



MAITRI

VALUATION Pvt. Ltd.

Registered Valuer:

Land and Building

Plant and Machinery

Securities or Financial Assets

Date: July 17, 2025

To
Director
Prime Focus Limited
Maharashtra

Dear Sir/ Ma'am,

In connection with the valuation of equity shares of Prime Focus Limited and DNEG S.A.R.L (hereinafter referred to as 'DNEG' or the 'Company'), the responses to valuation related queries as under:

1. "Kindly provide the detailed working of Asset Approach, Income Approach of Prime Focus Limited."

Asset Approach

Since, the business of the Company is intended to be continued on a 'going concern' basis and there is no intention to dispose-off the assets of the Company, value as per asset approach is calculated just to provide indicative figure and the same is not used for deriving final valuation of equity shares of Prime Focus Limited. Please find working as per asset approach in **Annexure - 1**

Income Approach

The value as per DCF method is calculated just to provide indicative figure as per income approach and the same is not used for arriving final valuation of equity shares of Prime Focus Limited. Please find working as per income approach in **Annexure – 2**

2. "Kindly clarify the rationale of how the weightage has been assigned to the valuation approaches for Prime Focus Limited."

Considering that the equity shares are frequently traded, as per Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the market price method, as prescribed under the regulation, is relevant for valuation. Also the value derived from the NAV (Asset Approach) and DCF (Income Approach) methods are lower than the price derived basis the market price method. The NAV and DCF methods are provided as supplementary indicators and no weightage has been assigned to NAV and DCF methods and so do not affect the final share price.



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3. ***“Kindly provide the detailed working of Asset Approach, Income Approach of DNEG.”***
Asset Approach

Since, the business of the Company is intended to be continued on a ‘going concern’ basis and there is no intention to dispose-off the assets of the Company, value as per asset approach is calculated just to provide indicative figure and the same is not used for deriving final valuation of equity shares of DNEG. Please find working as per asset approach in **Annexure - 3**

Income Approach

The valuation working as per the Income Approach (Discounted Cash Flow method) is attached herewith as **Annexure 4**

4. ***“Kindly clarify the rationale of how the weightage has been assigned to the valuation approaches for DNEG.”***

Since, the business of the Company is intended to be continued on a ‘going concern’ basis and there is no intention to dispose-off the assets of the Company, no weightage is assigned to Asset Approach and the same is not adopted for the present valuation exercise.

Further, the equity shares of the Company are not listed on any stock exchanges and there are no exactly comparable listed companies with characteristics and parameters similar to that of the Company and also sufficient and reliable details of comparable transactions are not available in public domain. Therefore, Market Approach is not adopted for the present valuation exercise.

Considering the above, for the present valuation exercise, we have thought fit to use DCF Method under Income Approach for arriving at the fair value of equity shares of the Company as on the Valuation Date.

Accordingly, only DCF Method under Income Approach has been considered for the present valuation exercise of the Company.

5. ***“Kindly clarify how the swap ratio has been calculated..”***

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 Prime Focus Limited 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....(1)	120
DNEG S.A.R.L.....(2)	3072.99
Swap Ratio (2/1)	25.61





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

This letter should be read in conjunction with our valuation report and the limitation mentioned therein. Any terms not defined in this letter shall derive their meaning from our report.

For Maitri Valuation Private Limited

Hiten Prajapati
Director



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**MAITRI****VALUATION Pvt. Ltd.****Registered Valuer:****Land and Building****Plant and Machinery****Securities or Financial Assets****Annexure – 1****Calculation of value of equity shares of Prime Focus Limited as per Net Asset Value Method
(Asset Approach)**

Particulars	Amount (INR in Crores)
Assets	
Non Current Assets	5,182.82
Current Assets	3,342.85
Total Assets	8,525.67
Less:	
Liabilities	
Non Current Liabilities	1,471.74
Current Liabilities	5,010.67
Total Liabilities	6,482.41
Less:	
Non-Controlling Interest	1,284.32
Net assets value	758.94
Diluted Number of equity shares	30,99,36,976
Value per equity share (INR)	24.49



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**MAITRI****VALUATION Pvt. Ltd.****Registered Valuer:****Land and Building****Plant and Machinery****Securities or Financial Assets****Annexure - 2****Calculation of value of equity shares of Prime Focus Limited as per Discounted Cash Flow Method (Income Approach)****(INR in Crores)**

Year Ended on March 31,	2026	2027	2028	2029	2030
Profit Before Tax	500.9	952.7	1,113.7	1,321.9	1,561.3
Add:					
Depreciation	157.1	117.3	117.3	117.3	117.3
Total	658.0	1,070.0	1,231.0	1,439.1	1,678.6
Less:					
Tax	98.4	235.1	304.1	346.6	394.1
Total	559.7	834.9	926.8	1,092.5	1,284.4
Less:					
Change in Fixed Asset	138.2	221.0	243.1	250.4	250.4
Change in Working Capital	103.8	24.8	114.2	119.9	119.9
Add:					
Change in Borrowings	(101.1)	(127.3)	(146.4)	(168.4)	(180.0)
Cash Flow	216.6	461.8	423.1	553.8	734.1
Discounting Factor	0.87	0.76	0.67	0.58	0.51
Discounted Cash Flow	189.1	351.9	281.5	321.7	372.2
Gross Cash for explicit period	1,516.35				

Terminal Value

Last Year Cash	372.21
Growth	6.0%
Cost of equity (INR)	14.55%
Terminal Value	4,614.52

Enterprise Value

Gross Cash for explicit period	1,516.35
Terminal Value	4,614.52
Add: Cash (DNEG)	-
Enterprise Value as on March 31, 2025	6,130.87
Holding Company Discount	50%
Enterprise Value as on March 31, 2025	3,065.43
Add: PFL Consolidated Cash	214.13
Add: Cash received on exercise of ESOPs	51.74
Add: Investments	157.81
Add: PFL standalone related adjustment	8.41
Net Business Equity Value	3,497.52
Diluted Number of Shares	30,99,36,976
Value per Equity Share (INR)	112.85

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Annexure - 3

Calculation of value of equity shares of DNEG S.A.R.L as per Net Asset Value Method (Asset Approach)

Particulars	Amount (USD in Thousand)
Assets	
Non Current Assets	5,49,693
Current Assets	3,86,289
Total Assets	9,35,982
Less:	
Liabilities	
Non Current Liabilities	1,75,554
Current Liabilities	5,46,508
Total Liabilities	7,22,062
Less:	
Non-Controlling Interest	15,282
Net assets value	1,98,638
Diluted Number of equity shares	5,17,97,578
Value per equity share (USD)	3.83
Value per equity share (INR)	329.31

Conversion Rate : 1 USD = INR 85.8732 as on June 25, 2025 (Source: www.rbi.org.in)



**MAITRI****VALUATION Pvt. Ltd.****Registered Valuer:****Land and Building****Plant and Machinery****Securities or Financial Assets****Annexure - 4****Calculation of value of equity shares of DNEG S.A.R.L as per Discounted Cash Flow Method (Income Approach)****(USD in Millions)**

Year Ended on March 31,	2026	2027	2028	2029	2030
Profit Before Tax	103.8	197.4	230.8	273.9	323.5
Add:					
Depreciation	32.6	24.3	24.3	24.3	24.3
Total	136.4	221.7	255.1	298.2	347.8
Less:					
Tax	20.4	48.7	63.0	71.8	81.7
Total	116.0	173.0	192.1	226.4	266.1
Less:					
Change in Fixed Asset	28.6	45.8	50.4	51.9	51.9
Change in Working Capital	21.5	5.1	23.7	24.8	24.8
Add:					
Change in Borrowings	-21.0	-26.4	-30.3	-34.9	-37.3
Cash Flow	44.9	95.7	87.7	114.8	152.1
Discounting Factor	0.9	0.8	0.7	0.6	0.6
Discounted Cash Flow	40.0	76.1	62.2	72.7	85.9
Gross Cash for explicit period	337.0				

Terminal Value

Last Year Cash	85.93
Growth	6.0%
Cost of equity	12.10%
Terminal Value	1,493.20

Enterprise Value

Gross Cash for explicit period	337.01
Terminal Value	1,493.20
Enterprise Value as on March 31, 2025	1,830.21
Add: Cash	23.38
Add: Investments	0
Business Equity Value	1,853.59
Diluted Number of Shares	5,17,97,578
Value per Equity Share (USD)	35.79
Value per Equity Share (INR)	3,072.99

Conversion Rate : 1 USD = INR 85.8732 as on June 25, 2025 (Source: www.rbi.org.in)

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