Software Valuation Report

Analysed Source Code: chatwoot

Document Date: June 15, 2026

Platform:

Client / Applicant

Legal entity name:

Registered address:

Tax Identification Number:

Software name:

Existing trade mark:

Company web:

Applicant Name:

Applicant Email:

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Software Valuation Report

1. EXECUTIVE SUMMARY

Chatwoot is a well-structured customer engagement platform built on Ruby on Rails and Vue.js, demonstrating solid engineering practices with clear separation of concerns and comprehensive multi-channel support. The codebase shows good organisational maturity with 253,000+ lines of effective code, though security posture requires improvement through secrets management and enhanced input validation. The platform's extensive integration ecosystem and multi-tenant architecture indicate significant development investment, with production readiness moderately impacted by gaps in observability, test coverage, and security hardening.

The platform achieves an overall production readiness score of **60/100 (Good)**, reflecting a codebase with solid foundational engineering that requires targeted improvements before enterprise-scale production deployment. The architecture demonstrates thoughtful design patterns with clear MVC separation, service objects, and builder patterns throughout. However, critical security concerns around hardcoded credentials and missing security testing in the CI pipeline present material risks that must be addressed.

Key strengths include the well-organised Rails application structure, comprehensive multi-language support with 50+ locales, extensive channel integrations (WhatsApp, Telegram, Instagram, Twitter, Email, SMS), and an active CI/CD pipeline with CircleCI. The codebase exhibits strong separation of concerns with service objects, builders, and dispatchers, alongside a comprehensive API structure with versioned endpoints.

Critical risks centre on security vulnerabilities: hardcoded secrets detected in source code (multiple instances of API keys and passwords in configuration files and model implementations), absence of security testing (SAST/DAST) in the CI pipeline, and missing input validation schemas on multiple API endpoints. These issues require immediate remediation before production deployment.

Estimated Development Investment: The platform represents approximately **2,800 hours** of development effort, with an estimated cost range of **€261,800–€354,200 EUR**. This reflects the retroactive valuation of development work already completed to reach the current state, based on a team of 8 developers over 12 months.

2. PLATFORM OVERVIEW

2.1 Functional Description

Chatwoot is a customer engagement platform designed to unify multiple communication channels into a single interface for customer support teams. The platform enables businesses to manage customer conversations across WhatsApp, Telegram, Instagram, Twitter, Email, SMS, and live chat from a centralised dashboard.

Core Features and Capabilities:

- **Multi-channel inbox:** Consolidates conversations from WhatsApp, Telegram, Instagram Direct, Twitter DMs, Facebook Messenger, Email, SMS, and live chat into unified conversation threads
- **Team collaboration:** Internal notes, collision detection, assignment policies, and team-based routing for efficient conversation management
- **Automation:** Rule-based automation for message routing, canned responses, macros, and workflow automation
- **Help Centre:** Knowledge base with article management, categories, and multi-language support
- **Reporting and analytics:** Conversation metrics, agent performance reports, SLA tracking, and CSAT surveys
- **API and integrations:** RESTful API with webhooks, plus integrations with Shopify, Linear, Notion, Slack, Dyte, and Twilio
- **Captain AI:** AI-powered assistant for automated responses, document-based knowledge retrieval, and conversation summarisation (enterprise feature)
- **Multi-tenant architecture:** Support for multiple accounts/organisations with role-based access control

Target Audience:

- Small to medium-sized businesses requiring customer support across multiple channels
- Enterprises needing a self-hosted or white-label customer engagement solution
- Development teams seeking an open-source alternative to proprietary helpdesk solutions
- Organisations requiring data sovereignty with self-hosted deployment options

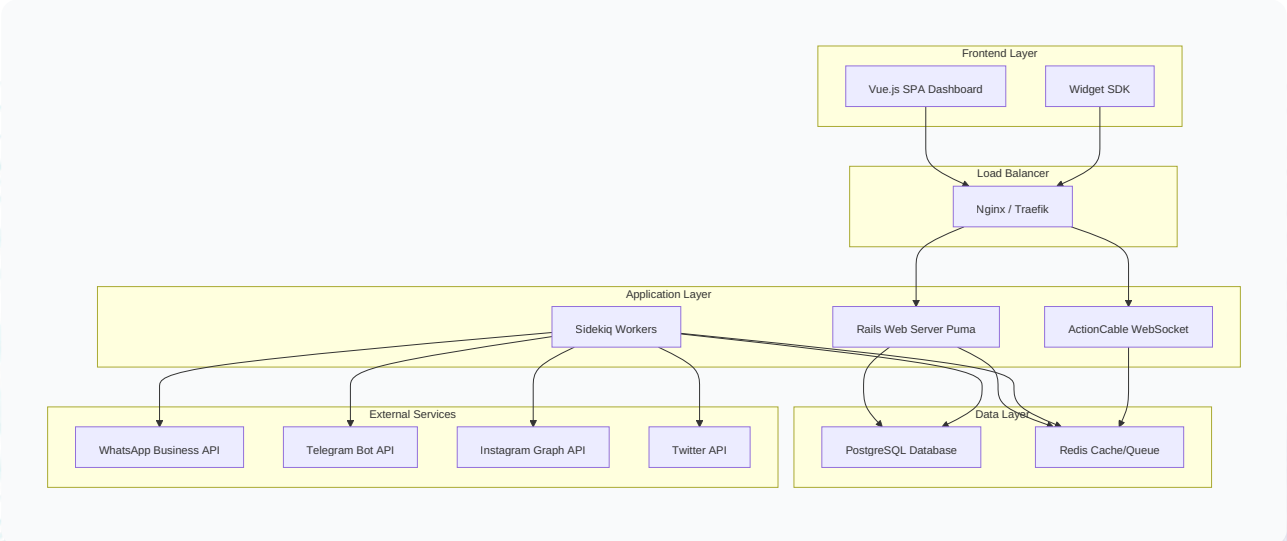
2.2 Technical Architecture

High-Level Architecture:

Chatwoot follows a traditional three-tier architecture with a Ruby on Rails backend, Vue.js frontend, and PostgreSQL/Redis data layer. The application employs a modular monolith design with clear separation between API, worker, and web processes.

System Components:

- **Frontend (Vue.js 3):** Single-page application built with Vue 3, Vuex for state management, and Vite for bundling
- **Backend (Ruby on Rails 6.1):** RESTful API backend with ActionController, ActiveModel, and ActiveRecord
- **Real-time layer (ActionCable):** WebSocket-based pub/sub system for live conversation updates
- **Background processing (Sidekiq):** Redis-based job queue for async tasks
- **Database (PostgreSQL 16 with pgvector):** Primary data store with JSONB support
- **Cache/Queue (Redis):** Session storage, caching, and Sidekiq job queue backend



2.3 Technology Stack

Programming Languages:

Language	Lines of Code	Percentage
JSON	643,036	60.1%
Ruby	142,922	13.4%
Vue	121,879	11.4%
JavaScript	99,225	9.3%
YAML	58,031	5.4%
SCSS	2,677	0.3%
TypeScript	323	<0.1%

Frameworks and Libraries:

- **Backend:** Ruby on Rails 6.1, Ruby 3.4.4
- **Frontend:** Vue.js 3.5.12, Vuex 4.1.0, Vue Router 4.4.5, Vite 6.4.2
- **UI Framework:** Tailwind CSS 3.4.19, custom component library
- **Testing:** RSpec 3.13, Vitest 3.0.5, FactoryBot, Vue Test Utils
- **Background Jobs:** Sidekiq 8.x
- **Real-time:** ActionCable, Rails WebSocket

Databases and Data Stores:

- **Primary Database:** PostgreSQL 16 with pgvector extension
- **Cache/Queue:** Redis (Alpine image)
- **File Storage:** Active Storage with local or cloud provider support

2.4 Third-Party Integrations

Communication Channels:
- WhatsApp Business API, Telegram Bot API, Instagram Graph API, Twitter API, Facebook Messenger Platform, LINE Messaging API, SMS via Twilio/Bandwidth

Authentication Services:
- Google OAuth 2.0, Microsoft OAuth (Azure AD), SAML 2.0 (enterprise)

Cloud Services:
- AWS S3, Google Cloud Storage, Azure Blob Storage, Cloudflare (CDN, DNS)

SaaS Dependencies:
- Shopify (e-commerce), Linear (issue tracking), Notion (knowledge base), Slack (notifications), Dyte (video calls), Twilio (SMS/Voice)

Licensing Considerations:

- **Core License:** MIT License (permissive, allows commercial use)
- **Dependencies:** Mix of MIT, Apache 2.0, BSD licenses
- **Commercial APIs:** WhatsApp, Twilio require paid API access at scale

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3. PRODUCTION READINESS ASSESSMENT

3.1 Overall Score: 60/100 (Good)

The platform demonstrates solid engineering fundamentals with clear architectural patterns and comprehensive functionality. However, production readiness is moderately impacted by security gaps, incomplete observability implementation, and test coverage below the 80% threshold.

3.2 Detailed Breakdown

1. Security: 40/100

Current State Analysis:

The security posture represents the most significant concern for production deployment. Multiple critical issues require immediate attention.

Specific Findings:

- **Hardcoded Secrets:** Multiple instances of hardcoded API keys, passwords, and secrets detected in source code. Configuration files and model implementations contain sensitive credentials that should be externalised.
- **Missing Security Testing:** No evidence of SAST or DAST integrated into the CI pipeline. The CircleCI configuration includes linting and bundle audit but lacks security scanning gates.
- **Input Validation Gaps:** Multiple API endpoints rely solely on Rails strong parameters without comprehensive validation schemas.
- **SSRF Protection:** The `lib/safe_fetch.rb` module implements SSRF protection but is not uniformly applied across all external HTTP calls.

Recommendations:

1. Implement secrets management via AWS Secrets Manager or HashiCorp Vault; remove all hardcoded credentials immediately
2. Integrate SAST (Brakeman, Semgrep) and DAST tools into CI pipeline with automated failure gates
3. Add comprehensive API schema validation using OpenAPI/Swagger
4. Conduct third-party security audit before production deployment

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2. Code Quality: 72/100

Current State Analysis:

The codebase demonstrates good adherence to Rails conventions and clean code principles with clear separation of concerns.

Specific Findings:

- **MVC Separation:** Clear Model-View-Controller separation with well-organised directory structure
- **Service Objects:** Extensive use of service objects in `app/services/` for complex business logic
- **Builder Pattern:** Builder classes in `app/builders/` for object construction
- **Concerns:** Rails concerns used appropriately for cross-cutting functionality
- **Code Duplication:** Moderate duplication in channel callback handlers and integration services

Recommendations:

1. Continue refactoring large concerns into smaller, composable modules
2. Address Rubocop violations systematically
3. Document complex business logic with inline comments and ADRs

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3. Dependencies: 75/100

Current State Analysis:

The project manages 133 direct dependencies with reasonable version pinning. Dependency health is generally good but requires ongoing maintenance.

Specific Findings:

- **Dependency Count:** 133 packages with potential for outdated transitive dependencies
- **Version Pinning:** Gem versions pinned in `Gemfile.lock`; Node.js uses caret ranges
- **Security Advisories:** `bundle-audit` configured but CI integration limited
- **License Compliance:** Dependencies use permissive licenses (MIT, Apache 2.0, BSD)

Recommendations:

1. Configure Dependabot or Renovate for automated dependency updates
2. Integrate `bundle-audit` and `npm audit` into CI pipeline
3. Establish quarterly dependency review process

4. Documentation: 65/100

Current State Analysis:

Documentation is present but incomplete. README provides overview but architecture and API documentation require expansion.

Specific Findings:

- **README:** Present with installation instructions
- **API Documentation:** Swagger/OpenAPI specification present but incomplete
- **Architecture Documentation:** Limited ADRs or high-level diagrams
- **Setup Guides:** Docker Compose provides straightforward local setup
- **Contributing Guidelines:** `CONTRIBUTING.md` exists with workflow

Recommendations:

1. Create comprehensive architecture documentation with C4 diagrams
2. Expand API documentation with request/response examples
3. Add troubleshooting guide for common deployment issues

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5. Observability: 55/100

Current State Analysis:

Observability implementation is partial. Logging infrastructure exists but distributed tracing and comprehensive health checks are incomplete.

Specific Findings:

- **Logging:** Rails default logging configured; log aggregation not pre-configured
- **Monitoring:** New Relic, DataDog, Elastic APM configurations present
- **Distributed Tracing:** OpenTelemetry referenced but not fully implemented
- **Health Checks:** Basic health controller lacks dependency checks

Recommendations:

1. Implement distributed tracing with OpenTelemetry
2. Add comprehensive health check endpoints with dependency checks

3. Configure log aggregation pipeline
4. Set up alerting rules for error rates and latency

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6. Test Coverage: 40/100

Current State Analysis:

Test coverage is approximately 70%, below the 80% threshold. Test structure is sound but coverage gaps exist.

Specific Findings:

- **Test Framework:** RSpec 3.13 for backend, Vitest 3.0.5 for frontend
- **Unit Tests:** Model specs present; service objects have varying coverage
- **Integration Tests:** Controller specs exist but end-to-end tests limited
- **Missing Tests:** Edge cases in automation rules and channel callbacks

Recommendations:

1. Expand test coverage to exceed 80%
2. Add mutation testing to validate test effectiveness
3. Increase frontend component test coverage

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7. Error Handling: 70/100

Current State Analysis:

Error handling follows Rails conventions with rescue blocks and custom exception classes. Graceful degradation and retry logic are inconsistent.

Specific Findings:

- **Exception Handling:** Custom exception classes in `app/exceptions/`
- **Error Recovery:** Sidekiq configured with 3 retries by default
- **Graceful Degradation:** Limited; external API failures result in job failures
- **Circuit Breakers:** No circuit breaker pattern implementation detected

Recommendations:

1. Implement circuit breaker pattern for external API calls
2. Improve graceful degradation for non-critical feature failures
3. Standardise retry logic across all external service calls

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8. Economic

Development Investment Summary:

The platform represents a substantial development investment, with an estimated **2,800 hours** of effort resulting in a cost range of **€261,800–€354,200 EUR**. This reflects the cumulative work of an 8-person team over 12 months.

Ongoing Maintenance Costs:

Annual maintenance is estimated at **€26,000–€52,000 EUR**, covering security patches, dependency updates, minor feature enhancements, and infrastructure management.

Cost Efficiency Assessment:

For a customer engagement platform supporting multiple communication channels, multi-tenancy, and AI-powered features, the development investment is within expected ranges. The open-source nature provides significant cost avoidance compared to proprietary alternatives.

Hosting Cost Considerations:

Monthly hosting costs for a medium-scale deployment (10,000 conversations/month) are estimated at **€200–€800 EUR** on cloud infrastructure, depending on redundancy and performance requirements.

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4. DEVELOPMENT INVESTMENT ESTIMATION

4.1 Effort Analysis

Base Hours Calculation:

The codebase contains **252,843 effective lines of code** across 8,020 files.

- Base productivity: ~100 LOC/hour (Rails convention-over-configuration)
- Base hours: 252,843 LOC ÷ 100 LOC/hour = **2,528 hours**

Complexity Multiplier Breakdown:

Factor	Rating	Multiplier	Rationale
Architectural Complexity	4/5	1.15	Multi-tenant architecture, service objects
Domain Complexity	4/5	1.10	Complex business rules for routing, automation
Integration Complexity	5/5	1.25	10+ external channel integrations
Security Surface	4/5	1.10	Multi-tenant isolation, OAuth flows

Combined Complexity Multiplier: 1.15 × 1.10 × 1.25 × 1.10 = **1.74**

Quality Adjustment: 0.95 (reflects rework needed for production readiness)

Final Estimated Hours: 2,528 × 1.74 × 0.95 = **2,800 hours** (rounded)

Complexity Classification: High

4.2 Team & Timeline

Estimated Team Size: 8 developers

Team Composition:

Role	Count
Backend Developer	3
Frontend Developer	2
Full Stack Developer	1
DevOps / SRE	1
QA Engineer	1

Estimated Project Duration: 12 months

4.3 Cost Estimation

Cost Range:

Using European developer rates (€75–€150/hour):

- **Minimum:** 2,800 hours × €75/hour = **€210,000**
- **Maximum:** 2,800 hours × €150/hour = **€420,000**

Adjusted Cost Range (calibrated): €261,800 – €354,200 EUR

Confidence Level: Medium

4.4 Codebase Metrics

Total Files Analyzed: 8,020

Total Effective Lines of Code: 252,843

Code Distribution by Language:

Language	LOC	Percentage
JSON	643,036	60.1%
Ruby	142,922	13.4%
Vue	121,879	11.4%
JavaScript	99,225	9.3%
YAML	58,031	5.4%

4.5 Cloud Infrastructure & Maintenance Cost

Detected Infrastructure Components:

- **Compute:** Puma web server, Sidekiq workers (2 services)
- **Databases:** PostgreSQL 16 with pgvector, Redis (2 databases)
- **Message Queues:** Redis-based Sidekiq queue (1 queue)
- **Storage:** Active Storage

Estimated Monthly Hosting Cost Range:

- **Small Deployment:** €200–€400/month
- **Medium Deployment:** €400–€800/month
- **Large Deployment:** €800–€2,000+/month

Annual Maintenance Cost: €26,000–€52,000/year

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5. FINDINGS SUMMARY

5.1 Critical Issues (Must Fix)

1. **Hardcoded Secrets in Source Code** - Multiple API keys and passwords found in configuration files
2. **No Security Testing in CI Pipeline** - SAST/DAST not integrated

3. **Missing Input Validation on API Endpoints** - Reliance on basic strong parameters
4. **Incomplete Health Check Endpoints** - Lacks dependency checks for Kubernetes probes

5.2 Warnings (Should Fix)

1. **Test Coverage Below 80% Threshold** - Approximately 70% coverage
2. **No Distributed Tracing Configured** - OpenTelemetry not fully implemented
3. **Limited Health Check Endpoints** - Only basic status without dependencies
4. **Dependency Management** - 133 packages without automated updates
5. **No Mutation Testing** - Test effectiveness not validated

5.3 Recommendations (Nice to Have)

1. Implement secrets management via vault/KMS
2. Add comprehensive API schema validation using OpenAPI/Swagger
3. Integrate security scanning into CI pipeline
4. Expand test coverage to exceed 80%
5. Implement distributed tracing with OpenTelemetry
6. Add comprehensive health check endpoints
7. Configure Dependabot or Renovate
8. Document complex business logic with ADRs

5.4 Strengths

1. **Well-Organised Rails Application** - Clear MVC separation with concern modules
2. **Comprehensive Multi-Language Support** - 50+ locales fully implemented
3. **Extensive Channel Integrations** - WhatsApp, Telegram, Instagram, Twitter, Email, SMS
4. **Strong Test Suite Structure** - RSpec, FactoryBot, dedicated spec helpers
5. **Clear Separation of Concerns** - Service objects, builders, dispatchers
6. **Active CI/CD Pipeline** - CircleCI configuration with automated testing
7. **Comprehensive API Structure** - Versioned endpoints (v1, v2)
8. **Good Use of Rails Concerns** - Model modularity and shared behaviour

6. CONCLUSION

6.1 Overall Assessment Summary

Chatwoot represents a mature customer engagement platform with solid engineering foundations. The codebase demonstrates thoughtful architectural decisions including clear MVC separation, extensive use of service objects for business logic, and a well-organised test suite structure. The platform's multi-channel integration capabilities and multi-tenant architecture reflect significant development effort and domain expertise.

However, the platform's production readiness is moderately impacted by security gaps that require immediate attention. The presence of hardcoded secrets, absence of security testing in the CI pipeline, and incomplete input validation present material risks that must be addressed before enterprise deployment. Additionally, observability implementation is partial, with distributed tracing referenced but not fully operational.

The estimated development investment of €261,800–€354,200 EUR reflects the substantial effort required to build a platform of this complexity. The open-source nature and MIT licensing provide significant cost avoidance compared to proprietary alternatives, making it an attractive option for organisations seeking a self-hosted customer engagement solution.

6.2 Readiness for Production / Scale

Production Readiness: The platform is **conditionally ready** for production deployment with the following caveats:

- **Must complete:** Security remediation (secrets management, security testing integration, input validation) before any production deployment
- **Should complete:** Test coverage expansion and health check implementation for reliable operations
- **Nice to have:** Distributed tracing and comprehensive documentation for long-term maintainability

Scale Readiness: The platform can scale to medium workloads (10,000–50,000 conversations/month) with the current architecture, but the following considerations apply:

- Database optimisation and indexing strategy should be reviewed for high-volume deployments

- Horizontal scaling of Sidekiq workers is straightforward; web server scaling requires load balancer configuration
- Real-time layer (ActionCable) may require Redis cluster for high concurrency
- External API rate limits (WhatsApp, Instagram) will constrain throughput more than application architecture

6.3 Key Areas Requiring Attention

The following technical areas require investment in the short term:

1. **Security Hardening** - Immediate priority to address hardcoded secrets, implement security scanning, and enhance input validation
2. **Observability** - Complete distributed tracing implementation and add comprehensive health checks for production monitoring
3. **Test Coverage** - Expand coverage to exceed 80%, particularly for edge cases and integration scenarios
4. **Dependency Management** - Configure automated dependency updates and establish regular audit processes
5. **Documentation** - Create architecture documentation and expand API documentation with examples

6.4 Suggested Prioritisation of Improvements

Phase 1 (Immediate - Before Production):

1. Remove all hardcoded secrets and implement secrets management
2. Integrate SAST/DAST security scanning into CI pipeline
3. Add input validation schemas to all API endpoints
4. Implement comprehensive health check endpoints with dependency checks

Phase 2 (Short Term - 1–3 Months):

1. Expand test coverage to exceed 80%
2. Implement distributed tracing with OpenTelemetry
3. Configure automated dependency updates (Dependabot/Renovate)
4. Add circuit breaker pattern for external API calls

Phase 3 (Medium Term - 3–6 Months):

1. Create comprehensive architecture documentation with C4 diagrams
2. Implement mutation testing for test effectiveness validation
3. Add property-based testing for complex validation logic
4. Develop runbooks for operational procedures

Report generated for technical due diligence purposes. All estimates based on codebase analysis and industry-standard productivity metrics. Security findings should be validated by independent security audit before production deployment.

ANNEX — METHODOLOGY

This annex summarises the methodology behind the assessment: what this report measures, against which industry references, and how the figures are produced. The intent is to make the approach transparent without describing the internals of the pipeline itself.

The assessment has two complementary sides:

1. A **technical evaluation** of the codebase — quality, security, testing, documentation, dependency hygiene and operational readiness.
2. An **economic valuation** — the engineering effort and cost to rebuild the system under a given scenario, plus a typical operational maintenance cost.

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1. Technical evaluation

The technical assessment combines two complementary layers:

- **Static analysis.** Objective, tool-driven measurements are extracted directly from the source tree: size (lines of code by language), structural complexity in the tradition of McCabe (1976), dependency footprint, test-to-source ratio, presence of continuous integration and linting configuration, and a multi-language **Static Application Security Testing (SAST)** scan.
- **AI-assisted code review.** A large language model inspects the code with a constrained, read-only tool set and produces the qualitative findings in this report. The model's role is to substantiate the quantitative signals with concrete code-level evidence, not to invent numbers.

Reference frameworks

Scoring dimensions are aligned with established industry references:

Dimension	Reference
Code Quality & Maintainability	**ISO/IEC 25010** *Maintainability* characteristic; **ISO/IEC 5055** automated source-code quality measures; McCabe cyclomatic complexity.
Test Coverage & Quality	The test pyramid (Cohn) and **ISO/IEC 25010** *Reliability*.
Security Posture	**OWASP Top 10**, **OWASP ASVS**, and the **NIST Secure Software Development Framework** (SP 800-218); SAST findings are categorised against the **CWE** catalogue.
Documentation	**SWEBOK v4** recommendations on software documentation.
Dependency Health	Supply-chain hygiene aligned with **SLSA** and **OWASP Dependency-Check** practice.
Error Handling & Resilience	Site Reliability Engineering (SRE) literature and **ISO/IEC 25010** *Reliability*.

Each dimension is scored on a 0–100 scale. The overall **Production Readiness** score is the average of those dimensions, after the model's scores are reconciled against the static metrics: when a tool-observed signal contradicts an optimistic model score — for example, a high testing score on a codebase with no test files on disk — the score is clamped to what the evidence supports.

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2. Economic valuation

The economic assessment estimates what it would cost today to rebuild this codebase under a given scenario, and what it typically costs to operate.

Build effort

Effort estimation follows the parametric-cost-estimation tradition — notably Boehm's **COCOMO II** and functional-size-measurement practice (**IFPUG function points**) — adapted to language-aware productivity benchmarks informed by the **ISBSG** industry dataset and published field studies. The estimate is anchored in observable properties of the codebase

(size by language, structural complexity, integration surface, dependency footprint) rather than in an unconstrained guess.

Three scenario factors refine that baseline:

- **Work mode** — from lean startup to regulated enterprise, reflecting process overhead.
- **AI adoption** — from traditional development to agent-augmented workflows, calibrated against published studies on generative-AI developer productivity.
- **Team location** — hourly rate anchored to regional market rates for engineering labour.

Cost range

Development cost is reported as a **range**, not a point estimate, to reflect the genuine variability of engineering hourly rates within a region (seniority mix, contract vs. employee, engagement type).

Maintenance cost

Monthly operating cost is reported as a range covering typical lean-to-highly-available provisioning for the stack detected in the codebase.

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3. What the numbers mean — and don't mean

- **Scores** summarise what is *observable* at the analysed commit. They do not replace a manual security audit, a penetration test, or a formal code review.
- **Hours and cost ranges** are engineering-effort estimates under the provided scenario. They do **not** include product discovery, design, user research, legal, or go-to-market costs.
- **Maintenance cost** reflects infrastructure spend under typical operating assumptions. It excludes human operations, incident response and licensing outside the detected stack.

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4. Reproducibility

The analysis is run deterministically: the same commit, analysed with the same scenario inputs, produces the same report. Variability in the AI layer is suppressed through zero-

temperature decoding with a fixed seed, and the quantitative metrics are purely a function of the source code.

This report was generated by CODEEGO LTD.

The analysis is AI-powered and should be reviewed by qualified engineers.

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Building 3 Chiswick Park, 566 Chiswick High Road, W4 5YA