

Deal Summary

Asking Price:	\$9,700,000	Listing ID:	AVAF
Revenue:	\$8,600,000*	Company Type:	MSP / IT Services
Adjusted EBITDA:	\$1,200,000*	Location:	Metro West Boston / Central Massachusetts

Adjusted EBITDA is defined as EBITDA + Owner's Salary + One-time and Discretionary expenses

* Last Twelve Months through April 30, 2022

Legal Organization

Type of Corporation:	S Corporation	SIC Codes:	7379 / 5415 / 8742
Year-End:	December	Accounting Method:	Accrual

Top Things to Know About This Business

- **Business Model:** Provides IT services to SMEs with an emphasis on Managed Cloud Solutions
- **Recurring Revenue:** On average, 85% of the company's revenue is recurring.
- **Established Brand:** Excellent reputation for outstanding on-time and on budget work
- **Longevity:** Established in 2006, the company has been an industry leader for 15+ years
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Workforce:** Company normally has 10 employees - 8 Full-Time (1 Vacant) and 2 Part-Time
- **NO Client Concentration:** No client represents more than 3% of revenue.
- **Multi-Sector Client Base:** Company has Commercial clients as well as K-12 and governments.
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Geography:** Company has a nationwide client footprint
- **Location:** HQ is in Massachusetts, but company has a satellite WeWork office in the southeast

Business Activity

Established in 2006, for the past 15 years, the company has evolved from specializing in email security, privacy and compliance to an array of services with a nationwide geographic footprint.

Type of Services:

- Digital Transformation
- Managed Cloud Services
- Email, Communications & Mobility
- Security, Privacy and Compliance

Client Sectors:

- 60% - Commercial / Private Clients
- 27% - K-12 Education
- 11% - Government
- 2% - Higher Education and Non-Profit

Strengths / Opportunities

Strengths

- Born in Cloud - 15 years ago: Not tied to on-premise solutions or geography
- Cloud Agnostic: With majority Google Cloud, means net-add to most MSPs
- Geography: Diverse client base across North America
- Expertise: Principals bring extensive strategic IT consulting credentials
- Marketing / Sales: Efficient pipeline management and process
- Intellectual Property: Expanding number of assessments

Opportunities:

- Geography: National client base = remote support when expanding to on-prem services
- Intellectual Property: Create/define more to enhance service offerings and pairings.
- Services: Increase operations staffing by ½ to 1 FTE for service desk and professional services
- Automation: Expand automation for billing and receivables management
- Intellectual Property: Secure reliable resources for Digital Transformation related services
- Services: Secure reliable resources for cloud platform (Azure, GCP) migrations
- Operations: Deploy RMM and documentation tools as we move into a broader array of managed services

Market Areas – 5 Regions

Percentages of customer, by region

Northeast = 47.5%

- ME, NH, VT, NY, MA, RI, CT, NJ, PA

Southeast = 23.5%

- FL, GA, SC, NC, TN, AL, MS, LA, AR, OK, TX, VA, WV, MD, DE, DC

Midwest = 10.5%

- MI, IN, WI, IL, MO, KS, NE, IA, SD, ND, MN, OH, KY

West = 13.1%

- MT, WY, CO, NM, ID, UT, AZ, CA, NV, OR, WA, AK, HI

International = 5.4%

Marketing Strategy

As a marketing strategy, the company uses content rich inbound marketing along with account-based marketing as it tries to position itself as a subject matter and thought leader within the MSP / Cloud Services industry.

To help achieve this goal, the company uses an omnichannel approach which includes:

- Email Campaigns / Newsletters (Over 25,000 subscribers)
- Webcasts / Events
- Blogging / Whitepapers
- Referrals / Word of Mouth

History

The Company was started in 2006 and the current owner is the founder.

Days and Hours:

Monday - Friday: 8:30 AM to 5:30 PM*

Saturday - Sunday: Closed

* *After hours services may be scheduled*

Sales and Adjusted EBITDA

Fiscal Year End	Revenue	Adjusted EBITDA*	As a % of Sales
LTM*	\$8,600,000	\$1,200,000	14.1%
2021	\$8,000,000	\$1,200,000	14.7%
2020	\$6,800,000	\$45,000	0.7%
2019	\$6,200,000	\$400,000	6.888%

* All adjustments to EBITDA were provided by seller

* Last Twelve Months (LTM) is from May 1, 2021 – April 30, 2022

Employees

Currently, the company has 10 employees – 7 Full-Time and 3 Part-time.

Assets and Liabilities

An asset list can be obtained upon request. All debts on the company will be paid off by the seller at closing.

Facilities

The company leases approximately 2,000 sq. ft. of office space in Grade A- commercial office building from a third-party landlord. The lease is in the first year of a 3-year extension. The office consists of 4 private offices, 7 cube workstations and 1 conference room for 8 people. The total building is approximately 16,000 – 18,000 sq. ft.

Reason for Selling

The owners bootstrapped the company 15 years ago and as ownership starts to plan for the next 15 years and beyond; its best for the company to seek a strategic acquisition or be acquired by an investment group who can provide growth capital to maximum growth in this fast-growing industry.

**STANDARD BUYER'S CONFIDENTIALITY
AND WARRANTY AGREEMENT**

The undersigned (the "Buyer") understands and acknowledges that The Vant Group (the "Broker" has a valid agreement with the owner(s) (the "Seller") of the business and/or property described below (the "Business") whereby Broker has been retained, for an agreed upon commission, to represent Seller in the sale of the Business. Buyer understands and acknowledges the Broker is acting as the agent of the Seller and that Broker's primary duty is to represent the interests of the Seller. The Business that is the subject of this Standard Buyer's Confidentiality and Warrant Agreement (the "Agreement") is as follows:

Description of Business: Managed Service Provider / IT Services

Asking Price: \$9,700,000

In order to induce Broker or Seller to furnish information regarding the Business (the "Information") to Buyer for Buyer's evaluation and possible purchase of said Business and in consideration for Broker's or Seller's furnishing such information, Buyer understands, agrees, represents and warrants to Broker and Seller as follows:

1. The word "Buyer," as used herein, shall mean and include the undersigned individually, as a member of a partnership, as an employee, stockholder, officer or director of a corporation, as an agent, adviser or consultant for or to any business entity and in any other capacity whatsoever.

2. The Information is of a proprietary and confidential nature, the disclosure of which to any other party will result in damage to the Seller and/or Business, and Buyer further represents and warrants as follows:

(A) The Information furnished by Broker or Seller has not been publicly disclosed, has not been made available to Buyer by any party or source other than Broker or Seller and is being furnished only upon the terms and conditions contained in this Agreement.

(B) Buyer will not disclose the Information, in whole or in part, to any party other than persons within Buyer's organization, including independent advisers/consultants, who have a need to know such Information for purposes of evaluating or structuring the possible purchase of the Business. Buyer accepts full responsibility for full compliance with all provisions of this Agreement by such other persons.

(C) Buyer will not disclose, except to the extent required by law, to any parties other than the persons described in Paragraph 2(B) above that the Business is available for purchase or that evaluations, discussions or negotiations are taking place concerning a possible purchase.

(D) Buyer will not utilize, now or at any time in the future, any trade secret(s), as that term may be defined under statutory or common law, that is/are included in the furnished Information for any purpose other than evaluating the possible purchase of the Business, including, without limitation, not utilizing same in the conduct of Buyer's or any other party's present or future business(es).

(E) In addition to the prohibition against utilizing trade secret(s), Buyer will not utilize any other furnished information for any purpose other than evaluating the possible purchase of the Business, specifically including, without limitation, not utilizing same to enter into and/or engage in competition with the Business or assist or promote any other party(s) in so doing. The foregoing prohibition against utilizing said Information in competing with the Business shall remain in effect for three (3) years from the date hereof and shall be applicable to competition within the presently existing marketing area of the Business.

(F) If Buyer decides not to pursue the possible purchase of the Business, Buyer will promptly return to Broker all Information previously furnished by Broker or Seller, including any and all reproductions of same, and further, shall destroy any and all analyses, compilations or other material that incorporates any part of said Information.

3. Buyer will not contact the Seller or Seller's employees, customers, suppliers or agents other than Broker for any reason whatsoever without the prior consent of the Broker. All contacts with the Seller or such other parties will be made through or by Broker unless otherwise agreed to by Broker, in writing.

4. The Information furnished by Broker has been prepared by or is based upon representations of the Seller and Broker has made no independent investigation or verification of said Information. Buyer hereby expressly releases and discharges Broker from any and all responsibility and/or liability in connection with the accuracy, completeness or any other aspects of the information and accepts sole and final responsibility for the evaluation of the Information and all other factors relating to the Business.

5. The Information is subject to change or withdrawal without notice and the Business is being offered for sale subject to prior sale or the withdrawal of said offering without notice.

6. Buyer will indemnify and hold harmless the Broker and Seller from any and all claims or actions arising from Buyer's acts or failures to act in pursuing the possible purchase of the Business, including, without limitation, reasonable attorney's fees and other expenses incurred by Broker.

7. Buyer will not, for a period of three (3) years from the date hereof, enter into any agreement for the purchase of the Business, in whole or in part, or assist or promote any other party in so doing, unless such agreement to purchase provides for commission to be paid Broker, with the commission being defined as the amount agreed upon by Broker and Seller in the "Standard Listing Agreement" or similar agreement between those parties. The phrase "agreement for the purchase of the Business" as used herein, shall mean and include any agreement, specifically including, but not limited to, offers to purchase, letters of intent and similar

agreements, that provides for the transfer, conveyance, possession of, or disposition of the Business, its capital stock, assets, or any portion thereof, and the commission amount to be paid Broker shall be the greater of either the minimum commission or the commission based upon sale price (or purchase price), as these amounts are defined in the aforesaid agreement between Broker and Seller. Further, "sale price (or purchase price)" as used herein shall mean and include the total amount of consideration paid or conveyed to Seller or for Seller's benefit, including, without limitation, cash, capital stock, notes, personal property of any kind, real property, leases, lines of credit, loans, contingent payments (e.g., license agreements, royalty agreements, payments based upon future sales or profits, etc.), employment or management contracts, consulting agreements, non-competition agreements, assumption or discharge of any or all liabilities, and any combination of the foregoing and/or other consideration. The commission amount agreed upon by Broker and Seller in the aforesaid agreement between those parties will be made known to Buyer by Broker, upon Buyer's request, when and if an agreement for the purchase of the Business is made by Buyer. If Buyer violates the foregoing provision, Buyer will be liable for and pay said commission to Broker upon demand without any obligation on Broker's part to first exhaust any legal remedies against Seller.

8. Buyer represents that Buyer has sufficient financial resources to complete the transaction for the asking price and terms set forth herein. Buyer agrees to provide, upon request by Broker or Seller, financial statements, references and other pertinent information evidencing such financial sufficiency.

9. The performance and construction of this Agreement shall be governed by the laws of the State of Texas. All sums due hereunder shall be payable at the office of the Broker in Dallas County, Texas and all parties hereto agree to forbear from filing a claim in any other jurisdiction.

10. This Agreement shall be binding upon the Buyer, Buyer's heirs, executors, successors, assigns, administrators or representatives. If any provision of this Agreement shall be held to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and this Agreement shall be construed as if such invalid, void or unenforceable provision had not been contained herein.

11. Any controversy between the parties to this Agreement involving the construction or application of any of the terms, covenants or conditions of this Agreement, shall on written request of one (1) party served on the other, be submitted to binding arbitration. Such arbitration shall be under the rules of the American Arbitration Association. The arbitrator shall have no authority to change any provisions of this agreement; the arbitrator's sole authority shall be to interpret or apply the provisions of this Agreement. The expenses of arbitration conducted pursuant to this paragraph shall be born by the parties in such proportion as the Arbitrators shall decide.

12. The terms and conditions of this Agreement shall also apply to any other business and/or property on which Broker has been retained to represent the owner(s) in the sale thereof and on which Broker or owner(s) has furnished information to Buyer. Further, it shall not be necessary for Buyer to execute any additional agreement(s) to that effect and any terms and conditions of this Agreement that refer to the date hereof shall automatically be adjusted to reflect the date on which Broker or owner(s) initially furnished information to Buyer on such other business and/or property.

13. The provisions hereof cannot be modified, amended, supplemented or rescinded without the written consent of Broker and this Agreement sets forth the entire agreement and understanding

EXECUTED ON THIS _____ DAY OF _____ 20__

Typed/Printed Name of Buyer

Typed/Printed Name of Buyer

Signature (Individually and as
Duly Authorized Representative)

Signature (Individually and as
Duly Authorized Representative)

Street Address

Street Address

City, State, Zip Code

City, State, Zip Code

Telephone / Email address

Telephone / Email address



BUYER'S PERSONAL PROFILE - CONFIDENTIAL INFORMATION

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: Home (____) _____ Office (____) _____ Cell (____) _____

Email Address: _____

Present Occupation/Business: _____

How Did You Learn Of Our Company? Internet Ad Referral Other: _____

Type of Business Preference

(Retail, Wholesale, Manufacturing, Service, Etc):

1. _____
2. _____
3. _____

Location Preference:

1. _____
2. _____
3. _____

Cash In Banks	\$ _____	Notes Payable	\$ _____	x
U.S. Govt Securities	\$ _____	Liens On Real Estate	\$ _____	
Accounts & Notes Receivable	\$ _____	Other Liabilities	\$ _____	
Value Of Businesses Owned	\$ _____	TOTAL LIABILITIES	\$ _____	
Other Stocks And Bonds	\$ _____			
Real Estate	\$ _____	Salary	\$ _____	
Automobiles -- Number ()	\$ _____	Dividends & Interest	\$ _____	
Other Assets	\$ _____	Other Income	\$ _____	
TOTAL ASSETS	\$ _____	TOTAL INCOME	\$ _____	

Monthly Income Required: \$ _____

Down Payment Available: \$ _____

Personal Net Worth: \$ _____

Require Immediate Income?: _____

Who Else Would Be Involved In The Decision Process? _____

Have You Ever Filed For Bankruptcy? _____

Have You Ever Been Arrested? _____

Fields of past Business experience:

1. _____
2. _____
3. _____

I Hereby Attest That The Above Is A True Representation On My Financial Status. I Agree To Provide, Upon Request By Broker Or Seller, Financial Statements, References And Other Pertinent Information Evidencing Such Financial Sufficiency If Necessary

Signature: _____

Date: _____