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Sent: Sunday, 31 January 2021 18:30
To: masonrathe@gmail.com
Subject: Austin Weekly Deal Highlights - Jan 31, 2021

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By [Mason Rathe](#) • [Issue #193](#) • [View online](#)

Here's a startup idea, **GameStop**, but for a stock I actually own... Let's see, 1 month into 2021 and we've had insurrection, impeachment, yet the most polarizing event thus far has come from an army of self-proclaimed degenerates taking down billion dollar hedge funds (and trading platforms) by pumping up shares of an obsolete retailer who was inches away from being the next Blockbuster. I think we can all agree we are living in a simulation, and there has been a glitch. Anyway, this is **Austin Deal Highlights**, and not Mason's Shower Thoughts (new company?) so here we go!

This week in our fair city of Austin, Texas, in what has long been heralded as an enterprise software town, we have proof yet again that Austin can do consumer, as **Literati** plants their stake with a \$40M Series B! Between **Bumble's** imminent multibillion dollar IPO, **Everlywell's** recent massive funding, and not to mention several notable companies in our [portfolio](#), it looks like there is a real trend here. Just wait until Austin's cybertruck facility [is complete](#), then we'll have about as diverse of a tech economy as it gets...

Austin Financing Activity

- [Literati Inc.](#), a book-club subscription company, [raised](#) a \$40M Series B. **Felicis Ventures** led the round, and was joined by **01 Advisors, Founders Fund, General Catalyst, Shasta Ventures, Silverton Partners, Springdale Venture** and **Stephen Curry**. To date, the company has raised approx. \$55M in funding.
- [Darwin Homes](#), an tech-enabled property management platform, [raised](#) a \$15M Series A led by **Canvas Ventures**, with participation from investors including **Camber Creek, Kholsa Ventures, Wave Capital, Pear Ventures**, and **Silicon Valley Bank**. To date, the company has raised approx. \$19M.
- [SamCart Inc.](#), an e-commerce platform, [closed](#) a \$10M Series A led by **TTV Capital** with participation from **Fin VC** and the **George Kaiser Family Foundation**. To date, the company has raised \$13M.
- [Gowalla](#), an augmented reality company, [closed](#) a \$4M seed round led by **GV** and **Spark Capital** with participation from **Niantic, Upside Partnership, Otherwise Fund, Form Capital** and several angel investors.
- [QSAM Biosciences](#), a cancer treatment company, [announced](#) raised a \$2.5M Series B led by **Checkmate Capital Group**. Also, the company is moving from Palm Beach, Florida to Austin.
- [Freede](#), a debt resolution platform for the credit and collection industry, raised \$1.6M from **Lightbank** and another undisclosed investors.

Austin M&A Activity

- Austin-based [Caringo](#), a data storage solutions company, [was acquired](#) by Florida-based [DataCore Software](#), a software-defined storage company. Financial terms of the deal were not disclosed. Caringo had raised approx. \$40M in venture funding from investors including **Austin Ventures, Accent**

Capital Partners, and New Science Ventures.

- Austin-based [Khoros](#), a customer engagement company and portfolio company of **Vista Equity Partners**, [acquired](#) Netherlands-based AI chatbot management platform, [Flow.ai](#). Terms of the deal were not disclosed.
- Austin-based and **Vista Equity Partners**-backed [Social Solutions Global Inc.](#), a software solutions company for non-profits, [acquired](#) Canada-based [Athena Software](#), a company that operates in the same space. Financial terms of the deal were not disclosed.
- Financial advisory and management consulting firm [9Gauge Partners](#), [has been acquired](#) by Illinois-based consulting firm, [E78 Partners](#) for an undisclosed sum.

Other Regional Deal Activity

- Fort Worth-based **TPG** is in exclusive talks to buy a minority stake in **DirectTV** from **AT&T** at a valuation north of \$15B. Also this week, TPG acquired St. Louis-based edtech company, [Nerdy](#) through SPAC **TPG Pace Tech Opportunities**. The deal includes the \$450M the SPAC raised in its IPO along with \$150M in forward purchase agreements and \$150M in PIPE. Early VC investors are expected to retain a majority stake in Nerdy.
- Plano-based [Stryve Foods](#), a snack company, [agreed](#) to a reverse merger with SPAC **Andina Acquisition Corp. III**, taking Stryve public at an initial valuation of \$170M. The ticker will be listed on the NASDAQ under the ticker symbol SNAX. Stryve had raised VC funding from firms like **Murano Group, Meaningful Partners** and **Pendyne Capital**.
- Fort Worth-based [TimelyMD](#), a college-focused telehealth company, [received](#) \$60M from **JMI Equity**.
- Addison-based [Brainspace](#), a data analytics company, [was acquired](#) by Chicago-based [Reveal Data](#), via its financial sponsor **K1 Investment Management**, through an LBO for

undisclosed sum. Previously, Brainspace was acquired by **Cytxera**, via its financial sponsors **Medina Capital** and **BC Partners**, for \$95M in 2017.

- Fort Worth-based private equity firm, **Satori Capital**, [raised](#) over \$1.1B across two funds.
- Frisco-based VC firm **Lydia Partners**, [raised](#) \$26M for its first fund.
- San Antonio-based [Dominion Aesthetic Technologies](#), a medical device company, [raised](#) a \$23.7M Series B led by **Cooper Collins**. **Morton Cohn Investments**, **McNair Interests** and **MagnaSci Ventures** also participated in the round.
- Houston-based [Pulmotect Inc.](#), a biotech company focused on lung medications, [received](#) a \$6M federal grant to see if its PUL-042 drug is a viable COVID-19 therapy.
- [Cellvie](#), a Houston-based therapeutic platform intended to develop cell-derived medicines, raised [\\$5M](#) of seed funding led by **Kizoo Technology Capital**.
- Dallas-based [Preciate](#), a company offering digital tools to replicate in-person social events for businesses, [received](#) \$4.6M in seed funding led by **Inspiration Ventures** with participation from **Investors Founders Capital Partners** and **Santa Barbara Angel Alliance**.
- Dallas-based [Berkshire Biomedical](#), a virtual care and prescription management company, [received](#) \$3M from undisclosed investors.
- Houston-based [symplr](#), a healthcare governance, risk management, and compliance company, [acquired](#) Dallas-based [Phynd](#), a healthcare platform to operationalize and optimize provider data. Financial terms of the deal were not disclosed. Phynd had raised around \$12M from firms including **Rex Health Ventures**.
- Lewisville-based [Post Acute Analytics](#), a patient tracking and analytics company, [closed](#) a Series B for an undisclosed sum. The round was led by **Concord Health Partners' AHA**

Innovation Development Fund, Dorillton Capital, and Generator Ventures.

- **Richardson-based [Visual Matrix](#)**, a property management systems company focused on the hospitality industry, [has been acquired](#) by California-based [ASG](#), a software company focused on acquiring and building other SaaS Companies. Terms of the deal were not disclosed.

Austin People

- Epicor, a resource planning software platform, [announced](#) **Samuel Monti** as the company's new CFO. He replaces **David Mehok** who left Epicor in November to be CFO of **Q2 Holdings**. Monti was previously CFO of customer engagement software company, Khoros. Epicor was acquired by **Clayton and Dubilier & Rice** for \$4.7B in October.
- **WP Engine**, the WordPress technology company, [appointed](#) **Tarsha McCormick** as the company's first Vice President of Diversity, Equity, Inclusion, Culture, and Engagement. The company last raised \$250M from **Silver Lake** in 2018.
- **ALTR**, a data security company in Austin, [announced](#) it has added **Dean Cruse** to the newly created position of Vice President of Marketing and Thomas St. Onge as Vice President of Alliances and Channel. Cruse was previously VP of marketing at Tethr. St. Onge previously served as head of strategic alliances at Snaplogic. The company raised a \$15M Series B in May.
- **Fluence**, an LED lighting technology company, [added](#) **Jordon Musser** as its Chief Product Officer. He was previously head of commercial and horticulture LED products at Dallas-based Flex Lighting Solutions. The company was acquired by **OSRAM Licht (FRA: OSR)** for \$73M in 2018.

Austin News

- Austin [stands out](#) in race for potential \$17B **Samsung** chipmaking plant, site selector says
- Palo Alto-based venture capital firm, **Sapphire Ventures**, [is opening](#) an office in Austin. Its partner and CEO, **Nino Marakovic**, and partner and head of Sapphire Partners, **Beezer Clarkson**, have relocated to Austin and are leading the opening of the new office. In 2019, the firm secured more than \$1.4B in new capital commitments, largely dedicated to expansion- and late-stage tech startups.
- Local fintech company **Q2** (NYS: QTWO) [received](#) the naming rights to Austin FC's new stadium for the Major League Soccer team.
- Another billion-dollar tech company swaps San Francisco for Austin. **Digital Realty** [relocates](#) to Austin. It currently employs around 1,300 people, has about 30 data centers across the state of Texas and caters to approximately 4,000 enterprises worldwide.
- **Blackstone LaunchPad**, the charitable arm of the **The Blackstone Group**, [gave](#) six of **University of Texas** campuses a \$5M donation to assist student entrepreneurs.
- **University of Texas at Austin** [received](#) \$8M in funding from **NASA** for a project on autonomous air cargo transportation.
- **ZVRS** and **Purple Communications**, two subsidiaries of sign language interpreter tech company **ZP Better Together**, [are relocating](#) to northwest Austin. About 150 employees will be in this new space.
- A new 64 story mixed-use high-rise [is being planned](#) by **M2 Development Partners**. That could become Austin's second tallest high-rise for a site overlooking Lady Bird Lake, in the booming Rainey Street District on downtown's southeast side.
- Austin [ranks high](#) on **CBRE's inaugural Development Opportunity Index**. The list ranked the development opportunities for industrial, multifamily residence, office and

retail spaces in the nation's 50 largest cities.

- **Punch Bowl Social** and **CrowdOut Capital** [duke it out](#) in Ch. 11 legal battle

Thank you!

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

Additional research and newsletter support provided by **Dipesh Mehta**

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By Mason Rathe

Weekly highlights covering Austin's vibrant tech and startup ecosystem, from fundraising, mergers and acquisitions, to other major company announcements and news.

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