

DEEP DIVE REPORT



Buy-side due diligence on the business and assets of the [REDACTED] app

PREPARED FOR

[REDACTED]
[REDACTED]

TARGET

The business and assets of the [REDACTED] [REDACTED] app

[REDACTED]

ENGAGEMENT

Deep Dive
Buy-side due diligence

PREPARED BY

[REDACTED]
[REDACTED]

REPORT DATE

[REDACTED]
[REDACTED]

STRICTLY CONFIDENTIAL

Prepared solely for the Buyer in connection with the proposed acquisition of the [REDACTED] Not to be relied on by, or disclosed to, any other party without FlipAudit's written consent.

Thank you

Dear [REDACTED],

Thank you for c [REDACTED], and for the time and care you have put into the process alongside us: the calls with the Seller, the data room, and the many questions along the way. A purchase of this size deserves a close look, and we are grateful for the trust you have placed in us to provide one.

Thank you, too, for reading it. The report is long because the evidence is, and every conclusion is referenced to the section and documents behind it, so you can test any point that matters to you. We have set out the headline below so that you know where it lands before you turn to the detail.

HEADLINE FINDING

[REDACTED] is a good product that has been left to run itself.

Its revenue is real and its margins are reasonably high, but it is not growing, it is less recurring than its P&L suggests, and at [REDACTED] you would be paying in advance for improvements you will have to make yourself. In our view the price is about [REDACTED] above what the evidence supports, and the [REDACTED] figures, running 22–31% below last year, point the wrong way.

[REDACTED]

agreed price, all cash at signing

3.0×

normalised SDE, against about 2.2× typical on Empire Flippers

[REDACTED]

the range the evidence supports for the business as it stands

–22%

new paying subscribers over the trailing twelve months

OUR RECOMMENDATION

Proceed only if you want a business to work on rather than a passive income, and accept that you are paying a full price for it. Before signing, secure three things: the conditions of exchange at 12.2; the open APA points at 7.6, above all the disclosure qualifier, the Retained Licence, the content packs and a larger Retention; and the full September 2026 figures for all three channels. If those figures confirm a sustained fall, the price should be revisited, and you should be prepared to walk away if it is not (12.3).

FlipAudit Deep Dive Report

Buy-side due diligence on the business and assets of the

Client	
Target	
Seller	
Seller's principal	
Transaction	, under an Asset Purchase Agreement (APA) in draft
Due diligence period	45 days ; APA not yet signed
Engagement tier	Deep Dive
Prepared by	, FlipAudit

Our overall impression

The evidence describes a business on a set-and-forget trajectory. Product development stopped about a year ago (2.1). Content updates have been frozen since 5 October (F-26). No new ad creatives were launched in July 2026, and that month was weak (13.5). The last push campaign went out in December 2023, the email list has not been used, App Store optimisation has never been done, and support's no-reply rate rose from 5.9% in March to 18.5% in September (5.5, 6.5, 6.6). The numbers show the result: organic new subscribers are down about a third, Meta's cost per subscriber is up 43%, and revenue has been carried by second-year renewals of the large 2024 cohorts, which are now working through (4.5, 13.1).

That is also the opportunity. A business that has held its revenue roughly level with this little attention should respond to some, and the levers are specific: scaling Meta, where 2024 showed \$12–19 per subscriber on up to \$5,900 a month (2.6); keyword work on FSP and terms, cleaned of competitors' marks (6.6); the failing deep link, with about 44% of Android installs never opened (6.3); the renewal and cancellation experience behind most support contacts (5.5); a win-back campaign to the existing email list, if its consents hold (6.5); the Stripe web funnel, which avoids store commission; and B2B routes through course providers, which have never been tried (6.7). None of these is speculative, but each needs money, time or bought-in skills, and the Buyer intends to spend about five hours a week on the business (10.5).

The price leaves little room for that work. At the Buyer pays about 2.6 times the Seller's trailing SDE and 3.0 times our normalised base case, against about 2.2 times for a typical business sold on Empire Flippers. On the evidence, would reflect the business as it stands (12.4). In our view it is overpriced for its current state and trajectory: the difference of about \$25,000–45,000 is a premium for upside the Buyer must deliver himself, and the first September figures, running 22–31% below last year (4.5), point the wrong way.

How forthcoming the Seller has been

1 Evasive	2 Guarded	3 Adequate	4 Forthcoming	5 Fully transparent
-----------	-----------	------------	---------------	---------------------

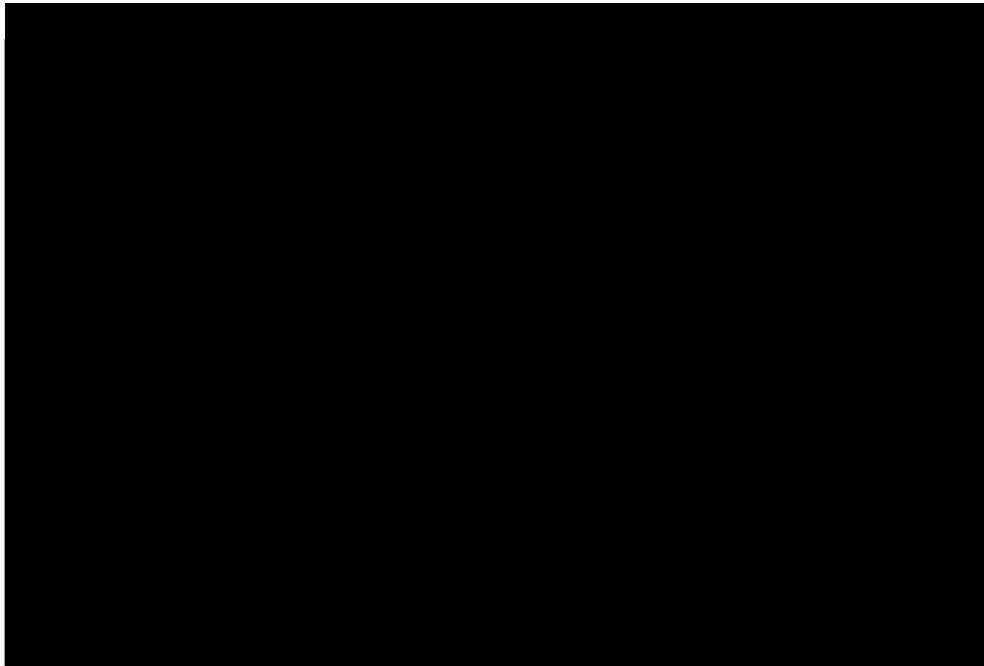
Our rating: 4 out of 5: The Seller has been generally forthcoming, and his statements are largely confirmed by primary documents.

. He corrected his own statements when he found them wrong, delivered an IP assignment signed

by all [REDACTED] contributors, and answered candidly about his own position. His refusal of bank statements is unfortunate but reasonably explained by accounts shared across several products.

He falls short of 5 for a consistent reason: his summaries are more favourable than his records. Four written answers are contested by other evidence on file (VR 3.2, 6.2, 8.1 and 8.2); the Privacy Policy he said reflected actual processing is another app's template; and "the code was fully mine" sits uneasily with a second developer's 30% of commits. Ten of the 35 requested items were not addressed in his response, and Apple's correspondence on the payout freeze, promised on 26 September, has not arrived.

Risks and opportunities



FlipAudit assessment on the evidence to 14 October 2026; section references are to this report.
Sources: Seller P&L (E-10); data room (E-13); Apple and Google reports (E-21, E-25); APA draft of 12 Oct 2026 (E-23).

Complete all account and credential transfers and revoke former access.

- Rotate every key, token and service account at Appendix B; strip previously committed secrets, the keystore and the [REDACTED].
 - Set up an owned build pipeline: [REDACTED].
 - Take ownership of the automated Stripe job that [REDACTED].
 - Fix the web-domain association and deep links.
 - Decide on attribution [REDACTED].
 - Clear the Play warnings; introduce staged rollout.
 - Enable anti-tamper and review all API keys.
- [REDACTED]
- [REDACTED]
- In the first week after [REDACTED].
 - Put in place cyber and data-breach insurance and professional or errors-and-omissions cover from completion; the Seller's policies do not transfer.
 - Have a new Privacy Policy and Terms drafted for the Buyer's company, with a cookie-consent tool and processor agreements (7.4, F-29).
 - Add tests to the subscription-entitlement, goals and queue logic, then split the large helper files (9.6).

- [REDACTED]
- Engage campaign and creative support.

Headline Recommendation

We recommend that the Buyer proceeds only if he wants a business to work on rather than a passive income, accepts that he is paying a full price for it, and secures three things before signing: the conditions at 12.2; the open APA points at 7.6, above all the disclosure qualifier, the Retained Licence, [REDACTED]. If those figures confirm a sustained fall of the order seen in the first three weeks, the price should be revisited, and the Buyer should be prepared to walk away if it is not (12.3).

1. Scope, Methodology and Limitations

1.1 Purpose of this report

The Buyer proposes to acquire t [REDACTED]
[REDACTED] This report assesses whether the business is as represented, what the Buyer would actually be acquiring, what it would cost to operate on a standalone basis, and what must be resolved before exchange.

1.2 Procedures performed

To date we have:

	Procedure	Ref #
1	reviewed Firebase project, Google Analytics 4 property and Google Play Console for the app	(E-01 to E-04)
2	Searched the [REDACTED]	(E-05)
3	Reviewed transcripts of calls between the Buyer and the Seller's principal on [REDACTED]	(E-07 to E-09, E-22, E-26, E-27)
4	Recalculated the Seller's P&L workbook and prepared a normalised earnings analysis	(E-10, E-11)
5	Reviewed the Buyer's own analysis of the P&L and the Seller's data room export and reconciled the data room to the P&L	(E-12, E-13)
6	Reviewed the Seller's support-inbox export of [REDACTED]	(E-14)
7	Reviewed store reports supplied by the Seller [REDACTED]	(E-21, E-25, 4.1, 5.4)
8	Reviewed the Stripe export set and the Payoneer and Vivid account confirmations	(E-16)
9	Reviewed Meta Ads spend by campaign for [REDACTED] reconciled both to the P&L	(E-15, E-17)
10	Analysed pseudonymised customer list (VR 3.1) and the App Store Connect transfer records (E-20);	(VR 3.1, E-20)
11	Reviewed Seller's written responses to the information request, the Registrar certificates from incorporation, domain registrar evidence (E-30), contributors' IP assignment [REDACTED]	(E-18, E-19, E-28, E-31)
12	reviewed the draft APA and its List of Assets, most recently the version carrying the Buyer's tracked changes [REDACTED]	(E-23)
13	compared the price with published marketplace sale multiples	(E-24, 12.4);
14	drafted and reviewed the contributors' IP assignment [REDACTED] 6	(E-31);
15	carried out a static review of the extracted source repository, [REDACTED], third-party material, and the external services, paid tools and seller-held assets needed to run the apps	E-32, section 9.6, Appendix B);
16	reviewed the public App Store and Google Play listings and [REDACTED]	(E-33)
17	analysed the customer list for spend concentration and monthly cancellations, and the Stripe subscriber base for the exposure [REDACTED]	(4.2, 9.5, 13.7)
18	prepared and issued a vendor information request on [REDACTED] (Appendix A), and listed further requests not yet issued	(Schedule 3)

1.3 Key limitations

- **Primary financial evidence is partial.** Platform-generated reports are on file: Apple financial reports and App Store Analytics sales and refund exports, Google Play earnings reports (E-21) and the full Stripe export set (E-16). Apple's own sales data agrees with the P&L's App Store line within 1–3% in every month from [REDACTED]. However bank statements were declined (VR 2.1, 2.3).

- **No direct console access for FlipAudit.** We have worked from exports have not directly reviewed the App Store Connect, Adapty or the Meta account.
- **Vendor responses are incomplete.** The Seller's responses to the information request [REDACTED] [REDACTED] [REDACTED] contested by other evidence on file.
- **Seller evidence and warranties.** Where primary evidence cannot be obtained, figures the Seller has prepared, such as the P&L, the data room and the written responses, would give some protection if they were warranted in the APA, because a misstatement would then become a claim against the Seller. The protection is limited in practice. A claim would mean ICC arbitration [REDACTED] [REDACTED] [REDACTED] A warranty is only as good as the money kept back against it, and the APA's Retention is \$10,000 for 60 days, which is why we recommended the larger retention at 12.5 for figures that rest on the Seller's own evidence.
- **Depth of review and agreed scope.** The technology work is a static code review and dependency vulnerabilities and package-level open-source licences were not audited (the APA discloses open-source use but gives no compliance warranty; 7.6). [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
- **Call transcripts, not recordings.** Full video recordings of the calls are available, but we have reviewed only the automated transcripts. These may contain transcription errors, and there may be minor differences between a transcript and what was actually said on the recording. Transcripts are relied on for what was said, not as evidence that it is true.

1.4 RAG rating key

Rating	Meaning
RESOLVED	Evidence provided, tested, and consistent with representations
LOW	Small gap or risk identified that is common in businesses of this type and can be remediated.
MEDIUM	Gap or risk identified; quantifiable and manageable through warranty, indemnity, price or remediation
HIGH	Issue that cannot be quantified on the evidence, or undermines the earnings the price rests on
N/A	Not applicable; retained to show it was considered

2. Executive Summary

2.1 The business in brief

[REDACTED]

89% of the active paying base is on annual plans

22% of annual subscribers renew for a second year

Roughly half of new subscribers arrive organically through App Store search. The rest come from Meta advertising, the only paid channel.

The app is one of three operated by the Seller; [REDACTED]

[REDACTED]

2.2 Headline financials

		Change
Gross revenue	[REDACTED]	+7.8%
Net revenue	[REDACTED]	+7.5%
Meta advertising	[REDACTED]	-7.7%
Seller SDE	[REDACTED]	+11.5%
SDE margin on gross	[REDACTED]	—
New paying subscribers (P&L)	[REDACTED]	-21.6%
Active paid subscribers (period end)	[REDACTED]	-4.2%
Annual renewal, year 1 to year 2	[REDACTED]	—
Normalised SDE (base case, 4.7)	[REDACTED]	-13.6% vs seller

Seller data room, April–August		Change
Meta spend	[REDACTED]	+40%
New subscribers, all channels	[REDACTED]	-22%
of which organic	[REDACTED]	-32%
Blended cost per new subscriber	[REDACTED]	+80%

2.3 The findings

The Seller has produced Meta advertising spend by campaign for [REDACTED]
[REDACTED] so spend can be split between iOS, Android and the web funnel and set against the P&L.

[REDACTED]

Android's spend was nearly doubled in the same month, and the web-funnel campaign began on [REDACTED].

	Change
Meta iOS spend	-94%
App Store revenue	-41%
iOS installs	-65%
New paid subscriptions (all platforms)	-37%
Meta Android spend	+89%
Google Play revenue	+13%

Read against January, App Store revenue fell 41%. Read against the prior year, it fell 8%: [REDACTED]
[REDACTED] iOS installs fell 65% and have stayed lower since.



Figure 2.3 — January to February 2026, with App Store revenue against the same month a year earlier.¹

The business has held its level on lower iOS spend. [REDACTED]

[REDACTED] That overstates the fall: 13 September 2026 records \$2, which looks like a data gap, and 22–23 September were incomplete when exported. On 1–21 September, with the gap filled, App Store sales are about 31% lower; adding Stripe web sales, which barely existed a year earlier, the fall is about 22%. Google Play data for September has not been provided.

The Meta Business Portfolio, ad account and pixel stay with the Seller; the Buyer must build his own [REDACTED]

¹ Sources: E-15 (Meta Ads spend by campaign, VR 2.5); E-10 (Seller P&L, rows 14 and 47); E-13 (data room, tab 1).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The residual risk is that a new ad account, with no campaign history, pixel data or credit line, must take over when the bridge ends, while the Buyer is travelling.

Attribution remains weak independently of this. The Seller's response at VR 3.1 confirms that acquisition-channel attribution from Adjust is available only for installs from 23 April 2026 onward; every earlier customer is marked "unattributed". Adjust is excluded from the sale. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Either way, the Buyer would inherit a business whose paid acquisition is essential and only partly measured.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] everything held before incorporation (8.3).

Other matters requiring attention before exchange

The earnings are real but not recurring in the annuity sense. With about 22% of annual subscribers renewing, the P&L's ARR of \$[REDACTED] overstates the durable base (F-13).

Acquisition is deteriorating on both fronts (F-04). Organic App Store visibility is down about 37% year on year, and paid acquisition costs are up about 43%.

Past cohorts are propping up revenue. Gross revenue rose 7.8% over the TTM while new paying subscribers fell 21.6%. Returning revenue, mostly second-year renewals of the large autumn-2024 cohorts, rose from about 16% to about 39% of gross; on Android, Google's order records show the same shift. [REDACTED]

The first renewal-season data is weak. Apple's sales for 1–23 September 2026 are 37% below the same days of 2025, or about 22–31% lower once a one-day data gap and incomplete days are allowed for and Stripe is included (4.5). September to January carries most of the year's revenue, so the full September figures should be seen before signing.

Content updates are frozen. S [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Other matters:

- The revenue is corroborated by Apple's and Google's own records but not yet reconciled to cash (F-03).
- The P&L overstates year-on-year growth, and two datasets disagree on new subscribers by 27% (F-05).
- Earnings exclude the team labour a standalone owner must replace (F-06).
- Apple froze the Seller's developer payouts for about three weeks in February 2026; the Seller attributes it to content in another of its apps, [REDACTED] (F-07).
- The app ranks for competitors' brand names, suggesting third-party marks in its metadata (F-25).
- The Stripe channel does not transfer cleanly (F-08).
- [REDACTED]
- The authority of the director, [REDACTED] have not been confirmed (F-12).
- Third-party release-tooling [REDACTED] and an unidentified signing keystore are committed in the repository (F-27).

- Engineering continuity rests on two developers and thin automated testing (F-28).
- The Privacy Policy is another app's template and the store privacy disclosures do not match the processing; Google Play's account-deletion requirement is not met (F-29).

- [REDACTED]

2.5 Valuation bridge

Seller TTM SDE (Sep 25–Aug 26)	
Clinical content review (illustrative)	
VAT on Stripe web sales, go-forward	
Apple developer fee; website hosting	
Normalised SDE, base case	
Sensitivity range (labour \$0–2,000/month; clinical \$0–3,000/year)	
One-off costs to bridge to price	
Purchase price (agreed; APA clause 4)	

The SDE figure is valid as history because it already reflects the 78% of annual subscribers who do not renew – noting that the purchase is for an acquisition flow that must be funded and managed every month, not a renewing book. That supports a lower multiple than genuinely recurring revenue would.

[REDACTED]

[REDACTED]

2.6 Upside not reflected in the price

Paid acquisition is profitable but not exceptional (F-20). Paid cost per subscriber is [REDACTED] so there is headroom to scale. Candidate upside includes:

- scaling Meta spend;
- fixing the failing deep link and web-domain association (F-10);
- recovering organic App Store visibility, which is down about 37% year on year;
- [REDACTED]
- community and influencer channels;
- the Stripe web funnel;
- Austrian and other adjacent content.

3. Corporate & Ownership

The transaction is an asset purchase, so the Buyer does not inherit the Seller company or its historic liabilities. The questions that matter are whether the company owns what it is selling, and whether the people negotiating can bind it.

3.1 Directors and shareholders register

Service	Percentage of Respondents
1	~95%
2	~98%
3	~65%
4	100%
5	~70%
6	~75%
7	~40%
8	~95%
9	~60%

1

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Company filings. Because the Buyer acquires assets, not the company, the company's annual return, share-transfer forms and officer filings were not reviewed, by agreement with the client. Only what bears on authority to sell is required: the board resolution, the members' approval and the encumbrance warranty at APA clause 10(d) (7.6).

3.2 Licences, permits and regulatory authorisations

The support record does not show advice-giving. We have now reviewed [REDACTED] [REDACTED]). No thread in the reviewed period shows support commenting on [REDACTED], assessing documents, or representing the business as connected to [REDACTED]. On that evidence the advice-giving limb of this risk is materially reduced.

Listings, website and advertising. We have reviewed the App Store and Google Play listings, [REDACTED] and the Meta Ad Library: 214 creatives (about 316 ads with versions) from the Page

We recommend softening "x5" and "[REDACTED]" after transfer, avoiding any suggestion that the content is actual [REDACTED]

Customer documents. The support export shows no customer sending [REDACTED] [REDACTED] in terms we cannot resolve from the text alone.

One matter to note, and a discrepancy in how it was disclosed.

3.3 Subsidiaries, brands and owned domains

The Seller company holds the Play developer account and the Meta Business Portfolio. The app must be transferred out of the Seller's Play and Apple developer accounts into accounts the Buyer controls. The Meta assets do not transfer at all (Section 6.4).

Known brand and domain assets:



FlipAudit
ONLINE DUE DILIGENCE

4. Financial Overview

4.1 Revenue verification

The Seller's P&L is prepared from Adapty and covers July 2023 to August 2026 (E-10). It has not yet been reconciled to banking record but was reconciled with every independent platform source available to us.

Source	Figure	Monthly equivalent (USD)	Weight
Play Console, Android, 28 days to ~20 Sep			Closest to primary
Seller P&L, Android gross, Aug-26			Seller-prepared
Apple App Store Analytics, sales, Aug-26			Primary (Apple-generated)
Seller P&L, App Store gross, Aug-26			Seller-prepared
Firebase project headline, 1 week			Analytics only
GA4, ARPAU × active users, 1 week			Analytics only
Firebase per-app lines, 1 week			Shown unreliable
Seller P&L, total gross, Aug-26 / Sep-25			Seller-prepared

Android revenue in the Seller's P&L agrees with Play Console within about 1.2% on a monthly-equivalent basis.

App Store revenue agrees with Apple's own sales data within about 2% for the same month.

The Firebase headline and GA4 are consistent with a September

App Store revenue corroborated. App Store revenue is about 64% of the total.

is now corroborated by the platforms' own records.

Receipt is not. Apple and Google payout statements were withheld as account-level, and bank statements were declined (VR 2.1, 2.3), so nothing has yet been tested against money received. That is why F-03 remains AMBER.

The early months went elsewhere. The first 13 months of material trading predate the company, iOS revenue therefore went to persons other than the company for about 16 months, including about 2.5 months after incorporation. This bears on title (F-02), not on the trailing twelve months.

Adapty. The P&L is built from Adapty, but Adapty only aggregates the Apple, Google and Stripe records we have tested directly. By agreement with the client, revenue is treated as verified against those primary sources and Adapty was not reviewed directly.

Further corroboration, still seller-prepared:

4.2 Sales ledger and transaction samples

The customer list (VR 3.1) holds [REDACTED]

[REDACTED] The risk it addresses is low, because revenue is corroborated at platform level by Apple's, Google's and Stripe's own records (4.1).

4.3 Refunds and chargebacks

Refunds are netted into revenue in the P&L and shown separately for information. The refund rate has risen from 3.8% (prior 12 months) to 4.8% (TTM), reaching 8.1% in June 2026. [REDACTED] er than thousands of dollars, but the window should be extended (7.6).

4.4 Inventory reports, SKU-level

NOT APPLICABLE: Digital product; no inventory, working capital or physical fulfilment.

4.5 Revenue trend and earnings quality

Revenue stepped up sharply in [REDACTED] rather than by growth.

Measure	TTM vs prior 12 months	Mar–Aug 26 vs Mar–Aug 25	Jul–Aug 26 vs Jul–Aug 25
Gross revenue	+7.8%	+10.8%	–9.1%
Seller SDE	+11.5%	+4.5%	–10.6%
New paying subscribers	–21.6%	–5.1%	–28.9%
Meta spend per new payer	+17.6%	+64.0%	+39.9%
Active paid subscribers at end	–4.2%	–4.2%	–4.2%
MRR at end	+7.0%	+7.0%	+7.0%

Price is holding revenue up while volume falls. MRR is up 7% while paying subscribers are down 4%. Play Console shows the same pattern for Android, with ARPPU up 15% and buyers down 18%.

From about April 2025 the Seller moved "Tier 2" markets [REDACTED]

Decline is not only price. [REDACTED]

Meta spend	[REDACTED]
New subscribers, all channels	[REDACTED]
Organic new subscribers	[REDACTED]
Meta-attributed new subscribers	[REDACTED]
Blended cost per new subscriber	[REDACTED]
Meta cost per Meta-attributed subscriber	[REDACTED]

Two things are happening together:

- **Organic acquisition is falling.** [REDACTED]
[REDACTED]
[REDACTED].
- **Paid acquisition is getting more expensive.** 40% more spend bought about the same number of Meta-attributed subscribers.

The cause of the organic decline is not explained [REDACTED]
[REDACTED]

Seasonality. About 89% of subscribers are on annual plans, so revenue is lumpy and concentrated in September to January. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

4.6 Integrity of the Seller's P&L

The workbook calculates correctly, but its presentation overstates growth and is inconsistent about periods (E-11, sheet "P&L issues").

- **Growth is overstated.** The year-on-year figure of +16.4% compares windows 13 months apart. The like-for-like figure is +7.8%.
- **Two seller datasets disagree on new subscribers.** For [REDACTED]
[REDACTED]
[REDACTED] cost-per-subscriber figure depends on which is right.
- **Some figures are derived rather than taken from statements.** [REDACTED]
[REDACTED]
- **The "accrual basis" label is inaccurate.** Annual subscriptions are recognised when paid.
- **Stripe is understated.** [REDACTED]
[REDACTED]
- **A June 2026 cost is excluded without a footnote.** [REDACTED]
[REDACTED] should be disclosed.

Reconciliation of the P&L against primary exports

We have tested the P&L line by line against source exports produced by the Seller under VR 2.2, 2.5 and 5.1 (E-14 to E-17). The result is materially reassuring.

Line	P/L 12 months to Aug 2026	Source export	Result
Meta advertising (row 25)	[REDACTED]	[REDACTED]	Reconciles. Implied FX 1.164, every month within 1–2% of ECB monthly averages, as the row label states
Stripe revenue (row 16)	[REDACTED]	[REDACTED]	Reconciles over the TTM within about 3%. Monthly ratios of P&L to Stripe range from 0.36 to 1.43, probably Adapte timing
Hosting (row 32), excluding June 2026	[REDACTED]	[REDACTED]	Reconciles
Hosting (row 32), June 2026	[REDACTED]	[REDACTED]	Does not reconcile

[REDACTED]
[REDACTED]
[REDACTED]

The Seller disclosed the charge to the Buyer unprompted on the call of 2 September 2026 (E-08), describing an API key [REDACTED]

Our view. Excluding a genuine one-off cost from SDE is defensible and we would likely have normalised it out ourselves, so the SDE figure is not necessarily wrong.

The underlying cause — an API key extractable from the app binary and insufficiently restricted — is a defect the Buyer would inherit, and it has not been evidenced as remediated beyond the Seller's statement that the key was revoked.

4.7 Normalised earnings

The P&L carries no labour cost. It discloses that the Seller's user acquisition manager spends about 10% of their time on the app, and the Seller's team produces the ad creatives. A standalone owner must replace both. The replacement cost is now anchored on the acquisition manager's quote [REDACTED]

	USD
Seller TTM SDE	[REDACTED]
[REDACTED]	
Clinical content review (illustrative)	
VAT on Stripe web sales (indicative 19% rate)	
Apple developer fee; Tilda hosting	
Normalised SDE	

4.8 Tax and VAT

- VAT on Stripe web sales. [REDACTED]
- Apple's Small Business Program. [REDACTED]
- VAT on the purchase price. [REDACTED]

5. Customers & Commercial

5.1 Customer list, spend and churn

5.2 Top customers and acquisition channels

No B2B, agency or referral relationship has been identified. App Store Connect records zero institutional-purchase subscription starts, and GA4 records zero referral sessions.

Acquisition is split between organic App Store traffic and Meta advertising.

[illegible]

Concentration: there is no customer concentration. Channel concentration is two sources: organic App Store search, which is declining (4.5), and Meta, which the Buyer cannot yet operate (6.4).

5.3 Refund policy, warranties and guarantees

The support export (E-14) now gives us the complaint profile, set out in full at **section 5.5**. [REDACTED]
[REDACTED]
[REDACTED] just over half of all contacts concern billing, cancellation or entitlement rather than the product itself.

The Terms of Use and Privacy Policy, both last updated 14 May 2025, are now on file (VR 3.3). The refund policy, at section 5.6 of the Terms, gives a full refund to a customer charged at the end of a trial who has completed no exercises, and to an up-front purchaser who has used the app on no more than three days; only the most recent renewal charge is refundable; and statutory withdrawal rights are preserved. Auto-renewal at the then-current price is disclosed (section 5.4). [REDACTED]

Four points need attention:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

5.4 Evidence of recurring revenue

The subscription structure is recurring: about 89% of subscribers are on annual auto-renewing plans. The behaviour is not. The Seller's renewal data for annual plans (E-13):

[illegible]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Google's own records support the rate on Android. The Google Play earnings reports (E-21) record every charge with an order ID, and Google adds a suffix (“..1”, “..2”) to the original order ID each time a subscription renews. Each first annual payment made on Android between October [REDACTED] and July [REDACTED] can therefore be traced to see whether a renewal followed; [REDACTED]

First annual payment (Android)	Annual payers	Renewed to year 2	Rate

Source: E-21, [REDACTED]
[REDACTED]

er or subscriber identifiers. The Seller offered the Buyer data-viewer access to App Store Connect on 27 August. Apple's own Subscription Retention report, or its

Subscription Event report (renewals of one-year subscriptions divided by first paid one-year subscriptions twelve months earlier), would settle it. Until then we rely on 22%.

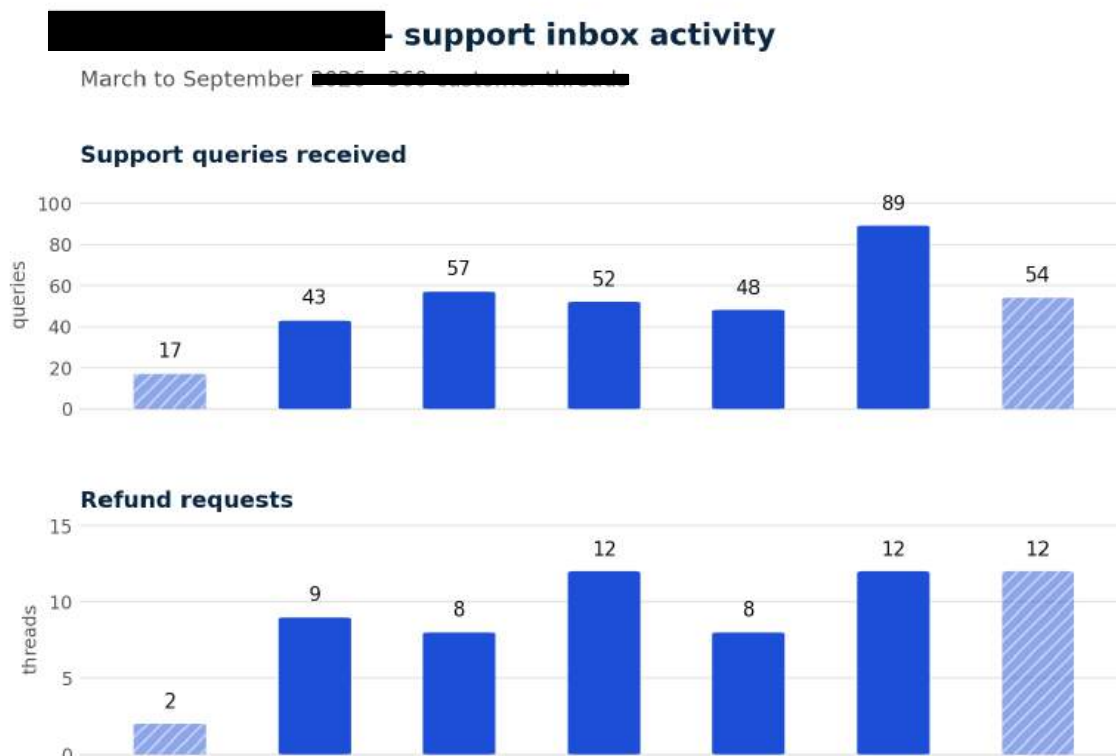
What this means:

- The "ARR" overstates the base. [REDACTED]
[REDACTED]
[REDACTED]
- Not all revenue is annual. T [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] The 89% annual figure describes the active stock, in which an annual plan sits for twelve months, not the flow of new customers.
- This autumn will be smaller than last. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- The retention claim doesn't fit. The Seller's description of "elite" day-7 retention could not be reconciled with 13.4% day-1 user retention in Firebase or 7.4% DAU/MAU in Play.

5.5 Support history

The Seller has produced an export of the support inbox covering 23 March to 25 September 2026 (E-14, VR 4.3). It contains [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] was not prepared for this transaction, and it records what customers actually did rather than what the Seller says they did.



What the record shows

- **Contact volume is rising, not stable.** A [REDACTED] friction in the product.
- **Just over half of all contacts are about money.** [REDACTED]
- **The renewal receipt is a cancellation trigger.** Ten threads quote a payment receipt issued by the Seller. In all ten, the customer's message on receiving it is a request to cancel, to refund, or both. [REDACTED] annual renewal revenue is collected from customers who had forgotten the subscription and who object once reminded.
- **Service levels are poor and deteriorating.** [REDACTED] The distribution is bimodal — a minority are answered within the hour, most of the rest after a day or more.
- **Mail from the support domain is failing to deliver.** The export contains delivery-failure notices for [REDACTED]
- **Lifetime plans exist, and can now be quantified.** [REDACTED]

Each holder is a permanent service obligation that transfers with the business and pays nothing further. And two new plans launched inside the window contradict the Seller's answer at VR 8.2 that there were no changes to prices or plans on either store in the last 12 months. VR 10.1 can now be narrowed to confirming this list and the number of live holders, including any sold before [REDACTED] [REDACTED].

Conclusions

1. **Support is inexpensive to run but is not being run well.** A 15.0% no-reply rate and a 36-hour median are not a standard the Buyer would want to inherit, and both are worsening.
2. **Renewals are unintentional.** The support record corroborates that renewal revenue is substantially collected from customers who did not intend to renew.
3. **There is a defined, costed remediation list emerging.** In-app cancellation, entitlement restoration, the Android freezes, and SPF —should be priced into the Buyer's first-year plan.

[illegible]

6. Traffic & Performance

6.1 and 6.2 Analytics and store console access

We have reviewed Firebase, GA4 and Google Play Console. The position on the other platforms:

- App Store Connect — [REDACTED] Apple's own sales, in-app purchase and refund exports have been supplied instead (E-25). About 64% of revenue.
- Adapty — the source of the P&L; one invitation accepted.
- Stripe — full export set received (E-16); the console has not been reviewed.
- Meta Ads Manager — the Buyer has had Viewer access since 24 September; FlipAudit can be added on request with a Facebook account (VR 4.1); see 6.4.
- GitHub — the Buyer has had read-only access since 26 September (VR 4.2); the repository was reviewed at 9.6.

The analytics data has two reliability problems: the Firebase per-app revenue attribution is unreliable, and GA4 consent mode is unconfirmed.

6.3 Traffic, installs and funnel

Measure	Value	Source
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The organic App Store trend, iOS (App Store Connect data in the Seller's export, E-13):

Weeks	Organic impressions	Search impressions	Organic downloads
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Change, summer 2026 vs 2025	-39%	-37%	-18%

[REDACTED]
[REDACTED]
[REDACTED]

I

6.4 Advertising accounts

Meta is the only paid acquisition channel and supplies about half of new subscribers (5.2). The Seller says revenue falls when new creatives are not launched, which he gives as the reason for the July 2026 dip. In August 2026 twelve new creatives were launched and five were judged successful.

The real cost per paid subscriber is higher than the blended figure.

- Meta spend divided by *all* new payers is about [REDACTED] over the TTM. That spreads Meta spend across organic subscribers too, so it flatters the channel.
- On App Store Connect's attribution, paid cost per subscriber is about [REDACTED].
- On Meta's own attribution it is about [REDACTED].
- Either way it has risen sharply: +43% on Meta's attribution.

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The ad history (E-33). The Meta Ad Library shows 214 creatives from August 2025, seven of them active on 14 October, all started 6–11 October. [REDACTED], the App Store (29) and Google Play (28). Ads run in six languages. A 40% "Super Sale" retargeted existing Android installers from 27 May to 1 June 2026 with countdown messages (13.5).

Return on ad spend, calculated. From the data room's attribution and the P&L, for September 2025 to August 2026:

Basis	Figure
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED] for every dollar spent and about [REDACTED] over a subscriber's life after store fees and VAT, at the low end of the Seller's "2 or 2.5". The figures rest on modelled attribution and are indicative. The trend is down: [REDACTED]

[REDACTED]

February 2026. [REDACTED]

[REDACTED]

[REDACTED] The Seller has itself said that new subscriptions follow ad spend (email of 28 August).

Twelve-month spend. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Nothing on Meta has been verified inside the platform. All of the above derives from an export prepared by the Seller and from the Seller's own P&L. We have not seen the account, although the Buyer has had Viewer access since [REDACTED] (VR 4.1).

Nothing on Meta transfers (E-08):

The ad account and Business Portfolio are tied to the Seller company's verified legal entity and payment methods. The Buyer must create a new portfolio and ad account, starting on pay-as-you-go limits without a credit line or campaign history.

Access is the critical risk (E-09):

[REDACTED]

The Buyer must also establish a verified Meta Business Portfolio and ad account in his own name, and be able to spend from it, before the Seller's Support Period ends; the APA's six consulting hours are intended to help him do so (clause 12(a)(ii); 12.2).

6.5 Email marketing metrics

The Seller says push, email and in-app announcements are possible but have not been used for [REDACTED]

[REDACTED]

The repository contains live Brevo marketing automations, contacts and webhooks, and a GetResponse integration that still creates a contact for each new user (9.6). [REDACTED]

[REDACTED]

[REDACTED]

6.6 SEO and app store optimisation

The Seller says he never worked on ASO and believes the app ranks first for [REDACTED]

[REDACTED]

On [REDACTED] the Seller added that keywords such as "FSP" and nursing terms have never been checked, and that the blog, although indexed and bringing some installs, has had little SEO investment and no in-house expertise (E-22).

The app ranks for competitors' brand names. The highest-volume terms it ranks for include:

[REDACTED]

[REDACTED]

[REDACTED]).

These are competitor or publisher brand names. Ranking in the top ten for them usually means the terms are in the app's keyword metadata. Apple's guidelines prohibit using other developers' app names or trademarks in metadata, so this is a platform-policy exposure (F-25) as well as a trademark one (8.2). It also sits oddly with the statement that no ASO was ever done.

Limits of the ranking evidence. [REDACTED]

[REDACTED]

[REDACTED]

- Look for when rankings fell in 2026 and on which keywords (FR-20), whether competitors overtook the app on FSP terms, how Google Play compares with the App Store, and which nursing terms to build on. Send the export to FlipAudit for analysis.

6.7 Affiliate and influencer performance

There is no affiliate programme. [REDACTED]

Other channels have barely been tested (E-22). [REDACTED]

[REDACTED] These are untested opportunities, not evidence of demand.

6.8 App store platform health

On Android: crash rate 0.07%, ANR 0.02%, rating 4.43–4.49, listing conversion 37.5% (E-04).

Apple froze the Seller's developer payouts in February 2026. The data room states the freeze was caused by activity in other apps in the same developer account and was not related to [REDACTED] [REDACTED] (E-13). On 24 September the Seller added that Apple gave no reason, [REDACTED] the freeze began shortly after that update and was lifted soon after the content was removed. He described it as lasting about three weeks and as "an escalated review with no consequences", not an account ban or app removal, and said app transfers are not restricted in the App Store Connect interface (E-28). He undertook on 26 September to upload Apple's correspondence; it has not been received. Three things follow:

iOS stability metrics and review and enforcement history on both stores have not been seen. The Buyer will provide App Store Connect screenshots (Business and Agreements, App Analytics, crashes, ratings and reviews, and messages from Apple), and this section will be updated on receipt. [REDACTED]

7. Legal & Contracts

7.1 Customer contracts above USD 5,000 per year

No B2B customer contracts have been identified. App Store Connect records zero institutional-purchase subscription starts from January 2025 to June 2026 (E-13), consistent with revenue being entirely consumer subscriptions. Written confirmation has now been given: the Seller states that there are no B2B, recruitment agency, hospital, referral, affiliate or influencer arrangements, written or oral, in place or in force during the last 24 months (VR 3.2). Nothing on file contradicts that.

7.3 Long-term commitments

[illegible]

No leases, subscriptions running beyond twelve months, or exclusivity arrangements attaching to the business have been identified. The Seller's Adjust contract, to May 2027, is excluded. The APA draft does not warrant this (7.6, point 1).

7.4 Compliance frameworks — data protection, privacy and cookies

The Seller is an EU-established controller under the GDPR. Personal data will move to the Buyer as a new controller, so user notices and the privacy policy must be updated on transfer. The June 2026 API key misuse (9.4) must be assessed for any personal data exposure and documented, even if it was not notifiable.

What the Seller says (E-22). Asked about GDPR on 16 September, the Seller said account-deletion requests are actioned and users can delete their account in the app. [REDACTED]

the absence of breaches, complaints and regulator contact are not warranted in the APA draft and should be (7.6, point 1).

Privacy Policy and store disclosures reviewed (F-29). The current Privacy Policy [REDACTED] is weaker than the Seller suggested on 16 September, when he said it reflects actual processing rather than a template:

- It is another app's template: it [REDACTED]
- It names Firebase, Adjust, Facebook, Adapty and GetResponse, but not Brevo, Stripe, Meta's server-side Conversions API, BigQuery, Telegram, the second "AI automations" project, or Anthropic, whose AI agent reads customers' support emails (data-flow map at 9.6).

- It relies on "by using the App, you consent", which is not valid consent, gives no proper basis for advertising tracking or marketing email, and sets no retention periods.
- It says there is "no automated data deletion mechanism", the Seller says users can delete their account in the app, and the Google Play Data Safety form says "Data can't be deleted". Google Play requires apps that allow account creation to offer deletion in the app and on the web, so this is a store-policy exposure as well as a GDPR one.
- It says the app is not for under-18s; the Terms say 16. There is no cookie policy, although the website and web funnel run Meta and Google tracking. The Apple privacy label omits the usage and diagnostic data that Firebase Analytics and Crashlytics collect.

What to do. The Seller should add in-app and web account deletion and correct the Data Safety form and Apple label before transfer (12.2). As the new controller, the Buyer should then have a fresh Privacy Policy and Terms drafted for his company that match the actual processing (the processors, the AI support agent, transfers, deletion, cookies and consent), with processor agreements and a cookie-consent tool, in the first 100 days.

7.5 Disputes and compliance investigations

The Seller states that there is no litigation, complaint, cease-and-desist letter or claim, current or in the last 24 months (VR 6.3, 27 September 2026). Nothing in the support export or elsewhere on file contradicts this. The statement, including the absence of any settlement, is only partly warranted: APA clause 10(g) covers, to the Seller's knowledge, lawsuits and pending charges against the Asset, but not complaints, cease-and-desist letters or settlements (7.6, point 1).

7.6 Transaction documents

What the draft now provides

Term	Clause	What it says	Our view
Parties and signing	Preamble; signature blocks; 24(g)		
Price and VAT	4, 5(b), 6		
Completed Migration	7(d)		
Release and Retention	8		
Stripe	7(h)		

Term	Clause	What it says	Our view
Revenue after the Effective Date	9(a)–(e)		
Account standing	9(f)		
Warranties	10		
Support Period	12		
Seller Default	12A		
No contingencies	14, 20		
Non-compete	16		
Retained Licence	17		
Confidentiality	18		
Disputes	24(k), 24(l)		
Entire agreement	24(m)		

Points still open before signing

1. **Warranties and disclosure.** Every warranty in clause 10 is "subject to any fact disclosed", and a fact counts as disclosed if it appears anywhere in the listing, the due diligence materials, any system the Buyer could see before the Effective Date (App Store Connect, Google Play Console, Adapty, the Meta ad account and GitHub) or the correspondence. A qualifier this broad can cure a misstatement in one document with a contrary entry in another, which is the pattern we found at VR 3.2, 6.2, 8.1 and 8.2 (F-23). The clause also gives no warranty on revenue, churn, conversion or acquisition costs beyond a statement that historical financial information given in writing was not materially inaccurate, and even that falls away if the accurate figure was disclosed. Clause 10(e) still covers only information given to the Broker. We recommend limiting disclosure to matters fairly disclosed in writing to the Buyer, in enough detail to identify their nature and scope, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] no third-party marks are used in the

metadata, listings or advertising; and the lifetime plans sold are as disclosed (5.5). The warranties bind only the company (point 4).

2. **Seller's Retained Licence (clause 17).** The contributors' assignment of 8 October transfers rights to the Buyer "subject to the Seller's Retained Licence under the APA", so this clause sets the limit of what the Buyer owns outright. As drafted it licenses back "Shared Components": any part of the software, "including general-purpose code, components, libraries, tools and know-how", that is also used in the Seller's other products. There is no list, so its reach depends on what the Seller uses elsewhere, which the Buyer cannot check. The licence is perpetual, irrevocable, royalty-free and sublicensable, extends to modifications and derivative works, may be assigned to any acquirer of the Seller's products, and lets the Seller keep a full copy of the repository. Its only limit is that the components may not be used in the Restricted Business. [REDACTED]

3. **Non-compete and its carve-outs (clause 16).** The scope is now well defined, but two gaps remain. It binds the Seller "itself or through any entity it controls", [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]. There is still no non-solicitation of customers, although the ban on using the Business's user data covers most of that risk.

5. **Promises outside the APA.** Clause 24(m) makes the APA the entire agreement and supersedes every earlier written or oral agreement. [REDACTED]

7. **Release trigger and Retention.** The trigger in clause 7(d) is the list the Seller proposed [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED] a delay of more than 30 days on his side counts as a transfer (12A(b)), so he should arrange to respond while travelling.

[REDACTED]

9. **Refunds after the Effective Date (clause 9(e)).** The Seller keeps the proceeds of every sale dated before the Effective Date but reimburses only refunds processed in the first ten days. Store refunds of annual renewals can arrive weeks later, and September to January is the renewal season. The window should run for at least 60 days, or the Seller should bear refunds of its own pre-Effective Date sales whenever processed, set against the Retention (4.3, F-18).

[REDACTED]

11. **Scope of the sale (Schedule A).** Schedule A still omits the iOS signing-certificate repository, the CI secrets, the Play uploader service account, the App Store Connect API key, the "AI automations" project and the Telegram bot (F-28, Appendix B).

[REDACTED]

12. **VAT and the signing timetable (clause 5(b)).**

The List of Assets is thorough.

[REDACTED] the Buyer will therefore need his own AI API accounts to run the content-translation pipeline in 3.4.

8. Intellectual Property

8.1 Domain ownership

[REDACTED]

8.2 Trademark review

[REDACTED]

A descriptive title is useful for store search, but it is unlikely to be registrable and cannot stop competitors listing under near-identical titles. What the Buyer acquires is a ranked listing, a rating history and an installed base, rather than a brand.

Third-party marks in metadata.

[REDACTED]

Freedom to operate (provisional).

[REDACTED]

8.3 Copyright assignments from contractors, employees and founders

[REDACTED]

[REDACTED]

[REDACTED]

8.4 Third-party technology and content licensing

Shared code. [REDACTED]

[REDACTED]

[REDACTED] The licence is perpetual and sublicensable and has no list of what it covers, so a list of Shared Components should be attached (FR-13; 7.6, point 2).

AI-generated content. The first version of the content was generated with GPT-4 and then proofread by the

[REDACTED]

Images. The Seller says the app contains no images, so image licensing is largely not applicable.

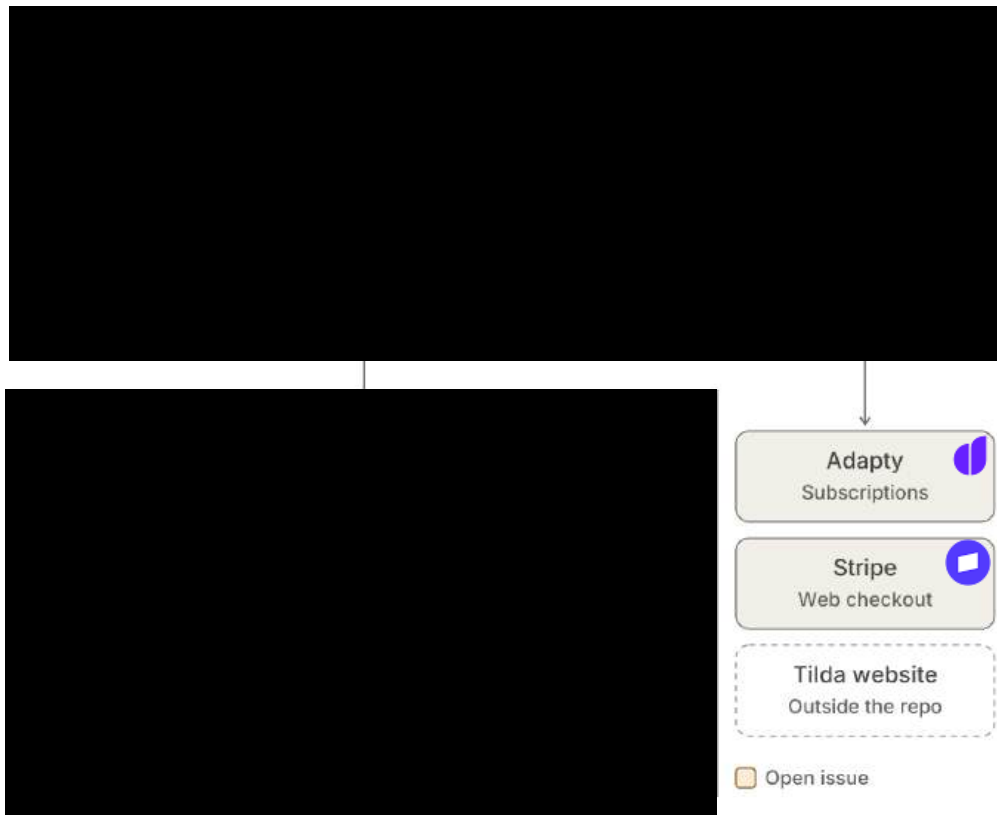
Pronunciation audio. Audio is generated with Google Cloud Text-to-Speech [REDACTED]

[REDACTED]

[REDACTED]

9. Technology & Operations

9.1 Architecture and systems



What the app runs on.

- A Firebase/Google Cloud backend (medlang-de) holding course content in Firestore.
[Redacted]
- Adapty for subscriptions.
- A React admin console, analytics pipelines and AI-assisted support tooling, all in the same repository (9.6).
- A Tilda website.
[Redacted]

9.2 Backup policy

Backups were not verified. By agreement, the Buyer will check them himself once the Google Cloud project transfers: in [Redacted]

9.3 Platform health

Version [Redacted] went from internal testing at 5:00 PM to 100% production rollout at 6:15 PM on [Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

9.4 Security and access control

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

9.5 Transfer and migration

Asset	Mechanism	Open point
iOS and Android apps	[REDACTED]	[REDACTED]
Stripe subscribers		
Adapty		
Firebase		
Meta		
Repository		
Build and signing assets		
Creative log, ad data export		
Website		
Instagram (~30k)		
Support mailbox		

Stripe: [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Scenario	Assumptions	Net loss (approx.)	Against \$3,500
Expected	22% annual renewal; monthly subscribers make about three more payments	[REDACTED]	[REDACTED]
Optimistic for subscribers	35% annual renewal; monthly churn 20% a month (about five more payments)		
Theoretical maximum	Every subscriber renews and no monthly subscriber cancels for 12 months		

Net of VAT (prices include it), Stripe fees and, except in the maximum case, the channel's 14% refund rate; EUR at 1.166.
 Sources: customer list (VR 3.1), E-16.

Conclusion. T [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

9.6 Source code review

[REDACTED]
 [REDACTED]
 [REDACTED]

Overall. This is a typical, reasonably well-run small-company codebase on a modern, mainstream stack (React Native, TypeScript, Firebase). A competent React Native and Firebase developer could take it over, and the operational hand-over documentation is better than average. The main risks are little automated testing, heavy reliance on two developers, some large catch-all files, and, most materially, a content-delivery design that is mid-way through a redesign.

What the repository contains

Part	Purpose	Stack	Size (approx.)
mobile/	iOS and Android app	React Native 0.87.1, React 19.2, TypeScript, Redux Toolkit, Firebase SDK 24	28,000 lines
admin/	Admin console for content and users	React 18, react-admin 4, Vite, Firebase 9	11,700 lines
admin/functions/	Backend: Firebase Cloud Functions	Node 20, TypeScript	5,300 lines
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
analytics/	BigQuery views, pipelines, Meta Ads sync, store-review pipeline	Python, SQL	10,800 lines
support/	AI-assisted support mailbox tooling	TypeScript	3,000 lines

Part	Purpose	Stack	Size (approx.)
.github/workflows/	Seven CI and operations workflows: builds, data syncs, support and review automation	GitHub Actions, Fastlane	—

[REDACTED]
[REDACTED]
[REDACTED] the scripts and analytics folders were added as snapshots without history.

Code quality and ease of editing

Strengths. The stack is current and widely used. There are only about 52 type-safety escapes across the entire codebase, which is excellent for 55,000 lines of TypeScript.

Issue	Impact
[REDACTED]	Medium. Regressions are found by manual testing or by users; refactoring is slower and riskier
	Medium. Slower onboarding; a paid handover with both developers is advisable
	Medium. Edits spread to unrelated screens; payment-entitlement logic sits beside date formatting and notifications
	Minor. Weaker compile-time safety where money is taken
	Minor. Upgrade work later; low urgency for an internal tool
	Minor. Misleading to a new developer
	Minor. Patches must be re-checked on every upgrade
	Minor. Low; fix when setting up the Buyer's own pipeline

Large central files. Splitting helpers.ts into [REDACTED] [REDACTED] [REDACTED]
[REDACTED]
[REDACTED] maintenance item on a somewhat neglected codebase, not a reason to delay or reprice.

Content delivery and the current content freeze (F-26)

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The backend functions that serve cards and courses now read frozen "legacy" snapshot collections instead of the live content, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The fix is not in the repository. [REDACTED]

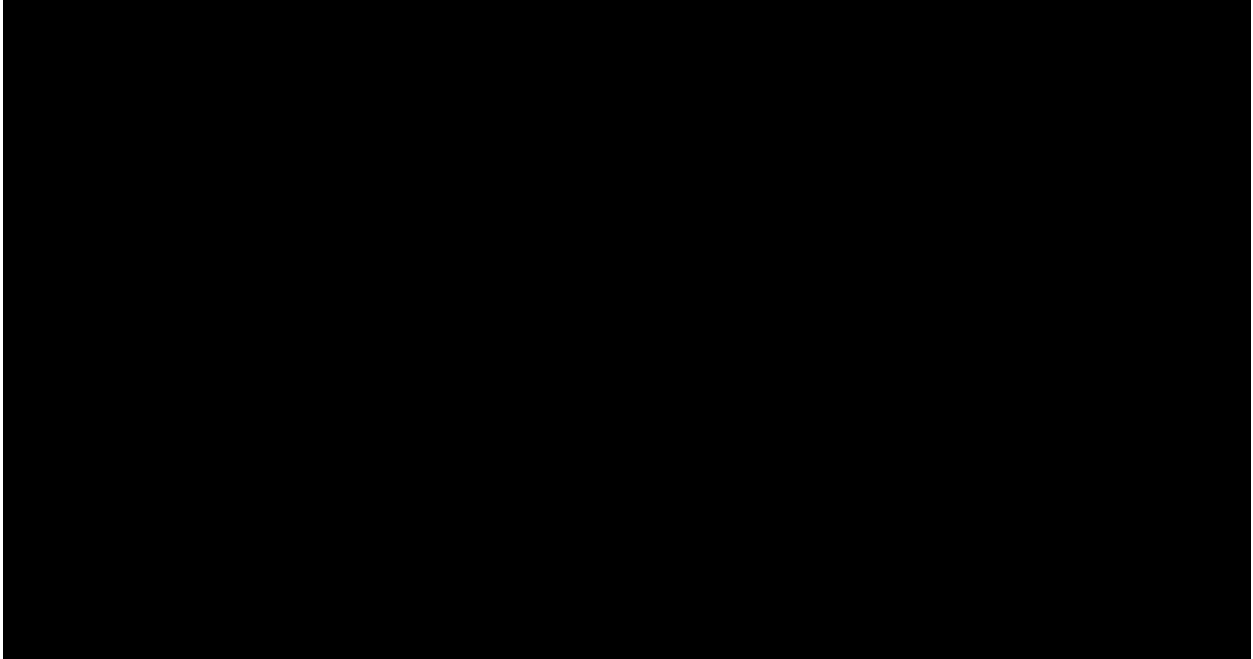
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]).

Third-party material and the committed keystore (F-27)



External services and seller-held assets (F-28)

The apps depend on about 25 external services, several of them paid and usage-based (Appendix B). The core ones are Apple and Google's developer programmes, the Firebase and Google Cloud project medlang-de (authentication, Firestore, Cloud Functions, storage, hosting, analytics, messaging, BigQuery), Adapte and Stripe. Content production uses OpenAI, Google's text-to-speech and Gemini/Vertex AI, DeepL and Algolia; marketing and analytics use Adjust, Meta's SDK and APIs, Brevo, GetResponse and BigQuery, whose 11 scheduled queries are held in the console rather than in code; support automation uses the Gmail API, Anthropic's API and a second "AI automations" Firebase project.

Secrets. The keys visible in the source (Adapte SDK key, Algolia search key, Facebook app ID and client token, Firebase web configuration) are client-side by design, although the Algolia key should be confirmed as search-only. A "purge committed keys" commit in June 2026 shows that secrets were committed before then, and they remain in the git history. Every key, token and service account should be rotated at transfer, and the history rewritten to remove previously committed secrets and the keystore.

Data flows

The diagram and table show where users' personal data goes, from the code review. They feed the privacy findings at 7.4 (F-29). Blue borders are disclosed in the Privacy Policy, red borders are not.



Figure 9.6 — Data flows. Source: E-32 (source code review); Privacy Policy of 14 May 2025.

Flow	Personal data	Named in Privacy Policy	Likely outside EU
Google Cloud medlang-de: Firestore (EU), Auth, Functions, Storage, Analytics, Crashlytics	Yes	Yes (Firebase)	Partly (analytics)
BigQuery warehouse, incl. Adjust export	Yes, pseudonymous	No	To confirm
Adapty: entitlements and purchase events	Yes	Yes	Yes
Apple, Google Play: payments	Yes	Independent controllers	—
Stripe: web payments	Yes	No (generic "payment processors")	EU entity
Meta: in-app SDK and web pixel; server-side Conversions API	Yes	SDK only ("Facebook")	Yes
Anthropic: AI support agent reading support emails (Gmail API)	Yes	No	Yes
Second "AI automations" Firebase project: support tickets	Yes	No	To confirm
OpenAI, Gemini, Google TTS, DeepL, Algolia: content	None seen in the code	n/a	n/a

10. HR & Contractors

10.1 Employment agreements

NOT APPLICABLE - NO EMPLOYEES DEDICATED TO [REDACTED]

10.2 Contractor agreements

[REDACTED]

10.3 Payroll summaries

NOT APPLICABLE

10.4 Organisation chart and key-person risk

Function	Performed by now	After completion
Engineering, releases, extraction	[REDACTED]	
Campaign management		
Creative production		
Meta account access		
Content and clinical accuracy		
Analytics and reporting		
Support		

The business looks light to run but is not self-sufficient. Its revenue depends on continuous creative refresh and campaign management, work the Seller's team currently does outside the P&L.

10.5 Operational readiness after completion

This is the Buyer's first acquisition. From the call transcripts (E-07, E-09), the Buyer intends to spend about five hours a week on the business and make no major changes for the first year.

The Buyer has not previously run paid advertising and does not yet have a verified Meta portfolio or ad account of his own.

The business is sound and needs little technical attention. But its growth, and much of its revenue replenishment, comes from a channel the Buyer cannot yet access, run by a team he is not acquiring.

We recommend that, before exchange, the Buyer:

- has a working Meta advertising account;
- has an outsourced campaign and creative provider identified, with a quote;
- has the transition timetable fixed so that the handover sessions fall before any extended travel.

11. Consolidated Findings Register

ID	Finding	Section	Rating	Resolution
F-01	Revenue acquisition depends on continuous Meta spend: iOS installs are 21% lower year on year on about half the iOS spend. A 60-day Seller-run bridge has been agreed.	2.3, 6.4, 9.5	MEDIUM	Bridge now in the APA (clause 12), creatives still to be added; the Buyer's own verified portfolio and ad account running spend before the bridge ends.
F-02	Title to the business: a contributors' assignment signed on 8 October 2026 by all five contributors and the company covers all work and the pre-incorporation business. Residual: the breadth of the Seller's Retained Licence (APA 17); CreatorsPay's rights; two ad creators; members' approval. Re-rated from RED on 14 October 2026	2.3, 3.1, 8.3, 10.2	MEDIUM	FR-04, FR-05; Retained Licence narrowed in the APA (7.6, point 2).
F-03	Revenue existence corroborated by Apple's and Google's own records (App Store within 1–3% monthly; Android renewals traced by order ID); not yet reconciled to payouts or bank, which were declined. P&L derived from Adapty with back-solved lines	4.1	LOW	Payout reconciliation or targeted alternative (VR 10.23); E-11
F-04	Acquisition deteriorating: Apr–Aug 2026 against 2025, spend +40%, new subscribers –22%, organic –32%, blended cost per subscriber +80%; iOS organic impressions –37% to –39%; revenue held up by the Tier 2 price rise	4.5, 6.3	MEDIUM	Price on trend; FR-20
F-05	P&L presentation: YoY +16.4% against +7.8% like-for-like; several versions and TTM windows in circulation; new-subscriber counts differ from the data room by 27%	4.6	LOW	FR-06, FR-21
F-06	SDE excludes the labour a standalone owner must replace; normalised SDE \$93,564 (range \$80,064–\$107,064)	4.7	LOW	Price replacement support
F-07	Carve-out from a three-app operation: shared team, tooling and Apple developer account. Repository extracted with full history in September 2026; scripts and analytics added without history; shared components to be licensed	8.4, 9.1, 9.6, 10.4	LOW	Retained Licence narrowed (APA 17); non-compete; FR-13
F-08	Stripe web channel growing (8.3% of Aug-26 gross) but non-transferable; VAT treatment unconfirmed	4.8, 9.5	LOW	APA 7(h): \$19.90 per unmigrated subscription, cap \$3,500; FR-14
F-09	June 2026 API key misuse (~€17,500); rotation and data exposure unconfirmed; keys said orally to be restricted and audited; secrets previously committed remain in git history; production access via the founder's personal Gmail	7.4, 9.4, 9.6	MEDIUM	FR-09, FR-31; rotate every secret at transfer
F-10	~44% of Android installs never opened; deep link failing on unassociated web domain; D1 retention 13.4%; DAU/MAU 7.4%	6.3	MEDIUM	Fix app-link verification
F-11	Content AI-generated; no clinical reviewer since the co-founder stopped; new courses also AI-generated	8.4	HIGH	Clinical sample; APA acceptance
F-12	The Seller's principal holds no shares or office since 6 April 2026 but is connected to the largest member; the APA now names the director as signatory; board resolution and members' approval outstanding.	3.1, 7.6	LOW	B [REDACTED] [REDACTED] [REDACTED]g

ID	Finding	Section	Rating	Resolution
F-13	Recurring in form, not in behaviour: 22.4% of annual payers renew to year 2, ~37% of those to year 3, ~1.31 payments per annual subscriber; about a third of the active base had switched off renewal by August; the [REDACTED] "ARR" overstates the base	4.5, 5.4	MEDIUM	Value as an acquisition flow; full September figures before signing (FR-08, FR-23)
	[REDACTED]			
	[REDACTED]			
	[REDACTED]			
	[REDACTED]			
	[REDACTED]			
	[REDACTED]			
	[REDACTED]			
	[REDACTED]			
F-15	Three Play platform warnings; no staged release process; anti-tamper off	9.3	LOW	Clear before signing; APA 12(a)(v) covers new requirements only
F-16	No protectable brand: store title is descriptive	8.2	LOW	Trademark search
F-17	Owned channels under-used and unquantified: an email list exists in Brevo and GetResponse; Instagram to transfer by login	6.5–6.7	LOW	FR-25; VR 3.4
F-18	Refund rate rising 3.8% → 4.8% (8.1% in Jun-26); post-completion refunds of prior sales unallocated	4.3	LOW	Extend APA 9(e) beyond ten days
F-19	Transition support thin relative to need; overlaps the Buyer's planned travel (2–18 October, then six to nine months from early November)	10.4, 10.5	MEDIUM	Fix timetable before signing
F-20	Unit economics positive but deteriorating: paid cost per subscriber ~\$13–21 (+43% YoY); calculated Meta return about 1.4× on first payments and 2.1× over the subscriber's life	6.4	MEDIUM	Build into the operating plan
F-21	Product and listing sound: conversion 37.5%, rating 4.43–4.49, crash 0.07%, ANR 0.02%	6.8, 9.3	RESOLVED	—
F-22	Android revenue and Meta spend in the P&L corroborated by Play Console and the data room; the Buyer's independent roll-up matches ours	4.1	RESOLVED	—
F-23	The Seller volunteered the API key incident, the Adjust exclusion and the Apple payout freeze, and organised a data room. But answers at VR 3.2, 6.2 (no breaches), 8.1 and 8.2 (web prices, and new lifetime plans) are contested by evidence on file; the support-inbox summary described about 17% of the export; "the code was fully mine" sits uneasily with a second developer's 30% of commits; the Privacy Policy, said to reflect actual processing, is another app's template	—	MEDIUM	Seller largely forthcoming in DD process however representations did differ on several points. Primary sources are recommended when confirming statements.
F-24	Apple froze the Seller's developer payouts for about three weeks in February 2026; the Seller suspects content in [REDACTED] and describes an escalated review with no consequences; Apple's correspondence promised but not received; current standing unconfirmed	6.8, 9.5	MEDIUM	FR-19; good standing before transfer; APA 9(f) warranty is knowledge-qualified
F-25	[REDACTED]	6.6, 8.2	LOW	FR-22; clean before transfer; warranty (not in APA draft)

ID	Finding	Section	Rating	Resolution
F-26	Content updates frozen since 5 October 2026: admin-panel and script edits do not reach app users; the client code for the content-pack release (PR #11) is not in the repository delivered	9.1, 9.6, 7.6	LOW	Condition of signing: PR #11 delivered before the Effective Date so that APA 12(a)(iv) applies, or named in clause 12 (FR-34)
F-27	Third-party (██████) release-tooling configuration and an unidentified keystore committed since the first commit, which was made from another company's email domain (██████); secrets previously committed remain in history	8.3, 8.4, 9.6	HIGH	Identify and remove; rewrite history; reset the Play upload key if it is the live key (List of Assets 1.2)
F-28	Engineering continuity: minimal automated tests; two developers made about 97% of commits; release pipeline depends on seller-held signing assets, CI secrets and a self-hosted Mac; about 25 external services; a live job cancels Stripe subscriptions	9.5, 9.6, 10.4	MEDIUM	Signing assets and secrets transferred or regenerated; paid developer handover; tests and refactor in first six months (FR-36, FR-39)
F-29	Privacy documentation and store disclosures do not match processing: another app's template; most processors (Brevo, Anthropic, Meta CAPI, Stripe) unnamed; no transfer, retention or cookie terms; account deletion not offered, against Google Play policy; Apple label incomplete	7.4, 9.6	HIGH	Seller: deletion and corrected labels before transfer; Buyer: new policy, cookie consent, processor agreements

12. Conclusion and Recommendation

12.1 Overall conclusion

██████████ is a good small product that has been left to run itself. Its revenue is real and its margins are high, but it is not growing, it is less recurring than its P&L suggests, and ██████████ Buyer would be paying in advance for improvements he will have to make himself.

At a glance

Question	Our answer	Assessment
Is the revenue real?	Yes. App Store revenue agrees with Apple's own data within 1–3% in every month, Android renewals ██████████ Not yet tied to bank (4.1)	Strong
Is it recurring?	In form, not in behaviour: about 22% of annual subscribers renew, and about a third of the active base had switched off renewal by August (5.4)	Weak
Is it growing?	No. New paying subscribers –21.6% over the TTM, organic new subscribers –32%, September 2026 running 22–31% below 2025 (4.5)	Declining
Can the Buyer run it?	Yes, with ██████████ ██████████)	Manageable
Is there upside?	Yes, in under-used channels and fixable leaks, each of which needs resources (12.6)	Real
Is the price right?	No. 2.63× the Seller's SDE and 3.05× normalised, about █████, █████–████, █████ above the range the evidence supports (12.4)	Overpriced
Has the Seller been straight with us?	Largely. Most statements are confirmed by primary records; his summaries tend to flatter	4 out of 5
Does the APA protect the Buyer?	Partly: a clear release trigger and a binding Support Period, ██████████ ██████████	Thin

12.2 Conditions of exchange

1. The Seller's 60-day campaign bridge, now in the APA (clause 12), extended to include the ten new creatives a month offered on 25 September, and the Buyer holds a verified Meta Business Portfolio and ad account in his own name, or his entity's, and has run spend from it before that bridge ends.
2. The residual IP points resolved: the Seller's Retained Licence (APA clause 17) limited to listed shared code, excluding content, course data and brand; CreatorsPay's confirmation; the two ad creators' assignments; and the members' approval of the sale (the contributors' assignment of 8 October 2026 is received).
3. Revenue reconciled to store payout statements, Stripe and bank for at least the TTM, with one definitive P&L version and a reconciliation of new-subscriber counts.
4. The director's authority to sign the APA confirmed by board resolution, the members' approval of the sale delivered, and sanctions screening completed.
5. Confirmation that the Apple developer account is in good standing following the February 2026 payout freeze, with the cause explained.
6. App transfer eligibility with subscriptions intact confirmed on both stores, and the Buyer's Apple account enrolled in the Small Business Program.
7. Third-party brand names removed from keyword metadata before transfer.
8. The Stripe mechanism at APA clause 7(h) confirmed, with the Buyer's written consent under clause 7(c) to the web funnel switching to his Stripe account at the Effective Date.
9. Full September 2026 results for all three channels, and cohort renewal rates, received and reviewed (4.5).
10. The API key rotated, all keys restricted and the incident assessment provided; every secret at Appendix B rotated at transfer.

11. The open APA points at 7.6 resolved or knowingly accepted, above all the disclosure qualifier, the Retained Licence and the Retention, and the clean copy for signature checked against the draft of 12 October 2026.
12. The client code for the content-pack release (PR #11) delivered as a pull request or test build before the Effective Date, so that the APA's defect-correction obligation applies to it, or written into the Support Period as a named deliverable (F-26).
13. The iOS signing-certificate repository, the Android upload key (or Play App Signing reset) and the CI secrets confirmed as transferring; the committed keystore identified and, with the MuseClass material, removed from the repository and its history (F-27, F-28).
14. In-app and web account deletion added, and the Google Play Data Safety form and Apple privacy label corrected, before the apps transfer (F-29).
15. The Buyer's VAT identification number confirmed valid in VIES, which the APA makes a precondition of signature (clause 5(b)).

12.3 Recommended price and structure

PARTIAL — CONCLUSION NOT FINAL • price agreed; one-off costs and the September 2026 figures outstanding.

Price. The purchase price is [REDACTED] payable in full in cash at signing into Empire Flippers' escrow, with no deferred consideration. It was agreed when the Seller accepted the Buyer's offer on 25 August 2026 and entered in the APA by the Buyer on 2 September. The broker's commission of 15% ([REDACTED], [REDACTED]) comes out of the Seller's proceeds and is not a cost to the Buyer.

Implied multiples:

- 2.63× the Seller's TTM SDE of \$108,316 (2.62× on the listing-period SDE of \$108,818);
- 3.05× normalised SDE, base case, of \$93,564 (4.7);
- 2.97× normalised SDE of \$95,964 if replacement campaign management is costed at the \$800 a month quoted by the Seller's acquisition manager, before the cost of creatives;
- 2.66× to 3.56× across the sensitivity range of \$107,064 to \$80,064;
- 1.52× TTM gross revenue of \$187,116, and 2.09× TTM net revenue of \$136,469.

Our view. The multiple should be read against what the earnings are: an acquisition flow in which about 22% of annual subscribers renew (5.4), sustained by Meta spend and organic App Store search, both softening (F-01, F-04). On the base case the Buyer is paying about three years of normalised earnings. The first in-season data, for September 2026, is about 22–31% below the same days of 2025 once a one-day data gap and incomplete days are allowed for and Stripe is included (37% on the raw App Store figures; 4.5). If the full September figures confirm a fall of that order, the price should be revisited before signing. The Buyer has not yet seen them.

Structure. The Seller declined an extension and any price adjustment on 25 September. The due diligence period has since been extended, but the price is unchanged and has no deferred element. Protection therefore rests on the APA's release mechanism. Empire Flippers holds the funds after signing and releases \$232,250 to the Seller once four assets have transferred: the two store apps, the Google Cloud and Firebase project, and Adapty (clause 7(d)). It keeps a Retention of \$10,000 for 60 days after that, against the Stripe payment, the Support Period, early refunds and warranty claims (clause 8(b)). We recommend:

- the members' approval of the sale, a board resolution authorising the director to sign, the CreatorsPay confirmation and the ad creators' assignments delivered at signing, since the Retention does not secure them (F-02, F-12); the contributors' assignment itself was signed on 8 October 2026;
- the Stripe payment now at clause 7(h), \$19.90 per unmigrated subscription up to \$3,500 (the Seller first proposed a fixed \$2,500 on 26 September), against an expected loss of about \$2,000 (9.5), with the web funnel switched to the Buyer's Stripe at the Effective Date;
- the source repository and both domains added to the Completed Migration trigger, as the Seller itself proposed for the repository on 25 September (7.6, point 7);
- the ten new creatives a month added to the Support Period, which already carries the campaign bridge (F-01);
- the content-pack code (F-26) delivered before signing;

- signing only after the full September 2026 figures have been received and reviewed.

The due diligence period, originally ending on 9 October 2026, has been extended, and the APA has not been signed. The Buyer was away from 2 to 18 October, and the Seller proposed that transfers start on his return. Signing remains the decision point: the conditions at 12.2 should be met before then, or written into the release trigger or secured by the Retention.

Whatever the price, the multiple should reflect that this is an acquisition flow, not a renewing book. With about 1.31 payments per annual subscriber, earnings depend on continuous paid and organic acquisition, both currently deteriorating. A multiple appropriate to genuinely recurring subscription revenue would overstate its value.

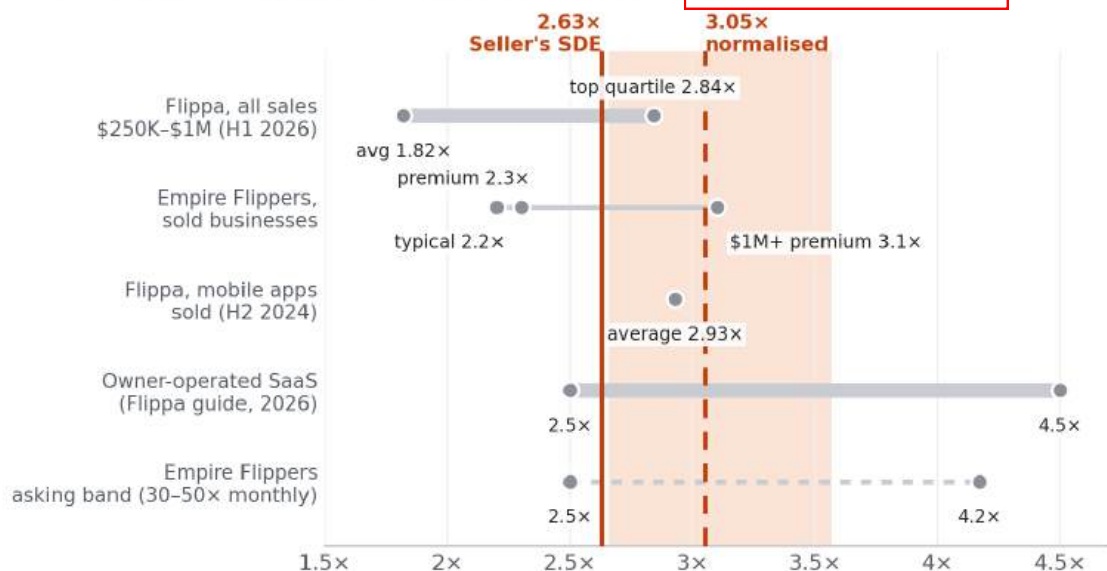
12.4 Market price comparison

PARTIAL — CONCLUSION NOT FINAL • the price is full: above typical sold multiples for businesses of this kind

This section compares the agreed price with published sale multiples for small online businesses. Marketplaces quote multiples as the sale price divided by the seller's trailing twelve-month net profit, without normalisation adjustments of the kind at 4.7. The like-for-like figure for this deal is therefore 2.63× the Seller's TTM SDE of \$108,316, or about 32 times monthly profit. On our normalised base case it is 3.05×, and 2.66–3.56× across the sensitivity range.

The price sits above typical sold multiples

Sale price ÷ annual profit. Grey: published marketplace benchmarks. Orange: this deal at \$285,000



Benchmarks are platform-published averages across business types, not medical-language apps. Sold multiples use the seller's unadjusted trailing profit, so the like-for-like comparison is 2.63×. The Empire Flippers asking band is a listing range, not achieved prices, and is shown dashed. Shaded: the deal's multiple across FlipAudit's normalised range, 2.66–3.56× (4.7). Sources: Empire Flippers Scoreboard; Flippa, Digital Business Valuation Multiples 2026 and Mobile App Valuation 2025; ExitBid, Empire Flippers Review 2026 (all accessed 28 Sep 2026); Seller P&L (E-10); FlipAudit normalisation (4.7).

Figure 12.4 — Purchase price multiple against published marketplace benchmarks. Sources: E-24; Seller P&L (E-10); FlipAudit normalisation (4.7).

Where the benchmarks come from

- **Empire Flippers Scoreboard.** The broker running this sale publishes the multiples its sold listings achieve, calculated as sale price divided by trailing twelve-month net profit: 2.2× for typical businesses, 2.3× for “premium” businesses, and 3.1× for premium businesses above \$1 million. It does not break these down by business type, so apps and subscription businesses are mixed with content sites and e-commerce.
- **Empire Flippers asking band.** Listings are priced at a monthly multiple of average net profit that typically falls between 30 and 50, about 2.5–4.2× annual profit, according to an independent 2026 review of the platform (ExitBid). This is an asking range, not achieved prices. At about 32× monthly profit, this listing sits near its bottom.

- **Flippa transaction data.** Flippa, the largest open marketplace, publishes averages from its sold deals. In H1 2026, deals of \$250,000 to \$1 million sold at an average of 1.82× profit, with the top quartile at 2.84×. Its 2026 guide puts smaller owner-operated SaaS businesses at about 2.5–4.5× profit. Its mobile-app data for H2 2024 shows an average of 2.93× profit and 2.52× revenue, down sharply from 2022 levels that were inflated by a single large portfolio sale.

What the comparison shows. On the like-for-like basis, the price is about 15–20% above what a typical business sells for on Empire Flippers, and close to Flippa's top quartile for deals of this size. On our normalised earnings it is above that top quartile. The business has qualities that justify a place in the range: revenue verified against Apple's and Google's own records, a three-year history, first rank in its niche, healthy margins and profitable Meta acquisition (6.4). But the factors that normally place a business in the lower half are also present: low renewal (5.4), dependence on a channel the Buyer cannot yet operate (F-01), declining acquisition (F-04, F-13), residual points on title to the IP (F-02) and a team that does not transfer (10.4).

At 2.2–2.6× the Seller's figure, the price would be about \$240,000–\$280,000. At 2.3–2.8× our normalised earnings, it would be about \$215,000–\$260,000. The agreed price is therefore roughly \$25,000–\$45,000 above the range the evidence supports, about the size of the retention proposed at 12.5. If the full September figures confirm a sustained fall, the effective multiple rises further: a 15% fall in normalised earnings would put it at about 3.6×.

Limits of the comparison. The benchmarks are averages published by the marketplaces themselves, across all business types. None is specific to language-learning or [REDACTED] apps, and we found no public sale of a comparable app. Flippa's lower price bands include weaker businesses, which pulls its averages down, and the Empire Flippers figures are presented as a scoreboard and are not independently audited. They show where the price sits, not what the business is worth.

Sources (accessed 28 September 2026): Empire Flippers, Scoreboard, empireflippers.com/scoreboard; Flippa, Digital Business Valuation Multiples 2026, flippa.com/blog/digital-business-valuation-multiples; Flippa, Mobile App Valuation and Multiples in 2025, flippa.com/blog/mobile-app-valuation-key-methods-metrics-and-multiples-for-2025; ExitBid, Empire Flippers Review 2026, exitbid.io/blog/empire-flippers-review-2026.

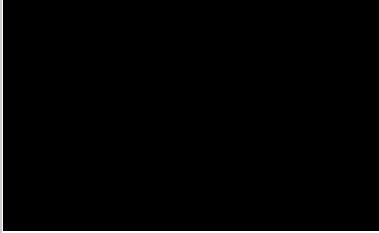
12.5 Deferred consideration

The price is payable in full at signing. The Buyer deleted the template's deferred-payment clauses on 27 August and entered [REDACTED] (E-23). In a sale of this kind we would normally push for part of the price to be deferred, and we recommend that the Buyer asks for it. This section sets out why, what we would propose, and why the Seller may refuse.

Why a deferred element is usually a good idea

- **It puts part of the price behind performance that due diligence cannot verify.** The earnings are an acquisition flow, not a renewing book. About 22% of annual subscribers renew (5.4), and new customers depend on continuous Meta spend that the Buyer has yet to run himself (F-01). The first in-season data, for September 2026, is running about 22–31% below last year (4.5). A deferral shares with the Seller the risk that the autumn renewal season, which carries most of the year's revenue, falls short.
- **It keeps the Seller engaged after the money moves.** Much of the value transfers through the Seller's cooperation after signing: the Sign in with Apple migration, the Stripe migration, the 60-day campaign bridge, and the features and courses offered as a courtesy, which are not in the APA. Payment still owed is a stronger incentive than goodwill.
- **It gives the Buyer something to set warranty claims against.** Once funds are released, a claim means ICC arbitration in Frankfurt against a Cyprus company whose members live in three countries (7.6). Open items include the Retained Licence and residual IP points (F-02), the signatory's authority (F-12), the Apple account's standing (F-24), the lifetime plans sold, and refunds after completion of purchases made before it (F-18). A retained sum with an express right of set-off turns a claim that would be uneconomic to pursue into a deduction.
- **It tests the Seller's confidence.** A seller who believes the P&L and the renewal forecast should be willing to take part of the price on the same terms. A refusal is itself informative.

What we would push for, in order of preference:

Structure	How it would work	What it protects	Likely Seller response now
1. Escrow retention		Title and warranty claims; refunds of purchases made before completion; Seller cooperation through migration	Most likely to be accepted. The Seller carries no credit risk on the Buyer, and it changes only the amount and period of a Retention the Seller has already accepted and Empire Flippers already holds
2. Fixed deferred payment	About 15% of the price, paid by the Buyer through Empire Flippers on 31 January 2027, after the renewal season, with an express right of set-off.	As above, over a longer window that covers the renewal season	Harder. The Seller waits four months and relies on the Buyer to pay
3. Earn-out	A deferred sum scaled to App Store and Google Play gross revenue for October 2026 to January 2027, against \$69,762 for the same months a year earlier, and reduced pro rata below, say, 90% of that figure.	Shares directly the risk of a weak renewal season	Least likely. It re-opens the price, and the Seller would ask for covenants on how the Buyer runs the business

Baseline for option 3: E-10, P&L rows 14 and 15, October 2025 to January 2026 (\$46,198 App Store and \$23,563 Google Play).

We recommend asking first for the escrow retention, with an express right of set-off. It achieves most of the protection of a deferral, in a form the Seller has already accepted in principle. A fixed deferred payment or an earn-out should be pursued only if the full September figures confirm a fall of the order seen in the first 23 days. In that case it is the natural alternative to the price reduction the Seller has refused.

If the Seller refuses any retention beyond the \$10,000 already agreed, the protections at 12.3 remain the minimum, and the decision at signing rests on the full September figures and the conditions at 12.2.

12.6 Value creation

These are genuine opportunities, but each depends on resources the Buyer would need to buy in:

- scaling Meta spend once access and creative capacity exist;
- recovering organic App Store visibility through compliant keyword optimisation;
- fixing app-link verification;
- the nursing audience, for which the app already ranks;
- improving renewal, since even a few points above 22% compounds;
- the Stripe web funnel;
- doctor communities and influencers;
- Austrian content;
- social and community features;
- B2B licensing.

12.7 First 100 days

- Complete all account and credential transfers and revoke former access.
- Rotate every key, token and service account at Appendix B; strip previously committed secrets, the keystore and the MuseClass material from the repository history.
- Set up an owned build pipeline: a Mac runner, the signing certificates and the Android upload key.
- Take ownership of the automated Stripe job that cancels duplicate-trial subscriptions every six hours.
- Fix the web-domain association and deep links.
- Decide on attribution: keep Adjust until May 2027 or move to Adapty Attribution; update the privacy labels accordingly.
- Clear the Play warnings; introduce staged rollout.

- Enable anti-tamper and review all API keys.
- Commission a clinician's review of content before publishing new courses.
- Update the privacy policy and user notice for the new controller.
- In the first week after the Google Cloud project transfers, enable scheduled Firestore backups and point-in-time recovery, and test a restore.
- Put in place cyber and data-breach insurance and professional or errors-and-omissions cover from completion; the Seller's policies do not transfer.
- Have a new Privacy Policy and Terms drafted for the Buyer's company, with a cookie-consent tool and processor agreements (7.4, F-29).
- Add tests to the subscription-entitlement, goals and queue logic, then split the large helper files (9.6).
- Review the Firestore security rules and Cloud Functions authorisation, which were not audited.
- Engage campaign and creative support.

13. Additionally Scoped: New versus Returning Revenue, Inflow, Channels, Pricing and Refunds

The Buyer asked whether this is a business in which past cohorts are propping up revenue, and for four supporting analyses: monthly new subscriber sign-ups, the traffic-source trend, pricing and product changes that affect comparability, and the refund and chargeback trend.

The earlier sections answer parts of this in aggregate (4.3, 4.5, 5.4, 6.3) but not month by month, so this section sets the analysis out in full for the 18 months **from March 2025 to August 2026**. Figures are the Seller's P&L (E-10) unless marked; Google Play figures come from Google's own order records (E-21), App Store figures from Apple's Analytics exports (E-25), and channel figures from the data room (E-13).

13.1 The answer in brief

Yes, increasingly. Over the trailing twelve months gross revenue rose 7.8% while new paying subscribers fell 21.6% (4,705 to 3,689). The difference is made up by revenue from customers acquired in earlier periods, and by price. On our estimate, revenue from returning customers (renewals of annual plans, and second and later months of monthly plans) rose from **about \$28,088 (16% of gross) to about \$73,052 (39%)**, while revenue from first payments fell from about \$145,479 to \$114,064. Google's own order records, which identify every renewal directly, show the same shift on Android: renewals rose from 20% of charge value in October 2024 to August 2025 to 38% in October 2025 to August 2026.

Why it matters. The returning revenue is not a stable book. It comes mainly from the large autumn-2024 annual cohorts (1,952 annual payers in 2024 Q3 and Q4) renewing for a second year in autumn 2025, at about 22%. The cohorts that renew in autumn 2026 are smaller (779 annual payers in 2025 Q3 against 969 a year earlier), and only about 37% of second-year renewers renew again (5.4). Unless new-payer inflow recovers, the prop is temporary: returning revenue should fall in the 2026 renewal season, which is consistent with September 2026 running about 22–31% below 2025 (4.5).

13.2 Monthly new and returning revenue, March 2025 to August 2026

Month	Gross revenue	New payers	First-payment revenue (est.)	Returning revenue (est.)	Returning share	Trials started	Active paid subs, month end
Mar-25	\$10,897	256	\$7,916	\$2,982	27%	338	3,379
Apr-25	\$11,675	264	\$8,163	\$3,512	30%	362	3,452
May-25	\$8,643	184	\$5,689	\$2,954	34%	293	3,466
Jun-25	\$11,716	274	\$8,472	\$3,244	28%	464	3,549
Jul-25	\$14,322	367	\$11,348	\$2,974	21%	674	3,735
Aug-25	\$17,026	347	\$10,729	\$6,297	37%	677	3,834
Sep-25	\$21,211	423	\$13,079	\$8,132	38%	818	3,782
Oct-25	\$18,737	356	\$11,008	\$7,730	41%	615	3,722
Nov-25	\$17,455	340	\$10,513	\$6,942	40%	504	3,667
Dec-25	\$15,782	336	\$10,389	\$5,393	34%	559	3,630
Jan-26	\$18,009	387	\$11,966	\$6,043	34%	585	3,698
Feb-26	\$13,655	242	\$7,483	\$6,172	45%	422	3,652
Mar-26	\$14,164	286	\$8,843	\$5,321	38%	490	3,708
Apr-26	\$13,355	263	\$8,132	\$5,223	39%	417	3,733
May-26	\$13,286	264	\$8,163	\$5,123	39%	348	3,791
Jun-26	\$12,976	284	\$8,781	\$4,195	32%	509	3,826
Jul-26	\$11,215	201	\$6,215	\$5,000	45%	351	3,685
Aug-26	\$17,271	307	\$9,492	\$7,779	45%	602	3,673

Month	Gross revenue	New payers	First-payment revenue (est.)	Returning revenue (est.)	Returning share	Trials started	Active paid subs, month end
Prior 12 months (Sep-24 – Aug-25)	\$173,566	4,705	\$145,479	\$28,088	16%	7,936	3,834
TTM (Sep-25 – Aug-26)	\$187,116	3,689	\$114,064	\$73,052	39%	6,220	3,673

Sources: E-10, P&L rows 9, 17, 50 and 51; first-payment revenue estimated at \$30.92 per new payer (E-28). Gross revenue is net of refunds, as in the P&L.

Android, from Google's order records. Google adds a suffix to the original order ID each time a subscription renews, so first payments and renewals can be counted exactly. Amounts are Google's merchant amounts in euros, before Google's fee.

Month	First payments	Renewal payments	First-payment value	Renewal value	Renewal share
Mar-25	78	109	€1,567	€831	35%
Apr-25	87	105	€1,842	€858	32%
May-25	57	86	€1,279	€624	33%
Jun-25	55	88	€1,164	€640	35%
Jul-25	134	92	€2,776	€863	24%
Aug-25	118	95	€2,866	€901	24%
Sep-25	124	146	€2,778	€1,858	40%
Oct-25	124	153	€2,956	€2,106	42%
Nov-25	104	143	€2,685	€1,730	39%
Dec-25	114	136	€2,517	€1,639	39%
Jan-26	104	119	€2,362	€1,421	38%
Feb-26	110	110	€3,020	€1,342	31%
Mar-26	85	113	€2,103	€1,104	34%
Apr-26	80	116	€1,814	€1,210	40%
May-26	92	102	€2,501	€826	25%
Jun-26	60	98	€1,422	€1,003	41%
Jul-26	55	121	€1,508	€1,372	48%
Aug-26	85	111	€2,361	€1,537	39%

Source: E-21, Google Play earnings reports, charges only. Renewals of annual plans begin to show in volume from September 2025, the first anniversary of the autumn-2024 cohorts.

Reading the tables. Returning revenue is concentrated in September to January, when the autumn cohorts come up for renewal, and was 16% of gross a year earlier against 39% now. On Android, first payments fell from 1,471 in October 2024 to August 2025 to 1,013 a year later (–31%), while renewal payments rose from 1,048 to 1,322 (+26%). The business is therefore living increasingly on customers it acquired in 2024, and the active paid base, which peaked at 3,834 in August 2025, has drifted down to 3,673.

13.3 Monthly new subscriber inflow

The P&L counts new paying subscribers (first payments) each month; the table at 13.2 shows them alongside trials and the active base. Taken in six-month blocks:

Six months	New paying subscribers a month	Trials a month	Installs a month
Mar–Aug 2025	282	468	5,922
Sep 2025 – Feb 2026	347	584	7,807
Mar–Aug 2026	268	453	4,666

Six months	New paying subscribers a month	Trials a month	Installs a month
Sep 2024 – Feb 2025 (for comparison)	502	855	12,582

Inflow is declining. The autumn peak fell from an average of 502 new payers a month in September 2024 to February 2025 to 347 a year later, and the spring and summer months fell from 282 to 268. Installs fell further than new payers (–21% against –5% in March to August), so conversion has held up better than the top of the funnel. The data room, which models new subscribers rather than counting them, shows the same direction (4.5): new subscribers down 22% in April to August 2026 against 2025, with organic down 32%. The two seller datasets disagree on the level by about 27% (F-05), but agree on the trend.

13.4 Traffic and acquisition sources

No single source covers all channels. Three sources, each partial, point the same way.

Month	
Apr-25	
May-25	
Jun-25	
Jul-25	
Aug-25	
Sep-25	
Oct-25	
Nov-25	
Dec-25	
Jan-26	
Feb-26	
Mar-26	
Apr-26	
May-26	
Jun-26	
Jul-26	
Aug-26	

Sources: E-13,

What the sources show. Organic inflow is the larger channel and the one that is degrading. In the data room's model organic new subscribers fell from about 120–210 a month in the second half of 2025 to about 85–150 a month from March to August 2026, and App Store Connect shows organic iOS page impressions down 39% and search impressions down 37% year on year by July 2026 (6.3).

Referral and direct. Store installs are not classed as referral or direct; those categories exist only for the website and web funnel in Google Analytics. The only GA4 data we hold is one week to 20 September 2026: Direct 6,200 sessions, Organic Search 1,200, Organic Social 936, Paid Social 844, Email 4 and Referral 0 (E-02). App Store Connect records no institutional or referral purchases.

13.5 Pricing and product changes affecting comparability

The Seller's answer at VR 8.2 is that there were no changes to App Store or Google Play prices, plans or trial terms in the last 12 months, and that the only change was the relaunch of the web funnel. The store reports and the correspondence show more than that:

When	Change	Effect on period-to-period comparison
From about April 2025	Tier 2 markets (Turkey, Mexico, most of Latin America, the Balkans) moved from discounted local prices to the standard \$9.99 a month and \$49.99 a year (E-13)	Raises revenue per new payer in every month from April 2025 against the year before; Play Console ARPPU up 15% with buyers down 18%. Year-on-year revenue growth overstates volume until the April 2026 anniversary
November 2025 onward	Lifetime plans launched: €129.99 on the App Store from November 2025, a reduced lifetime plan (€99.99 or local equivalent) from December 2025, and a Google Play lifetime plan from May 2026	About 19 sales, \$2.0–2.3K, all inside the TTM: non-recurring revenue in the TTM, and a contradiction of VR 8.2 (5.5)
November 2025	Black Friday sale (Seller's email of 28 August); "sale" subscription products are also sold in small numbers in most months	Lifts November new subscribers relative to spend
February–March 2026	Stripe web funnel relaunched at €7.99 a month and €41.99 a year, below app prices, with a seven-day trial	Adds revenue with no prior-year equivalent: Stripe rose from \$12 in January to \$1,440 in August 2026 (8.3% of August gross), with a refund rate near 14%
February 2026	Apple payout freeze; iOS Meta spend cut to €92	Depresses February iOS installs and revenue (2.3)
May–June 2026	Latin America ad-set test took over a third of app spend in May, cut in June (Seller's email of 8 September)	Cheap installs, few payers: May cost per subscriber spikes
27 May – 1 June 2026	A 40% "Super Sale" retargeted existing Android installers, with countdown messages ("Only 3 days left", "Sale closes tonight... prices return to normal") (E-33)	Lifts late-May Android first payments; a further point against VR 8.2. Countdown wording is acceptable only if the deadlines were genuine
July 2026	No new ad creatives launched	July new subscribers and revenue weak (201 new payers, \$11,215 gross)
March–September 2026	App releases 2.79.0 to 2.86.0, described by the Seller as compliance and bug-fix updates; pronunciation fix and Facebook SDK update in September	No feature change that would explain revenue movements
From 5 October 2026	Content delivery frozen pending the content-pack release (F-26)	After the review period; affects the product from now on

13.6 Refund and chargeback trend

Month	Refunds, all channels (P&L)	Refund rate, all channels	App Store refunded sales ÷ sales	Google Play refunds ÷ charges	Stripe refunds ÷ sales
Mar-25	\$256	2.3%	n/a	2.4%	—
Apr-25	\$419	3.5%	n/a	0.6%	—
May-25	\$483	5.3%	n/a	1.4%	—
Jun-25	\$510	4.2%	n/a	6.1%	—
Jul-25	\$745	4.9%	n/a	1.0%	—
Aug-25	\$536	3.1%	n/a	3.5%	—
Sep-25	\$850	3.9%	4.6%	3.3%	—
Oct-25	\$628	3.2%	4.9%	2.6%	—
Nov-25	\$741	4.1%	5.7%	1.7%	—
Dec-25	\$981	5.9%	7.7%	3.8%	—
Jan-26	\$1,051	5.5%	6.7%	1.0%	—
Feb-26	\$623	4.4%	5.1%	4.1%	—

Month		Refund rate, all channels	App Store refunded sales ÷ sales	Google Play refunds ÷ charges	Stripe refunds ÷ sales
Mar-26		4.4%	4.9%	3.8%	11%
Apr-26		5.1%	5.6%	3.6%	19%
May-26		5.4%	5.1%	7.4%	6%
Jun-26		8.1%	7.6%	3.5%	25%
Jul-26		4.6%	3.6%	0.3%	15%
Aug-26		4.3%	5.4%	3.6%	16%
Prior 12 months		3.8%	n/a		
TTM		4.8%			14.1%

Sources: E-10, P&L rows 17 and 52 (refund rate = refunds ÷ (gross + refunds)); E-25, App Store Analytics refunded sales, which report nothing before September 2025; E-21, Google Play charge refunds; E-16, Stripe monthly summary (shown where monthly sales exceed \$300).

Refunds are rising. The all-channel refund rate rose from 3.8% in the prior twelve months to 4.8% in the TTM, with peaks of 5.5–5.9% in December 2025 and January 2026 and 8.1% in June 2026.

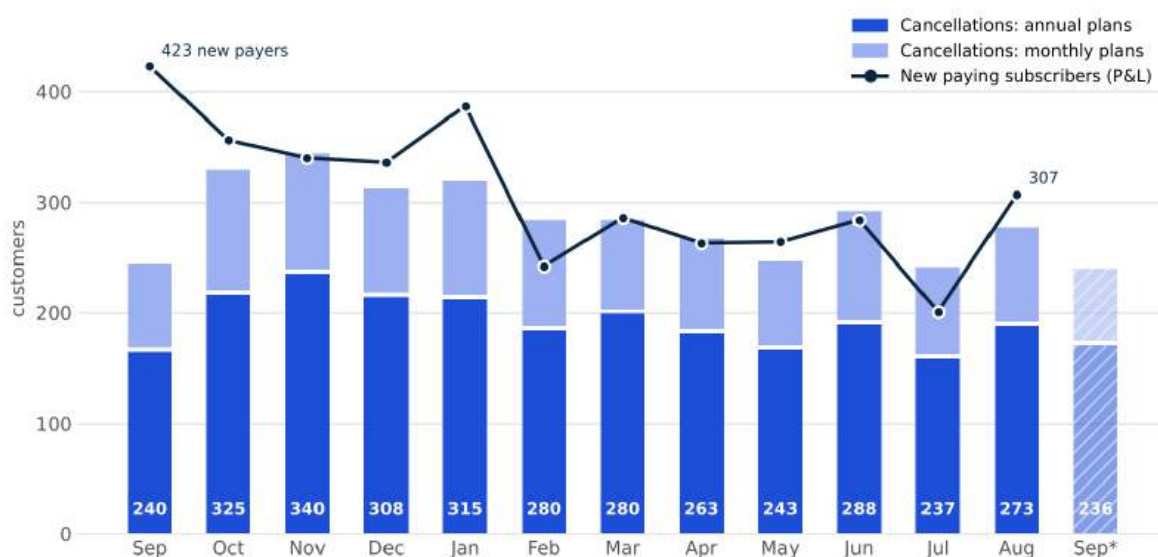
Chargebacks are negligible. Google Play recorded no chargebacks on [REDACTED] [REDACTED] between October 2024 and August 2026. Stripe recorded two disputes, both reversed in the company's favour (E-16).

13.7 Cancellations

The customer list carries a cancellation date for each customer. Excluding trial-only and refunded profiles, the table and chart show paying customers who cancelled (switched off renewal) each month, against new paying subscribers from the P&L.

Paying customers cancelling versus new payers

Monthly, September 2025 to September 2026 · number in each bar = total cancellations



Sources: customer list (VR 3.1), paying customers on annual and monthly plans, excluding trial-only and refunded profiles; P&L row 51 for new payers. *September 2026 covers 1–24 September; no P&L figure yet.

What it shows. About 240 to 340 paying customers cancel each month, close to the 200 to 420 new payers, which is why the active base has drifted from 3,834 in August 2025 to 3,673 in August 2026. On 24 September 1,117 paying customers had cancelled but kept access until expiry, against 2,334 set to renew.

Limits. The list covers only customers active at some point from 25 September 2025, so cancellations before that are under-represented and are not shown. Cancellation reasons are not recorded. With the renewal

cohorts (5.4), Google's order-level renewals (13.2) and the Stripe exports, this serves as the churn log; an Apple or Adapty subscription-event export is optional (FR-07, FR-23).