



IPO Readiness

Is your company prepared to go public?



Taking your company public is a significant milestone along the journey of your business that can help unlock new markets and significant growth. With preparation and the right guidance you can have confidence in a smooth and efficient IPO process.

A business that most successfully transitions into a public company starts acting like one prior to going public, particularly:

- Setting, achieving, and reporting quarterly and annual financial targets.
- Building finance, accounting and legal teams that are capable of meeting the timelines and requirements of public company reporting.
- Recruiting a public company quality management team and board of directors.

Is your company ready? Preparing early, before you face undue time pressures from the offering process, will help you to be well-prepared, reduce your risks and avoid significant surprises. Consider the following questions:

What is your 'equity story'?



Do you have a clear picture of the formula that your company uses to make money? Can you communicate it?



Is your core business solid and capable of sustaining growth and shareholder value in the future?



Can you provide investors with a proven track record?



Are your processes aligned with your direction?



Do you have a strategic vision and business plan for the future?



Are you willing and able to exist in the public spotlight? To relinquish significant control? To deal with regulators?



Can you demonstrate the strength of your competitive positioning – now and in the future?



Have you obtained an independent assessment of your business potential as a public company?

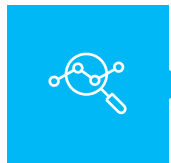
Do you have the right team?



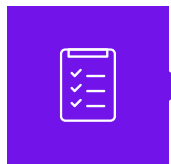
Is your management team strong, well-rounded and experienced in applying and supporting the company's goals and objectives?



Is an experienced board in place, including outside and independent directors?



Do you have an experienced audit committee?



Does your board and audit committee meet the regulatory independence requirements?



Are the board members well informed and willing to assume the responsibilities and personal liabilities taken on by directors of a public company?



Are you and your management team ready to commit significant time – probably more than you anticipate – to the process of going public and compliance thereafter?



Have you identified an internal working group that is building a comprehensive project plan for the IPO?



Have you identified an experienced, reputable underwriter that has a track record of successful IPOs in your industry?



Have you started to think about other potential external advisors (e.g. external legal counsel, independent auditors, investor relations consultants, compensation consultants)?

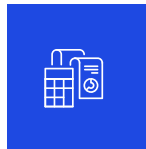
Is your financial house in order?



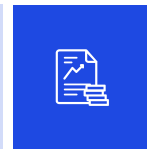
Do you understand the financial statement requirements of an IPO and what is expected of public company finance teams after an IPO?



Do you have the appropriate infrastructure to provide relevant, timely and reliable information about your performance?



Have you identified the annual and interim financial statements that would be required in the prospectus? Do they apply the appropriate GAAP and contain all the relevant note disclosures (such as segment reporting)?



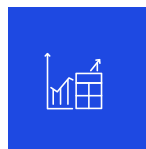
Do you have a financial planning and analysis team that can prepare forward-looking financial models and identify KPIs to analyze and manage the business?



Have you started building the internal financial reporting team necessary to close the company's books each quarter and prepare interim and annual financial statements and MD&A to be filed within the reporting deadlines?



Have you started to test your company's ability to forecast, project and achieve its quarterly and annual KPI targets?



Have you begun the process of designing, documenting and testing the company's internal controls over financial reporting and other corporate governance policies and processes?

Are the markets ready for you?



Have you considered the economic factors and market conditions that will impact the pricing of your IPO?



Has research been done on the capital markets for your industry sector?



Have you evaluated the different stock exchanges where your stock could be traded?



Have you and your financial advisor conducted preliminary investigations into the pricing range for your offering?



Have you considered the number of shares to be issued?

KPMG can help guide you on your IPO journey

KPMG in Canada's IPO Advisory team provides a full range of services* to assist with your public offering or alternative strategies. We provide assistance in all aspects of IPO readiness including financial reporting, human resources, IT readiness, internal controls, governance and tax.

We perform a comprehensive IPO readiness assessment to identify your needs and any gaps, and provide actionable recommendations to support the IPO process efficiently and cost effectively.

KPMG can help you address the cross-functional implications of structural changes that may arise through the registration process and new requirements for internal controls, human resources, corporate governance, tax, and financial reporting.

We will guide you throughout the offering process to implement the necessary requirements to build a sustainable approach to meet the needs of a public company.

Our specialized team is well-positioned to serve companies globally and brings a wealth of experience preparing businesses like yours to go public. KPMG member firms can serve companies across borders and work comprehensively to help them prepare for Canadian public offerings and can also assist Canadian firms interested in listing on international exchanges.

To learn more about how we can help you on your IPO journey, contact one of our KPMG in Canada IPO Advisory professionals.

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