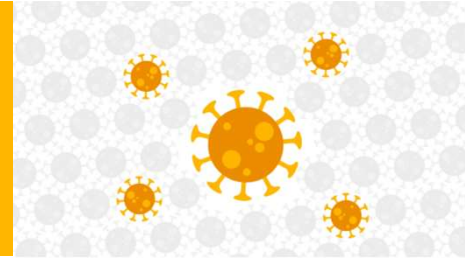
What about the continued payment of the salary of employees?

- Working from home (100%)
- During sickness (at least 70%)
- Right to (paid) leave e.g. schools are closing or taking care of sick partner?

Alternative solutions?

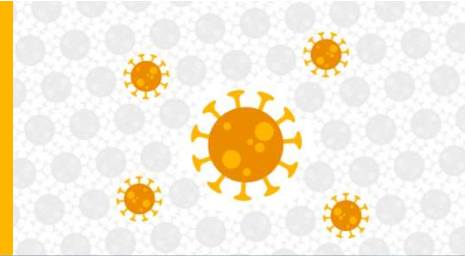
People - Mid-term measurements

Emergency fund *NOW*



- Compensation of wages UWV:
 - $\geq 20\%$ expected loss of turnover starting 1 March 2020
 - 100% turnover drop = 90% wages
 - Graduated depending on % turnover drop
 - 3 + 3 months
- Employers to continue payment of wages: fixed & flex
- **No forced redundancies**
- Actual loss determined afterwards: Auditor's opinion
- Fast and simple \leftrightarrow how to prevent fraud?
- Practical implementation?

People - Mid-term measurements new

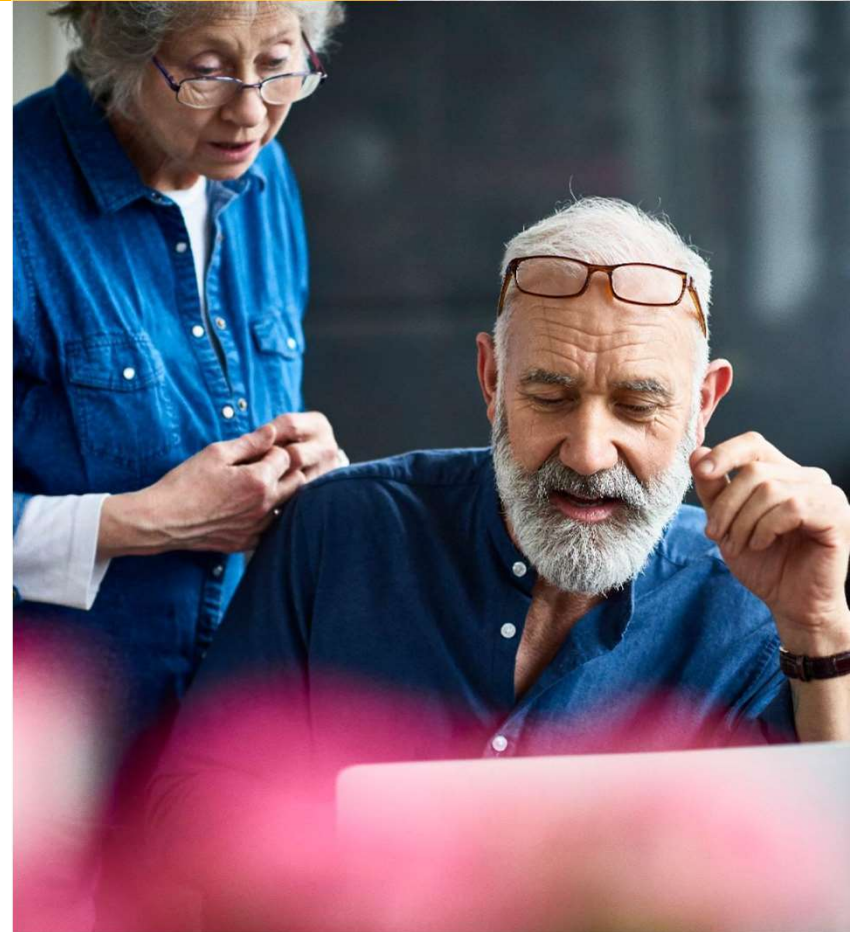


Pension premiums

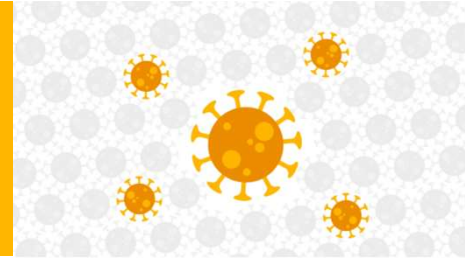
- Temporary stop of payments
- Postponement of payment

Industry wide pension funds having extended their payment terms:

- Catering sector
- Travel branch



People - Long-term measurements



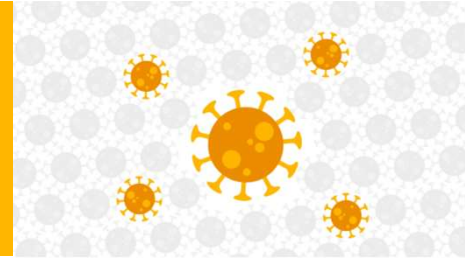
- Reorganisation
- Not possible during NOW compensation
- Poor financial situation, decrease in work
- Advice works council (if applicable)
- More than 20 employees, union involvement required
- Structural loss of jobs for at least 26 weeks
- If redundant position has become available again within 26 weeks, position must be offered to redundant employee

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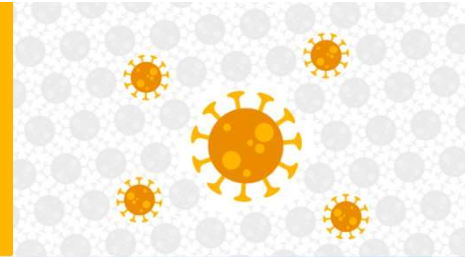
Government measures - Focus on immediate liquidity relief



Key measures introduced on March 17

- **Temporary wage payment compensation (90% total wage sum)**
- **Postponement of tax payments** - (corporate) income tax, wages tax and VAT
- **Expansion ‘*Garantie Ondernemingsfinanciering*’:**
 - Expansion Guarantee SME's
 - 50% state guarantee on bank loans / guarantees (GO scheme)
 - Ceiling increased from €400m to €1,500m
- **Lump-sum compensation for selected sector**
- **Income support for self-employed with no personnel**
 - A temporary provision, based on the Social Assistance (Self-Employed Persons) Decree. The implementation of this provision lies with the municipalities.

Postponement of tax payments



For (corporate) income tax, wage tax and VAT

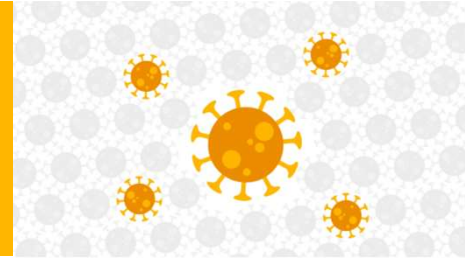
- Entrepreneurs who have or will run into liquidity problems as a result of Corona crisis
- Postponement for three months in any event
- Collection measures stopped upon receipt of the request
- Late payment penalties are remitted
- **No third-party expert statement required for first 3 months**

Longer period of postponement?

- For period after 3 months, additional info to be submitted
- Tax authorities will provide guidance on this information, e.g. if a third-party expert statement will be required

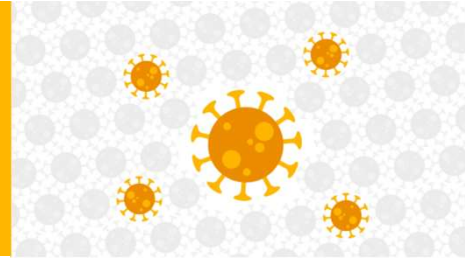


Tax measures - Wide range of implications to consider



- **VAT cash flow management:**
 - Switch from monthly to quarterly payments
 - Timing of invoices (payments/receipts) to maximise VAT cash flow
 - VAT grouping to eliminate intra-group VAT payments
 - Reclaim VAT on unpaid invoices as well as foreign VAT
- **Evaluate pre-payments of tax - options to withdraw/amend?**
- **Consider foreign crisis measures - generally deferral of tax payments possible**
- **Evaluate external and internal debt position**
- **Formation of tax provisions / devaluation of assets**
- **Transfer pricing implications**

Overview of selected support measures Netherlands and EU to date



Compensation
scheme



Broadening of
scope GO



Broadening of scope
BMKB



Freelancers
and start-ups



Existing
schemes



New aid
schemes EU



Coronavirus
Response



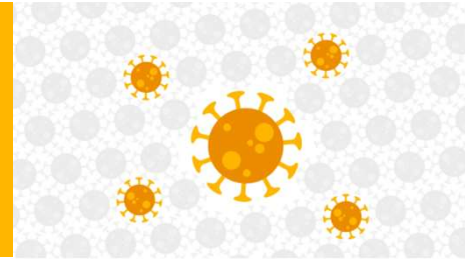
Constant update
of new aid
measures

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Conclusion



- **Questions?** Please contact your PwC advisor or fill in the form on our website: [pwc.nl/en/topics/covid-19](https://www.pwc.nl/en/topics/covid-19)
- View this webinar on demand
- Evaluation form
- **Stay up to date:** register for our PwC Update newsletter on [pwc.nl](https://www.pwc.nl) and receive our Coronavirus – impacts and updates newsletter



Thank you
Stay safe, stay connected