

Letter of Intent Template for Business Acquisition

CONFIDENTIAL

Date: [Insert Date]

[Recipient Name]

[Recipient Address]

Dear [Recipient Name],

We are pleased to submit this non-binding Letter of Intent (“LOI”) from [OUR NAME Inc.] (“[Shorter Name]”) regarding a potential transaction (the “Transaction”) with [TARGET NAME Inc.] (“[Target Name]” or the “Company”). We value the time and insights your team has shared, and we are excited about the opportunity to explore acquiring [Target Name]. Based on our initial evaluation, we believe [Shorter Name] can enhance [Target Name]’s growth by leveraging our expertise in [specific areas, e.g., operational efficiency, market expansion, or technology integration].

Transaction Overview and Structure

Subject to the terms below and our ongoing due diligence, [Shorter Name] proposes to acquire 100% of [Target Name]’s equity, including all assets and liabilities, in a structure that ensures [Target Name] stakeholders retain meaningful exposure to future growth. To align our interests, we propose the following purchase price and structure:

- **Total Purchase Price:** \$[XXX] million, comprising:
 - \$[XXX] million in cash at closing.
 - Adjustments to the final purchase price will reflect customary changes in net working capital, applied to the cash component.

Timeline

To align with [Target Name]’s priorities, we propose the following high-level timeline:

- [Date]: Complete financial due diligence and valuation.
- [Date]: Conduct operational due diligence, including a visit to [Target Name]’s headquarters.
- [Date onward]: Draft and negotiate the Definitive Agreement.

Due Diligence Process

This Transaction is a top priority for [Shorter Name], and we are prepared to move swiftly with your cooperation. Our preliminary due diligence, including management discussions and data review, has informed our investment thesis. Remaining due diligence will include, but not be limited to, commercial, financial, accounting, legal, tax, and regulatory reviews. With full access to necessary information, we anticipate completing due diligence and presenting a Definitive Agreement within eight weeks of your acceptance of this LOI.

Exclusivity & Confidentiality

To proceed, we request a 90-day exclusivity period to finalize due diligence and negotiate definitive documentation, with a potential 90-day extension if [Shorter Name] is diligently working to close the Transaction. This exclusivity will streamline the process and benefit [Target Name]'s stakeholders. We will require reasonable access to Company information, shared confidentially with our prospective equity partners and financing sources. A draft Exclusivity and Confidentiality Agreement is attached as **Exhibit A** for your review. We propose an organizational meeting promptly upon signing this LOI to align on the work plan.

Non-Binding Nature

This LOI is a non-binding expression of interest and does not create any legal obligation for [Shorter Name] or its affiliates to proceed with the Transaction, except for the binding obligations in the Exclusivity and Confidentiality Agreement, if executed. No party is bound unless a Definitive Agreement is signed, and then only per its terms. This LOI is confidential and may only be shared with [Target Name] and its advisors on a need-to-know basis.

We are enthusiastic about the potential to acquire [Target Name] and drive its next chapter of success. We look forward to your response and to collaborating on this Transaction.

Very truly yours,

[Your Name]
[OUR NAME Inc.]

Exhibit A: Exclusivity and Confidentiality Agreement

[Insert draft Exclusivity and Confidentiality Agreement here or note it will be provided separately.]

Legal Disclaimer

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