Date: 30th October, 2026

To, **National Stock Exchange of India Limited ("NSE")** Listing Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai – 400051	To, **BSE Limited ("BSE")** Listing Department Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001
NSE Scrip Symbol: SMARTWORKS	**BSE Scrip Code: 544447**
ISIN: INE0NAZ01010	**ISIN: INE0NAZ01010**

Subject: Disclosure under Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Shareholder's Letter dated October 30, 2026.

Dear Sir/Ma'am,

Pursuant to Regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Shareholders' letter dated October 30, 2026 and also available on the website of the Company at https://www.smartworksoffice.com/investors/.

This is for your information and records.

Thanking you,
For Smartworks Coworking Spaces Limited

PUNAM DARGAR

Punam Dargar
Company Secretary & Compliance Officer
Membership No.: A56987
Address: Unit No. 305-310, Plot No 9, 10 & 11 Vardhman Trade Centre Nehru Place, South Delhi, Delhi, Delhi, India, 110019

Encl.: As above

SMARTWORKS

Where India Will Work This Decade

India's Largest Managed Campus Platform

• Secured Office Space • Contracted Revenue • Accelerated Growth

Shareholders' Letter & Results | Q2 FY27

OCTOBER 30, 2026

THE STATEMENT

Safe Harbor Statement

This newsletter, which has been prepared by Smartworks Coworking Spaces Limited (the "Company"), has been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This newsletter has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this newsletter. This newsletter may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this newsletter is expressly excluded. Certain matters discussed in this newsletter may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict.

These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks.

The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this newsletter. The Company assumes no obligation to update any forward-looking information contained in this newsletter. Any forward-looking statements and projections made by third parties included in this newsletter are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

MESSAGE FROM THE LEADERSHIP

To Our Shareholders

Neetish Sarda
Founder & Managing Director

Harsh Binani
Co-Founder & Executive Director

Dear Shareholders,

At the start of FY27 we guided for 28–30% revenue growth, 19–20% normalised EBITDA margins, and 12.5 to 13 million sq ft of operational space by March 2027. However, in the first half, revenue grew 41% year on year, the margin was 19.7%, and Q2 FY27 was our sixth consecutive quarter of sequential growth since listing. Hence, we are raising our FY27 revenue growth guidance to 33–35%, keeping our margin guidance at 19–20% trending towards the upper band, and now expect to end the year at about 12.5-13 million sq ft.

The hardest part of our business has never been finding clients. It is finding the right buildings, early. This half we secured some of the biggest capacities we have ever taken. Eastside in Pune and Eastbridge in Mumbai, our two largest campuses, are under fit-out and open in the second half with healthy pre commitments. Sattva Group joined us as a developer partner in Bengaluru, and Panchshil, who gave us Tech Park One earlier, has now given us Eastside. We have 4.3 million sq ft in hand against the 1.6 to 2.1 million we need to go live by March. When a client asks us for space two years from now, we want the answer to be “already built”.

We are glad that clients keep asking. One global customer experience company took its first centre with us in 2020 and recently expanded to its fourth city with us this December; it is now close to 8,500+ seats. A logistics leader went from one city to four in under three years. A German engineering group that has been with us since 2019 took a second centre last year. 35+ clients now have more than 1,000 seats with us and 75+ are with us in more than one city. These clients are, from consulting, engineering, banking, healthcare and the global capability centres building their next teams in India, including their AI teams.

A way to see the business that we find more useful than any single ratio: ~31% of operational SBA opened in the last two years, and a further 4.3 million sq ft is not yet open. Our centres reach break-even occupancy in about a year and keep improving for years after, as fit-out is paid back and contracts re-price. So the ageing of the portfolio alone lifts normalised RoCE, with no new wins required. That is why we can carry the heaviest capex year in our history with steady returns, hold our margin guidance and raise our revenue guidance in the same quarter.

Building for future growth has a cost, About a fifth of our capital is in buildings that have not started earning, which is why headline ROCE has been flat at about 21–22% for three quarters and will stay near that level until the second-half campuses bill. We have paid deposits on buildings before they open, which is why cash conversion was 0.9x this quarter while on the centres that are operational it was >1.0x.

Every decade, India decides where it will go to work. Over the last ten years, large companies moved from scattered floors to managed campuses; over the next decade, we intend to be where most of that work happens. Thank you for your trust.

Neetish Sarda · Harsh Binani

OUR PURPOSE - WHO WE ARE & WHY WE EXIST

Our Vision, Mission & Values

Vision

LARGEST MANAGED SPACE PROVIDER

A third of our lives is spent at work! Our vision is to craft and manage workspaces where work meets purpose – every space built to inspire greatness.

Mission

To deliver flexible, tech-enabled, and customized workspaces that empower clients to focus on their core business - through consistent experiences and unwavering client delight.

Values

T - Take Accountability
H - Honour Integrity
R - Reach for Results
I - Ignite Collaboration
V - Value & Champion Innovation
E - Embrace Customer Obsession

THE HALF YEAR IN ONE VIEW

H1 FY'27 At a Glance

A half of milestones — supply, clients, international and product

SUPPLY & DEVELOPER PARTNERSHIPS

17.5 Msf
Total Footprint
71 Centres
▲ 38% YOY

10.9 Msf Operational
Operational, 58 centres
+0.9 Msf in H1

Sattva Group
Sattva Aura
ORR Bengaluru
New partner · ~493k sq ft

Panchshil Realty
Eastside, Kharadi
Pune · ~863k sq ft
Live H2

Hiranandani
Eastbridge, Vikhroli
Mumbai · ~815k sq ft
Live H2

4.3 Msf
Under fit-out or awaiting handover
vs 1.6-2.1 Msf needed in H2

DEMAND HIGHLIGHTS

~₹58,000 Mn
Contracted rental revenue, up from ~₹54,000 Mn in June

35+ | 75+
Clients above 1,000 seats | Clients in more than one city
Largest client under 5% of rental revenue

785
Clients

Marquee relationships
Global CX company near 8,500+ seats in four cities · UK professional services firm 1,700+
Enterprise deepening

New wins
Japanese NBFC, research & consulting major, healthcare, sportswear, global CXM
Diversifying beyond IT

INTERNATIONAL

~1,600 seats
Singapore, 4 centres
Doubled via Workstudio & other expansions

~USD 2.5 Mn
EBITDA since handover
Self-funded growth

~86%
Committed occupancy
Singapore

OTHER HIGHLIGHTS

>1 year
Since listing on NSE & BSE
17 July 2025

₹1,017 Mn
Other operating revenue* in Q2, 17% of revenue

GROHE Hurun India
Smartworks recognised as Pioneer of the Year – Managed Workspaces

*Includes Revenue From Ancillary Services, Termination Income, Software Services, Construction And Fit-Out Projects, And Sale Of Traded Goods.

KEY HIGHLIGHTS · 01

The Financials at a Glance

Growth, margin expansion and cash generation - all compounding together

REVENUE

₹5,914 Mn

▲ 39% YoY · 8% QoQ

NORMALISED EBITDA

₹1,169 Mn

▲ 68% YoY · 9% QoQ

NORMALISED EBITDA MARGIN

19.8%

▲ 340 bps YoY

NORMALISED OCF : EBITDA

0.9x | >1x

Overall | Operational Centre

NORMALISED ANNUALISED ROCE

21.6%

ROCE sustained despite; a fifth of capital is in buildings not yet open

NORMALISED PAT

₹434 Mn

▲ 136% YoY · 12% QoQ

CONTRACTED RENTAL REVENUE

~₹58,000 Mn

Up from ~₹54,000 Mn in June

GROSS DEBT | NET DEBT

₹2,337 Mn | ₹827 Mn

Q2 capex of INR 1,556 Mn; Up 64% YoY

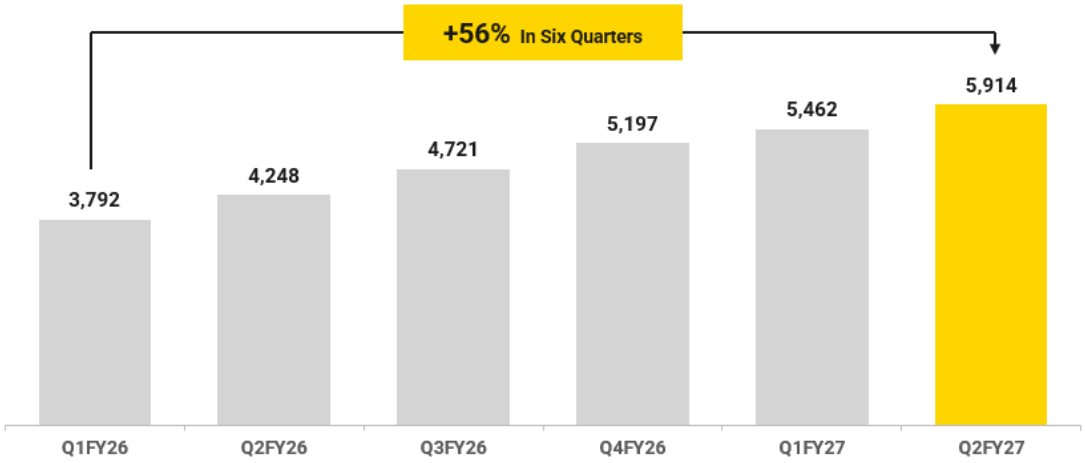
H1 Say-Do Scorecard

What we said for FY27	Where we are after H1	Status
Revenue growth of 28–30%	**H1 revenue up 41% YoY**	**Raised to 33–35%**
Normalised EBITDA margin of 19–20%	H1 margin of 19.7%	On track; trending towards the upper band
12.5–13 Msf operational by March 2027	~10.9 Msf operational; 2.1 Msf under fit-out; 2.3 Msf awaiting handover	On track; Adding 2.5 -3 Msf
Capex of ₹5,500–6,000 Mn	₹3,066 Mn deployed in H1; H2 weighted to Eastside and Eastbridge	On track - Investing In Future Growth

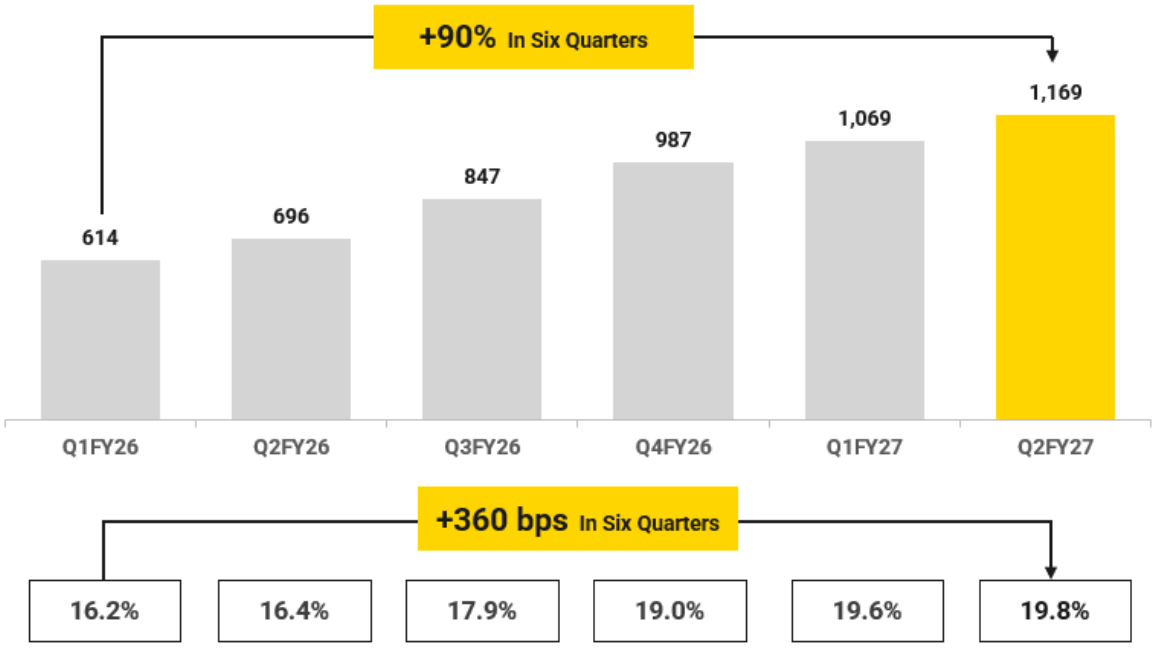
Six quarters, one direction

Post listing, Q2 FY27 is the sixth consecutive quarter in which revenue has grown sequentially, with normalised EBITDA, and normalised PAT margin moving higher even as we go through our heaviest investment phase.

REVENUE FROM OPERATIONS · INR MN



NORMALISED EBITDA · INR MN | MARGIN %



KEY HIGHLIGHTS · 02

Who Is Choosing Smartworks

Enterprise clients, deepening relationships, diversifying revenue

1,000+ SEAT COHORT REVENUE

~41%

Of Rental Revenue

▲ from ~35% a year ago; revenue +49% YoY; 49-month tenure

RENTAL REVENUE MULTI-CITY CLIENT

~35%

Of Rental Revenue

▲ from ~31%; 75+ clients

GCC REVENUE

~22%

Of Rental Revenue

▲ QoQ +110 bps

RENTAL REVENUE (ENTERPRISE CLIENTS)

91%

Of Rental Revenue

▲ from 90% a year ago

IT / ITES SHARE

~36%

Of Rental Revenue

▼ from ~40% a year ago; IT revenue still grew

LARGEST CLIENT

< 5%

Top 10: ~24%
Of Rental Revenue

Enterprise clients remain the cornerstone of our strategy. They sign longer contracts, stay longer, and bring multiple locations under one relationship. This quarter, the clients who already know us did most of the growing: rental revenue from our 1,000+ seat clients grew 49% year-on-year.

Our base is also broadening across sectors. About three-quarters of the revenue we added over the last year, 77% came from outside IT and ITeS.

GREW WITH US THIS HALF

Global CX company

Began in 2022; fourth city in December; 8,500+ seats

Swiss bank GCC

3,400+ seats in Pune; expanded in H1

Big Four firm

Largest client by revenue; two cities

Indian engineering services leader

2,900+ seats; new Pune floor

JOINED US THIS HALF

Global pharmaceutical Company
Mumbai

Japanese NBFC
Indian arm, Mumbai

Research & consulting major
Mumbai

German industrial group
Engineering centre, Pune

A Deepening, Diversified Client Portfolio

During Q2 FY27 we entered in to agreement including clients providing contracted revenue — ~₹2,350 Mn from existing clients expanding across cities and ~₹3,050 Mn from new clients across technology, consulting, healthcare, lifestyle and customer experience. Existing clients deepening, new clients joining: this is what creates durable, annuity-like revenue

KEY HIGHLIGHTS · 03

Investing in Future Growth: FY28 Is Already Built

Operational footprint, occupancy and forward-secured capacity

OPERATIONAL FOOTPRINT

10.9 Msf

58 centres · 249k seats

▲ 20% YoY

MATURE CENTRES (>12 MONTHS)

88% | 91%

9.7 Msf · occupied | committed – the number we guide on

NEW CENTRES (<=12 MONTHS)

48%

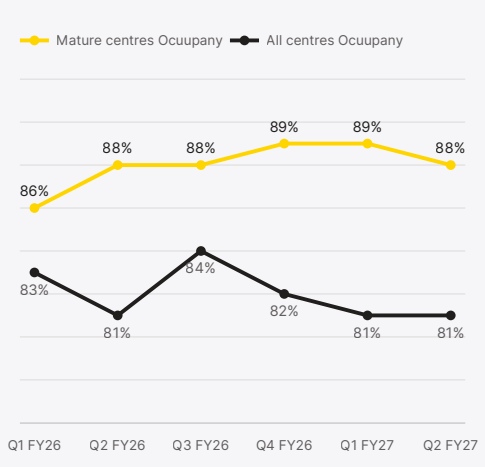
1.3 Msf · committed · break-even at ~60%

TOTAL SUPPLY SECURED

17.5 Msf

Incl. LOIs · 71 Centres

▲ 38% YoY



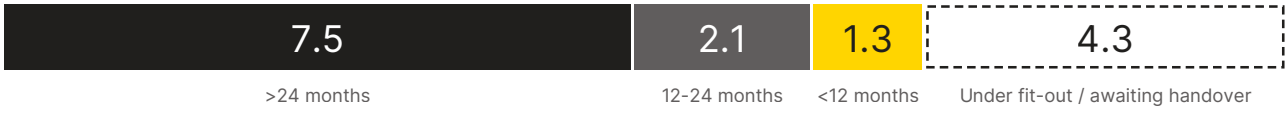
In commercial real estate, capacity cannot be created overnight. In a market that is short of quality office space, getting the right buildings first is our biggest advantage - and our supply is secured through FY28, with work on FY29 already underway.

The H2 pipeline is concrete, not conceptual. 2.1 Msf across six centres is under fit-out - including Eastside in Kharadi, Pune (~863,000 sq. ft.), and Eastbridge in Vikhroli, Mumbai (~815,000 sq. ft.), two of our and the world's largest managed office campuses, — and a further 2.3 Msf is awaiting handover. Together that is ~4.3 Msf in hand against the 1.6–2.1 Msf we need to go live in H2. Our footprint is spread across the West (44%), South (30%) and North & East (26%).

Two occupancy lines, not one

Overall occupancy stood at ~81%, simply because we are opening the very campuses that set up FY28. Committed occupancy is the more meaningful indicator: ~86% overall and ~91% across our mature centres (9.7 Msf). New centres are already at ~48% committed and ramping, and client lock-ins cover our landlord rent commitments about two times over.

A THIRD OF WHAT WE RUN IS STILL FILLING · OPERATIONAL FOOTPRINT BY AGE OF CENTRE · MSF



10.9 Msf operational, of which 3.4 Msf (31%) opened in the last 24 months; ~3 Msf still filling which Includes 2.1 Msf Under Fit Out. Centres reach break-even in about twelve months and 85% to 90% in under 18 months, then keep improving as fit-out is paid back and contracts re-price.

FINANCIAL INTERPRETATIONS

Reading Smartworks' Numbers

Smartworks is accounted under Ind-AS 116, creating a structural divergence between reported financials and economic reality. We report numbers on a normalised basis for the most accurate operating picture. Below are the key reconciliations for the quarter.

Business Performance	UoM	Q2FY27	Q2FY26	Q1FY27	YoY	QoQ
Revenue from operations	**INR Mn**	**5,914**	**4,248**	**5,462**	**39%**	**8%**
Reported EBITDA (Ind-AS)	**INR Mn**	**3,776**	**2,701**	**3,460**	**40%**	**9%**
Less: Repayment of lease liabilities	INR Mn	(2,606)	(2,006)	(2,391)	30%	9%
Normalised EBITDA	**INR Mn**	**1,169**	**696**	**1,069**	**68%**	**9%**
Normalised EBITDA Margin	%	19.8%	16.4%	19.6%	340 bps	20 bps
Normalised Profit Before Tax (PBT)	**INR Mn**	**582**	**245**	**519**	**137%**	**12%**
Normalised PBT Margin	%	9.8%	5.8%	9.5%	400 bps	30 bps
Normalised Profit After Tax (PAT)	**INR Mn**	**434**	**184**	**388**	**136%**	**12%**
Normalised Operating Cash Flow	**INR Mn**	**1,071**	**614**	**951**	**74%**	**13%**
OCF : EBITDA	×	0.9	0.9	0.9	—	—
Normalised ROCE (Annualised)	**%**	**21.6%**	**13.6%**	**21.5%**	**800 bps**	**10 bps**

All figures are as per Ind-AS financials unless stated. Normalised figures are non-GAAP. Normalised ROCE = Normalised EBIT / Normalised Capital Employed (annualised). NM = Not Meaningful. Full P&L, balance-sheet and cash-flow bridges: earnings presentation, and the KPI Databook on our website.

Key Takeaways

1. Ahead of Plan at the Halfway Mark - Revenue Guidance Raised to 33–35%

Revenue grew 41% year on year in the first half and rental revenue about 31%; Q2 was our sixth consecutive quarter of sequential growth since listing. With a strong first half, larger deals and existing clients expanding, we are raising FY27 revenue growth guidance from 28–30% to 33–35%, while reaffirming 19–20% normalised EBITDA margins and about 12.5-13 Msf of operational space by March 2027.

2. FY28 Is Already Being Built - Twice the Supply We Need for H2

We have 4.3 Msf under fit-out or awaiting handover against the 1.6-2.1 Msf we need to go live in H2. Eastside and Eastbridge, our two largest campuses ever, open in H2 with healthy committed occupancy, and Sattva joins our institutional developer partners. Total secured footprint is 17.5 Msf.

3. Clients Are Choosing to Grow With Us - includes ~₹5,400 Mn Signed in One Quarter

Contracts entered into with clients during Q2 FY'27 includes agreement with existing clients expansion by about ₹2,350 Mn and new clients added about ₹3,050 Mn of contracted rental revenue. Our client count grew to 785; 35+ clients now have more than 1,000 seats with us and 75+ are with us in more than one city.

4. Our Largest Clients Are Growing Fastest, and Our Base Is Broader Than Ever

Revenue from 1,000+ seat clients grew 49% to ~41% of rental revenue, and GCC revenue grew 50% over last year. IT/ITeS fell to ~36% of rental revenue from ~40% a year ago as consulting, engineering and manufacturing and BFSI grew faster. The largest client is under 5% of rental revenue.

5. Revenue Visibility Keeps Rising

Contracted rental revenue stands at ~₹58,000 Mn, up from ~₹54,000 Mn in June. Average tenure is 45 months (49 months for 1,000+ seat clients), client lock-ins cover our landlord rent commitments about two times over, and there is no asset-liability mismatch through FY30.

6. Our Newer Centres Are Still Filling - Margins And Returns Rise As They Mature

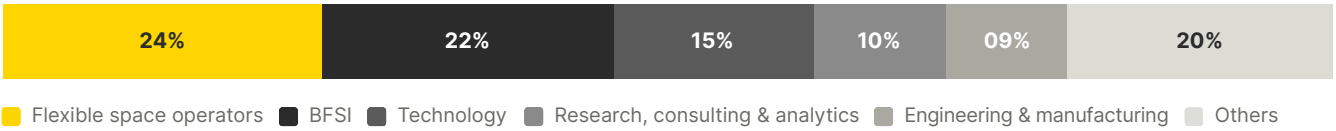
~31% of operational SBA opened in the last two years, and a further 4.3 million sq ft is not yet open. Our centres reach break-even in about a year and keep improving as fit-out is paid back and contracts re-price. Mature centres run at 88% occupied and 91% committed; margin held at 19.7% through our heaviest capex half; and as the new footprint matures, normalised RoCE rises without any new wins.

THE WORLD WE OPERATE IN

India's Office Market: Growing Through Uncertainty

9M 2026 ABSORPTION	FLEX SHARE OF Q3 LEASING	GCC SHARE OF 9M ABSORPTION
~66.4 Msf	**24%**	**42%**
A record for any 9-month period · up 8% YoY · CBRE Q3 2026	Largest single sector · CBRE Q3 2026	Record ~28 Msf · CBRE Q3 2026

FLEX IS NOW THE SINGLE LARGEST LEASING SECTOR · Q3 2026



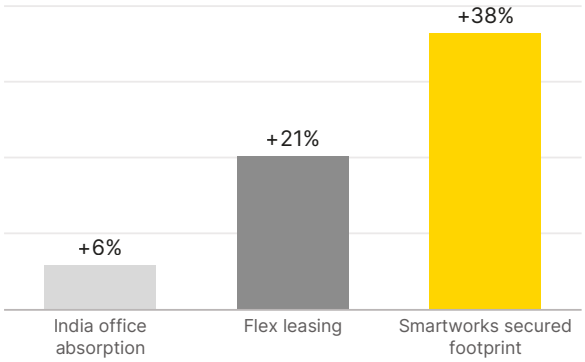
Demand Holding Through Uncertainty

India's office market absorbed ~66.4 million sq. ft. in January–September 2026, a record for any nine-month period, up 8% year-on-year; the July–September quarter alone saw ~21 million sq. ft. While geopolitical uncertainty in West Asia persisted, occupier decisions and deal closures stayed broadly intact. The economy is supportive, with GDP growing 7.8% in April–June and services hiring at its fastest pace in 15 months.

Demand Holding Through Uncertainty

Flexible space operators took ~24% of all leasing in Q3 2026 — the largest single sector — and half of all leasing by domestic occupiers, driven by the shift to "core + flex" portfolios. 67% of occupiers plan to include flex in their portfolios over the next two years, and ~65% of GCCs expect flex to feature in their real estate strategy. Flex is no longer a niche; it is the primary channel.

GROWTH, YOY



GCC Growth

GCCs leased a record ~28 million sq. ft. in the first nine months of 2026, ~42% of total absorption, with leasing volumes up 16% and deal count up 13% year-on-year. GCCs led 59% of transactions above 100,000 sq. ft. in Q3, and ~51% chose non-core micro-markets for new office set-ups - exactly where large, ready campuses win.

Source: CBRE Research - India Office Figures, Q3 2026.

INDUSTRY MEGATRENDS ON FLEX

AI Adoption & the Office

Adoption is near universal; the need for space is not shrinking

OCCUPIERS THAT HAVE ADOPTED AI

~93%

53% of large firms report advanced adoption

EXPECT NO SIGNIFICANT IMPACT ON SPACE

57%

AI changes what happens inside the office

PLAN TO EXPAND INDIA PORTFOLIOS

~77%

Nearly half across two or more cities

GCCs PRIORITISING SPECIALISED TALENT

~68%

Quality buildings are a baseline expectation

About 93% of occupiers have adopted AI in some form and 53% of large firms report advanced adoption, yet 57% expect no significant near-term impact on space take-up. About 77% of occupiers expect to expand their India office portfolios over the next two years, and nearly half plan to operate across two or more cities, the multi-city pattern our clients already follow. About 68% of GCCs prioritise specialised talent when choosing a location; technology-enabled buildings, collaborative zones and ESG are now baseline expectations.

What our clients are doing

In the first half we signed an AI and generative-AI services company for about 600 seats in Bengaluru, an AI-driven advertising technology company for about 800, and three AI-native software companies for 250 to 350 seats each. Several of our largest existing clients, including the engineering and technology services leaders who expanded in August, are using the new space for advanced engineering and AI teams. AI changes what happens inside an office; it does not change the need for one.

Source: CBRE 2026 India Office Occupier Survey (August 2026); CBRE Research, Q3 2026.

INVESTOR Q&A

Questions We Think You're Asking

1. What has led to raising our revenue guidance halfway through the year?

Because the first half has given us the visibility to do so. Rental revenue grew ~31% in H1, Contracts entered in Q2 includes ~₹5,400 Mn of contracted rental revenue from existing clients expansion and new clients added, and the supply we need for H2 is already in hand. Larger deals, existing clients expanding and the growth in our design and fit-out business all point the same way. We are raising revenue growth guidance to 33–35% and keeping our margin guidance of 19–20% ; trending towards the upper band, unchanged.

2. Your revenue per seat is lower than some peers'. Is that a weakness, and how can you raise it?

It is a deliberate choice that comes from how our model works. We lease entire large buildings rather than a few floors, which gives us better terms with landlords and lower costs to fit out and run the space. We pass part of that saving on to our clients, and our margins remain healthy. Right now, filling the 2.5–3 Msf we add every year with large, long-staying clients matters more to us than charging a little more per seat.

We have three ways to raise revenue per seat over time: built-in yearly increases in our contracts; repricing older contracts at renewal on a case-to-case basis; and, as our footprint grows, more revenue from value-added services such as food programmes, parking, events and GCC support services through SmartVantage. About 150,000 people work in our campuses every day, which gives us a large base for these services. As we reach a certain scale, this becomes a bigger lever, and it adds straight to profit because we earn a share of what our partners charge

3. Why Singapore, and what is the bar for entering further markets?

Many of the large companies that lease space in India make their decisions from regional offices in Singapore, and we wanted to be close to them. Our first two centres became profitable within about a year and have generated ~USD 2.5 Mn of EBITDA since handover, at margins higher than India's. That cash paid for Workstudio, with no capital from India. Singapore is ~2% of our revenue. Any new market must follow our clients, fund itself, become profitable quickly and not distract from India. India is where we see the maximum opportunity to grow.

4. Eastside and Eastbridge go live this year. By when will you fill them, and will they affect margins?

We never lease a building and then go looking for clients. Typically 20-25% of a new building is spoken for before we sign, and Eastside and Eastbridge open with healthy commitments levels. As our buildings have grown from 3-4 lakh sq. ft. to 6-7 lakh sq. ft., we have consistently reached 80–85% occupancy under 18 months.

On margins, a new campus does weigh on profitability for its first six to nine months while it fills. Three things keep that effect small for us:

• **We build as clients sign.** . On day one we build only the common areas and the space for committed clients. The rest is built only after a client signs, so we don't spend money keeping empty offices ready.
• **They land on a much larger base.** Our mature centres cover over 9.7 million sq ft at about 91% committed occupancy, so two new campuses are a small share of the total.
• **They break even early.** A new centre breaks even at about 60% occupancy, which we usually reach within the first year. After that, each seat we fill adds directly to profit.
We reaffirm our 19–20% margin guidance.

5. Your retention rate moves from quarter to quarter. What is the best way to look at it?

Over a full year, not a single quarter. Retention only measures the seats whose lock-in expiry came up in that quarter, and that number changes a lot from one quarter to the next, so one or two large clients can swing the percentage. That is why it was about 74% in Q1 and 89% in Q2. Over the last four quarters it has averaged 88%, and for FY26 it was 88%. We think retention in the 80s is healthy for our business: most clients stay and grow with us, and each year we free up some space to re-price at today's rents and to give expanding clients room in the same building. The number to watch alongside it is contracted rental revenue, which rose from ~₹54,000 Mn to ~₹58,000 Mn this quarter. Moreover seats up for retention are typically in low single digits thereby not having any material impact on our overall occupancy or financials.

6. OCF-to-EBITDA dipped and net debt rose. Should we be concerned?

Cash conversion this quarter came in a little below our usual level, and we expect it to stay soft for the next few quarters. This is because we are taking over new buildings and adding 2.5 to 3.0 million sq ft, along with a few steps we have taken to run our centres more efficiently and keep operating costs low. As these buildings go live, cash conversion will return to its usual level.
Our model has not changed. Clients pay deposits before we build, they pay us quickly, and our growth pays for itself.

7. ROCE has been flat at about 21–22% for three quarters. Why, and when does it move?

We are currently in an expansion phase and have made advance investments, including security deposits on buildings, to secure capacity for FY28 and FY29. As a result, our reported cash conversion stood at 0.9x. However, cash conversion from centres that are already operational is >1x.

Around 20% of our capital employed is invested in centres that are not yet operational, which temporarily impacts our reported RoCE. As these centres become operational and mature, earnings will catch up with the capital already invested, leading to an improvement in RoCE.

Free cash flow is expected to improve a few quarters later, as our mature operating base continues to grow and approaches 13 million sq. ft

8. When does free cash flow turn positive?

A few quarters after cash conversion does. Free cash flow is negative while we build: capex and deposits runs ahead of the cash new centres generate while they ramp up. It turns positive once the mature base approaches 13 million sq ft and its cash covers the next cycle's capex.

CLOSING PERSPECTIVE - Q2 FY27

What Sets Smartworks Apart

Five structural advantages that make this business durable

The Compounding Continues

Smartworks is today India's largest managed office platform by overall footprint - the only listed platform to cross 10.9 million sq ft of operational area - offering an end-to-end workplace ecosystem that goes well beyond office space. We remain committed to serving our clients, maintaining capital discipline, and compounding long-term value for our shareholders.

Scaling fastest with supply leadership

Adding 2.5–3 Msf a year against 17.5 Msf of total secured supply, with Eastside and Eastbridge, our two largest campuses, opening in H2.

Enterprise-first model with long-tenured earnings

91% of rental revenue from enterprises; the 1,000+ seat cohort contributes 41% ₹1,966 Mn of rental revenue in Q2 on 49-month tenures and 36-month lock-ins.

Accelerated growth & capital efficiency

Partial capex up-front and the rest phased with occupancy, supporting 33–35% growth this year with no new equity.

Cost leadership at scale

Industry-best capex and opex per sq ft, standardized builds and value-centric pricing: we win on share and cost, not on a price premium.

Durable & weatherproof

Predictable, annuity-like revenue and a strong, low-leverage balance sheet - built to withstand downturns.

Awards & Highlights

Smartworks recognised as
Pioneer of the Year – Managed Workspaces at
GROHE Hurun India Real Estate Leadership
Conaclave & Excellence Awards 2026

CII Unicorn Summit 2026
Recognised for successfully navigating
the IPO journey

Conducted GCC Policy Baatcheet with
MITRA CEO and CEA to Maharashtra CM

Partnered with CII for its GCC Conclave
and Summit

Tri-city curated roundtable series with
Forbes: GCC Leadership Exchange

SMARTWORKS

Workspaces That Work for You

SMARTWORKS COWORKING SPACES LIMITED

SHAREHOLDERS' LETTER & RESULTS · Q2 FY27