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By [Mason Rathe](#) • [Issue #197](#) • [View online](#)

In the midst of a global pandemic, insurrection to kick off the year, and hell freezing over in Texas last week, forgive me but I may be damaged goods at this point. I say that because I'm both parts shocked and highly skeptical that we had a pretty normal week, free of any major (new) catastrophes. But shoot, let's roll with it! Austin, Texas, what a solid week of funding news, healthy M&A activity, big company hires – all with no major dark clouds in sight. On the funding news, major announcements this week from **Episode Six**, **Katana Graph**, **InterPlay Learning**, **Sunroom Rentals**, and you know I have to shoutout **FloorFound** on their funding round, congrats to founder **Chris Richter**! Let's keep the good times rolling (please)!

Austin Financing Activity

- [Episode Six](#), an account and payment systems platform, [raised](#) \$30M in capital from **HSBC**, **Mastercard**, **SBI Investment**, and **Anthos Capital**. They have raised \$40M to date.
- [KatanaGraph](#), a firm which uses graph computing as AI to analyze unstructured data, [announced](#) a \$28.5M Series A round led by **Intel Capital**. **Dell Technologies Capital**, **Nepenthe Capital**, and **Redline Capital** also participated.

- [Sunroom Rentals](#), a local real estate tech which allows potential renters to take virtual or self-guided tours to create a “touchless renting” experience, [raised](#) \$11M in Series A funding led by **Gigafund**. **Nextgen Venture Partners** and **Calpoly Ventures** also participated. The founders of Sunroom, **Ben Doherty** and **Zachary Maurais**, previously founded [Favor](#).
- [FloorFound](#), a logistics firm that specializes in assisting customers manage returns and re-sale of oversized e-commerce purchases, [raised](#) \$4M led by **LiveOak Venture Partners**, with participation from investors including **Flybridge Capital**, **Next Coast Ventures**, **8VC**, and **Schematic Ventures**.
- [Quantum Loophole](#), a gigawatt-scale data center innovation firm, [raised](#) \$13M in seed funding with the investors undisclosed. The firm pledges its first project is “well underway” with more details to come in Q3.
- [CoSell](#), a SaaS platform for B2B companies to find customer overlaps with partners to facilitate warm introductions, [raised](#) \$2M in seed funding led by **Pivot North** with participation from **SaaStr Fund**.
- [Flueid](#), a platform which focuses on streamlining the mortgage process, [announced](#) a Series A of an undisclosed amount, led by **Aquiline Technology Growth** with **Commerce Ventures** participating.
- [Handsome App](#), a networking application designed for beauty professionals, raised [\\$1.5M](#) of angel funding from undisclosed investors

Austin M&A Activity

- [SparkCognition](#), an industrial AI platform, is expanding to the fintech space by [acquiring AIM2](#), a firm which applies AI to financial markets, from hedge fund **Brevan Howard** and global investment bank **Nomura**. Financial terms were not

- disclosed. SparkCognition has raised approx. \$160M to date.
- [Digital Turbine](#) (NASDAQ: APPS), mobile app development and advertising firm, will [acquire AdColony](#), a mobile advertising platform with 1.5B monthly global users, from [Otello Corp. ASA](#). (FRA: OS3) for \$375M. Digital Turbine has a market cap of approx. \$7.4B.
 - [Planview Inc.](#), the Austin-based work and portfolio management company that recently changed hands for \$1.6 billion, just completed two [previously announced](#) acquisitions. It [announced](#) Feb. 23 that it completed its purchases of Seattle-based **Changepoint Corp.** and **Clarizen Inc.**, which is based in San Mateo, California, and Tel Aviv, Israel. Both make project portfolio management software. Terms of the deals were not disclosed.
 - [Rethink CRM](#), a cloud-based real estate CRM software provider, was [acquired](#) by **BuildOut**, via its financial sponsors **Saratoga Investment, Susquehanna Growth Equity** and **The Riverside Company**, for an undisclosed amount.
 - [Phlur](#), a provider of unisex fragrances, was [acquired](#) by **The Center** for an undisclosed amount. Phlur had raised approx. \$20M from investors including **Next Coast Ventures** and **Symrise**.

Other Texas Deal Activity

- [Apex Clearing Holdings LLC](#), a Dallas-based investment and fintech firm and notable key actor in the GameStop saga, and **Northern Star Investment Corp. II** (NYSE: NSTB), a publicly traded SPAC, [announced](#) a merger expected to provide up to \$850M of gross cash proceeds at closing. This merger will give Apex an enterprise value of \$4.7B, after reporting operating revenues of approximately \$236M in 2020 with an EBITDA of \$86M.
- [Alkami](#), a Plano-based digital banking platform, [announced](#) they have selected **Goldman Sachs Group** to lead its IPO

preparations after raising \$140M in funding last September in a round led by **D1 Capital Partners**. Alkami hopes to receive a valuation of \$3B when it IPOs later this year.

- **Chevron's** Houston-based venture arm [launches](#) \$300M fund focusing on low-carbon tech
- [RocketCyber](#), a Dallas-based managed SOC platform, was [acquired](#) by **Kaseya**, a Miami-based IT management and security company valued by VCs at \$2 billion.
- Houston-based **HP** is [acquiring](#) **Kingston Technology's** peripheral unit, **HyperX**, for \$425 million.
- Dallas-based **AT&T** (NYSE: T) [agreed to spin out](#) three of its video services, including satellite TV brand **DirectTV**, into a new standalone company in which **TPG Capital** will hold a 30% stake. The spinout will be valued at \$16.25 billion, or around one-third what AT&T paid to buy DirectTV in 2014.
- **Sustainable Opportunities Acquisition** (NYSE: SOAC), a Dallas-based SPAC, is [reportedly](#) closing in on a deal to acquire [DeepGreen Metals](#), a Vancouver-based metal manufacturer for the EV battery industry, which would create a combined valuation of \$2.8B.
- [Immersion Systems](#), a Fort Worth-based cryptocurrency mining farm cooling system manufacturer, [raised](#) \$33M through debt and equity.
- [ARKH](#), a Dallas-based augmented reality platform, [raised](#) \$3.7M in first round funding at a \$40M valuation.

Austin People

- [Bypass](#), a point-of-sale and commerce company that was acquired by [Fiserv](#) in March of 2020, is promoting **Geoff Johnson** to run the business. **Brandon Lloyd**, the founder and CEO, will take over Fiserv's Integrated Payments business. Both Fiserv businesses will be headquartered in Austin, with plans to grow the team by 200 people.

Austin News

- After blackouts, economic development [experts still bullish](#) on Austin but all eyes on state's response. Blame is placed on Texas's deregulated electricity market, which was supposed to provide reliable power at a lower price. For two decades, Texas customers have paid more, [\\$28 billion more](#), for electricity than state residents who are served by traditional utilities, a Wall Street Journal analysis has found. As part of the fallout, five of Texas's **ERCOT** board members [resign](#).
- [New guide](#) gives good shot at finding COVID-19 vaccination in Austin
- Austin semiconductor plants remained [shut down](#) through last weekend causing millions in losses, into Monday and Tuesday, causing concerns over [Tesla](#), [Samsung](#), and other large corporations' [future investment](#) in Austin facilities with a vulnerable state electric grid.
- Austin-area [home sales spike](#) nearly 24% in January
- [Tesla](#) (NASDAQ: TSLA) is [seeking](#) a foreign trade zone designation. Pending approval from **Del Valle ISD** and the **US Department of Commerce Foreign-Trade Zones Board**, this would add to the \$60M in tax breaks and rebates Tesla will receive over the next year from Travis County and Del Valle ISD.
- [Dell sees record](#) full-year revenue as remote work continues. Meanwhile, **Michael Dell** [forms](#) new 'blank check' SPAC, seeks \$575M IPO
- **SolarWinds** [grapples](#) with fallout from breach
- Austin-based **Outdoor Voices** chairwoman **Ashley Merrill** [lays out her thoughts on the female founder narrative](#) and how she turned around the athleisure brand after its valuation dropped 64%
- [Austin is back!](#) ACL says in-person music festival this fall

Thank you!

Mason Rathe, an early stage investor with [LiveOak Venture Partners](#)

Additional research and newsletter support provided by **William Scheffrahn**.

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By Mason Rathe

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