

**ASX Market Disclosure**

**Aconex Agrees to Acquire Conject and Launches Capital Raising**

*Acquisition Will Provide Strong Construction Collaboration Market Footprint throughout Europe*

**MELBOURNE, Australia, 17 March 2016** – Aconex Limited (ASX: ACX), provider of a leading cloud and mobile collaboration platform for the global construction industry, today announced an agreement to acquire Conject Holding GmbH, a leading cloud and mobile collaboration service provider in Europe and other regions, for a total cash consideration of €65 million (A\$96.0 million).<sup>1</sup> The transaction is expected to close on or about 31 March 2016, subject to customary closing conditions, including approval by Germany's Federal Ministry of Economics and Technology.

On an ongoing operations basis for the financial year ended 31 December 2015, Conject generated €24.5 million (A\$36.1 million) in total revenue and €0.8 million (A\$1.1 million) in earnings before interest, taxes, depreciation, and amortisation (EBITDA). The acquisition price implies a trailing EV / CY15 revenue multiple of 2.7x.

Aconex anticipates that the acquisition will be accretive to FY17 revenue and EBITDA, and will accelerate its business in Europe and other regions with a larger customer base, expanded sales and product development teams, and increased scale of operations. The acquisition is expected to be significantly accretive (high teens percentage) to FY17 earnings per share (EPS), excluding the amortisation of intangibles related to the acquisition and one-time transaction and restructuring costs, and including the benefit of existing tax losses. Details of the anticipated impact on future financial results are contained later in this announcement.

To finance the acquisition and provide additional working capital, Aconex is today launching a fully underwritten placement to raise approximately A\$120.0 million, with the issue price to be determined by a book build with an underwritten floor price of A\$4.95 per new share. Aconex will also offer all eligible shareholders the opportunity to subscribe for new shares through a non-underwritten share purchase plan (SPP). Further details on the placement and the SPP are contained later in this announcement.

**Strategic Synergies**

"This acquisition will significantly expand our market penetration and user network throughout Europe, and will further consolidate our position as a leader in the global market for cloud-based construction collaboration solutions," said Aconex CEO Leigh Jasper. "We believe that the strategic, operational and financial synergies of the business combination will substantially increase the long-

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<sup>1</sup> Conversion from EUR to AUD at 0.677.

term value that we are able to deliver to Aconex customers and shareholders. The addition of Conject will reinforce our strategic focus of growing the network, expanding product breadth and driving scale.”

Mr. Jasper continued, “The acquisition is consistent with our strategy of market consolidation, and Conject provides the primary market consolidation opportunity available today. Conject’s customer base, business and culture are highly complementary to ours. Their footprint across Europe’s largest construction and infrastructure markets, particularly Germany and the U.K., will strengthen our presence and further increase our global economies of scale by leveraging our existing infrastructure. We believe that the transaction will provide opportunities to improve Conject’s operating performance and drive margin expansion and growth over time. We look forward to welcoming their management and employees, integrating their operations, and serving their customers.”

### **Outlook for Conject’s Business Integrated with Aconex**

Conject recorded compound annual revenue growth (CAGR) of 18% over the last three calendar years. For the year ended 31 December 2015, Conject achieved gross margin of 73% and EBITDA margin of 3%. Aconex believes that under its ownership and management, the Conject business can achieve 15-20% revenue growth over the next four years, with gross margin of 70-72% in the near term and 73-75% in the medium term. With improvements in operating performance and the effects of product and operational synergies, Aconex expects the EBITDA margin to improve, reaching 11-16% in the near term and 20-25% in the medium term on an ongoing operations basis, excluding the impact of one-time costs related to the acquisition and integration.

### **Conject – Leading the Construction Collaboration Market in Europe**

Conject, the Infrastructure Lifecycle Management (ILM) Group, was founded in 2000 in Germany and acquired BIW Technologies, a U.K. construction collaboration software provider founded in 1995. Conject is today a leading provider of enterprise and project collaboration solutions to the largest construction and infrastructure markets in Europe, which in the aggregate constitutes the world’s largest regional market after Asia. Germany, the U.K., France, and Russia ranked 5th, 7th, 8th, and 10th, respectively, in the world’s top construction markets in 2014.<sup>2</sup>

Headquartered in Munich, Conject currently has approximately 210 employees located in 12 offices in nine countries. The company has served large, complex construction and infrastructure projects throughout Europe and other regions, with a customer base of more than 670 asset owners/operators and contractors and users in approximately 50 countries. Major customers include:

- ArcelorMittal/Nippon Steel (Germany)
- Stiftung Zollverein (Germany)

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<sup>2</sup> Global Construction Perspectives and Oxford Economics, Global Construction 2030, November 2015. The projected ranking of the top European markets in 2030 is Germany #8, UK #6, France #9, and Russia #11.

- Bank Austria
- The National Grid (U.K.)
- University of Manchester (U.K.)
- Groupe Vinci (France)
- BNP Paribas Residentiel (France)
- Spectrum Holding (Russia)
- Mace (Poland)
- Changi Airport Authority (Singapore)
- Hyundai (United Arab Emirates).

Conject's current product portfolio supports the plan-build-operate lifecycle of assets. For project management, the company provides a cross-company collaboration platform which operates both on premise and in the cloud. Conject also provides solutions for mobility, cost control, mobile inspections, and facility management.

Aconex believes that Conject's successful experience in marketing, selling and supporting its Project Controls solution will benefit the commercial launch of the Aconex connected cost module later in calendar year 2016. This module will provide unified cost control across the project lifecycle, including claims and payments, contract administration, earned value management (EVM), budgeting, cost performance, and forecasting. The cloud-based cost control solution was acquired with Worksite in July 2015 and has been subsequently integrated with the Aconex collaboration platform.

Aconex also believes that the Conject acquisition will help drive penetration of its Aconex Connected BIM solution in the U.K. and other European markets leading the adoption of building information modelling (BIM) for construction projects. Aconex Connected BIM manages BIM data and processes for project-wide collaboration between design and construction teams and handover to the asset owner. The company envisions similar leverage for Aconex Field, which enables field safety and quality inspections and defects management on mobile devices.

### **Capital Raising**

Aconex is today launching a fully underwritten placement to raise approximately A\$120.0 million in gross proceeds through the issue of new, fully paid ordinary shares. The issue price will be determined through a variable-price book build, with an underwritten floor price of a\$4.95 per new share. The book build floor price represents a 7.8% discount to the last closing share price of A\$5.37 on 16 March 2016.

The placement has been fully underwritten by the underwriters and joint lead managers, UBS AG, Australia Branch and Macquarie Capital (Australia) Limited. Proceeds of the placement will be used to finance the Conject acquisition and transaction costs and to provide Aconex with additional working capital.

The placement shares will represent approximately 14.5% of the company's existing issued share capital, assuming pricing at the underwritten floor price. New shares issued under the placement will rank equally with existing shares of Aconex.

The placement is expected to settle on 22 March 2016, and the placement shares will be allotted on the following business day, 23 March. No shareholder approval is required for the placement, as the company will utilise a portion of its existing placement capacity under ASX Listing Rule 7.1. The company's shares will remain in trading halt today while the placement is conducted. Normal trading in Aconex shares is expected to resume tomorrow, 18 March.

Further information related to the specific details of the placement described in this announcement, including important notices and key risks related to certain forward-looking information, is set out in the webcast presentation disclosed through the ASX on 17 March 2016 by Aconex. The information in the "Risks" and "Disclaimers" sections to the webcast presentation applies to this announcement as if set out in full in this announcement.

#### **Share Purchase Plan**

In addition to the placement, Aconex plans to offer a non-underwritten share purchase plan (SPP) to eligible existing shareholders in Australia and New Zealand. Further details of the SPP will be provided to eligible shareholders in due course.

#### **Co-Founders' Secondary Selldown**

In conjunction with the placement, Aconex co-founders Leigh Jasper and Rob Phillpot plan to sell a modest proportion of their shareholdings. They will realise 10.4% and 11.9%, respectively, of their total Aconex shareholdings at the same price as new shares being issued under the placement.

Mr. Jasper and Mr. Phillpot remain the two largest individual shareholders in Aconex, and both have indicated to the company that they have no intention to sell any additional shares in Aconex in the near term. Mr. Jasper and Mr. Phillpot co-founded Aconex 16 years ago and continue to lead the business in their respective roles as CEO and Senior Vice President, Product and Engineering.

#### **Special Teleconference and Webcast on Conject Acquisition Today**

Aconex management plans to host a special teleconference and webcast on the acquisition of Conject **today at 10:30 am AEDT**. To listen to the teleconference and view the webcast, please use the access link below:

<http://webcast.openbriefing.com/2745/>

A replay will be available at the same link. The webcast presentation has been lodged with the ASX and is available on the ASX website at <http://www.asx.com.au/>. A transcript of the teleconference and the webcast presentation will also be lodged with the ASX.

### **About Aconex**

Aconex Limited provides a leading cloud collaboration platform for the global construction industry. This 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 organizations collaborating across their projects. With more than 60,000 user organizations 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 41 offices in 22 countries around the world, including headquarters in Melbourne, Australia and San Francisco, California. The company's ordinary shares are traded on the Australian Securities Exchange (ASX) under the ticker code ACX.

### **Supporting Resources**

For more information on Aconex, please visit:

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

### **Forward-Looking Statements**

This news release 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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