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**Michelle I Olufeso**

# Financial Acumen for Executives in Pharma-Biotech-Medtech Licensing



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# Financial Acumen for Executives in Pharma-Biotech-Medtech Licensing

## Learn

- The types of financial statements and their components relevant for deal accounting.
- To understand the accounting terminology and implications of licensing contracts.
- How the classification of the IP transferred in a deal impacts on deal accounting.
- How to mitigate the risk of having income fluctuations in financial statements as a result of uncertainty around R&D deals.
- How to determine the accounting implications of in-licensing deals before deal signing.
- How to determine the accounting implications of out-licensing deals before deal signing.
- The accounting implications of equity transfers before deal signing.



**The Expert**  
Michelle I Olufeso

- Founder and CEO of MIO Consult GmbH, an accounting consultancy specialising in International Financial Reporting Standards (IFRS) accounting for licence deals in the pharma-biotech-medtech world.
- Formerly with Roche (2004-2016) as Head of Accounting and External Relations, Michelle managed the accounting for all R&D alliances within the Roche Group globally.
- Highly respected for her contribution to IFRS standard setting and EU adoption of the standards.

## Dates & Locations

17 June 2021 (live online)

Visit [www.celforpharma.com](http://www.celforpharma.com) for registration fees and updates.

## Additional Benefits

- You will be able to use a decision tree that shows in advance how any licensing deal will be accounted for.
- You will have the opportunity to ask questions to a finance expert about the deals you are working on.

## Why You Should Attend

Most BusDev & Licensing executives in pharma, biotech or medtech companies have little understanding of accounting implications of the deals they are working on. As a result, when the deals are signed, the accounting treatment is often contrary to what was expected by the executives.

By attending this course, you will be well equipped to pre-determine the accounting treatment to ensure there are no surprises post deal signing.

# Agenda

## 10:00 Welcome & Audience Expectations

### 10:30 Financial Statements: Accounting Considerations for License Deals

- What are Financial Statements?
  - What is a Balance Sheet and what are its components?
  - What is an Income Statement and what are its components?
- What parts of a licensing deal could be categorised under Financial Statement headings (group activity)?
  - Fixed assets and intangible assets
  - Goodwill
  - Investments
  - Liabilities and equity
  - Income: Revenue, milestone, royalties, commissions, profit sharing
  - Expenses: Depreciation, amortisation, milestones, royalties, commission, option and option maintenance fees, cost sharing

## 11:15 Coffee Break

### 11:30 Elements of Licensing Deals With Accounting Implications

- Research costs
- Development costs, including jointly incurred costs
- Upfront fees, milestones
- Option fees, option maintenance fees and opt-in fees
- Commercial milestones and royalties
- Costs already incurred by license partner and reimbursements
- Equity
- Exchange of assets

## 12:30 Lunch

## 13:30 Accounting for In-Licensing Deals

- What is the accounting treatment for in-licensing deals?
  - What are Materiality thresholds?
- What qualifies as an asset?
- What types of assets exist in license deals?
- What is the difference between acquired assets and single assets?
- What happens when a deal goes bad after signing?

## 15:00 Transfer of Equity: Accounting Considerations and Implications

- What happens when shares are transferred as part of the deal?

## 15:30 Coffee break

## 15:45 Accounting for Out-Licensing Deals

- How should amounts received be accounted for?
- Factors to be considered in order to recognise amounts received
  - Contract Identification
  - Performance Obligations
  - Purchase Price
  - Allocation
- Practical example

## 17:15 Summary

## 17:30 Close

The above agenda is for the face-to-face format. The online version of this course will cover the same modules, but the content and format will be adapted to suit the online training setting.

Timing of the online course will be:  
10 -12 AM (CET) + 13-17 PM (CET)

# Registration Form

Complete the below form and email to [inge@celforpharma.com](mailto:inge@celforpharma.com) or fax to +32 2 721 13 82 or go to [www.celforpharma.com](http://www.celforpharma.com) and complete the online registration form.



**Questions?**

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## Course(s)

Course Title .....  
Course Date(s) .....

## Registration Fee

Visit our website [www.celforpharma.com](http://www.celforpharma.com) for information about the early bird fee and full fee, group discounts, etc.

## Participant Details

Title ..... Email .....  
First Name ..... Mobile Number .....  
Last Name ..... Country of Work .....  
Job Title .....

## Company Details

Company Name .....  
VAT Number .....  
Invoicing Address:  
Street Address .....  
City/Province .....  
Postcode .....  
Country .....

## Payment

Payment Method  Bank Transfer (+3%)  Credit Card  
PO Number (optional) .....

## Confirm Registration

In order to complete the registration, please tick the following box(es):

- I, the participant(s), have read and accept CELforPharma's Transfer & Cancellation Policy ([www.celforpharma.com/transfer-cancellation-policy](http://www.celforpharma.com/transfer-cancellation-policy)) and Privacy Policy ([www.celforpharma.com/we-value-your-privacy](http://www.celforpharma.com/we-value-your-privacy))
- I accept that CELforPharma regularly sends me information by email on topics discussed within their website ([www.celforpharma.com](http://www.celforpharma.com)) and relevant to my function, under the condition that I can unsubscribe at any time. I accept that relevant personal details are stored in a database for that purpose, as per CELforPharma's Privacy Policy ([www.celforpharma.com/we-value-your-privacy](http://www.celforpharma.com/we-value-your-privacy)), of which I accept the terms.