

NEW MONEY

Commercial-Services Software Company Convex Raises \$39 Million

Venture-capital firms Fifth Wall, Emergence Capital and GGV Capital lead Series B round

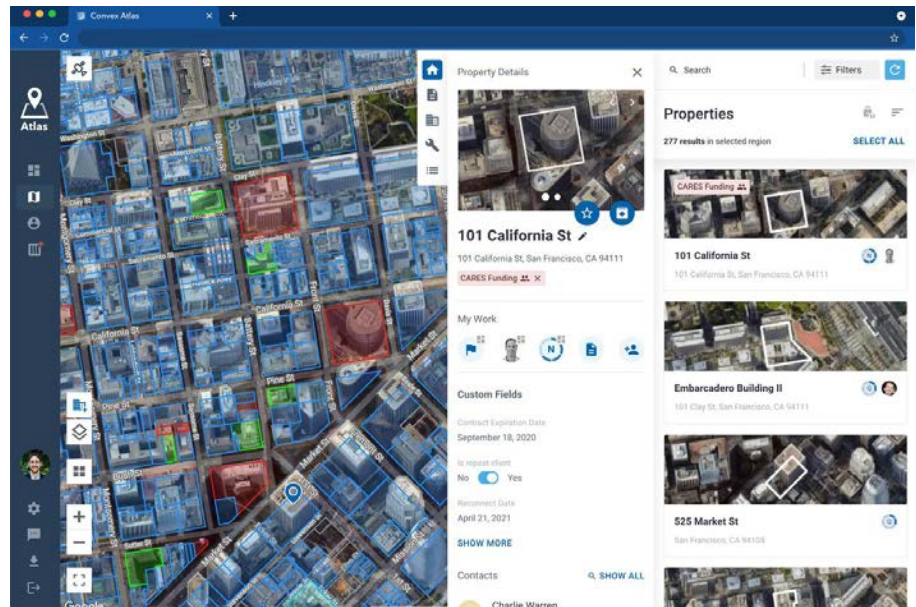
By Maria Armental

Commercial-services software company Convex has raised \$39 million to expand on its digital bet for a sector that touches on everyday life, from elevators and escalators to air systems and lighting.



Charlie Warren, Convex CEO and co-founder.
PHOTO: CAMILLE FORDE

Convex, whose legal name is Convex Labs Inc., will direct some of the money into further expanding its flagship Atlas subscription-based product, according to Charlie Warren, co-founder and chief executive. The company's cloud-based platform gives customers data, such as permit and ownership history, on more than 62 million commercial properties across the country, the company said. The information is displayed on a map and can be used, among other things, to help



A view of Convex's flagship software product, Atlas.
PHOTO: CONVEX

develop sales routes or expand into a competitive market.

For instance, a company would be able to see when it last sold an escalator in a specific building, or if a competitor had done business in that building and then use the data to help identify properties that could be targeted for a service upgrade, Mr. Warren said.

For all of the sector's reach, Mr. Warren said that the much-talked-about digital transformation that has reshaped other industries has largely left commercial services untouched. For example, sales teams, Convex's initial focus, still rely heavily on time-consuming

door-to-door sales, Mr. Warren said.

"It's like bubble gum and wire. There's like a little bit of Excel," he said, adding that "there's not a lot of software, and that leaves a huge amount of inefficiencies."

Harris Williams LLC's business services group had singled out fire and life safety services and the broader safety and security market among the key sectors to watch coming out of the pandemic.

Commercial services offer predictable revenue streams because the need for those services is driven by steady customer demand and regulatory requirements, said Brian Lucas, a Harris

Williams managing director, speaking generally. The economic recovery offered a tailwind to that market, Mr. Lucas said, along with micro-trends like a greater focus on energy efficiency.

Convex's largest customer group includes companies in fire and life safety as well as security and access control.

The latest investment round raised Convex's valuation to about \$200 million, from about \$70 million following a round last year, and was led by venture-capital firms Fifth Wall, Emergence Capital and GGV Capital, the company said.

San Francisco-based Convex plans to more than double the number of employees over the next year from its current workforce of roughly 80, with most new hires working in software development and marketing and sales. In addition to investing in Atlas, the company plans to use some of the Series B

funding for product development and is planning to launch two software products in the next year to year and a half.

Convex is also expanding its board to five members, with Fifth Wall's Dan Wenhold joining Mr. Warren, co-founder and chief product officer Blake Meulmester, and Emergence Capital General Partner Kevin Spain. The fifth member, an independent director, has yet to be named, Convex said.

Convex's third founder, Brandon Dement, is chief technology officer emeritus.

Other investors include former San Francisco 49ers quarterback Joe Montana's Liquid 2 Ventures as well as UP2398, which was co-founded by eBay Inc. founder Pierre Omidyar.

The pandemic, Mr. Warren said, offered a surprising tailwind for Convex, driving demand in some industries that it works with,

including those in indoor air quality, security access control and, to some extent, elevators. But more important, he said, the pandemic forced many to change how they were doing business.

"You couldn't go knock on a door. People wouldn't even get within 6 feet of you," he said.

For Convex, that meant that "we are getting in with larger and larger customers and larger and larger contract sizes...a year or two earlier than I thought we would," Mr. Warren said. "And I think that is driven by Covid and those businesses making a concerted effort to digitize themselves."

Convex said its net revenue retention rate, a closely watched performance metric, was more than 170% for the 12 months through June, which means that customers are renewing and expanding their contracts.