Company: Apphive

Market: Mobile App

Product: No-code mobile app builder

Company Highlights

- Apphive reports that 5,700+ mobile applications have been developed using its platform
- Traction includes over 500 paid subscriptions as of March 2023
- User base reportedly includes multiple countries with a notable presence in Latin America
- Apphive's revenue in 2022 reached $328,042, up from $289,678 in 2021

WHY IT'S INTERESTING

Mobile applications can serve as an important communication channel for businesses in a variety of industries. According to Velvetech, developing a "decent" mobile app can cost between $10,000 and $500,000.[i] Additionally, it is estimated that an average mobile app can take four to six months to develop.[ii] Mobile apps have become an integral part of how users receive information and spend their leisure time, so it's no surprise that their development has become increasingly democratized. No-code and low-code tools have played an important role in recent years in making this technology more accessible to people who do not have specialized training, particularly enabling the ability to create customized tech tools.[iii] According to Gartner, Inc., the global market for low-code development technologies is expected to reach $26.9 billion in 2023, a 19.6% increase from 2022.[iv] No-code/low-code development tools are appealing because of their simplicity and ability to allow non-developers to quickly create apps or workflows. The lack of code can be advantageous to programmers and businesses that already have programming and development teams but would like to replace them due to cost concerns.[v]

Apphive enables entrepreneurs to create their own mobile applications from a digital platform that uses drag-and-drop elements and a pre-designed template, removing the need for computer programming knowledge.[vi] After gaining experience in designing and operating corporate websites, Apphive's founder, Jonatan Vazquez Piña, discovered a need for simplified mobile app builder tools in response to client demands for app designs due to the high costs and time requirements of internal development. Apphive aims to make the mobile application design process simple: users answer a series of questions about the app's purpose, choose or create the desired interface template design, and select the desired functionalities from a comprehensive list of options. Throughout this process, users can test the app's functionality in real-time on their mobile devices.[vii] Apphive operates as a Software as a Service (SaaS) platform and offers subscriptions that allow users to publish the apps they create, in addition to the sale of pre-built templates.[viii]

While Apphive has a user base in various countries, including the United States, the company is primarily focused on the growing Latin American market[ix] and currently has users in Colombia, El Salvador, Venezuela, and Mexico. Apphive has been used to create more than 5,700 active apps and has over 500 paid subscriptions as of March 2023. Apphive's platform is available via the web and for various mobile operating systems, including iOS and Android, the two most widely used today.[x]

Founded in 2019 and based in Mexico City, Apphive is a SaaS platform that allows users to build mobile applications without having to write a single line of code. They offer subscriptions that allow users to publish the apps they create, in addition to the sale of pre-built templates. The company is focused on becoming a powerful platform for generating code-free applications. Since its inception, Apphive has been committed to democratizing access to software development for all businesses and individuals, removing barriers such as cost, time, and technical knowledge. As part of its strategy, Apphive is focused on enabling the development of applications that are genuinely competitive in the market.

PERKS

You are investing in a Crowd Note in this Offering. Perks are meant to be a thank you from the company for investing. The perk below is subject to Regulation CF investment limits.

- First $100,000 of Crowd Notes purchased shall have a $2,500,000 valuation cap (early bird perk)

COMPANY SUMMARY

Opportunity

Mobile apps are typically both timely and expensive to develop. In fact, a mobile app can cost between $10,000 and $500,000 to develop.[xi] No-code platforms can reportedly enable app development that is 10-15 times faster when compared to a traditional development process.[xii] While the global mobile application market was worth $206.85 billion in 2022, it is expected to grow at a CAGR of 13.8% between 2023 and 2030, indicating a growing demand for mobile apps.[xiii]

Apphive believes their no-code platform is well-positioned to cater to the growing demand for mobile apps[xiv] and is engineered to help cut down on the time and cost of development. The platform's drag-and-drop interface and pre-built templates help make the app building process faster and more efficient, reducing the time and costs associated with traditional app development. Apphive's flexible pricing model, including a free version for users to

test and create up to two apps per project and a paid version for advanced features and up to unlimited apps, also positions the platform to attract a wide range of users.[xv]

The Apphive team believes their competitive edge lies in the variety of applications that can be created, as the platform includes a wide range of functions related to geolocation, maps, and advanced functions. The platform is designed to function 100% without code, helping expand the market for less technical people. On the other hand, geographically, Apphive has carved out a notable presence within the Latin American (LATAM) mobile application market that is expected to experience significant expansion[xvi] in the coming years while remaining competitive in other markets such as the U.S.

Product

The Apphive platform offers a drag-and-drop interface to allow users to easily design and customize their own mobile apps. Users can select from a range of pre-built templates and components, such as buttons, forms, and screens. The platform also includes a wide range of features such as in-app purchases, push notifications, and social media integrations.
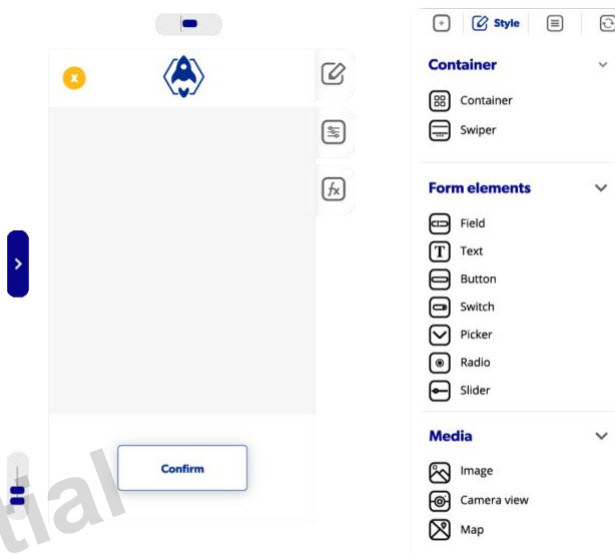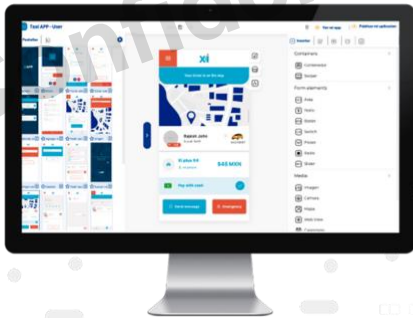

Features:

- Intuitive platform – users can drag and drop elements to quickly create a mobile application
- Realtime previewer – Apphive has their own app where users can preview their project in real time, make changes to the platform, and visualize in the Apphive render
- Publish in stores – with a paid Apphive subscription, users can publish their app directly from the platform to the web, the Google Play store, or the Apple App Store

Native Features

Apphive's breakdown of native features can be found below:[xvii]

GPS

Users can add navigation options through Google Maps, allowing access to tracking information for online orders

Users

Allows end users to create accounts and log in to the app

Push Notifications

Enables Apphive users to send alerts to their app's users through notifications to keep them informed

Arithmetic Operations

Users can perform calculations such as addition, subtraction, multiplication, or division

Gallery

Users can add an image gallery to their application to add style and show their products and services

Database

Users can use the local database from their device or online from a cloud to edit as their mobile application needs

Payments

This function allows the app users to make payments from the app

Login with Google and Facebook

Login with Facebook or Google allows app users to identify themselves with their social networks

APIs

Enables users to integrate Application Programming Interfaces (APIs) in a timely matter

Templates

Apphive additionally sells premium pre-built templates catering specifically to Delivery, Driver, and Tracking Services applications.[xviii]

Tutorials

Apphive offers tutorials via its two YouTube channels, one with content primarily in Spanish and the other in English.[xix] [xx]

Use of Proceeds

Apphive's use of proceeds includes the following:

General Marketing
Apphive anticipates utilizing some of the proceeds of this round towards marketing. They expect to focus on remarketing to non-paying users who have not yet converted to a paid subscription. Additionally, the company plans to expand its content and tutorial library with the goal of attracting additional customers, especially from the English-speaking market.

Research and Development
The company intends to develop and integrate new platform features and technology, such as leveraging Artificial Intelligence (AI) to create apps by writing prompts.

Future Wages
Apphive anticipates hiring developers to accelerate the development of new platform features.
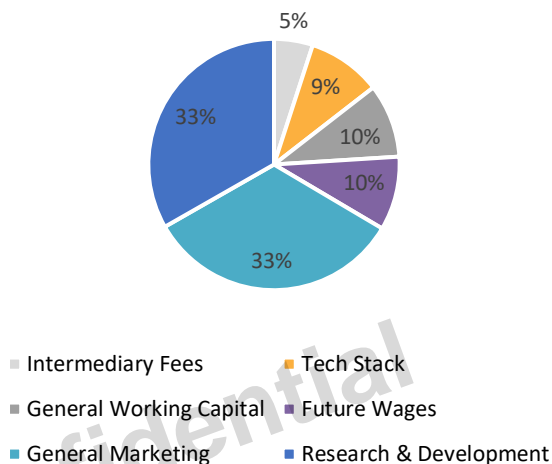
Tech Stack
In addition, Apphive plans to deploy a portion of the proceeds of this round towards implementing new platforms that allow for new features, such as incorporating relational databases and an improved platform versioning system.
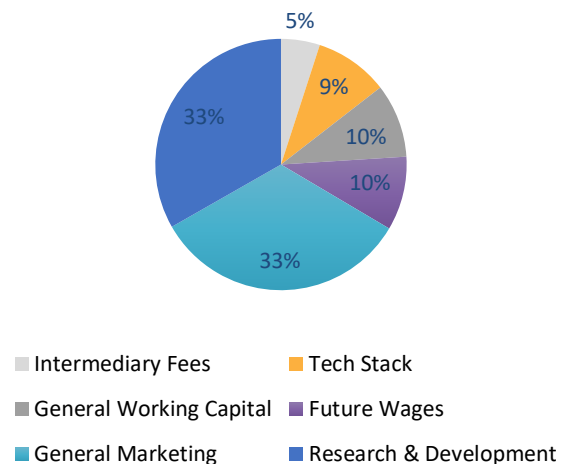
A full breakdown of Apphive's use of proceeds is as follows:

Minimum - $25,000

- 5% Intermediary Fees
- 9% Tech Stack
- 10% General Working Capital
- 10% Future Wages
- 33% General Marketing
- 33% Research & Development

Maximum - $500,000

- 5% Intermediary Fees
- 9% Tech Stack
- 10% General Working Capital
- 10% Future Wages
- 33% General Marketing
- 33% Research & Development

Product Roadmap

According to the company, short-term plans include:

Q2 2023
Improved functionality of deep links to allow the association of web applications and native applications using the same link. Additionally, the company looks to improve the functionality of the debugger, making it easier to find errors and accelerate the development of more secure applications. Lastly, they are exploring the creation of web dashboards enabling the existing functionality of web apps to allow the development of applications for larger screen sizes.

Q3 2023
Integration of relational databases in native applications connected to Amazon Web Services, allowing the creation of more complex and scalable applications and being competitive at an Enterprise level. Additionally, the company expects to integrate with AI to create apps by writing prompts.

Q4 2023
Shared processes will be created between apps within the same project, making development more accessible by creating libraries that facilitate the implementation of more complex functions and a series of libraries that facilitate the use of functions for users.

Business Model

Apphive is a Software as a Service (SaaS) platform that offers templates and subscriptions, allowing users to publish the apps they create. The company has monthly subscriptions, ranging from $10 to $90 (offered at a discounted rate for annual billing), providing users with access to additional features such as the ability to publish their Apphive-created applications.[xxi] Additionally, the company reports that the majority of its current customers

are entrepreneurs aiming to develop and launch their apps, with a smaller percentage of customers who come from medium and large-sized businesses as well as agencies working on projects for third parties. The company reports that their primary acquisition channel is virtual through their website. However, customers have also come to the company through the content that they generate on social media, tutorials on YouTube, and advice on Apphive's other social media channels.

Apphive's business model consists primarily of three parts:

1. Charging a monthly or annual subscription fee to publish apps in the Play Store and App Store. A branded Apphive banner will be displayed in the apps if the subscription is not renewed.
2. A commission on the sale of templates in the Apphive marketplace, in which a 15% to 20% fee is charged included in template cost.
3. Other sources of income related to payments for app compilations (allows the app to be exported to the Apple App Store and Google Play Store) and the number of active monthly users of web-published apps.

Apphive's pricing plans are offered on both a monthly and annual billing basis.

The company offers four pricing tiers for its subscription plans:[xxii]

1. Free
2. Starter – $10 per month ($8 per month for annual billing)
3. Premium – $70 per month ($58 per month for annual billing)
4. Unlimited – $90 per month ($75 per month for annual billing)
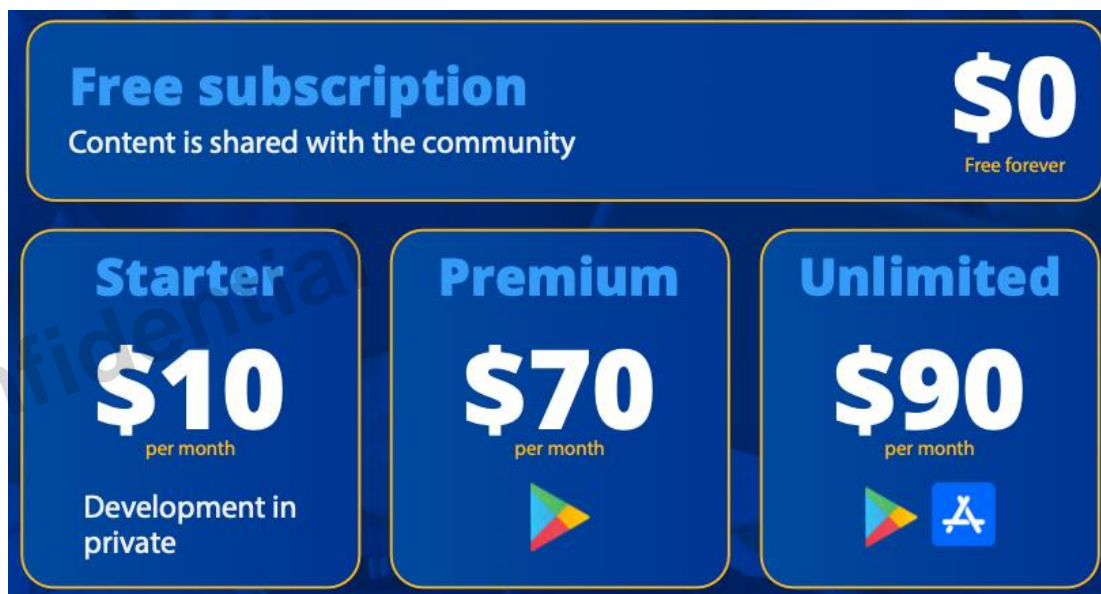
Usage and Users

Apphive has the following usage and user highlights:

- The company reports that more than 5,700 mobile applications have been developed with Apphive
- Claimed to have over 500 paid subscriptions as of March 2023
- The company reports that they have reached a user base across various countries around the world, with a notable presence in Latin American countries such as Colombia, El Salvador, Venezuela, and Mexico

IP

The company has the Apphive brand registered in Mexico and the United States, with registration numbers 1990663 and 5854635, respectively.

Recognition

The ILAN Innovation Awards 2022 held their third edition recently, where Apphive's founder and CEO, Jonatan Vazquez Piña, was recognized in the technology category.[xxiii]

Partners

Apphive has a list of 12 official partners that are certified experts in building apps, which include Cruz Inca, Lion Soft, and Serali Marketing.[xxiv] The company does not have signed agreements with them, and they do not charge any commission for these jobs. Apphive reports that these partners serve as development experts that can help certain users create their app via the Apphive platform.
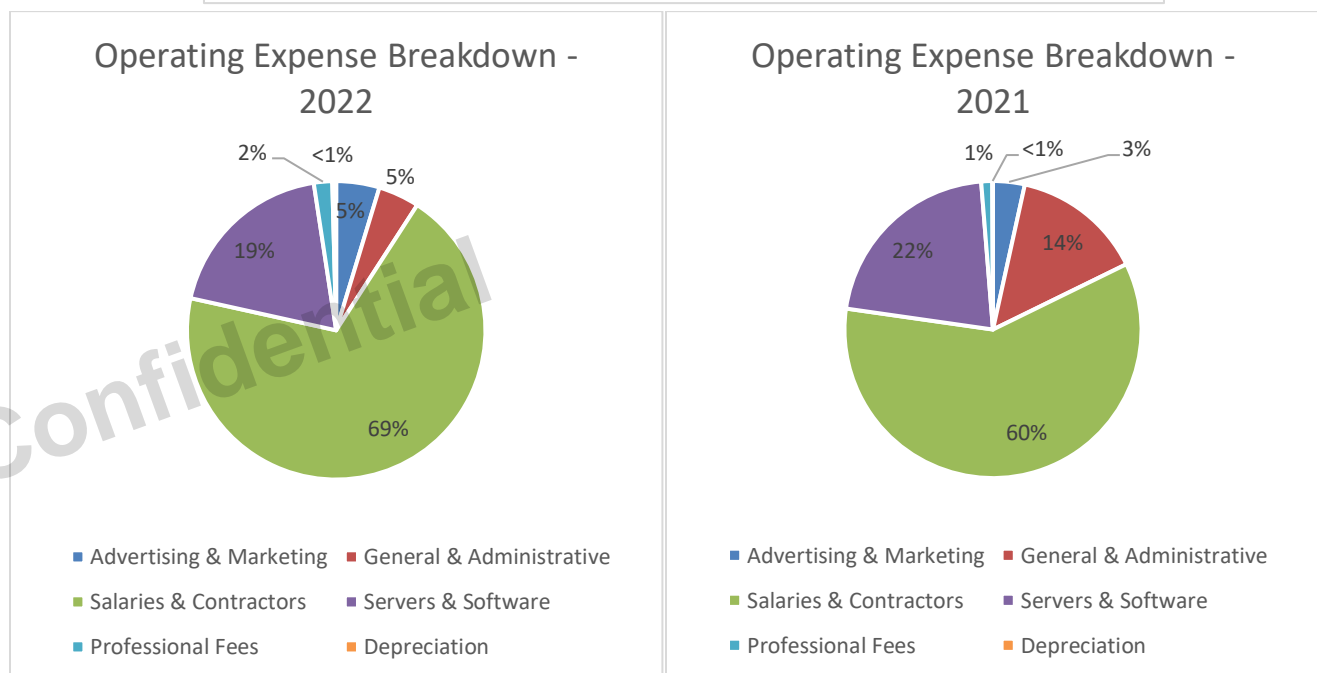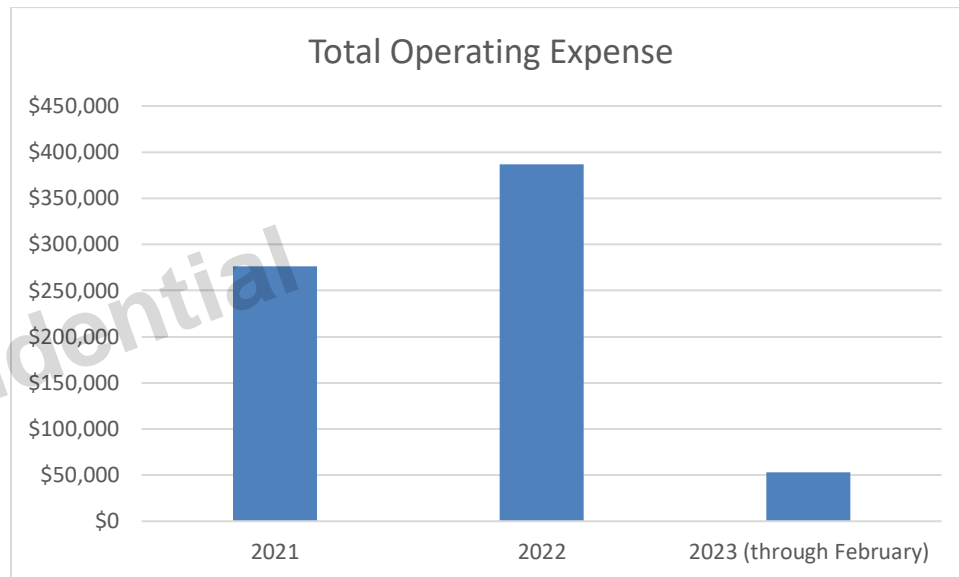
HISTORICAL FINANCIALS

Revenue

Through the first two months of 2023, Apphive has generated $37,275 in revenue. In 2022 Apphive had $328,042 in revenue, up from $289,678 in revenue in 2021. Apphive reportedly generates the majority of their revenue from their subscriptions.
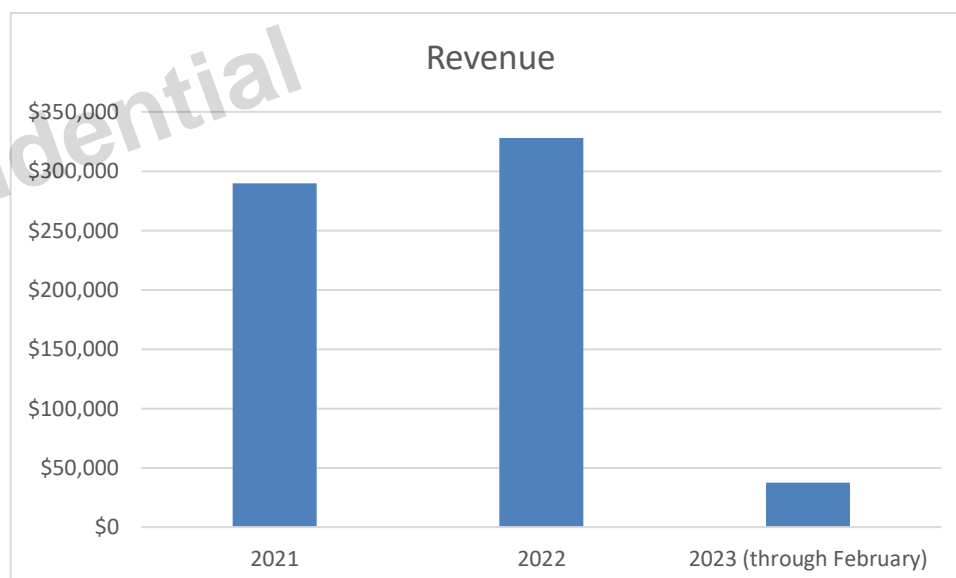
Expenses

Apphive has accumulated $53,238 in total operating expenses through the first two months of 2023. In 2022, Apphive had $386,664 in total operating expenses, with $268,060 devoted to salaries & contractors. Meanwhile the company had $276,159 in total operating expenses in 2021. Apphive notably spent more money on advertising & marketing, salaries & contractors, and servers & software in 2022 compared to 2021.

Total Operating Expense

	2021	2022	2023 (through February)

Operating Expense Breakdown - 2022

- 2%
- <1%
- 5%
- 5%
- 19%
- 69%

Legend:
- Advertising & Marketing
- General & Administrative
- Salaries & Contractors
- Servers & Software
- Professional Fees
- Depreciation

Operating Expense Breakdown - 2021

- 1%
- <1%
- 3%
- 14%
- 22%
- 60%

Legend:
- Advertising & Marketing
- General & Administrative
- Salaries & Contractors
- Servers & Software
- Professional Fees
- Depreciation

Net Income (Loss)

Through the first two months of 2023, Apphive has had a net loss of $16,189. In 2022, the company's net loss was $67,756, while in 2021 the company had $13,519 in net income. As of February 2023, the company had roughly $48,000 in cash on hand and through the first two months of 2023 the company has burned approximately $8,500 per month.
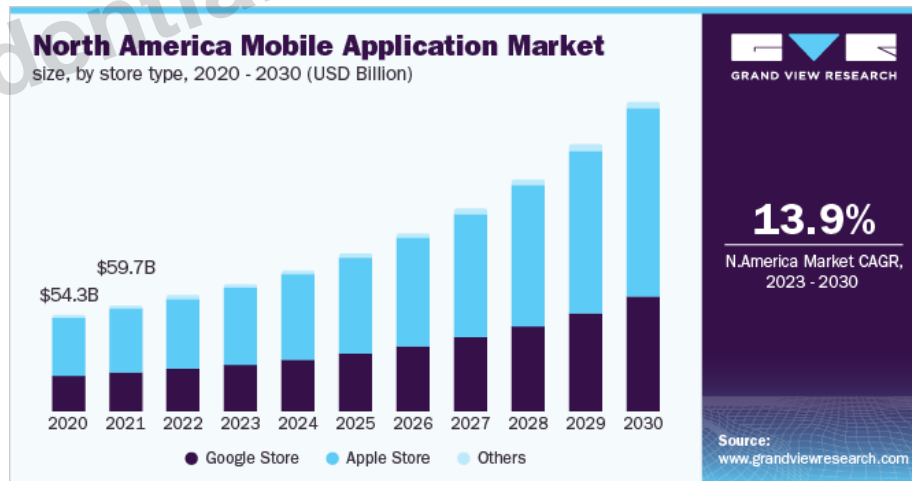

Net Income / (Loss)
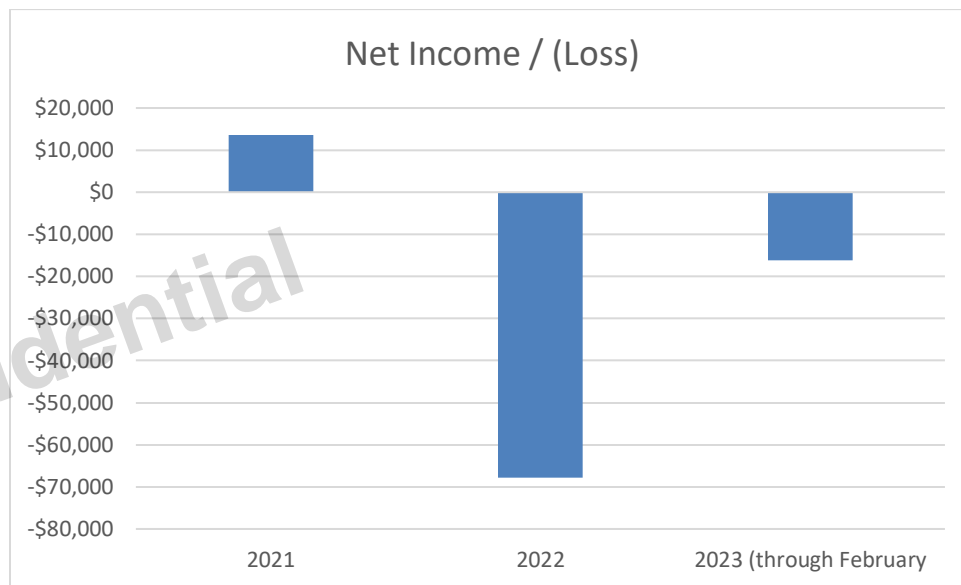
Mobile Application Market

A Grand View Research study stated that the global mobile application market was worth $206.85 billion in 2022, and it is expected to grow at a CAGR of 13.8% from 2023 to 2030. The study's scope includes applications for gaming, mobile health and fitness, music and entertainment, social networking, retail and e-commerce, and other purposes. Smartphone ubiquity, rising internet usage, and the incorporation of technologies such as artificial intelligence and machine learning into mobile applications all point to future growth in demand for mobile applications. Furthermore, the aforementioned applications are typically downloaded from app distribution websites such as the Google Play Store and the App Store for iOS.[xxv]

The increase in internet usage, particularly in developing countries such as Brazil, China, and India, is the primary driver of market growth. Over the last decade, the Internet has emerged as the primary mode of communication via a variety of devices, including tablets, smartphones, and laptop computers, among others. Due to growth in the e-commerce industry, various discounts and offers, and product assortment that is only available on e-platforms, the number of mobile app buyers has increased in recent years. Another factor accelerating mobile app downloads across all platforms is the availability of low-cost data plans and packages from telecom operators, which lowers the cost of the internet and attracts more online users.[xxvi]

North America Mobile Application Market size, by store type, 2020 - 2030 (USD Billion)

GRAND VIEW RESEARCH

13.9%
N.America Market CAGR, 2023 - 2030

Source: www.grandviewresearch.com

The mobile app market size in Latin America was observed to have an average market value of $14.50 billion in 2022. During the forecast period of 2023 and 2028, the target industry is expected to witness increased sales with the efforts of the payers of the mobile application market in Latin America to innovate ways and instill technologies in the applications.[xxvii]

Venture Financing

Apphive competes within the broad Software Development Applications industry, which raised $11.23 billion of venture capital in 2022. The total investment is a 33.8% decrease from 2021 when the industry raised an all-time high of $16.96 billion. Furthermore, the median post-money valuation rose to $32.52 million in 2022, a 23.18% increase year-over-year and a record for the industry. Additional venture funding highlights in the industry include:[xxviii]

- 1,031 deals in 2022
- Record median deal size of $4.10 million in 2022, a 36.67% increase from 2021
- Total venture funding of $56.82 billion across 7,775 deals from 2012 to 2022

Capital Invested & Deal Count in Software Development Applications, 2012-2022

Source: PitchBook Data, Inc.
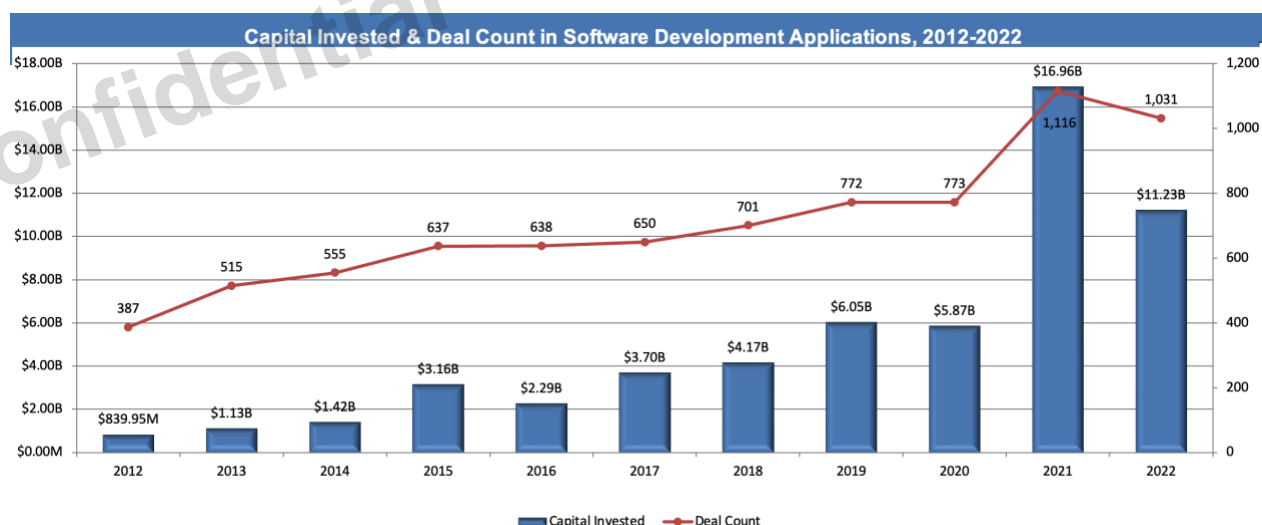
Softr: Founded in 2019, Softr is a no-code website and web app platform powered by Airtable. The platform reportedly connects to services including Stripe, PayPal, Mailchimp, Zapier, Integromat, Hotjar, Google Analytics, HubSpot, and others. In January 2021, the company secured $2.2 million in seed funding, previously bootstrapped by its two Armenian founders, CEO Mariam Hakobyan and CTO Artur Mkrtchyan. The seed round was led by Atlantic Labs, with participation from Phillipp Moehring (Tiny.VC) and founders from GitHub, SumUp, Zeitgold, EyeEm, and Rows.[xxix] In January 2022, the company went on to raise an additional $13.5 million via a Series A funding round.[xxx]

Glide: When Glide emerged from Y Combinator in 2019, it aimed to assist people with no coding experience in creating a simple but functional mobile app from data in a spreadsheet. While it continues to do so, it has also expanded its capabilities to build web apps. The company announced a $20 million Series A round in April 2022. Benchmark led the Series A round, which also saw participation from YC Continuity, First Round, SV Angel, and existing and new industry angels. As of their latest round, the company has seen 500,000 users building apps within their platform.[xxxi]

Adalo: Adalo, is a no-code app builder that is designed to allow anyone, regardless of coding ability, to create mobile and web apps. Adalo has experienced growth since its official launch on Product Hunt in 2019, surpassing $1 million in annual recurring revenue (ARR) and attracting attention from entrepreneurs and enterprises alike. The company announced an $8 million Series A funding round in May 2022, the second largest for a no-code app builder. Tiger Global led the round, and also saw participation from other notable investors including Wade Foster of Zapier, Jason Warner of Github, Ben Tossell of Makerpad, Oceans Ventures, and OldSlip Group.[xxxii]

Thunkable: Thunkable provides a set of "no-code" tools for developing apps (no coding or developer skills required). As of April 2022, Thunkable had over 3 million consumer and business users and more than 6 million apps developed on its platform. It was announced in April 2022, that the company raised $30 million in a Series B round of funding. The funding was provided by an intriguing group of investors: edtech specialist Owl Ventures led the round, with participation from previous backers Lightspeed Venture Partners, NEA, and PJC, DJ Diplo, and Sky9 Capital. To date, the startup has raised $41 million, including an earlier round as part of Y Combinator. [xxxiii]

Jonatan Vazquez Piña, Co-Founder & CEO: Jonatan Vazquez Piña has built a career as an entrepreneur. He is passionate about technology and has programmed and designed websites for more than 10 years. Prior to founding Apphive, he was the Founder & CEO of Desarrollos Y Sistemas Paginas Web México (PWM), an agency offering web design services, digital marketing, and software development, from July 2009 to September 2018. He also founded Estela and Itoluca. He holds a Master's degree in Management of Technological Innovation from Universidad Iberoamericana.

Jorge Luis Rangel Peralta, CTO: Jorge Luis Rangel Peralta is an experienced Web – FullStack Developer with a demonstrated history working in the software industry. He has been at Apphive since December 2018 and was promoted to Chief Technology Officer in January 2020. In 2023, he is working on overhauling the payments system, including a rewrite of their server to better communicate with their providers including Stripe. He holds a Bachelor's degree in Computer Systems Engineering from Instituto Tecnólogico Nacional de México.

Brenda Liliana Quiroz Salas, Chief Marketing Officer: Brenda Liliana Quiroz Salas has over 10 years of experience in web development, visual identity, graphic design, and UX/UI. Her work experience includes working in marketing agencies, web development agencies, sustainable energy companies, and most recently as a founding member of Apphive. During her time at Apphive, she has played a key role in the development of the user interface, creating the naming, visual identity, and usability standards of the platform, from the prototype to the current version. Additionally, she has led special campaigns and growth marketing strategies aimed to increase visibility and reach of the platform. She holds an MBA from Universidad UniverMilenium.

PAST FINANCING

To date, Apphive has received $135,000 in funding, $60,000 from 500 Startups in 2019 and an aggregate $75,000 in SAFEs from five different angel investors in 2020 and 2022 with valuation caps from $1 to $2 million. Please reference the Form C for additional details.

INVESTMENT TERMS

Security Type: Crowd Note
Round Size: Min: $25,000 Max: $500,000
Valuation Cap: $3 million
Conversion Provisions: In connection with equity financing of at least $1 million, the Company has the option to convert the Crowd Note into non-voting preferred stock (Conversion Shares) at a price based the price per share paid on a $3 million or $2.5 million valuation cap. Please refer to the Crowd Note for a complete description of the terms of the Crowd Note, including the conversion provisions.

Forbes: 30 Promises 2020 | Apphive allows you to create mobile apps without knowing how to program
Publimetro: Apphive, the platform to create apps without knowing how to program
ExpokNews: ILAN Foundation recognizes Mexican innovators
Forbes: Make apps, almost instantly, and without knowing how to program

Investment Risk

An investment in the company is speculative, and as such is not suitable for anyone without a high tolerance for risk and a low need for liquidity. You should invest only if you are able to bear the risk of losing your entire investment. There can be no assurance that investors will receive any return of capital or profit. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of their entire investment and the risks of lack of liquidity) that are characteristic of private placement investments. There will be no public market for the securities being offered, applicable securities laws will restrict any transfer of the securities, and the securities will not be transferable without the company's consent.

The information provided herein is not intended to be, nor should it be construed or used as, investment, tax or legal advice, a recommendation to purchase, or an offer to sell securities of the company. You should rely on the offering statement and documents attached as exhibits to the offering statement when making any investment decision. An investment in the company is not suitable for all investors.

Company Risk

The company's industry is highly competitive, and the company may not be able to compete effectively against the other businesses in its industry. The company is subject to a number of significant risks that could result in a reduction in its value and the value of the company securities, potentially including, but not limited to:

- Rapidly changing consumer preferences and market trends,
- Inability to expand and maintain market acceptance for the company's services and products,
- Inability to gain access to international markets and comply with all applicable local laws and regulations,
- Inability to achieve management's projections for growth, to maintain or increase historical rates of growth, to achieve growth based on past or current trends, or to effectively manage rapid growth,
- Inability to develop, maintain and expand successful marketing relationships, affiliations, joint ventures and partnerships that may be needed to continue and accelerate the company's growth and market penetration,
- Inability to keep pace with rapid industry, technological and market changes that could affect the company's services, products and business,
- Technological problems, including potentially widespread outages and disruptions in Internet and mobile commerce,
- Potential costs and business disruption that may result if the company's customers complain or assert claims regarding the company's technology,
- Failure to adequately address data security and privacy concerns in compliance with U.S. and international laws, rules and policies,

- Performance issues arising from infrastructure changes, human or software errors, website or third-party hosting disruptions, network disruptions or capacity constraints due to a number of potential causes including technical failures, cyber-attacks, security vulnerabilities, natural disasters or fraud,
- Inability to adequately secure and protect intellectual property rights,
- Potential claims and litigation against the company for infringement of intellectual property rights and other alleged violations of law,
- Difficulties in complying with applicable laws and regulations, and potential costs and business disruption if the company becomes subject to claims and litigation for legal non-compliance,
- Changes in laws and regulations materially affecting the company's business,
- Liability risks and labor costs and requirements that may jeopardize the company's business,
- Dependence on and inability to hire or retain key members of management and a qualified workforce,
- Ongoing need for substantial additional capital to support operations, to finance expansion and/or to maintain competitive position,
- Issuance of additional company equity securities at prices dilutive to existing equity holders,
- Potential significant and unexpected declines in the value of company equity securities, including prior to, during, and after an initial public offering, and
- Inability of the company to complete an initial public offering of its securities, merger, buyout or other liquidity event.

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[i] https://www.velvetech.com/blog/how-much-mobile-app-cost/

[ii] https://spdload.com/blog/how-long-does-it-take-to-develop-an-app/

[iii] https://techcrunch.com/2022/04/05/thunkable-raises-30m-after-its-no-code-mobile-app-development-platform-hits-3m-users-and-6m-apps/

[iv] https://www.gartner.com/en/newsroom/press-releases/2022-12-13-gartner-forecasts-worldwide-low-code-development-technologies-market-to-grow-20-percent-in-2023

[v] https://appmaster.io/blog/why-no-code-development-platforms-so-popular

[vi] https://www.forbes.com.mx/30-promesas-2020-apphive-permite-crear-apps-moviles-sin-saber-programar/

[vii] https://www.forbes.com.mx/haz-apps-casi-al-instante-y-sin-saber-programar/

[viii] https://apphive.io/pricing

[ix] https://www.digitalturbine.com/blog/mobile-marketing/successful-app-categories-in-latin-america/

[x] https://www.publimetro.com.mx/mx/noticias/2020/09/24/apphive-la-plataforma-crear-apps-sin-saber-programar.html

[xi] https://www.velvetech.com/blog/how-much-mobile-app-cost/

[xii] https://www.cleveroad.com/blog/low-code-no-code-app-development/

[xiii] https://www.grandviewresearch.com/industry-analysis/mobile-application-market

[xiv] https://www.grandviewresearch.com/industry-analysis/mobile-application-market

[xv] https://apphive.io/pricing

[xvi] https://www.einpresswire.com/article/606018581/latin-america-mobile-application-market-size-growth-industry-share-2023-2028

[xvii] https://apphive.io/features

[xviii] https://apphive.io/features

[xix] https://www.youtube.com/apphive

[xx] https://www.youtube.com/@apphivehq

[xxi] https://apphive.io/pricing

[xxii] https://apphive.io/pricing

[xxiii] https://www.expoknews.com/fundacion-ilan-reconoce-a-innovadores-mexicanos/

[xxiv] https://apphive.io/partners

[xxv] https://www.grandviewresearch.com/industry-analysis/mobile-application-market

[xxvi] https://www.grandviewresearch.com/industry-analysis/mobile-application-market

[xxvii] https://www.einpresswire.com/article/606018581/latin-america-mobile-application-market-size-growth-industry-share-2023-2028

[xxviii] PitchBook, pulled 1/10/2023

[xxix] https://techcrunch.com/2021/01/21/softr/

[xxx] https://www.softr.io/blog/worlds-largest-ecosystem-for-building-no-code-apps

[xxxi] https://techcrunch.com/2022/04/21/with-20m-series-a-glide-expands-no-code-application-building-capabilities/

[xxxii] https://aithority.com/apps/adalo-raises-second-largest-ever-series-a-in-no-code-app-space/

[xxxiii] https://techcrunch.com/2022/04/05/thunkable-raises-30m-after-its-no-code-mobile-app-development-platform-hits-3m-users-and-6m-apps/