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VC Daily: Cargill Joins Probiotics Company's Fundraising; 500 Startups Hosts Virtual Pitches; Edison Eyes Fund

Good day. Last week, startup accelerator 500 Startups held its second virtual demo day since the pandemic upended the event. Roughly two dozen startups, which joined the accelerator earlier this year, made rapid-fire two minute pitches to investors who tuned in.

Pawsh, a mobile pet-grooming service, pitched investors on its "groomer-first business model" which Chief Executive Officer Karthik Naralasetty said is experiencing 30% revenue growth.

Drover.ai pitched a hardware device that scooter-sharing fleets could incorporate to detect poor scooter-riding behavior. Better self-regulation could ultimately help mobility startups win city permits, the company says.

Going virtual has its upside, 500 Startups principal Amit Bhatti said.

"No more back and forth emails, LinkedIn, business cards, they can share calendars and book a slate of meetings right away," Mr. Bhatti said. "We've heard from many investors that it's much easier now for them to maneuver around and focus on their areas of interest as well, accessing links to pitch decks and additional materials without waiting around at a booth."

And now on to the news...

Top News

Probiotics Pick Up. Food and agriculture giant Cargill Inc. is betting that probiotic technology from startup Evolve BioSystems Inc. will help infants improve their health, WSJ Pro's Brian Gormley reports.

* Cargill and growth-equity investor Manna Tree Partners are leading a financing for Evolve that the startup expects will reach \$55 million. Evolve has closed on more than two-thirds of that amount so far, Chief Executive Timothy Brown said.

* Evolve, a spinoff from the Foods for Health Institute at the University of California, Davis, makes Evivo, a probiotic designed to populate infants'

guts with a strain of bacteria called *B. infantis*, which protects newborns and nourishes a healthy gut. Because of factors such as rising antibiotic use in recent decades, many mothers don't have *B. infantis* to pass on their children, according to Evolve.

* Cargill plans to help Evolve explore new applications for its probiotic technology, including human and animal uses.

65%

Roughly the share of lithium-ion batteries that come from China.

Edison Partners Eyes \$425 Million for Latest Fund

Growth-equity firm Edison Partners is preparing to launch its latest fund, aiming to collect some \$425 million, according to people familiar with the matter, WSJ Pro reports. If the Princeton, N.J.-based firm reaches its goal, the 10th fund would be roughly 16% larger than its predecessor, Edison Partners IX LP, which closed with \$365 million in 2018. That fund was the firm's largest to date. Edison focuses exclusively on smaller, growth-oriented companies and invests between \$10 million and \$30 million in financial technology, enterprise solutions and health-care technology businesses. The firm stayed active with investments through the coronavirus pandemic. Late last year it led a fundraising effort for Goheny Inc., a money app and provider of prepaid debit cards with parental controls. The business received \$40 million from Edison Partners, Gaia Capital Partners, Citi Ventures and Muse Capital.

Robinhood's Reckoning: Facing Life After GameStop

Many startup founders dream of the day their creation claims the top spot in Apple Inc.'s app store. For Vlad Tenev, Robinhood Markets Inc.'s chief executive, it was more like a nightmare, WSJ reports. Mr. Tenev and his co-founder, Baiju Bhatt, had set out eight years earlier to bring the stock market to a new class of investors. With engineers plucked from Facebook Inc. and other tech giants, they stripped down the trading experience and

eliminated commissions, making buying a share of stock about as easy as posting a photo on Instagram. It worked. During the pandemic, throngs of amateur investors—homebound, bored and flush with stimulus checks—opened Robinhood accounts to experience the market's thrills. By the end of December, the firm had amassed about 20 million users, according to people close to it, and weeks later its app hit the top of download charts. It should have been a moment to celebrate. Instead, a recent Thursday began with a panicked, predawn phone call informing Mr. Tenev that Robinhood needed to come up with billions of dollars if it wanted to open for business in a few hours.

Industry News

Funds

Top Tier Capital Partners closed on nearly \$1.2 billion in new capital commitments for Top Tier Venture Capital IX LP, Top Tier Venture Velocity Fund 3 LP and related separate accounts. The San Francisco-based firm invests in niche-focused funds of funds and expansion-stage software and technology startups worldwide. The firm's capital under management increased to more than \$7.5 billion with the new funds.

Frontline Ventures launched a new fund with €70 million (\$84 million) in commitments. Frontline Seed fund III will make early-stage investments in European business-to-business technology startups. Frontline Ventures, which has offices in London, Dublin and San Francisco, raised \$70 million last March for Frontline X, a U.S.-based growth-stage fund.

Scribble Ventures, an early stage venture firm founded by former Andreessen Horowitz Partner Elizabeth Weil, closed its inaugural fund with \$42 million, or \$7 million above its original target. Scribble targets initial investments of \$250,000 to \$500,000 in pre-seed to early-stage Series A deals, according to the firm's website.

People

CloudBees Inc., an automated

software delivery system provider, appointed Stephen DeWitt as the company's new chief executive, replacing co-founder Sacha Labourey, who will become chief strategy officer. Mr. DeWitt was most recently chief strategy officer at Automation Anywhere. Founded in 2010, San Jose, Calif.-based CloudBees is backed by Matrix Partners, Lightspeed Venture Partners, Verizon Ventures, Delta-v Capital, Golub Capital and Unusual Ventures.

PepGen Ltd., a developer of treatments for severe neuromuscular diseases, named James McArthur as president and chief executive. He was previously a venture partner at RA Capital Management. In December, U.K.-based PepGen raised a \$45 million Series A round from RA Capital, Oxford Sciences Innovation, CureDuchenne Ventures and the University of Oxford.

Catamaran Bio Inc., a company developing cell therapies for cancer, appointed Alvin Shih as president and chief executive. He was most recently CEO of Disarm Therapeutics. In November, Cambridge, Mass.-based Catamaran Bio raised a \$42 million Series A round from Lightstone Ventures, Sofinnova Partners, SV Health Investors, Takeda Ventures and Astellas Venture Management.

Exits

Banzai, a provider of event marketing automation software, acquired webinar platform Demio for an undisclosed sum. In March 2020, Seattle-based Banzai raised a \$7 million Series A round from DNX Ventures and Vulcan Capital.

New Money

Nextthink, a Switzerland- and Boston-based developer of software that provides visibility for IT teams, scored a \$180 million Series D round, giving the company a \$1.1 billion valuation. Permira led the funding, which included participation from investors including Highland Europe and Index Ventures. Bruce Chizen, a senior adviser at Permira, will join the company's board.

LeaseLock, a Los Angeles-based real estate insurtech platform, closed a \$52 million Series B round. Westerly Winds and Wildcat Venture Partners led the investment, which included support from SoftBank Ventures Asia, Vertex Ventures US, Liberty Mutual Strategic Ventures, American Family Ventures, Moderne Ventures, Strata Equity Group, Veteran Capital and Mucker Capital.

DroneDeploy Inc., a San Francisco startup whose cloud-based software allows users to glean insights from aerial video and images taken by drones in industries such as construction,

agriculture and energy, picked up a \$50 million Series E investment. Energize Ventures and AirTree Ventures led the round, which saw additional participation from Bessemer Venture Partners, Scale Venture Partners, Emergence Capital, Angelpad, Uncork Capital and Frontline Ventures.

Class Technologies Inc., a Washington, D.C.-based creator of online education software that integrates with Zoom, landed \$30.8 million in Series A financing. Insight Partners and Owl Ventures co-led the round, which included contributions from Reach Capital, Catalysis Capital Management, Diligent Software and others.

DealerPolicy, a Williston, Vt.-based digital insurance marketplace for automotive retailers, landed \$30 million in Series B funding led by 3L Capital and Hudson Structured Capital Management Ltd. In addition to the funding, Wayne Pastore was appointed president and chief operating officer. He was previously general manager and vice president at Dealer.com.

Granulate, an Israeli startup that optimizes infrastructure and workload performance, secured \$30 million in Series B financing led by Red Dot Capital Partners. New investor Dawn Capital was joined by existing backers Insight Partners, TLV Partners and Hetz Ventures in the round.

Tovala, a Chicago-based meal service and countertop smart oven provider, completed a \$30 million Series C round. Left Lane Capital led the funding, and was joined by investors including Finistere Ventures, Comcast Ventures, OurCrowd, Origin Ventures and Pritzker Group Venture Capital. Left Lane Managing Partner Jason Fiedler will join the company's board.

Deepgram, a San Francisco-based speech recognition technology startup, nabbed \$25 million in Series B funding. Tiger Global Management led the investment, with participation from Wing Venture Capital, Citi Ventures, SAP. io and Nvidia Inception GPU Ventures.

Vendia, a San Francisco-based multicloud serverless development platform, raised a \$15.5 million Series A round. Lead investor Canvas Ventures was joined by BMW i Ventures, Sorenson Ventures and others in the new funding.

Waitwhile, a San Francisco-based queue management platform, snagged \$12 million in Series A funding. CRV led the round, and Kristin Baker Spohn will join the board.

Coterie, a commercial insurance startup, raised \$11.5 million in Series A1 funding. Intact Ventures led the round, which included participation from RPM

Ventures, Allos Ventures, Alpha Edison, Lackawanna Insurance Group and others.

Lyte, a San Francisco-based live event ticketing platform, added \$5 million in Series B funding from investors including Uncorrelated and AllRise, bringing the round total to \$38 million. The initial tranche of the round was raised in December from Social Capital, Rocketship VC, Jackson Square Ventures, Accomplice, Correlation Ventures and others.

Ledn Inc., a Toronto-based digital asset savings and credit platform, collected a \$2.7 million investment. White Star's Digital Asset Fund led the round, which included participation from Coinbase Ventures, Global Founders Capital, CMT Digital, Kingsway and Darrow Holdings.

Tech News

- * Amazon union election to proceed as labor board denies delay request

- * Venmo's debt-collection practices probed by CFPB

- * China's SMIC says it's missing out on the chip boom due to U.S. restrictions

- * Ford becomes an unlikely tech darling

Around the Web

- * In need of truckers, Amazon plans incubator to create more shipping companies (The Information)

- * Reddit documents a surge of new users to site and WallStreetBets (Bloomberg)

- * The Founder Institute's VC Lab is a free training program for budding venture capitalists (TechCrunch)