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Austin Weekly Deal Highlights

By Mason Rathe - August 11, 2019



Just touched down back in Austin after a relaxing vacation abroad to the stark realization that things do not stop when I am away. No no, funding activity has been humming along this week, most notably with **ScaleFactor's** impressive \$60M Series C. Now back to your regularly scheduled Austin Weekly Deal Highlights.

[Austin Financing Activity](#)

- [ScaleFactor](#), an online financial platform that allows companies to keep track of their finances, [raised](#) a \$60M Series C led by **Coatue Management** with participation from existing investors **Bessemer Venture Partners**, **Canaan**, **Broadhaven Ventures**, and **Firebrand Ventures**. New investors include **Vulcan**, **Stripes Group**, and **NextPlay Capital**. The company has raised over \$100M to date.
- [Upland Software](#) (NASDAQ: UPLD), an enterprise workplace management software provider, [announced](#) a \$410M credit agreement that will be used to refinance debt and to further its M&A plans. The financing was arranged by **Credit Suisse Loan Funding LLC** along with **Wells Fargo Securities, LLC**, **Capital One**, **National Association**, **HSBC Securities (USA) Inc.**, and **Regions Bank**. Upland has a market cap of almost \$1B, and originally IPO'd in 2014.
- [Infinitum Electric](#), which makes high-efficiency electric motors, [reported](#) raising \$6.4M in equity. The company announced a \$1.8M Series A from **Cottonwood Technology Fund** in January, and has raised over \$9M to date.
- [Advanced Scanners](#), a medical device company with a 3D optical vision platform that tracks brain movements during brain surgery, raised \$1.5M seed round led by **Flatrock Investments JV** with participating from **Central Texas Angel Network**, **Capital Factory**, and some individual angel investors.
- [Oak & Eden](#), a handcrafted whiskey brand, raised \$1.2M of angel funding from undisclosed investors, according to Pitchbook.
- [AppClose](#), an Austin-based co-parenting platform used to manage child care across multiple families, [reported](#) \$500K in equity funding from a single investor. Total raised is \$1.9M.
- [Muxy](#), a provider of streaming analytics software designed to make live video interactive, raised an undisclosed amount of venture funding from **Konvoy Ventures**.

[Austin M&A Activity](#)

- [Preschool2me](#), an Austin-based childcare management software company, has been [acquired](#) by **SmartcareOS**, a Las Vegas-based educational technology company. [SmartcareOS](#) is using the acquisition to expand its technology offerings for early education and childcare management. Preschool2me was founded in 2012 and graduated from the **Capital Factory Accelerator** program.

Other Relevant/Regional Deal Activity

- [Diodes Incorporated](#) (NAS: DIOD), a Plano-based semiconductor manufacturer, [acquired](#) Taiwan-based [Lite-On Semiconductor](#) in a cash-based share swap transaction valued at \$428M. Diodes has a market cap of \$1.92B.
- **Socratic Ventures Education Partners**, an Austin-based venture capital firm, [reported](#) that it is raising a new fund with an unspecified target amount. The firm was founded in 2010 by **Student Loan Genius** co-founder **Joshua Pierce**.
- **CAVU Ventures Partners**, a NY-based consumer-focused venture firm with a large presence in Austin, is [raising](#) up to \$250M for its third fund. CAVU previously [closed](#) its second fund at \$209M in 2017.
- [Aspire Marketing Services](#), an Irving-based provider tech-enabled marketing services for automotive dealers and manufacturers, [raised](#) an undisclosed amount of venture funding in a deal led by **Staley Capital**.
- [Surgical Notes](#), a Dallas-based developer of revenue cycle solutions and electronic health record applications, was [acquired](#) by **The CapStreet Group**, for an undisclosed amount.

Austin People

- Austin-based **Cosential** [welcomed](#) **Matt Schatz** as Chief Revenue Officer and **Randy Reynolds** as VP of Marketing. Schatz previously led global sales for SMB and Enterprise businesses at **WP Engine**, and Reynolds held leadership roles in Product Marketing and Sales Strategy at **ServiceMax, Inc.** [Cosential](#) received a \$34M growth investment from **JMI Equity** in 2018.
- **Ground Labs**, a data discovery software developer, [announced](#) that **Jason Stein** has been named its Head of North American Channel and Partnership. Stein previously served as the Head of Channel for Kaspersky Lab North America.
- As part of its seed round, **Advanced Scanners** has announced its board of directors: **Aaron Bernstein**, the company's co-founder, **Jeff Levine**, the company's CEO, **Jonathan Black**, principal at **Flatrock Investments**, and **Jared Leger**, private investor and CEO of **Arise Vascular**.
- The Top Austin Tech and Startup Hires (and Departures) of [July 2019](#)

Austin News

- **Austin Chamber of Commerce** recently [reported](#) that jobs in the tech industry grew twice as fast as other industries. The overall Austin tech industry [accounts](#) for more than 15% of all jobs.
- The Top Venture Capital Deals, Mergers and Acquisitions in Austin in [July 2019](#)
- **H-E-B** [plans](#) to add 500 new tech jobs at its San Antonio-based headquarters new tech center
- **SputnikATX** [Announces](#) Summer Cohort 2019
- [How UT invests](#) (a breakdown of the endowment)
- Austin is one of the most profitable cities for short-term rentals in the U.S. based on a recent [study](#) by vacation properties company **RedAwning.com**. Revenue generated last year is up almost 48% since 2016. It was recently reported that a majority of the short-term rentals [operate illegally](#).
- [Hypergiant Industries](#), an Austin-based AI solutions company, and consulting firm **Booz Allen Hamilton** [announced](#) a new commercialization partnership. The partnership will allow Booz Allen to integrate AI projects for the U.S. government and Fortune 500 clients.
- [JASK](#), an Austin-based cybersecurity software developer, [joined](#) the Microsoft Intelligent Security Association, which is focused on Microsoft security products.

- Texas has become a testing ground for driverless semi-trucks further [fueled](#) by the new autonomous trucking route from Dallas to Houston operated by [Kodiak Robotics](#). The CA-based company is focused long-haul trucking autonomous technologies and is opening an office in Dallas to better service this new route.
- Austin-Bergstrom International Airport [pilots](#) its new autonomous vehicle program. Passengers will now be able to use the Easy Mile EZ10 driverless shuttle for transport between the terminal and the Rental Car Facility/Ground Transportation.
- Austin is the first city to offer both the new Google [Webpass](#) and Google Fiber for wireless internet service

Thank you!

Mason Rathe

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