Proxy Advisory Report | Addendum

Prime Focus Ltd

ABOUT SES

Stakeholders Empowerment Services (SES) is a Proxy Advisory and Corporate Governance Research Company. SES assists investors to analyze compliance and governance practices including matters relating to sustainability, prevalent at listed entities and empower investors to undertake meaningful engagement with Investee entities.

COMPANY INFORMATION

BSE CODE: 532748

NSE SYMBOL: PFOCUS

ISIN: INE367G01038

Industry: Media and Entertainment

Email: ir.india@primefocus.com

Phone: +91 22 2648 4900

Registered Office: Prime Focus House, Opp. CITI Bank, Linking Road, Khar (West), Mumbai – 400 052

Website: www.primefocus.com

MEETING DETAILS

Meeting Type: EGM

Meeting Mode: Video Conference (VC) or Other Audio-Visual Means (OAVM)

Meeting Date: 7th November, 2026 at 12:30 P.M.

Notice Date: 15th October, 2026

Notice: Click here

Annual Report: AR 2025-26

SES PA Report (Last AGM): Report

E-VOTING DETAILS

e-Voting Platform: CDSL

Cut-off Date: 31st October, 2026

Remote E-voting:

- **Start**: 3rd November, 2026
- **Ends**: 6th November, 2026

ADDENDUM REPORT RELEASE DATE: 2nd November, 2026

Research Analyst: Pravar Bhatnagar

Conflict Disclosure: SES - No | Analyst - No

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ADDENDUM

There is no change in any of the SES recommendations. However, shareholders may take note of the Company's clarification and SES' comments thereon.

BACKGROUND			
Original PA report Link	Click Here	**PA Report Release Date**	30th October, 2026
Date of Email received from the Company	1st November, 2026		

Guide to read addendum: Company's Views: (in Blue colour) & SES Reply: (in Black colour)

SES COMMENTS TO COMPANY'S RESPONSE (RELEVANT EXCERPTS)

Company's Views:

Resolution No. 1: "To consider and approve the cessation to exercise control over Brahma AI Holdings Ltd (Brahma Holdings) and consequently, over Brahma AI Services India Limited, the unlisted material subsidiaries of the Company."

The EGM Notice already sets out the proposed transaction and approval sought. In response to the points raised in the Report in relation to Resolution No. 1, please also consider the following:

1. ***Rationale for reduction in voting rights of DNEG Holdings to 24.99%, despite retaining majority economic ownership***

- *Brahma AI was conceptualised and established by leveraging DNEG's deep domain expertise, proprietary knowledge and longstanding experience in the audio-visual and media and entertainment ecosystem. Building on this foundation, Brahma, under the leadership of its Founder and CEO, Mr. Prabhu Narasimhan, developed and scaled its technology stacks, AI capabilities and product offerings.*
- *Over time, Brahma has evolved beyond its initial media and entertainment focus and is increasingly addressing opportunities across a wider range of industries and sectors. Its technology capabilities have applications across multiple domains, including data applications, AI-powered solutions, digital avatars and other enterprise applications.*
- *As Brahma enters its next phase of growth, the proposed funding is intended to accelerate research and development and global go-to-market.*
- *In this context, Brahma Holdings, Brahma India and DNEG Holdings have entered into certain agreements (including subscription agreements) pursuant to which Brahma Holdings and Brahma India will receive investments from Multiples Private Equity Gift Fund IV and Multiples Private Equity Fund IV (collectively referred to as "**Multiples**"), respectively. The Company has also been informed that the broader proposed fundraising round as part of the round led by Multiples is targeted at USD 150 million, of which Multiples' aggregate proposed investment is USD 100 million (collectively, the "**Proposed Transaction**"). In relation to the further investment demand referred to by SES, the EGM Notice states that, as of 23 September 2026, indications of demand and order confirmations in excess of a further USD 150 million had been received. These do not constitute completed subscriptions and remain subject to final allocation, definitive documentation and applicable conditions. The additional fundraising above USD 150 million does not form part of, and is not a condition to completion of, Multiples' USD 100 million investment.*
- *The proposed investment will provide Brahma with growth capital and enable it to pursue its expansion plans.*
- *Accordingly, as part of the proposed restructuring, DNEG Holdings has agreed to relinquish its controlling voting rights in Brahma Holdings, with the existing Class A shares held by DNEG Holdings being converted into Class C shares and its voting rights reducing to 24.99%, while continuing to retain a majority economic interest of 65.67% on a fully diluted basis. The disclosed conversion concerns all 181,818,182 existing Class A shares held by DNEG Holdings. No shares of PFL are being issued to the Investors as part of the Proposed Transaction.*
- *It is important to distinguish between **economic ownership and management control** in this context. The proposed restructuring does not represent an exit by DNEG. Rather, as disclosed on 23 September 2026, certain arrangements have been agreed to facilitate the ability of Brahma Holdings and its subsidiaries (including Brahma India upon completion of the*

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*acquisition of its equity shares pursuant to the share purchase agreement dated 1 April 2026) (the "**Brahma Group**") to operate as a standalone entity separate from DNEG Parent and its subsidiaries, excluding the Brahma Group, and its direct and indirect holding companies (the "**DNEG Group**").*

- *The proposed Board composition is aligned with this objective. Mr. Prabhu Narasimhan, as Founder and CEO, will have the right to appoint three directors out of the six-member Board of Brahma Holdings. DNEG Holdings will retain the right to appoint one director for so long as it holds more than 50% of the Class C shares of Brahma Holdings in issue.*
- *Following completion of the Proposed Transaction, PFL will cease to exercise control over Brahma Holdings and, consequently, Brahma India, which will cease to be subsidiaries and become associate companies of PFL. PFL will continue to hold its indirect economic interest through DNEG Holdings, as described in Item No. 1 of the EGM Notice. The Company recognises the significance of these entities: the 23 September 2026 disclosure records Brahma Holdings' net worth at INR 1,863.99 crore, representing 76.37% of PFL's consolidated net worth for FY 2025-26, and its turnover as Nil. Brahma India's turnover was INR 202.84 crore (4.34% of PFL's consolidated turnover), and its net worth was INR 302.07 crore (12.38% of PFL's consolidated net worth).*

2. Rationale for routing part of Multiples' investment through Brahma India rather than investing the entire amount directly in Brahma Holdings

- *Multiples proposes to invest an aggregate amount of USD 100 million through two separate investment entities. The investment is by way of subscription to compulsorily convertible preference shares ("**CCPS**").:*
- *Multiples Private Equity Gift Fund IV proposes to subscribe to CCPS of Brahma Holdings for an aggregate subscription amount of USD 54,356,600.*
- *Multiples Private Equity Fund IV proposes to subscribe to CCPS of Brahma India for an aggregate subscription amount of the INR equivalent of USD 45,643,400.*
- *As part of the overall transaction, and subject to receipt of the requisite regulatory approvals and compliance with applicable laws, the CCPS proposed to be issued to Multiples Private Equity Fund IV in Brahma India are contemplated to be exchanged for shares of Brahma Holdings. Until then, voting rights attaching to Brahma Holdings' and Multiples Private Equity Fund IV's respective holdings in Brahma India will be exercised in the same manner as the voting rights exercised by the holders of the majority of Brahma India's equity shares, subject to the relevant agreements.*
- *The EGM Notice also records that shareholders' approval for the sale of Brahma India's shares from DNEG Parent to Brahma Holdings pursuant to the share purchase agreement dated 1 April 2026, the approval for which has already been received under Regulations 23(4) and 24(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**"). the present approval sought under Item 1 is for cessation of control under Regulation 24(5) of Listing Regulations. Upon completion of the proposed transfer of shares of Brahma India from DNEG Parent to Brahma Holdings, Brahma Holdings is intended to become the 100% shareholder of Brahma India, thereby consolidating Multiples' investment at the Brahma Holdings level.*
- *The proposed structure accordingly facilitates the investment by both Multiples entities while achieving the intended consolidation of the investment within the Brahma Group.*

3. Rationale for granting Mr. Prabhu Narasimhan the right to appoint 3 (three) out of 6 (six) directors on the Board of Brahma Holdings

- *Brahma's evolution and growth have been driven by the combination of DNEG's deep domain expertise and technological foundation with the entrepreneurial vision and leadership of Mr. Prabhu Narasimhan.*
- *Under Mr. Narasimhan's leadership, Brahma has successfully leveraged the knowledge base and domain expertise of DNEG to develop scalable AI technology stacks and product solutions, while progressively expanding its addressable market beyond the media and entertainment industry.*
- *As Brahma enters its next phase of growth, continuity of leadership and the ability to execute its long-term business strategy will be important considerations. The proposed governance structure provides for the Founder and CEO (i.e. Mr. Prabhu*

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Narasimhan), who has been instrumental in building and scaling the business, to continue to provide strategic direction and leadership to the organisation.

- *Further, the right to appoint 3 (three) directors on the 6 (six) member Board forms part of the arrangements disclosed on 23 September 2026 to separate the governance of the Brahma Group from the DNEG Group, such that the Brahma Group is able to operate as a standalone entity separate from the DNEG Group.*

4. Rationale for Multiples having 10.90% voting rights despite holding 5% economic interest

- *Under the proposed post-transaction structure, DNEG Holdings will retain 65.67% economic ownership in Brahma Holdings, while its voting rights will reduce to 24.99%.*
- *The remaining voting rights of 75.01% will be distributed amongst the other shareholders in proportion to their respective economic shareholding within that shareholder group. The following is the envisaged shareholding pattern of Brahma Holdings after the consummation of the Proposed Transaction:*

SR. NO.	PARTICULARS	ECONOMIC INTEREST (%)	VOTING RIGHTS (%)
1.	DNEG Holdings	65.67	24.99
2.	Other shareholders (excluding Multiples)	29.33	64.11
3.	Multiples	5.00	10.90
Total		100	100

- *As disclosed on 23 September 2026, following the contemplated exchange of Brahma India CCPS for shares of Brahma Holdings, Multiples' collective shareholding at Brahma Holdings will be 5%, equivalent to 10.90% voting rights at Brahma Holdings.*
- *The investment by Multiples has been structured through CCPS as part of the agreed investment and restructuring arrangements. As disclosed in the EGM Notice, Multiples will invest an aggregate USD 100 million, comprising USD 54,356,600 in CCPS of Brahma Holdings and the INR equivalent of USD 45,643,400 in CCPS of Brahma India. The CCPS held by Multiples in Brahma India are subsequently contemplated to be exchanged for shares of Brahma Holdings, subject to receipt of the requisite regulatory approvals and applicable law, thereby consolidating Multiples' investment at the Brahma Holdings level. The different classes of shares and the distinction between economic interest and voting rights form part of the agreed governance arrangements pursuant to which the Brahma Group will operate independently from the DNEG Group following completion. Accordingly, while DNEG Holdings will continue to retain a 65.67% economic interest in Brahma Holdings on a fully diluted basis, its voting rights will reduce from 89.27% to 24.99%, and its existing Class A shares will be converted into Class C shares. These arrangements enable PFL to retain its continuing economic participation in the Brahma business while ceasing to exercise control over Brahma Holdings and Brahma India, as contemplated under the Proposed Transaction*
- *The differential between economic ownership and voting rights is a consequence of the agreed allocation of voting rights under the proposed share-class structure. It is not an additional economic entitlement being granted to Multiple.*

SES Comment:

SES has raised a **governance and transparency concern** on the proposed resolution **#1**. The Company in its response has explained that the proposed restructuring is intended to facilitate Brahma's independent operations, support its expansion and provide growth capital through Multiples' USD 100 million investment.

SES understands that while the broader commercial objective has been explained, the rationale for the proposed distribution of economic rights, voting rights and governance powers, along with the fairness of the investment structure, remains inadequate and the concern raised by SES stands still.

In summary, the Company has explained everything on what is doing. However, why it is doing in such manner remains entirely in dark, as merely stating that as part of restructuring does not justify the differential practice.

Accordingly, there is **no change** in SES recommendation on the proposed resolution **#1**.

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Company's Views:

"2. To consider and approve material related party transaction between DNEG S.à.r.l., an unlisted material subsidiary of the Company and Brahma AI Holdings Ltd, an unlisted material subsidiary of the Company"

"3. To consider and approve material related party transaction between Double Negative Holdings Limited, an unlisted subsidiary of the Company and Brahma AI Holdings Ltd, an unlisted material subsidiary of the Company".

The EGM Notice already sets out the proposed transaction and approval sought. In response to the points raised in the Report in relation to Resolution Nos. 2 & 3, please also consider the following:

1. ***Rationale for the proposed arrangements under Resolutions 2 and 3.***

- *The proposed indemnity arrangements are customary in transactions involving the entry of a new institutional investor and a restructuring of the existing shareholding and governance framework.*
- *In the present case, DNEG Parent proposes to undertake indemnity obligations under the Ancillary Framework Deed ("**Framework Deed**") in connection with the separation of the Brahma Group from the DNEG Group. The Indemnified Liability (as defined in the Framework Deed) covers certain specific historic liabilities, liabilities arising from the reorganisation, breaches of specified undertakings under the Framework Deed, the excluded business and the Outstanding BTA Contracts (as defined in the Framework Deed), subject to its limitations, exclusions and payment provisions. Upon Completion (as defined in the Framework Deed), DNEG Parent will also waive claims in respect of pre-Completion intercompany balances as specified therein, warrant the absence of pending or threatened claims against the Brahma Group and irrevocably release it from claims and liabilities arising before the date of the Framework Deed. From Completion, its only rights in the Brahma Group will be its shareholding in Brahma Holdings and those expressly set out in the Framework Deed.*
- *Under the proposed shareholders' agreement relating to Brahma Holdings ("**SHA**"), each Shareholder (as defined therein) that is party to the SHA has agreed to indemnify and hold harmless Brahma Holdings and each Group Company (as defined in the SHA), on an after-Tax basis (as defined therein), against any liability with respect to any Tax required to be withheld, deducted or paid on behalf of or with respect to such Shareholder under applicable law, including interest, penalties or costs. Accordingly, this obligation applies to each Shareholder that is party to the SHA, including DNEG Holdings, in respect of the Tax liability relating to that Shareholder; it is not described as an allocation of all liabilities in proportion to shareholding. The 23 September 2026 disclosure states that Mr. Prabhu Narasimhan held 11,651,728 equity shares of PFL at that date, but did not hold shares in DNEG Holdings, Brahma Holdings, Brahma India, the Investors or DNEG Parent. The indemnity recipients identified in Items 2 and 3 are Brahma Holdings and the relevant Brahma Group companies; the disclosed descriptions do not identify Mr. Narasimhan personally as an indemnity recipient.*
- *As stated in the EGM Notice, the indemnity arrangements form an integral part of the investment by Multiples in the Brahma business and its separation from the DNEG Group. They support these arrangements and the value of the Company's continuing indirect economic interest following completion.*
- *Indemnity claims under the Framework Deed may be notified within seven years from its date, with payments for duly notified claims to be made in accordance with its terms. The Shareholder's obligations under the SHA survive disposal of its securities in Brahma Holdings and termination of the SHA. Copies of the draft Framework Deed and SHA are available for inspection through electronic mode up to the date of the EGM. The values of the proposed indemnity transactions are presently indeterminable and depend on the relevant liabilities and crystallisation of payment obligations. The proposed SHA does not state a financial cap for the Tax liability. Approval is being sought for amounts that may become payable from time to time in accordance with the relevant agreement, subject to its limitations, exclusions and payment provisions, in the event that the applicable materiality thresholds are breached. Provisions, if any, in the books of PFL or the relevant DNEG entity will be assessed and decided as and when the amounts crystallise.*
- *The proposed Framework Deed and SHA do not provide for any commission payable to the Company or, respectively, DNEG Parent or DNEG Holdings for providing the indemnities. DNEG Parent is not liable for an Indemnified Liability already recovered from a third party, including under an insurance policy. If Brahma Holdings subsequently recovers from a third party for the same matter, it will repay DNEG Parent the lower of the amount paid by DNEG Parent and the amount actually recovered, subject to the Framework Deed. The SHA clause does not confer on DNEG Holdings a general contractual right to recover indemnity payments from Brahma Holdings.*

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SES Comment:

SES has raised a **governance and transparency concern** on the proposed resolution **#2 and #3**.

The Company, in its response, has clarified that the indemnity covers specified historical and re-organisation-related liabilities, breaches of contractual undertakings, excluded business and outstanding BTA contracts. It has also clarified that DNEG Parent will not be liable for amounts already recovered from third parties and that no separate commission is payable for the indemnity.

Further, the Company has clarified that the tax indemnity under the SHA applies to each shareholder who is a party to the agreement, including DNEG Holdings.

SES is of the opinion that the response partially addresses the concerns regarding the nature and rationale of the indemnity. However, further the clarity required regarding the allocation of risks and DNEG Parent's potential financial exposure remains inadequate. Accordingly, there is **no change** in SES recommendation on the proposed resolution **#2 and #3**.

Company's Views:

Resolution No. 4: "To approve the material related party transaction for platform license arrangement between DNEG S.à.r.l. and Brahma AI Holdings Ltd."

The EGM Notice already sets out the proposed transaction and approval sought. In response to the points raised in the Report in relation to Resolution No. 4, please also consider the following:

1. *Rationale for the platform licence arrangement between DNEG S.à.r.l. and Brahma Holdings under Resolution 4*

- *The proposed platform licence arrangement will grant DNEG Parent access to and use of the Brahma AI Platform together with related models, workflows, interfaces, documentation, updates, upgrades, releases and other components.*
- *The proposed platform licence arrangement is intended to provide long-term benefits for the group's platform arrangements and greater certainty over their respective rights. It is also intended to support the subsidiaries' continuing operations and, indirectly, the Company's interests, as stated in Item No. 4 of the EGM Notice.*
- *The arrangement is proposed for a tenure of 10 years and provides for an annual licence fee calculated as the higher of the following:*
- *The average number of seats in the relevant year multiplied by USD 3,500;*
- *USD 28 million; and*
- *4% of DNEG Parent's annual gross revenue, excluding physical production and investment income for the relevant year.*
- *The arrangement also provides for a review of the annual fee every three years. Item No. 4 seeks approval for the specified platform licence arrangement and corresponding annual fee payments for a total period of 10 years. The EGM Notice further states that Brahma Holdings' third-party infringement indemnity is not intended to survive expiry or termination of the arrangement. The definitive documentation is available for inspection through electronic mode up to the date of the EGM.*
- *The EGM Notice states that the arrangement is cost-neutral for the PFL group (pro-forma excluding Brahma AI), and that future fees depend on how fast DNEG scales up, as the licensing fee is linked to the DNEG creative user base. The annual fee remains subject to the higher-of formula set out above.*

1. ***Overall strategic rationale and benefits to PFL and its shareholders***
2. *The proposed transaction should be viewed in the context of the of the investment by Multiples in the Brahma business and the arrangements to enable the Brahma Group to operate as a standalone entity separate from the DNEG Group, as described in the EGM Notice and the Company's disclosure dated 23 September 2026.*
2. *The Proposed Transaction is designed to achieve the following objectives:*

- ***Investment in the Brahma business:*** *Multiples proposes to invest an aggregate amount of USD 100 million in Brahma Holdings and Brahma India by subscribing to compulsorily convertible preference shares. The broader fundraising round led by Multiples is targeted at USD 150 million, of which Multiples' proposed investment constitutes USD 100 million.*

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- ***Standalone operating structure:*** *Certain arrangements have been agreed to facilitate the ability of Brahma Holdings and its subsidiaries, including Brahma India upon completion of the acquisition of its equity shares, to operate as a standalone entity separate from the DNEG Group. These arrangements include the proposed changes to voting rights and Board representation.*
- ***Continuing economic participation:*** *PFL will cease to exercise control over Brahma Holdings and, consequently, Brahma India, but will continue to retain an indirect economic interest in these entities through DNEG Holdings. The disclosed justification for the proposed indemnity arrangements is that they facilitate Multiples' investment and the separation of the Brahma business from the DNEG Group, and support the value of the Company's continuing indirect economic interest following completion.*
- ***Long-term platform arrangement:*** *The proposed platform licence arrangement between DNEG Parent and Brahma Holdings provides for access to and use of the Brahma AI Platform over a period of 10 years. The arrangement is expected to provide long-term benefits for the group's platform arrangements and greater certainty over the parties' respective rights, while supporting the subsidiaries' continuing operations and, indirectly, the Company's interests.*

SES Comment:

SES has raised a **governance and transparency concern** on the proposed resolution **#4**.

The Company has clarified that the arrangement is intended to provide DNEG Parent access to the Brahma AI Platform and ensure continuity of platform-related operations. However, the statement that the licensing fee structure is commonly used by global platform licensing companies is not supported by any benchmarking and the response provided by the Company does not adequately address the concerns raised by SES.

The Company's response do not provide any additional helpful information other than what was available in the Notice.

Accordingly, there is **no change** in SES recommendation on the proposed resolution **#4**.

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COMPANY RESPONSE (FULL VERBATIM)

Dear SES Team

*The Company has taken note of the observations and concerns raised by Stakeholders Empowerment Services (SES) in its Proxy Advisory Report dated 30 October 2026 ("**Report**") in relation to the resolutions proposed to be considered at the Extra-Ordinary General Meeting scheduled to be held on 7 November 2026.*

The Company would like to provide the following clarifications to enable shareholders to better understand the commercial rationale, strategic objectives and governance considerations underlying the proposed transactions. In line with SES's stated policy, we request that this response be circulated to your clients in full.

References below to the "EGM Notice" are to the notice of the extraordinary general meeting of the Company dated 15 October 2026. Prime Focus Limited is referred to as the "Company" or "PFL"; Brahma AI Holdings Limited as "Brahma Holdings"; Brahma AI Services India Limited as "Brahma India"; Double Negative Holdings Limited (UK) as "DNEG Holdings"; and DNEG S.à.r.l. as "DNEG Parent".

RESOLUTION WISE RESPONSES

Resolution No. 1: "To consider and approve the cessation to exercise control over Brahma AI Holdings Ltd (Brahma Holdings) and consequently, over Brahma AI Services India Limited, the unlisted material subsidiaries of the Company."

The EGM Notice already sets out the proposed transaction and approval sought. In response to the points raised in the Report in relation to Resolution No. 1, please also consider the following:

1. ***Rationale for reduction in voting rights of DNEG Holdings to 24.99%, despite retaining majority economic ownership***

- *Brahma AI was conceptualised and established by leveraging DNEG's deep domain expertise, proprietary knowledge and longstanding experience in the audio-visual and media and entertainment ecosystem. Building on this foundation, Brahma, under the leadership of its Founder and CEO, Mr. Prabhu Narasimhan, developed and scaled its technology stacks, AI capabilities and product offerings.*
- *Over time, Brahma has evolved beyond its initial media and entertainment focus and is increasingly addressing opportunities across a wider range of industries and sectors. Its technology capabilities have applications across multiple domains, including data applications, AI-powered solutions, digital avatars and other enterprise applications.*
- *As Brahma enters its next phase of growth, the proposed funding is intended to accelerate research and development and global go-to-market.*
- *In this context, Brahma Holdings, Brahma India and DNEG Holdings have entered into certain agreements (including subscription agreements) pursuant to which Brahma Holdings and Brahma India will receive investments from Multiples Private Equity Gift Fund IV and Multiples Private Equity Fund IV (collectively referred to as "**Multiples**"), respectively. The Company has also been informed that the broader proposed fundraising round as part of the round led by Multiples is targeted at USD 150 million, of which Multiples' aggregate proposed investment is USD 100 million (collectively, the "**Proposed Transaction**"). In relation to the further investment demand referred to by SES, the EGM Notice states that, as of 23 September 2026, indications of demand and order confirmations in excess of a further USD 150 million had been received. These do not constitute completed subscriptions and remain subject to final allocation, definitive documentation and applicable conditions. The additional fundraising above USD 150 million does not form part of, and is not a condition to completion of, Multiples' USD 100 million investment.*
- *The proposed investment will provide Brahma with growth capital and enable it to pursue its expansion plans.*
- *Accordingly, as part of the proposed restructuring, DNEG Holdings has agreed to relinquish its controlling voting rights in Brahma Holdings, with the existing Class A shares held by DNEG Holdings being converted into Class C shares and its voting rights reducing to 24.99%, while continuing to retain a majority economic interest of 65.67% on a fully diluted basis. The disclosed conversion concerns all 181,818,182 existing Class A shares held by DNEG Holdings. No shares of PFL are being issued to the Investors as part of the Proposed Transaction.*
- *It is important to distinguish between **economic ownership and management control** in this context. The proposed restructuring does not represent an exit by DNEG. Rather, as disclosed on 23 September 2026, certain arrangements have been agreed to facilitate the ability of Brahma Holdings and its subsidiaries (including Brahma India upon completion of the*

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*acquisition of its equity shares pursuant to the share purchase agreement dated 1 April 2026) (the "**Brahma Group**") to operate as a standalone entity separate from DNEG Parent and its subsidiaries, excluding the Brahma Group, and its direct and indirect holding companies (the "**DNEG Group**").*

- *The proposed Board composition is aligned with this objective. Mr. Prabhu Narasimhan, as Founder and CEO, will have the right to appoint three directors out of the six-member Board of Brahma Holdings. DNEG Holdings will retain the right to appoint one director for so long as it holds more than 50% of the Class C shares of Brahma Holdings in issue.*
- *Following completion of the Proposed Transaction, PFL will cease to exercise control over Brahma Holdings and, consequently, Brahma India, which will cease to be subsidiaries and become associate companies of PFL. PFL will continue to hold its indirect economic interest through DNEG Holdings, as described in Item No. 1 of the EGM Notice. The Company recognises the significance of these entities: the 23 September 2026 disclosure records Brahma Holdings' net worth at INR 1,863.99 crore, representing 76.37% of PFL's consolidated net worth for FY 2025-26, and its turnover as Nil. Brahma India's turnover was INR 202.84 crore (4.34% of PFL's consolidated turnover), and its net worth was INR 302.07 crore (12.38% of PFL's consolidated net worth).*

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- *As part of the overall transaction, and subject to receipt of the requisite regulatory approvals and compliance with applicable laws, the CCPS proposed to be issued to Multiples Private Equity Fund IV in Brahma India are contemplated to be exchanged for shares of Brahma Holdings. Until then, voting rights attaching to Brahma Holdings' and Multiples Private Equity Fund IV's respective holdings in Brahma India will be exercised in the same manner as the voting rights exercised by the holders of the majority of Brahma India's equity shares, subject to the relevant agreements.*
- *The EGM Notice also records that shareholders' approval for the sale of Brahma India's shares from DNEG Parent to Brahma Holdings pursuant to the share purchase agreement dated 1 April 2026, the approval for which has already been received under Regulations 23(4) and 24(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**"). the present approval sought under Item 1 is for cessation of control under Regulation 24(5) of Listing Regulations. Upon completion of the proposed transfer of shares of Brahma India from DNEG Parent to Brahma Holdings, Brahma Holdings is intended to become the 100% shareholder of Brahma India, thereby consolidating Multiples' investment at the Brahma Holdings level.*
- *The proposed structure accordingly facilitates the investment by both Multiples entities while achieving the intended consolidation of the investment within the Brahma Group.*

3. Rationale for granting Mr. Prabhu Narasimhan the right to appoint 3 (three) out of 6 (six) directors on the Board of Brahma Holdings

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- *Under Mr. Narasimhan's leadership, Brahma has successfully leveraged the knowledge base and domain expertise of DNEG to develop scalable AI technology stacks and product solutions, while progressively expanding its addressable market beyond the media and entertainment industry.*
- *As Brahma enters its next phase of growth, continuity of leadership and the ability to execute its long-term business strategy will be important considerations. The proposed governance structure provides for the Founder and CEO (i.e. Mr. Prabhu*

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Narasimhan), who has been instrumental in building and scaling the business, to continue to provide strategic direction and leadership to the organisation.

- *Further, the right to appoint 3 (three) directors on the 6 (six) member Board forms part of the arrangements disclosed on 23 September 2026 to separate the governance of the Brahma Group from the DNEG Group, such that the Brahma Group is able to operate as a standalone entity separate from the DNEG Group.*

4. ***Rationale for Multiples having 10.90% voting rights despite holding 5% economic interest***

- *Under the proposed post-transaction structure, DNEG Holdings will retain 65.67% economic ownership in Brahma Holdings, while its voting rights will reduce to 24.99%.*
- *The remaining voting rights of 75.01% will be distributed amongst the other shareholders in proportion to their respective economic shareholding within that shareholder group. The following is the envisaged shareholding pattern of Brahma Holdings after the consummation of the Proposed Transaction:*

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Total		100	100

- *As disclosed on 23 September 2026, following the contemplated exchange of Brahma India CCPS for shares of Brahma Holdings, Multiples' collective shareholding at Brahma Holdings will be 5%, equivalent to 10.90% voting rights at Brahma Holdings.*
- *The investment by Multiples has been structured through CCPS as part of the agreed investment and restructuring arrangements. As disclosed in the EGM Notice, Multiples will invest an aggregate USD 100 million, comprising USD 54,356,600 in CCPS of Brahma Holdings and the INR equivalent of USD 45,643,400 in CCPS of Brahma India. The CCPS held by Multiples in Brahma India are subsequently contemplated to be exchanged for shares of Brahma Holdings, subject to receipt of the requisite regulatory approvals and applicable law, thereby consolidating Multiples' investment at the Brahma Holdings level. The different classes of shares and the distinction between economic interest and voting rights form part of the agreed governance arrangements pursuant to which the Brahma Group will operate independently from the DNEG Group following completion. Accordingly, while DNEG Holdings will continue to retain a 65.67% economic interest in Brahma Holdings on a fully diluted basis, its voting rights will reduce from 89.27% to 24.99%, and its existing Class A shares will be converted into Class C shares. These arrangements enable PFL to retain its continuing economic participation in the Brahma business while ceasing to exercise control over Brahma Holdings and Brahma India, as contemplated under the Proposed Transaction*
- *The differential between economic ownership and voting rights is a consequence of the agreed allocation of voting rights under the proposed share-class structure. It is not an additional economic entitlement being granted to Multiple.*

1. ***Resolution Nos. 2 & 3:***

"2. To consider and approve material related party transaction between DNEG S.à.r.l., an unlisted material subsidiary of the Company and Brahma AI Holdings Ltd, an unlisted material subsidiary of the Company"

"3. To consider and approve material related party transaction between Double Negative Holdings Limited, an unlisted subsidiary of the Company and Brahma AI Holdings Ltd, an unlisted material subsidiary of the Company".

The EGM Notice already sets out the proposed transaction and approval sought. In response to the points raised in the Report in relation to Resolution Nos. 2 & 3, please also consider the following:

2. ***Rationale for the proposed arrangements under Resolutions 2 and 3.***

- *The proposed indemnity arrangements are customary in transactions involving the entry of a new institutional investor and a restructuring of the existing shareholding and governance framework.*
- *In the present case, DNEG Parent proposes to undertake indemnity obligations under the Ancillary Framework Deed ("**Framework Deed**") in connection with the separation of the Brahma Group from the DNEG Group. The Indemnified Liability*

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(as defined in the Framework Deed) covers certain specific historic liabilities, liabilities arising from the reorganisation, breaches of specified undertakings under the Framework Deed, the excluded business and the Outstanding BTA Contracts (as defined in the Framework Deed), subject to its limitations, exclusions and payment provisions. Upon Completion (as defined in the Framework Deed), DNEG Parent will also waive claims in respect of pre-Completion intercompany balances as specified therein, warrant the absence of pending or threatened claims against the Brahma Group and irrevocably release it from claims and liabilities arising before the date of the Framework Deed. From Completion, its only rights in the Brahma Group will be its shareholding in Brahma Holdings and those expressly set out in the Framework Deed.

- *Under the proposed shareholders' agreement relating to Brahma Holdings ("**SHA**"), each Shareholder (as defined therein) that is party to the SHA has agreed to indemnify and hold harmless Brahma Holdings and each Group Company (as defined in the SHA), on an after-Tax basis (as defined therein), against any liability with respect to any Tax required to be withheld, deducted or paid on behalf of or with respect to such Shareholder under applicable law, including interest, penalties or costs. Accordingly, this obligation applies to each Shareholder that is party to the SHA, including DNEG Holdings, in respect of the Tax liability relating to that Shareholder; it is not described as an allocation of all liabilities in proportion to shareholding. The 23 September 2026 disclosure states that Mr. Prabhu Narasimhan held 11,651,728 equity shares of PFL at that date, but did not hold shares in DNEG Holdings, Brahma Holdings, Brahma India, the Investors or DNEG Parent. The indemnity recipients identified in Items 2 and 3 are Brahma Holdings and the relevant Brahma Group companies; the disclosed descriptions do not identify Mr. Narasimhan personally as an indemnity recipient.*
- *As stated in the EGM Notice, the indemnity arrangements form an integral part of the investment by Multiples in the Brahma business and its separation from the DNEG Group. They support these arrangements and the value of the Company's continuing indirect economic interest following completion.*
- *Indemnity claims under the Framework Deed may be notified within seven years from its date, with payments for duly notified claims to be made in accordance with its terms. The Shareholder's obligations under the SHA survive disposal of its securities in Brahma Holdings and termination of the SHA. Copies of the draft Framework Deed and SHA are available for inspection through electronic mode up to the date of the EGM. The values of the proposed indemnity transactions are presently indeterminable and depend on the relevant liabilities and crystallisation of payment obligations. The proposed SHA does not state a financial cap for the Tax liability. Approval is being sought for amounts that may become payable from time to time in accordance with the relevant agreement, subject to its limitations, exclusions and payment provisions, in the event that the applicable materiality thresholds are breached. Provisions, if any, in the books of PFL or the relevant DNEG entity will be assessed and decided as and when the amounts crystallise.*
- *The proposed Framework Deed and SHA do not provide for any commission payable to the Company or, respectively, DNEG Parent or DNEG Holdings for providing the indemnities. DNEG Parent is not liable for an Indemnified Liability already recovered from a third party, including under an insurance policy. If Brahma Holdings subsequently recovers from a third party for the same matter, it will repay DNEG Parent the lower of the amount paid by DNEG Parent and the amount actually recovered, subject to the Framework Deed. The SHA clause does not confer on DNEG Holdings a general contractual right to recover indemnity payments from Brahma Holdings.*

1. ***Resolution No. 4: "To approve the material related party transaction for platform license arrangement between DNEG S.à.r.l. and Brahma AI Holdings Ltd."***

The EGM Notice already sets out the proposed transaction and approval sought. In response to the points raised in the Report in relation to Resolution No. 4, please also consider the following:

2. *<u>Rationale for the platform licence arrangement between DNEG S.à.r.l. and Brahma Holdings under Resolution 4</u>*

- *The proposed platform licence arrangement will grant DNEG Parent access to and use of the Brahma AI Platform together with related models, workflows, interfaces, documentation, updates, upgrades, releases and other components.*
- *The proposed platform licence arrangement is intended to provide long-term benefits for the group's platform arrangements and greater certainty over their respective rights. It is also intended to support the subsidiaries' continuing operations and, indirectly, the Company's interests, as stated in Item No. 4 of the EGM Notice.*
- *The arrangement is proposed for a tenure of 10 years and provides for an annual licence fee calculated as the higher of the following:*

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- *The average number of seats in the relevant year multiplied by USD 3,500;*
- *USD 28 million; and*
- *4% of DNEG Parent's annual gross revenue, excluding physical production and investment income for the relevant year.*
- *The arrangement also provides for a review of the annual fee every three years. Item No. 4 seeks approval for the specified platform licence arrangement and corresponding annual fee payments for a total period of 10 years. The EGM Notice further states that Brahma Holdings' third-party infringement indemnity is not intended to survive expiry or termination of the arrangement. The definitive documentation is available for inspection through electronic mode up to the date of the EGM.*
- *The EGM Notice states that the arrangement is cost-neutral for the PFL group (pro-forma excluding Brahma AI), and that future fees depend on how fast DNEG scales up, as the licensing fee is linked to the DNEG creative user base. The annual fee remains subject to the higher-of formula set out above.*

3. ***Overall strategic rationale and benefits to PFL and its shareholders***
4. *The proposed transaction should be viewed in the context of the of the investment by Multiples in the Brahma business and the arrangements to enable the Brahma Group to operate as a standalone entity separate from the DNEG Group, as described in the EGM Notice and the Company's disclosure dated 23 September 2026.*
3. *The Proposed Transaction is designed to achieve the following objectives:*

- ***Investment in the Brahma business:*** *Multiples proposes to invest an aggregate amount of USD 100 million in Brahma Holdings and Brahma India by subscribing to compulsorily convertible preference shares. The broader fundraising round led by Multiples is targeted at USD 150 million, of which Multiples' proposed investment constitutes USD 100 million.*
- ***Standalone operating structure:*** *Certain arrangements have been agreed to facilitate the ability of Brahma Holdings and its subsidiaries, including Brahma India upon completion of the acquisition of its equity shares, to operate as a standalone entity separate from the DNEG Group. These arrangements include the proposed changes to voting rights and Board representation.*
- ***Continuing economic participation:*** *PFL will cease to exercise control over Brahma Holdings and, consequently, Brahma India, but will continue to retain an indirect economic interest in these entities through DNEG Holdings. The disclosed justification for the proposed indemnity arrangements is that they facilitate Multiples' investment and the separation of the Brahma business from the DNEG Group, and support the value of the Company's continuing indirect economic interest following completion.*
- ***Long-term platform arrangement:*** *The proposed platform licence arrangement between DNEG Parent and Brahma Holdings provides for access to and use of the Brahma AI Platform over a period of 10 years. The arrangement is expected to provide long-term benefits for the group's platform arrangements and greater certainty over the parties' respective rights, while supporting the subsidiaries' continuing operations and, indirectly, the Company's interests.*

The Audit Committee and the Board have considered the proposed transactions and recommended the respective resolutions for shareholders' approval. The Board considers the proposals to be in the best interests of the Company and recommends that shareholders approve the resolutions set out in the EGM Notice.

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Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

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NC – Compliance Concern: *The Company has not met statutory compliance requirements*
FC – Fairness Concern: *The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders*
GC – Governance Concern: *SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.*
TC - Disclosures & Transparency Concern: *The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.*

Company Information

Stakeholders Empowerment Services

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