

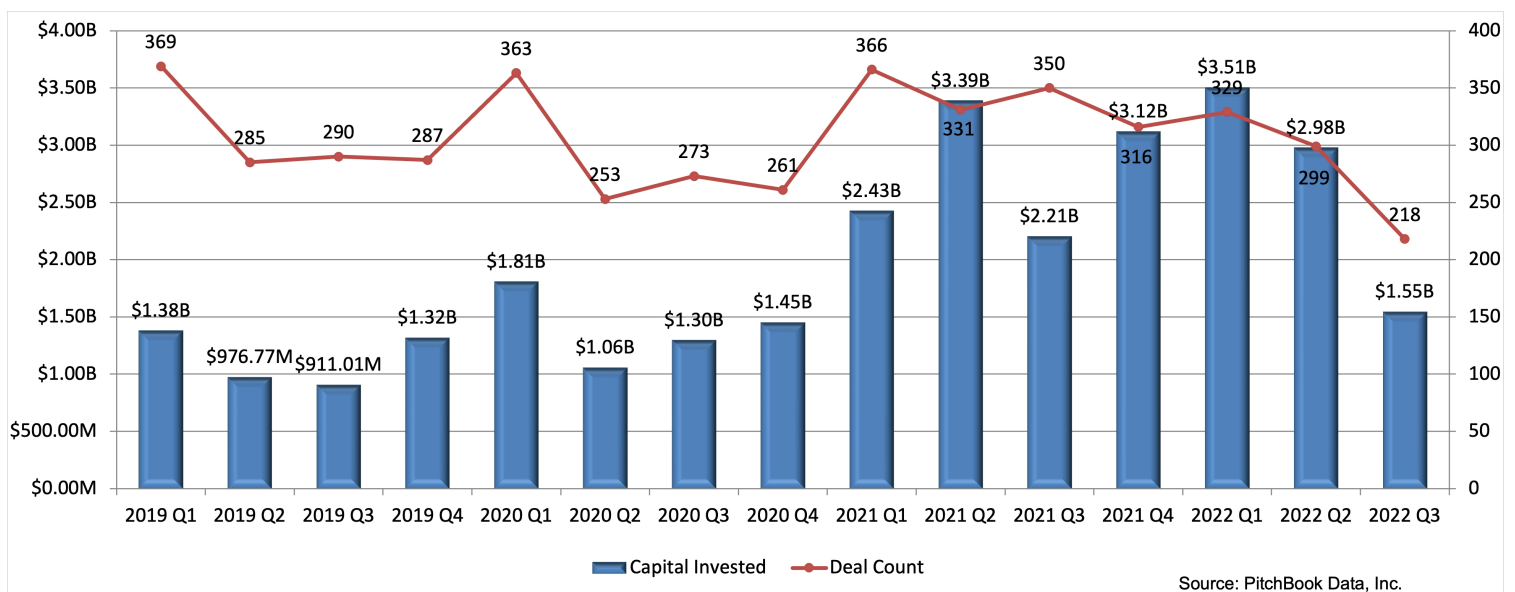
From: "Mason" <mason@texasdealhighlights.com>
Sent: Sunday, 09 October 2022 19:07
To: masonrathe@gmail.com
Subject: Q3 Texas Venture Report

Q3 Texas Venture Report

Mason Rathe

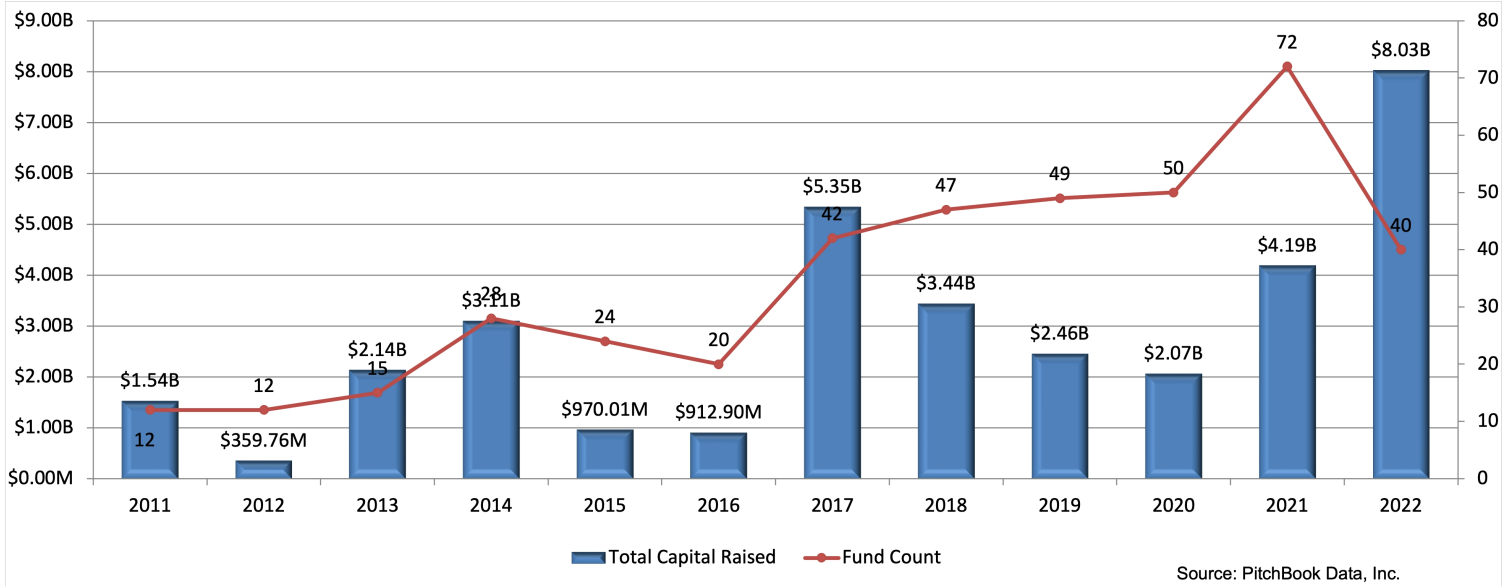
Weather's cooling down, kids are napping, lazy Sunday, what an opportunity to catch up on the Rathe Report! Excuse me, the Q3 Texas Venture Report... For those that read my weekly report (and possibly sick of my sarcastic humor?), in Q3 we saw the hens come home to roost. Venture funding was historically up in 2021 with astronomical highs, and now we're back down to our earthly levels.

Venture Funding in Texas



The plus side to this is, there are still ample deals getting done, and 2021 was not only a record year for VC funding, since then we have seen a record for VC funds (meaning new capital available to invest in startups). Let me build a case for you. Since the beginning of 2021, more than \$12M of new Texas based funds were produced, which will be used to invest in startups. Most of this money has been sitting on the sidelines thus far. Additionally, approximately 50% of Texas VC funding comes from out of state funds, which compound the dry power awaiting investment. On top of that, there is an expectancy from LP's which fund these VC's, for this money to be utilized in a focused time frame. Long story short, VC funding will no doubt increase in 2023, mark my words!

New VC Funds Closed, Based in Texas



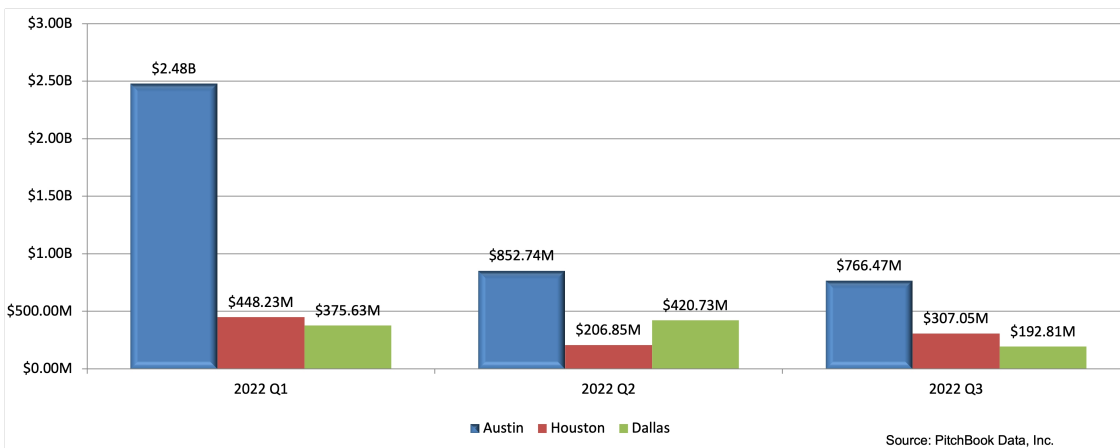
*Excluding energy focused funds

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Venture Dallas is a nonprofit, volunteer-led organization committed to supporting and advancing the innovation ecosystem in North Texas. This year marks the return of Venture Dallas' flagship conference, which will be held on Thursday, November 3rd. To find out more, visit VentureDallas.org and join the Venture Dallas mailing list for events and announcements.

Key City Comparison of Texas Venture Funding Activity





Code2College

How can your business gain access to diverse, technical talent, while also investing in the local community? Since 2016, Code2College has been preparing historically underestimated Texas high school students and undergrads for entry into technical roles with leading Tech companies in software engineering, mobile app development and cybersecurity internships and full-time roles. Contact Matt Stephenson (matt@code2college.org) for inquiries and visit Code2College (<https://code2college.org>) to learn more.

V E L A | W O O D

A T T O R N E Y S A N D C O U N S E L O R S

Wondering what all these venture terms mean? Check out VelaWood's [Venture Glossary](#)! Vela Wood is a boutique corporate law firm with a local feel and a global impact. Vela Wood focuses its practice in the areas of M&A, Sports & Gaming, Venture Capital, and Corporate Transactions.

Q3 Top 5 Deals in Austin

1. [Founderpath](#), a financing platform enabling SaaS companies to receive upfront funding based on subscription customers, [raised \\$145M of venture funding](#) in the form of debt and equity in a deal led by **Forbright** and **Singh Capital Partners**.
2. [MicroTransponder](#), a developer of nerve stimulation therapies focused on restoring dignity and enhancing daily living for people suffering from neurological conditions, raised a [\\$73M Series E](#) led by **US Venture Partners**, **GPG Ventures** and **Exceller Hunt Ventures** with participation from **Osage University Partners**, **Action Potential Venture Capital** and **The Vertical Group**.
3. [Happy Health](#), an Austin-based tech wearable company focused on stress and mood, [raised \\$60M in Series A funding](#) led by **ARCH Venture Partners**. Though the series A round was just disclosed, Happy Health actually raised the funds in early 2020, with the majority of it being funneled into research and development.

4. [Form Bio](#), a computational life sciences platform, which was just spun out of **Colossal Biosciences**, the de-extinction company behind the woolly mammoth and thylacine, raised [\\$30M Series A](#) led by **JAZZ Venture Partners**
5. [CrowdStreet](#), a real estate investing platform, [raised \\$23M](#) of venture funding from undisclosed investors. The company has raised approx. \$48M to date from investors including **Grotech Venture**, **Green Visor Capital**, and **Seven Peaks Ventures**

Q3 Top 5 Deals in Houston

1. [Fervo Energy](#), a clean energy technology based on geothermal systems, raised \$138M of venture funding in a deal led by **DCVC**. **Helmerich & Payne**, **Macquarie**, **Liberty Oilfield Services**, **Congruent Ventures**, **3x5 Partners**, **Impact Science Ventures** also participated.
2. [MAJORITY](#), a Houston-based startup providing mobile banking for migrants in the US, announced a [\\$37.5M Series B](#), encompassing \$30M in equity from **Valar Ventures** and **Heartland Capital**, and \$7.5M in debt.
3. [Levelfield](#), a Houston-based financial trading platform, [raised \\$9 million](#) of venture funding from **Alumni Ventures** and other undisclosed investors.
4. [Utility Global](#), a fuel cell technology provider, raised \$21M Series B led by **Ara Partners Nova** **Televizia** and **Aramco Overseas Company**.
5. [Topl](#), an Austin-based blockchain developer focused on supply chains, raised [\\$15 million in Series A](#) funding co-led by **Mercury**, **Republic Asia**, and **Cryptology Asset Group**.

Q3 Top 5 Deals in Dallas-Fort Worth

1. [Island](#), a Dallas-based enterprise browser, a platform that gives organizations complete control, visibility, and governance over the last mile, [added \\$10M](#) from **Cisco Investments** to round out its \$125M Series B led by **Insight Partners**, with participation from **Stripes** and **Sequoia Capital**.
2. [VRGL](#), a Dallas-based wealth management data analytics software, [raised a \\$15M Series A](#) **MissionOG** and **FINTOP Capital**. **Northwestern Mutual Future Ventures**, **Flyover Capital**, **Fin Capital**, and 4 other investors also participated in the round.
3. [Pinnacle Realty Advisors](#), a BaaS (brokerage as a service) platform intended for agents to deliver a brokerage experience, raised [\\$7.1M of Seed funding](#) led by **Launchpad Capital**. **Mucker Capital**, **DreamVentures**, and other undisclosed investors also participated.
4. [Grata](#), a Dallas-based recognition platform designed to connect the community of customers and the employees who serve them, [raised \\$6 million](#) of venture funding from undisclosed investors
5. [Wonder Works](#), an online gaming studio, raised \$5.53M of venture funding from **Muse Capital** and **PlayWRK**.

Thank you!

[Mason Rathe](#)

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