

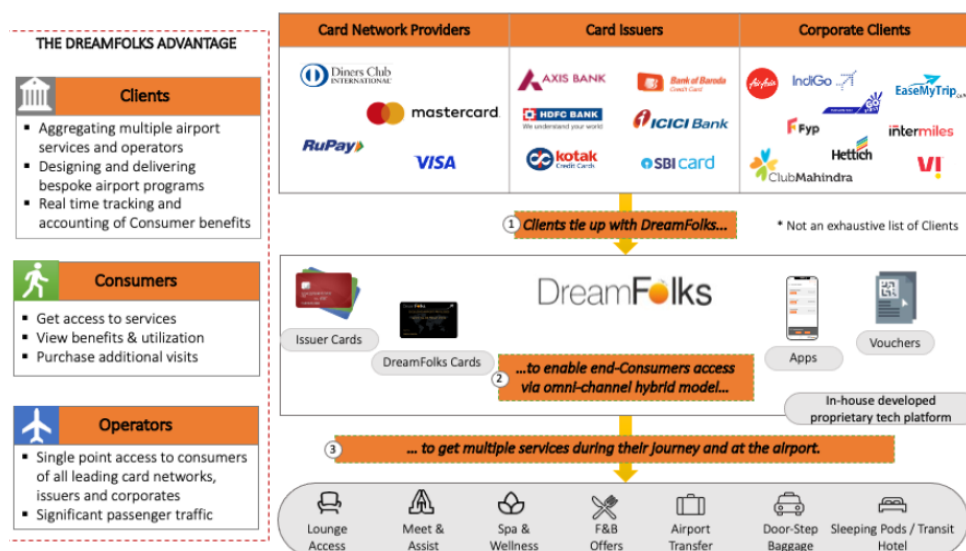
Business Overview

Company Profile:

- Dreamfolks Services Limited ("Dreamfolks") was incorporated on April 24, 2008. It is a dominant player and India's largest airport service aggregator platform (with a share of over 80% in the domestic lounge access market) facilitating an enhanced airport experience to passengers leveraging a technology driven platform.
- Dreamfolks facilitates customers of Clients' access to the following airport related services (i) lounges, (ii) food and beverage (iii) spa, (iv) meet and assist, (v), airport transfer (vi) transit hotels /nap room access, and (vii) baggage transfer.
- They facilitate access to 100% of the 54 lounges currently operational in India, and also enjoyed a market share of over 95% of all India issued credit card and debit card access to airport lounges in Fiscal 2022.
- Company's platform and services portfolio allows Card Networks, Card Issuers, and Corporate Clients to build bespoke solutions addressing disparate aspects of airport services for Consumers.
- The company's first mover advantage in the lounge access aggregator industry in India has enabled them to become a dominant player in the industry with a share of over 80% in the domestic lounge access market in India. (Source: F&S Report)
- As at March 31, 2022 through partnerships with other service providers, the company has a global footprint extending to 1,416 Touch-points in 121 countries across the world out of which, 244 Touch-points are present in India and 1,172 Touch-points overseas.

Business Operations:

A summary of company's business operations is given in the illustration below -



Issue Details

Offer for Sale of Up to 17,242,368 Equity Shares aggregating up to ₹ [●] million.

Issue size: ₹ 531.06 – 562.10 Cr

No. of shares: 17,242,368

Face value: ₹ 2/-

Price band: ₹ 308 – 326

Bid Lot: 46 shares and in multiples thereon

Post Issue Implied Market Cap:

₹ 1,609 – 1,703 Cr

BRLMs: Equirus Capital Private Limited & Motilal Oswal Investment Advisors Limited

Registrar: Link Intime India Private Limited

Indicative Timetable

Activity	On or about
Anchor Investor Issue Opens	23-08-2022
Issue Opens	24-08-2022
Issue Closes	26-08-2022
Finalization of Basis of Allotment	01-09-2022
Refunds/ Unblocking ASBA Fund	02-09-2022
Credit of equity shares to DP A/c	05-09-2022
Trading commences	06-09-2022

Listing: BSE & NSE

Issue Break Up

Retail	QIB	NII
10%	75%	15%

Shareholding *

	Pre Issue	Post Issue
Promoter & Promoter Group	100.00%	67.00%
Public	0.00%	33.00%
Total	100.00%	100.00%

*Calculated using data in RHP on pages - 1, 69

Competitive Strengths

Dominant player in the airport lounge aggregation industry in India with strong tailwinds: The company is the largest and dominant airport lounge access provider in India. Their dominant position is underpinned by their estimated market share of over 95% in Fiscal 2022 of all India issued Card Based access to domestic lounges in India. Moreover, they have coverage across 54 operational airport lounges constituting 100% of airport lounges in India, as at March 31, 2022. Further, as at March 31, 2022, the company had exclusivity to provide access to 12 domestic lounges across 11 airports in India constituting around 22.22% of the total access of the domestic lounges for India issued credit cards and debit cards. Further, in Fiscal 2022, they catered to approximately 68% of the overall lounge traffic in volume across all lounges in Indian airports (both the domestic and international lounges). (Source: F&S Report). The company believes that the aforementioned factors, in conjunction with the complete coverage of lounges across Indian airports, coupled with the functionality of the technology platform, will continue to drive the demand for their services.

Entrenched relationships with marquee Clients including global card network providers in India and prominent Indian and global banks and corporates: The company has tie-ups with all the 5 Card Networks operating in India including Visa, Master Card, Diners/Discover and RuPay. Further, some of India's largest Card Issuers are also among their key clients including ICICI Bank Limited, Axis Bank Limited, Kotak Mahindra Bank Limited, HDFC Bank Limited (in respect of debit card lounge program) and SBI Cards and Payment Services Limited. In Fiscal 2022, the company enjoyed over 95% market share in the India issued Card Based transactions for lounge access. (Source: F&S Report.) In addition, they also have tie-ups with some of India's prominent corporates including airline companies, telecommunications company, OTA, loyalty aggregators, and other corporates such as Interglobe Aviation Limited, Go Airlines Limited, Air Asia (India) Limited, Vodafone Idea Limited, Jet Privilege Private Limited, Hettich India Private Limited, Easy Trip Planners Limited and Mahindra Holidays and Resorts India Limited. This enables the company to broaden their customer base.

Strong business moat due to flywheel effect led by Clients and Operators network: Given their dominant position in the airport lounge access market, the company has been successful in building a bridge between the Clients and airport lounge Operators. Their position in the industry enables them to create interdependencies for the service offerings through unique value proposition that enables them to attract newer clients and Operators, which helps to further strengthen the company's position in the market. For clients, their comprehensive airport lounge coverage in India and a single point access to all lounge operators in India is a vital link to manage customer loyalty and retention / enables them to provide consumers value added services as part of their customer engagement and loyalty management programs. (Source: F&S Report). Similarly, for lounge Operators, the company's tie-ups with all Card Networks with operations in India and some of India's largest Card Issuers facilitate a steady stream of lounge users being routed through them. The convergence of their dominant market position, prominent Client base, extensive presence in the airport lounge market in India and diverse service offerings helps create a network flywheel effect.

Ability to capitalize on growing consumer base with no associated costs of direct consumer acquisition: The company is able to capitalize on the growing consumer base of air traffic passengers and card users without incurring any direct, consumer acquisition cost. Given the nature of their business model, the acquisition of the consumers is done by the clients. For the company's clients, providing access to airport lounges to consumers is increasingly becoming a key aspect of their card sales and customer engagement programs, and the clients leverage their technology driven solutions and platform to provide these value added services to the consumers as part of their customer engagement. (Source: F&S Report). With Client accretion, and more importantly, the expected increase in the number of outstanding cards and the frequency of lounge access, the number of consumers the company can service increases.

Asset and human resource light business model with a strong track record of delivering consistent growth: The company's business model, by design, is asset-light and their ability to scale up the business requires minimal incremental capital deployment resulting in high operating leverage. Aside from their cost towards Operators including Lounge Operators, their operational expenses are also relatively minimal. Additionally, the company's business model is not human resource intensive. As at March 31, 2022, their work force comprised 60 full time employees including the senior management team. The company's technology and employee related expenses during Fiscal 2022, Fiscal 2021 and Fiscal 2020, were ₹ 173.43 million, ₹ 147.54 million and ₹ 188.67 million, constituting 6.58%, 13.62% and 5.82%, respectively, of their total consolidated expenses.

Proprietary technology platform that ensures scalability: One of the key aspects of the company's business model is a strong focus on technology. Their technology platform is aimed at ensuring that all entities on or availing of the platform have a 'hassle-free' experience. Integration with the company's platform enables the consumers to track the benefits available across their various credit cards and debit cards. The company has, over the years, deployed significant resources in developing a scalable proprietary technology platform for managing the entitlements of each card variant, and real time accounting of consumers' benefits, along with integration with client systems through the entire life cycle of on-boarding and managing the benefits.

Experienced promoters and management team with strong domain expertise: The company's Promoters have led from the front in establishing and growing their business and operations capabilities. Each member of the senior management team has over 2 decades of experience in different aspects of the company's business operations and across industries sectors.

For further details, refer to 'Strengths' page 135 of RHP

Business Strategies

Increase wallet share with existing Clients: The company intends to focus on increasing wallet share with the existing clients by identifying cross-selling opportunities that their diversified set of services offer. They plan to continue to nurture the relationships with their clients, to expand the association beyond airport lounge services to the full bouquet of services that they offer and increase their contribution to the total revenue from operations. The company plans to increase the stickiness of their clients through deeper integration of their systems with the proprietary platform, which will allow them to generate recurring revenue and aid the aim to increase the wallet share from each client.

Continue to maintain 100% coverage of airport lounges by expanding their coverage across new airport lounges in India: As at March 31, 2022, the company has coverage across 54 operational airport lounges constituting 100% of airport lounges in India. However, the number of lounges in India is expected to grow to 295 lounges by 2040 (Source: F&S Report). The company plans to consistently establish new relationships or extend existing relationships as and when the opportunity arises to capitalize on the expected growth in airport lounges driven by inter alia the growing air traffic and passenger traffic, development of new airports and government initiatives. They will continue to strive to maintain their 100% coverage of airport lounges by expanding the coverage across new airport lounges.

Expanding into newer sectors to create customer engagement and provide loyalty management solutions: In addition to specific solutions for Card Networks and Card Issuers and the other sectors the company caters to, they also want to focus on customer engagement and loyalty solutions for Corporate clients and build specific solutions for, amongst others, loyalty companies, e-commerce companies, new age digital companies, companies in the hospitality sector, and neo banks. They also plan to create ancillary revenue opportunities for clients in the online travel agency and airlines industries.

Continued focus to expanding the client base in current sectors: The company intends to penetrate deeper into the existing sectors that they cater to by expanding the client base. They plan to increase the number of clients in the banking, telecommunications, OTA, airlines sector. While some of these sectors such as banking have a number of entities that the company could focus on, other sectors such as telecommunications despite not having many players are critical since each player added could significantly increase the number of Pax that they could cater to.

Capitalize on the dominance in the airport lounge access market and target new high growth markets globally: The company has an established presence amongst their Clients, and their technology driven solutions are one of the key elements that enables clients to provide value added services to the consumers as a part of their customer engagement and loyalty management programmes. While the company is dominant in India with a share of over 68% of the overall lounge traffic in volume across all lounges in Indian airport (Source: F&S Report), they believe that there is significant scope to augment the service offerings to Card Networks and Card Issuers and to that end they have launched their other Services. Further, the company is in the process of leveraging their well-entrenched relationships with global clients for expanding their footprint to geographies like the CEMEA (Central and Eastern Europe, Middle East, and Africa) and South-East Asia.

Continue to invest and leverage the technological platform and ability to offer bespoke solutions and deep integration as a differentiator: The company intends to continue to develop bespoke solutions for clients using their platform that focuses on both maximising the value for the consumer, and better manage the overall program and engagement cost for the client. Their technology driven solutions and tools are geared inter alia towards providing the clients the option of tailoring and creating different products for the consumers. The company intends to focus on improving the ability for their clients' product managers to design customised solutions using proprietary platform toolset, reduce time to market for them, focus on consumer experience, and track effectiveness and usage of such programs. They also constantly aim to identify opportunities to implement product improvements and dedicated product development team to optimise platform features.

For further details, refer to 'Strategies' page 142 onwards of RHP

Profile of Directors

Liberatha Peter Kallat, aged 46 years, is the Promoter and Managing Director of the Company. She was designated as the Chairperson of the Company on November 30, 2021. She holds a bachelor's degree in science from Andhra University. She has been associated with the Company since 2014 and is responsible for the strategy and overall management. She has experience in the hospitality sector and has, in the past, been associated with Indian and global multinational companies such as Taj GVK Hotels & Resorts Limited, PepsiCo. India, Premium Port Lounge Management Company Private Limited, and Pernod Ricard India (P) Limited. She has received a number of awards including the Entrepreneur of the Year in the Future Woman Leader Summit and Awards 2017, Outstanding Women Entrepreneur and Employment Award 2018, Women Icon of the Year 2019, Women Entrepreneur of the Year Award 2019, Economic Times most promising business leaders of Asia Award 2019 and 10 best entrepreneurs of 2021 by Industry Era Magazine. She has also received a certificate of recognition as 'The 10 Most Inspiring Women Entrepreneurs to Watch Globally' by Innovative Zone, 'Woman of Excellence Award' by Indian Achievers' Forum and ET Inspiring Women Leaders (North-2022).

Mukesh Yadav, aged 51 years, is the Promoter and a Non-Executive Director of the Company. He has been associated with the Company since 2011. He has more than 20 years of experience and has been a director of companies such as Whistling Heights Resorts Private Limited, Urban Land Management Private Limited and Yashna Infratech Private Limited. He has been associated with a residential project 'Amangani Peaceful Homes', located in Rewari, Gurugram.

Dinesh Nagpal, aged 56 years, is the Promoter and Non-Executive Director of the Company. He holds a bachelor's degree in arts from Maharshi Dayanand University, Rohtak. He has been associated with the Company since 2011. He has been associated with a residential project 'Amangani Peaceful Homes', located in Rewari, Gurugram. He has more than 20 years of experience and has been a director of companies such as Ankur Propmart Private Limited, Urban Land Management Private Limited and Yashna Infratech Private Limited.

Balaji Srinivasan, aged 45 years, is an Executive Director and Chief Technology Officer of the Company. He holds a diploma in software and systems management from NIIT, New Delhi. He has been associated with the Company since 2019. He has experience in the technology sector. Prior to joining the Company, he held senior management positions at start-up ventures such as FarEye and also held the position of Vice-President at Genpact India Private Limited. He has been awarded the Smart Innovator Award 2019 at the Enterprise Innovation Summit 2019 in recognition of his extraordinary ability to innovate that resulted in creating business value for the organisation and the Smart Innovator Award 2021 and Enterprise Innovation Summit 2021 in recognition of the extraordinary efforts in technology innovation that resulted in creating business value for the organisation. He has also been awarded the Global FinTech Excellence in Leadership Award 2022 by Elets (Banking and Finance) and Innovator Award by the Big CIO Show & Awards during the current Fiscal.

Sharadchandra Damodar Abhyankar, aged 56 years, is an Independent Director of the Company. He is a Bachelor in Arts (Economics and Commerce), a Bachelor in Law (general) and a Masters in Commercial Laws from the Bombay University. He is a Solicitor and Advocate with more than 33 years of experience and has been a partner in the mergers and acquisitions and corporate advisory practice in Khaitan & Co., Mumbai since December 2011. He is also a part-time faculty at the Government Law College, Mumbai and a visiting faculty at Department of Law, Mumbai University. He is a member of the Advisory Committee and Drafting Committee of the NSE Centre for Excellence in Corporate Governance.

Mario Anthony Nazareth, aged 68 years, is an Independent Director of the Company. He is a member of the Institute of Chartered Accountants of India since June 10, 1983 and a member of the Institute of Company Secretaries since July 20, 1983. He has also completed the Mahindra Universe Program from Harvard Business School and the 'Achieving Outstanding Leadership' program from Michigan Ross School of Business. He was an Eisenhower Exchange Fellow in 2000. He has served the Mahindra & Mahindra Limited for over 4 decades in various positions with his last designation at the Mahindra Group being the Group Chief Internal Auditor (Executive Vice-President Corporate Management Services).

Aditi Balbir, aged 43 years, is an Independent Director of the Company. She holds a post-graduate degree in Management from the Indian School of Business, Hyderabad and has completed the Exchange Program of Spring, 2009 from the Fuqua School of Business, Duke University, North Carolina. She has over seven years of experience in the sustainability and travel sector, is the founder of a hospitality business, V Resorts, and is also the Chief Executive Officer and Director of Eco Weekends Private Limited. She is the recipient of the CNBC TV-18 Young Business Women Award 2017, Best Professional in Hospitality Award, 2015 by Safari India and Young Women Business Leader Award in 2017 by CNBC-TV 18.

Sudhir Jain, aged 64 years, is an Independent Director of the Company. He is a member of the Institute of Chartered Accountants of India since July 13, 1981 and a member of the Institute of Company Secretaries since October 1, 1988. He was associated with Minda Industries Limited for over 20 years and his last designation at Minda Industries Limited was Executive Director & Group CFO.

Given above is the abstract of data on directors seen on page 160 of the RHP

Object of the Offer

The objects of the Offer are to carry out the Offer for Sale of up to 17,242,368 Equity Shares by the Selling Shareholders with the benefits of listing the Equity Shares on the Stock Exchanges. Since the Offer is an offer for sale, the Company will not receive any proceeds from the Offer.

Comparison with Peers

There are no listed companies in India that are comparable in all aspects of business and services that the company provides. Hence, it is not possible to provide an industry comparison in relation to the Company.

Financials (Restated Consolidated)

(Rs. in Millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Equity Share Capital	104.50	47.50	47.50
Other Equity	717.15	595.49	607.62
Net Worth	821.65	642.99	655.12
Total Borrowings	12.75	20.19	30.91
Revenue from Operations	2,824.98	1,056.33	3,670.43
EBITDA	240.36	20.98	458.50
EBITDA Margin	8.46%	1.94%	12.47%
Profit/(Loss) Before Tax	204.76	(2.01)	435.57
Profit/(Loss) after tax	162.52	(14.50)	316.83
Basic EPS	3.11	(0.28)	6.06

Above data obtained from pages 20, 51, 53 & 85 of RHP

Notes:

1. Net Worth means the aggregate value of the paid-up share capital of the Company and all reserves created out of profits and securities premium account, as per the restated statement of assets and liabilities of the Company in the Restated Consolidated Financial Statements.
2. EBITDA = Sum of profit before tax, depreciation and amortization and finance cost
3. EBITDA Margin = EBITDA / Total Income

Key Risk Factors

- The company's success is dependent on their long-term relationship with card networks and card issuer financial institutions, which on average contributed 98.98% of the total revenue from operations during the Fiscals 2022, 2021 and 2020. This exposes them to risk emanating from the inability to retain their established card networks and card issuer companies as clients.
- The company's success is also dependent on their relationship with airport lounge operators, which on an average contributed 98.55% of the total revenue from operations during Fiscal 2022, Fiscal 2021 and Fiscal 2020 and other airport services providers which on an average contributed 1.45% of the total revenue from operations during Fiscal 2022, Fiscal 2021 and Fiscal 2020. This exposes the company to risk emanating from the inability to retain their established operators and other airport service providers for the Services.
- The company's operations are heavily dependent on the travel industry, in general, and on the air travel industry, in particular.
- COVID-19 has had and may continue to have a material adverse effect on the travel industry and consequently have a potential impact on the company's business, financial condition and results of operations.
- The company is heavily reliant on a few clients, and derives a significant part of their revenue from lounge access related services and from select clients. The company's top 5 Clients on an average contributed 84.91% of the total revenue from operations during Fiscal 2022, Fiscal 2021 and Fiscal 2020. Any instance of termination of their contract with any of the top 5 Client in future will have a significant impact on revenue.
- The company is heavily dependent on the cards that are in circulation and on issuance of new credit cards and debit cards.
- Potential saturation of Indian markets and requirement of expansion in global markets.
- Any inability to compete effectively may lead to a lower market share or reduced operating margins.
- Adverse order, monetary penalty or proscription against Card Networks and Card Issuer may impact the company's business operations, financial condition, and results of operations.
- Threat of airport lounge operators forward integrating and tying up directly with card networks and card issuers themselves which will directly impact the company's business.
- The company has incurred losses in the past. Any losses in future could adversely affect their operations, financial condition, and the trading price of the Equity Shares.
- The company's business depends substantially on their Promoters, Key Managerial Personnel and persons with technical expertise. Failure to retain or replace them will adversely affect the business.
- Some of the client contracts have provisions which may require the company to indemnify the Operators for the Services that they provide.
- The company's Promoters will, even after the culmination of this offer, continue to be the largest Shareholders and can influence the outcome of resolutions, which may potentially involve conflicts of interest with the other Equity Shareholders.
- The company may be unable to enforce their rights under some of the agreements executed by them on account of insufficient stamping.
- The Promoters and certain of the Directors and Key Managerial Personnel have interests in the company other than reimbursement of expenses incurred and normal remuneration or benefits.
- The company's audited financial statements for Fiscals 2019 and 2020 omitted to mention details of certain related party transactions.
- The company has in the past made erroneous, incomplete and delayed filings with the RoC and has filed certain adjudication of penalties applications with the RoC for various corporate actions.
- The company was incorporated in 2008 and certain Board resolutions for change in the registered office of the company are not traceable. It cannot be assured that such resolutions will be available at all or any time in the future.
- The company has incurred indebtedness which exposes them to various risks which may have an adverse effect on the business, results of operations and financial condition. Conditions and restrictions imposed on the company by the agreements governing the indebtedness could adversely affect their ability to operate the business.

- The Red Herring Prospectus does not contain details of one of the company's Promoter Group.
- The company has included certain non-GAAP financial and operational measures related to their operations and financial performance that may vary from any standard methodology that may be applicable across the industry in which the company operates, and which may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by similar companies.
- The company has in the past entered into related party transactions and may continue to do so in the future and it cannot be assured that they could not have achieved more favourable terms if such transactions had not been entered into with related parties and will not have an adverse effect on the company's financial conditions and result of operations.

Please read carefully the Risk Factors given in detail in section II (page 26 onwards) in RHP

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Registration details:

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Stock Broker – Registration No. - INZ000195834

Corporate Identity Number: U67120MH1998PLC115415

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