

# Buisness Acquistion Proposal

[Acquirer name] announces acquisition of  
[industry producer] [Target name]

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**Prepared on:**

[Document.CreatedDate]

**Prepared by:**

[Company Name]

[Acquirer name]  
[Acquirer CEO/Shareholder]  
[Street address,  
City, country,  
Postal code]

[Target name]  
[Target CEO/Shareholder]  
[Street address,  
City, country,  
Postal code]

### **Strictly Private & Confidential/Subject to contract**

[City], [20<sup>th</sup>] [June] 202[0]

### **Acquisition of the business and assets of [Target name]**

Dear [Target CEO/Shareholder],

This letter of intent from [Acquirer name] is sent in respect of a potential acquisition of [Target name]. We appreciate the time and energy you and your team have afforded us in discussing this opportunity and the information that has been provided thus far.

Our evaluation shows that [Target name] acquisition would bolster our [segment name] segment and bring synergy with our other business segments. Acquiring [Target name] would also bring unique value and capabilities to services we provide to the market. Below are the terms for potential acquisition of [Target name].

#### **Transaction Overview and Structure**

Based on our preliminary review of the information provided and subject to the conditions set forth below, [Acquirer name] is pleased to submit this non-binding letter of intent. We propose purchasing [100]% of the equity of the [Target name] for \$[15] million (price may change upon the results of Due Diligence).

We offer a total purchase price of \$[15] million consisting of:

- \$[7] million of cash;
- \$[2] million - shares of [Acquirer name], issued immediately upon closing and not subject to any vesting period representing approximately [10]% of [Acquirer name];
- \$[3] million of debt taken on the [Target name] balance;
- \$[5] million of performance upside - performance payout upon achieving the following targets/milestones:
  - Milestone 1: Revenue of \$[X] million in year 20[XX]
  - Milestone 2: [Insert milestone] in year 20[XX]

#### **Deal Timeline**

We propose the following deal timeline:

- [Insert date]: Financial, operational and technical due diligence
- [Insert date]: Site/office visit to [Target name], term sheet signing
- [Insert date]: Drafting of legal documentation
- [Insert date]: Signing, money and ownership transfer

### **Due Diligence**

Due to the nature of this transaction we require a thorough and complete due diligence (fully paid by us if needed) even after conducting a preliminary data review. We envision that remaining due diligence would include, but would not be limited to, commercial, accounting, financial, technical, [insert DD segment] due diligence, as well as customary legal, tax and regulatory work. We believe that we can complete our due diligence within [8] weeks from the date our proposal is accepted.

### **Exclusivity & Confidentiality**

If shareholders of [Target name] are interested in pursuing the proposed Transaction, we would require [70] days of exclusivity to finalize our due diligence, draft and negotiate legal documentation, subject to a [30]-day extension upon the agreement of both parties. We are ready to sign an additional confidentiality agreement to access to [Target name] information and the ability to share that information with our prospective equity partners and debt financing sources in a manner that protects the confidentiality of your information and our discussions.

### **Non-Binding Commitment**

This non-binding indication of interest is confidential and may not be disclosed other than to you, the Company and/or its shareholders and its advisors on a strictly need-to-know basis.

We look forward to working with you to close this deal keeping in mind the interest of all parties to this transaction.

Kind regards,

Acquirer CEO/Shareholder  
[Title]

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