CASE STUDY · US INVESTMENT · EVEXIA / IMPACTOS

Evexia thought US investment might require a restructure. The evidence said otherwise.

A UK software business, already earning around half its revenue from US customers, needed a defensible answer before taking further US investment: restructure now, or stay as it is? NorthArc assessed the routes, the shareholder consequences and the sequence, and concluded that retaining the UK structure was the stronger commercial position.

QUESTION	RECOMMENDATION	OUTCOME
Did US investment require a restructure?	**Retain the UK structure.**	**Investment progressed without reorganisation.**

CONTEXT

Evexia had plenty of information but no answer it could confidently defend to investors.

THE DECISION MANAGEMENT FACED

A US angel had joined the business, and further US investment was in prospect. Management had to decide whether to establish a US parent now or proceed on the existing UK structure, before committing either way in front of new investors.

WHAT WAS AT STAKE

A premature Delaware flip is expensive and, under US anti-inversion rules, difficult to reverse. Move too early and the company risked cost, tax friction and diluted UK reliefs. Move too late, or not at all, and it risked appearing un-investable to US capital.

THE QUESTIONS

- Was a Delaware parent actually required to take the investment?
- What would each route mean for existing shareholders?
- Could the UK structure support future US fundraising?

WHAT NORTHARC ASSESSED

01 The investor position

Whether the incoming US angel, and the profile of investors likely to follow, genuinely required a US holding company, or whether they could invest into the UK company as it stood. Many US investors will back a UK company directly where the commercial case is clear. The conclusion here was that the existing structure did not obstruct the round.

02 The shareholder consequences

How each route would affect existing shareholders, their reliefs and their relative position. A flip would have triggered chargeable events and put UK reliefs at risk for current holders, with no offsetting benefit at this stage. The people who had backed the company earliest stood to lose the most from moving too soon.

03 The decision sequence

Which steps were reversible, which were not, and the order in which they should be taken. Because a US parent sits close to a one-way door under US outbound rules, the sequencing mattered more than any single step: keep the reversible options open until a US structure is genuinely required, rather than pre-empting a decision that could not easily be undone.

THE RECOMMENDATION AND REASONING

Keep the UK structure. Take the investment. Preserve the options.

Restructuring looked plausible because founders often assume US investors require a US parent. In this case they did not. The UK company was already capable of receiving the investment, and a flip would have imposed immediate cost and tax friction on existing shareholders while foreclosing reversible options.

The alternatives, a Delaware parent, a US subsidiary and a hold, were weighed against the commercial objective. Retaining the UK structure preserved every future route at the lowest present cost. The advice would be revisited only on a genuine trigger: a lead US investor requiring a flip as a condition, the centre of gravity moving to the US, or a US-based exit becoming realistic.

THE RESULT

BEFORE

- No defensible answer to put in front of investors
- Concern the UK structure might deter US capital
- No clear view of the shareholder consequences
- No sequence for the next steps

AFTER

- A documented recommendation to retain the UK structure
- Clear modelling of the investor outcomes
- Confidence the company was already investable
- A roadmap and defined triggers for future US expansion

"We literally had every scenario mapped. That was the real aha moment: this looked way more positive than I thought."

James Parkes
Founder, Evexia Health International · Part of ImpactOS

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