

Independent Auditor's Report

To the Board of Directors of Wakefit Innovations Limited (formerly known as Wakefit Innovations Private Limited)

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of Wakefit Innovations Limited (formerly known as Wakefit Innovations Private Limited) (hereinafter referred to as the "Company") for the year ended March 31, 2026, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Attention is drawn to the fact that the figures for the quarter ended March 31, 2025, as reported in these annual financial results have been approved by the Company's Board of Directors, but have not been subjected to audit since the Company got listed during the quarter ended December 31, 2025.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended March 31, 2026.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

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Independent Auditor's Report (Continued)

Wakefit Innovations Limited (formerly known as Wakefit Innovations Private Limited)

making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management's and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditor's Report (Continued)
Wakefit Innovations Limited (formerly known as Wakefit Innovations Private Limited)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The annual financial results include the results for the quarter ended March 31, 2026 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022


Umang Banka

Partner

Membership No.: 223018

UDIN:26223018WCAJHU2891

Bengaluru

May 21, 2026



Wakefit Innovations Limited

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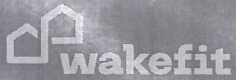
(Amounts in ₹ million, except share and per share data, unless otherwise stated)

Statement of audited financial results for the quarter and year ended March 31, 2026

Sl. No	Particulars	Quarter ended			Year ended	
		March 31, 2026	December 31, 2025	March 31, 2025	March 31, 2026	March 31, 2025
		(refer note 3)	Unaudited	Unaudited (refer note 3)	Audited	Audited
1	Income					
	Revenue from operations	3,436.00	4,213.40	3,026.05	14,889.43	12,736.91
	Other income	173.73	111.66	84.56	454.29	317.35
	Total Income (A)	3,609.73	4,325.06	3,110.61	15,343.72	13,054.26
2	Expenses					
	Cost of materials consumed	1,396.48	1,591.83	1,348.73	6,370.64	5,817.61
	Purchases of stock-in-trade	17.68	22.59	4.94	65.94	47.96
	Changes in inventories of finished goods, work in progress and stock in trade	98.92	330.88	50.24	151.18	(132.20)
	Employee benefits expense	434.27	432.66	399.73	1,662.00	1,657.43
	Other expenses	1,123.86	1,243.69	1,162.68	4,820.09	4,755.16
	Expenses before finance costs, depreciation and amortisation and exceptional items (B)	3,071.21	3,621.65	2,966.32	13,069.85	12,145.96
3	Earnings before finance costs, depreciation, amortisation and exceptional items and tax (A-B)	538.52	703.41	144.29	2,273.87	908.30
	Finance costs (C)	62.25	70.42	108.41	280.70	295.92
	Depreciation and amortisation expense (D)	241.26	275.11	297.83	1,044.54	962.42
	Total expenses (E) = (B+C+D)	3,374.72	3,967.18	3,372.56	14,395.09	13,404.30
4	Profit/(loss) before exceptional items and tax (F) = (A-E)	235.01	357.88	(261.95)	948.63	(350.04)
5	Exceptional items (G) (refer note 7)	(1.73)	39.32	-	37.59	-
6	Profit/(loss) before tax (H) = (F-G)	236.74	318.56	(261.95)	911.04	(350.04)
7	Tax expense / (credit)					
	- Current tax	-	-	-	-	-
	- Deferred tax credit (refer note 6)	(980.71)	-	-	(980.71)	-
	Total tax expense / (credit) (I)	(980.71)	-	-	(980.71)	-
8	Profit/(loss) for the period / year (J) = (H-I)	1,217.45	318.56	(261.95)	1,891.75	(350.04)
9	Other comprehensive income (OCI)					
	<i>Items that will not be reclassified subsequently to profit or loss</i>					
	- Remeasurement gain/ (loss) on defined benefit plans	11.40	(2.87)	2.01	10.74	2.09
	- Income tax relating to above	(3.75)	-	-	(3.75)	-
	Other comprehensive income/ (loss) for the period / year (K)	7.65	(2.87)	2.01	6.99	2.09
10	Total comprehensive income/ (loss) for the period / year (L)=(J+K)	1,225.10	315.69	(259.94)	1,898.74	(347.95)
11	Paid up equity share capital (face value of ₹1 per share)	329.97	326.83	10.52	329.97	10.52
12	Other equity				10,988.23	5,002.73
13	Earnings per equity share of ₹1 each	not annualised	not annualised	not annualised	annualised	annualised
	(a) Basic	3.70	1.01	(0.08)	6.03	(1.15)
	(b) Diluted *	3.68	1.01	(0.08)	6.00	(1.15)

* Diluted earnings per equity share is anti-dilutive for the quarter and year March 31, 2025.



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*(Amounts in ₹ million, except share and per share data, unless otherwise stated)***Statement of assets and liabilities as at March 31, 2026**

Particulars	As at March 31, 2026 (Audited)	As at March 31, 2025 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	1,493.31	1,652.01
Capital work-in-progress	16.58	7.35
Right of use assets	2,386.51	2,493.07
Intangible assets	11.30	9.05
Financial assets		
Other financial assets	3,516.66	890.40
Deferred tax assets (net) (refer note 6)	1,034.40	-
Income tax assets (net)	61.33	36.21
Other non-current assets	63.34	44.63
Total non-current assets	8,583.43	5,132.72
Current assets		
Inventories	1,975.54	1,636.29
Financial assets		
(i) Investments	799.40	512.45
(ii) Trade receivables	21.95	58.58
(iii) Cash and cash equivalents	884.86	71.19
(iv) Bank balances other than (iii) above	1,543.61	30.83
(v) Other financial assets	3,403.34	2,902.52
Other current assets	299.86	162.92
Total current assets	8,928.56	5,374.78
Total assets	17,511.99	10,507.50
Equity and liabilities		
Equity		
Equity share capital (refer note 4 and note 5)	329.97	10.52
Instruments entirely equity in nature (refer note 8)	-	192.45
Other equity	10,988.23	5,002.73
Total equity	11,318.20	5,205.70
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	1,909.63	2,023.37
Provisions	89.15	84.62
Total non-current liabilities	1,998.78	2,107.99
Current liabilities		
Financial liabilities		
(i) Lease liabilities	809.15	709.90
(ii) Trade payables		
-total outstanding dues of micro enterprises and small enterprises; and	362.90	210.00
-total outstanding dues of creditors other than micro enterprises and small enterprises	1,577.68	1,360.08
(iii) Other financial liabilities	509.56	179.99
Other current liabilities	809.72	653.09
Provisions	126.00	80.75
Total current liabilities	4,195.01	3,193.81
Total equity and liabilities	17,511.99	10,507.50



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*(Amounts in ₹ million, except share and per share data, unless otherwise stated)***Statement of cash flows**

Particulars	Year ended March 31, 2026 (Audited)	Year ended March 31, 2025 (Audited)
Cash flows from operating activities		
Profit/ (loss) before tax	911.04	(350.04)
Adjustments for:		
Depreciation and amortisation expense	1,044.54	962.42
Interest income on financial assets carried at amortised cost	(373.29)	(210.17)
Finance costs	280.70	295.92
Profit on sale of investments, net	(68.86)	(70.40)
Share based payment expense	33.03	117.41
Unrealised foreign currency loss/(gain), net	30.69	6.74
Change in fair value of financial instruments at fair value through profit or loss (FVTPL)	26.23	(2.03)
Loss allowance for security deposits, net	13.50	-
Write off of property, plant and equipment, net	6.57	19.31
Provision for doubtful advances, net	6.51	5.12
Gain on termination of leases, net	(6.28)	(25.08)
Allowance for expected credit loss, net	3.90	1.20
	1,908.28	750.40
Change in operating assets and liabilities :		
Movement in trade receivables	32.73	221.10
Movement in inventories	(339.25)	(329.46)
Movement in other financial assets	121.20	(553.96)
Movement in other current assets	(152.27)	45.89
Movement in trade payables	330.13	89.25
Movement in provisions	56.09	27.86
Movement in other financial liabilities	353.09	117.52
Movement in other current liabilities	156.65	380.50
Cash generated from operations	2,466.65	749.10
Income taxes refunds/(paid), net	(21.37)	13.10
Net cash generated from operating activities (A)	2,445.28	762.20
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(295.93)	(507.70)
Proceeds from sale of property, plant and equipment	2.01	-
Purchase of mutual fund units	(3,207.55)	(4,245.00)
Proceeds from sale of mutual fund units	2,963.24	5,189.16
Investment in fixed deposits	(7,189.78)	(3,498.09)
Proceeds from fixed deposits	2,511.59	2,847.15
Interest received	229.75	193.38
Net cash used in investing activities (B)	(4,986.67)	(21.10)
Cash flows from financing activities		
Proceeds from issue of equity shares, net of issue expenses	4,123.28	0.18
Repayments of current borrowings, net	-	(73.61)
Payment of lease liabilities (including interest)	(768.22)	(632.74)
Net cash generated from / (used in) financing activities (C)	3,355.06	(706.17)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	813.67	34.93
Cash and cash equivalents at the beginning of the year	71.19	36.26
Cash and cash equivalents at the end of the year	884.86	71.19
Components of Cash and cash equivalents		
Cash on hand	7.22	5.95
Balances with banks*		
-In the current accounts	831.16	65.24
-Deposits with original maturity of three Months or less	46.48	-
Total Cash and cash equivalents	884.86	71.19

*Includes unutilised balance of Net IPO proceeds which will be utilised as per the Company's prospectus dated December 10, 2025.





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Notes to the audited financial results for the quarter and year ended March 31, 2026

- 1 These financial results have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
- 2 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 21, 2026. The above results as at and for the year ended March 31, 2026 have been audited by the statutory auditors of the Company who have issued an unmodified opinion.
- 3 The figures for the quarter ended March 31, 2026 and March 31, 2025 represent the balancing figures between the audited figures for the full financial years ended March 31, 2026 and March 31, 2025 and the unaudited year-to-date financial results upto December 31, 2025 and December 31, 2024, respectively. The financial results for the nine months period ended December 31, 2025 have been subjected to a limited review by the Statutory Auditors. The financial results for the nine months period ended December 31, 2024 were approved by the Company's Board of Directors but have not undergone review by the Statutory Auditors as the requirement to submit quarterly financial results became applicable with the listing of the Company's equity shares commencing from the quarter ended December 31, 2025.
- 4 The Company has completed an Initial Public Offer (IPO) of 66,096,866 equity shares of face value of Rs. 1 each at an issue price of Rs. 195 per equity share (including share premium of Rs. 194 per equity share), comprising of offer for sale of 46,754,405 equity shares by selling shareholders and fresh issue of 19,342,461 equity shares. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on December 15, 2025. The total proceeds on account of fresh issue were Rs. 3,491.96 Million (net of issue expenses of Rs. 279.82 Million). The Company has utilized Rs. 46.00 Million of IPO proceeds and the unutilized amount have been temporarily invested in bank deposits as on March 31, 2026.
- 5 The Company has raised Rs. 559.99 million as part of Pre-IPO proceeds from issue of 2,871,794 equity shares with a face value of Rs. 1 each at an issue price of Rs. 195 each.
- 6 As at March 31, 2025, the Company had carry forward business losses and unabsorbed depreciation of Rs. 3,134.00 Million. In the absence of convincing evidence regarding the availability of sufficient future taxable profits, no deferred tax asset was recognised till March 31, 2025. During the quarter and year ended March 31, 2026, the Company has reassessed the recoverability of these carry forward losses and unabsorbed depreciation. The reassessment considered, inter alia, taxable profits during the current year, future projected taxable profits and the use of IPO proceeds towards strategic initiatives, including planned investments towards expansion of the retail network etc. Based on the above factors, the Company has recognised a deferred tax asset (net) of Rs. 1,034.40 Million as at March 31, 2026, with a corresponding deferred tax credit of Rs. 980.71 Million recognised in the Statement of Profit and Loss, Rs. 57.44 Million recognised in Other Equity and a charge of Rs. 3.75 Million recognised in Other Comprehensive Income.
- 7 On November 21, 2025, the Government of India notified four Labour Codes—namely, the Code on Wages, 2019; the Industrial Relations Code, 2020; the Code on Social Security, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020—thereby consolidating 29 existing labour laws. Based on its assessment of the potential impact of these codes, primarily arising from changes in the definition of wages, and considering the latest available information, including the revised wage structure being implemented, the Company has recognised an incremental impact on employee benefit obligations (gratuity and compensated absences) aggregating to Rs. 37.59 Million in the financial statements for the year ended March 31, 2026. The Company continues to monitor the updates on Central/ State Rules, as well as clarifications from the Government on various aspects of the Labour Codes. The accounting impact of such developments will be recognised appropriately as and when they arise. Considering that the impact is regulatory driven and non-recurring in nature, the Company has presented the incremental impact under 'Exceptional items' in the Statement of Profit and Loss for the year ended March 31, 2026.
- 8 The Board of Directors, at its meeting held on November 12, 2025, approved the conversion of its entire Compulsorily Convertible Cumulative Preference Shares (CCCPS) i.e. Series A, Series B, Series C, Series D and Series D1, into 147,087,468 equity shares of the Company, in accordance with the approved conversion ratio.
- 9 The Chairperson, CEO and Executive Director of the Company has been identified as the Chief Operating Decision Maker (CODM). The CODM of the Company evaluates the Company's performance at an overall level as one segment which is 'Home Furnishing'. Accordingly, the figures appearing in these Statement of financial results relate to the Company's only reportable segment.
- 10 The results for the quarter and year ended March 31, 2026 are available on the National Stock Exchange of India Limited (NSE) website (URL: <https://www.nseindia.com/corporates>), BSE Limited (BSE) website (URL: <https://www.bseindia.com/corporates>) and on the Company's website (URL: <https://www.wakefit.co/investor-relations>).
- 11 The Company has no subsidiary, associate or joint venture company(ies), as on March 31, 2026.



For and on behalf of the Board of Directors of Wakefit Innovations Limited
(Formerly known as Wakefit Innovations Private Limited)

Ankit Garg
Chairperson, CEO and Executive Director
DIN: 07451481

Place: Bengaluru
Date: May 21, 2026