



KNACK

ACT
CAPITAL
ADVISORS

Knackshops, Inc.

<https://knackshops.com/>

ACT Client #220401

Available for Acquisition

Company Overview

ACT Capital Advisors is pleased to offer Knackshops, Inc. (“Knack” or “Company”) for acquisition. The Company provides ethos-based, made-to-order gifts wrapped in unique technology-enabled experiences such as “be there when they open it” videos and QR-accessed web pages autogenerated for each gift recipient. The Company specializes in gift customization, where the majority of its users create unique gift sets that increase the Company’s Average Gift Price by 16%. Knack also provides its customers with two popular email-based gift delivery platforms, as well as proprietary platforms & services for major enterprise and retail clients.

NOTE: The Company is currently going through a receivership process in Washington State. This is a distressed sale, and a transaction will take place out of said receivership. This receivership process guarantees that a buyer will acquire the Company without liabilities or other encumbrances.

Website: <https://knackshops.com/>

Investment Highlights

Market-leading feature set: Tech-enabled custom gift website with demonstrated history of innovation leading to 16% increase in AOV from customization, 8% increase in website conversion through digital delivery, and 15% of gift recipients visiting the website during the unboxing experience.

Attractive demographic: Proven appeal to the largest demographic buying forces in the US today: Millennials and Gen Z.

Business solution: 65% of revenue stems from business gifting without an outbound salesforce. Company Store & Digital Delivery platforms position company to compete in growing account-based marketing space.

Traction & growth: 1.5M consumer-created gifts in database. 6x revenue growth since 2019. Steadily increasing AOV. 50% of revenue from repeat customers.

Operationalized for profitability: Proprietary expertise in cost-effectively producing custom gifts; ability to outsource already twice proven.

Platform opportunities: Additional opportunity to generate SAAS revenue or increase revenue & profitability of an existing inventory-based business.



Receivership Information

The Company made the decision to enter into a Washington State Court receivership on November 22, 2022 in order to allow it to market its assets as a going concern and ultimately close a sale under which the purchaser will take the assets free and clear of any existing liens, claims or encumbrances.

Turning Point Strategic Advisors (<https://www.turning-point.com/>) is the Receiver, and along with the Company's pre-receivership management, who remain in place and are working in cooperation with the Receiver, is overseeing uninterrupted company operations through the sale process.

Upon identification of a purchaser and execution of an asset purchase agreement, the Receiver will seek court approval of the proposed sale, which will ensure transfer of the assets free and clear of encumbrances, pursuant to RCW 7.60.260(2).

To maintain the Company as a going concern, the Receiver and purchaser must enter into definitive documentation on or before January 20, 2023.

Financial Information – Historical & Pro-Forma

FYE 12/31	2019	2020	2021	2022 (9/30)	2022E	2023E
Revenue	\$2,402,778	\$12,863,338	\$16,641,370	\$9,090,557	\$13,912,831	\$17,303,245
Gross Profit Margin	\$673,367 28.0%	\$3,915,790 30.4%	\$4,548,154 27.3%	\$2,373,257 26.1%	\$4,307,021 31.0%	\$7,267,211 42.0%
Adj. EBITDA Margin	(\$1,475,729) (61.4%)	(\$38,169) (0.3%)	(\$4,907,471) (29.5%)	(\$4,789,286) (52.7%)	(\$6,994,212) (50.3%)	(\$206,492) (1.2%)

Contact Information & Next Steps

Interested parties should execute the attached Confidentiality Agreement ("CA") and return to ACT Capital Advisors with a written request to receive the Confidential Information Memorandum ("CIM").

CAs and CIM requests should be submitted to Ivan Trindev, ACT Senior Associate.

Email: itrindev@actcapitaladvisors.com

Direct: 425.749.0760