

ASX Market Disclosure

Aconex Lodges Appendix 4C for Q2 2017

Net Cash Flow Increases \$3.9m Year over Year

MELBOURNE, Australia, 30 January 2017 – Aconex Limited (ASX: ACX), provider of the #1 global platform connecting teams on construction and engineering projects, today lodged its Appendix 4C quarterly report of cash flow for the quarter ended 31 December 2016 with the Australian Securities Exchange (ASX).

Aconex had cash balances of \$43.2 million, including restricted cash of \$2.9 million, as at 31 December 2016. Net operating cash flows from core operations for the quarter were \$2.5 million, an increase of \$3.9 million from the prior corresponding period, after adjusting for business and integration costs related to the acquisition of Conject Holdings GmbH (Conject) in March 2017.

Second quarter cash flow reflected strong underlying growth in receipts from customers – up 60% from the second quarter of FY16 – offset by the payment of accrued annual employee bonus entitlements, totalling \$2.8 million. Excluding Conject, cash receipts were \$33.2 million, a 27% increase from the prior corresponding period.

"We are pleased with our strong cash flow, particularly since the second quarter is seasonally low due to the payment of annual bonuses Aconex CEO Leigh Jasper commented, "Our performance reflects the unwinding of upfront invoicing, and we expect this trend to continue as collections align with revenue over the next two years."

1H FY17 Results on 21 February

Aconex plans to report its 1H FY17 results before the market opens on Tuesday, 21 February. CEO Leigh Jasper and CFO Steve Recht will host a teleconference and webcast presentation at 8:30 a.m. AEDT on that date. To listen to the teleconference and view the webcast, please use the access link below: <http://webcast.openbriefing.com/3250/>

About Aconex

Aconex Limited provides a leading cloud and mobile collaboration platform for the global construction industry. The platform connects owners, contractors and their project teams in the construction, infrastructure, and energy and resources sectors, providing project-wide visibility and control between the many different organisations collaborating across their projects. With more than 70,000 user organisations and over \$1 trillion of project value delivered in more than 70 countries, Aconex is the industry's most widely adopted and trusted platform. Founded in 2000, Aconex has 47 offices in 23 countries around the world,

including headquarters in Melbourne, Australia. The company's ordinary shares are traded on the Australian Securities Exchange (ASX) under the ticker code ACX and are included in the S&P / ASX 200 Index.

Supporting resources

For more information on Aconex, please visit:

- Investor Centre: <http://investor.aconex.com>
- Website: <http://www.aconex.com>

Forward-looking statements

This announcement includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Aconex. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Aconex Limited

ABN

49 091 376 091

Quarter ended (current quarter)

31 December 2016

Under the conditions of Aconex Limited's (**Aconex**) listing on the ASX in December 2014, Aconex is required to provide quarterly cash flow reports to the ASX. This unaudited cash flow report is for the quarter ended 31 December 2016.

Aconex has cash balances of \$43.2m, including restricted cash of \$2.9m, at 31 December 2016.

Net operating cash flows from core operations for the quarter were \$2.5 million, an increase of \$3.9 million from the prior corresponding period, after adjusting for business and integration costs related to the acquisition of Conject Holdings GmbH (Conject) in March 2017 and compensation for a compulsory lease surrender.

Gross cash receipts from customers were \$42.0m for the quarter ended 31 December 2016, up 60% on the prior corresponding period's gross cash receipts of \$26.2m. Excluding Conject, cash receipts were \$33.2m, a 27% increase from the prior corresponding period.

Accrued annual bonuses totalling \$2.8m were paid during the quarter.

Reconciliation of net operating cash flows from core operations \$000's	Quarter ended 31 December 2016	Six months ended 31 December 2016	Quarter ended 31 December 2015
Reported net operating cash flows	(423)	905	(1,966)
Add: Business acquisition and integration costs paid	2,908	4,470	558
Less: Compensation for compulsory lease surrender, net of guarantee	-	(769)	-
Net operating cash flows from core operations	2,485	4,606	(1,408)

Net investing cash outflows were \$6.5m, inclusive of the following:

- o \$4.2m capitalised development costs;
- o \$2.2m property, plant & equipment costs which included \$0.8m for new lease fit-outs as a result of business expansion.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	41,978	83,783
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(811)	(1,390)
(d) leased assets	(1,311)	(2,646)
(e) staff costs	(29,387)	(56,844)
(f) administration and corporate costs	(7,235)	(17,628)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	192	454
1.5 Interest and other costs of finance paid	(3)	(9)
1.6 Income taxes paid	(938)	(1,326)
1.7 Government grants and tax incentives	-	212
1.8 Other (provide details if material)		
i. Compensation for lease surrender, net of lease guarantee (note 7)	-	769
ii. Acquisition and integration costs	(2,908)	(4,470)
1.9 Net cash from / (used in) operating activities	(423)	905

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment (note 7)	(2,208)	(3,424)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(4,243)	(7,816)
(e) other non-current assets	(35)	(35)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	6	6
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
2.5	Other (provide details if material)		
i.	Contingent consideration payment (note 5)	-	(3,183)
ii.	Purchase price adjustment on Conject acquisition (note 6)	-	1,795
2.6	Net cash from / (used in) investing activities	(6,480)	(12,657)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	673	2,602
3.4	Transaction costs related to issues of shares, convertible notes or options	(6)	(90)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(48)	(83)
3.10	Net cash from / (used in) financing activities	619	2,429

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	46,464	49,984
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(423)	905
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,480)	(12,657)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	619	2,429
4.5	Effect of movement in exchange rates on cash held	166	(315)
4.6	Cash and cash equivalents at end of quarter¹	40,346	40,346

¹Cash and cash equivalents balance of \$40.3m excludes restricted cash balances of \$2.9m. Restricted cash includes bank guarantees on property leases and customer contracts.

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	19,346	19,310
5.2 Call deposits	21,000	27,154
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	40,346	46,464

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

620,453

-

During the quarter, Aconex made payments to directors for fees and salaries of \$611,483.

In the three months ended 31 December 2016, Aconex paid \$8,970 to Melbourne Office Furniture, a company partly owned by Mr Rob Phillipot. Rates charged are based on normal market rates for such goods and services and are due and payable under standard payment terms.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

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N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,017	1,017
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 31 March 2016, Aconex assumed unsecured loans totalling €700,000 from the French government as a result of the Conject acquisition. These loans are provided by the French Government to incentivise business within the country.

The loan has an outstanding balance of \$1,017,000 (€700,000) at 31 December 2016, \$726,000 (€500,000) of which is interest free and the remaining \$291,000 (€200,000) which incurs an interest rate of 3.02% p.a.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(886)
9.4 Leased assets	(1,442)
9.5 Staff costs	(27,405)
9.6 Administration and corporate costs	(9,422)
9.7 Other (provide details if material)	
- Acquisition and integration costs	(1,275)
9.8 Total estimated cash outflows	(40,430)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Stephen E Recht
Chief Financial Officer and Company Secretary

30 January 2017

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. The YTD cash receipts and cash payments are reported on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.
5. In Q1 FY17 and in accordance with the terms of the Worksite acquisition, a payment for contingent consideration of \$3.183m (US\$2.375m) was made to Ares Management LLC.
6. In Q1 FY17 and in accordance with the terms of the Conject acquisition, Aconex received \$1.795m relating to a purchase price adjustment on Conject's working capital.
7. In Q1 FY17, Aconex received a \$1.204m compensation cash payment (\$1.095m excluding GST) for the surrender of a lease premise compulsorily acquired by the NSW government. As a result of a replacement Sydney lease being signed, Aconex had entered into a \$0.326m bank guarantee (transfer of cash to restricted cash), resulting in a net cash benefit for the quarter of \$0.878m. Aconex has since paid \$0.2m in leasehold improvements for the new Sydney lease fit-out in Q2 FY17.