

IR-0042 Tabnine

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IDENTITY & OVERVIEW

Tabnine is a code completion tool that uses generative AI to autocomplete code. The underlying product was originally created in 2018 by Jacob Jackson, a University of Waterloo student, and subsequently acquired by a company then called Codota — founded in 2013 in Tel Aviv, Israel by **Dror Weiss** and **Eran Yahav**. The three recognized co-founders across the combined entity are Dror Weiss, Jacob Jackson, and Eran Yahav.

Weiss, a software engineer with a background at enterprise SaaS company Panaya, serves as CEO. Yahav is an associate professor of Computer Science at the Technion (Israel Institute of Technology) and serves as CTO. The company grew out of over a decade of academic research at the Technion in program synthesis, program analysis, and machine learning for code.

On May 26, 2021, Codota changed its name to Tabnine and underwent a corresponding rebranding. The core problem it solves is developer productivity loss from repetitive, low-creativity coding tasks. Tabnine provides inline code completions, chat-based assistance, test generation, and code review capabilities directly within a developer's IDE. The business model is subscription-based (individual, team, and enterprise tiers) plus enterprise contracts with custom deployment.

MARKET POSITION

Tabnine is widely recognized as one of the earliest commercial products to apply deep learning to code completion, predating GitHub Copilot by roughly two years. It operates squarely in the AI Code Assistant category, which is valued at USD 3.9 billion in 2025 and is projected to reach USD 6.6 billion by 2035, reflecting a CAGR of 5.3%.

Tabnine faces challenges from the scale and resources of larger competitors. GitHub Copilot, backed by Microsoft, surpassed 20 million total users by mid-2025. Cursor has gained rapid popularity among individual developers for its AI-native editor experience. Other meaningful competitors include Amazon Q Developer, Codeium, Augment Code, and Sourcegraph Cody.

Unlike GitHub Copilot and most other competitors, Tabnine offers fully on-premises and air-gapped deployment, which appeals to organizations in regulated industries — finance, healthcare, defense, government — that cannot send code to third-party cloud services. In September 2025, Tabnine was named a Visionary in the Gartner Magic Quadrant for AI Code Assistants, an improvement from its Niche Player position in 2024. Its strategic niche is privacy-first enterprise, not the mass individual developer market.

TRACTION & SCALE

As of 2025, Tabnine reports serving over one million developers and generating more than one percent of the world's code. Marketplace metrics show 9.1 million VS Code installs and more than one million active developers.

As of March 31, 2026, the latest employee count at Tabnine is 69 — a lean operation relative to its stated ambitions. At the time of the Series B in November 2023, CEO Weiss stated Tabnine expected to end 2023 with 150 employees, up from ~60 at the time of the announcement — those targets appear to have not materialized, or headcount was later reduced. The company is headquartered in Tel Aviv, Israel, with a secondary presence in San Mateo, California.

Key milestones: by April 2022, Tabnine reached over one million users; in June 2023, Tabnine introduced an AI-powered chat agent, enabling developers to use natural language to generate code, explain code, generate tests and documentation, and propose fixes. In November 2025, Tabnine launched its Enterprise Context Engine and Org-Native Agents platform, marking a shift toward agentic AI capabilities.

FINANCIAL PICTURE

Funding totals are inconsistent across data providers, reflecting the Codota/Tabnine corporate restructuring. In November 2023, Tabnine raised \$25 million in a Series B round, bringing its total funding to \$55 million. The round was led by Telstra Ventures, with participation from new investors Atlassian Ventures and Elaia, plus existing investors Headline, Hetz Ventures, Khosla Ventures, Qualcomm Ventures, and TPY Capital.

CB Insights reports Tabnine has raised \$63.05M over 8 rounds, with a most recent unattributed round of \$8M on April 29, 2025. Tracxn cites a higher \$102M figure, likely aggregating the full Codota corporate history. Valuation is not publicly disclosed. Tabnine's 2022 revenue was reported at \$5.8M — modest for a company of its vintage, though this is likely stale. LeadIQ estimates current revenue in the range of \$25M to \$50M, though this is an external estimate and unverified. No IPO plans are publicly known.

PUBLIC SENTIMENT

Sentiment is broadly positive on privacy and productivity, but meaningfully critical on model intelligence and resource consumption. Users value Tabnine for its real-time coding suggestions, boosting productivity and making coding more efficient and secure. One Gartner Peer Insights reviewer noted: "I've been using Tabnine for multiple months, mainly inside Visual Studio Code and occasionally in IntelliJ... It's lightweight, quick, and doesn't get in the way. Most of the time I use it for writing helper functions, setting up classes, or generating repetitive code. To be honest it's not as 'smart' as some newer AI assistants, but it's consistent and doesn't slow down my IDE."

On the downside: users report high memory usage with Tabnine, leading to performance issues and frustration on larger codebases. Generated code quality is the most frequently cited concern in verified enterprise reviews on G2, with users noting code requires "extra implementations" and causes "performance issues," and suggestions are characterized as "conservative" and "quiet" compared to GPT-4-powered alternatives. Tabnine discontinued its free Basic plan in April 2025; the platform now offers a Dev plan starting at ~\$12/month for individuals and Enterprise plans starting at ~\$39/seat/month. This move has generated friction among individual and student developers who previously relied on the free tier.

MEDIA & PRESS

The November 2023 Series B generated coverage from TechCrunch, which noted investor enthusiasm for generative coding tools at enterprise scale. Tabnine won the InfoWorld Technology of the Year Award 2025 in the Software Development Tools category for the second time, having previously won in 2023.

The most significant controversy was a workforce reduction: Tabnine laid off 18% of its workforce, with layoffs mainly affecting marketing teams in Israel and the U.S. In a statement, the company said: "In 2024, we experienced significant growth in the enterprise customer segment. As part of our efforts to improve focus and efficiency, we are unfortunately saying goodbye to several team members. We expect to continue strong growth in 2025, particularly in revenue from large enterprise customers." The layoffs were covered by Calcalist and Israeli tech press, and noted on Startup Nation Finder as the company "pivots to enterprise growth."

Tabnine and Dell showcased a turnkey, GPU-accelerated, air-gapped deployment at NVIDIA GTC 2025 for teams in finance, defense, and healthcare who cannot send code to the cloud — a milestone that reinforced its regulated-industry positioning.

CURRENT STATUS

Tabnine is in an active strategic pivot: deliberately contracting its consumer/SMB footprint to concentrate on enterprise. The free Basic tier was discontinued in April 2025, and the company has shifted toward a quote-based enterprise model.

Critics note Tabnine sits in an uncomfortable middle ground — more expensive than the standard (Copilot) and less capable than the premium (Cursor). Analysts identify three structural deficits: an intelligence deficit (proprietary models struggle to match frontier model reasoning), an architectural deficit (IDE plugin versus native-editor architecture limits codebase visibility), and a strategic deficit (abandoning the free tier severs the developer adoption funnel).

On the positive side, Tabnine's Gartner Magic Quadrant promotion from Niche Player to Visionary in September 2025 signals real enterprise credibility. Product velocity remains high: the company is actively shipping enterprise agent features including CLI sandboxing, Plan mode, and a Generalist Agent mode. The overall trajectory is a deliberate narrowing toward a defensible regulated-enterprise niche, at the cost of broad developer mindshare.

SUMMARY VERDICT

****Tabnine is the original AI code assistant — a first-mover now in a defensive repositioning against significantly better-resourced competitors.****

Founded as Codota in 2013 by Dror Weiss (CEO) and Eran Yahav (CTO) out of Technion research, the company acquired the Tabnine product from Jacob Jackson in 2019 and rebranded in 2021. It pioneered the category roughly two years before GitHub Copilot, built a user base exceeding one million developers, and accumulated ~\$55–63M in disclosed funding from credible backers including Khosla Ventures, Atlassian Ventures, Qualcomm Ventures, and Telstra Ventures.

The core strategic thesis — privacy-first, deployment-flexible AI coding — is genuinely differentiated and serves a real need in regulated industries. Air-gapped deployment, zero data retention, and permissively licensed training data are real competitive moats for defense, healthcare, and financial services buyers. The Gartner Visionary recognition in 2025 validates this positioning.

However, the macro headwinds are significant. GitHub Copilot has 20× the user base. Cursor has captured the power-user segment. Codeium/Windsurf offers a free tier for individuals. Tabnine's decision to eliminate its free tier in April 2025 — while financially rational — terminates its developer pipeline and cedes the next generation of engineers to competitors. Its proprietary models, though improved with Protected 2, are perceived as less intelligent than frontier models powering rivals. The company has also run lean (69 employees as of Q1 2026), limiting R&D capacity relative to well-capitalized competitors.

The layoff of 18% of staff in early 2025, concentrated in marketing, is consistent with a company betting its survival on enterprise contract value rather than brand-driven adoption.

****One-line assessment:**** Tabnine is a legitimate enterprise security play with a defensible niche in regulated industries, but it risks becoming a subscale specialist unless it closes the model capability gap and re-establishes a developer adoption funnel before the enterprise AI code assistant market consolidates around two or three dominant platforms.