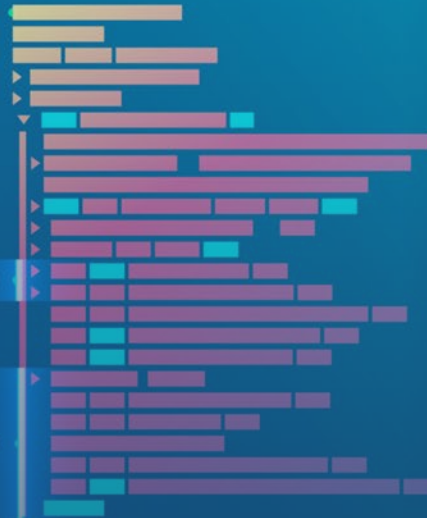
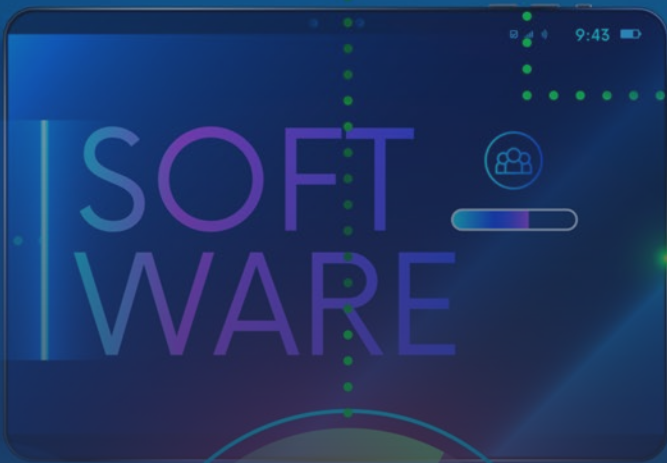


< CODING >



TESTING

## Sectors Trends and Recent Activity in Low-Code and No-Code Platforms

September 2021



Investment Banking for  
Technology Companies and Investors

## Sectors Trends and Recent Activity in Low-Code and No-Code Platforms

A few years ago, my son who was a 5<sup>th</sup> grader at that time, came to me expressing interest in “learning coding”. Perhaps something he picked up from his circle of friends. After some research, we discovered a non-profit platform called Code.org, with a long list of big-name backers: Microsoft, Amazon, Facebook, Infosys, Google, Gates Foundation and many others. On the platform, my son simply moved and stacked blocks using the Graphical User Interface (GUI) – and voila – he built his first application with prior coding experience! This was an eye-opening experience for me and I was amazed at the possibilities of business transformation that could be done by bringing tools to everyone without formal coding experience and my first introduction to low-code / no-code tools.

At the risk of dating myself, I grew up in the FORTRAN/C/C++ generation writing thousands of lines of arcane code which was complex to build, test and required lots of training. As applications became even more complex, we saw the emergence of “higher level” programming languages like Java, PHP, Ruby, Python as well as sophisticated software libraries like TensorFlow and SageMaker for building complex Artificial Intelligence (AI)/ Machine Learning (ML) models.

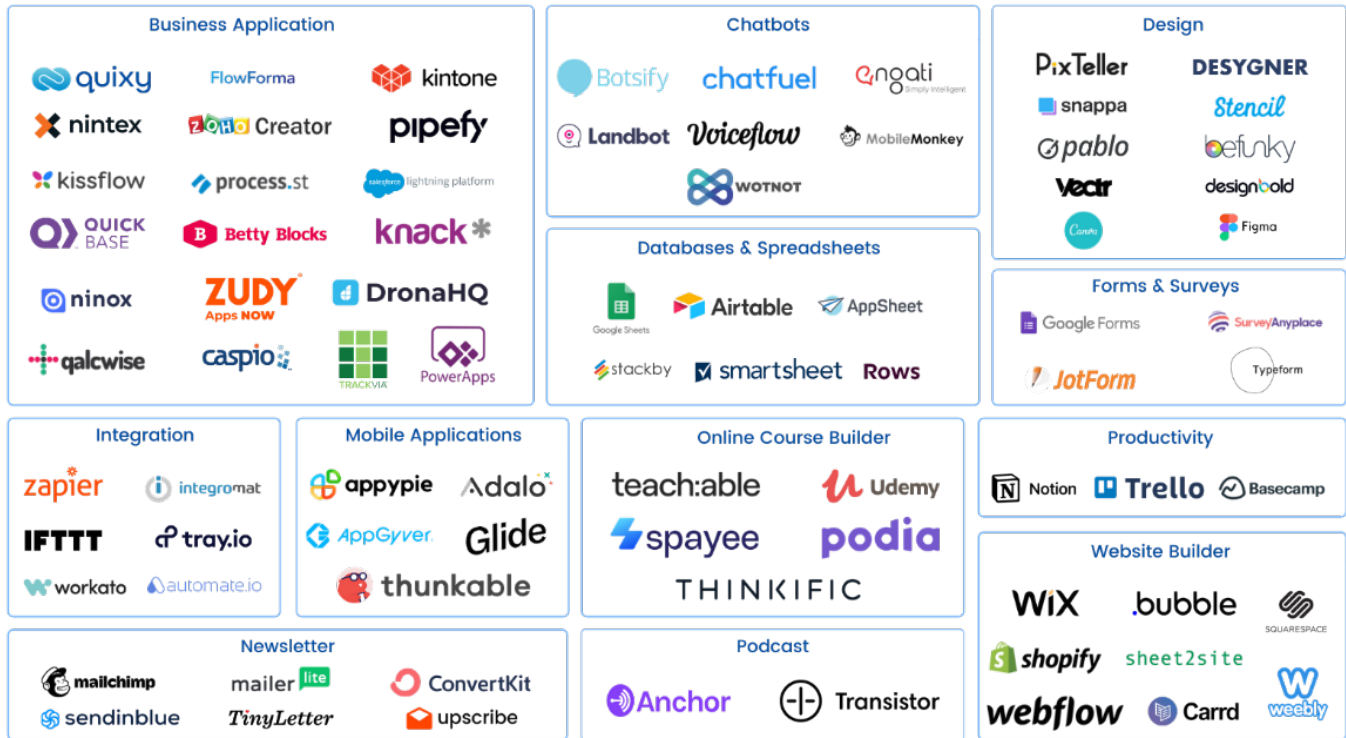
The last 4-5 years have seen the emergence of innovative software development tools that further democratize building applications – “low-code” and “no-code” platforms. These tools make it possible for even lightly trained business users to build and deliver integrated, compliant and functional applications efficiently, securely and accurately. With the aid of a GUI typically on the cloud (Platform as a Service), users can drag and drop visual code components and data connections to create entire environments, freeing up modelers and business personnel to focus on design, process workflows and results rather than coding. The age of “citizen development” has truly arrived.

In 2020, the Pandemic exposed how drastically many companies were behind the digitization curve. Organizations rushed to build and upgrade software, which created strong tailwinds for low-code / no-code platforms that made it faster and cheaper to fill the gaps. In addition, these tools gave companies of all sizes – enterprises to startups – the opportunity to adopt new technologies like AI, Deep Learning, Robotic Process Automation (RPA) and IoT without the added costs of hiring hard to find expensive data scientists and expert development teams.

We at Allied Advisers have had the opportunity to work with several low-code / no-code companies on transactions and are therefore close to market trends and buyers in this space. Not surprisingly, given the market dynamics, there has been a lot of activity in the sector, some of which are noted below.











There are many market maps; we present one from NASSCOM below:

## No-Code Landscape













## Recent M&A transactions of low-code / no-code providers

| Deal Date | Target/Issuer   | Buyers/Investors   |
|-----------|---|--|
| 05-25-21  | <b>RunMyProcess</b><br><small>a Fujitsu company</small> | <b>Akorbi</b><br><small>PEOPLE ■ TECHNOLOGY ■ LANGUAGE</small> |
| 03-08-21  | <b>Makerpad</b>   | <b>zapier</b>  |
| 02-11-21  | <b>AppGyver</b>   | <b>SAP</b>   |
| 02-03-21  | <b>UNIFACE</b>  | <b>Rocket</b>  |
| 12-02-20  | <b>einstein</b>   | <b>salesforce</b>  |
| 10-14-20  | <b>integromat</b>                                       | <b>celonis</b>   |







| Deal Date | Target/Issuer   | Buyers/Investors   |
|-----------|---|--|
| 05-19-20  |  softomotive |  Microsoft  |
| 01-14-20  |  AppSheet    |  Alphabet   |
| 01-16-19  |  PANTHEON    |  UBIQUITY6  |
| 10-01-18  |  mendix      |  SIEMENS    |
| 05-02-18  |  MuleSoft    |  salesforce |

We have observed that both the volume of deals as well as deal size in the low-code / no-code market has increased over the last three years, with the trends accelerating in 2021.

## Recent Financings of low-code / no-code companies

| Deal Date | Companies  | Series   | Deal Size (USD Mn.) |
|-----------|--|----------|---------------------|
| 07-27-21  |  bubble           | Series A | 100.00              |
| 07-07-21  |  Unit21           | Series B | 34.00               |
| 05-11-21  |  airkit           | Series B | 40.00               |
| 03-18-21  |  BRYTER           | Series B | 60.11               |
| 03-15-21  |  Airtable         | Series E | 270.00              |
| 01-13-21  |  webflow          | Series B | 140.00              |
| 01-12-21  |  workato          | Series D | 110.00              |
| 12-28-20  |  unqork           | Series C | 258.08              |
| 01-27-20  |  airkit           | Series A | 21.67               |
| 01-07-20  |  Spatial Networks | Series A | 47.00               |

# Select Unicorns in the low-code / no-code space

|  |   |   |
|--|---|---|
|  <b>Airtable</b>  |  <b>AUTOMATION<sup>®</sup><br/>ANYWHERE</b><br><small>Go be great.</small> |  <b>outsystems</b> |
|  <b>quickbase</b> | <b>unqork</b>   | <b>webflow</b>  |
| <b>WIX</b>   |  <b>workato</b>  |  <b>zapier</b>     |

Forrester, which coined the term Low Code in 2014, expects the market for low-code development platforms to increase to \$21.2 billion by 2022 from \$3.8 billion in 2017 at 41% CAGR. Gartner predicts that low-code/no-code tools will be utilized for over 65% of software development functions by 2024 and 66% of large enterprises will use a minimum of four low-code platforms.

As useful as low-code/no-code is, the technology is certainly not the panacea for application development now or in the near future. There are several considerations – governance of citizen developers (“Shadow IT”), systems and data security concerns, limited customization features, fewer integration options, debugging challenges and reversion to software developers for complex applications, all of which merit their own detailed blog. Notwithstanding, low-code/no-code technologies have great potential to create meaningful business impact by accelerating digital transformation, decreasing costs, improving productivity and achieving faster time to value.

## Allied Advisers

Ravi Bhagavan is Managing Director with Allied Advisers, a global technology-focused boutique advisory firm focused on investment banking for entrepreneurs and investors. The Silicon Valley-based firm, with a presence in Los Angeles, Israel and India, serves entrepreneurs and investors of technology growth companies on strategic advisory including M&A and capital raises. Allied Advisers bankers have completed technology transactions globally for clients with Fortune 500 buyers and top tier Private Equity firms. Contact: [info@alliedadvisers.com](mailto:info@alliedadvisers.com)