



TEQUITY

Assisting Software and Technology Companies
...with strategic mergers, acquisitions, or sales

Tequity provides merger, acquisition, and divestiture services to software and technology companies.

As former technology company owners and executives, we understand and appreciate the value of IP and how to find the right strategic fit between companies.

Past Transactions

www.tequityinc.com

416.483.9400

ACQUISITION OPPORTUNITY

Electronic Healthcare Record Systems Provider

Our client code-named *BIGSUR* provides a comprehensive agency management software solution focused on the specific needs of Adult Mental Health, Children's Mental Health, Addictions and Out-Patient Social Services in Ontario, Canada. *BIGSUR* has built a reputation as the "Industry's go-to" electronic agency and patient record management software provider and is known for its strong customer relationships, and industry knowledge and experience.

THE COMPANY

Founded 11 years ago, *BIGSUR* has provided complete and in-depth software solutions to over 120 hospitals and agencies in the Mental Health sector with over 10,000 users. From its early inception the company has transformed into the dominant provider in Ontario. *BIGSUR* has achieved strong growth and is poised for greater success.

BIGSUR has been ahead of the software development curve by anticipating industry requirements and producing software functionality and features that have become standard for all agencies. Agencies rely on government funding to run effectively, and are required to use solutions that meet a certain level of compliance, reporting, and interface standards in order to meet funding application requirements. Other solution providers are struggling to match the high standards set by *BIGSUR*. There are few competitors in this market and *BIGSUR* is the dominant solution provider.

BIGSUR's proprietary solutions deliver superior customer experiences across a wide variety of social services organizations including Walk-in Clinics, Hospitals, Addiction Centres, Employment Centres, Family Services and Veterans Affairs.

SOFTWARE HIGHLIGHTS:

- 100% Cloud-based
- The only complete software solution to the Mental Health Industry in Ontario
- Interfaces with government funding departments
- Software is very flexible and easily adaptable to meet the requirements of any client or patient record management system
- Cleanly designed and intuitive user-interface throughout the system
- The software, accompanying manuals and help text are fully bilingual and ready for the Quebec market
- Additional languages can be added, making the software ready for the International market
- An impressive customer satisfaction level from over 10,000 users
- Professional services include consulting, implementation and training
- High barriers to entry
- 100% customer retention rate

The company markets and sells its solutions directly. The business model is built around an initial software license plus user fees, and mandatory recurring maintenance and user fees.

The highly skilled and deeply knowledgeable team of 5 employees and 2 full-time contractors want to continue expanding the markets currently served by *BIGSUR* and move into new markets the solutions are suited to

address. Ideally they would like to become part of a larger organization that would accelerate *BIGSUR*'s growth, providing new opportunities and challenges for the company.

THE MARKET

Mental Health and Addictions has gained a lot of recognition in Canada and elsewhere over the past 15 years, and investment here continues to rise. It is now recognized that most people will have mental health needs at some time in their life, and that investments made to provide relatively low-cost, non-medical Mental Health

services in a community environment are producing a huge ROI by keeping people out of emergency rooms, hospital beds, and the penal system. By providing funding to create new agencies, grow existing agencies, and expand the services available through community mental health agencies, provides a huge cost savings and has created a lot of opportunity for growth for *BIGSUR*. Mental health funding is anticipated to continue to grow for the indefinite future.

FINANCIAL

BIGSUR has demonstrated extremely strong growth in the past few years and is projected to continue as their current and new markets are exploited.

| Ending Dec 31 st | 2014 | 2015 | 2016 | 2017 YTD (July) | 2017P |
|------------------|---------|-----------|-----------|--------------------|-----------|
| Revenue | 853,693 | 1,060,811 | 1,858,955 | 3,570,284 | 4,338,785 |
| Total Recurring | 355,693 | 414,171 | 1,000,631 | 1,574,612 | 1,719,113 |
| % Of Total Rev | 42% | 39% | 54% | 44% | 50% |
| EBITDA | 548,390 | 605,519 | 1,249,417 | | 3,459,466 |
| EBITDA % | 64% | 57% | 67% | | 80% |

- Consistently growing & profitable
- No debt
- Highly scalable
- 50% Recurring revenue
- 71% CAGR

THE OPPORTUNITY

BIGSUR represents a unique opportunity to acquire a stable, scalable, forward-driven technology services platform with a track record of innovation. *BIGSUR* has built a solid reputation within the mental health community for its user-friendly and technologically superior products, industry knowledge and experience, high customer satisfaction levels, and exceptional customer service. The owner recognizes that the company is in a leadership position in Ontario and has the technology and scalability to significantly grow the company in new territories and vertical markets, given the resources.

BIGSUR is a private corporation and is tightly controlled. The owner is exploring his options to accelerate the success of the company, and has retained Tequity Inc. to assist in soliciting and evaluating offers. The company would benefit from the assistance of a larger organization or management team that has greater reach and more resources. Ultimately the owner is working towards a retirement exit. With this in mind, he has set-up the company to run with less and less of his participation and is essentially working part-time. He will stay on for the transition period.

Should you have an interest in exploring this opportunity, we welcome the chance to speak with you.

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