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"Mason Rathe from Austin Weekly Deal Highlights" <austinhighlights@substack.com>
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Austin Weekly Deal Highlights

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May 9, 2021



Mason Rathe

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Pro tip: if you're going to talk about a paid subscription, include an obvious link for people to click (see below)! As a reminder, after doing this newsletter for 4 years pro bono (never missed a week), I've traded in my VC puffy vest for an operator hoodie, and life's a bit busier these days. To keep this newsletter going, I humbly ask for you to subscribe on the paid link below, OR, select "Company Profile" after hitting the subscribe link, and I'll do a feature spotlight on your company in an issue and give unlimited free annual subscribers to your employees. As you weigh that ROI, just so you know, there are 14k subscribers here comprising of tech execs, startup pros, and investors with a keen interest in Austin success...

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Shout out to all the mothers out there! I wouldn't be the man I am today without those women nearest and dearest to my heart!

And who would have guessed it Austin, another mythical creature has cometh our way. This week, **Firefly Aerospace** raised \$75M at a billion dollar valuation, with goals of becoming the "preeminent end-to-end space transportation company". Speaking of billion dollar companies, after numerous years of a record level of early stage investments, the pieces are in place for Austin to feature many more unicorns in the near term. And with 184 people moving to Austin every day, there will be quite the audience to witness the show...

Austin Financing Activity

- Firefly Aerospace Inc., a small satellite and commercial space company, raised a \$75M Series A funding led by **DADA Holdings** at a valuation north of \$1 billion. It also says it plans to raise \$300 million later this year, and that it completed a \$100 million secondary (the seller was **Noosphere Ventures**).
- CognitOps, a warehouse efficiency-focused AI company, raised an \$11M Series A round led by **FirstMark Capital** with participation from **Chicago Ventures**, **Schematic Ventures**, **Haystack**, and **CEAS Investments**. This brings their total funding up to approx. \$14M.

- Harmonic Bionics, an upper extremity robotic rehab-focused company, closed a \$7M Series A round led by **KNet Investment Partners** and **Big Basin Capital**, with participation from **DSC Investment**, **Smilegate Investment**, **Bass Investment**, **H Robotics**, and **JCurve Investment**.
- Expressable, a speech therapy platform, raised \$4.5M in seed funding co-led by **Lerer Hippeau** and **NextView Ventures**. Expressable plans to use the funding to expand its provider network and team up with commercial and Medicaid plans.
- Mayawell, a prebiotic soda company, raised \$2M in seed funding from **Casa Armando Guillermo Prieto**, a Oaxacan mezcal company. Mayawell, founded in 2019, will use the funding to expand distribution in Austin and across Texas.
- EnergyX, a Puerto Rico-based lithium extraction company with strong Austin ties, raised \$20M to enter the next phase of its lithium extraction tech development. Funding came from **Obsidian Acquisition Partners**, **Helios Capital**, and the **University of Texas**.

Austin IPO's

- Anebulo Pharmaceuticals, a therapeutics company focused on substance use disorders, raised \$21M in its initial public offering on the Nasdaq stock exchange under the ticker symbol of ANEB.

Austin M&A Activity

- Dell Technologies(NYSE: DELL) is sellingBoomi, a cloud-based integration platform, to Fort Worth and San Francisco-based **TPG** and **Francisco Partners**.The deal, worth \$4B including debt. Dell's market capitalization is \$77B.
- Data Foundry, an Austin-based colocation provider, is being acquired by **Switch** (NYSE: SWCH) for \$420M in an all cash transaction.
- NI(NASDAQ: NATI), an Austin-based automated testing equipment and software company, formerly known as "National Instruments," acquired local company MonoDrive, which makes simulation software for autonomous vehicles. The terms of the deal were not disclosed. NI has a market cap of \$5.3B.
- **Kahoot** (Oslo: KAHOT) a game-based learning platform who's North American HQ is in Austin, agreed to buy **Clever**, a San Francisco-based single sign-on portal for K-12 education, for up to \$500M of cash and stock. Clever raised around \$60M from **Sequoia Capital**, **Lightspeed Venture Partners**, **Streamlined Ventures**, **Initialized Capital**, **GV**, **Uncork Capital** and **GSV Ventures**.

- RateGenius, an Austin-based auto loan refinancing company, announced that it is merging with Denver-based Autopay Direct Inc., another auto loan business. The terms of the deal were not disclosed, but RateGenius raised \$2M in 2010, before an undisclosed private equity round from **Tritium Partners** in 2018.
- Forcepoint, an Austin cybersecurity company, acquired Cyberinc, a California-based company with an intelligent remote browser isolation product. Terms of the deal were not announced, but this is Forcepoint's first acquisition since it was acquired by **Francisco Partners** last year.

Other Regional Deal Activity

- At Home Group (NYSE: HOME), a Plano, Texas-based home décor provider whose market cap is around \$2B, has entered into a definitive agreement to be acquired by **Hellman & Friedman** for \$2.8B.
- Kuur Therepeautics, a Houston-based developer of allogeneic therapy products, was acquired by **Athenex (NAS: ATNX)** for \$185M, including \$70M upfront. The company had previously raised at least \$188M according to Pitchbook.
- ColubrisMX, a Houston-based Developer of microsurgical robotic devices, raised a \$69M Series C from undisclosed investors
- Molecule Software, a Houston-based provider of energy trading and risk management software, raised \$12 million of Series A venture funding from **Mercury Fund**
- Selery, a Carrollton-based ecommerce and logistics company, landed a \$2M deal with **Cypress Growth Capital**.
- Predictive Fitness, a Southlake-based athlete-focused app and device company, reported raising more than \$1.5M in equity funding from nine investors.
- You Go Natural, a Dallas-based hair product company, raised \$2M in equity funding from 11 investors in a new fund called "YGN Corp." This is You Go Natural's first publicized funding round, coming after a year with \$2.2M in revenue.
- KarbonPay, a cloud-based payroll calculations SaaS platform based in Dallas, has raised over \$500K through a Wefundr campaign.

Austin People

- The top Austin tech and startup executive hires and promotions (April 2021)
- The **City of Austin** named longtime city IT manager, **Christopher Stewart**, as the city's new chief information officer. Stewart previously served as the CIO of Austin Water.

- Olea Edge Analytics, a computing company focused on water distribution and management, hired former **Google Energy** CTO **Ben Wilson** as its new COO. Olea raised \$9M last year in Series B funding to reach more city water departments.
- SolarWinds (NYSE: SWE), an IT management company, announced it has added**Rohini Kasturi** as executive VP and chief product officer, **Tim Brown** as chief information security officer, and **Andrea Webb** as senior VP and chief customer officer, in a recommitment to security. SolarWinds has a market cap of \$5.3B, down from its Market cap of almost \$24B in December after fallout from the massive data breach.
- Elevate Brands, a New York-based company with a new Austin HQ focused on acquiring and operating third-party Amazon businesses, announced it has hired**Andrea Lambert** as CFO, **Arkady Gurevich** as CTO, **Kerry Ann Maclsaac** as Director of Human Resources, and **Anmol Ejaz** as Director of Recruitment. Elevate Brands has raised nearly \$68M to date.

Austin News

- The top venture capital funding rounds for Austin startups in April 2021
- Multicoin Capital, an Austin-based cryptofund, announced it has raised \$100M for a venture fund to invest in startups and tokens. This fund will be used to lead early-stage deals with investments as small as \$500K. Coinciding with this announcement, three of the team members were promoted to Partners: Matt Shapiro, Mable Jiang, and John Robert Reed.
- **Green Dot (NYS: GDOT)**, a prepaid debit card pioneer betting on digital banking, moving HQ to Austin from California. The company has a market cap of \$2.4B.
- Autonomous trucking company **Einride** to set up US headquarters in Austin after raising \$110M
- Austin named No. 1 market for foreign real estate investors by AFIRE
- **Zekelman Industries**, \$2.8B force in construction sector, buys nearly 240 acres north of Tesla factory
- **Texas Children's** reveals first look at new \$485 million Austin campus
- **Tesla** files plans for an additional building at Giga Texas site. Meanwhile, the \$1.1-billion Gigafactory is scheduled to be completed this month.
- Austin rents rise above pre-pandemic levels
- 184 new people a day: 2020 Census marks 10 years of nonstop growth for Austin
- From **Wayfair** to **Arrive Logistics**, 12K new jobs announced in Austin area so far this year

- [ClosedLoop.ai](#), an Austin-based healthcare data science platform, [won the \\$1.6M prize](#) in the Artificial Intelligence Health Outcomes Challenge held by the **Centers for Medicare & Medicaid Services**, beating out **IBM**, **Merk**, **Accenture**, and over 300 other companies. ClosedLoop raised a \$11M Series A round last fall and counts **Greycroft**, **.406 Ventures**, and **Silicon Valley Bank** among its investors.
- [Einride](#), a Swedish autonomous electric freight vehicle company, plans to establish its [US headquarters in Austin](#) later this year. This news comes fresh off a \$110M Series B round for Einride, bringing their total funding up to \$150M.
- [Efforts to house Austin's homeless](#) continue after voters bring back public camping ban

Thank you!

Mason Rathe

Additional research and newsletter support provided by William Scheffrahn.

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