

Trading Update - Increasing Guidance

Dreamscape Networks Limited (ASX:DN8) is pleased to provide the following update relating to its activities to date in the second half of the 2019 financial year (2HFY19).

On 9 May 2019, DN8 announced that the operational and trading conditions in 2HFY19 continued the strong trend previously set in 1HFY19 and set FY19 guidance based on management accounts to 31 March 2019.

Trading conditions continue to remain buoyant, with the Company posting its best ever monthly results for April (typically a difficult trading month due to holidays) and May, across the underlying business and South East Asia. With trading now well into June and Bookings on track with internal budgets, the Board is very pleased to upgrade full year guidance as follows:

| | FY18 Actual | FY19 Initial Guidance | FY19 Updated Guidance | Year on Year Change% |
|--------------------------|-------------|-----------------------|--------------------------|-----------------------|
| IFRS Measures | | | | |
| Revenue | \$61.6m | \$71.5m – \$72.7m | \$72.7m – \$73.5m | +18.0 to 19.3% |
| EBITDA | \$6.3m | \$10.5m – \$11.1m | \$11.1m – \$11.5m | +76.2 to 82.5% |
| Net Profit | \$2.7m | \$4.3m – \$4.9m | \$4.7m – \$5.1m | +74.1 to 88.9% |
| Non IFRS Measures | | | | |
| Bookings | \$65.2m | \$75.1m – \$76.3m | \$76.3m – \$77.3m | +17.0 to 18.6% |
| Adjusted EBITDA | \$10.3m | \$13.2m – \$13.8m | \$14.1m – \$14.5m | +36.9 to 40.8% |

DN8 believes these Non-IFRS and operational measures are useful in monitoring and understanding the Group's business and they should not be considered in isolation nor as a substitute for IFRS measures.

Total Bookings¹ for both the underlying Crazy Domains business and Vodien business in 2HFY19 to 31 May 2019 have continued to perform strongly with Total Bookings growth in the order of 9% for underlying and an increase to 20% for Vodien over the comparative period in 2HFY18.

A further update on management results for FY19 will be provided as soon as practical, post year end.

Notes

- (1) "Total Bookings" is a Non-IFRS financial measure which 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 Total 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.

Forward looking statements

This ASX 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 Dreamscape. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

