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Austin Weekly Deal Highlights

by Mason Rathe

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If you haven't heard the big news (might be best to pretend you had), **Tesla** [chose Austin](#) for its new \$1.1B auto factory! Tesla's factory will produce its upcoming Cybertruck and will employ 5,000 people, which would put it among the largest tech manufacturers in the Austin region. At this point, roughly \$60M in tax breaks have been committed over the next two decades, but that could change with additional state incentives or if Tesla invests more than planned. This move helps diversify Austin's economy, which doesn't have a ton of manufacturing. This comes as Tesla's value has nearly quadrupled this year. With a current market cap around the \$300B mark, the company is about to join the S&P 500 after posting its fourth straight quarterly profit.

Austin Financing Activity

- [Episode Six](#), a financial tech platform for creating financial and payments products, [raised](#) \$7M in a Series A round led by **HSBC**. **Mastercard** and **SBI Investment Co** also participated in the round. This increases the company's total funding to \$10M.
- [The Helper Bees](#), a tech enabled home care platform, raised \$6M in Series A funding. **Silverton Partners** led the round and was joined by investors including Austin **Impact Capital** and **Techstars**.
- [Kanna](#), an optimization platform for the cannabis industry, [raised](#) a \$500k pre seed round. The investors are **Jon Oringer** (founder of **Shutterstock**), **Operator Partners**, **Dallas' Mockingbird Ventures**, **Matt Stacy**, **Crown The Crew Capital**, among other undisclosed investors.

Austin M&A Activity

- **Valet Living**, a full-service amenities provider to the multifamily housing industry, [acquired](#) door-to-door trash and recycling service **Value Waste Services**.

Other Regional/Relevant Activity

- **Mercado Labs**, a Dallas-based an International Supply Chain Platform transforming the global supply chain by connecting global supply with global demand, [closed](#) a \$2.5M funding round led by Ironspring Ventures with participation from LiveOak Venture Partners and Supply Chain Ventures. This investment comes after Mercado closed a \$3.2M seed round in November led by LiveOak Venture Partners.
- **Topgolf International**, a Dallas-based operator of driving range centers, is in talks to go public via a [reverse merger](#) with a Michael Klein-led SPAC, per Bloomberg. Current shareholders include Providence Equity Partners, Dundon Capital, WestRiver Group, Callaway Golf, and Fidelity.
- **Chevron** [agreed to buy Noble Energy](#) in an all-stock deal, valuing the Houston-based oil and gas producer at \$5 billion.
- **Irys**, the San-Antonio platform which works with cities, military bases and engineering companies to improve community engagement and public institutions efficiency, [raised](#) a \$1.2M seed round led by **Good Growth Capital** with participation from **Arcadis**, **Techstars Ventures** and **City Rise Ventures**.
- **Jamf**, a Minneapolis-based Apple device management company, raised \$468 million in an offering, [surges on debut](#). It posted revenue of \$204 million in 2019 and a loss of \$32.6 million. Austin-based Vista Equity backs the firm. It is listed on the Nasdaq as "JAMF."

- [Hippo](#), a Palo Alto-based insurtech platform with a focus on digital home insurance, [announced](#) a \$150M Series E round at a post-money valuation of \$1.5 billion. This will be used to help expand the company, as they plan to hire 100 new employees this year along with building a new campus in Austin. Work is underway on a 40,000-square-foot office campus at Fifth and Sabine streets in downtown Austin that's scheduled to open by the end of 2021.
- Houston-based oilfield services provider **Schlumberger** [Cuts 21,000 Jobs Amid Historic Oil Downturn](#)
- [As tension has escalated](#), the U.S. government suddenly ordered China to close its consulate in Houston this week. Houston police and firefighters responded to reports of papers being burned in open containers outside the consulate. In retaliation, China ordered the closure of the U.S. consulate in Chengdu.
- PE firm **Clearlake** explores Houston-based **Symplr** stake [sale](#), seeking \$2B valuation which provides healthcare governance, risk and compliance software.
- **GlobalSCAPE**, the publicly traded San Antonio-based cloud software company [announced the merger](#) with Minnesota-based IT software company **HelpSystems Inc.** HelpSystems will purchase the rest of Globalscape's (NYSE: GSB) outstanding shares at \$9.50 per share, valued at approximately \$217M.

Austin People

- **Eventus Systems**, who provides trade surveillance and risk management software for financial services firms, [appointed Joseph Schifano](#) as global head of regulatory affairs. He was previously deputy general counsel and global chief compliance officer at **Tower Research Capital**. The company also named **Mikhail Gasiorowski** as Sales Director, North America, and **Diane Imas** as Director of Marketing. At the beginning of the year, Eventus raised a 10.5M Series A led by **LiveOak Venture Partners** and **Jump Capital**.
- Austin-based **Erik Huddleston**, who was previously CEO of **TrendKite** and President of **Cision**, [has joined](#) Chicago-based business software maker **Aprimo** as CEO.
- **AffiniPay**, an end to end payment platform, has [added Meg Swanson](#) as its new CMO. Swanson previously was CMO at **Accruent**. **AffiniPay** was acquired by **TA Associates** for an undisclosed amount earlier this year.
- **HanAra Software**, a software company focused on process plant management, has [added](#) 3 new members to its Austin office - **Stephen Ames**, **Omar El-Batouty** and **Yvette Jorgensen**.
- **Ontic Technologies**, a protective intelligence software platform, [named Fred Burton](#) as its executive director of its new Ontic Center for Protective Intelligence.
- **SciPlay**, a Iowa-based casino-style gaming company, [has hired](#) more than 20 employees for its Austin office since the Covid-19 pandemic began.

Austin News

- Austin Was [Destined to Replace Silicon Valley](#). Last year, Austin-based companies raised \$1.73 billion in venture funding, the biggest haul since the height of the dot-com boom in 2000. Also last year there were also 58 corporate relocations to the area, four of the big five tech companies — Apple, Google, Facebook, and Amazon — all expanded their footprints in Austin, joining the ranks of the city's mega-employers, including global brands like Samsung, Oracle, IBM, Intel, AMD as well as made-in-Austin companies such as Dell, the job site Indeed, and Whole Foods (now part of Amazon).
- Austin [ranked](#) the #2 city for STEM growth in their 4th annual STEM Job Growth Index Report.
- Austin venture-backed investments [decline 32 percent](#) to \$257M in the second quarter.
- **ScaleFactor** raised \$100 million in a year then blamed covid-19 for its demise. [Employees say it had much bigger problems](#)
- Austin's new [\\$1 billion Apple campus under construction](#)
- Austin still best place to live, [U.S. News & World Report says](#)
- From Austin Based **Osano**: [The Osano Data Privacy and Data Breach Link](#) - A research report revealing the direct and predictive relationship between poor privacy practices and security breaches.
- **University of Texas Investment Management Company (UTIMCO)** makes [first-time commitment](#) to **Sequoia Capital**. New Investments in large funds is a departure from UTIMCO's previous interest in emerging managers.
- As COVID cases exploded, workers on Texas' \$295 million contact tracing deal [did little to no work](#). This relates to the \$295M contact tracing deal to little-known **MTX Group**, a tech startup that has a headquarters in North Texas. Abbott's office has staunchly defended the emergency expenditure, but it's been controversial from the get-go.
- **Joe Rogan**, who recently landed a deal with Spotify reportedly worth \$100 million, [is moving his podcast to Austin next month](#)
- Texas branded as top state for [businesses to survive](#) COVID-19 pandemic

- For first time in nearly a decade, Austin [office rent growth falls](#) below national average
- About 40% of jobs lost at start of pandemic in Austin [have been brought back so far](#)

Code2College Vision 2024

[Code2College](#) is a national nonprofit focused on equipping minority and low-income high school students with after-school coding education, professional development, STEM industry exposure, mentorship and paid, technical summer internships at leading Tech companies like VMware and Atlassian before pursuing a college degree. Last month, Code2College launched [Vision 2024](#), an initiative to place 200 black and Latinx women into STEM roles by 2024. To fund this effort, Code2College is raising \$1.5M and has already secured \$900,000. If you or your company has an interest in joining other funders like **DISCO**, **OJO**, and **Cirrus Logic**, please contact Matt Stephenson at matt@code2college.org.

Thank you!

Mason Rathe

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Additional research and newsletter support provided by [Thad Hutcheson](#)



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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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