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Austin Weekly Deal Highlights

January 23rd, 2022

Here is my quarterly public service announcement. While major things are happening before our eyes, Austin is not the only city in Texas seeing a record growth in venture funding. Dallas hit it huge with \$3B in venture funding in 2021, twice as much as any previous year on record, and Houston saw over \$2.09B, a figure 3 times as much as any year on record. Something is in the water – maybe we all forgot to abide by the boil water notice during last February’s freeze... Make sure you subscribe to my [Dallas](#) and [Houston](#) newsletters, to be the most informed person at the networking event! Whenever they start happening again...

Now back to Austin. Holy cow, **Wheel!** The telehealth platform took off during the pandemic, as certain healthcare trends were expedited, but certainly behavior patterns that will remain in place for the long term - now announcing their \$150M Series C. Wheels up!

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Quick word from this issue's newsletter sponsor. [Serent Capital](#) is a growth-focused private equity firm that invests in founder-led enterprise software and tech-enabled services companies. Serent’s purpose-driven partnership approach aims to help founders scale their companies faster and achieve their growth goals by providing hands-on business-building and operational support, growth-oriented organizational design and recruiting assistance, and thoughtful strategic guidance. [Learn more](#) about why more than 50 founder-led B2B software and tech-enabled services companies have partnered with Serent.

Austin Weekly Deal Activity

- [Wheel](#), a telehealth platform for virtual care, [announced a \\$150M Series C](#) round led by **Lightspeed Venture Partners** and **Tiger Global Management**. Wheel has raised \$216.1M to date with other investors including **Salesforce Ventures**, **Silverton Partners**, **Coatue Management**, and **Tusk Venture Partners**.
- [Evocalize](#), an automated contextual marketing company, [announced a \\$12M Series A](#) round led by **Move, Inc.** Evocalize has raised \$16M to date with other investors including **Second Century Ventures** and **Habanero Ventures**.

- [Routefusion](#), a product expansion platform, [announced the raising of a \\$10.5M seed round](#) led by **Canvas Ventures** and **Silverton Partners**. Routefusion has raised \$14.2M from **Forum Ventures**, **Haymaker Ventures**, and **Initialized Capital**.
- [Opus](#), a vibroacoustic bed designed to release stress and provide relaxation, raised [\\$6.2M](#) in venture funding from undisclosed investors.
- [Pinwheel](#), a children's smart phone manufacturer, [announced raising a \\$3.5M seed round](#) led by **Circadian Ventures**, **Central Texas Angel Network**, **Drumbeat Ventures**. Pinwheel was also recently named a finalist in the SXSW Pitch competition.

Austin M&A Activity

- [Core Scientific, Inc](#) (NASDAQ: CORZ), goes public after \$4.3B merger. The blockchain mining and AI hosting company, [completed a SPAC merger](#) with **Power & Digital Infrastructure Acquisition Corp** and is now publicly traded on NASDAQ. Core Scientific is expected to net \$190M from the deal and has previously raised \$169M led by **Celsius Network**.
- [Infocyte Inc](#), a cyber threats and security company, [announced](#) being acquired by **Datto Holdings Corp** with terms undisclosed. Infocyte has raised approx. \$13M to date with investors including **LiveOak Venture Partners** and **Toba Capital**.
- [CloudSnap](#), a low-code solution for integrating disparate applications, [was acquired](#) by **Paylocity** (NAS: PCTY) for an undisclosed amount. The company had raised approx. \$4M from investors including **Active Capital** and **Mercury Fund**.
- [Cart.com](#), an e-commerce as a service company, [acquired SellerActive](#) under undisclosed terms. SellerActive is a platform that sells for over 800 brands, while Cart.com has now completed its eighth acquisition to date.
- [FileTrail Inc.](#), an information governance software company, [announced](#) the acquisition of **Teravine Inc**. FileTrail had previously received \$6M in debt financing from **Espresso Capital**.
- [Epicor Software](#), an enterprise software for business growth company, [announced](#) the acquisition of **JMO Business Systems Ltd**. Epicor was acquired by Clayton and Dubilier & Rice via a \$4.7B LBO in 2020.
- [Literati](#), a book subscription online retailer, [announced](#) the acquisition of **Follett Book Fairs**. Literati has raised \$58.8M to date from investors including **Felicis Ventures**, **Silverton Partners**, and **Shasta Ventures**, while Follett operated more than 7.5K book fairs nationwide.
- [Novi Labs](#), the AI company for energy investing, [acquired ShaleProfile](#), the energy data analytics provider. Novi, founded in 2014, is funded by **Montrose Lane** and **Bill Wood Ventures**.
- [Technology Pointe](#), an IT strategy company, [announced](#) being acquired by **The Purple Guys** with terms undisclosed.

Other Texas Deal Activity

- [CodeNotary](#), a Bellaire-based provider of tools for notarization and verification of the software development life cycle to prove the source and security of your code, raised a [\\$12.5M Series B](#) from Elaia Partners, Bluwat and other undisclosed investors
- [Iwi](#), a Houston-based nutrition company, [announced an \\$8M](#) growth financing investment from **GP Capital Partners**, including \$5.5M in debt and \$2.5M in direct equity. Iwi has raised \$26.5M to date from investors including **Genesis Park**, **PeakBridge Partners**, and **Gullspang Re:food**.
- [General Datatech](#), a Dallas-based IT services provider, [received](#) an undisclosed amount of capital from **HIG Capital**, to be used as a growth investment for the company. General Datatech reports

revenues of \$1B annually and has nearly 700 employees.

- [Altius](#), a Sugar Land-based business performance management solution, [was acquired](#) by Linq Analytics, a provider of software and services for adaptive customer data management and analytics, for an undisclosed amount.
- [Salarius Pharmaceuticals Inc](#) (Nasdaq: SLRX), a Houston-based pharmaceutical manufacturer, [announced](#) the acquisition of **DeuteRx LLC** for \$1.5M in cash and 1M shares of the company's common stock.

Austin People

- [Zenoss](#), an IT operations company, announced the hiring of **Blair Duncan** as CFO. Zenoss has raised \$53.1M to date, from investors including **ORIX Growth Capital, Summit Partners, Grotech Ventures, Industry Ventures, and Amplifier Ventures**
- [Studio X](#), a global innovation studio reimagining the future of work in energy exploration, announced the appointment of **Jeff Allyn** as Chief Executive Officer. Prior to Simpler Trading, Allyn served as CEO at NXT Board.
- [Terradepth](#), a drone underwater-mapping hardware manufacturer, has [hired Kris Rydberg](#) as COO. Terradepth has raised \$35.1M to date from investors including **Disruptive Technology Advisers, Giant Ventures, and Alumni Ventures Group**, while Rydberg was previously VP of service operations at Savigent.
- [Apogee](#), a higher education technology service provider, [announced](#) the hiring of **Louis Delzompo** as CTO. Delzompo was previously CTO at the California Community Colleges Technology Center and Parchment.
- [KERV Interactive](#), a digital ad platform, announced **Michael Fleischman** as its CFO. KERV has raised \$15M to date from investors including **Bessemer Venture Partners, Lightspeed Venture Partners, and Vestech Partners**, while Fleischman was previously CTO of Digital Remedy.

Austin News

- Per MerchantMaverick.com, Texas improved from the sixth to the second-best state for women-led startups, with \$814M venture dollars backing women entrepreneurs last year.
- [Forbes features](#) 23 Austin leaders on list of 'entrepreneurial heroes'
- [UT Austin No. 1](#) in NSF Funding in United States. The university had National Science Foundation (NSF) research expenditures totaling more than \$144 million
- [SXSW is making a comeback!](#) Festival organizers still planning on mostly in-person event
- Austin's **Geothermix** [Gets \\$2.5 Million DOE Grant](#) to Produce Geothermal Energy from old Oil and Gas Wells
- Austin could play major part in surge of [domestic production for EV batteries](#), experts say
- **SXSW Innovation Awards** announced their list of finalists, and 3 Austin startups were included: **Accessibility Mapping System**, help those with disabilities to access travel experiences; **Xebec, Inc.**, which has the Tri-Screen 2 that adds two screens to laptops; **STRAP Technologies**, which helps the blind and visually impaired have ease of mobility.

Thank you!

[Mason Rathe](#)

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