



CFG I

A GUIDE TO

Bringing a UK Biotech Company to US Public Markets



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Introduction

It's no secret that the U.S. IPO market has been flourishing for the past few years, but it has recently begun to slow down. However, even with this plateau, U.S. markets are still especially attractive to U.K. biotechnology companies. To succeed, U.K. firms need an advisory partner they can trust.

Why do UK biotech companies choose to publicly list on a US Index?

Many UK companies choose to IPO in U.S. markets to take advantage of lower market volatility and the increased number of opportunities to grow successfully. The U.S. has a thriving IPO market where many biotech firms have already seen the benefits of the country's sustainable market infrastructure and informed investors.

By bringing in an independent IPO-readiness expert like CFGI, your company can easily meet the most stringent U.S. Securities and Exchange Commission (SEC) reporting requirements.



US GAAP and SEC Reporting Knowledge

When entering U.S. markets, one of the biggest hurdles U.K. companies face is the conversion of U.K. GAAP or IFRS standards to U.S. GAAP standards. A knowledgeable partner can offer technical accounting services to address these unique reporting requirements. Working with a partner with global experience means that you can save time by avoiding common pitfalls.

For example, U.K. companies often struggle to meet the technical requirements of a U.S. GAAP audit overseen by the Public Company Accounting Oversight Board (PCAOB). Without the proper experience, these audits can be painful, requiring substantial time and resource commitments. An IPO-readiness partner knows how to prepare private companies for the rigors of SEC-mandated audits.

An illustration on the left side of the page featuring a magnifying glass at the top, two interlocking gears in the middle, and several coins at the bottom. The background is light gray with white clouds.

US GAAP and SEC Reporting Knowledge *(continued)*

Preparing for an audit on your own can severely limit the resources available for other financial operations necessary for your business to succeed, especially if your company hasn't yet established the Chief Financial Officer (CFO) role.

Working with your company's controller, an IPO-readiness partner can provide several useful technical accounting assessments to prepare for your U.S. public offering. **These assessments can include:**

- Equity and debt transactions.
- In-license and collaboration agreements.
- Business combination and asset acquisitions.
- Share-based compensation.
- Operating/reporting segments.
- Functional currency analysis.
- Revenue recognition.
- Tax provision.

A successful US IPO or SPAC, your way

U.K. companies can enter the U.S. markets through a traditional IPO, a reverse takeover or a merger with a special-purpose acquisition company (SPAC). Each method has unique benefits and challenges, so consider working with a partner that can guide you through the option that makes the most sense for your company.

An illustration on the left side of the page. It features a light gray background with stylized white and gray clouds at the top. Below the clouds, the letters 'IPO' are rendered in a large, white, 3D serif font with blue outlines and shadows. A white road with a dashed blue line down the center curves from the bottom left towards the 'IPO' text, leading the viewer's eye into the main content area.

IPO

Public Company Reporting Requirements

When preparing your company for PCAOB audits and other reporting requirements unique to the U.S. public markets, your company needs the support of experts who have experience with these processes. A partner like CFGI understands the technical details that could derail your going public plans if not managed properly.

The early phases of an IPO/SPAC are crucial. Even small mistakes can lead to significant delays. By avoiding obstacles at the outset, your biotech firm can avoid costly delays and stay on track with your plans to go public. In the U.S., it is essential to work with a partner that understands how to comply with the Sarbanes-Oxley (SOX) Act. SOX compliance is a legal obligation that protects shareholders and investors from accounting errors.



Public Company Reporting Requirements *(continued)*

How CFGI helps

When you work with a partner like CFGI, you gain an independent ally that becomes a part of your financial team. Navigating the path to IPO requires the steady hand of an expert that understands the minute details of every step of the process. CFGI's hands-on approach enables biotech companies to focus on what they do best: developing innovative products and services.

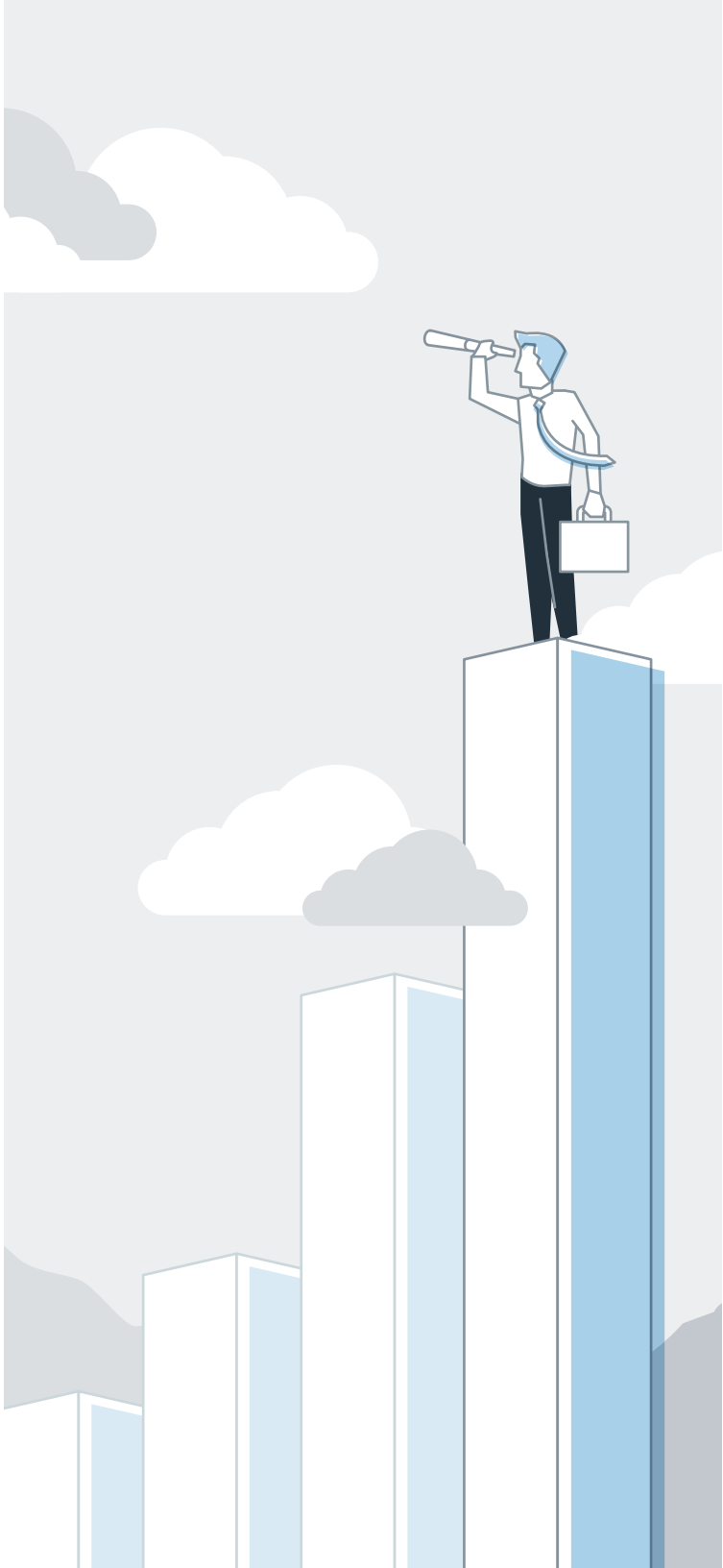
CFGI can help to prepare financial statements and perform tax work necessary to operate in the U.S. markets. These services extend to interfacing directly with the SEC. For example, the experts at CFGI are skilled in reducing the risk of receiving SEC comments, which can add weeks to your IPO timeline.



The CFGI Difference

CFGI has been through the IPO/SPAC process many times. Our experts have years of experience bringing U.K. firms to the U.S. markets. In fact, CFGI has worked with most major underwriters' counsels and auditors in the U.K. and U.S. These groups are comfortable working with CFGI and understand how we work.

Our experience and long-standing relationships have earned CFGI the trust of IPO authorities across the globe. Over the years, we have developed an effective process for bringing U.K. biotech companies to a U.S. IPO. We understand how to work within strict deadlines, how to plan for all eventualities and how to manage the logistics of the IPO process. Our independent, hands-on approach is not only unique but also unparalleled in terms of efficiency and success.

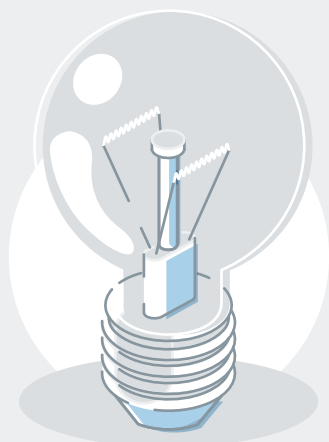


The CFGI Difference *(continued)*

What does the IPO/SPAC timeline look like?

Though every company is unique, the process of bringing a U.K. firm to the U.S. markets is well-trod. No matter where your company is on the IPO timeline, CFGI can provide you with the support and expertise you need to reach your goal as soon as possible.

Though many organizations begin planning for an IPO a year or more in advance, CFGI can work with you to find a timeframe that suits your needs. Our experts have encountered roadblocks before, and they know how to avoid them entirely. Plus, our independence means that we can offer your company the full arsenal of our knowledge and skills to meet the most demanding deadlines.



After the Public Offering

Life as a public company looks quite a bit different than that of a private company. For example, you will become subject to Exchange Act reporting requirements. Don't choose a partner that will leave you high and dry after the IPO/SPAC is complete. A partner like CFGI can offer robust post-IPO services to ensure your future success.

Post-IPO/SPAC services you may need include:

- Reporting requirements and activities.
- SEC reporting functions.
- Interim management
- Support in hiring a financial team.
- Technical accounting advisory.
- Risk advisory.
- Valuation services.
- Tax services.

Remember, an IPO/SPAC is a new beginning for your company, and it's important that the transition from private to public is handled with care. Expert assistance with annual and quarterly SEC reporting means that your company can build off its success to reach new heights.



Our Experience

C FGI has managed multiple IPO- and audit-readiness projects for U.K. firms looking to enter the U.S. markets. Our experience means that we can move quickly while maintaining a high level of exacting standards. We take pride in our performance, and we believe that diligence shows in the work we've done bringing over 10 U.K. biotech companies through the U.S. IPO process. We regularly consult with U.K. companies to explore the decision to pursue a listing in the U.S.



Conclusion

With the right advisory partner, your company can easily navigate the flourishing U.S. market. An independent partner like CFGI understands U.K. and U.S. GAAP reporting requirements, which means you can focus on your business while we navigate the best passage across the pond. From preparing for PCAOB audits to responding to SEC comments, we provide end-to-end IPO/SPAC readiness and ongoing support.

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We currently work with clients throughout the US and internationally. Our offices are conveniently located in Boston, New York, Philadelphia, San Francisco, Washington D.C., Dallas, Charlotte, Austin, Houston, Stamford, San Diego, Los Angeles, Denver, Miami and Atlanta.

Call or email us today to begin a dialogue. We'll show you how a consulting relationship with CFGI can provide both immediate benefits and lasting effects.

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