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Sent: Sunday, 23 August 2020 17:30
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Subject: Austin Weekly Deal Highlights 8-23-20



Austin Weekly Deal Highlights

by Mason Rathe

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The stock market continued to climb this week folks. On Tuesday, the S&P 500 closed at a record high, erasing all pandemic-induced losses from the past six months. On Wednesday, Apple's stock market value exceeded \$2 trillion, marking the first time ever a U.S. company reached the milestone. Thursday, I had serious regrets about my put option portfolio, but Friday I'm in love (sorry, couldn't help The Cure reference...)

What a week Austin! **Icon** with the \$35M Series A, which you've got to love. The company makes 3D printed homes, and is now building an entire community for homeless people in the Austin area. Also this week, **Waterloo**, your favorite brand in the booming sparkling water category, was picked up. The acquisition marks another win for consumer products focused investor **CAVU Venture Partners**.

Austin Financing Activity

- **Icon**, a 3D printing company that made the first 3D printed neighborhood, which was located in Mexico, [closed](#) on a \$35M Series A round led by **Moderne Ventures**. To date, Icon has raised \$44M.
- **SpyCloud**, an cybersecurity solutions company, [raised](#) \$30M in its Series C funding round led by **Centana Growth Partners** with participation from **Altos Ventures**, **Silverton Partners**, **March Capital Partners** and **Microsoft's venture arm, M12**. To date, SpyCloud has raised \$58.5M.
- **RapidDeploy**, a cloud-based analytics platform for computer aided emergency dispatch, raised \$18.75M of venture funding from undisclosed investors, according to Pitchbook.
- **Fetch**, a package delivery service for apartment buildings, [raised](#) \$18M in its Series B round led by **Iron Gate Capital** and **Pando Ventures**. Existing investors that contributed in this round include **Signal Peak Ventures**, **Silverton Partners**, **Seamless**, and **Venn Ventures**. To date, Fetch has raised \$32M.

Austin M&A Activity

- **Waterloo**, a sparkling water brand, has been [acquired](#) by an investment group consisting of **Flexis Capital**, **Eurazeo Brands** and **Moore Strategic Ventures** for an undisclosed sum. Since its launch less than three years ago, Waterloo has secured distribution in over 13,000 retailers nationwide including, among others, Whole Foods Market, Costco, Target, Kroger, Walmart, Publix and H-E-B. According to Pitchbook, the company raised \$7.2M to date from investors including Austin-based **CAVU Venture Partners**.
- **Lifesize**, a global video conferencing company, [acquired Kaptive](#), a whiteboard camera system used on video collaborations. In March, the company was acquired by **Serenova**, via its financial sponsor **Marlin Equity Partners**, for an undisclosed sum.
- **HID Global**, an identity solutions company, [acquired](#) miniature reader devices company [Access-IS](#).

Other Relevant/Regional Deal Activity

- **Amazon** (Nasdaq: AMZN) [is in talks to buy](#) a minority stake in **Rackspace** (Nasdaq: RXT), the San Antonio-based cloud computing company that went public earlier this month, per Reuters. Apollo Global Management holds a 65% stake in Rackspace.

- [CoPilot](#), an assisted-commerce platform that gives advice on large purchases, such as homes and cars, [raised](#) \$10 million Series A round led by **Next Coast Ventures**. To date, CoPilot has raised \$17 million. The company is headquartered in Chicago and has an office in Austin.
- [OncoNano](#), a Southlake biotech company specializing in cancer research, diagnosis, and treatment, [received](#) a \$10M grant from the **Cancer Prevention Research Institute of Texas (CPRIT)**. The funding will go to its ONM-100 product, which intraoperatively images tumors during surgery. To date, the company has received about \$67M in funding.
- **Andros Capital Partners**, a Houston-based investment firm, [raised](#) \$250 million for its inaugural fund. The firm will be targeting private equity investments, credit opportunities and direct asset-level investments across the energy sector.
- [PadSplit](#), an Atlanta-based affordable housing startup, is expanding into Houston after [receiving](#) \$10M in its Series A round. The round was led by **Core Innovation Capital**, with **Alate Partners**, **Citi**, **Kapor Capital**, **Impact Engine** and **Cox Enterprises** also contributing.
- Calgary-based [Connectus Global](#), a real-time location tracking, worker safety, productivity and process automations solutions company for the energy, industrial, and mining sectors, [closed](#) its seed round of financing led by Houston-based **CSL Ventures**. The amount of financing has not been disclosed.
- [Acelynk](#), a San Antonio-based a customs compliance software provider, was [acquired](#) by **Magaya**, via its financial sponsor **LLR Partners**
- [LiquidCompass](#), a Dallas-based recruitment and talent engagement platform for healthcare workers, was [acquired](#) by **Prolucent Health** for an undisclosed amount

Austin News

- KKR-backed [Epicor Software](#) is [back in the market](#). The process, which first launched in summer 2019, was pulled by the firm in October after the bids for the software company came in below expectations. In August, KKR, advised by Barclays, was expected to fetch between \$4 billion and \$5 billion for Epicor. Epicor provides industry-specific software that is designed around the needs of their manufacturing, distribution, retail, and service industry customers. KKR bought Epicor for \$3.3B in 2016
- **Tesla's ATX Hiring Begins**. Dozens of job postings so far include roles in HR, IT/operations, sales and construction for the \$1.1B Gigafactory. At its intraday peak of \$2,021.99 on Thursday, Tesla sported a valuation of more than \$378 billion, above Walmart's market capitalization of \$368 billion.
- This week Covid forced some of the largest college campuses to move to online only classes after cases spike, notably **North Carolina** and **Michigan State**. **University of Texas** researchers [estimate](#) up to 183 students will arrive on campus with COVID-19. UT will be able to test up to 5,000 students and faculty and staff members who don't have symptoms each week. UT is providing a combination of limited in-person instruction, hybrid teaching and completely online classes.
- **TFF Pharmaceuticals** [could receive](#) \$210M for part in coronavirus treatment development
- [More apartments](#) are being built in the Austin metro area than anywhere else in the US according to a new report from RentCafe.
- Hotwire ranks Austin in top 10 for a ['quickie' getaway](#)
- **Governor Abbott** [introduced a new proposal](#) that would prevent any Texas city that defunds police from being able to increase its property taxes. This measure is in response to Austin City Council approving a \$150M shift in funds away from Austin Police Department.
- **Austin Public Health** is [opening up COVID-19 testing](#) to anyone who wants it with the hopes of finding asymptomatic cases.
- **University of Texas** will be [limiting the capacity at DKR Stadium](#) for this fall's football season to 25% capacity. The initial plan was to limit the stadium seating to 50% capacity. Last week, Big 12 [announced](#) they will move forward with the season, lays out Texas' new schedule for 2020
- Qualifying Texans will get an [additional \\$300 per week in unemployment benefits](#). From mid-March til August 15, [3.2M Texans](#) have filed for unemployment aid. Austin jobless rate dips for 3rd month in a row, [down to 6.7%](#)

Thank you!

Mason Rathe

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Additional research and newsletter support provided by [Dipesh Mehta](#)



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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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