DREAMSCAPE NETWORKS TO ACQUIRE WEB CITY AND ENETICA

Dreamscape Networks Limited (ASX: DN8) is pleased to announce that it has entered into a binding agreement to acquire the entities and assets of the businesses operating as Web City, Enetica and Host1 (**Enetica Group**), for a total consideration of $4.457 million.

Enetica Group is a Sydney-based hosting and domain business. In 2002, Enetica became the first new fully accredited registrar following open tendering of the .au domain market. Enetica currently has approximately a 1.6% .au market share[1]. Enetica Group is being acquired from privately held Bucan Holdings Pty Ltd.

A strategic "bolt on" Australian Acquisition

- Strong strategic rationale – consistent with Dreamscape Networks' growth strategy and potential for significant cost synergies (estimated at $350,000 annually) given the overlap with Net Logistics' infrastructure and operations

- Expands Dreamscape Networks' hosting footprint in Australia, with integration into the Net Logistics infrastructure, operations and management expected by March 2018

- Consideration of $4.457 million to be funded in cash on the terms and conditions outlined below. With $457,000 cash in Enetica Group, the acquisition enterprise value is $4.0 million

- Enetica Group generated circa $3.3 million revenue and $1.3 million pro forma EBITDA in the 2017 financial year (unaudited management accounts), equating to an acquisition multiple of 3.1x EBITDA pre-synergies. With full year cost savings from integration into Net Logistics the acquisition multiple is expected to equate to approximately 2.5x EBITDA post-synergies

- Expected to be EPS accretive in the 2018 financial year, with the full benefits of the acquisition being seen in the 2019 financial year.

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

"This is our third strategic acquisition since listing Dreamscape Networks in December 2016. Having successfully integrated Net Logistics, the acquisition of Enetica Group is where the synergies of our growth strategy really start to come to life in Australia.

"Bolting Enetica Group into Dreamscape Networks allows us to harness the capability inherent in our previous two acquisitions, Net Logistics and Vodien. We will utilise the upgraded Net Logistics technology platforms, while improving customer service and marketing capabilities by harnessing the Vodien brand to bring increased value to current Web City customers.

"By leveraging these capabilities we can increase our customer footprint in Australia and deliver an enhanced offering to the customers of Web City and Enetica, with the aim of growing returns for our shareholders. It is a small but great opportunity to improve the product mix for all our Australian customers and provides Dreamscape Networks with increased scale to release additional add-on value products to further improve customer engagement, Average Bookings Per User [ABPU], and the lifetime value of our customers."

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[1] Source: AusRegistry EOM Report Aug 2017

Adding scale to Dreamscape Network's platform, with a strong hosting focus

Enetica Group has more than 15,000 customers and 70,000 registered domains. Hosting accounts for approx. 76% of revenue, with domains accounting for the remaining 24%.

The acquisition is expected to be completed on or shortly after 31 October 2017, subject to satisfying customary conditions precedent.

Acquisition funding

The purchase price for Enetica Group of $4.457 million will be paid in cash. The purchase consideration will be funded from existing available free cash and a short term (six month), unsecured loan of $3.0 million provided by Cloudsafe Holdings Limited, a company associated with Dreamscape's Managing Director Mark Evans. Cloudsafe offered the short term loan to Dreamscape in the interim period while the Company is completing documentation for its new funding facility with a major Australian bank (refer ASX announcement dated 13 October 2017).

The unsecured loan from Cloudesafe is on arm's length terms and attracts commercial interest at the rate of 8.00% per annum, with interest to be paid in two equal instalments, approximately 91 days in advance. The Cloudsafe unsecured loan allows Dreamscape to complete the Enetica Group acquisition sooner that it would otherwise have been able to while documentation for the new funding facility is completed. This is a positive outcome for the Company's shareholders by accelerating the integration and earnings contribution of Enetica Group into Dreamscape Networks.

For more information, please contact

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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 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