

VALUATION REPORT OF PRIME FOCUS LIMITED AND DNEG S.A.R.L.

Prepared By:

Maitri Valuation Private Limited

Registered Valuer – Securities or Financial Assets

Gandhiangar, Gujarat

IBBI Reg. No. – IBBI/RV-E/11/2023/184

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1. **INTRODUCTION:**

We refer to our Engagement Letter dated **26.06.2025**, confirming our appointment as Independent Valuer of **Prime Focus Limited (hereinafter referred to as "PFL" or "the Company") and DNEG S.A.R.L..** In the following paragraphs, we have summarized our Valuation Analysis (the "Analysis") of the business of both the Companies as informed by the Management and detailed herein, together with the description of the methodologies used and limitations on our scope of work.

1.1. **Key Dates:**

Date of Appointment	: 26.06.2025
Date of Valuation Report	: 03.07.2025
Valuation Date	: 25.06.2025
Relevant Date as per SEBI Regulations	: 26.06.2025
Valuation Valid up to	: Valuation is for a limited purpose and one-time use, hence not applicable.

Users are advised to use this report in a reasonable period of time and also check that no major event effecting valuation has occurred after the issue of report.

2. **CONTEXT & PURPOSE OF VALUATION:**

The Management of the Company is planning to acquire equity shares of DNEG S.E.R.L.. The consideration for this proposed acquisition will be partly discharged through issuance of equity shares of Prime Focus Limited and partly through cash and in this connection requires our assistance in determining the fair value consideration for such issue. The valuation is required as per the provisions of the Companies Act, 2013 ("**the Act**") and Reg. 163(3), 164 and Reg. 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**the SEBI Regulations**").

This report has been prepared exclusively for the use of Board of Director(s) of the Company for the proposed issue of equity shares on preferential allotment basis as per the provisions of the Act, the Regulations and allied laws. This report shall not be used for any purpose and person other than as stated above.

The usage of report for any purpose other than above without the specific permission of issuer will be treated as illegal, void and breach of trust.

3. **BACKGROUND OF THE COMPANY:**

3.1. **About Prime Focus Limited**

Prime Focus Limited was incorporated as on 24th June 1997 and is registered at Registrar of Companies, Mumbai.

The Company is the world's largest independent integrated media powerhouse. With over 8,900 professionals in 24 cities across 4 continents and 7 time zones, the company leads the Media and Entertainment industry by consistently redefining creativity, innovation, and collaboration.

Prime Focus Limited's Corporate Identification Number (CIN) is L92100MH1997PLC108981 and its registered address is Prime Focus House, Opp. Citi Bank, Linking Road, Khar (West), Mumbai City, Mumbai, Maharashtra, India – 400052.

3.2. Capital Structure of Prime Focus Limited

The Company is having following **capital structure** as on 26th June, 2025:

Particulars	No. of Shares	Face Value per Share	Total nominal value
Authorised Capital Equity Shares	85,00,00,000	₹ 1/-	₹ 85,00,00,000/-
Issued, Subscribed and Paid-Up Capital Equity Shares	30,99,36,976	₹ 1/-	₹ 30,99,36,976/-

The **Shareholding of the Company** as on 26th June, 2025 was as follows:

Name	Number of Shares	% of Holding
Promoter & Promoter Group	20,95,47,528	67.61%
Public	10,03,89,448	32.39%
Total	30,99,36,976	100.00%

3.3. About DNEG S.A.R.L.

DNEG S.A.R.L. (hereinafter referred to as 'DNEG' or the 'Company' or the 'Client'), incorporated on December 07, 2011, domiciled in Luxembourg, is a technology service entity engaged in providing computer-generated visual special effects services, or VFX, including photoreal image generation, two dimension to three dimension (3D), content conversion and animation services for visual content used in film, television, over-the-top (OTT), virtual reality (VR), virtual production, location-based entertainment and other production services.

4. CONDITIONS, SOURCES OF INFORMATION AND LIMITATIONS OF VALUATION:

4.1. Conditions

The financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain credit or for any other unintended purpose.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

4.2. Assumptions

The Valuation in this report has been carried out assuming both the Companies to be a going concern entity. The other assumptions made by us are listed as follows:

Further, the valuation exercise performed involves placing reliance on the financial projections shared by the Management of the Company. The said projections are based on several assumptions made by the Management of the Company, including assumptions pertaining to growth in revenue of the Company, gross margins, period of credit available on purchases made, credit to be extended on sales made, etc.. We have reviewed the said projections to the extent of ascertaining their feasibility. However, we do not confirm or certify their achievability.

4.3. Sources of information

The Management of the Company intend to give effect to aforesaid issue on preferential basis, and valuation analysis for the purpose has been done as on 26th June, 2025. The following has been the sources of information for carrying out the valuation:

Prime Focus Limited

- MoA and AoA of the Company;
- Audit report of the Company for the year ended 31st March, 2025;
- Shareholding Pattern of the Company
- Database of Prof. Aswath Damodaran, for the purpose of calculating Beta (β) and Equity Risk Premium of the Company;
- Market prices and trading history of the Company as obtained from NSE.
- Other salient information provided by the Management of the Company and reliance has been placed on the verbal explanations and information given to us by the promoters and key managerial personnel;

DNEG S.A.R.L.

- Audited consolidated financial statements of the Company for FY 2024-25.
- Consolidated financial projections of the Company comprising of statement of profit & loss, working capital requirement and capital expenditure requirement from FY 2025-26 to FY 2029-30, as provided by the Management.
- Discussions with the Management on various issues relevant to valuation including prospects and outlook of the business, expected growth rate and other relevant information relating to future expected profitability, etc.
- Such other information and explanations as we required, and which have been provided by the Management, including Management Representation.

4.4. Limitations

Any valuation method or standard has its own inherent limitations. The major limitation of the valuation reports is as under:

- I. Our work does not constitute an audit or certification of the historical financial statements or the financial projections, including the working results of the Company referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.
- II. Valuation analysis and results are specific to the purpose of valuation and valuation date mentioned in the report is as per engagement letter. It may not be valid if done by another entity.
- III. A valuation of this nature involves consideration of various factors including those impacting industry trends. This report is issued on the understanding that the Company have drawn attention to all material information, which they are aware of concerning the financial position of the Company and any other matter, which may have impact on our opinion, on fair value, including any significant changes that have taken place in the financial position of the company(ies), subsequent to last audited balance sheet. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- IV. During the course of our work, we have relied upon assumptions made by management of company(ies). These assumptions require the exercise of judgement and are subject to uncertainties. While we have reviewed the assumptions for reasonableness and discussed these assumptions with management, there can be no assurance that the assumptions are accurate. To the extent that the assumed events do not occur, the outcome may vary significantly from the assumed. The fact that we have considered the assumptions in the exercise of valuation should not be considered or taken as our being associated with or a party to such assumptions.

5. **VALUATION METHODOLOGY AND APPROACH:**

The standard of value used in the Analysis is “Fair Value”, which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for Equity Issuance or sale in the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

There are three general approaches available to the valuation professional; the market approach, the income approach and the asset approach. The choice of which approach to use in a particular situation depends upon the facts and circumstances associated with the Company; as well as the purpose for which the valuation analysis is being conducted. However, the valuation for PFL has been carried out as per Income Approach and Market Approach. The detailed reasoning for not computing the same as per other methods is discussed ahead.

Valuation Approach & Methodology:

Approach	Fair Value Methodologies
Income Approach	Discounted Cash Flow (DCF) Method
Market Approach	Market Price Method
Asset Approach	Net Asset Value Method

5.1. Income Approach

This method converts the anticipated benefits into a present single amount. It is one of the general ways to determine the fair value indication of a business, project, or ownership interest. The method uses the future free cash flows of the Company (anticipated benefits) discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity). The weighted average cost of capital is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected future cash flows. It can also be anticipated as the rate of return that would be required by providers of capital to the Company to compensate them for the time value of money, as well as the risk inherent in the particular investment. The projected cash flows reveal growth expectations, while allowing for a great deal of flexibility in projecting such growth rates.

Hence, the DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a Company to generate cash flows in the future and on the concept of “going concern” of the Company.

Prime Focus Limited

For the purpose of valuing Prime Focus Limited, we have applied the Discounted Cash Flow Method of valuation under Income Approach. The value per share of the Company

as per this approach comes to ₹ 112.85/-. The said value is calculated as on March 31, 2025, as the latest available financials of the Company were drawn up to the said date. This method is used just for indicative figures. We have not allotted any weight to this approach.

DNEG S.A.R.L.

For the purpose of valuing DNEG S.A.R.L., we have applied the Discounted Cash Flow Method of valuation under Income Approach. The value per share of the Company as per this approach comes to ₹ 3,072.99/-. The said value is calculated as on March 31, 2025, as the latest available financials of the Company were drawn up to the said date.

5.2. Market Approach

❖ Market Price Method

Prime Focus Limited

The SEBI (ICDR) Regulations, also prescribes the method of valuation to be used in case of valuing listed securities, which is based on their trade price at the recognised stock exchanges. The same is also called as Market Price Method.

The relevant extract of SEBI regulation is as follows:

“164. (1) If the equity shares of the Company have been listed on a recognized stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following;

- a. The 90 trading days' volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or*
- b. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.*

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.”

Articles of Association of PFL do not provide for any particular method of determination which results in a floor price higher than that determined under SEBI ICDR Regulations.

The value so obtained as per this method is also referred to as “Floor Price” in case of preferential share issue by listed Companies, as it provides the minimum price below which such preferential allotment cannot be made.

The value so derived as per this method comes to ₹ 119.50/- per share. Detailed working for the same can be found at Annexure I.

DNEG S.A.R.L.

We have not applied market approach for DNEG S.A.R.L. since there is no peer group listed company

5.3. Asset Approach

The value arrived at under this approach may be defined as Shareholders' Funds or Net Assets owned by the business. It is calculated by subtracting Current and Non-Current Liabilities from Total Value of the Assets. The asset-based approach derives an indication of value based on anticipated cost to replace, replicate, or recreate the assets. It is often considered as "Floor Value". In this approach, the balance sheet values can be adjusted for any contingent liabilities that can be likely to materialise. These approach shows how much value Equity holders hold in the books of the Company and given that the fair market value of the assets and liabilities can vary from the book value, adjustments can be made for fair market prices of assets and liabilities as well. Adjustments are done to remove fictitious and other miscellaneous assets and liabilities while deriving the valuation.

Prime Focus Limited

The value so derived as per this method comes to ₹ 24.49/- per share. The said value is calculated as on March 31, 2025, as the latest available financials of the Company were drawn up to the said date. This method is used just for indicative figures. We have not allotted any weight to this approach.

DNEG S.A.R.L.

The value so derived as per this method comes to ₹ 338.55/-per share. The said value is calculated as on March 31, 2025, as the latest available financials of the Company were drawn up to the said date. This method is used just for indicative figures. We have not allotted any weight to this approach.

5.4. Selection of Valuation Approaches and Weights Assigned

In light of the above and on consideration of all the relevant factors and circumstance as discussed and outlined herein above referred to earlier in this report for the proposed transaction, the valuation of Company has been computed as per Income and Market Approach.

As per the said approaches the value per share of the Company comes as follows:

Prime Focus Limited

VALUATION APPROACH	VALUATION METHOD	VALUE PER SHARE	Weightage
Asset Approach	Net Asset Value Method	₹ 24.49/-	Nil
Income Approach	Discounted Cash Flow Method	₹ 112.85/-	Nil
Market Approach	Market Price Method	₹ 119.50/-	100%

As the value calculated as per the Discounted Cash Flow Method and Net Asset Value Method are less than the value as per Market Price Method, which is also the Floor Price as per SEBI Regulations, we have provided nil weightage to Discounted Cash Flow Method and Net Asset Value Method and the value recommended by us for the preferential issue under consideration is ₹ 119.50/- per share.

DNEG S.A.R.L.

VALUATION APPROACH	VALUATION METHOD	VALUE PER SHARE	Weightage
Asset Approach	Net Asset Value Method	₹ 338.55/-	Nil
Income Approach	Discounted Cash Flow Method	₹ 3,072.99/-	100%
Market Approach	Market Price Method	NA	NA

Since DNEG S.A.R.L. is a going concern company, Net Asset Value method doesn't provide fair value and hence we have allocated nil weightage to Net Asset Value Method. We have allocated 100% weightage to Discounted Cash Flow Method and the value recommended by us for the preferential issue under consideration is ₹ 3,072.99/- per share

6. CONCLUSION:

The Fair Value of Equity Share of **Prime Focus Limited** has been estimated using Market Approach to be ₹ **119.50/- per share**.

The Fair Value of Equity Share of **DNEG S.A.R.L.** has been estimated using Market Approach to be ₹ **3,072.99/- per share**.

Recommended Swap Ratio

As informed by the Management, basis our above recommended fair value per equity shares, the Management have agreed to consider and issue equity shares of PFL for a value of ₹ 120 / equity share. Accordingly, we have been asked to compute the equity swap ratio for the Proposed Transaction, which has been computed as under:

Name of Company	Value per Share
Prime Focus Limited	120
DNEG S.A.R.L	3072.99
Swap Ratio	25.61

“2561 equity shares of Prime Focus Limited shall be issued against 100 equity shares of DNEG S.A.R.L.”

For, Maitri Valuation Pvt. Ltd.

Hiten Prajapati
Director

Registered Valuer – Securities or Financial Assets
Registration no. IBBI/RV-E/11/2023/184
Date: 3rd July, 2025

Annexure I

❖ **TRADE SUMMARY OF SHARES OF PFL FOR LAST 90 TRADING DAYS:**

Sr. No.	Date	Volume	Value
1	25-Jun-25	8,68,603	9,85,50,542.00
2	24-Jun-25	19,60,035	22,59,37,556.58
3	23-Jun-25	6,68,073	7,70,76,340.18
4	20-Jun-25	5,58,332	6,56,91,264.86
5	19-Jun-25	6,53,404	8,04,09,960.80
6	18-Jun-25	10,01,918	12,94,57,541.97
7	17-Jun-25	1,81,691	2,19,01,328.94
8	16-Jun-25	97,327	1,18,73,502.92
9	13-Jun-25	1,38,052	1,71,86,385.55
10	12-Jun-25	4,47,490	5,76,32,317.84
11	11-Jun-25	9,58,178	12,49,33,642.11
12	10-Jun-25	4,32,043	5,24,59,743.33
13	09-Jun-25	4,79,608	5,76,45,347.63
14	06-Jun-25	1,94,725	2,26,33,266.20
15	05-Jun-25	1,94,836	2,26,75,270.73
16	04-Jun-25	5,31,574	6,15,65,188.54
17	03-Jun-25	7,16,172	7,93,25,498.38
18	02-Jun-25	13,43,780	15,07,00,550.81
19	30-May-25	1,48,089	1,65,49,526.66
20	29-May-25	3,36,241	3,66,11,039.65
21	28-May-25	2,41,199	2,57,92,186.93
22	27-May-25	29,69,647	35,15,88,423.94
23	26-May-25	1,46,128	1,53,11,333.12
24	23-May-25	97,379	98,77,741.35
25	22-May-25	45,078	44,39,389.72
26	21-May-25	40,904	39,18,203.62
27	20-May-25	53,306	51,45,966.62
28	19-May-25	83,177	81,57,755.98
29	16-May-25	73,622	72,20,132.68
30	15-May-25	62,471	60,70,969.50
31	14-May-25	79,815	78,26,622.35
32	13-May-25	58,337	58,56,991.76
33	12-May-25	1,03,022	1,05,86,465.87
34	09-May-25	2,11,988	2,13,97,981.67
35	08-May-25	1,04,100	1,03,21,360.07
36	07-May-25	34,419	33,89,499.41
37	06-May-25	1,25,496	1,27,17,427.15
38	05-May-25	2,65,479	3,04,72,340.95
39	02-May-25	1,12,385	1,25,03,732.30
40	30-Apr-25	1,98,402	2,19,33,419.49
41	29-Apr-25	1,29,238	1,36,33,754.14

42	28-Apr-25	2,38,025	2,44,30,340.34
43	25-Apr-25	34,990	33,94,031.62
44	24-Apr-25	67,604	67,90,397.53
45	23-Apr-25	65,429	63,68,510.30
46	22-Apr-25	45,357	43,93,047.05
47	21-Apr-25	98,602	94,37,108.38
48	17-Apr-25	29,965	28,18,453.53
49	16-Apr-25	68,030	62,93,798.10
50	15-Apr-25	31,861	29,39,066.66
51	11-Apr-25	39,431	35,69,276.02
52	09-Apr-25	15,540	13,93,900.43
53	08-Apr-25	59,498	53,88,549.77
54	07-Apr-25	1,12,253	1,00,23,368.18
55	04-Apr-25	32,153	29,74,998.06
56	03-Apr-25	46,526	43,55,564.42
57	02-Apr-25	2,05,686	1,89,42,397.15
58	01-Apr-25	71,583	67,27,480.48
59	28-Mar-25	1,26,540	1,15,66,943.46
60	27-Mar-25	83,351	77,11,668.78
61	26-Mar-25	59,721	56,35,299.43
62	25-Mar-25	69,894	67,51,805.31
63	24-Mar-25	95,332	97,01,771.10
64	21-Mar-25	98,480	99,65,358.72
65	20-Mar-25	2,23,717	2,28,46,936.95
66	19-Mar-25	98,539	1,00,64,385.82
67	18-Mar-25	1,18,225	1,17,00,814.81
68	17-Mar-25	1,08,975	1,02,70,290.72
69	13-Mar-25	45,738	43,00,207.75
70	12-Mar-25	62,707	60,30,383.35
71	11-Mar-25	76,839	75,72,273.92
72	10-Mar-25	1,14,971	1,15,44,230.68
73	07-Mar-25	29,816	30,13,168.62
74	06-Mar-25	17,025	16,81,495.13
75	05-Mar-25	25,178	24,50,203.29
76	04-Mar-25	45,393	43,34,880.85
77	03-Mar-25	1,13,435	1,10,79,780.06
78	28-Feb-25	33,863	32,88,539.46
79	27-Feb-25	18,734	19,08,204.35
80	25-Feb-25	1,17,431	1,22,55,679.97
81	24-Feb-25	27,851	29,45,727.88
82	21-Feb-25	36,786	40,29,558.51
83	20-Feb-25	47,618	51,24,766.15
84	19-Feb-25	33,772	35,26,839.03
85	18-Feb-25	82,611	84,19,060.67
86	17-Feb-25	1,03,428	1,02,51,920.73
87	14-Feb-25	33,548	35,40,100.59

88	13-Feb-25	17,887	18,95,877.20
89	12-Feb-25	35,306	35,36,676.11
90	11-Feb-25	77,878	78,72,354.12
Total		2,06,88,885	2,34,60,35,006
90 Trading days Price			113.40

❖ **TRADE SUMMARY OF SHARES OF PFL FOR LAST 10 TRADING DAYS:**

Sr. No.	Date	Volume	Value
1	25-Jun-25	8,68,603	9,85,50,542.00
2	24-Jun-25	19,60,035	22,59,37,556.58
3	23-Jun-25	6,68,073	7,70,76,340.18
4	20-Jun-25	5,58,332	6,56,91,264.86
5	19-Jun-25	6,53,404	8,04,09,960.80
6	18-Jun-25	10,01,918	12,94,57,541.97
7	17-Jun-25	1,81,691	2,19,01,328.94
8	16-Jun-25	97,327	1,18,73,502.92
9	13-Jun-25	1,38,052	1,71,86,385.55
10	12-Jun-25	4,47,490	5,76,32,317.84
Total		65,74,925	78,57,16,742
10 Trading days Price			119.50

Thus, as per Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Floor Price for preferential issue of shares of PFL will be higher of the above two prices, i.e., ₹ 119.50 per share.