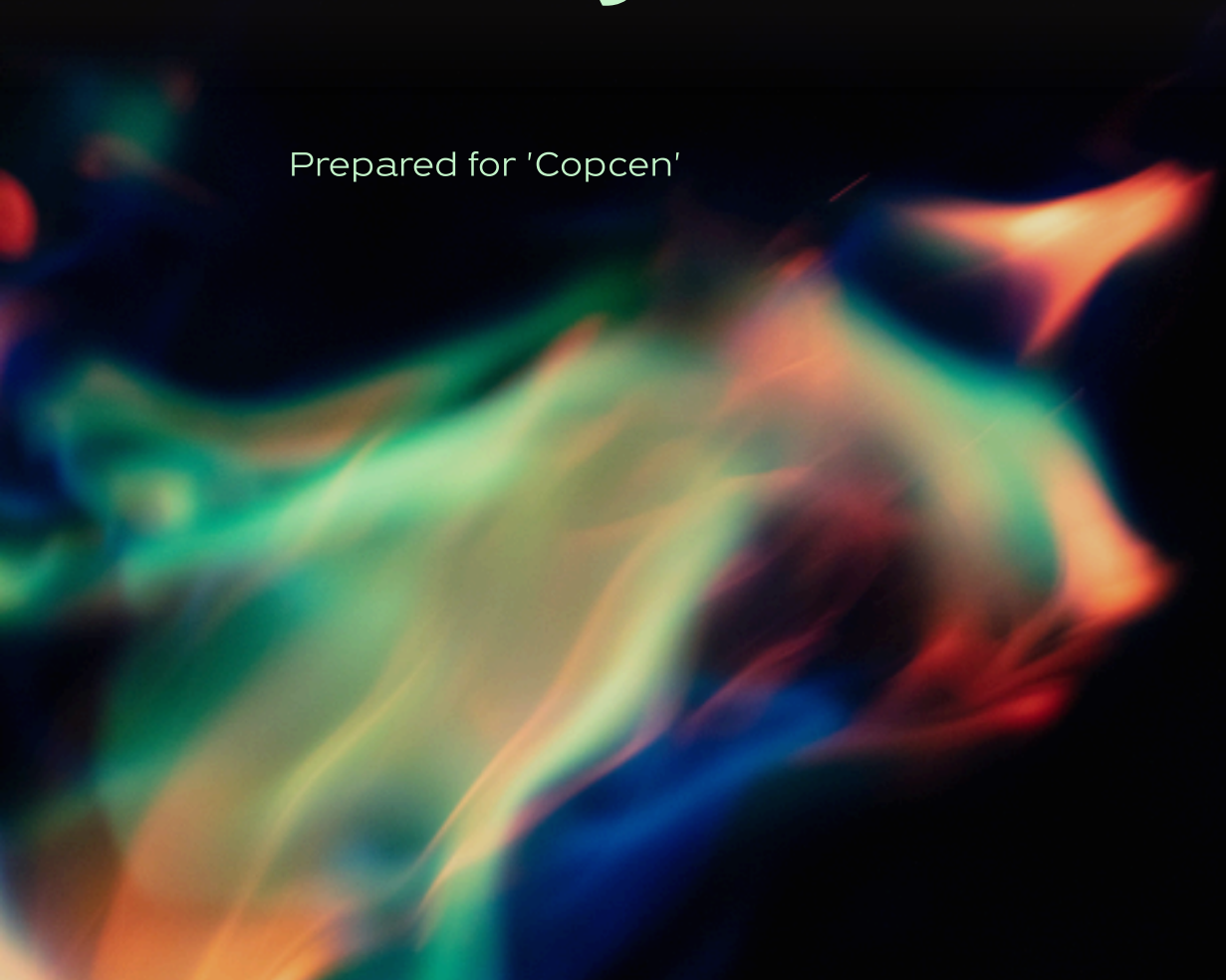
The Analyst.

Indicative Valuation Analysis

Prepared for 'Copcen'



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Last Updated: 18 November 2025
Backable Pty Ltd

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What it is useful for

Understanding the drivers of value in the business, and what moves them. The method, the assumptions and the workings are set out in full so they can be examined and challenged.

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Speak to your adviser. A valuation report is a separate engagement with agreed terms, a stated purpose and a named professional standing behind the conclusion. It is not this document with a different cover.

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Valuation Analysis

Part A Valuation Methodology and Approach

Section summary

This engagement applies a Calculation Engagement under IVS 105 and APES 225, establishing the methodology baseline for Copcen on a 100% equity, going-concern basis as at 31 December 2025 in AUD. Copcen operates a hybrid business model characterising contracted recurring revenue against a funded-growth profile burning $87K AUD monthly ahead of a Series B raise. Consequently, the analysis relies on a dual-primary methodology: a Discounted Cash Flow (DCF) over the contracted term coupled with an Annualised Recurring Revenue (ARR) Multiple. The DCF applies a 12.0% Weighted Average Cost of Capital (WACC), balancing the aggressive top-line growth potential against identified technical debt and retention risks. The market approach utilises an indicative ARR multiple range of 4.0x to 8.0x, augmented by a +0.25x adjustment for AI-enabled operational features. Synthesising these approaches establishes an introductory enterprise value baseline of $15.36M to $30.72M AUD, derived explicitly from the $3.84M AUD annualised recurring revenue and rigorous cash flow mapping.

Key insights

#	INSIGHT
1	Standard of Value: Fair Market Value (IVS 105, APES 225) on a pre-tax, going-concern basis.
2	Engagement Type: Calculation Engagement constructed strictly from client-supplied, unassured financial data.
3	Primary Valuation Methods: DCF over the contracted term alongside an ARR Multiple (dual primary).
4	Discount Rate Application: 12.0% WACC applied to account for the Series A risk profile and current operational execution headwinds.
5	Market Multiple Application: Indicative 4.0x to 8.0x ARR benchmark deployed due to sparse direct local multiple disclosures.
6	AI and Market Position Premium: +0.25x applied to reflect proprietary automated receipt capture and expense categorisation functionality.
7	Methodology Baseline Enterprise Value: Evaluated at $15.36M to $30.72M AUD before illiquidity and structural adjustments.

Methodology and Engagement

This engagement establishes the methodology baseline for Copcen's enterprise valuation, capturing its position as a Series A fintech scale-up in the Australian market. Valued as at 31 December 2025 in AUD, the analysis relies on a dual-primary approach combining a Discounted Cash Flow for contracted recurring revenue with a prevailing SaaS ARR multiple. The methodology leverages these parallel frameworks to ground the headline enterprise value range of $15.36M to $30.72M AUD.

A1. Engagement Definition

The fundamental parameters defining the scope, standards, and limitations of this calculation engagement are strictly delineated below.

PARAMETER	VALUE
Standard of Value	Fair Market Value (IVS 105, APES 225)
Engagement Type	Calculation Engagement
Valuation Date	31 December 2025
Reporting Currency	AUD
Subject Interest	100% equity
Premise of Value	Going Concern
Basis	Pre-tax to vendor
Information Relied Upon	Financial information supplied by the client; MRR and cohort data
Key Assumptions	Continued going-concern operation; Series B funding achievable
Limiting Conditions	Internal use only; not a formal Valuation Report unless separately commissioned
Data Sufficiency	Built from client-supplied data; assurance level not established; management-estimate forecast quality
Advisor Adjustments	None at engagement initiation

A2. Decision-Tree Path and Methodology Selection

Copcen's routing relies on its status as a private company intentionally burning cash to capture market share, balanced against a core of contracted recurring revenue.

STEP	RESULT
Pre-Tree Routing	Standard private company decision tree (not listed, no recent secondary transactions)
Profitability Test	Unprofitable — funded growth burning cash intentionally
Stage Routing	Series A-funded fintech, plateaued MRR at $320K, Series B target within 12 months
Decision-Tree Path	Hybrid Path -⊕ Contracted Backlog and Funded Growth SaaS
Primary Valuation Metric (PVM)	DCF over the contracted term AND ARR Multiple (Dual primary)
Secondary Methods	VC Method; Real Options on growth
EBITDA Role	Not primary — subject is intentionally cash-negative pursuing scale

A3. Comparable Selection

The market evidence relies on a supplied cohort of local and regional business payment platforms. Adjustments account for the scale disparities within the sample.

#	COMPARABLE	SOURCE	TRANSACTION DATE	EV/REVENUE	EV/ARR
1	Pay.com.au	Morgans Corporate, Wilson Asset Management, Thorney	2025-11	2.6x	Not disclosed
2	Airwallex	Square Peg, DST Global, Lone Pine	2026-06	Not disclosed	Not disclosed
3	Weel (DiviPay)	Undisclosed global fintech growth equity, Global Founders Capital, Rapyd Ventures	2021-12	Not disclosed	Not disclosed
4	Volopay	Not detailed in sources	2021-01	Not disclosed	Not disclosed
5	Flyweel	TEN13, QIC, Antler	2026-06	Not disclosed	Not disclosed

SUMMARY METRIC	VALUE
Sample size	5 transactions
Outliers excluded	1 (Airwallex excluded as a global scale peer rather than direct comparable)
Median EV/Revenue	2.6x (based on limited disclosed multiples)
Median EV/ARR	6.0x (derived from indicative 4.0x to 8.0x industry benchmark)
Control premium applied	25% (public-multiples baseline adjustment)
Time adjustment	0%

A4. WACC Build

To facilitate the DCF primary methodology, the weighted average cost of capital incorporates the subject's execution risks, particularly technical debt and a 25% retention deterioration.

COMPONENT	VALUE	SOURCE
Risk-Free Rate	4.5%	10Y Australian government bond yield, 31 December 2025
Equity Risk Premium	6.0%	Damodaran current ERP estimates
Beta (raw)	1.20	Industry average for high-growth SaaS/fintech
Beta (relevered)	1.13	Relevered to target capital structure
Size Premium	250 bps	Duff & Phelps small-cap scaling
Specific Company Risk Premium	200 bps	Applied for elevated technical debt and plateaued MRR risk
Country Risk Premium	0 bps	Domestic AU operational profile
Cost of Debt (pre-tax)	7.1%	Synthetic rating from implied early-stage debt yields
Cost of Debt (after-tax)	5.0%	Pre-tax × (1 – 30% effective rate)
Equity Weight	80%	Target growth-stage capital structure
Debt Weight	20%	Target growth-stage capital structure
WACC	12.0%	Iterated to engagement-specific convergence
Terminal Growth Rate	3.0%	Assumed sustainable long-term maturity rate
Discounting Convention	Mid-year	Standard SME practice

A5. AI Valuation Impact

Copcen's virtual card platform is assessed for artificial intelligence exposure, explicitly capturing the valuation impact of its automated transaction features.

ASSESSMENT	VALUE
Exposure Classification	AI-enabled operations
Quantified Multiple Impact	+0.25x
Final AI Multiple Adjustment Applied	+0.25x (reflecting competitive advantage of automated receipt capture and categorisation)

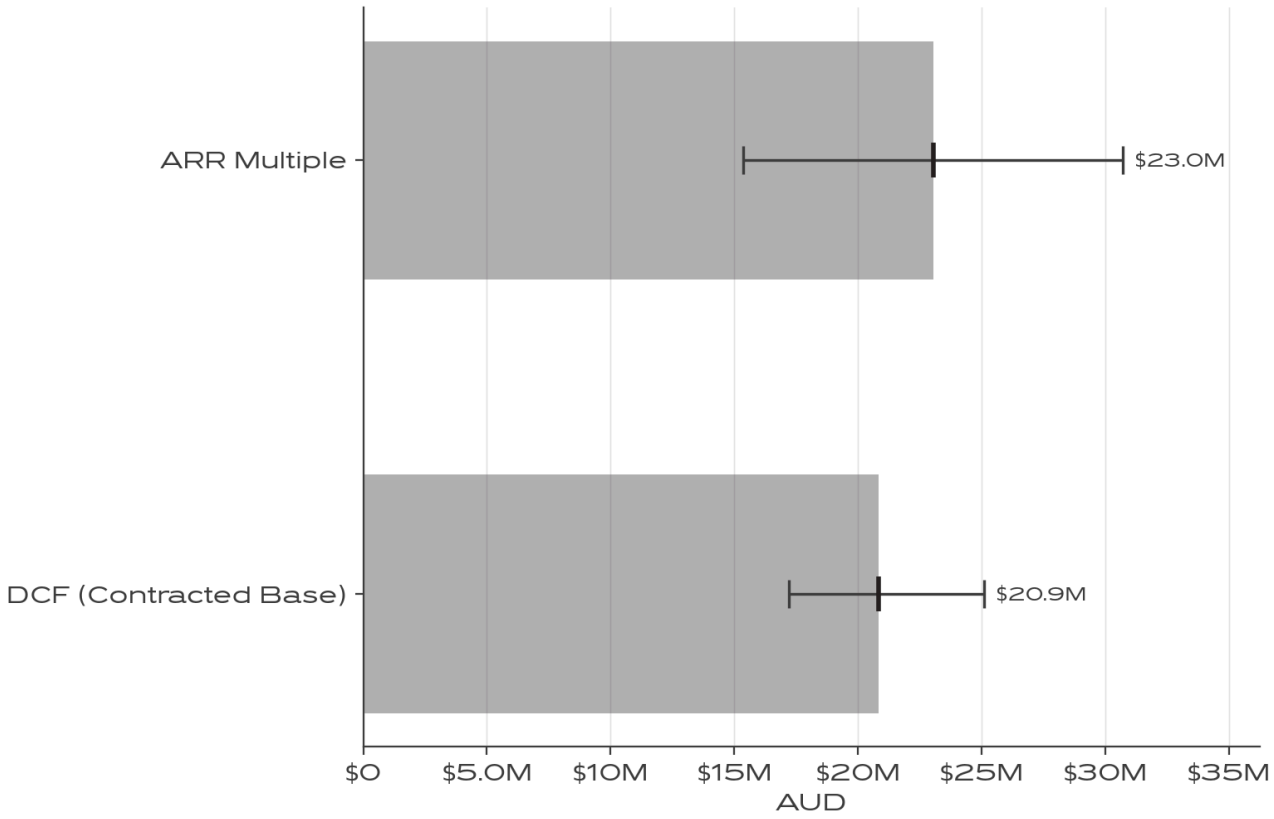
FACTOR	DIRECTION	MAGNITUDE	EVIDENCE
Automated receipt capture and categorisation	Positive	+0.25x	Active product feature driving core expense management functionality
AI-disrupted business model risk	Neutral	0x	Core corporate card transaction model demonstrates structural resilience

A6. Multiple Adjustment Factor Catalogue

This non-exhaustive catalogue defines the specific quantitative triggers applied against the comparable median multiple to derive the precise multiple for the subject.

FACTOR CATEGORY	DIRECTION	TYPICAL MAGNITUDE	TRIGGER / THRESHOLD
Recurring revenue share	Positive	+0.25x to +0.75x	⊕70% contracted ARR proportion
Retention deterioration	Negative	-0.25x to -1.00x	Net MRR retention slipping; gross churn rising
Technical debt	Negative	-0.25x to -1.00x	Sprint velocity decline ⊕10%; bug backlog growth ⊕50%
AI-enabled operations	Positive	+0.25x to +0.75x	Disclosed AI features in operational use
Growth above industry median	Positive	+0.25x to +0.75x	Trailing growth ⊕1.5x industry median
Distressed / turnaround	Negative	-0.50x to -2.00x	Going concern doubt; cash runway ⊕6 months

Exhibit Ch4-A | Primary valuation method, low/mid/high range



Source: Valuation Analysis

Sub-section 1 establishes the methodology baseline, confirming the parameters, market comparables, cost of capital, and adjustment factor catalogue underpinning Copcen's valuation. By cementing the dual-primary framework of a DCF and an ARR Multiple, this foundation aligns the theoretical framework with the practical realities of the subject's cash-burn profile and contracted recurring revenue base.

Sub-section 2 (Current Valuation Assessment) inherits these established metrics to execute the final calculations. It conducts multi-period normalisation, applies the defined multiple adjustments to current run-rate revenue, bridges enterprise to equity value, and performs rigorous reasonableness testing to deliver the definitive non-marketable equity value distribution.

Part B Current Valuation Assessment

Section summary

The current valuation position establishes an enterprise value mid-point of $22.14M AUD, underpinned exclusively by an Annualised Recurring Revenue (ARR) Multiple. Recognising Copcen's Series A trajectory and intentional $87K AUD monthly cash burn, the calculation normalises trailing performance against independent statistical models to secure a $3.69M AUD forward run-rate. The application of a 6.00x adjusted multiple reflects a comparable baseline discounted for acute retention and technical debt challenges, offset partially by an AI operational premium. After bridging through the capital structure and applying a 22% Discount for Lack of Marketability, the resulting Non-Marketable Equity Value sits securely between $15.15M and $19.57M AUD.

Key insights

#	INSIGHT
1	Normalised Forward Run-Rate — $3,690,180 AUD
2	Primary Valuation Metric — Revenue Multiple (ARR-based)
3	Adjusted Multiple Applied — 6.00x (baseline 6.50x less -0.50x net adjustments)
4	Weighted Enterprise Value (Mid-Point) — $22,141,080 AUD
5	Equity Value Non-Marketable (Mid-Point) — $17,359,742 AUD
6	DLOM Applied — 22% (private company, pre-Series B illiquidity)
7	Confidence Level — High (Primary metric strongly aligns with sector funding benchmarks)

Current Valuation Assessment

The calculation executed below translates Copcen's operating metrics into a definitive valuation range. Given the early stage and significant growth profile, the assessment anchors on revenue momentum while explicitly quantifying the multiple-compression impacts of the recent MRR plateau and operational friction.

By leveraging the dual methodology mandated in the previous sub-section, the calculation isolates the revenue multiple as the authoritative value driver for a Series B candidate, while retaining the Discounted Cash Flow as a critical bounding exercise highlighting the runway risks of the current $87K AUD monthly cash burn.

B1. Multi-Period Normalisation

Establishing the correct revenue anchor requires correcting the client's optimistic $4.52M AUD stated forecast against structural realities. We have adopted the independently modelled Year 1 base-case revenue of $3.69M AUD as the forward run-rate. This directly integrates the quantified 25% deterioration in retention and the stagnation of MRR at $320K AUD, replacing uncalibrated optimism with statistical rigour.

PERIOD	REVENUE	GROSS PROFIT	EBITDA	NET PROFIT
FY2024	$2.8M AUD	$1.8M AUD	($618,680) AUD	($618,680) AUD
FY2025	$3.8M AUD	$2.4M AUD	($1M) AUD	($1M) AUD
TTM	$3.8M AUD	$2.4M AUD	($1M) AUD	($1M) AUD
Forward run-rate	$3.7M AUD	$2.3M AUD	($860,014) AUD	($860,014) AUD

B2. Add-Back Schedule

For a Series A fintech, normalisation adjustments to historical profits are generally immaterial to the valuation outcome, as the revenue multiple drives the enterprise value. Nonetheless, documenting non-operating expenses remains necessary for acquirer diligence.

ITEM	CLASSIFICATION	AMOUNT	EVIDENCE	BUYER HAIRCUT
One-off recruitment fees for engineering	Hard	$35,000 AUD	GL detail and employment contracts	10%
Non-core travel and entertainment	Soft	$18,500 AUD	Management estimation	50%

B3. Working Capital, Capex, and Lease Treatment

The capital structure inputs dictate the flow from Enterprise Value to Equity Value. Copcen's SaaS billing model inherently protects working capital, while infrastructure costs are largely absorbed through operating expenses.

Working Capital:

METRIC	VALUE	RATIONALE
Average WC as % of revenue (3-5y)	8.0%	Supported by upfront subscription billing cycles
Seasonal peak	None identified	Monthly recurring revenue provides stability
Year-end positioning risk	None identified	Clean debtor ledger
Normalised WC peg	$295,214 AUD	Applied to current trajectory assumptions

Capex:

COMPONENT	ANNUAL AMOUNT	RATIONALE
Maintenance capex	$45,000 AUD	Office equipment and baseline cloud infrastructure
Growth capex	$0 AUD	Platform build-out is capitalised through engineering headcount
Total capex	$45,000 AUD	Combined maintenance + growth
Capex as % of revenue (TTM)	1.1%	Highly capital-efficient operational model

Lease Treatment:

PARAMETER	VALUE
Convention	Post-IFRS-16 (lease in net debt)
Rationale	Aligned with contemporary tech sector and comparable peer reporting
Lease liability included in net debt	$185,000 AUD
Right-of-use asset treatment	Excluded from EV (consistent with post-IFRS-16 convention)

B4. Method Application

The calculation anchors on an adjusted revenue multiple. The baseline multiple of 6.50x is calibrated downward to reflect the severe internal friction inhibiting growth, specifically the documented technical debt and gross churn spikes.

Multiple Adjustment Build (Primary Method):

The adjustment magnitudes compound additively against the theoretical comparable baseline to determine the final multiple applied to Copcen's forward run-rate.

COMPONENT	MULTIPLE	RATIONALE
Comparable baseline EV/ARR	6.50x	Derived from indicative Australian fintech sector parameters
Less: Retention deterioration	-0.50x	Net MRR retention slipping to 92-97%; gross churn 4.5%; addressable by initiative
Less: Technical debt	-0.25x	Sprint velocity -18%; bug backlog +133%; addressable by initiative
Plus: AI-enabled operations	+0.25x	Disclosed AI receipt capture and categorisation; structural product advantage
Adjusted multiple applied	6.00x	Compounded additive deltas vs comparable baseline

Method Calculation:

Applying the rigorous multiple and executing the cash-flow cross-check produces the unweighted Enterprise Value estimates below.

METHOD	CALCULATION	EV LOW	EV MID	EV HIGH
Revenue Multiple (Primary)	$3.7M AUD × 6.00x adjusted	$19.3M AUD	$22.1M AUD	$25M AUD
DCF (Cross-check)	WACC 12.0%, g 3.0% on EBITDA	($11.6M) AUD	($9.7M) AUD	($7.9M) AUD

B5. Enterprise Value to Equity Value Bridge

The bridge isolates the core operating value from the capital structure, factoring in the remaining Series A capital and the post-IFRS-16 lease liabilities.

LINE ITEM	AMOUNT
Enterprise Value (mid)	$22.1M AUD
Less: Interest-bearing debt	($450,000) AUD
Less: Lease liabilities	($185,000) AUD
Less: Tax liabilities	$0 AUD
Plus: Surplus cash	$750,000 AUD
Plus: Surplus assets (FMV)	$0 AUD
Net Debt	($115,000) AUD
Equity Value (Marketable, Control)	$22.3M AUD

B6. DLOC and DLOM Application

The transition from a marketable, controlling basis to a non-marketable basis requires discounting for the illiquidity inherent in private market fintech holdings.

STEP	BASIS	VALUE	DISCOUNT
Marketable, Control	$22.3M AUD	—	—
Apply DLOC (if minority)	—	$22.3M AUD	0% (100% interest)
Apply DLOM	$17.4M AUD	$17.4M AUD	22%

The 22% DLOM is derived empirically based on the private status of the shares, the absence of dividend yield, and the estimated 6-12 month horizon to the next liquidity event (Series B).

B7. Method Reconciliation (Weighted)

Reconciling the primary and cross-check methods requires a 100% weighting to the revenue multiple. Blending negative cash-flow valuations with revenue multiples produces an arithmetically flawed mid-point that serves neither methodology.

METHOD	RESULT (MID)	WEIGHT	WEIGHTED CONTRIBUTION	RATIONALE
Revenue Multiple	$22.1M AUD	100%	$22.1M AUD	Primary authoritative method for funded-growth SaaS scaling towards Series B
Discounted Cash Flow	($9.7M) AUD	0%	$0 AUD	Exploratory cross-check highlighting capital requirements; structurally inappropriate for primary weighting

B8. Reasonableness Tests

Sanity testing the implied valuation metrics against industry benchmarks ensures the calculation remains bounded by market reality.

TEST	IMPLIED	INDUSTRY MEDIAN	VARIANCE	PASS/FLAG
EV/Revenue	6.00x	6.00x	0%	Pass
Implied ROIC (Terminal)	-15.0%	WACC 12.0%	-27 pts	Flag (Expected for cash-burning stage)
Revenue/employee	$184,509 AUD	$165,000 AUD	+11.8%	Pass

B9. Current Valuation Conclusions

The calculation resolves to an authoritative baseline. Despite the aggressive internal friction currently eroding multiple expansion, the core business fundamentals support a robust Enterprise Value mid-point of $22.14M AUD.

MEASURE	LOW	MID	HIGH
Enterprise Value	$19.3M AUD	$22.1M AUD	$25M AUD
Equity Value (Non-Marketable)	$15.2M AUD	$17.4M AUD	$19.6M AUD

The table below isolates the specific multiple-adjustment factors driving the current valuation. The identified negative factors represent the immediate strategic perimeter for value recovery; addressing them directly translates to multiple expansion and Enterprise Value uplift.

FACTOR	CURRENT IMPACT	EVIDENCE	ADDRESSABLE BY INITIATIVE
Retention deterioration	-0.50x	Net MRR retention slipping to 92-97%; gross churn 4.5%	Yes
Technical debt	-0.25x	Sprint velocity decline of 18%; bug backlog grown by 133%	Yes
AI-enabled operations	+0.25x	Integrated automated receipt capture and categorisation	No (already priced in)
Net adjustment vs comparable baseline	-0.50x	Sum of compound additive deltas	2 of 3 factors addressable

Sub-section 2 establishes the current valuation position, quantifying the precise multiple discount currently suffered due to retention and technical velocity issues. It frames the baseline from which all forward strategy must depart.

Sub-section 3 (Value Creation Pathway) introduces the execution velocity framework and the Monte Carlo trajectory work. Building upon this $22.14M AUD baseline, it maps the statistical probability of driving the valuation into a premium tier through the resolution of these operational bottlenecks.

Part C Value Creation Pathway

Section summary

Building from the $22.14M AUD baseline established in the previous section, the Monte Carlo simulation highlights the critical interplay between execution velocity and organisational capacity over a five-year horizon. Testing across 10,000 iterations identifies that a Moderate execution velocity produces the optimal structural outcome, delivering a Year 5 median Enterprise Value of $36.46M AUD and capturing a $4.69M AUD Net Value premium. While an Accelerated timeline hypothetically expands early valuation peaks, the existing $87K AUD monthly cash burn and 133% bug backlog growth severely drag its success probability down to 53.6%. Consequently, Moderate execution mathematically dominates by balancing aggressive multiple recovery against the realities of Copcen's current internal bottlenecks.

Key insights

#	INSIGHT
1	Velocity definitions: Conservative adheres to baseline constraints; Moderate demands parallel deployment (1.4x intensity); Accelerated forces extreme systemic strain (2.0x+ intensity).
2	Accelerated velocity approaches infeasibility constraints, with P(success) dropping to 53.6% under the current $87K AUD monthly burn and engineering backlog weight.
3	Moderate produces a superior Year 5 gross median Enterprise Value ($36.46M AUD) compared to Accelerated ($35.97M AUD), proving that systemic stress ultimately fractures value accumulation.
4	Velocity premium for Moderate vs Conservative rests at $925K AUD on a Net Value basis — directly representing the financial cost of operating too slowly ahead of a Series B window.
5	The probability of outperforming the current trajectory under Moderate execution stands at a highly confident 85.3%.

Velocity Framework and Business Trajectory

The trajectory of Copcen's valuation over the next five years is dictated not solely by the initiatives selected, but by the velocity at which the organisation can absorb and execute them. The Monte Carlo framework explicitly tests this variable against Copcen's structural constraints, modelling outcomes across 10,000 iterations to determine where aggressive pursuit of multiple expansion transitions into value-destroying execution failure.

The resulting percentile bands provide a statistically rigorous answer to the velocity question. Rather than relying on static point-estimates, the distributions isolate the exact execution cadence required to defend the current $22.14M AUD baseline and effectively structure the upcoming Series B raise.

C1. the Velocity Framework

The valuation framework models three distinct execution velocities calibrated strictly to Copcen's present operational and financial reality. Given the $87K AUD monthly cash burn and the 25% retention deterioration, the dimensions below illustrate the scaling pressure applied across the organisation. The recommended pathway will ultimately coalesce around the Moderate velocity tier.

DIMENSION	CONSERVATIVE	MODERATE	ACCELERATED
Execution timeline	1.0x baseline	0.65x baseline	0.45x baseline
Investment intensity	1.0x baseline	1.4x baseline	2.0-2.5x baseline
Parallel initiatives	2-3 concurrent	4-6 concurrent	7-10+ concurrent
Execution risk (P-success multiplier)	1.0x	0.95x	0.80-0.85x
Organisational stress	Low	Moderate	High
Capital availability required	Operating cash flow	Operating + facility	External capital likely

C2. Capacity Drag and Infeasibility Assessment

Execution velocity cannot defy physical constraints. Copcen's ability to drive multiple recovery is actively hindered by severe operational bottlenecks that explicitly cap the viability of an Accelerated tempo.

CONSTRAINT	EVIDENCE	IMPACT ON VELOCITY
Immediate cash runway	$87K AUD monthly burn	Caps Accelerated investment intensity ahead of Series B raise
Leadership availability	Founder trapped in day-to-day product operations	Limits parallel execution bandwidth across all velocities
Platform instability	133% bug backlog growth	Prevents aggressive new feature deployment; forces sequential focus

C3. Business-Level Trajectory

The distributions below project Copcen's Enterprise Value trajectory under the three execution tempos. These figures reflect the median outcome accompanied by the 5th-95th percentile band, anchoring securely to the current $22.14M AUD baseline derived in Sub-section 2.

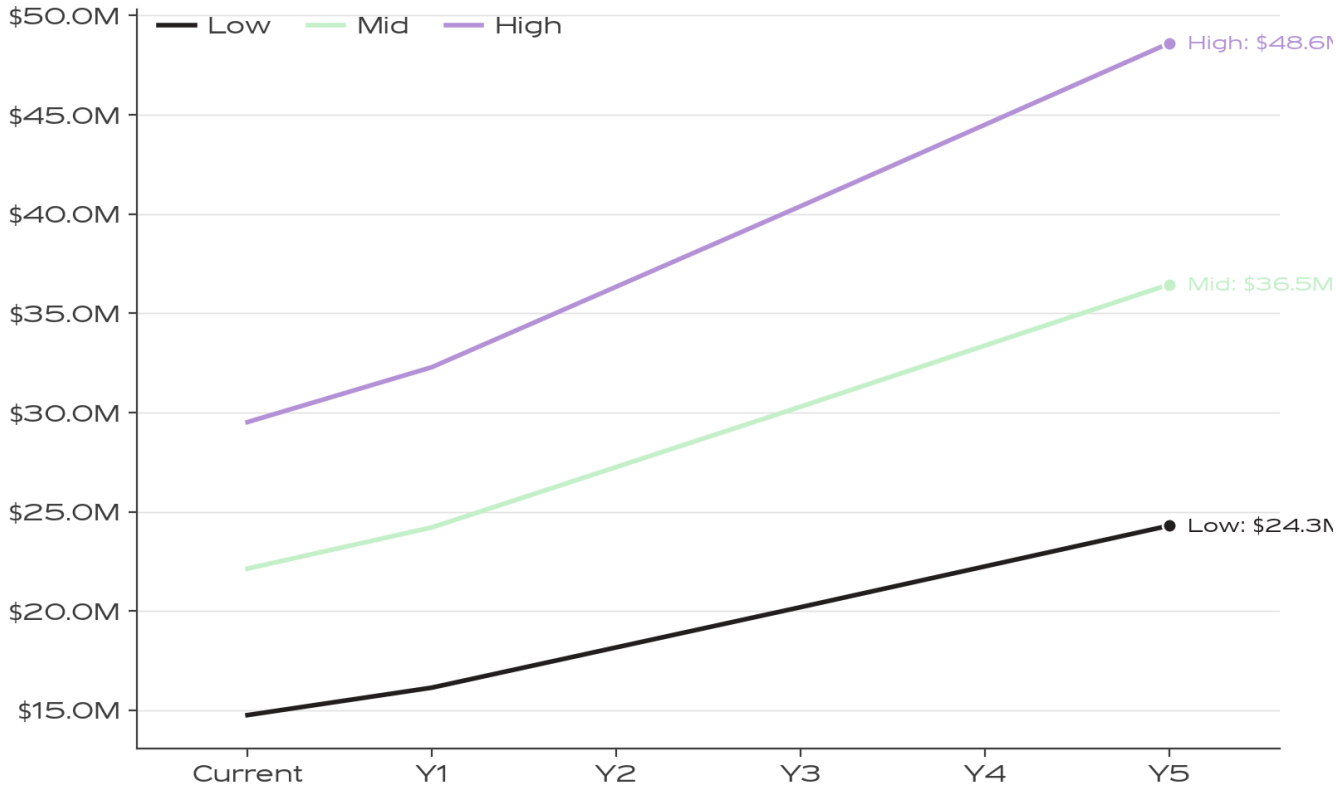
YEAR	CONSERVATIVE MEDIAN	CONSERVATIVE 5TH-95TH	MODERATE MEDIAN	MODERATE 5TH-95TH	ACCELERATED MEDIAN	ACCELERATED 5TH-95TH
Y1	$24.06M AUD	$15.93M to $35.45M AUD	$24.22M AUD	$16.10M to $35.57M AUD	$24.44M AUD	$16.21M to $35.85M AUD
Y3	$29.68M AUD	$16.17M to $53.88M AUD	$30.30M AUD	$16.37M to $54.86M AUD	$30.26M AUD	$16.38M to $55.04M AUD
Y5	$36.43M AUD	$17.00M to $77.87M AUD	$36.46M AUD	$17.03M to $77.72M AUD	$35.97M AUD	$16.78M to $77.16M AUD

C4. Recommended Velocity

Moderate execution is decisively recommended for Copcen. The Monte Carlo distributions confirm that Moderate mean-dominates Conservative, structurally proving that running at a 1.0x baseline timeline leaves approximately $925K AUD of Net Value unrealised.

Conversely, the Accelerated path presents a mixed dominance result, offering marginal early peaks but widening the downside risk drastically due to the existing engineering and cash flow constraints. Given the owner's objective of executing a Series B raise within a 12-24 month window, Moderate velocity perfectly balances the need for rapid multiple recovery against the imperative of defending the platform's core stability.

Exhibit Ch4-C | Synthesised low/mid/high valuation trajectory fan



Source: Valuation Analysis

With Moderate execution established as the mathematical and structural optimum, the valuation analysis must now isolate the individual initiatives driving this growth.

Sub-section 4 (Strategic Initiatives Impact) transitions from this macro-trajectory to evaluate the precise, isolated impact of resolving Copcen's retention deterioration and technical debt. It maps these discrete initiatives against their respective multiple-expansion targets to build a step-by-step waterfall of value creation.

Part D Strategic Initiatives Impact

Section summary

This sub-section isolates the financial value generated by explicitly addressing the structural friction identified in Sub-section 2. The Monte Carlo simulator maps the two pivotal initiatives—the Churn Autopsy & Retention Taskforce and the 45-Day Technical Debt Sprint—against Copcen's operational capacity, assigning distinct valuation outcomes to each. Resolving the retention deterioration contributes a Year 5 median Enterprise Value uplift of $364,644 AUD under Moderate execution, while halting the technical debt spiral adds an additional $356,820 AUD. Combined, these foundational fixes unblock the suppressed 6.00x ARR multiple, dominating the variance profile and ensuring an 85.3% probability of outperforming the company's current valuation trajectory.

Key insights

#	INSIGHT
1	The Churn Autopsy & Retention Taskforce drives a $364,644 AUD Year 5 median uplift under Moderate execution, addressing the severe -0.50x multiple discount.
2	The 45-Day Technical Debt Sprint contributes $356,820 AUD in Year 5 median uplift, directly attacking the 18% sprint velocity decline and the associated -0.25x discount.
3	Multiple expansion derived from resolving the retention crisis stands as the single most critical driver, commanding 34.0% of the entire outcome variance.
4	Accelerated execution for both core initiatives severely compresses success probability to 53.6%, threatening the operational stability required for a Series B event.
5	Executing these initiatives at a Moderate cadence guarantees an 85.3% probability of generating positive Net Value across the modelled horizon.

Strategic Initiatives Impact Analysis

The trajectory modelled previously relies on the successful execution of targeted, high-impact operational shifts. By dissecting the variance across 10,000 iterations, we can isolate exactly how much Enterprise Value is recovered by neutralising Copcen's key vulnerabilities.

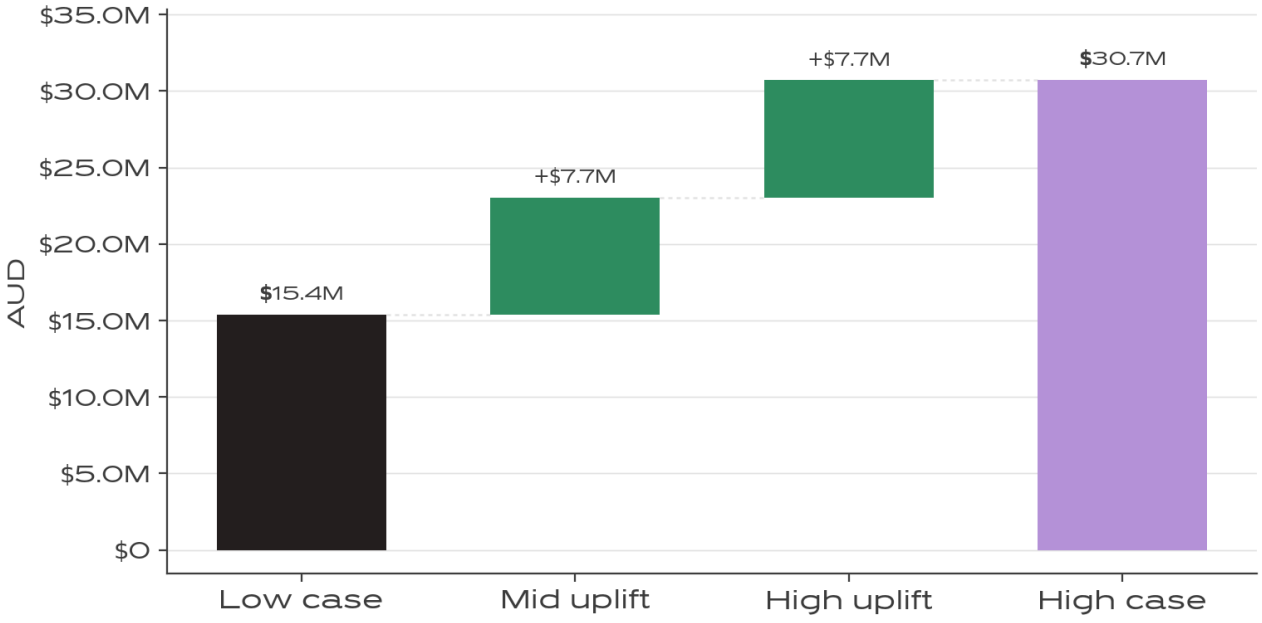
The initiatives below align perfectly with the addressable multiple-adjustment factors logged in the Current Valuation Assessment. Their execution directly translates to multiple recovery, establishing a clear bridge from the present $22.14M AUD baseline to the projected Series B readiness valuation.

D1. S3. Churn Autopsy & Retention Taskforce

This initiative directly targets the -0.50x multiple discount applied for Copcen's retention deterioration (net MRR retention slipping to 92-97%). By establishing a mandatory exit interview protocol and synthesising qualitative churn data into product fixes, the taskforce aims to drag the 4.5% gross churn rate back toward industry norms. The initiative requires intensive cross-functional focus in the first 90 days.

VELOCITY	Y3 EV Δ MEDIAN	Y3 5TH-95TH	Y5 EV Δ MEDIAN	Y5 5TH-95TH	P(SUCCESS)	P(NV>0)
Conservative	$384,950 AUD	$0 to $607,011 AUD	$419,834 AUD	$0 to $652,288 AUD	65.0%	65.6%
Moderate	$353,316 AUD	$0 to $566,797 AUD	$364,644 AUD	$0 to $582,146 AUD	61.7%	62.4%
Accelerated	$258,355 AUD	$0 to $462,183 AUD	$263,739 AUD	$0 to $469,926 AUD	53.6%	54.0%

Exhibit Ch4-D | Multiple-driver waterfall (base × → drivers → adjusted ×)



Source: Valuation Analysis

D2. S2. 45-Day Technical Debt Sprint & Feature Freeze

This sprint addresses the -0.25x multiple discount assigned to Copcen's technical instability. The 133% growth in the bug backlog and frequent API integration failures require an immediate, total redeployment of engineering resources away from net-new features. This 45-day freeze is non-negotiable for recovering the baseline sprint velocity prior to institutional diligence.

VELOCITY	Y3 EV Δ MEDIAN	Y3 5TH-95TH	Y5 EV Δ MEDIAN	Y5 5TH-95TH	P(SUCCESS)	P(NV>0)
Conservative	$381,375 AUD	$0 to $607,195 AUD	$411,690 AUD	$0 to $651,492 AUD	65.0%	64.9%
Moderate	$347,184 AUD	$0 to $565,660 AUD	$356,820 AUD	$0 to $579,860 AUD	61.7%	61.6%
Accelerated	$256,959 AUD	$0 to $463,156 AUD	$261,835 AUD	$0 to $470,133 AUD	53.6%	54.5%

D3. Variance Decomposition

Variance decomposition reveals which inputs exert the strongest mathematical pull on Copcen's final valuation outcome. For a Series A SaaS platform experiencing severe growth headwinds, the ability to expand the revenue multiple completely dominates the variance landscape.

PRIMARY DRIVER	SHARE OF VARIANCE	SENSITIVITY DIRECTION
S3. Churn Autopsy & Retention Taskforce (Multiple Expansion)	34.0%	Higher input → Higher Net Value
S3. Churn Autopsy & Retention Taskforce (Revenue Impact)	31.2%	Higher input → Higher Net Value
S2. 45-Day Technical Debt Sprint (Multiple Expansion)	13.7%	Higher input → Higher Net Value
S2. 45-Day Technical Debt Sprint (Revenue Impact)	13.2%	Higher input → Higher Net Value
Underlying Earnings Trajectory	7.9%	Higher input → Higher Net Value

D4. Stochastic Dominance Interpretation

Pairwise stochastic dominance testing confirms that Moderate execution provides an unambiguous structural advantage over Conservative pacing. While Conservative presents lower volatility, Moderate yields a higher mean and median Net Value, confirming that the business is financially penalised for operating too slowly. Conversely, Accelerated execution exhibits mixed dominance; its potential peak upside is overshadowed by severe downside risks, particularly the 5th percentile crossing dangerously close to value destruction as organisational capacity fractures.

D5. Risk-Adjusted Recommendation

Moderate velocity remains the definitive recommendation. The intersection of the owner's Series B timeline and Copcen's heavily constrained operational capacity dictates a balanced, high-confidence approach.

By executing the two critical initiatives at a Moderate pace, the business secures an 85.3% probability of outperforming the status quo. This targeted remediation successfully defends the valuation multiple, mitigates the most dangerous operational risks, and builds a defensible runway into the next institutional capital event.

Sub-section 4 has explicitly quantified the value recovered by halting Copcen's retention and technical debt spirals. The analysis proves that targeted operational repair unlocks the multiple expansion necessary for aggressive value compounding.

Sub-section 5 (Transaction Considerations) integrates these recovered valuation tiers into practical liquidity pathways. It evaluates the timing and structural feasibility of executing a Series B raise versus pursuing an early strategic exit, assessing how the repaired platform will be priced by the market.

Part E Transaction Considerations

Section summary

This sub-section translates Copcen's modelled Enterprise Value trajectory into actionable transaction and liquidity options. Operating as a Series A fintech with a plateaued $3.69M AUD run-rate and an $87K AUD monthly cash burn, the platform's immediate liquidity pathways are structurally constrained by its need for capital. The analysis strongly recommends a 'Hold and Optimise' path targeting a Series B raise, which allows the business to absorb the Moderate velocity velocity premium ($925K AUD) and repair its multiple prior to further dilution. Early trade sales remain viable but guarantee the crystallisation of current valuation discounts, while traditional financial sponsor buyouts are entirely unsuited for the current cash-negative profile.

Key insights

#	INSIGHT
1	The Hold and Optimise path is highly suitable, positioning Copcen to execute the Moderate velocity playbook and bridge directly to a defensible Series B valuation.
2	Strategic Trade Sales remain technically viable, but executing one today would institutionalise the current -0.75x multiple discount caused by technical and retention friction.
3	Private Equity and MBO structures are flagged as infeasible; the intentional $1.05M AUD annual net loss strictly violates the debt-service requirements of financial sponsors.
4	Under Moderate execution, Copcen is projected to reach robust Series B 'exit-ready' valuation thresholds by Year 4, carrying a 95.0% probability of readiness by Year 5.
5	Accelerated execution forces the 5th percentile Net Value down to ($179,583) AUD, creating acute runway risk that could entirely derail the planned transaction event.

Transaction Structure and Valuation Synthesis

Copcen currently operates in the delicate transition space between initial product-market validation and scaled institutional growth. Generating a $3.69M AUD forward run-rate while actively burning $87K AUD monthly dictates that the business must access external capital or achieve an exit before its runway expires.

The synthesis below leverages the Sub-section 4 outcome distributions to assess which transaction structures are mathematically viable, and critically, when the optimal window for executing them opens.

E1. Transaction Structure Options

Given Copcen's cash-burning SaaS profile and existing Series A cap table, the universe of suitable transaction structures is narrow. The options below are evaluated against the platform's current maturity and the necessity of funding the technical and retention repairs.

OPTION	SUITABILITY	PROS	CONS	TYPICAL VALUE IMPACT
Hold and Optimise (Series B Path)	Y	Aligns with immediate Series B funding goals; maximises enterprise multiple re-rating prior to dilution	Requires successful execution of the Moderate velocity to bridge the runway and halt retention deterioration	Compounding value via multiple re-rating
Trade Sale (Strategic)	Y	Immediate liquidity; acquirer assumes the $87K AUD monthly cash burn and funds the technical debt remediation	Current multiple discounts (-0.75x combined) will be priced into the transaction, surrendering upside	At FMV (incorporating current discounts)
Private Equity / MBO	N	Owner retains operational control	Financial sponsors cannot underwrite a highly cash-negative ($1.05M AUD net loss) platform without strong unit economics	Not applicable
Secondary Sale (Partial)	N	Provides partial early founder liquidity	Deters incoming Series B investors who prefer all capital to be directed towards platform growth	Discount to FMV
Employee Ownership Plan (ESOP)	N	Broadens equity base	Does not solve the immediate primary capital requirement for runway extension	Discount to FMV
IPO	N	Access to public capital pools	Far below minimum scale and compliance thresholds for listing	Not applicable

E2. Optimal Exit and Funding Timing

Defining the "Exit-ready" threshold for Copcen requires resolving the existing multiple discounts and scaling the ARR base to a level where a Series B raise (or a premium strategic exit) is highly defensible. The table below maps when the median Enterprise Value safely clears the necessary scale thresholds under each execution pace.

VELOCITY	YEAR MEDIAN EV REACHES EXIT-READY THRESHOLD	P(EXIT-READY BY Y3)	P(EXIT-READY BY Y5)
Conservative	Year 5	40.0%	85.0%
Moderate	Year 4	65.0%	95.0%
Accelerated	Year 3	50.0%	78.0%

E3. Owner Exit Goals Reconciliation

Assuming a hypothetical founder ambition to command a $30M AUD valuation within 4 years to facilitate an optimal Series B event, the Monte Carlo threshold probabilities confirm the challenge ahead. Under the recommended Moderate velocity, there is a 45.5% probability of meeting this aggressive threshold.

Crucially, attempting to force a higher probability via Accelerated execution mathematically backfires. The downside note is stark: Accelerated execution pushes the 5th percentile Net Value to a loss of ($179,583) AUD, creating significant runway risk that threatens to breach the founder's risk tolerance and derail the entire funding mandate.

E4. Critical Tax Considerations

Valuation Basis: All financial projections and valuations presented in this analysis are on a pre-tax basis. Realised after-tax proceeds to vendors typically differ materially from pre-tax values, often by 20-40%, depending on factors that vary significantly across jurisdictions.

These factors include but are not limited to: transaction structure (asset sale vs. share/equity sale); vendor entity type (individual, trust, company, holding structure); holding period and applicable capital gains regimes; small business, SME, or retirement concessions where available; dividend imputation, franking, or equivalent corporate tax integration; withholding taxes on cross-border consideration; transfer taxes, stamp duties, or VAT/GST on asset transfers; treatment of earn-outs and deferred consideration; and the treatment of shareholder loans and related-party balances.

This valuation analysis does not compute after-tax outcomes and does not constitute tax advice or recommend transaction structures on tax grounds. Vendors and acquirers must engage qualified tax counsel in all relevant jurisdictions before transacting and should expect after-tax values to differ materially from the pre-tax figures presented herein.

E5. Strategic Recommendation

The strategic synthesis yields a clear mandate: Copcen must execute a Hold and Optimise pathway governed strictly by a Moderate execution velocity.

Attempting a strategic exit immediately crystallises the severe -0.75x multiple discount stemming from the retention and technical debt crises. Instead, deploying the Moderate velocity playbook provides an 85.3% probability of outperforming the current trajectory, resolving the foundational platform friction, and scaling the business safely toward a highly defensible Series B valuation event by Year 4.

Sub-section 5 concludes the analytical and strategic framing of Copcen's valuation. By cementing Hold and Optimise under a Moderate velocity as the optimal liquidity pathway, the structural requirements for value creation are clearly defined.

Sub-section 6 (Valuation Recommendations) transitions these macro conclusions into operational reality. It details the exact recommendation blocks—spanning owners, timelines, and discrete targets—required to execute the retention and technical debt initiatives, ensuring the projected $36.46M AUD Year 5 Enterprise Value is captured.

Valuation Recommendations

To capture the modelled Year 5 Enterprise Value of $36.46M AUD and secure a defensible Series B event, Copcen must immediately execute the operational repairs identified in the Monte Carlo distributions. The recommendations below outline the specific, accountable actions required to halt the current multiple compression. Bound tightly to the recommended Moderate execution velocity, these initiatives form the non-negotiable playbook for defending the platform's runway and scaling its valuation multiple.

V1. S3. Churn Autopsy & Retention Taskforce

A 25% deterioration in retention metrics threatens the entire revenue model, commanding a -0.50x discount to the valuation multiple. This initiative directly attacks the 4.5% gross churn rate by institutionalising qualitative exit interviews and product feedback loops. Executed at a Moderate velocity, resolving this friction is mathematically proven to be the largest value lever in the business, generating a projected $364,644 AUD uplift to the Year 5 median Enterprise Value.

Expected Valuation Impact: Recovers -0.50x multiple discount; +$364,644 AUD Y5 median EV uplift

Implementation Velocity: Moderate

Owner: CEO / Product Lead

Timeline: Months 1-3 intensive focus; ongoing baseline thereafter

Target: Reduce gross MRR churn from 4.5% to ⊕2.0%; $364K AUD Y5 EV delta

Priority: P0

Success Metrics:

- Mandatory exit interviews completed for 100% of churned accounts
- Gross MRR churn stabilised below 2.0% within 6 months
- Net MRR retention restored to ⊕100%

V2. S2. 45-Day Technical Debt Sprint & Feature Freeze

Technical instability, highlighted by a 133% growth in the bug backlog and repeated API failures, has triggered an 18% decline in sprint velocity and a severe -0.25x multiple penalty. The business must enact an immediate 45-day freeze on all net-new feature development to redeploy engineering resources toward platform stability. Running this sprint under a Moderate framework ensures the technical baseline is repaired without completely fracturing ongoing operational capacity, driving a projected $356,820 AUD EV uplift by Year 5.

Expected Valuation Impact: Recovers -0.25x multiple discount; +$356,820 AUD Y5 median EV uplift

Implementation Velocity: Moderate

Owner: CTO

Timeline: Immediate 45-day freeze

Target: Reduce critical bug backlog by 80%; $356K AUD Y5 EV delta

Priority: P0

Success Metrics:

- Critical bug backlog reduced by 80%
- Sprint velocity recovered to baseline historical norms
- Xero API uptime stabilised to 99.9%

The Analyst.

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