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## Austin Weekly Deal Highlights

by Mason Rathe

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I think I care what **Elon Musk** tweets? Have to admit I've gone back and forth on the real world Tony Stark's messages, but in his latest cryptographic [twitter activity](#), it sounds like Texas (and more specifically the Austin area) is being considered being considered for **Tesla's** next Gigafactory. We shall see! More news below, including our friend **Rod Favaron** singing on to be President of Chief Commercial Officer of **Upland Software**, who also made a \$68M acquisition this week!

### Austin Financing Activity

- [The Zebra](#), an auto insurance comparison platform, [raised](#) \$38.5M Series C led by **Accel** with participation from **Weatherford Capital**, **Silverton Partners**, **Daher Capital**, **Floodgate Fund**, **Ballast Point Ventures**, and **Keith Melnick**. To date, the company has raised \$101.5M
- [ICON](#), a construction technology company dedicated to revolutionizing homebuilding, [reported](#) raising \$26M in new equity funding. The company raised \$9M seed round in 2018. ICON notably built a home in Austin in 2018 by using its industrial scale 3D printer.
- [Pattern Bioscience](#), a biotech firm focused on developing technology for early-stage bacterial culture testing, [raised](#) \$13.2M in new funding. Of this amount, \$6.4M is Series B led by previous investor **Omnimed Capital**. The remaining \$6.8M is non-dilutive funding from **CARB-X**, a nonprofit that funds biotech startups. The company has the option to draw up to \$15.1M in additional funding from CARB-X by hitting specific milestones. The company, previously known as **Klaris Diagnostics**, raised \$3.75M Series A in 2017.
- [PurPics](#), a social media and brand engagement marketplace startup, [raised](#) \$920K pre-seed led by **Felton Group**, the family office of **Jaffray Woodriff**, **The Syndicate Fund**, and **Techstars Ventures**. The company has raised more than \$2M to date. It was founded in 2017

### Austin M&A Activity

- **Upland Software** (NASDAQ: UPLD), an enterprise workplace management software provider, continued with its M&A expansion plans. The company [acquired](#) **Localytics**, a Boston-based mobile app and analytics startup, for \$67.7M.
- **Qcue**, an Austin-based pricing software provider for live entertainment events, [acquired](#) Austin-based **Everfest**, an online platform and content provider that connects people with festivals. Financial terms were not disclosed. **Everfest** raised \$6.1M from investors including **ATX Venture Partners** and **Live Nation**. **Qcue** raised \$1.25M in its latest funding round in 2010.
- Austin-based **Stratfor**, a geopolitical intelligence platform, was [acquired](#) by New York-based **RANE**, an information and advisory services company that connects business leaders to critical risk insights and expertise. Financial details were not disclosed. Stratfor raised \$12M in a PE round by **Teakwood Capital** in 2016.

### Other Relevant/Regional Deal Activity

- Houston-based **Cottonwood Venture Partners** [led](#) the \$15M Series B with participation from Houston-based **Mercury Fund** into **Ambyint**, a developer of well production and artificial lift optimization software with offices in Calgary and Houston. The company has raised \$29.1M to date.
- [Securonix](#), an Addison-based cyber threat detection company, raised \$12M of venture funding from undisclosed investors. The company has raised \$41M to date from investors

including **Volition Capital** and **Eight Road Ventures**.

- **Acelity**, a San Antonio-based wound care products company, formally withdrew its IPO registration. Last year it was acquired for \$6.7 billion by **3M** (NYSE: MMM).
- **Worlds**, a Dallas-based spatial AI company spun out of **Hypergiant Sensory Sciences**, [raised](#) \$10M Series A led by **Align Capital** with participation from **Chevron Technology Ventures**, **PIVA**, and **Hypergiant Industries**.

## Austin People

- **Upland Software** (NASDAQ: UPLD) [hired](#) **Rod Favaron**, former CEO of **Spredfast**, as its President and Chief Commercial Officer. The company has aggressively implementing its acquisition strategy and has acquired 25 companies to date. The company was founded in 2010 and went public in 2014.
- **Self Financial** promoted **Kelvin Pho** to be the company's CTO. Kelvin was previously the VP of Engineering and grew the engineering team from 2 to 25 through 2 rounds of funding in the last 3 years.
- [Check out](#) the top hires and departures of January 2020.

## Austin News

- The Austin Tech Startups That Raised Venture Capital or Got Acquired in [January](#)
- **Sputnik ATX** [announced](#) its Winter 2020 cohort. Companies include [Kanthaka](#), [Mod Tech Labs](#), [RxThat](#), [Trashbots](#), and [Sandbox Systems](#).
- **Elon Musk** has [tweeted](#) multiple times Austin which has led to speculation if **Tesla** is considering a gigafactory in the Austin area.
- **Amazon** [launched](#) its **Amazon Fresh** grocery delivery service in Austin which includes free delivery on orders that are more than \$45 and a 1-hour service for \$4.99.
- Several business trends are expected to [impact](#) Austin by 2040. These predictions include the rise of 5G, a diversifying regional economy, more socially conscious consumer behaviors, and the decline of the fossil fuel industry.
- SXSW 2020 Pitch Finalists Include [Five Austin-Based Startups](#)

Thank you!

Mason Rathe

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



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

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