

A Significant Improvement in Results, Executing on Plan

Dreamscape Networks Limited (ASX:DN8) is pleased to announce its financial results for the six months ended 31 December 2018 (H1FY19).

Dreamscape Networks has delivered a strong first half profit result, with positive contributions from both South East Asia and above market growth in the underlying business in Australia. The results are consistent with our framework to deliver sustainable profitable growth over the long term. Our investment into South East Asia in personnel, infrastructure and marketing investment is part of the Company's core strategy aimed at driving long-term growth in shareholder value.

The Company is on track with its integration of recent acquisitions and their operations, with the full benefit of synergies and operational consolidation expected to be realised in financial year 2020 (FY20).

IFRS Measures

Revenue is **\$35.5 million** for the six months to 31 December 2018, **up \$6.2 million (+21%)** on H1FY18 (\$29.3 million).

Statutory EBITDA is **\$4.4 million** for the six months to 31 December 2018, **up \$2.4 million (+120%)** on H1FY18 (\$2.0 million).

Net Profit After Tax is **\$1.65 million** for the six months to 31 December 2018, **up \$0.90 million (+119%)** on H1FY18 (\$0.75 million).

Non IFRS Measures

Total Bookings¹ (cash based revenue) is **\$36.1 million** for the six months to 31 December 2018, **up \$6.2 million (+21%)** on H1FY18 (\$29.9 million).

Adjusted EBITDA² is **\$5.0 million** for the six months to 31 December 2018, **up \$1.8 million (+56%)** on H1FY18 (\$3.2 million).

Operational Focus

Dreamscape Networks ended H1FY19 demonstrating great momentum and solid results from strong revenue growth reinforcing our clear long term growth strategy to be the #1 Online Solutions Provider in Australia and South East Asia. We continue to streamline operational efficiencies, to be completed by FY20. We move positively into the second half of FY19 which is historically the stronger half for the business.

We remain laser focused on bedding down our acquisitions, completing integrations and realizing synergies for FY20 as well as further improving operations.

Dreamscape is very pleased to have achieved a solid 5% Bookings growth in the underlying business, given the mature state of the Australian market and the flat conditions that prevailed during FY18.

Acquisitions and international expansion contributed 16% of Bookings growth in H1FY19, as per our core strategy for growth into South East Asia.

Acquisition funding facility

As announced in December 2018, the Company negotiated amendments to its existing \$20 million cash advance facility. The facility has increased to a total of \$23 million. The acquisition funding facility is used to assist Dreamscape Networks in acquiring earnings accretive businesses while preserving the Company's equity capital and not diluting shareholders. The Company is comfortable with its maximum cash advance facility at \$23 million, which will be reduced as we make payments in the H2FY19.

The Board is very pleased with the further progress that was made in H1FY19 which is a continuation of the momentum in H2FY18.

Further details of the Company's results are contained in the half year report and presentation.

Notes

- (1) Total Bookings represents cash receipts from the sale of products to customers in a given period before effecting adjustments for net refunds granted within the period. This provides valuable insight into the sales of our products and the performance of our business since we typically collect payment at the time of sale.
- (2) Adjusted EBITDA is a Non-IFRS cash-based financial measure of DN8's performance that aligns with the Group's Bookings and operating expenditures to evaluate the core operating profitability of the Group's business. Adjusted EBITDA is calculated using the Statutory EBITDA calculation, primarily adjusted for the change in deferred revenue so as to include total Bookings, the change in the deferred costs associated with the total Bookings, and excluding the non-cash equity-based expenses including share-based compensation, Unrealised Foreign currency exchange losses/gains, transaction expenses and non-core one off expenses.

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About Dreamscape Networks Limited

Dreamscape Networks Limited is a trusted and affordable online solutions provider of domain names, hosting and technology solutions and owns Australia's #1 domain brand Crazy Domains, Singapore's #1 domain and hosting brand Vodien Internet Solutions and recently launched Sitebeat.com, an easy-to-use website builder platform.

The Dreamscape Networks Group offers affordable and easy to use online solutions that help businesses and independents establish, build, maintain and grow their online presence. Our solutions are innovative, user-friendly and engineered across all platforms embracing intuitive design and backed by our focus on best in world premium service.

Vision

Providing simple, innovative and affordable online solutions that change lives

Learn more at www.dreamscapenetworks.com, www.crazydomains.com and vodien.com and sitebeat.com.

