



November 7, 2019

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza,
Bandra-Kurla Complex
Bandra East, Mumbai – 400 051
Fax Nos.: 26598237 / 26598238

To,
BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Fax Nos.: 22723121 / 2037 / 2039

Dear Sir/ Madam,

Ref.: Scrip Code: BSE – 532748 / NSE – PFOCUS

Sub.: Disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “LODR Regulations”)

This is further to our earlier intimation letters of October 15, 2019 and October 22, 2019, in relation to the initial public offering by subsidiary of our Company, namely, DNEG Limited (the “DNEG”), in the United Kingdom.

This is to inform you that DNEG has today announced the price range for its planned initial public offering as well as the commencement of the offer once an approved price range prospectus (the “Prospectus”) has been published, which is expected to take place today (November 7, 2019). DNEG intends to apply for admission of its ordinary shares to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange.

A copy of the announcement made by DNEG, today, in this respect, is attached as an **Annexure**.

This disclosure is being made pursuant to Regulation 30 of the LODR Regulations. Kindly take the above on your record.

Thanking You,

For **Prime Focus Limited**

Parina Shah

Parina Shah

Company Secretary & Compliance Officer



Encl.: a/a

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.

This announcement is an advertisement for the purposes of the Prospectus Regulation Rules of the Financial Conduct Authority (the "FCA") and not a prospectus and not an offer to sell, or a solicitation of an offer to subscribe for or to acquire, securities in any jurisdiction, including in or into the United States, Australia, Canada, Japan or South Africa.

Neither this announcement, nor anything contained herein, nor anything contained in the Prospectus referred to herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors should not subscribe for or purchase any ordinary shares referred to in this announcement or the Prospectus except on the basis of information contained in a prospectus in its final form (together with any supplementary prospectus, if relevant) (the "**Prospectus**") that may be published by DNEG plc (the "**Company**") and together with its subsidiaries and subsidiary undertakings, the "**Group**" or "**DNEG**") in due course in connection with the possible offer of ordinary shares of the Company (the "**Shares**") and the possible admission of its Shares to the premium listing segment of the Official List of the FCA and to trading on the Main Market for listed securities of the London Stock Exchange plc (the "**London Stock Exchange**"). A copy of any Prospectus published by the Company will, if published, be available for inspection from the Company's website at <https://investors.dneg.com/>, subject to certain access restrictions.

7 November 2019

DNEG plc

("DNEG" or the "Company" or the "Group")

Announcement of Price Range

Following the announcement by DNEG on 22 October 2019 of its intention to proceed with an initial public offering (the "**IPO**" or the "**Offer**"), DNEG today announces the price range for its planned IPO as well as the commencement of the Offer once an approved price range prospectus (the "**Prospectus**") has been published, which is expected to take place later today. The Company intends to apply for admission of its ordinary shares ("**Shares**") to the premium listing segment of the Official List of the Financial Conduct Authority (the "**Official List**") and to trading on the Main Market of the London Stock Exchange ("**Admission**").

Offer highlights

- The price range for the Offer has been set at 240 pence to 330 pence per ordinary Share, implying a market capitalisation on Admission of between £508 million - £666 million on a fully diluted basis¹ (approximately US\$654 million - US\$857 million)² (excluding the Over-Allotment Option, as defined below).
- The Offer is expected to comprise of approximately 33 million - 46 million new Shares to be issued by the Company to raise gross proceeds of £110 million (approximately US\$142 million)² and approximately 26 million - 36 million existing Shares (assuming no exercise of the Over-allotment Option) being sold by certain existing shareholders targeted to raise gross proceeds of approximately £85 million³ (approximately US\$110 million)^{2,3}, equating to a total base offer size of approximately 59 million - 81 million Shares targeted to raise gross proceeds of approximately £195 million (approximately US\$252 million)^{2,3} and representing 29.4 per cent - 38.4 per cent of DNEG's fully diluted issued share capital on Admission.
- Up to 10 per cent of the Offer (100 per cent secondary) is expected to be made available pursuant to the Over-Allotment Option. Including the Over-Allotment Option, the Offer is expected to comprise of approximately 6 million - 8 million Shares to raise gross proceeds of approximately £20 million (approximately US\$25 million)^{2,3}.

- The Company expects that it would be eligible for inclusion in the FTSE UK indices post Admission.
- In the Global Offer, Shares will be offered (i) to certain qualified investors in certain states of the European Economic Area, including to certain institutional investors in the United Kingdom and elsewhere outside the United States and (ii) in the United States only to qualified institutional buyers in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.
- The Company and the Selling Shareholders will be subject to a 180 day lock-up from Admission. The Directors and certain employees of the Group will be subject to a 360 day lock-up from Admission. The lock-ups are subject to certain exceptions as set out in the Prospectus.
- Final pricing is expected to be announced on or around 15 November 2019, with conditional dealings in the Shares expected to commence on the London Stock Exchange at 8.00am on the same day under the ticker "DNEG LN Equity".
- Admission of the Company's Shares is expected to occur and unconditional dealings in the Shares on the London Stock Exchange are expected to commence on or around 20 November 2019.
- DNEG has engaged J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) ("**J.P. Morgan Cazenove**") to act as Sole Sponsor and Sole Global Coordinator. Deutsche Bank AG, London Branch ("**Deutsche Bank**"), J.P. Morgan Cazenove, Numis Securities Limited ("**Numis**"), Banco Santander, S.A. ("**Santander**") and BNP PARIBAS ("**BNP Paribas**") will act as Joint Bookrunners in the Offer.
- Full details of the Offer will be included in the Prospectus, which is expected to be published later today and will be available on the Company's investor relations website: <https://investors.dneg.com/>

Namit Malhotra, Chief Executive Officer of DNEG, commented:

"This is an important milestone in DNEG's history and we are incredibly excited for DNEG to begin its journey as the only public digital visual effects company listed on the London Stock Exchange. I would like to thank every member of the DNEG team for their dedication and hard work in helping to create a business recognised today as a leader in its field. We believe the listing will enable us to define the next chapter of growth as we look to raise the bar through targeted investment in our technology, facilities and staff in order to deliver evermore exciting and innovative content for our clients and partners, whilst creating value for our shareholders."

Terms not defined herein shall have the same meaning as given to them in the Prospectus.

Footnotes

¹ Based on the fully diluted number of Shares accounting for 166 million - 168 million Shares (incl. non vested, non-exercised stock options and cancellation of shares using the treasury stock method) and new Shares issued by the Company of 33 million - 46 million Shares. DNEG would be valued at a post Offering equity value of c. £470 million - £605 million (approximately US\$605 million - US\$779 million) based on current shares outstanding of 150 million existing Shares and new Shares issued by the Company of 33 million - 46 million Shares.

² Based on a GBP/USD rate of 1.2868, as of 6 November 2019.

³ The proceeds of the Offer from the sale of Existing Shares is a target only and is subject to market conditions. The Company and the Selling Shareholders reserve the right to sell such number of Existing Shares and at such price as falls within the Existing Share Offer Size Range and the Price Range, respectively. Accordingly, the gross proceeds of the sale of the Existing Shares and of the Offer may be higher or lower than targeted.

Enquiries:

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Notes to Editors

About DNEG

DNEG is a global, award-winning digital visual effects, animation and stereo conversion company for feature film, television, streamed media, augmented / virtual reality and experiential entertainment. DNEG provides a full range of services to clients worldwide through a network of studios in London, Vancouver, Mumbai, Los Angeles, Chennai, Montréal, Chandigarh, Hyderabad and Goa. www.dneg.com

Important legal information

The contents of this announcement, which have been prepared by and is the sole responsibility of the Company, have been approved by J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

Any securities referred to herein have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. Any securities referred to herein have not been and will not be registered under the applicable securities laws of Australia, Canada, South Africa or Japan and, subject to certain exceptions, may not be offered or sold within Australia, Canada, South Africa or Japan or to any national, resident or citizen of Australia, Canada, South Africa or Japan. Neither this announcement nor any copy of it may be taken or transmitted, directly or indirectly, into the United States (including its territories and possessions), Australia, Canada, South Africa or Japan or to any persons in any of those jurisdictions or any other jurisdictions where to do so would constitute a violation of the relevant securities laws of such jurisdiction.

Any failure to comply with the foregoing restrictions may constitute a violation of United States, Australian, Canadian, South African or Japanese securities laws. The publication or distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Any offer, if made subsequently, is and will be only addressed to and directed at persons in member states of the European Economic Area (the “EEA”) who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) (“**Qualified Investors**”). In addition, in the United Kingdom, and any offer, if made subsequently, is and will be only directed at, and should only be relied upon by, Qualified Investors who are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), are persons who are high net worth entities, unincorporated associations and other persons falling within Article 49(2)(a) to (d) of the Order or are persons to whom it may otherwise be lawful to communicate it to (all such persons being referred to as “**Relevant Persons**”). Any investment or investment activity to which this announcement relates will be available only to Relevant Persons in the United Kingdom and Qualified Investors in any member state of the EEA other than the United Kingdom and will be engaged in only with such persons.

This announcement does not constitute an offer or invitation for the sale, issuance or subscription for any securities in any jurisdiction, nor does it purport to give legal, tax or financial advice. Nothing contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity. The information, statements and opinions contained in this announcement do not constitute a public offer under any applicable legislation or an offer to sell, or a solicitation of an offer to purchase, any securities in and are not for release, publication or distribution (directly or indirectly) in or into the United States, Canada, Japan, Australia or any other jurisdiction where such distribution or offer is unlawful.

Neither this announcement, nor the Prospectus referred to herein, constitutes a recommendation concerning any offer. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of any offer for the person concerned. You should not base your financial decision on this announcement. The Company may decide not to go ahead with any offer and there is therefore no guarantee that Admission will occur.

This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions.

Forward looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward looking statements speak only as of the date they are made.

The Company, J.P. Morgan Cazenove, Deutsche Bank, Numis, Santander and BNP Paribas and their respective affiliates, expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Neither (i) the Company nor any of its parent or subsidiary undertakings, or the subsidiary undertakings of any such parent undertakings, or any of such persons' respective partners, directors, officers, employees, agents, affiliates, advisers or agents nor (ii) J.P. Morgan Cazenove, Deutsche Bank, Numis, Santander, BNP PARIBAS and their respective affiliates, or any of their respective affiliates or any of their or their affiliates' directors, officers, employees, advisers or agents, is under an obligation to update, revise or keep current

the information contained in this announcement and the information in this announcement is subject to change without notice.

Neither (i) the Company, the Group nor any of their respective parent or subsidiary undertakings, or the subsidiary undertakings of any such parent undertakings, or any of such persons' respective partners, directors, officers, employees, agents, affiliates, advisers or agents nor (ii) J.P. Morgan Cazenove, Deutsche Bank, Numis, Santander, BNP PARIBAS and their respective affiliates, or any of their respective affiliates or any of their or their affiliates' directors, officers, employees, advisers or agents, accepts any responsibility, obligation or liability whatsoever for, or makes any representation or warranty, express or implied, as to, and no reliance should be placed on, the fairness, truth, fullness, accuracy, completeness or correctness of, the information in this announcement or whether any information has been omitted from the announcement or as to any other information relating to the Company or the Group, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement, its contents or otherwise arising in connection therewith, or in reliance upon, the whole or any part of the contents of this announcement, whether in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith. None of J.P. Morgan Cazenove, Deutsche Bank, Numis, Santander, BNP PARIBAS or any of their respective affiliates has independently verified the information contained in this announcement.

Any subscription or purchase of Shares in the possible Offer should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the Offer. The information in this announcement is subject to change. Before subscribing for or purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained in the Prospectus referred to herein, shall form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The date of Admission may be influenced by a variety of factors which include market conditions. The Company may decide not to go ahead with the Offer and there is therefore no guarantee that Admission will occur. You should not base your financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

Persons considering making investments should consult an authorised person specialising in advising on such investments. Neither this announcement, nor the Prospectus referred to herein, constitutes a recommendation concerning a possible offer. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.

For the avoidance of doubt, the contents of the Company's website are not incorporated by reference into, and does not form part of, this announcement.

In connection with the Offer, J.P.Morgan Cazenove (as "**Stabilising Manager**"), may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares up to a maximum of 10 per cent. of the total number of the Offer Shares or effect other transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a period of no more than 30 calendar days after the date of commencement of conditional dealings of the Shares on the London Stock Exchange. Such transactions may be effected on the London Stock Exchange, in the over-the-counter markets or otherwise. There is no obligation on the Stabilising Manager to undertake stabilisation transactions. Such transactions, if commenced, may be discontinued at any time without prior notice and must be brought to an end no later than 30 calendar days after the date of commencement of conditional dealings of the Shares on the London Stock Exchange (the "**Stabilisation Period**"). In no event will measures be taken to stabilise the market price of the Shares above the Offer Price. Save as required by

law, the Stabilising Manager does not intend to disclose the extent of any stabilisation transactions under the Offer.

For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allocations and/or from sales of Shares effected by it during the Stabilisation Period, one of the selling shareholders has granted to it an option (the "**Over-allotment Option**"), pursuant to which the Stabilising Manager may purchase or procure purchasers for up to a maximum of 10 per cent. of the total number of IPO Shares at the Offer Price. The Overallotment Option is exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings in the Shares on the London Stock Exchange. Any Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares in the Offer and will form a single class for all purposes with the other Shares.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income or capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in related to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.