

Acquisition Opportunity

AFRS –Automated Accounting SaaS Company – 100% Recurring Revenue

Corporation Type: S Corp Location: Colorado SIC Code: 541214



The business is a highly profitable and automated software driven bookkeeping service. These services include accounts payable, scanned invoice document management system, weekly check runs, bank reconciliations, sales tax preparation and financial reporting, along with best practice benchmarking.. The business is 100% monthly recurring revenue with a subscription based model driven by its own enabled software, providing differentiation in the marketplace. While the company has been focused on a specific end market, the business has significant potential to expand and grow.

ASKING
\$4,000,000

Terms

- With financing available to qualified buyers, the ideal structure for owners would be to retain a equity ownership and work with new buyers to grow the company to its potential.

Top Details/Business Activity

- Successfully in business since 2008
- Highly automated and process driven Software as a Service (SaaS) model
- Differentiated product in a growing market, supported by intellectual property
- Significant opportunity for growth and expansion into new industries and customer groups
- Owners estimate pricing upside to model over time
- Bank financing is available to borrowers that have a requisite background and required down payment

Strengths

- Highly profitable with EBITDA margins in excess of 40%
- 100% of service is subscription based and recurring monthly revenue
- Intellectual Property of software provides automation and differentiation
- Solid core growth through increased functionality/services with significant growth opportunity through expansion
- Asset light model with strong cash flows and terms (no A/R)

Weaknesses

- Customer currently only one large national franchisor group
- Limited marketing and sales efforts currently by business
- Requires some additional investment to achieve growth beyond current customer group
- Current customer growth limited given COVID impact

Marketing Strategy

- Sales and marketing of the business have been primarily word of mouth. Growing the company beyond current markets, industries and geographies is significant but would require additional investment

Reason for selling:

- The owners believe the process of taking the company to the next stage of growth will require additional skill sets and investment.

Key Indicators (Cash Basis):

Year (Financial Year End: December)	2020 \$'000	2019 \$'000	2018 \$'000
Revenue	1,253	1,167	1,111
Adj. EBITDA*	546	496	435

*Profit before interest, tax, depreciation, amortization (non-cash items) including owner salary, one-time and discretionary expenses.

Included in offering:

- Intangible Assets: Intellectual Property multi-faceted web portal, POS interface, Invoice Scanning/OCR automation, and more.
- Tangible Assets: primarily computer equipment and furniture, contracts and preferred vendor status with customer group

Business Days and Hours

- Monday - Friday: 8 AM to 5 PM
- Saturday - Sunday: closed

Employees

- The Company has a total of 5 full-time employees (including two owners) and 4 part time employees. The key employees include a senior accountant, accountant and AP staff member.

Support and Training

- The Owner genuinely desires an effective business transition with seamless customer service through to the buyer. Although not required as part of sale, the owners would be willing to stay on for an extended period if found beneficial to the buyer.

Next Steps

- In order for us to release the Confidential Information Memorandum, complete the Non-Disclosure Agreement and Buyer Profile and return to:

Anthony Forcione, Managing Director
Forcione@thevantgroup.com
781-789-3712



CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

Automated Accounting SaaS Company – 100% Recurring Revenue Sale Price & Down Payment: \$4,000,000

1. For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned ("The Recipient") enters into this Confidentiality Agreement with and for the benefit of The Vant Group ("the Broker").
2. The Broker has attached hereto or has provided or may subsequently provide to the Recipient in connection herewith certain technical, financial, and/or business information (collectively the "Information") regarding the Company (as above designated) to facilitate an evaluation by the Recipient whether to acquire the Company or stock or assets thereof. The Recipient acknowledges that the Information is highly confidential and proprietary to the Company.
3. The Recipient shall not at any time, without prior written consent of the Company, furnish, copy, reproduce or distribute, in whole or in part, directly or indirectly, the Information to anyone, except Recipient's financial advisors and investors, who may be furnished with the Information for the sole purpose of advising the Recipient as to the structure of any proposed purchase of the Company (or its stock or assets), and it will keep permanently confidential the Information and will use the Information only for the purpose set forth above. The Recipient shall be under no obligation to maintain as confidential any information which (a) Recipient can show by legally sufficient written evidence was in its possession prior to disclosure by the Broker and/or the Company; or (b) becomes generally available to the public in tangible form other than by acts or omissions of Recipient; or (c) is lawfully obtained from a third party. The Recipient shall not contact the Company to discuss the sale or purchase of the Company or the Information without prior written consent of the Broker.
4. The Recipient hereby indemnifies and holds harmless the Broker, and its agents, representatives, employees and attorneys, from and against any and all claims, liabilities, actions, causes of action and damages, arising from or relating to any injury or loss arising out of, from, or attributed to the transactions or matters subject hereof, or the actions, omissions, wrongful conduct or other breach of this Confidentiality Agreement by Recipient, which indemnification shall include, without limitation, reimbursement of attorney's fees and expenses incurred by the Broker in connection herewith.
5. The Recipient shall not enter into any agreement for the purchase of the Company or its stock or assets unless said agreement contains a provision wherein the parties thereto acknowledge that the Broker is the procuring cause of such agreement and the Broker is entitled to a broker's commission as agreed upon by the Company and the Broker.
6. While the Information is believed to be accurate, it is subject to change, error or withdrawal of offering, without notice. The Company and the Broker expressly disclaim any and all liability for representations or warranties, expressed or implied, contained in the Information, or, for omissions from it. The Company reserves the right to require the return of the Information at any time.
7. A facsimile transmission of this document is legal and binding.
8. The Recipient warrants that the undersigned is a duly authorized by the company to enter into binding legal contracts on its behalf.
9. This Agreement contains the entire agreement between the parties hereto with regard to the subject matter hereof. If one or more of the provisions contained herein shall be held to be invalid, illegal or unenforceable, the balance of this Agreement shall remain in full force and effect. This Agreement shall be binding upon the parties' heirs, successors and assigns, where permitted. This Agreement may not be assigned by the Recipient without the prior written consent of the Broker. No ambiguity herein shall be resolved presumptively against any party. This Agreement shall be construed in accordance with the laws of the State of Texas, and the obligations of the parties are performable in Dallas, County, State of Texas, where venue shall lie for any actions brought hereunder.

RECIPIENT:

_____	_____
Company Name	Street
_____	_____
Signature	City State Zip
_____	_____
Print Name	Phone
Date: _____	_____
	Fax