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Sent: Monday, 05 April 2021 02:04
To: masonrathe@gmail.com
Subject: Austin Weekly Deal Highlights - April 4, 2021

Austin Weekly Deal Highlights

By Mason Rathe

Is this the year edtech absolutely takes off? Is Austin becoming the edtech capital of the world? Hey, I'm just the messenger for what the people are saying, but you know what, I'm buying it. **Coursera's** successful IPO on Wednesday proved that public market investors are chomping at the bits to get in this sector. And bringing it local, Austin knocked out three edtech funding rounds this week with **OnlineMedEd**, **Upswing** and **Acadeum**, not to mention **SchoolLinks'** splashy Series A just the other week. I may be a bit biased folks, but it's time to go long on education, and look no further than Austin, Texas.

Austin Financing Activity

- [OnlineMedEd Inc.](#), a digital learning platform for medical students, [raised](#) more than \$25M in a funding round this week from undisclosed investors. This brings OnlineMedEd's total funding to over \$30M.
- [Living Security](#), a cybersecurity training company, [raised](#) a \$14M Series B round led by **Udata Partners**, with participation from **Silverton Partners**, **Active Capital**, **Rain Capital**, and **SaaS Venture Partners**. Living Security has now raised over \$20M to date.
- [Ballogy](#), an analytics platform that remotely helps basketball players improve their game, [raised](#) \$6M in Series A funding. This brings the company's funding to \$9.5M.
- [Acadeum](#), an online college course sharing platform, [raised](#) a \$5M round led by **Rethink Education**, with participation from **Socratic Ventures**, **Lumina Foundation**, and **LearnStart**. Acadeum has received \$12M in funding to date.
- [Upswing](#), a student engagement platform, [raised](#) \$5M in Series A funding led by **Imaginable Futures** and **JP Morgan Chase**, with participation from **Bonsai Capital**, **Agave Fund**, and **Sustain VC**. Prior investors including **Impact America Fund** and **Lumina Foundation** also participated. This round brings Upswing's funding to \$10M.
- [Rev Gum](#), a caffeinated gum company, [raised](#) \$2.6M in additional funding from an undisclosed investor this week. Their product is sold at dozens of locations around Texas, including H-E-B and many convenience stores.
- **Mighty Canary Inc**, an Austin-based company which appears to be operating in a stealth model, [reported](#) raising \$1M from one investor. **Tabrez Syed**, co-founder of [Swivel](#), is Mighty Canary's CEO, according to the filing.

Austin Public Company Activity

- [SolarWinds](#), an IT management software company which has recently been in the news for its role in a massive government hacking operation, [filed](#) papers with the SEC to spin off its managed service providers business into a separately traded public company called "N-able, LLC." The filing shows that the company generated \$302.9M in revenue with a net loss of \$7.2M in 2020.
- [FTC Solar](#), a solar tracking and software company, [filed](#) to go public on the Nasdaq under the ticker, "FTCI." It is not immediately clear how much the company will raise since it pegged its target at \$100M, a common placeholder when companies initially make their S-1 filing. FTC Solar reports \$187M in revenue and \$15.9M in net losses for 2020.
- [Q2 Holdings Inc.](#) (NYSE: QTWO), an Austin-based digital banking platform, [acquired](#) [ClickSwitch Holdings Inc.](#), a Minneapolis-based company that facilitates the digital switching of bank accounts to a financial institution of one's choosing. Financial terms were not disclosed, but Q2 reported revenue of \$402.8M in 2020, up from \$315.5M in 2019. Q2 has a market capitalization of \$5.7B, while ClickSwitch has received over \$19M in funding to date.

Other Regional Deal Activity

- [HighRadius](#), a Houston-based order management software company, raised \$300M in Series C funding valuing it at \$3.1 billion. **D1 Capital** and **Tiger Global** led the round and was joined by investors including **ICONIQ Growth** and **Susquehanna**

- **Growth Equity**. Other investors included **Frank Sloodman** (CEO of Snowflake).
- [Access Physicians](#), a Dallas-based provider of inpatient telemedicine services, was acquired by SOC **Teled** (NAS: TLMD) for an estimated \$194M. Access last reported raising a \$9.3M Series A in 2019 from **Health Enterprise Partners**.
- [PICKUP](#), a Plano-based retail delivery company, [raised](#) a \$15M Series B round led by **NewRoad Capital Partners** with participation from **Florida Funders** and **Autotech Ventures**. PICKUP has raised \$30M to date.
- [Nebula Microsystems](#), a Richardson and Shanghai-based semiconductor company, [landed](#) \$15M in seed funding from **Morningside Group**. Created by ex-[Texas Instruments](#) (NASDAQ: TXN) employees, Nebula plans to use this funding to expand its team and focus on products in industries ranging from consumer and automotive to healthcare and telecommunications.
- [Nacuity Pharmaceuticals](#), a Fort Worth-based clinical-stage biotech firm focused on ocular oxidative stress, [raised](#) nearly \$3.2M in equity and other options from 71 investors on a \$11M raise. Nacuity has raised nearly \$10M in total.
- [Haxiot](#), a Dallas-based end-to-end device-to-cloud platform, was [acquired](#) by **Digi International (NAS: DGII)** for an undisclosed amount.
- [Recuro Health](#), a Richardson-based digital and virtual health services provider, [raised](#) an oversubscribed seed round of nearly \$3M led by **OLSF Ventures**. Recuro has already begun working on a “much larger” Series A round that is expected to close within the next 120 days.
- [Rechat](#), a Dallas-based company which provides residential real estate software, [raised](#) \$1M from **New Valley Ventures**, an investment vehicle by **Vector Group**. Rechat has raised \$5M to date.
- [Barbri](#), a Dallas-based legal education company, will be [bought](#) by **Francisco Partners**, a San Francisco-based investment firm. The financial terms of the agreement have not been disclosed.

Austin People

- Following our \$8.3M Series A, here at [SchoolLinks](#) we are hiring for several roles which can be found [here](#), including a Head of Marketing, and also a [Program Manager](#), who will lead business engagement with local school districts, especially as it relates to talent needs and development, mentorship, and internship opportunities.
- [Coder](#), an Austin-based developer workspace platform, [appointed](#) **Ketan Gangatirkar** as VP and head of engineering. Prior to joining Coder, Gangatirkar was VP of engineering at [Indeed](#). Coder has raised \$43M to date, following a \$30M round last year led by **GGV**.

Austin News

- **Elon Musk** says **Tesla's** Austin Gigafactory [could hire](#) 10,000 workers, doubling commitment. Tesla's \$1.1 billion electric car manufacturing facility is being built on the east side of the SH 130 toll road. Also, [it is believed](#) the Musk will also build a **SpaceX** facility in Austin as well, although not publicly stated.
- Austin's 5 Largest Tech Funding Rounds Totaled \$235M+ in [March](#)
- Portland-based e-commerce startup **City Shoppe** has [relocated its HQ](#) to Austin.
- [Osidon](#), a South Africa-based online accounting firm, has expanded to the US and named Austin its headquarters.
- [Sante Ventures](#), an Austin-based VC firm, [filed](#) SEC paperwork showing it intends to raise up to \$250M for a new venture capital fund called **Sante Health Ventures IV, LP** which would focus on biotech, medtech, and healthtech startups.
- New York-based **Elevate Brands** [sets up HQ2](#) in Austin.
- [These tech workers](#) left SF for Austin. They don't regret it.
- NASA [gives](#) \$2.8 million boost to Texas university's innovative program
- [NI](#), an automated testing and software company, [donated](#) \$400K to support [Code2College's](#) Vision 2024 program, which aims to place 200 Black and Latinx women in STEM roles in the next four years.
- [What Project Connect Really Means for Austin](#). Last November, local voters approved plans for an ambitious rail system. But can it save one of Texas' most traffic-clogged cities?

Thank you!

Mason Rathe, an early stage investor in Texas-based companies.

Additional research and newsletter support provided by William Scheffrahn.

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