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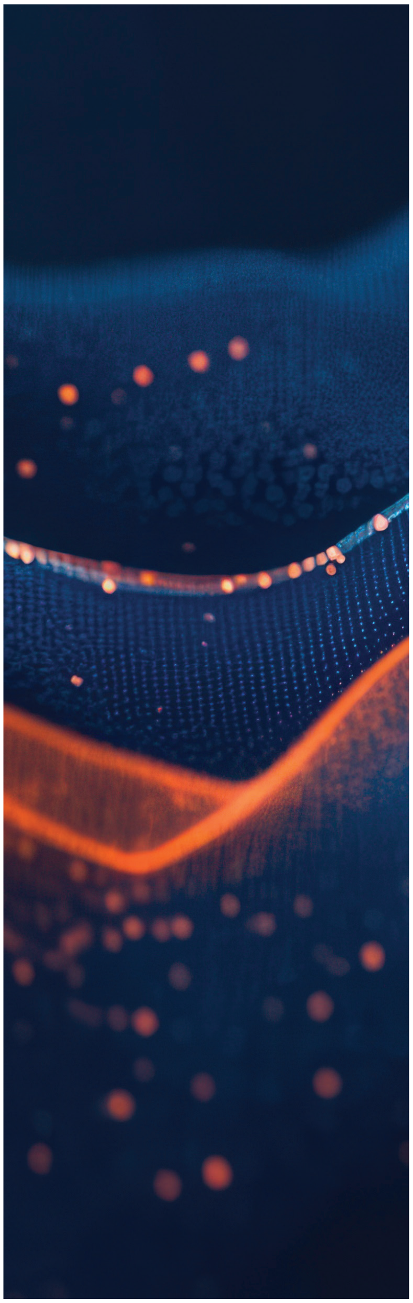
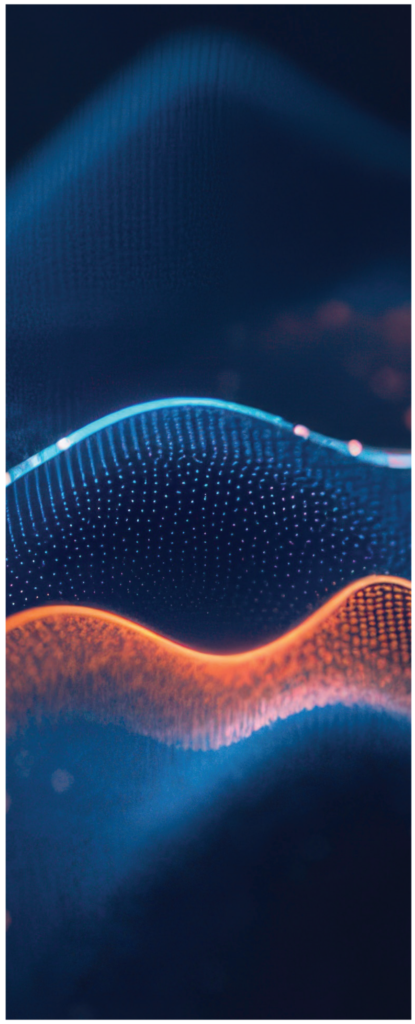
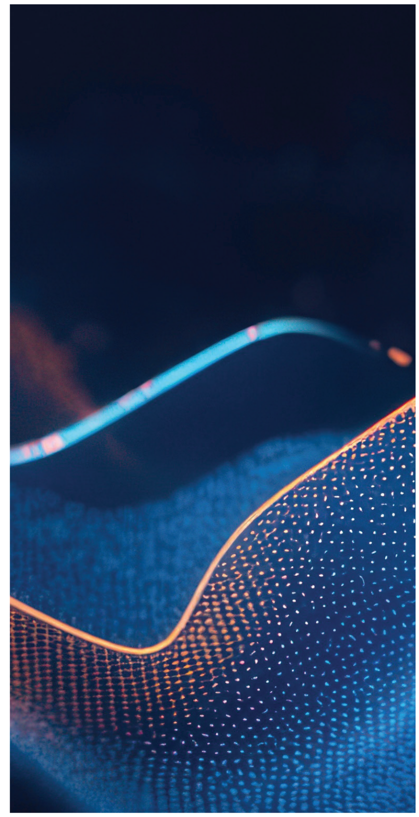
BEST PRACTICES

2026

MALAYSIAN FLEXIBLE WORKSPACE

COMPETITIVE STRATEGY LEADERSHIP

worq

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Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each recognition category before determining the final recognition recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. WORQ excels in many of the criteria in the flexible workspace space.

RECOGNITION CRITERIA

Strategy Innovation	*Customer Impact*
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

The Transformation of the Flexible Workspace Industry

Malaysia's corporate real estate landscape is undergoing a seismic structural reconfiguration. Over the 2023-2026 period, global geopolitical tensions and macroeconomic policy shifts have introduced significant market uncertainty, prompting multinational corporations to seek agile regional offices and local firms to adopt flexible real estate strategies to optimise capital. The demand is no longer simply for a desk or a meeting room; it is for an integrated environment that simultaneously absorbs real estate complexity on behalf of occupiers, delivers enterprise-grade consistency, and scales in lock-step with fluctuating headcount and corporate priorities. Organisations that once viewed the office as a fixed cost center are now reconceptualising it as a strategic, variable asset, one that must justify its existence through measurable contributions to workforce productivity, talent attraction, and operational efficiency.

This paradigm shift is particularly pronounced in the Klang Valley, where the intersection of urban density, mature public transit infrastructure, and a demographically young, mobile workforce has created fertile ground for a new generation of workspace operators. In Malaysia, a fundamental structural change in corporate real estate strategy is underway, as businesses pivot toward managed offices, decentralised hubs, and dynamic occupancy models. Workspaces are no longer viewed merely as physical assets; instead, companies now place a premium on strategic accessibility, wellbeing, community, and tech-enabled collaboration as essential drivers of business performance. Enterprises and multinationals, whether newly entering Malaysia or already operating in the market, increasingly seek providers capable of delivering turnkey, institutionally managed environments that eliminate the complexity of conventional property occupation, while retaining the capacity to respond to rapid business change without being penalised by lease terms, fit-out costs, or notice periods.

Against this backdrop, the bar for competitive differentiation has risen substantially. Operators that rely solely on location or pricing as competitive differentiators are finding themselves outmaneuvered by providers capable of wrapping physical space within a broader value architecture, one that encompasses financial transparency, a demand-led approach to opening new sites, wellness infrastructure, and vibrant professional community networks.

Architectural Market Dominance

Malaysia's flexible workspace market remains highly competitive, with global coworking brands and agile local operators competing for enterprise clients and individual users. In this environment, sustained leadership depends less on footprint alone and more on the ability to execute a coherent operating strategy, one that balances growth ambition with financial discipline and operational consistency.

WORQ's market positioning is anchored in a hybrid operating model that combines conventional lease structures with partnership-driven arrangements involving institutional landlords. This blended approach allows the company to enter premium locations while preserving capital flexibility. Rather than relying solely on conventional leases, WORQ structures landlord partnership agreements that align incentives between operator and asset owner. Through this model, the company aims to reach 500,000 sq ft by 2027 and expand to 1 million sq ft by the end of the decade.

> *"As WORQ continues to invest in technology and physical space within its partners' buildings, it builds lasting, mutually beneficial relationships with everyone connected to the asset."*
>
> ***- Ana Dominguez***
> ***Best Practices Research***

This operating model is supported by a deliberately structured financial and asset strategy. Ongoing reinvestment into infrastructure, technology, and workspace quality ensures that outlets remain competitive over time, while disciplined cost structures maintain unit-level sustainability across the portfolio.

Growth is further reinforced through a demand-led expansion framework. New site development is guided by occupier demand rather than speculative build-outs, reducing vacancy risk at launch and enabling capital efficiency.

At the portfolio level, performance is supported by diversified revenue streams spanning coworking memberships, private offices, enterprise solutions, and ancillary services such as meeting rooms and event spaces. Combined with disciplined unit economics, this diversification enables consistent performance across new launches while maintaining operational resilience.

WORQ's competitive moat is further strengthened by its network of offices. With a portfolio of transit-oriented locations across the Klang Valley, the company provides geographic coverage and accessibility that smaller operators would find difficult to match. This network is unified through consistent standards in design, service delivery, and operational management, enabling scalable growth without compromising quality, solidifying WORQ's position as the largest coworking space provider in Malaysia.

Central to this network strategy is WORQ's deliberate anchoring within Transit-Oriented Developments (TODs) across the Klang Valley. Of its outlets, twelve sit directly on train stops, a positioning choice that goes beyond convenience: it is a structural response to how the modern Malaysian workforce moves, works, and chooses employers. By minimising commuting friction for occupiers' teams, WORQ's TOD footprint has become a defining source of demand, particularly among enterprises building hub-and-spoke or hybrid work models that require multiple accessible touchpoints rather than a single fixed headquarters. This transit-first approach is difficult for less disciplined operators to replicate, since it requires patient, criteria-led site selection rather than opportunistic expansion. Underlying this scalability is a centralised, technology-enabled operating backbone. Integrated, cloud-based systems provide real-time operational visibility across locations, allowing WORQ to standardise processes, optimise performance, and replicate successful site models with speed and precision. This reduces fragmentation and ensures consistency as the business expands.

> *"Central to WORQ's expansion strategy is its deliberate anchoring within Transit-Oriented Developments (TODs) across the Klang Valley. This transit-first model presents a steep barrier to entry for competitors. By balancing patient, criteria-led site selection with sustained portfolio growth, this disciplined real estate approach has solidified WORQ's standing as Malaysia's largest coworking space provider."*
>
> ***- Janice Wung***
> ***Industry Principal***

Stakeholder integration is woven into the fabric of WORQ's growth engine through its curated alliances with Malaysia's most prominent institutional property owners. Partnerships sit at the center of how WORQ grows, giving it the means to draw more value out of a landlord's building by wrapping it in a fuller, higher-value ecosystem for occupiers. The company works hand-in-hand with leading Malaysian developers and institutions, among them UOA Group, Sunway Group, and SP Setia. As WORQ continues to invest in technology and physical space inside its partners' buildings, it builds lasting, mutually beneficial relationships with everyone connected to the asset. Landlords, institutional investors, and the enterprises that occupy the space all share, in measurable terms, in the growth that follows.[1]

Customer-Centric Growth

Across the flexible workspace sector, occupiers increasingly evaluate providers not only on cost efficiency, but on the quality of the workplace experience and its impact on employee wellbeing, engagement, and productivity. In response, WORQ positions the office not simply as a physical footprint, but as an integrated workplace environment designed to support how people work, collaborate, and grow over time.

At the center of this approach is a deliberately designed, experience-led ecosystem. WORQ Well, the company's flagship site at KL Eco City, serves as the clearest expression of this philosophy. WORQ Well, the company's flagship site at KL Eco City, is Malaysia's first and only coworking space to be WELL-rated by the International WELL Building Institute (IWBI) — a certification that reflects a design framework built around health and wellbeing rather than density alone, and one that remains unmatched by any

[1] https://worq.space/blog/business-insights/from-coworking-to-co-growing-how-worq-helps-landlords-maximize-roi-and-build-value/ Accessed May 2026

competitor in the market. The space integrates amenities such as a full-size swimming pool, massage room, napping pods, and sauna and steam facilities alongside light-filled work areas and acoustically optimised focus zones. This combination supports both productivity and wellbeing, creating a differentiated environment that competitors cannot easily replicate through pricing alone. Underpinning this design philosophy is WORQ's broader commitment to People Experience — a framework that treats the workplace as more than square footage, and instead as a lever for productivity, professional growth, and genuine human connection. This manifests across four dimensions: reducing commuting stress through TOD-anchored locations to sustain productivity; embedding wellness into the physical environment; providing members access to learning and development programming through its meeting and event spaces; and actively engineering community through flagship initiatives such as the NetWORQ Party, the EQ (Entrepreneur Quriosity) panel series, and She Means Business. Where competitors compete primarily on desks and pricing, WORQ competes on the depth of this ecosystem.

This wellness commitment extends beyond the built environment through Move @ WORQ, an in-house, instructor-led sports and activity initiative that encourages members to sustain an active lifestyle without leaving the workplace — reinforcing WORQ's people-first philosophy as an operating principle rather than a design feature. This experience is complemented by a fully managed, end-to-end service model. Through its Space-as-a-Service offering and Enterprise Solution, WORQ manages the full operational complexity of occupying office space, from site selection and fit-out to facilities management and day-to-day administration. This allows clients to remain focused on their core business activities while benefiting from a professionally managed, institutional-grade workplace environment. The consistency of delivery across all locations ensures that enterprises, particularly those entering Malaysia, can rely on a predictable and standardised onboarding experience.

Beyond initial occupancy, WORQ’s model is defined by continuous engagement throughout the client lifecycle. Rather than separating itself from the client once a contract is signed, it stays engaged for the life of the relationship, behaving more like a workplace-strategy adviser than a space provider. By staying close to each client’s evolving organisational needs and coordinating directly with HR and leadership teams on headcount and growth planning, WORQ can move with them as they grow, contract, or relocate, reconfiguring layouts or expanding capacity as the need arises. That continuity is what keeps clients inside the WORQ network as they change, turning a transactional tenancy into a long-term partnership that sets WORQ apart from other operators.

The effectiveness of this approach is reflected in the company's performance metrics. WORQ's members are no longer just startups and SMEs but even enterprise customers who are the majority contributors today. More than 62% of customers stay for the long-term, a retention profile that reflects how firmly the customer experience and community engagement hold members in place. The company tracks this through a Net Promoter Score run twice a year, alongside occupancy, retention, and revenue per square foot, and its record has made it one of the most decorated operators in the market. This customer-centric model translates directly into financial performance. WORQ achieved annual revenues exceeding MYR 50 million, underpinned by healthy occupancy, continued expansion of its outlet network, and sustained demand from startups, SMEs, MNCs, and regional teams pursuing agile workplace strategies. Diversified revenue streams across coworking memberships, private offices, enterprise solutions, and event and meeting space have supported disciplined unit economics, enabling new outlets to achieve profitability from Day 1 — a rare outcome in a sector where new-site vacancy risk is typically the primary drag on returns. Consequently, WORQ has achieved superior capital efficiency and a larger operational footprint than many higher-funded competitors.

Conclusion

WORQ has established itself as a structurally sophisticated and clearly differentiated operator in Malaysia's flexible workspace market, underpinned by a disciplined, scalable operating model and a people-centric workplace experience

Its hybrid operating model, demand-led expansion strategy, and performance-aligned landlord partnerships have enabled disciplined and sustainable scaling, creating a resilient operating foundation that sets a strong benchmark within the sector.

The company differentiates through a high-quality workplace experience built around wellbeing, service consistency, and active client engagement. This is exemplified by WORQ Well, its flagship location and the only coworking space in Malaysia to achieve the WELL Coworking Rating, alongside a consultative service model and a vibrant community that supports member retention and long-term engagement. Together, these elements position WORQ as more than a space provider, but as an integrated operator that aligns real estate strategy with user experience. Its trajectory demonstrates that leadership in the flexible workspace sector is not driven by scale alone, but by the ability to consistently connect operating discipline with tangible value creation for both asset partners and occupiers. With its strong overall performance, WORQ earns Frost & Sullivan's 2026 Malaysia Competitive Strategy Leadership Recognition in the flexible workspace industry.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Recognition identifies the company with a standout approach to achieving top-line growth and a superior customer experience.

Best Practices Recognition Analysis

For the Competitive Strategy Leadership Recognition, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes best practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services offer the best ROI and superior value compared to similar market offerings

Customer Purchase Experience: Purchase experience with minimal friction and high transparency assures customers that they are buying the optimal solution to address both their needs and constraints

Customer Ownership Excellence: Products and solutions evolve continuously in sync with the customers' own growth journeys, engendering pride of ownership and enhanced customer experience

Customer Service Experience: Customer service is readily accessible and stress-free, and delivered with high quality, high availability, and fast response time

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty, which is regularly measured and confirmed through a high Net Promoter Score®

Best Practices Recognition Analytics Methodology

Inspire the World to Support True Leaders

This long-term process spans 12 months, beginning with the prioritization of the sector. It involves a rigorous approach that includes comprehensive scanning and analytics to identify key best practice trends. A dedicated team of analysts, advisors, coaches, and experts collaborates closely, ensuring thorough review and input. The goal is to maximize the company's long-term value by leveraging unique perspectives to support each Best Practice Recognition and identify meaningful transformation and impact.

		VALUE IMPACT	
STEP		WHAT	WHY
1	Opportunity Universe	Identify Sectors with the Greatest Impact on the Global Economy	Value to Economic Development
2	Transformational Model	Analyze Strategic Imperatives That Drive Transformation	Understand and Create a Winning Strategy
3	Ecosystem	Map Critical Value Chains	Comprehensive Community that Shapes the Sector
4	Growth Generator	Data Foundation That Provides Decision Support System	Spark Opportunities and Accelerate Decision-making
5	Growth Opportunities	Identify Opportunities Generated by Companies	Drive the Transformation of the Industry
6	Frost Radar	Benchmark Companies on Future Growth Potential	Identify Most Powerful Companies to Action
7	Best Practices	Identify Companies Achieving Best Practices in All Critical Perspectives	Inspire the World
8	Companies to Action	Tell Your Story to the World (BICEP*)	Ecosystem Community Supporting Future Success

*Board of Directors, Investors, Customers, Employees, Partners

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The Growth Pipeline Generator™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fueled by the Innovation Generator™.

Learn more.

Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** Industry Leadership

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Megatrend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)