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## Austin Weekly Deal Highlights

by Mason Rathe

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Well my goodness, what a beautiful weekend in Austin. Hope you got out there to enjoy some sunshine, and hope my golf game returns at some point in the near future... This week in Austin news, **Lung Therapeutics** pulled in a \$38M+ Series B, yerba mate producer **Clean Cause** with their \$7M Series A, and talk that **Vista** considering a sale of **Vertafore** which could fetch around \$5B.

### Austin Financing Activity

- [Lung Therapeutics](#), a biopharmaceuticals company which develops drugs for treating orphan, pulmonary indications, raised [\\$38.68M](#) of Series B venture funding in a deal led by **Bios Partners**.
- [Clean Cause Inc.](#), a yerba mate producer that is known for donating half its profits to fighting drug and alcohol addiction, [raised](#) \$7M Series A from fifteen individual investors. The company has raised \$15M to date.
- [Sana Benefits](#), a health benefits provider that has automated and integrated its technology for small- and mid-sized businesses, [raised](#) \$3.6M Seed funding co-led by Austin-based **Gigafund** and **Trust Ventures** with participation from **Greenlight Re** and **Mark VC**. The company has raised \$6.3M to date.
- [Revolution Insurance Technologies](#), an insurance software platform, raised [\\$1.74M](#) of Series A2 venture funding from undisclosed investors.
- [Raven + Lily](#), a sustainable fashion company, [reported](#) \$800K in new equity financing. The company's stores in the Domain and Fredericksburg source bags and jewelry from communities around the world.
- [LoudCrowd](#), a software provider that allows companies to reward regular consumers who promote their brands as micro-influencers on social media, [raised](#) \$515K Pre-Seed funding led by **Active Capital** with participation from local angel investors.

### Austin M&A Activity

- **CynergisTek** (NYSE: CTEK), a leader in healthcare cybersecurity, privacy, and compliance, [acquired](#) IT risk advisory services firm Backbone Consultants for \$7M in cash and stock. There is the option for an additional \$4M if Backbone achieves certain financial metrics.
- **EqualizeRCM**, an Austin-based medical billing solutions provider, has strategically [invested](#) in Mississippi-based **Management Resource Group**. This follows the company's recent acquisition for a controlling stake in **Cohesive RevOps Integration Management**, a medical billing and collection company. Financial terms were not disclosed.
- A local fan base grouped together to [purchase](#) **Nautilus**, a literary deep science magazine. The purchase group was led by **Daily Dot** co-founder and CEO **Nicholas White**, **Hypergiant Industries** co-founder **Ben Lamm**, and **Josh Jones Dilworth**. The magazine has more than 10K monthly paid subscribers and an online reach of about 10M users. **John Steele** will continue to be the publisher and editorial director.

### Other Relevant/Regional Deal Activity

- Austin-based **Vista Equity** and **Bain Capital** are [considering a sale process](#) for **Vertafore**, a Denver-based insurance software company that could fetch around \$5B. The company was purchased for \$2.7B in June of 2016.
- [Mainline](#), a Houston-based provider of e-sports tournament software, [raised](#) \$6.8M in Series A funding led by **Work America Capital**.

- [ITBoost](#), a Dallas-based online IT documentation platform, was [acquired](#) by **ConnectWise**, via its financial sponsor **Thoma Bravo**, for an undisclosed amount.

## Austin People

- The Top Austin Tech and Startup Hires (and Departures) of [October 2019](#)
- **National Instruments** (NASDAQ: NATI) will [promote Eric Starkloff](#) to CEO effective February 1<sup>st</sup>. Starkloff has served as President and Chief Operating Officer for the last year. Current CEO, **Alex Davern**, will continue to serve as a strategic adviser and retain his seat on the company board. Davern will join the faculty at the **McCombs School of Business at UT** in fall 2020.
- **Everlywell**, a provider of at-home health testing kits, hired **P.J. Tanzillo** as Head of Product. Most recently, Tanzillo worked as Head of Consumer Products and Growth at **Favor**.
- **KERV Interactive**, an interactive video firm, announced that **Marika Roque** will be the Chief Operating Office and **Taylor Pate** will be Chief Technology Officer.

## Austin News

- Funding for Austin startups is approaching annual [peak](#) levels. Amount raised in the first three quarters alone is \$1.1B which doesn't include October, which saw large rounds from **RigUp** for \$300M and **SparkCognition** for \$100M. Total Austin funding in 2018 was \$1.4B.
- **Samsung** filed paperwork that it plans to [close](#) its Austin R&D facility project which will result in almost 300 employees being laid off.
- Austin [claimed](#) the #2 spot as the best place for women entrepreneurs in a recent study by finance site **SmartAsset**. Other Texas cities made the list – DFW at #13, San Antonio at #21, and Houston at #25.
- [Tens of millions in revenue, hundreds of millions of cans](#): **Waterloo Sparkling Water** racks up more milestones
- **Revel is Launching** 1,000 Shared Mopeds in Austin. The New York based company company earlier this month landed a \$27.6 million Series A.
- **Rainmaking**, a corporate innovation and development firm, has [expanded](#) to the US and is opening its first office in Austin. The firm was founded in Denmark and runs accelerator programs throughout Europe to build impact-focused startups into successful companies. To date, the firm has scaled 700+ ventures, secured \$1.3B in investment, and created 1,500+ jobs.
- **Bunker Labs**, a nonprofit that coaches military veterans to become successful entrepreneurs, [launched](#) a new mentoring program called Bunker Connect in 12 cities, including Austin. The program's goal is to make impactful business connections for more than 1,500 veterans.
- Austin's **Capital Metro** [announced](#) that it is building a storage yard to charge its first battery-powered busses. The facility will have capacity to charge 170 busses.

Thank you!

Mason Rathe

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*Additional research and newsletter support provided by [Stephanie Abt](#)*



If I missed a deal, major announcement, etc., shoot me an email and happy to include in the next one.

LiveOak Venture Partners is an early stage venture capital firm investing in Texas-based companies. Think your company might be a fit, shoot me an email at [mason@liveoakvp.com](mailto:mason@liveoakvp.com)

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