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**Sent:** Sunday, 02 August 2020 23:44  
**To:** masonrathe@gmail.com  
**Subject:** Austin Weekly Deal Highlights 8-2-20



## Austin Weekly Deal Highlights

by Mason Rathe

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Public markets are open! Austin-based **Vital Farms'** shares soared 63% during its trading debut on Friday, closing with a market cap of \$1.3B. A great success story for Austin, and this capital certainly helps them distribute their ethical foods more broadly, but there is a nagging point here. With such a big pop in the share price, \$122M of value went to secondary traders in 1 day, thus Vital Farms could have conceivably raised 59% more capital in their offering with no less dilution. Stocks are traditionally priced to anticipate a 1<sup>st</sup> day pop and favorable market debut, but what we have been seeing lately seems a bit excessive (Lemonade 139%, Vroom went as high as 218% during intraday trading...). Que the rise of SPAC's, most notably Bill Ackman's \$4B [recently raised](#) (\$7B of total buying power). SPACs are so-called "shell" companies created for the sole purpose of ultimately acquiring an unspecified target company, and we've seen 55 already go public this year, raising \$22.5B, and another 22 to debut in coming weeks. For companies and investors, SPAC's are starting to represent a more straightforward process and clear pricing expectations when going public. Anyway, thank you for coming to my TED Talk.

**BigCommerce** is set to go public this week, hold onto your hats!

### Austin Financing Activity

- **Vital Farms**, the largest producer of pasture-raised eggs in the US, [raised](#) \$204.6M during its IPO on Friday. Initial public offering priced at \$22 a share, above its proposed price range of \$19 to \$21, and ended the day up 63%, closing at \$35 for a market cap of \$1.3B. The company operates through a network of 200 family farms and has become the leading US brand of pasture-raised eggs and butter and the second largest US egg brand by retail dollar sales. Fast-growing and profitable, Vital Farms offers 20 retail SKUs across more than 13,000 stores.
- **BigCommerce**, a SaaS provider for online businesses, has [updated](#) its IPO filing. The company is now planning to raise \$130M. It's a \$30M increase from the original \$100M estimate. The company plans to offer 6.8M shares at \$18-\$20 each. In 2019, BigCommerce's revenue grew to \$112.1 million, a gain of around 22% from its 2018 result of \$91.9 million. The company raised \$228 million in VC funding from firms like Goldman Sachs, General Catalyst, GGV Capital and Tenaya Capital.
- **Spyderbat**, a cybersecurity company, [raised](#) \$4.2M in Seed funding. **LiveOak Venture Partners** and **Benhamou Global Ventures** led the round, and were joined by **John McHale**. The company recently came out of stealth, and develops innovative solutions to radically change the way organizations handle early threat discovery and investigation. It was founded by cybersecurity pioneers **Marc Willebeek-LeMair** and **Brian Smith**, former founders and executives of **Click Security** and **TippingPoint**.
- **Wondercide**, a company that provides a low impact pest control solution, [raised](#) \$3.5M in equity funding from undisclosed investors. The startup also landed a \$500K investment from **Lori Greiner** on Shark Tank in 2016.
- **GenXComm**, a provider of next generation wireless communication infrastructure, has [received](#) an investment from **BMW i Ventures**. GenXComm was founded in 2016, and has raised about \$9.3M in total.

### Austin M&A Activity

- [ZenBusiness](#), a business formation platform, [acquired Joust](#), a banking services platform for the self-employed, for an undisclosed amount. ZenBusiness was founded in 2016 and has raised \$19.5M, while Joust was founded in 2017 and raised \$5.6M according to Pitchbook.
- [Mitrastech](#), an enterprise legal management solutions provider, has [acquired Tracker Corp](#), an immigration management solutions company. The terms of the deal weren't disclosed.

## Other Regional Activity

- [Optimal Blue](#), a Plano-based digital mortgage marketplace, reached a [definitive agreement](#) to be acquired by **Black Knight** for \$1.8B. In connection with the acquisition, Black Knight will combine its Compass Analytics business with Optimal Blue. The company was previously acquired by **GTCR** in 2016.
- [NewHold Investment](#), a Houston-based blank check company formed by NewHold Enterprises, [raised](#) \$150 million in an IPO. It is targeting investments in industrial technology. It plans to list on the Nasdaq as "NHICU".
- [Mountain Health Technologies](#), a Dallas-based healthcare company centered toward young adults, [raised](#) \$1.5 million in seed funding. **Matchstick Ventures** led the round, and was joined by **Northwestern Mutual Future Fund**, **Techstars Ventures**, **Bread and Butter Ventures**, and **Route 66 Venture**.

## Austin People

- [Remedy](#), an on-demand urgent and primary care service, has [appointed Dr. Ronald Dixon](#) as its chief medical officer. Dixon was previously president and CEO of **Onduo Professionals PC**.
- [Tarmac TX](#) named **Bart Bohn** new Executive Director. Tarmac TX is an accelerator that equips environmental and social entrepreneurs with the necessary skill sets and connections, and helps them access funding to reach their intended impact.

## Austin News

- [The week in COVID](#): Austin moves from plateau to 'substantial decrease' in new cases, hospitalizations
- China possibly trying to steal COVID research from University of Texas-Austin, [FBI says](#)
- Marketing services provider **Mood Media** [files for Chapter 11 bankruptcy](#)
- [Luminex](#) (NAS: LMNX) [gets FDA approval](#) for Covid-19 antibody test
- [Who says](#) Austin can't do consumer?
- [Best hospitals in Austin recognized](#) in prestigious new national report
- [Video](#): Work underway on **Tesla's** \$1.1 billion Austin Gigafactory site
- Two Austin companies have been selected as winners for [WeWork's](#) \$2M nationwide grant program. Both [ATX Web Designs](#), a web development and mobile app design company, and [Code2College](#), a non-profit that provides after-school web development and coding lessons, will be receiving \$10K grants.
- [BCS Software](#), a software design and consulting company, has [sued Facebook](#) stating it has infringed on one of its software patents. Facebook's Apache Zookeeper allegedly operates in many of the same ways as the '809 patent.
- [Google](#) has [announced](#) that it will keep all of its employees working from home until summer 2021. This will impact over 200,000 employees, including 1,100 in Austin
- [Armbrust American](#), a surgical mask producer, is looking to [add](#) an additional 60 members to its team. This comes after the company saw just under 1.5M orders in its first week after launching.

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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