

DREAMSCAPE NETWORKS TO ACQUIRE QUADRA HOSTING

Dreamscape Networks Limited (ASX: DN8) is pleased to announce that it has entered into a binding agreement to acquire the customers, systems, and brand assets of the business operating as Quadra Hosting, for a total consideration of \$2.5 million AUD.

Based on Australia's Gold Coast, Quadra Hosting's principal focus is on web hosting, with approximately 95% of their business coming from Hosting and 5% from re-selling Domain Registrations. Quadra Hosting is being acquired from privately held Net Quadrant Pty. Ltd.

Another strategic "bolt on" Australian Acquisition

Quadra Hosting marks the third local "bolt on" acquisition by Dreamscape in the past 10 months. The acquisition continues the strong strategic rationale of consolidating local hosting businesses under the Dreamscape umbrella. Quadra fits neatly into the newly bolstered Dreamscape infrastructure in Sydney (resulting from the Net Logistics and Enetica acquisition) and is expected to be fully integrated by 31 March 2018.

Operational cost savings are estimated at \$150,000 in the first full year of ownership with minimal additional capital expenditure required to operate the business.

Subject to satisfying the customary conditions precedent and the payment of the \$2.5 million consideration, this acquisition is expected to be completed on or about 31 January 2018.

Key Highlights

- Continued expansion of Dreamscape Networks' hosting footprint in Australia, with simple integration into our existing Sydney infrastructure
- Consideration of \$2.5 million, to be funded through the recently completed Cash Advance Facility with Commonwealth Bank of Australia
- Quadra Hosting generated circa \$1.35 million of revenue and \$0.8 million pro forma EBITDA in the 2017 financial year (unaudited management accounts), equating to an acquisition multiple of 3.2x EBITDA pre-synergies. With full year cost savings from integration into the Dreamscape Networks business the acquisition multiple is expected to equate to approximately 2.7x 2017 EBITDA post-synergies
- Strong Average Bookings per User at \$350 per annum, with a solid life time value of \$2,300 per customer.
- The acquisition is expected to be EPS accretive (five months ownership) in the 2018 financial year, with the full benefits of the acquisition being seen in the 2019 financial year

Commenting on the acquisition of Quadra Hosting, Dreamscape Networks' Managing Director & CEO, Mark Evans, said:

"This is now our fourth acquisition since listing Dreamscape Networks in December 2016, and our third in Australia, as we continue to expand and grow our domestic presence.

"Bolting Quadra Hosting into Dreamscape Networks allows us to take further advantages of our existing infrastructure, and the synergies of our previous Australian acquisitions, Enetica Group and Net Logistics.

"We aim to bring increased value to current Quadra customers by utilising our recently-upgraded technology platforms, while improving customer service and marketing capabilities via our dedicated hosting brand, Vodien.

"With laser focus on execution we can immediately increase our customer footprint in Australia, and deliver an enhanced offering to the customers of Quadra Hosting, with the aim of growing returns for our shareholders.

For more information, please contact

Investors

Mark Evans – Managing Director & CEO, or

Tony Sparks – Group Finance Director

+61 8 9422 0894

investor.relations@dreamscapenetworks.com

Media

James Chesters – Corporate Communications Manager

+61 467 228 676

james.c@dreamscapenetworks.com

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 and Singapore's #1 hosting provider Vodien Internet Solutions. 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

To help our customers achieve their online goals by "**Providing simple, innovative and affordable online solutions, that change lives**"

Learn more at dreamscapenetworks.com ; crazydomains.com and vodien.com