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NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, OUTSIDE INDIA.
THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") AND BSE LIMITED ("BSE"), AND TOGETHER WITH NSE, THE "STOCK EXCHANGES") IN COMPLIANCE WITH CHAPTER II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS")



(Please scan this QR Code to view the RHP and the Abridged Prospectus)



ESDS SOFTWARE SOLUTION LIMITED (TO BE LISTED ON THE MAIN BOARD OF BSE AND NSE)

Our Company was originally incorporated as a private limited company under the name of "ESDS Software Solution Private Limited" under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 18, 2005, issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Subsequently, our Company was converted into a public limited company pursuant to a board resolution dated June 29, 2021 and a special resolution passed in the extra-ordinary general meeting of the shareholders held on June 30, 2021, and the name of our Company was changed to "ESDS Software Solution Limited" and a fresh certificate of incorporation dated July 8, 2021 was issued by the RoC. For further details relating to the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 284 of the red herring prospectus dated August 24, 2026 filed with the RoC ("RHP" or "Red Herring Prospectus").

Registered Office: Plot No. B- 24 & 25, NICE Area, MIDC, Satpur, Nashik – 422 007, Maharashtra, India. Corporate Office: Unit No. B-01, Ground Floor, Empire Tower, Gut No. 31, Mouje Elthan, Thane – 400 708, Maharashtra, India
Contact Person: Prasad Deochand Deokar, Company Secretary and Compliance Officer; Telephone: +91 253 711 2244; E-mail: secretarial@esds.co.in; Website: www.esds.co.in; Corporate Identity Number: U72200MH2005PLC155433

OUR PROMOTERS: PIYUSH PRAKASHCHANDRA SOMANI, KOMAL PIYUSH SOMANI AND P.O. SOMANI FAMILY TRUST

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF ESDS SOFTWARE SOLUTION LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[•] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹7,200.00 MILLION ("ISSUE").

PRICE BAND: ₹408 TO ₹429 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.

THE FLOOR PRICE IS 408 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 429 TIMES THE FACE VALUE OF THE EQUITY SHARES.
BIDS CAN BE MADE FOR A MINIMUM OF 34 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AND IN MULTIPLES OF 34 EQUITY SHARES OF FACE VALUE OF ₹1 EACH THEREAFTER.

THE PRICE TO EARNINGS RATIO ("P/E") BASED ON DILUTED EPS FOR FINANCIAL YEAR ENDED 2026 FOR THE COMPANY AT THE UPPER END OF THE PRICE BAND IS 36.33 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 34.55 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF (819.78) TIMES AND P/E RATIO OF FIFTY50 OF 20.48 TIMES AS ON AUGUST 20, 2026.
THE EV/EBITDA FOR THE FINANCIAL YEAR ENDED 2026 FOR THE COMPANY AT THE UPPER END OF THE PRICE BAND IS 16.30 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 15.40 TIMES AS COMPARED TO AVERAGE INDUSTRY PEER GROUP EV/EBITDA RATIO OF 99.49 TIMES
WEIGHTED AVERAGE RETURN ON NET WORTH FOR LAST THREE FISCAL YEARS IS 17.09%.

Particulars	DETAILS OF THE ISSUE TO THE PUBLIC			
	At Floor Price of ₹408 each		At Cap Price of ₹429 each	
	Upto nos. of Equity Shares of Face Value ₹1 each	Upto amount (₹ in Million)	Upto nos. of Equity Shares of Face Value ₹1 each	Upto amount (₹ in Million)
Fresh Issue	17,647,058	7,200.00	16,783,216	7,200.00
Offer For Sale	-	-	-	-
Total Issue Size	17,647,058	7,200.00	16,783,216	7,200.00
Post Issue Market Capitalisation of Company	118,074,811	48,174.52	117,210,969	50,283.51

BID/ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE THURSDAY, AUGUST 27, 2026

BID/ISSUE OPENS ON FRIDAY, AUGUST 28, 2026

BID/ISSUE CLOSES ON TUESDAY, SEPTEMBER 1, 2026*

* The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Date.

We are an AI-enabled cloud, managed services, Data Centre infrastructure and software solutions provider in India.

THE ISSUE IS BEING MADE THROUGH THE BOOK BUILDING PROCESS IN ACCORDANCE WITH REGULATION 6(1) OF THE SEBI ICDR REGULATIONS.
THE EQUITY SHARES OF THE COMPANY WILL GET LISTED ON THE MAIN BOARDS OF BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED.
NSE SHALL BE THE DESIGNATED STOCK EXCHANGE.
• QIB PORTION: NOT MORE THAN 50% OF THE ISSUE • NON-INSTITUTIONAL PORTION: NOT LESS THAN 15% OF THE ISSUE
• RETAIL PORTION: NOT LESS THAN 35% OF THE ISSUE

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ONLY ON THE INFORMATION INCLUDED IN THE RHP AND THE TERMS OF THE ISSUE, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE ISSUE AVAILABLE IN ANY MANNER. IN RELATION TO PRICE BAND, POTENTIAL INVESTORS SHOULD ONLY REFER TO THIS PRICE BAND ADVERTISEMENT FOR THE ISSUE AND SHOULD NOT RELY ON ANY MEDIA ARTICLES/ REPORTS IN RELATION TO THE VALUATION OF THE COMPANY AS THESE ARE NOT ENDORSED, PUBLISHED OR CONFIRMED EITHER BY THE COMPANY OR THE BOOK RUNNING LEAD MANAGERS TO THE ISSUE ("BRLMs").

In accordance with the recommendation of the committee of Independent Directors of our Company, pursuant to their resolution dated August 24, 2026, the above provided price band is justified based on quantitative factors/ key performance indicators ("KPIs") disclosed in the "Basis for the Issue Price" section beginning from page 142 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, as disclosed in the "Basis for the Issue Price" section beginning from page 142 of the RHP and provided below in this advertisement.

Risk to Investors

For details, refer to section titled "Risk Factors" on page 23 of the RHP.

1. Risks Related to Technological Obsolescence

We are engaged in an industry characterized by rapid technological innovation, evolving industry standards, frequent new service introductions, and changing customer demands. We believe that the pace of innovation will continue to accelerate. In order to provide a holistic solution to our client's comprehensive cloud data requirement, we have diversified our comprehensive IaaS cloud computing services portfolio to public clouds, private clouds, virtual private clouds, hybrid clouds, community cloud offerings, and our SaaS offerings to Data Centre management services, vulnerability scanners, web access firewalls and VPN. Our future success depends on our ability to continue to innovate and increase customer adoption of our platform in these and other areas. We need to continue to evaluate our product and service offerings and invest in technologies, services, and partnerships that increase the types of data processed on our platform and the ease with which customers can ingest data into our platform. This may require significant investments, take considerable time and ultimately may not be successful.

2. Risks Related to Government Revenue Concentration

We have earned revenue from government and quasi-government clients and private sector clients that assist in the execution of government IT projects. Therefore, any changes in relevant government policies or budgetary allocations, could adversely affect our ability to retain business from government and quasi-government entities, or from third parties who work with government entities.

The table below sets out our revenue, directly or indirectly, from government entities and government projects in the fiscal years indicated:

Particulars	Year ended March 31,		
	2026	2025	2024
	₹ in million, except percentages		
Revenue, directly or indirectly, from government entities and government projects [A]	1,292.58	1,066.84	975.33
Revenue, directly or indirectly, from government entities and government projects as a percentage of revenue from operations [B = A/C] (%)	27.37%	29.52%	34.04%
Revenue from operations [C]	4,722.10	3,613.35	2,865.18

3. Losses incurred by our Company's Subsidiary:

Our Subsidiary, ESDS Cloud FZ-LLC, had a loss of ₹40.46 million and ₹60.19 million for Fiscals 2025 and 2024, respectively. These losses represented (7.28%) and (44.23%) of our profit for Fiscals 2025 and 2024, respectively. Although ESDS Cloud FZ-LLC had a profit for the year of ₹54.62 million for Fiscal 2026, there can be no assurance that ESDS Cloud FZ-LLC will not incur a loss for the year in the future. If ESDS Cloud FZ-LLC were to experience a loss for the year over continuous fiscal years, especially if the losses were large, its ability to operate its business as a going concern may be adversely affected. This may require it to raise additional financing, which may not be available, and it would adversely affect our consolidated financial condition, results of operations and cash flows.

4. Data Security Breach and Liability Risks

Our cloud platform and products involve the storage and transmission of data, including personally identifiable information. Security breaches or unauthorized access to our platform and products could result in the loss of our or our customers' or users' data, litigation, indemnity obligations, fines, penalties, disputes, investigations and other liabilities. If the security of a cloud is breached, hackers may have access to confidential business and personal data, as well as intellectual property of our customers and our Company.

5. Dependency on limited number of customers:

The table below sets forth our revenue from our top client, top five clients and top 10 clients for the respective period based on their contribution to our revenue from operations for Fiscals 2026, 2025 and 2024, as well as such revenue as percentage of our revenue from operations.

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue (₹ in million)	% of revenue from operations	Revenue (₹ in million)	% of revenue from operations	Revenue (₹ in million)	% of revenue from operations
Top client	752.40	15.93%	728.08	20.15%	171.94	6.00%
Top 5 clients	1,647.71	34.89%	1,416.01	39.19%	742.13	25.90%
Top 10 clients	2,141.73	45.36%	1,782.72	49.34%	1,071.00	37.38%
Revenue from operations	4,722.10	100.00%	3,613.35	100.00%	2,865.18	100.00%

6. Risks related to objects of the issue

We intend to use ₹5,760.00 million of the Net Proceeds for the purposes of purchase and installation of cloud computing equipment and other equipment and infrastructure for our

Continued on next page...

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Airoli Data Centre, Bengaluru Data Centre, Mohali Data Centre and Nashik Data Centre (collectively, the “**Relevant Data Centres**”). The equipment that we propose to procure for our Relevant Data Centres will comprise of computer servers, data storage devices, networking equipment and infrastructure including electrical and infrastructure related equipment, such as power distribution units, precision air conditioning, diesel generator sets and low-tension panel, among others. While we have procured quotations from various vendors, we have not placed any orders for the equipment required and, as such, we are yet to receive delivery of any of such equipment. Further, such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. The rising cost of GPU compute has, more broadly, encouraged AI-driven companies to prioritize cost optimization and efficiency in their GPU utilization strategies (source: *Nexdigm Report*, page 49). Similar supply constraints or pricing pressures affecting the equipment we intend to procure for the Relevant Data Centres could adversely affect our capital expenditure and implementation plans. While the total estimated cost proposed to be utilised from the Net Proceeds towards purchase and installation of cloud computing, data storages devices, networking equipment and infrastructure remains unchanged at ₹5,760.00 million however the quantity and cost mix across computer servers, storage devices, networking equipment and data-centre infrastructure has reduced based on updated vendor quotations and revised specifications.

7. **Risks from Hypothecated and Mortgaged Assets**

A substantial portion of our assets are hypothecated or mortgaged in favour of lenders as security for some of our borrowings. As at March 31, 2026, 2025 and 2024, the total value of our hypothecated current assets as a percentage of our total current assets was 96.72%, 88.96% and 84.84%, respectively, and the total value of our mortgaged property, plant and equipment as a percentage of our total property, plant and equipment was 18.89%, 27.05% and 56.62%, respectively. Our lenders may enforce the security in the event of our failure to service our debt obligations, which could adversely affect our business, financial condition, results of operations and cash flows. The table below sets out certain details of our secured borrowings as at the dates indicated.

Particulars	As at and for the year ended March 31,		
	2026	2025	2024
	₹ in million, except days and percentages		
Total secured borrowings (current) [A]	145.00	221.16	306.67
Total secured borrowings (non-current) [B]	284.17	405.97	847.73
Total secured borrowings (current and non-current) [C = A+B]	429.17	627.13	1,154.40
Total value of hypothecated current assets [D]	14,645.37	2,408.45	1,762.94
Total current assets [E]	15,141.43	2,707.49	2,085.32
Total value of hypothecated current assets as a percentage of total current assets [F=D/E] (%)	96.72%	88.96%	84.84%
Total value of mortgaged property, plant and equipment [G]	597.67	770.80	1,234.63
Total value of property, plant and equipment [H]	3,164.12	2,850.00	2,180.50
Total value of mortgaged property, plant and equipment as a percentage of total property, plant and equipment ⁽¹⁾ [I = G/H] (%)	18.89%	27.05%	56.62%

Note:
⁽¹⁾ Total value of mortgaged property, plant and equipment consists of the written-down value of land & building as on the reporting date and for other assets under property, plant and equipment value is considered to the extent of amount of the loan outstanding as on reporting date.

8. **Risks Related to Receivables Collection**

Our business depends on our ability to successfully obtain payment from our customers of the amounts they owe us for our products and services. Our business involves extending credit to our customers, ranging typically from 30 to 140 days. Due to the nature of agreements and arrangements that we enter into, we are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely affect our results of operations and cash flows.

12. The table below provides details of our market capitalisation to revenue from operations ratio, market capitalisation to tangible assets ratio, P/E ratio and enterprise value to EBITDA ratio for our Company at the Issue Price and at the closing market price of the equity shares for our listed peer on NSE as at August 20, 2026:

Particulars	Market capitalisation to revenue from operations ratio ⁽¹⁾		Market capitalisation to tangible assets ratio ⁽²⁾		P/E Ratio ⁽³⁾		Enterprise value to EBITDA ratio ⁽⁴⁾	
	Cap Price	Floor Price	Cap Price	Floor Price	Cap Price	Floor Price	Cap Price	Floor Price
Our Company	10.65	10.20	9.47	9.07	36.33	34.55	16.30	15.40
Listed Peer								
E2E Networks Limited	52.22		7.69		(819.78)		99.49	

Notes:
⁽¹⁾ Based on revenue from operations for Fiscal 2026.
⁽²⁾ Based on tangible assets as at March 31, 2026.
⁽³⁾ Based on profit for the year and diluted earnings per share for Fiscal 2026 and closing market price as on August 20, 2026 on NSE.
⁽⁴⁾ Based on EBITDA for Fiscal 2026.

13. **P/E Ratio Compared to Industry Peer:** The Price/Earnings Ratio based on diluted EPS for Financial Year 2026 for the Company at the higher end of the price band is 36.33 times as compared to the P/E ratio of Nifty 50 of 20.48 times as on August 20, 2026, as the P/E of the listed peer is negative i.e. (819.78) times.

14. The table below provides comparison of certain ratios our Company and with our listed industry peer for Fiscal 2026:

Particulars	Market capitalization to revenue from operations ratio (times)		Enterprise value to EBITDA ratio (times)		Price to earnings ratio* (times)		Earnings per share (EPS) (₹)		Net asset value per share (₹)	Return on equity (%)	Return on capital employed (%)
	Cap Price	Floor Price	Cap Price	Floor Price	Cap Price	Floor Price	Basic	Diluted			
Our Company	10.65	10.20	16.30	15.40	36.33	34.55	12.03	11.81	52.66	25.12	32.78
Peer Group:											
E2E Networks Limited	52.22		99.49		(819.78)		(0.78)	(0.76)	81.97	(0.95)	(0.52)

*Based on diluted EPS.

The table below sets out our Days Sales Outstanding (as defined below) for the periods and fiscal years indicated.

Particulars	As at and for the year ended March 31,		
	2026	2025	2024
	₹ in million, except days		
Trade receivables (billed) [A]	1,021.26	997.56	690.03
Revenue from operations [B]	4,722.10	3,613.35	2,865.18
Number of days in the year [C]	365	365	366
Days Sales Outstanding (DSO) [D = A/B*C] (days)	79	101	88

9. **Risks related to geopolitical tensions and trade policies**

We are exposed to macroeconomic downturns and geopolitical tensions, trade policies, and regulatory changes in the countries we export to, which was primarily the United Arab Emirates for Fiscal 2026. Our revenue from our top client in Fiscal 2026, a UAE company, represented 15.93% of our revenue from operations. The war between Israel and the United States on the one hand and Iran on the other has had a material adverse effect on the UAE's economy. If the war was to continue, it could continue to have a material adverse effect on the UAE's economy and thereby adversely affect the business, financial condition, results of operations and cash flows of our top client for Fiscal 2026. A material decrease in the revenue we earn from this client would have a material adverse effect on our business, financial condition, results of operations and cash flows.

10. **Risks related to customer services and performance bank guarantees**

Our business is highly dependent on our ability to allow our customers to have access to our services on a continuous and seamless basis or within an acceptable amount of time. If we are unable to prevent disruptions to customers' access to our services it could adversely affect our reputation, business, financial condition, results of operations and cash flows. We are typically required to furnish performance bank guarantees in connection with services or products provided by us. The table below sets forth the details of the performance bank guarantees furnished by us to customers, and the percentage of performance bank guarantees furnished by us to customers as a percentage of our Net Worth, as of the dates mentioned:

Particulars	As at and for the year ended March 31,		
	2026	2025	2024
	₹ in million, except percentages		
Performance bank guarantees given to customers [A]	526.04	472.27	420.21
Performance bank guarantees given to customers as a percentage of Net Worth [B = A/C] (%)	9.95%	11.65%	20.36%
Net Worth ⁽¹⁾ [C]	5,288.12	4,055.54	2,063.59

Note:
⁽¹⁾ Net Worth is calculated as the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, share based payment reserve, debenture redemption reserve and capital redemption reserve. Net Worth represents equity attributable to owners of the Company and does not include amounts attributable to non-controlling interest.

11. **Risks related to infringement of intellectual property rights**

We cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may force us to alter our technologies, obtain licences or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be subject to costly litigation or may be required to obtain a licence, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licences or design modifications can be extremely costly. Further, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement. An inadvertent breach or any misuse of intellectual property or proprietary data by any of our employees or sub-contractors may expose us to expensive infringement claims.

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15.Details of price at which specified securities were acquired by our Promoters, members of our Promoter Group and Shareholder(s) with right to nominate directors or other special rights in the last three years

Except as stated below, none of our Promoters, members of our Promoter Group have acquired specified securities in the last three years immediately preceding the date of the Red Herring Prospectus:

S. No.	Name of the acquirer/ shareholder	Nature of transaction	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Face value of Equity Shares (in ₹)	Acquisition price per specified security (in ₹)*
1.	Sarla Prakashchandra Somani	Transfer	August 14, 2024	1,600	1	260
		Transfer	August 21, 2024	5,000	1	260
		Transfer	September 3, 2024	4,940	1	260
		Transfer	September 16, 2024	692,005	1	309
		Transfer	September 17, 2024	398,656	1	309
		Transfer	September 18, 2024	71,532	1	309
		Transfer	September 19, 2024	1,784	1	309
		Transfer	September 23, 2024	8,062	1	309
		Transfer	September 24, 2024	1,000	1	309
		Transfer	October 4, 2024	81357	1	309
		Transfer	October 14, 2024	1,788	1	309
		Transfer	October 21, 2024	90,236	1	Nil^
		Transfer	October 25, 2024	2,000	1	309
2.	Pooja Prakashchandra Somani	Partial distribution of the trust properties of the P.O. Somani Family Trust in favour of its beneficiaries@**	February 6, 2025	100,000	1	NA
3.	Prajakta Rushikesh Jadhav	Partial distribution of the trust properties of the P.O. Somani Family Trust in favour of its beneficiaries@**	February 6, 2025	100,000	1	NA
4.	Komal Piyush Somani	Gift	October 23, 2024	100,000	1	NA
		Partial distribution of the trust properties of the P.O. Somani Family Trust in favour of its beneficiaries@**	February 6, 2025	11,033,739	1	NA

* The above details have been certified by the Independent Chartered Accountant and Previous Auditor, M/s Shah Khandelwal Jain & Associates, Chartered Accountants by way of their certificate dated August 24, 2026.

** Pursuant to the resolutions of the trustees of the P.O. Somani Family Trust dated January 17, 2025: (i) of the 22,467,478 Equity Shares of ₹1 each held by the P.O. Somani Family Trust, 11,233,739 Equity Shares of ₹1 were distributed among the beneficiaries in the manner set out above; and (ii) 100,000 equity shares each were distributed to Prajakta Rushikesh Jadhav and Pooja Prakashchandra Somani. Subsequently, the trustees of the P.O. Somani Family Trust recorded the resignation of Prajakta Rushikesh Jadhav and Pooja Prakashchandra Somani as beneficiaries and trustees of the P.O. Somani Family Trust. For details of the current beneficiaries of the P.O. Somani Family Trust, see "Our Promoters and Promoter Group – Details of our Promoters-Promoter Trust" on page 319 of the RHP.

^ Transfer by way of gift.

@ With respect to the P.O. Somani Family Trust, the (i) settlor is Sarla Prakashchandra Somani; (ii) the trustee is Komal Piyush Somani; and (iii) the beneficiaries are Komal Piyush Somani and the lineal descendants of Piyush Prakashchandra Somani.

None of the Shareholder(s) have the right to nominate Director(s) or hold any special rights under our Articles of Association as on the date of the Red Herring Prospectus.

16. **Weighted Average Cost of Acquisition of Equity Shares:** Weighted average cost of acquisition of all Equity Shares transacted in the 3 years, 18 months and 1 year preceding the date of the Red Herring Prospectus:

Period	Number of Equity Shares transacted of face value ₹1 each*	Weighted average cost of acquisition per Equity Share of face value of ₹1 each (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)*
Last one year preceding the date of the Red Herring Prospectus	Nil	Nil	NA	NA
Last 18 months preceding the date of the Red Herring Prospectus	859,428	225.00	1.91	225.00 [#] - 225.00
Last three years preceding the date of the Red Herring Prospectus	18,897,999	81.72	5.25	154.00 [#] - 309.00

* Details above include secondary transactions undertaken by Promoters and members of Promoter Group (including gifts and partial distribution of the trust properties of the P.O. Somani Family Trust).

[#] Lowest price has been considered excluding gift transactions and partial distribution of the trust properties of the P.O. Somani Family Trust in favour of its beneficiaries.

Note: As certified by the Independent Chartered Accountant and Previous Auditor, M/s Shah Khandelwal Jain & Associates, Chartered Accountants by way of their certificate dated August 24, 2026.

17. **Average cost of acquisition of Equity Shares by our Promoters**

The average cost of acquisition of Equity Shares held by our Promoters, as on the date of the Red Herring Prospectus, is set forth below:

S. No.	Name of the Promoter	Number of Equity Shares of face value of ₹1 each held	Average cost of acquisition per Equity Share (in ₹)*
1.	Piyush Prakashchandra Somani	24,648,670	0.08
2.	Komal Piyush Somani	10,174,322	Nil [#]
3.	P.O. Somani Family Trust	11,233,739**	0.15

* Weighted average cost of acquisition has been calculated after considering bonus issuances by our Company and split of face value of equity shares from ₹10 per equity share to ₹1 per equity share.

**Held through its trustee, Komal Piyush Somani

[#] Shares outstanding as on the date of certificate have been acquired by way of partial distribution of the trust properties of the P.O. Somani Family Trust and gift, accordingly, weighted average cost of acquisition per equity share is Nil.

Note: As certified by the Independent Chartered Accountant and Previous Auditor, M/s Shah Khandelwal Jain & Associates, Chartered Accountants by way of their certificate dated August 24, 2026.

18. **Weighted Average Return on Net Worth:** Weighted Average Return on Net Worth for past three fiscal years, i.e. Fiscals 2026, 2025 and 2024 is 17.09%.

19. **Performance of BRLMs' Past Issues:** The 2 BRLMs associated with the Issue have handled 23 public issues in the past three years, out of which 8 issues closed below the issue price on listing date:

Name of BRLMs	Total Issue	Issues closed below issue price as on listing date
DAM Capital Advisors Limited	17	4
Systematix Corporate Services Limited	6	4
Total	23	8

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Additional Information for Investors

1. The Company has not undertaken a pre-IPO placement.

2. The Promoters or members of Promoter Group have not undertaken any transaction of Equity Shares aggregating up to 1% or more of the paid-up equity share capital of the Company from the date of the Draft Red Herring Prospectus filing till date.

3. **Pre-Issue shareholding as at the date of this pre-issue and price band advertisement and Post-Issue shareholding as at Allotment of our Promoters, members of the Promoter Group, top 10 Shareholders and other Public Shareholders of our Company**
The aggregate pre-Issue and post-Issue equity shareholding and percentage of the pre-Issue and post-Issue paid up Equity Share capital of our Promoters, members of the Promoter Group (other than Promoters), the additional top 10 Shareholders and other Public Shareholder as on the date of this pre-issue and price band advertisement is set forth below:

S. No.	Name of Shareholder	Pre-Issue shareholding as on date of this pre-issue and price band advertisement			Post-Issue shareholding as at Allotment ⁽²⁾			
		Number of Equity Shares of face value ₹1 each	Percentage of total pre-Issue paid up Equity Share capital (%)	Percentage of total pre-Issue paid up Equity Share capital on a fully diluted basis ⁽¹⁾ (%)	At the lower end of the Price Band (₹408 per Equity Share of face value of ₹1 each)		At the upper end of the Price Band (₹429 per Equity Share of face value of ₹1 each)	
					Number of Equity Shares of face value ₹1 each held on a fully diluted basis	Percentage of total post-Issue paid up Equity Share capital on a fully diluted basis (%)	Number of Equity Shares of face value ₹1 each held on a fully diluted basis	Percentage of total post-Issue paid up Equity Share capital on a fully diluted basis (%)
Promoters								
1.	Piyush Prakashchandra Somani	24,648,670	24.54	24.50	24,648,670	20.84	24,648,670	21.00
2.	Komal Piyush Somani	10,174,322	10.13	10.11	10,174,322	8.60	10,174,322	8.67
3.	P.O. Somani Family Trust ^{4*}	11,233,739	11.19	11.17	11,233,739	9.50	11,233,739	9.57
Total (A)		46,056,731	45.86	45.78	46,056,731	38.95	46,056,731	39.23
Promoter Group (other than the Promoters)								
1.	Sarla Prakashchandra Somani	3,788	Negligible	Negligible	3,788	Negligible	3,788	Negligible
2.	Pooja Prakashchandra Somani	100,011	0.10	0.10	100,011	0.08	100,011	0.09
3.	Prajakta Rushikesh Jadhav	100,011	0.10	0.10	100,011	0.08	100,011	0.09
Total (B)		203,810	0.20	0.20	203,810	0.17	203,810	0.17
Public Shareholders (top 10 Shareholders)								
1.	Mukul Mahavir Agrawal	7,032,960	7.00	6.99	7,032,960	5.95	7,032,960	5.99
2.	Vanaja Sundar Iyer (held jointly with Sundar Iyer)	2,948,301	2.94	2.93	2,948,301	2.49	2,948,301	2.51
3.	Suresh Kumar Agarwal (held jointly with Sarita Agarwal)	2,491,592	2.48	2.48	2,491,592	2.11	2,491,592	2.12
4.	Ashish Kacholia	2,402,000	2.39	2.39	2,402,000	2.03	2,402,000	2.05
5.	NKA Resources LLP	1,808,182	1.80	1.80	1,808,182	1.53	1,808,182	1.54
6.	Ketan Vallabhdas Thakkar-Prop	1,500,000	1.49	1.49	1,500,000	1.27	1,500,000	1.28
7.	Seema Dilip Vora	1,378,383	1.37	1.37	1,378,383	1.17	1,378,383	1.17
8.	Anchorage Capital Fund - Anchorage Capital Scheme I	1,323,591	1.32	1.32	1,323,591	1.12	1,323,591	1.13
9.	ESDS Employee Benefit Trust	1,291,894	1.29	1.28	1,291,894	1.09	1,291,894	1.10
10.	Vanaja Sundar Iyer	1,268,863	1.26	1.26	1,268,863	1.07	1,268,863	1.08
Total (C)		23,445,766	23.35	23.30	23,445,766	19.83	23,445,766	19.97
Other Public Shareholders								
1.	^	30,721,446	30.59	30.54	48,368,504	40.90	47,504,662	40.47
Total (D)		30,721,446	30.59	30.54	48,368,504	40.90	47,504,662	40.47
Total (A) + (B) + (C) + (D)		100,427,753	100.00	99.82	118,074,811	99.85	117,210,969	99.85

¹ With respect to the P.O. Somani Family Trust, the (i) settlor is Sarla Prakashchandra Somani; (ii) the trustee is Komal Piyush Somani; and (iii) the beneficiaries are Komal Piyush Somani and the lineal descendants of Piyush Prakashchandra Somani.

² The Equity Shares are held by Komal Piyush Somani, in the capacity of the trustee

(1) Calculated on the basis of total Equity Shares held and vested options under the ESOP 2024

(2) Assuming full subscription in the Issue. The post-Issue shareholding details as at Allotment will be based on the actual subscription and the Issue Price and updated in the Prospectus, subject to finalization of the Basis of Allotment. Also, this table assumes there is no transfer of shares by these shareholders between the date of the advertisement and Allotment (if any such transfers occur prior to the date of the Prospectus, it will be updated in the shareholding pattern in the Prospectus).

⁴As on the date of this pre-issue and price band advertisement, our Company has 2,615 public Shareholders (based on beneficiary position statement available on August 21, 2026)

BASIS FOR THE ISSUE PRICE



The “Basis for the Issue Price” on page 142 of the RHP has been updated as above and for the details of the price band. Please refer to the websites of the BRLMs: www.damcapital.in and www.systematixgroup.in for the “Basis for the Issue Price” updated with the above price band

You may scan the QR code for accessing the website of DAM Capital Advisors Limited.

The Price Band has been and Issue Price will be determined by our Company in consultation with the BRLMs, and in accordance with applicable law, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹1 each and the Floor Price is 408 times the face value and the Cap Price is 429 times the face value. Bidders should also refer to “Our Business”, “Risk Factors”, “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 239, 23, 323 and 399 of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue Price are as follows:

(a) We are an AI enabled cloud, managed services, Data Centre infrastructure and software solutions provider in India.

We are one of the only two players providing the entire spectrum of cloud, managed services, Data Centre infrastructure and software solutions in India (source: Nexdigm Report, page 77). Our ability to offer end-to-end cloud, Data Centre and software solutions has enabled us to focus on our Revenue Retention Rates % as a larger share of existing customers increase their service scope to include our comprehensive range of IaaS, SaaS and managed services. Our revenue retention rate for Fiscal 2026 was 94.92%.

(b) Our comprehensive Security-as-a-Service (SECaaS) framework enables businesses to proactively manage threats and achieve robust security and compliance objectives.

With 123+ customers onboarded across 7,175 devices as at June 30, 2026, our security information and event management (“SIEM”) programs analysed 5,143 security alerts in the period from January 1, 2026 to June 30, 2026. The SIEM team investigated more than 0.63 million alerts, raising 360 critical security advisories preventing potential security breaches, and ensuring proactive threat management in the period from January 1, 2026 to June 30, 2026.

(c) We have long-term relationships with well-established banks and other businesses.

As a result of our diversified product offering and clientele, we are able to cater to a wide range of industries. We have long-standing relationships with over 100 banks and well-established businesses, including STPI. We have been able to steadily increase the ageing of our customer relationships, with customers having a relationship of more than three years rising from 49.28% to 65.60%, and those with a relationship of more than five years increasing from 23.25% to 47.75% from Fiscal 2024 to Fiscal 2026.

(d) Strong Government Partnerships and Policy Advocacy

We collaborate with the STPI to implement an asset-light Data Centre model. This approach allows for rapid scalability with minimal capital investment, meeting the growing demands of Tier II and Tier III cities for Data Centre services. Presently, STPI has six tier-3 compliant Data Centres in six major Indian cities, namely, Bengaluru, Mohali, Bhubaneswar, Chennai, Vijayawada and Noida, of which, the Bengaluru, Mohali and Noida ones are run by our Company.

(e) AI-driven innovations and patented technology

We hold commercial patents for our Swaraj software, which intelligently identifies customer requirements and applies vertical and diagonal scaling technologies. We are the only player in India holding a patent for this technology, which was granted to us in November 2022 (source: Nexdigm Report, page 60).

(f) Transparent and flexible customized billing system

Our billing system offers our customers customization and flexibility to optimize cost and performance. Our customers can choose to pay based on:

- Transactions;
- Branches;
- Users;
- Custom consumption metrics; and
- Business KPIs.

(g) Strength and experience of our directors, key managerial personnel and senior management team.

Our intellectual capital comprises a team of industry experts who bring a diverse blend of domain expertise, technological proficiency, product innovation, and regulatory acumen. This intellectual depth enables us to anticipate market trends, drive innovation, and deliver robust, scalable, and secure solutions. As at June 30, 2026, we have a workforce of 993 employees, with our core technical teams demonstrating deep expertise in cloud computing, cybersecurity, Data Centre infrastructure, and enterprise IT solutions.

For further details, see “Our Business – Strengths” on page 245 of the RHP.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Information. For details, see “Restated Consolidated Financial Information” and “Other Financial Information” on pages 323 and 398 of the RHP, respectively.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

I. **Basic and diluted earnings per share (“EPS”) (face value of each Equity Share is ₹1)**

Period	Basic EPS (₹)	Diluted EPS (₹)	Weight ¹
Fiscal 2026	12.03	11.81	3
Fiscal 2025	5.83	5.71	2
Fiscal 2024	1.35	1.35	1
Weighted Average (for the above three Fiscals)	8.18	8.03	-

¹ While calculating the weighted average, maximum weight has been given to the recent fiscal as mentioned in the table above

Notes:

1. Financial information for the Company is derived from the Restated Consolidated Financial Information as at and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024.

2. Basic earnings per share (₹) = Restated consolidated net profit after tax for the year attributable to the equity Shareholders of the Company / Weighted average number of equity shares outstanding during the year.

3. Diluted earnings per share (₹) = Restated consolidated net profit after tax for the year attributable to the equity Shareholders of the Company / Weighted average number of equity shares and potential equity shares outstanding during the year.

4. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e. (EPS x weight) for each year divided by the total of weights.

5. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

6. The face value of each Equity Share is ₹1.

7. Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33 – ‘Earnings per Share’ notified under the Companies (Indian Accounting Standards) Rules of 2015.

II. **Price/Earning (“P/E”) ratio in relation to Price Band of ₹408 to ₹429 per Equity Share:**

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for Fiscal 2026 as per the Restated Consolidated Financial Information	33.92	35.66
Based on diluted EPS for Fiscal 2026 as per the Restated Consolidated Financial Information	34.55	36.33

III. **Comparison with listed industry peer and Industry Peer Group P/E ratio**

We have identified EZE Networks Limited, which is a cloud service provider offering cloud hosting, managed services, and infrastructure solutions focused on reliable, high-performance IT solutions for businesses, especially SME (source: Nexdigm Report, page 41). Although EZE Networks Limited operates in a broadly similar ecosystem and provides certain comparable offerings, there are inherent differences in our business models and scale.

We face competition from varied players across our different product and service offerings. Global players such as AWS, Azure, and Google Cloud are part of large multinational technology conglomerates, where cloud infrastructure, managed services, data centre offerings, and software solutions form only a part of their broader business portfolios. These companies derive a significant portion of their revenues from other primary business verticals such as e-commerce, enterprise software, search engines, and digital advertising. As a result, their operating models, scale, capital allocation priorities, and strategic focus differ fundamentally from pure-play cloud, managed services, data centre infrastructure and software solution providers. Hence, a direct comparison with such global players may not yield meaningful insights. (source: Nexdigm Report, page 77)

IV. **Industry Peer Group P/E ratio**

Particulars	P/E ratio	Name of the company	Face value of equity shares (₹)
Highest	(819.78)	EZE Networks Limited	1
Lowest	(819.78)		
Average	(819.78)		

Note:

1. The industry high and low has been considered basis our listed industry peer, namely EZE Networks Limited. For more details see “- VII. Comparison of accounting ratios with listed industry peer” on page 146 of the RHP.

2. P/E Ratio has been computed based on the closing market price of equity shares on NSE on August 20, 2026 divided by the Diluted EPS provided.

3. Financial information for the listed industry peer mentioned above is on a consolidated basis, if applicable and is sourced from the annual reports of the peer for the year ended March 31, 2026 available on the listed peer’s website and Stock Exchanges.

4. Adjusted for split of face value from ₹10/- per Equity Share to ₹1/- per Equity Share post March 31, 2026

V. **Average return on Net Worth (“RoNW”), as derived from the Restated Consolidated Financial Information:**

Period	RoNW (%)	Weight ¹
Fiscal 2026	22.85	3
Fiscal 2025	13.71	2
Fiscal 2024	6.59	1
Weighted Average (of the above three Fiscals)	17.09	-

¹While calculating the weighted average, maximum weight has been given to the recent fiscal as mentioned in the table above

Note:

1. Financial information for the Company is derived from the Restated Consolidated Financial Information as of and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024.

2. Return on Net Worth (%) is calculated as restated consolidated net profit after tax for the year attributable to the equity Shareholders of our Company divided by the total Net Worth as of respective year end.

3. Net Worth has been computed as the aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, share based payment reserve, capital redemption reserve and debenture redemption reserve. Net Worth represents equity attributable to the owners of the Company and does not include amount attributable to non-controlling interest.

4. Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights, i.e., (RoNW x Weight) for each year/Total of weights.

VI. **Net asset value per Equity Share (face value of ₹1 each)**

Restated Net Asset Value per Equity Share as per the Restated Consolidated Financial Information:

As of the end of the Fiscal Period ended	NAV per Equity Share (₹)
As on March 31, 2026	52.66
After the Issue	
(i) At Floor Price	105.76
(ii) At Cap Price	106.54
(iii) Issue Price	[•]*

¹ Will be updated upon determination of the Issue Price.

Notes:

1. Financial information for the Company is derived from the Restated Consolidated Financial Information as of and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024.

2. Net Asset Value per Equity Share for the year ended March 31, 2026 is computed as Net-worth as on March 31, 2026 divided by the number of equity shares outstanding as at the end of year ended March 31, 2026.

3. ‘Net worth’: The aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, share based payment reserve, debenture redemption reserve and capital redemption reserve. Net Worth represents equity attributable to owners of the company and does not include amounts attributable to non-controlling interest.

VII. **Comparison of accounting ratios with listed industry peer**

Name of Company	Revenue from Operations for Fiscal 2026 (in ₹ million)	Face value (₹ per equity share)	Closing price as on August 20, 2026 (₹) ¹	Basic earnings per share for Fiscal 2026 (₹) ²	Diluted earnings per share for Fiscal 2026 (₹) ³	NAV as on March 31, 2026 (per equity share) (₹) ⁴	P/E (Based on basic earnings per share) (₹) ⁵	P/E (Based on diluted earnings per share) (₹) ⁶	RoNW (%) ⁷	Market capitalisation to Revenue from operations (number of times)
Our Company										
ESDS Software Solution Limited ⁽¹⁾	4,722.10	1.00	[•]	12.03	11.81	52.66	[•]	[•]	22.85	[•]
Listed industry peer										
EZE Networks Limited ⁽²⁾	2,455.80	1.00	623.85	(0.78)	(0.76)	81.97	(804.97)	(819.78)	(0.92)	52.22

¹ All ratios of listed industry peer are calculated after adjustment for split of face value from ₹10/- per Equity Share to ₹1/- per Equity Share post March 31, 2026.

Notes:

1. Financial information for the Company is derived from the Restated Consolidated Financial Information.

2. All the financial information for the listed industry peer mentioned above is on a consolidated basis and is sourced from the filings of the listed peer for the year ended March 31, 2026 available on the listed peer’s website and Stock Exchanges.

3. Closing price and Market capitalisation has been taken as the closing price of the equity shares of the listed peer as on August 20, 2026 on the NSE.

4. Basic earnings per share (₹) = Restated consolidated net profit after tax for the year attributable to the equity shareholders of the listed industry peer / Weighted average number of equity shares outstanding during the year, in accordance with Ind AS 33 – earnings per share.

5. Diluted earnings per share (₹) = Restated consolidated net profit after tax for the year attributable to the equity shareholders of the listed industry peer / Weighted average number of equity shares and potential equity shares outstanding during the year, in accordance with Ind AS 33 – earnings per share.

6. Net Asset Value per equity share for the year ended March 31, 2026 is computed as “Net Worth as on March 31, 2026 divided by the number of equity shares outstanding as at the end of year ended March 31, 2026.

7. P/E Ratio (Based on basic earnings per share) has been computed based on the closing market price of equity shares on NSE on August 20, 2026 divided by the basic earnings per share for the year ended March. With respect to our Company, such ratio will be disclosed in the Prospectus based on the Issue Price.

8. P/E Ratio (Based on diluted earnings per share) has been computed based on the closing market price of equity shares on NSE on August 20, 2026 divided by the diluted earnings per share for the year ended March 31, 2026. With respect to our Company, such ratio will be disclosed in the Prospectus based on the Issue Price.

9. Return on Net Worth (%) = Net Profit after tax for the year attributable to the equity Shareholders of the Company divided by the Net worth as at end of the year.

10. Net Worth has been computed as the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, share based payment reserve, debenture redemption reserve and capital redemption reserve. Net Worth represents equity attributable to owners of the company and does not include amounts attributable to non-controlling interest.

IX. **Price per share of our Company (as adjusted for corporate actions, including split) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)**

There has been no primary/new issuance of Equity Shares or convertible securities, excluding grants of any options and issuance of bonus shares, equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated on the pre-issue capital before such transaction and excluding employee stock options granted but not vested), in a single transaction or multiple transactions (combined together over a span of rolling 30 days) during 18 months preceding the date of filing of the Red Herring Prospectus.

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