

## Introduction

The global software development industry is grappling with a significant talent shortage, a challenge exacerbated by the rapid digital transformation driven by the COVID-19 pandemic. Locofy.ai emerges as a promising solution, re-engineering the low-code development process to bridge this gap. By automating front-end code generation and integrating seamlessly with popular design and development tools, Locofy.ai aims to accelerate the development process and enhance productivity. This investment thesis provides a comprehensive analysis of Locofy.ai, including its value proposition, market potential, competitive landscape, and future growth prospects.

## Emergence of Low-Code/No-Code Platforms

Low-code and no-code platforms have emerged as a viable solution to address these challenges. These platforms allow users to build applications with minimal hand-coding, using visual interfaces and pre-built components. This approach significantly reduces development time and costs, making it possible for non-technical users to contribute to the development process. As a result, organizations can achieve faster time-to-market and reduce their reliance on scarce developer talent.

## Market Demand

The demand for low-code and no-code platforms is driven by several key factors:

- **Increased Complexity of Software Applications:** Modern applications require integration with various systems, advanced user interfaces, and robust security measures. Low-code platforms streamline these processes, enabling faster and more efficient development.
- **Need for Agility:** Businesses need to respond quickly to market changes and customer demands. Low-code platforms allow for rapid prototyping and iterative development, fostering greater agility and innovation.
- **Cost Efficiency:** By reducing the need for extensive coding and specialized developer skills, low-code platforms lower development costs and make technology accessible to a broader range of users within an organization.
- **Empowering Non-Technical Users:** Low-code platforms democratize application development by enabling business analysts, product managers, designers, and other non-technical users to participate in the development process. This collaboration leads to better-aligned solutions that meet business needs.
- **Scalability:** As businesses grow, their software requirements evolve. Low-code platforms offer scalable solutions that can adapt to changing needs without significant redevelopment efforts.

## LOW-CODE/NO-CODE PLATFORM ECOSYSTEM



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## Locofy.ai: Company Overview

### Value Proposition

Locofy.ai addresses the critical need for efficient development with a unified platform that offers:

#### Developer Acceleration as a Service (DAAAS):

- **Automation of Front-End Code:** Converts UI designs to code, automating 50% or more of the front-end development workflow.
- **Interoperability:** Works seamlessly with existing tools and frameworks like Figma and React, reducing the learning curve and integration challenges.
- **Efficiency:** Significantly reduces the time and effort required to convert designs into fully interactive and responsive live prototypes.

### Founding Team

Honey Mittal and Sohaib Muhammed:

- **Experience:** Combined 25+ years in technical leadership roles at Kredivo, Wego, and Homage.
- **Expertise:** Deep understanding of the problem space, having experienced the challenges of design-to-code processes firsthand.
- **Network:** Extensive network in the tech ecosystem, enabling rapid feedback, iteration, and talent recruitment.

## Market Size and Revenue Potential

The total addressable market (TAM) for Locofy.ai is substantial, considering the diverse range of users it targets. This includes 350,000 software development teams across enterprises, startups, and mid-sized companies, as well as 8 million non-technical users such as business analysts, designers, and product managers. Additionally, approximately 11,000 educational institutions, including universities and coding bootcamps, represent significant potential users. Assuming an average subscription fee of \$1,000 per user annually, the TAM for Locofy.ai is estimated at \$8.361 billion. Focusing on primary markets like North America, Europe, and Asia-Pacific, which cover approximately 80% of the global market, the serviceable addressable market (SAM) is valued at \$6.688 billion.

Locofy.ai aims to capture 5% of the SAM within the first five years, targeting 334,440 users. With an average annual subscription fee of \$1,200 per user, the initial annual revenue potential is \$401.328 million. Assuming a steady adoption growth rate of 15% per year, Locofy.ai's revenue projections are promising: \$461.527 million in Year 2, \$530.756 million in Year 3, \$610.369 million in Year 4, and \$701.924 million in Year 5. This growth reflects the increasing adoption of no-code platforms as organizations seek efficient development solutions to address the global talent shortage and accelerate digital transformation.

## Competitive Positioning of Locofy.ai

Locofy.ai's value proposition lies in its Developer Acceleration as a Service (DAAAS), automating front-end code generation and integrating seamlessly with popular design and development tools. This allows developers to reproduce and debug critical customer issues in real-time while maintaining a privacy-first approach that ensures user privacy and compliance with regulations. The platform's integration with existing development tools, significant reduction in time to resolution (TTR), and user-centric design offer a smooth and intuitive experience for developers, setting it apart from other tools that may be more resource-intensive or lack comprehensive features. Locofy.ai's differentiation through its holistic approach to front-end development, strong emphasis on interoperability, and ease of use provide it with a strong right to win. By offering a user-friendly interface and seamless integration with popular development tools, Locofy.ai is well-positioned to capture market share in the competitive low-code development space.

# Locofy integrates seamlessly to go from Designs to Code to Deploy



## Associated Risks

**Competition:** High competition in the low-code and no-code development space. Continuous innovation is essential to maintain a competitive edge. As a newer player, Locofy.ai needs to build brand recognition and establish a strong customer base.

**Adoption Challenges:** Convincing traditional development teams to adopt a new low-code tool.

**Scalability:** Ensuring the platform can scale to meet the needs of larger enterprises while maintaining performance and reliability.

**Talent Acquisition:** Attracting and retaining top talent to drive continuous innovation and growth.

## Conclusion

Locofy.ai presents a compelling investment opportunity with its innovative approach to solving the talent shortage in software engineering through automation and interoperability. The company's strong founding team, significant market potential, and proven product-market fit position it well for future growth. While potential risks related to market competition, operational scalability, and financial management must be addressed, Locofy.ai's focus on developer productivity and an integrated approach to front-end development make it well-positioned to capture a significant share of the global developer market.