

4 March 2025

PRELIMINARY RESULTS ANNOUNCEMENT

International Workplace Group plc, the world's largest hybrid workspace platform with a network in over 120 countries through flexible workspace brands such as Regus, Spaces, HQ and Signature issues its preliminary results for the twelve months ended 31 December 2024.

RECORD SYSTEM-WIDE REVENUE, RECORD EBITDA, RECORD CENTRE OPENINGS: DELIVERY DRIVING \$50M SHARE BUYBACK PROGRAMME

Group performance: record revenue, record EBITDA, cash generation

- Highest-ever system-wide revenue of \$4.2bn (6% growth in open centres, 2% growth in all centres)
- Highest-ever pre-IFRS 16 EBITDA with growth of 11% to \$557m (2023: \$503m)
- Highest-ever network growth with 899 new centre signings and 624 openings
- Net financial debt continuing to fall to \$712m (2023: \$775m)
- Return to profitability with earnings per share of 2.0¢ (2023: (26.7)¢)

Managed & Franchised: fee growth, openings accelerating, RevPAR evolving as expected

- Growth in new centres driving fee income growth of 30% to \$79m (2023: \$61m)
- Record openings in 2024 with 73k rooms added to the network – almost 2x higher than in 2023 (37k)
- Signings continued to increase in 2024, with 725 new locations signed (2023: 678), expecting higher signings in 2025
- At the end of 2024, this segment had 185k rooms open and 182k rooms that were signed but not yet open. Once these rooms are all open and mature, they are expected to produce system-wide revenues of \$1.4bn per year

Company-owned: further margin improvement

- Profitability continuing to improve with margin increase from 22% in 2023 to 25% to \$790m (2023: \$711m)
- Revenue growth in open centres of 5%
- Further reduction in centre-related net growth capex to \$51m (2023: \$70m) and maintenance capex continued to be controlled despite the inflationary backdrop

Digital & Professional Services: good underlying performance

- Underlying revenue excluding the impact of the previously announced loss of a legacy contract increased by 8% and underlying EBITDA growth was 18%

Overhead: continued disciplined control of overhead costs

- Underlying core overheads fell by 1% from maintaining cost control
- Discretionary overheads increased by \$36m to \$59m. Discretionary investment overheads is expenditure which are incurred on a discretionary basis, but not capitalised, to fuel growth. In 2024, these included:
 - \$25m headcount investment in the Partnership Sales team to drive managed partnership location signings
 - \$13m in increased marketing investment
 - \$4m in finance projects
- This resulted in total overheads increasing by 6% to \$502m (2023: \$473m)
- Discretionary overhead spend will result in enhanced scalability to support future growth

Segmental summary

\$m	System Revenue	Revenue	Contribution	Pre-IFRS 16 Adjusted EBITDA	Capital expenditure		
					Centre Maintenance Capex (net)	New Centre Capex (net)	Other Investments (incl. M&A)
Managed & Franchised	620	79	79	414	n/a	n/a	0
Company-owned	3,222	3,222	790		45	51	55
Digital & Professional Services	389	389	188	143	–	–	31
Total in 2024	4,231	3,690	1,057	557	45	51	86
Total in 2023	4,157	3,689	977	503	49	70	89
% change	2%	0%	8%	11%	(8)%	(27)%	(3)%

Capital structure and allocation: Delivering the foundations to support investor returns

Capital structure

- Milestone \$1.4bn debt refinancing, extending maturities to 2029/2030 with new revolving credit facility, inaugural bond issued backed by a debut investment-grade credit rating

Capital allocation

- \$50m share buyback and increase in dividend
- On the prior trajectory, we expect to reach the 1.0x Net Debt/EBITDA target announced in December 2023 at the end of 2025
- The capital allocation policy of leverage reduction and a progressive dividend remain, but we are adding a \$50m share buyback programme
- The Board has recommended a final dividend for 2024 of 0.90c. This results in an increase in the total dividend for 2024 compared to that in 2023 in-line with our progressive dividend policy.
- We maintain our commitment to a BBB credit rating and continued de-levering

Changes to presentation of financials

This is the first full year reporting in US dollars resulting in a reduction in the differential between actual and constant currency. As previously announced, the Group is adopting US GAAP accounting standards for the year ended December 31, 2025. Historic financials will be released prior to the H1 2025 results; following this we will be carrying out investor workshops, details of which will be announced soon.

Summary Group financials

The Group reports results in accordance with IFRS. Some results are additionally presented before the application of IFRS 16 (in accordance with IAS 17 accounting standards) as it provides useful information to stakeholders on how the Group is managed and reporting for debt covenants and certain lease agreements. The primary difference between the two standards is the treatment of operating lease liabilities. There is no difference between underlying cash flow. A reconciliation between EBITDA before the application of IFRS 16 and the IFRS 16 EBITDA is provided in the CFO review.

(\$m)	FY 2024	FY 2023	Change
System revenue	4,231	4,157	2%
Managed & Franchised	620	529	17%
Company-owned	3,222	3,230	0%
Company-owned (Open Centres)	3,178	3,031	5%
Digital & Professional Services	389	398	(2)%
Group revenue	3,690	3,689	0%
Pre-IFRS 16 Group EBITDA	557	503	11%
Pre-IFRS 16 operating profit	114	35	226%
Earnings per share (c)	2.0	(26.7)	n.m
Cashflow from business activities	298	375	(21)%
Net financial debt	712	775	(8)%

Managed & Franchised

	FY 2024	FY 2023	Change
System revenue (\$m)	620	529	17%
RevPAR (\$)	408	485	(16)%
RevPAR – Managed	256	372	(31)%
RevPAR – Franchised & JVs	487	511	(5)%
Fee revenue (\$m)	79	61	30%
Contribution (\$m) ¹	79	61	30%
Rooms open	185k	123k	51%
Centres open	1,116	682	64%
Rooms opened in the period	73k	37k	97%
Centres opened in the period	483	232	108%
Rooms in pipeline	182k	121k	50%
New centre deals signed	725	678	7%

1. Gross Profit excluding depreciation before the application of IFRS 16 defined in the alternative performance measures section

Company-owned

	FY 2024	FY 2023	Change
Revenue (\$m)	3,222	3,230	0%
Open centre revenue	3,178	3,031	5%
RevPAR (\$)	356	352	1%
Contribution ¹ (\$m)	790	711	11%
Contribution margin (%)	25%	22%	+251bps
Rooms open	775k	772k	0%
Centres open	2,873	2,832	1%
Centres opened in the period	141	96	47%

1. Gross Profit excluding depreciation before the application of IFRS 16 defined in the alternative performance measures section

Digital & Professional Services

(\$m)	FY 2024	FY 2023	Change
Revenue	389	398	(2)%
Underlying revenue	335	363	9%
Contribution ¹	188	205	(8)%
Overhead ²	(45)	(47)	(4)%
Adjusted EBITDA	163	160	2%
EBITDA margin (%)	37%	39%	(269)bps

1. Gross Profit excluding depreciation before the application of IFRS 16 defined in the alternative performance measures section

2. Pre-rationalisation costs, SG&A excluding depreciation before the application of IFRS 16 defined in the alternative performance measures section

Mark Dixon, Chief Executive of International Workplace Group plc, said:

“We are reaching an inflection point where the hard work from the last few years is coming to fruition. We have a supportive operating environment, structural industry tailwinds and a business which is both prepared for, and delivering, centre growth. We are by far the largest player in this industry and getting ahead of the competition even further as we deliver value to landlords and clients. I am confident that following last year’s delivery of record revenue, record EBITDA and record centre growth, our share buyback programme announced today further underpins the position that IWG has as a global category leader whose offices you can find in almost every major city on the planet.”

Outlook and guidance

We remain cautious given continued global macroeconomic uncertainty and volatility. In the short term we expect continued growth in pre-IFRS 16 EBITDA with FY 2025 expectation of \$580m to \$620m, net debt/EBITDA continuing to fall and centre growth and signings above FY 2024 levels. In the medium term we continue to target \$1bn pre-IFRS 16 EBITDA. We also reiterate our commitment to maintaining a BBB credit rating.

Financial calendar

18 March 2025	Publication of 2024 Annual Report & Accounts
2 May 2025	Final 2024 dividend record date
6 May 2025	Q1 2025 trading update
20 May 2025	Annual General Meeting
30 May 2025	Final 2025 dividend payment date
5 August 2025	H1 2025 results
4 November 2025	Q3 2025 trading update
4 December 2025	Investor Day in New York City

Results presentation

Mark Dixon, Chief Executive Officer, and Charlie Steel, Chief Financial Officer, will be hosting a presentation of the results today for analysts and investors at 9.00am UK time (SPACES, New Broad Street House, 35 New Broad St, London, EC2M 1NH).

The presentation will be available via live webcast and will be available to view at the following link: <https://broadcaster-audience.mediaplatform.com/event/67b23bdb9d04665f3ecd8834>

This announcement contains information that qualifies or may qualify as inside information. The person responsible for arranging the release of this announcement on behalf of International Workplace Group plc is Tim Regan, Company Secretary

Further information

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Greg Dawson

Chairman's Statement

Providing flexibility for a changing world

IWG has been providing flexible workspace since opening its first centre over 35 years ago. That flexibility has come to mean so much more in recent years as technology has significantly impacted how and where people work. In addition, the speed and magnitude of unprecedented social, economic and technological change continue to accelerate which all contribute to the escalating need for flexibility in the design, quantity, location and term of workspace.

With nearly 4,000 centres across 120 countries, flexibility is what IWG continued to provide in abundance during 2024, with the network and scalability businesses everywhere need to respond quickly, cost-efficiently and effectively to their space requirements so their people can work productively.

Executing our strategy

We are focused on executing our strategy which delivered record revenues, pre-IFRS 16 EBITDA and centre openings for 2024 and is creating value for all our stakeholders.

For workers we provide modern, flexible workspace conveniently located where people want to work, whether as their daily office, part of hybrid working arrangements, or a drop-in meeting location.

We help businesses improve productivity, reduce their environmental impact and increase employee loyalty by adding flexibility to where, when and how their people work. We take the complexity and costs out of providing effective working space for everything from entire workspace needs to providing for the special needs of mobile and hybrid workers, supporting special project teams, to entering new market locations.

For our building owner partners we provide strong returns from flexible workspace, simplifying the process by providing everything required to operate the business successfully. From the initial design through to ongoing daily operations, whether to improve returns on an entire building or to provide a profitable sought-after feature in larger buildings and developments.

For shareholders the execution of our strategy will deliver healthy returns from serving the rapidly growing need for flexible workspace.

Continuing our sustainability journey

IWG continues to advance towards our sustainability targets with reducing our carbon footprint through the conversion of our centres to green certified electricity remaining a key near-term priority. During 2024 we made significant progress in this area through focusing on the conversion of additional centres to certified green electricity aligned with RE100 guidelines.

We are also improving the performance of centre buildings using new technologies while further consolidating our supply chain and reducing waste across our extended organisation.

In addition, the positive effect of reduced commuting on carbon emissions by enabling more people to work closer to home continues to grow at pace through our rapidly expanding network. These ongoing achievements reflect the commitment to sustainability that is exhibited throughout our corporate culture.

Acknowledging our exceptional people

The Group's success during such a complex and fast-moving market environment is a testament to the professional approach and total commitment of our exceptional people at IWG. They are the key to executing our strategy, from the unprecedented speed of network expansion to providing outstanding customer experiences every day. As ever, it is a pleasure to acknowledge their amazing contribution to our success as we strive to provide a stimulating and inclusive working environment where they can leverage our robust development support to build satisfying and rewarding long-term careers with IWG.

Focusing on board succession

I am indebted to my Board colleagues for the high quality of their input and advice as they continue to contribute to the ongoing success of IWG. After over nine years on the Board, François Pauly has stepped down as the IWG Senior Independent Director and Chair of our Nominations Committee. I would like to thank François for his many contributions during a time of significant growth for IWG, and I particularly benefitted on a personal level from his wisdom and insights. I am grateful to Tarun Lal who is serving effectively as our Senior Independent Director and Chair of the Nominations Committee as we complete the process of identifying a permanent successor for these roles and preparing the board for the future.

Looking ahead

I am confident that in 2025 and beyond IWG will continue to build on the strengths developed over the last 35 years. We will do this by focusing on the execution of the essentials, including rapid capital-light network development supported by a growing customer base, increased efficiencies through adoption of new technologies, building strong partnerships and brands, and creating opportunities for our people and rewarding returns for shareholders. Our success will be realised through delivering tangible value for all stakeholders while enabling millions worldwide to have a great day at work.

Douglas Sutherland

Chairman

4 March 2025

Chief Executive Officer's Review

In 2024, we celebrated a very special milestone. 35 years ago, we opened our very first Regus location on the superbly located, Avenue Louise in Brussels, Belgium in September 1989. Over the course of three and a half decades, so many important and unrivalled milestones have been accomplished from serving 8 million customers in more than 120 countries worldwide to working with 83% of Fortune 500 companies.

Our defining mission today, as it was 35 years ago, is to revolutionise how and where people work, bringing significant productivity benefits and lower costs to companies while transforming the working lives of their teams. Over the past few years, we have seen hybrid and more flexible ways of working become the default model for a significant proportion of white-collar workers; with companies empowering their employees to work across multiple locations, splitting their time between local workspaces, a central office and home.

It is particularly rewarding to see over the past few years how academics, leading industry commentators and business leaders are now recognising the incredible benefits of this way of working for both companies and their people.

The research of Professor Nicholas Bloom – a senior fellow at the Stanford Institute for Economic Policy Research and acknowledged as the world's leading authority on the hybrid model – has shown that about 40% of white-collar employees now work in this model and will continue to do so in the future.

This long-term shift towards the hybrid model is one of the mega-trends of our time and represents a substantial financial opportunity for IWG. With 1.2 billion white-collar workers globally, our industry has a total addressable audience valued at more than \$2 trillion and platform working is set to become the norm for many of these employees.

The reasoning for the transition towards hybrid working is clear and compelling for companies of all sizes and their employees with positive impacts on, productivity, lower costs, increased flexibility and above all significantly enhanced worker happiness, while investors, landlords and building owners are increasingly seeing IWG as the ideal partner to capitalise on the long-term shift towards the model.

The Office isn't dead – It's just moved

In recent months, headlines have been dominated by discussion around Return to Office (RTO) mandates and how these have been gaining significant momentum amongst companies of all sizes.

While media headlines miss some of the nuances of the shift towards RTO, the trend is unmistakably taking place, driving our business forward in a very meaningful way. Where and how people work is far more nuanced than much of the current conversation implies. It's not just a binary choice between working from a traditional city centre office and from home.

There's a third option: working out of a local co-working space or office, near to home, with other like-minded people. In fact, most white-collar employees are working from a combination of all three of these locations and this is driving excellent growth for our business, with our centres in the heart of the suburbs and local communities showing the strongest increase in demand from across the network. The reality is the office isn't dead, it's just moved to a much more convenient place, close to where many people actually live.

The financial benefits of hybrid

Hybrid working is unlocking considerable benefits for businesses and amongst the most significant is the substantial cost savings. Research undertaken by Global Analytics has shown that companies operating in the hybrid model can save around \$11,000 per employee, on a yearly basis. Not only is it a cheaper way for companies to run, but it enables businesses to operate in a capital light model moving capex costs into opex.

The groundbreaking research of Professor Bloom further highlights the financial benefits that are helping multiple thousands of companies across the world to reduce their operating costs.

As Professor Bloom puts it, "Firms don't do things that lose them money. They do things that make them money. That's why every firm just about out there is doing hybrid, because it's such a no-brainer to increase profit...". Small wonder that he recently put it on record that he expects hybrid uptake to increase in the years ahead, due to ongoing demand and projected improvements in technology.

IWG's CEO study which polled more than 500 business leaders found that CEOs are unified in their support for the hybrid model. 9 in 10 CEOs that have adopted hybrid have seen significant cost savings, while more than 7 in 10 say employee happiness has increased.

Beyond financial savings hybrid gives business leaders greater flexibility with the ability to scale up or down quickly without being locked into lengthy and costly contracts, while also enabling them to attract and recruit from a talent pool in diverse locations. Undoubtedly, hybrid working is incredibly popular with employees providing them with a better work/life balance and by adopting it companies are supporting their people, their most important asset.

Supporting the productivity of workers

The recent shift to more flexible ways of working has resulted in some instances to what academics describe as “Proximity bias”. This is where business leaders and senior managers tend to treat workers who are physically closer to them more favourably, stemming in some instances from an outdated assumption that those who work remotely are less productive than those who work from a company’s headquarters. All business leaders should remember that what your people are doing and how you’re managing them are by far the most important factors in performance and productivity.

If work isn’t being carried out effectively, it’s not the fault of the location. It’s generally the fault of management not making the job clear or setting good KPIs. Those problems will be the same whether your teams are sitting 10 metres away from you, or a local office or 1,000 kilometres away. Dr Gleb Tsipursky in the Harvard Business Review articulately spoke of the need of Instilling an “excellence from anywhere” culture and warning that if businesses do not tackle any overt or covert proximity bias, they will be hurting employee morale, retention, productivity, and ultimately company bottom lines.

A number of convincing studies – including by Professor Bloom – have shown productivity increases (3–4%) and reduced quit rates (35%) as a hallmark of hybrid working. International Workplace Group’s own research with business leaders backs up these findings, and more. More than 6 in 10 cite improved productivity as one of the key business benefits, while 7 in 10 CEOs highlight that employee happiness has increased through the adoption of hybrid working.

The rise of local working

Today, the remarkable advances in cloud technology and video conferencing software – both vital to enabling effective hybrid working – mean workers no longer need to travel long distances on a daily basis. As a result, we are seeing a fundamental shift in the geography of work with the centre of gravity moving towards local communities. Tech changes will continue to advance in years to come and will radically underline and advance the flexibility of location.

The rising demand for more localised working has led to the majority of our new International Workplace Group centres opening in the heart of local communities, suburbs and rural areas, making 15-minute cities a reality to the many people around the world who are ditching the commute and saying clearly that hybrid working is essential, not optional.

During the course of 2024, around 80% of the new locations we signed were in the suburbs and smaller towns where many people actually live. Places like Cheadle, a small Staffordshire village in the UK with a population of 12,000, or Destin in Florida which has only 14,000 residents.

That is not to say that businesses are abandoning city centres: far from it. Increasingly, we are helping companies shake off the expense of the long-term city-centre lease and replace it with a flexible, cost-effective agreement on a smaller space in one of our city-based centres.

Strategy

Our strategic focus is as clear as ever and there is an unrelenting focus on growing our margin, driven by strong performance on new and embedded price, service revenue growth and an ongoing strict control of costs.

We will continue to make ongoing investments into our world class platform as well as focusing on the rapid growth of network coverage in partnership with the property industry and investors using capital-light expansion methods such as management agreements, partnering deals and franchising.

Capital-light growth

The shift towards hybrid and more localised working is propelling our business forward with the fastest growth that we have ever seen in our more than 35-year history. In 2024, we added a record number of locations globally, signing 899 centres – the vast majority under the partnership model – and achieved our highest ever revenues at an improved margin.

During the year, we accelerated our capital-light growth strategy allowing us to capitalise on the growing pipeline of property investors seeking to maximise their returns by partnering with IWG.

Focusing on growth through the capital-light business means that growth capex requirements will be dramatically lower in the future, generating more free cash flow for shareholders.

We are increasingly seeing partners sign multiple locations with IWG as they grasp the scale of the opportunity in front of them. My greatest thanks go to all our valued property owners and investors who have chosen to partner with us and as a business we are resolutely committed to the long-term success of these partnerships.

Market leader in innovation

As the market-leader in the structurally growing hybrid working industry, we are exceptionally well positioned for the long term. Not only do we lead the market on global reach, but also in a number of crucially important areas for future growth.

IWG has created an outstanding Research and Development team to ensure we are at the forefront of innovation. We are very pleased to have already added medical centres and labs to our existing line-up and throughout the course of 2025, we will add new concepts and platforms to further widen our offer to our expanding customer base.

Sustainable growth

I am very pleased to say that the Group continues to operate in an environmentally responsible manner and we take our collective role and responsibility in tackling the climate crisis incredibly seriously. As part of our climate action plan, we have reduced and are reducing further the carbon emissions from our buildings and supply chain and our ultimate goal is to achieve Net Zero carbon emissions by 2040.

Our purpose of helping everyone have a great day at work, whilst protecting people and planet is at the heart of what we do and as a global employer, our purpose and values have never been more important. We are in receipt of a strong AA rating by the MSCI and have been accredited by the RE100 for our commitment to only source 100% renewable electricity by 2030.

Not only are we doing our part to tackle global warming, but our services have an extraordinary opportunity to radically reduce humanity's negative environmental impact by encouraging the adoption of hybrid working in the more than 120 countries in which we operate.

IWG's landmark study with Arup, a global leader in sustainable development, shows that hybrid working can facilitate major carbon savings and has the potential for significant impact on the climate crisis. The study measured the environmental impact of hybrid working on six cities across the US and UK: LA, New York City, Atlanta, London, Manchester and Glasgow.

The study's key finding is simply allowing people to work close to home, enabling them to split their time between a local workplace and home, has the potential to reduce an employee's work-related carbon emissions by between 49% and 90%. The report highlights what a genuine and tangible difference reduced commuting can make in tackling the climate crisis.

The transformative impact of technology

Hybrid working and digital technology have always had a symbiotic relationship. Each wave of technological innovation enables more fluid collaboration across geographies and across teams, as well as between businesses, fuelling the growth of hybrid. As a company, we are using AI more and more across our business and it is improving our operations and making us more efficient.

The ongoing rise and adoption of AI will be beneficial for the IWG business and we will continue to be agile, adapting to new ways of working.

Our financial performance in 2024

With such strong momentum globally behind the shift to hybrid working, confirmed by our financial results for 2024, record system-wide revenue, EBITDA, and network growth leading to dividend growth, and a new buyback, announced today.

I would like to take this opportunity to thank all of our incredible team members that were the driving force behind the rapid growth of our global network and an excellent set of financial results.

Looking ahead

The future for IWG and all our stakeholders remains bright as we enter the new year with good momentum. We continue to grow our customer base, our global network and our best-in-class portfolio of locations and brands, while delivering on our capital light expansion strategy.

2024 was a record year for both revenue and network expansion and provides the foundations for continued growth in the year ahead. With the aforementioned 1.2 billion white-collar workers globally and a potential audience valued at more than \$2 trillion, there is substantial room for growth and as a company, we are absolutely committed to capturing more of this market over the coming months and years ahead.

Mark Dixon
Chief Executive Officer
4 March 2025

Chief Financial Officer's Review

2024 has been another record year for the Group, delivering both its highest-ever system-wide revenue of \$4.2bn and highest ever EBITDA of \$557m whilst simultaneously reducing capex spend and delivering the foundations to support capital returns to investors. We have continued to deliver growth, cashflow, lower capex and reduce debt.

2024 has also been a busy year for the Finance department

- Invested over \$10m in new core systems
- Converted our functional currency to USD
- Refinanced \$1.4bn of debt with a new \$720m revolving credit facility and €625m Euro bond with an inaugural investment grade (BBB) credit rating.

The result of this is we have a solid foundation from which we can deliver further on our existing capital allocation policy with the dividend and new share buyback programme.

Financial performance

The Group reports results in accordance with IFRS. Under IFRS 16, while total lease-related expenses over the life of a lease remain unchanged, the lease expenses are presented as depreciation and finance expenses with higher total expense in the early periods of a lease and lower total expense in the later periods of a lease.

Group income statement

\$m - IFRS	2024 IFRS - As reported	Adjusting items ¹	2024 IFRS - Adjusted	2023 IFRS - As reported	Adjusting items ¹	2023 IFRS - Adjusted
System-wide revenue	4,231		4,231	4,157		4,157
Group revenue	3,690		3,690	3,689		3,689
Cost of Sales, incl. lease depreciation	(2,586)	(92)	(2,678)	(2,957)	101	(2,856)
Gross profit	1,104	(92)	1,012	732	101	833
<i>Gross Margin</i>	30%		27%	20%		23%
Overheads & Other	(594)	6	(588)	(553)	(6)	(559)
Operating profit/(loss)	510	(86)	424	179	95	274
Net finance expense, incl. lease interest	(457)		(457)	(416)		(416)
Profit/(loss) before tax	53	(86)	(33)	(237)	95	(142)
Taxation	(34)		(34)	(34)		(34)
Profit/(loss) for the period	19	(86)	(67)	(271)	95	(176)
Basic and Diluted EPS (¢)						
From continuing operations	2.0		(6.5)	(26.7)		(17.3)
Attributable to shareholders	2.0		(6.5)	(26.7)		(17.3)

¹ Adjusting items refer to: Closures costs, Net impairment/(reversal) of PPE (including ROU assets), Other (impairments)/reversals and One-off items

Segmental reporting

The IWG Network, comprising of the Group excluding Digital & Professional Services, is managed through a matrix organisation, i.e. by geographical regions and by ownership structure. In addition to the three geographical regions (Americas, Asia, and EMEA) we are reporting results of IWG Network by ownership structure (Company-owned and Managed & Franchised) and Digital & Professional Services. This matrix reporting reflects how we practically manage the IWG Network on a day-to-day basis.

Revenue

System-wide revenue increased by 2% to \$4,231m and Group revenue increased to \$3,690m. Our Managed & Franchised business saw fee revenue increase by 30% to \$79m mainly driven by 483 centre openings with signings continuing to convert into openings at pace. Company-owned remained relatively stable, delivering revenue of \$3,222m with open centres contributing growth of c.5%. Digital & Professional Services reported a slight revenue regression of 2% to \$389m.

(\$m)	System Revenue			Group Revenue		
	2024	2023	% change	2024	2023	% change
Managed & Franchised	620	529	17%	79	61	29%
Company-owned	3,222	3,230	0%	3,222	3,230	0%
Digital & Professional Services	389	398	(2)%	389	398	(2)%
Group	4,231	4,157	2%	3,690	3,689	0%

Revenue per Available Room (RevPAR)

RevPAR is a monthly average KPI, defined as the system-wide revenue of the IWG Network (excluding Digital & Professional Services and excluding centres opened and closed during the year), divided by the number of available rooms, which is defined as 7 square metres across all usable space. RevPAR is a well understood measure used across many industries and is particularly relevant to IWG as it incorporates all revenue received across IWG's expansive product portfolio.

Managed & Franchised RevPAR is \$408 (2023: \$485), being driven by new centre revenue performing in line with our plans. RevPAR in our franchised locations was \$487 (2023: \$511) which is higher than in our Managed Partnerships locations due to: (a) franchise locations being predominantly in high RevPAR countries in particular Japan and Switzerland; (b) the higher maturity of franchise locations which have been operating for many years. Franchise RevPAR has fallen slightly in 2024 as there have been new openings in franchised locations and RevPAR has yet to reach maturity. Company-owned RevPAR grew by 1% to \$356 year-over-year, or 3% if looking at the mature network only, driven primarily by higher pricing and ancillary revenue, with broad based regional growth. As we have previously disclosed, RevPAR on these additional Managed Partnerships rooms is targeted to be \$250 at maturity.

Given the scale of growth and room additions that the Company is adding to the Network, RevPAR excluding centres opened in 2023 is presented below to show RevPAR progression excluding the impact of centres not yet mature.

It is expected that the higher-growth segments will show a falling year-over-year RevPAR because new locations that have opened but are not yet mature are contained within the calculation.

System RevPAR (\$, monthly average)	2024	2024 ex 2023 Openings	2023	% change
Managed & Franchised	408	489	485	(16)%
Managed	256	391	372	(31)%
Franchised and JVs	487	512	511	(5)%
Company-owned	356	362	352	1%
IWG Network	363	375	365	(1)%

Adjusting Items

The Group identified net adjusting items on operating profit of \$(86)m, of which \$(113)m are non-cash items (2023: \$42m). These Adjusting items refer to closure costs (the actual costs of closing centres, including non-cash write-downs) of \$(2)m (2023: \$(15)m), the net (impairment)/reversal of PPE (including Right of Use assets) of \$(93)m (2023: \$73m) relating to the net reversal of impairment of \$24m (2023: net impairment of \$99m), depreciation of \$63m (2023: \$21m) and disposals of \$6m (2023: \$5m) in respect of adjusting items previously provided for, other impairments/(reversals) of \$3 m (2023: \$4m) and no other one-off items for 2024 (2023: \$39m), comprising predominantly legal, acquisition and transaction costs as well as obsolete desktop phone write-offs.

Adjusting items impact (\$m)	2024	2023
Closure Costs	(2)	(15)
Net (reversal)/impairment of PPE (including ROU assets)	(93)	73
Other impairments	3	4
One-off items	-	39
Adjusting items impact on Gross Profit	(92)	101
Adjusting items impact on SG&A	6	(6)
Adjusting items impact on Operating Profit	(86)	95
Depreciation	56	22
Adjusting items impact on EBITDA	(30)	117

Gross Profit

Gross Profit, including adjusting items, increased from \$732m in 2023 to \$1,104m in 2024. Adjusted Gross Profit increased from \$833m in 2023 to \$1,012m in 2024.

Given the operating model, 100% of Managed & Franchised revenue drops through to Gross Profit. Adjusted Gross Profit in Company-owned increased by \$163m mainly due to strategic cost control. The impact of adjusting items detailed above of \$(92)m are all allocated to Company-owned.

Digital & Professional Services Gross Profit reduced commensurate with the change in revenue.

Gross Profit (\$m)	2024 IFRS – As reported	Adjusting items	2024 IFRS – Adjusted	2023 IFRS – As reported	Adjusting items	2023 IFRS – Adjusted
Managed & Franchised	79		79	61		61
Company-owned	827	(92)	735	471	101	572
Digital & Professional Services	198		198	200		200
Gross profit	1,104	(92)	1,012	732	101	833

The Group focuses on Contribution margin as a financial KPI in its Company-owned segment rather than Gross Profit due to Gross Profit including depreciation and amortisation. A bridge from gross profit to Contribution margin is provided later in this section.

Overheads and other

Group overheads, excluding adjusting items increased to \$558m in 2023 to \$587m in 2024. The increase is due to investment in overheads that cannot be capitalised, including:

- The continued investment for the future, particularly due to the project costs recognised on one-off investments into the scalability of our sales and operating platform as we continue to optimise and automate processes.
- Investment in the Partnership sales team to ensure we maintain our market leading position. We signed 899 new deals in 2024 vs 867 in 2023, and whilst our partnership sales team is an ongoing cost, we are not expecting it to increase linearly with signings, therefore margins should continue to grow.

Operating Profit

Operating Profit after adjusting items increased from \$274m in 2023 to \$424m in 2024, reflecting higher Group revenue and cost control. As previously mentioned, adjusting items had a \$(86)m impact in 2024 (2023: \$95m) predominantly due to the non-cash impact of a reversal of impairments.

Reported Operating Profit was at \$510m (2023: \$179m).

Net finance expense

The Group reported a net finance expense for the year of \$457m (2023: \$416m). The net finance expense in 2024 mainly includes:

- Cash interest of \$76m related to borrowing facilities (2023: \$68m) The increase in the finance expense is due to the refinancing transactions completed during the year. Of the €625m Euro bond, €525m has been hedged into USD using a cross-currency interest rate swap. Under the swap agreement, interest is paid semi-annually, in June and December of each year. Interest is paid annually on the unhedged portion of the Euro bond.
- Interest on the Group's lease liabilities of \$363m (2023: \$349m).

Finance expense \$m	2024	2023
Interest payable on lease liabilities	(363)	(349)
Interest expense on financial debt and other borrowings	(76)	(68)
(Loss)/gain on foreign exchange	(17)	7
Other finance costs ¹	(18)	(15)
Gain on early settlement of the Convertible bonds	7	–
Interest and finance income	10	9
Net finance expense	(457)	(416)

1. Excluding financing fees on the issuance of the Euro bond which are capitalised

Taxation

The effective tax rate in 2024 is 64% (2023: (14)%). The Group has performed an assessment of its potential exposure to Pillar Two global minimum income taxes and does not expect any material top-up taxes to arise in any jurisdiction in which it operates. Whilst the majority of the Group's entities benefit from transitional safe harbour rules which take them out of scope of the full rules, for the remaining entities, proxy Pillar Two calculations have been performed which confirm that no material top-up tax is expected to arise in any jurisdiction.

Earnings per share

Earnings per share attributable to ordinary shareholders in 2024 was a profit of 2.0c (2023: loss of 26.7c) reflecting a return to profitability in 2024.

The weighted average number of shares in issue during the year was 1,009,815,126 (2023: 1,006,685,491). At 31 December 2024 the Group held 45,241,020 treasury shares (31 December 2023: 50,558,201). In 2024, 5,283,597 treasury shares were utilised to increase the Group's equity voting rights in non-controlling interests. For share awards exercised by employees, the value of the share award in excess of the exercise price was settled through the utilisation of 33,584 treasury shares and 118,054 were settled using shares purchased in the open market.

Adjusted EBITDA

The Group's Adjusted EBITDA increased to \$1,824m (2023: \$1,768m) and Pre-IFRS 16 Adjusted EBITDA increased 11% to \$557m (2023: \$503m). Adjusted EBITDA excludes the Group's largest cost – rent – and therefore management does not believe this is a useful financial metric. It is for this reason that management focuses on EBITDA before the application of IFRS 16 (Pre-IFRS 16 EBITDA) as the key alternative performance measure for EBITDA, as discussed below.

Adjusted EBITDA by segment

Results are additionally presented before the application of IFRS 16 (in accordance with IAS 17 accounting standards) as it provides useful information to stakeholders on how the Group is managed, as well as reporting for bank covenants and certain lease agreements. The primary difference between the two standards is the treatment of operating lease liabilities. There is no difference between underlying cash flow. To bridge the Group's Adjusted EBITDA of \$1,824m under the IFRS 16 standard to \$557m Adjusted Pre-IFRS 16 EBITDA under IAS 17, we need to recognise rental income in subleases which are recognised as lease receivables under IFRS 16, rental costs on our lease portfolio reflected as lease liabilities under IFRS 16 and centre closure and other costs which are reflected as impairments under IFRS 16.

EBITDA Bridge (\$m)	2024 IFRS – Adjusted	Lease accounting adjustments	2024 Pre-IFRS 16 – Adjusted	2023 IFRS – Adjusted	Lease accounting adjustments	2023 Pre-IFRS 16 – Adjusted
Managed & Franchised	79	–	79	61	–	61
Company-owned	735	(293)	442	572	(236)	336
Digital & Professional Services	198	(19)	179	200	(1)	199
Gross profit	1,012	(312)	700	833	(237)	596
Depreciation & Amortisation: Managed & Franchised	–	–	–	–	–	–
Depreciation & Amortisation: Company-owned	1,302	(954)	348	1,399	(1,024)	375
Depreciation & Amortisation: Digital & Professional Services	11	(2)	9	7	(1)	6
Depreciation & Amortisation in COS	1,313	(956)	357	1,406	(1,025)	381
Contribution	2,325	(1,268)	1,057	2,239	(1,262)	977
Managed & Franchised	79	–	79	61	–	61
Company-owned	2,037	(1,247)	790	1,971	(1,260)	711
Digital & Professional Services	209	(21)	188	207	(2)	205
Overheads	(500)	(2)	(502)	(470)	(3)	(473)
Depreciation & Amortisation in overheads	(87)	1	(86)	(88)	1	(87)
Total overheads	(587)	(1)	(588)	(558)	(2)	(560)
Joint Ventures	(1)	3	2	(1)	–	(1)
Operating profit/(loss)	424	(310)	114	274	(239)	35
Depreciation on property plant and equipment	1,322	(957)	365	1,414	(1,026)	388
Amortisation of intangible assets	78	–	78	80	–	80
Adjusted EBITDA	1,824	(1,267)	557	1,768	(1,265)	503
IWG Network	1,660	(1,246)	414	1,609	(1,263)	346
Digital & Professional Services	163	(20)	143	160	(3)	157

Pre-IFRS 16 Adjusted Contribution margin by segment

Contribution Margin \$m	Managed & Franchised	Company-owned	Digital & Professional Services	2024	Managed & Franchised	Company-owned	Digital & Professional Services	2023
Contribution	79	790	188	1,057	61	711	205	977
Contribution Margin (%)	100%	24.6%	48.3%	28.7%	100%	22.0%	51.5%	26.5%

The Group's Adjusted Contribution margin increased to \$1,057m (2023: \$977m).

- Company-owned increased strongly to \$790m, reflecting a c.25% contribution margin, expanding the margin by c.3% from \$711m, reflecting a 22% margin in 2023. This is due to the continued focus on cost control and operational efficiencies.
- Managed & Franchised increase from \$61m to \$79m is reflective of the growth in revenue.
- Digital & Professional Services delivered \$188m (2023: \$205m), the reduction in margin from c.52% to 48% due to loss of the profitable legacy contract.

Network growth

We had a record year for network expansion. Our network increased by 14% to 3,989 centres (2023: 3,514). We opened 624 new centres (2023: 328 centres) and rationalised (149) centres (2023: (159) centres). Furthermore, 899 new centre deals were signed in 2024. Out of the 899 new deals signed 95% or 852 deals are capital-light which underpins our success of growing the network through capital-light partnerships.

Of the 624 centres opened in 2024, 601 centres were capital-light openings which comprised of managed partnership centres, variable rent centres, franchised centres and joint-venture centres. Only 23 centre openings were on a fully conventional basis.

Our estate of 3,989 centres as per the end of December 2024 is split into 28% or 1,116 centres in Managed & Franchised, which increased by 64% year-on-year, and 2,873 centres in Company-owned (of which 869 are based on variable rents). Based on the strong growth of opening new managed partnership centres (all leases other than conventional lease agreements) and successful renegotiations of existing centres we increased our estate in Managed partnerships by 523 centres or 36% to 1,985 centres. Strong growth in Managed partnership openings is expected to continue in 2025.

Key KPIs	2024	2023	YoY change	YoY change %
Centres open	3,989	3,514	475	14%
Centre Openings	624	328	296	90%
Of which capital-light ¹	601	301	300	100%
In %	96%	92%		
Total new centre deals signed	899	867	32	4%
Of which capital-light ¹	852	839	13	2%
In %	95%	97%		

1. Includes locations signed/opened in Managed & Franchised and Variable rent areas.

Location movement by type	2023	Centre openings	Centre rationalisations	Changed	2024
Conventional	2,052	23	(72)	1	2,004
Variable rent (capital light)	780	118	(53)	24	869
Company-owned	2,832	141	(125)	25	2,873
Managed & Franchised (capital light)	682	483	(24)	(25)	1,116
Total	3,514	624	(149)	-	3,989

Room movement by type ('000)	2023	Centre openings	Centre rationalisations	Changed	2024
Conventional	558	9	(20)	(4)	543
Variable rent (capital light)	214	29	(14)	4	233
Company-owned	772	38	(34)	-	776
Managed & Franchised (capital light)	123	73	(6)	(5)	185
Total	895	111	(40)	(5)	961

Cashflow

\$m	2024	2023
Operating profit	510	179
Depreciation & amortisation	1,344	1,472
Adjusting items	(30)	117
Adjusted EBITDA – IFRS 16	1,824	1,768
Rent income	67	76
Rent expense	(1,343)	(1,381)
Other costs	(4)	(10)
Adjusting items	13	50
Adjusted EBITDA – pre-IFRS 16	557	503
Working capital (excl. amortisation of landlord contributions on leased property)	(51)	118
Working capital related to the amortisation of landlord contributions on leased property	(110)	(118)
Maintenance capital expenditure (net)	(93)	(113)
Other items ¹	(5)	(15)
Cashflow from business activities²	298	375
Tax paid	(36)	(43)
Net finance costs on bank & other facilities	(72)	(69)
Cashflow before growth capex, financing activities and dividends	190	263
Gross growth capital expenditure	(132)	(143)
Growth-related landlord contributions	44	48
Net growth capital expenditure	(88)	(95)
Purchase of subsidiary undertakings (net of cash)	(5)	(13)
Cashflow before financing activities and dividends	97	155
Proceeds from issue of loans	808	1,237
Proceeds from issue of Euro bond, net of related transaction costs	650	-
Other finance transaction costs	(11)	-
Repayment of loans	(1,278)	(1,443)
Repayment of Convertible bonds	(228)	-
Purchase of treasury shares	-	(1)
Dividends paid	(17)	-
Net cash inflow/(outflow) for the year	21	(52)
Opening net cash	141	194
FX movements	(14)	(1)
Closing cash	148	141

1. Includes capitalised rent related to centre openings (gross growth capital expenditure) of \$(2)m (2023: \$(3)m)

2. Cash flow before growth capex, tax, finance cost on bank & other facilities, financing activities and dividends

We continued to grow our business and revenues whilst managing our cost base. This resulted in a cash inflow from business activities in 2024 of \$298m (\$375m in 2023). Working capital, excluding the amortisation of partner contributions, saw an outflow during the year of \$51m of which \$47m related to movements in the first half of 2024 predominantly arising from carrying over some payments on facilities and other property costs from 2023 and property taxes for amounts less than accrued on 31 December 2023. These movements are summarised in the table below:

Working capital movements (\$m)	FY 2024	H1 2024	H2 2024
Trade receivables and deferred revenue	(21)	(16)	(5)
Customer deposit movements (excluding non-cash FX movements)	21	13	8
Trade payables and net amounts due from franchise, managed centre and joint-venture partners	(3)	(1)	(2)
Prepayments and accruals (predominantly relating to rent and other property costs) and taxes	(39)	(32)	(7)
Landlord contributions	(9)	(11)	2
Total	(51)	(47)	(4)

Working capital relating the amortisation of partner contributions refers to historic cash contributions made by landlords for growth capex in the Company-owned segment (shown as growth-related partner contributions further down the cash flow statement) and is amortised over the lifetime of the corresponding lease.

Cash tax paid was \$(36)m in 2024 (2023: \$(43)m) and primarily relates to corporate income tax paid in various countries. Finance costs paid on bank & other facilities was \$(72)m in 2024 vs. \$(69)m in 2023.

Cash inflow before growth capex, financing and dividends was \$190m (2023: \$263m).

Total net investment, including acquisitions and all capex, was \$(186)m (2023: \$(221)m). Group capex declined in 2024 and is expected to continue that trajectory. Maintenance capex has reduced to \$93m (FY23: \$113m) and is expected to stay broadly at that level. Growth capex declined from \$95m to \$88m. We are confident that overall capex will remain at this level due to new locations in our Company-owned business increasingly being signed up without capex needs for the Group; Managed & Franchised faces zero capex, and the majority of platform investment for Digital & Professional Services \$21m is complete.

2024 saw growth in intangible capex investments of \$27m including accounting projects to improve efficiencies. Whilst we will continue to invest in the platform and systems, the project spend of \$6m in Company-owned is one-off in nature.

Capital expenditure \$m	Managed & Franchised	Company-owned	Digital & Professional Services	2024	Managed & Franchised	Company-owned	Digital & Professional Services	2023
Growth capital expenditure	n/a	95	10	105	n/a	118	15	133
Landlord contributions to Growth capital expenditure	n/a	(44)	-	(44)	n/a	(48)	-	(48)
Growth capital expenditure on Intangible Assets	n/a	6	21	27	n/a	8	2	10
Net Growth capital expenditure	n/a	57	31	88	n/a	78	17	95
Centre maintenance capital expenditure	n/a	57	-	57	n/a	58	-	58
Landlord contributions to Maintenance capital expenditure	n/a	(12)	-	(12)	n/a	(9)	-	(9)
Other maintenance capital expenditure	n/a	48	-	48	n/a	54	10	64
Net Maintenance capital expenditure	n/a	93	-	93	n/a	103	10	113

In 2025, we expect to acquire the remaining 10.7% minority shares outstanding in The Instant Group at the original purchase price per share, (£41.7m) predominantly using already-issued Treasury shares.

Financing

During 2024 the Group successfully completed a series of debt transactions and extended the Group's debt maturity:

- Issued €625m Euro bond (investment grade rating from Fitch of BBB, Stable) due in June 2030 of which;
 - €525m has been swapped to \$564m with a coupon of 8.137%, and
 - €100m remains in euro with a coupon of 6.5%
- Signed a new \$720m revolving credit facility due in June 2029 (which was reduced in size from \$1.1bn)
- Reduced the face value of the £350m Convertible bonds (hedged at \$445m) outstanding to £158m (hedged at \$201m), valued at \$193m as at 31 December 2024. The Convertible bonds are due for repayment or conversion at £4.5807 per share in December 2027 with an option for the bondholders to cash settle in December 2025 at par.
- Financing fees of \$29m are included as part of the issuance proceeds in the cashflow statement

Overall, net financial debt was \$(712)m at 31 December 2024 (31 December 2023: \$(775)m). The Group's total debt facilities, including details of drawings, is summarised below:

Net debt

Net Financial Debt \$m	2024	2023
Convertible bonds	(193)	(419)
Euro bond	(648)	-
RCF Drawn	-	(467)
Revolving Credit Facility (RCF)	(720)	(1,116)
RCF available	436	279
RCF guarantee utilisation	284	370
Other debt	(18)	(30)
Closing cash	148	141
Net financial debt – pre-IFRS 16	(712)	(775)
Net investment in finance leases	116	124
Lease liabilities	(6,162)	(6,856)
Net debt – IFRS 16	(6,758)	(7,507)

At 31 December 2024 the Group complied with all facility covenants.

Dividends

In line with the Group's dividend policy, the Board has proposed to shareholders a final dividend of 0.90¢ per share for a total 2024 dividend of \$1.33¢ per share. Subject to shareholder approval, it is expected that the final dividend will be paid on 30 May 2025 to shareholders on the register at the close of business on 2 May 2025. Dividends are declared in US dollars and paid in pounds sterling with an option for shareholders to elect to receive payment in US dollars. The foreign exchange rate at which the final dividend will be converted into pounds sterling will be the New York closing rate on 2 May 2025.

Share buyback

International Workplace Group plc (the "Company") announces that it has entered into an arrangement with Barclays Bank PLC ("the Broker"). The arrangement allows the Broker to purchase (a) prior to the expiration of the Company's current buyback authority granted by shareholder resolution dated 21 May 2024, 105,724,865 ordinary shares in the Company ("Shares"); and (b) following such expiration, the aggregate number of Shares authorised to be purchased by the Company under any subsequent buyback authority granted during the arrangement. The Shares will be purchased pursuant to this arrangement during open periods arising during the period from the date of this announcement to 4 March 2026. These share purchases will be made by the Broker acting as riskless principal.

Any share purchases effected pursuant to the arrangement will be subject to the terms of the arrangement with the Broker and in any case will be effected in a manner consistent with the general authority vested in the Company to repurchase shares, the Market Abuse Regulation 596/2014, the Commission Delegated Regulation (EU) 2016/1052 (both as incorporated into UK domestic law) and the UK Listing Rules. The aggregate purchase price under this arrangement will not exceed US\$50,000,000.

All Shares purchased through this arrangement will be cancelled. The sole purpose of these share purchases is to reduce the Company's share capital.

Foreign Exchange

Per USD\$	At 31 December			Annual average		
	2024	2023	%	2024	2023	%
Pounds sterling	0.80	0.78	2%	0.78	0.80	(2)%
Euro	0.96	0.90	7%	0.93	0.92	0%

Risk management

Effective management of risk is an everyday activity for the Group, and crucially, integral to our growth planning. A detailed assessment of the principal risks and uncertainties which could impact the Group's long-term performance and the risk management structure in place to identify, manage and mitigate such risk will be in the 2024 Annual Report and Accounts.

Related parties

There have been no changes to the type of related party transactions entered into by the Group that had a material effect on the financial statements for the year 2024. Details of related party transactions that have taken place in the period can be found in note 29.

Going concern

The Group reported a profit after tax of \$19m in 2024 (2023: loss of \$271m). Cashflow before growth capex and corporate activities but after interest and tax was \$190m (2023: \$263). Furthermore, net cash of \$21m (2023: \$(52)m) was generated from operations during the same period. Although the Group's balance sheet at 31 December 2024 reports a net current liability position of \$2,224m (31 December 2023: \$2,145m), the Directors concluded after a comprehensive review that no liquidity risk exists as:

1. The Group had funding available under the Group's \$720m revolving credit facility of \$436m (31 December 2023: \$279m) which was available and undrawn at 31 December 2024. The facility's current maturity date is June 2029;
2. A significant proportion of the net current liability position is due to lease liabilities which are held in non-recourse special purpose vehicles but also with a corresponding right-of-use asset. A large proportion of the net current liabilities comprise non-cash liabilities such as deferred revenue of \$525m (2023: \$552m) which will be recognised in future periods through the income statement. The Group holds customer deposits of \$584m (2023: \$585m) which are spread across a large number of customers and no deposit held for an individual customer is material; and
3. The Group maintains a 12-month rolling forecast and a three-year strategic outlook. It also monitors the covenants in its debt facilities to manage the risk of potential breach. The Group expects to be able to refinance external debt and/or renew committed facilities as they become due, which is the assumption made in the viability scenario modelling, and to remain within covenants throughout the forecast period. In reaching this conclusion, the Directors have assessed:
 - the potential cash generation of the Group against a range of illustrative scenarios (including a severe but plausible outcome); and
 - mitigating actions to reduce operating costs and optimise cash flows during any ongoing global uncertainty.
4. An external assessment from Fitch, a leading global credit rating agency, which has rated the Group and its listed bonds as investment grade with a BBB (Stable) rating and has continued to monitor the Group's financial performance since the initial rating assessment.

Due to the above, the Group does not believe the net current liabilities represents a liquidity risk. The Directors consider that the Group is well placed to successfully manage the actual and potential risks faced by the organisation including risks related to inflationary pressures and geopolitical tensions.

On the basis of their assessment, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these Group consolidated financial statements and consider it appropriate to continue to adopt the going concern basis in preparing the financial statements of the Group.

Charlie Steel
Chief Financial Officer
4 March 2025

Consolidated income statement

\$m	Notes	Year ended 31 December 2024 Unaudited	Year ended 31 December 2023 Restated ⁽¹⁾⁽²⁾
Revenue	3	3,690	3,689
Total cost of sales		(2,573)	(2,938)
<i>Cost of sales</i>		<i>(2,665)</i>	(2,837)
<i>Adjusting items to cost of sales⁽³⁾</i>	8	<i>61</i>	(2)
<i>Net reversal/(impairment) of property, plant, equipment and right-of-use assets⁽³⁾</i>	3, 4	<i>31</i>	(99)
Expected credit losses on trade receivables	4	(13)	(19)
Gross profit	3	1,104	732
Total selling, general and administration expenses		(593)	(552)
<i>Selling, general and administration expenses</i>		<i>(587)</i>	(558)
<i>Adjusting items to selling, general and administration expenses⁽³⁾</i>	8	<i>(6)</i>	6
Share of loss of equity-accounted investees, net of tax	19	(1)	(1)
Operating profit	4	510	179
Finance expense	6	(474)	(425)
Finance income	6	17	9
Net finance expense		(457)	(416)
Profit/(loss) before tax for the year		53	(237)
Income tax expense	7	(34)	(34)
Profit/(loss) for the year		19	(271)
Attributable to equity shareholders of the Group		20	(269)
Attributable to non-controlling interests	21	(1)	(2)
Earnings/(Loss) per ordinary share (EPS):			
Attributable to ordinary shareholders			
Basic (¢)	9	2.0	(26.7)
Diluted (¢)	9	2.0	(26.7)

1. The comparative information has been restated in USD (note 2).

2. Includes a net settlement fee of \$2m recognised in 2023 (comprising the settlement fee of \$22m, offset by a release of related accrued income of \$20m), for TKP Corporation's sale of the Japanese master franchise agreement to Mitsubishi Estate Co.

3. The net adjusting items credit on operating profit relating to rationalisations in the network of \$86m (2023: charge of \$95m) comprises the following items included in the balances referenced (note 8): The net reversal of impairment of property, plant and equipment and right-of-use assets of \$93m (2023: net impairment of \$73m), closure related credit of \$2m (2023: \$15m), other impairment of \$3m (2023: \$4m) and other one-off items including legal, acquisition and transaction cost as well as obsolete desktop phone write-offs of \$6m (2023: \$33m).

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income/(loss)

\$m	Notes	Year ended 31 December 2024 Unaudited	Year ended 31 December 2023 Restated ⁽¹⁾
Profit/(Loss) for the year		19	(271)
Other comprehensive income/(loss) that is or may be reclassified to profit or loss in subsequent periods:			
Net investment hedge – net profit		3	–
Cash flow hedges – effective portion of changes in fair value		24	–
Foreign currency translation gain/(loss) for foreign operations		5	(3)
Items that are or may be reclassified to profit or loss in subsequent periods		32	(3)
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:			
Items that will never be reclassified to profit or loss in subsequent periods		–	–
Other comprehensive profit/(loss) for the year, net of tax		32	(3)
Total comprehensive profit/(loss) for the year, net of tax		51	(274)
Attributable to shareholders of the Group		52	(276)
Attributable to non-controlling interests	21	(1)	2

1. The comparative information has been restated in USD (note 2).

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

\$m	Notes	Issued share capital	Share premium	Treasury shares	Foreign currency translation reserve	Hedging reserve	Other Reserves ⁽²⁾	Retained earnings	Total equity attributable to equity shareholders	Non-controlling interests	Total equity
Balance at 1 January 2023, Restated ⁽¹⁾		13	399	(194)	(331)	–	41	385	313	63	376
Total comprehensive income/(loss) for the year:											
Loss for the year		–	–	–	–	–	–	(269)	(269)	(2)	(271)
Other comprehensive income/(loss):											
Foreign currency translation gain/(loss) for foreign operations		–	–	–	(7)	–	–	–	(7)	4	(3)
Other comprehensive income/(loss), net of tax		–	–	–	(7)	–	–	–	(7)	4	(3)
Total comprehensive income/(loss) for the year		–	–	–	(7)	–	–	(269)	(276)	2	(274)
Transactions with owners of the Company											
Ordinary dividend paid	10	–	–	–	–	–	–	–	–	–	–
Share-based payments	5	–	–	–	–	–	–	8	8	–	8
Purchase of shares	20	–	–	(1)	–	–	–	–	(1)	–	(1)
Settlement from exercise of share awards	20	–	–	1	–	–	–	(1)	–	–	–
Total transactions with owners of the Company		–	–	–	–	–	–	7	7	–	7
Balance at 31 December 2023, Restated ⁽¹⁾		13	399	(194)	(338)	–	41	123	44	65	109
Total comprehensive income/(loss) for the year:											
Income/(loss) for the year		–	–	–	–	–	–	20	20	(1)	19
Other comprehensive income:											
Net investment hedge – net profit	23	–	–	–	–	3	–	–	3	–	3
Cash flow hedges – effective portion of changes in fair value	23	–	–	–	–	24	–	–	24	–	24
Cash flow hedges – reclassified to profit	23	–	–	–	–	–	–	–	–	–	–
Foreign currency translation gain for foreign operations		–	–	–	5	–	–	–	5	–	5
Other comprehensive income, net of tax		–	–	–	5	27	–	–	32	–	32
Total comprehensive income/(loss) for the year		–	–	–	5	27	–	20	52	(1)	51
Transactions with owners of the Company											
Ordinary dividend paid	10	–	–	–	–	–	–	(17)	(17)	–	(17)
Share-based payments	5	–	–	–	–	–	–	2	2	–	2
Reissuance of shares	20	–	–	–	–	–	–	–	–	–	–
Settlement from exercise of share awards	20	–	–	–	–	–	–	–	–	–	–
Total transactions with owners of the Company		–	–	–	–	–	–	(15)	(15)	–	(15)
Purchase of non-controlling interest ⁽³⁾		–	–	12	–	–	–	–	12	(14)	(2)
Balance at 31 December 2024 (unaudited)		13	399	(182)	(333)	27	41	128	93	50	143

1. The comparative information has been restated in USD (note 2).

2. Other reserves include \$14m for the restatement of the assets and liabilities of the UK associate, from historic to fair value at the time of the acquisition of the outstanding 58% interest on 19 April 2006, \$66m arising from the Scheme of Arrangement undertaken on 14 October 2008, \$10m relating to merger reserves and \$nil to the redemption of preference shares, partly offset by \$49m arising from the Scheme of Arrangement undertaken in 2003.

3. During the year, the Group increased its equity voting rights to 89.3% (2023: 86.6%) in the non-controlling interest for a consideration of \$14m net of utilisation of \$12m treasury shares.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated balance sheet

\$m	Notes	As at 31 December 2024 Unaudited	As at 31 December 2023 Restated ⁽¹⁾	As at 1 January 2023 Restated ⁽¹⁾
Non-current assets				
Goodwill	11	1,148	1,172	1,128
Other intangible assets	12	227	266	259
Property, plant and equipment	13	6,116	6,883	7,526
Right-of-use assets	13	4,940	5,574	6,047
Other property, plant and equipment	13	1,176	1,309	1,479
Non-current net investment in finance leases	22	88	81	115
Deferred tax assets	7	586	576	558
Non-current derivative financial asset	23	6	–	–
Other long-term receivables	14	67	67	69
Investments in joint ventures	19	56	56	54
Total non-current assets		8,294	9,101	9,709
Current assets				
Inventory		1	1	1
Trade and other receivables	15	1,128	1,136	1,109
Current net investment in finance leases	22	28	43	63
Corporation tax receivable	7	34	34	22
Cash and cash equivalents	22	148	141	194
Total current assets		1,339	1,355	1,389
Total assets		9,633	10,456	11,098
Current liabilities				
Trade and other payables (incl. customer deposits)	16	1,599	1,667	1,452
Deferred revenue		525	552	550
Corporation tax payable	7	65	55	55
Current derivatives liabilities	23	3	–	–
Bank and other loans	17, 22	206	17	344
Lease liabilities	22	1,131	1,178	1,210
Provisions	18	34	31	37
Total current liabilities		3,563	3,500	3,648
Non-current liabilities				
Other long-term payables		11	16	14
Deferred tax liability	7	220	220	213
Bank and other loans	17, 22	633	899	710
Lease liabilities	22	5,031	5,678	6,082
Provisions	18	22	23	45
Provision for deficit on joint ventures	19	6	8	8
Retirement benefit obligations	25	4	3	2
Total non-current liabilities		5,927	6,847	7,074
Total liabilities		9,490	10,347	10,722
Total equity				
Issued share capital	20	13	13	13
Issued share premium		399	399	399
Treasury shares	20	(182)	(194)	(194)
Foreign currency translation reserve		(333)	(338)	(331)
Hedging reserves	23	27	–	–
Other reserves		41	41	41
Retained earnings		128	123	385
Total shareholders' equity		93	44	313
Non-controlling interests	21	50	65	63
Total equity		143	109	376
Total equity and liabilities		9,633	10,456	11,098

1. In accordance with IAS 1 Presentation of Financial Statements, the Group has presented a third balance sheet as at 1 January 2023 due to the retrospective restatement of the Group's financial statements in USD for the year ended 31 December 2023. Comparative information has been restated in USD (note 2).

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

\$m	Notes	Year ended 31 December 2024 Unaudited	Year ended 31 December 2023 Restated ⁽¹⁾
Operating activities			
Profit/(loss) for the year		19	(271)
Adjustments for:			
Profit on disposal of subsidiary		(2)	-
Net finance expense	6	457	416
Share of loss on equity-accounted investees, net of tax	19	1	1
Depreciation charge	13	1,266	1,392
Right-of-use assets	13	1,049	1,146
Other property, plant and equipment	13	217	246
Impairment of other intangible assets	4, 12	-	2
Loss on disposal of property, plant and equipment	4	37	77
Profit on disposal of right-of-use assets and related lease liabilities	4, 13, 22	(42)	(46)
Loss on disposal of intangible assets		6	1
Net of (reversal)/impairment of property, plant and equipment	4, 13	(12)	46
Net of (reversal)/impairment of right-of-use assets	4, 13	(19)	53
Amortisation of intangible assets	4, 12	78	80
Loss on other investments		2	-
Tax expense	7	34	34
Expected credit losses on trade receivables	4	13	19
Increase/(decrease) in provisions	18	2	(28)
Share-based payments	5	2	8
Other non-cash movements		(24)	(9)
Operating cash flows before movements in working capital		1,818	1,775
Proceeds from landlord contributions (reimbursement of costs) ⁽²⁾	13	8	27
(Increase)/decrease in trade and other receivables		(22)	(10)
(Decrease)/increase in trade and other payables		(2)	165
Cash generated from operations		1,802	1,957
Interest paid and similar charges on bank loans and corporate borrowings		(74)	(70)
Interest paid on lease liabilities	22	(363)	(349)
Tax paid		(36)	(43)
Net cash inflows from operating activities		1,329	1,495
Investing activities			
Purchase of property, plant and equipment	13	(192)	(191)
Payment of initial direct costs related to right-of-use assets		-	(2)
Interest received on net lease investment	6	8	8
Principal payments received from net lease investment	22	49	67
Purchase of subsidiary undertakings, net of cash acquired	26	(5)	(13)
Purchase of intangible assets	12	(45)	(74)
Proceeds on sale of property, plant and equipment		-	-
Interest received	6	2	1
Net cash outflows from investing activities		(183)	(204)
Financing activities			
Proceeds from issue of loans	22	808	1,237
Proceeds from issue of Euro bond, net of related transaction costs	22	650	-
Repayment of loans	22	(1,278)	(1,443)
Repayment of Convertible bonds	22	(228)	-
Other financing transaction fees		(11)	-
Principal portion of lease liabilities	22	(1,097)	(1,166)
Proceeds from landlord contributions (lease incentives) ⁽²⁾	13	48	30
Purchase of treasury shares	20	-	(1)
Dividends paid	10	(17)	-
Net cash outflows from financing activities		(1,125)	(1,343)
Net increase / (decrease) in cash and cash equivalents		21	(52)
Cash and cash equivalents at beginning of the year		141	194
Effect of exchange rate fluctuations on cash held		(14)	(1)
Cash and cash equivalents at end of the year	22	148	141

1. The comparative information has been restated in USD (note 2).

2. The total proceeds from landlord contributions relating to the reimbursement of costs and lease incentives of \$56m (2023: \$57m) are allocated between maintenance capital expenditure landlord contributions of \$12m (2023: \$9m) and growth capital expenditure landlord contributions of \$44m (2023: \$48m).

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the accounts

1. Authorisation of financial statements

The financial information presented in this preliminary release does not constitute full statutory financial statements. The Annual Report and Financial Statements will be approved by the Board of Directors and reported on by the Auditor in due course. Accordingly, the financial information is unaudited. The Group financial statements for the year ended 31 December 2023 have been published. The audit report on those financial statements was unqualified.

International Workplace Group plc ("IWG") is a public limited company incorporated in Jersey and registered and domiciled in Switzerland. The Company's ordinary shares are traded on the London Stock Exchange.

International Workplace Group plc owns, leases, manages and is a franchise operator of a network of business centres which are utilised by a variety of business customers. Information on the Group's structure is provided in note 30, and information on other related party relationships of the Group is provided in note 29.

The Group financial statements have been prepared and approved by the Directors in accordance with Companies (Jersey) Law 1991 and International Financial Reporting Standards as adopted by the European Union ('Adopted IFRSs').

2. Material Accounting policies

Basis of preparation

The Group financial statements consolidate those of the parent company and its subsidiaries (together referred to as the 'Group') and equity account for the Group's interest in joint ventures. The extract from the parent company annual accounts presents information about the Company as a separate entity and not about its Group.

Effective 1 January 2024 and 1 July 2024, certain strategic and financing companies within the Group adopted the US dollar as their functional currency. Prior to 1 January 2024, the functional currency of these companies was pounds sterling. The change in the functional currency of these entities is due to the increased exposure to the US dollar as a result of the growth in international operations, redenomination of its Revolving Credit Facility to US dollars, the issuance of a Euro bond, the majority of the proceeds of which were swapped into US dollars, and the conversion of other arrangements to US dollars. In line with our decision to report our financial results in US dollars from 1 January 2024, our dividends will be declared in US dollars and paid in pounds sterling with an option to elect for US dollars.

In addition, International Workplace Group plc changed the presentation currency of its consolidated financial statements to US dollars from pounds sterling. All values are in million US dollars, except where indicated otherwise. Prior period comparatives were translated from sterling and presented in US dollars as follows: assets and liabilities at the rate of exchange in effect at the applicable balance sheet date and revenues and expenses at the average monthly rates applicable for the period.

Unrealised gains and losses resulting from the translation to US dollars are accumulated in a separate component of shareholders' equity in a cumulative foreign currency translation reserve.

Other than the change in presentation currency, the basis of preparation and accounting policies set out below have been applied consistently to all periods presented in these Group financial statements. Amendments to adopted IFRSs issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) with an effective date from 1 January 2024 did not have a material effect on the Group financial statements, unless otherwise indicated.

The following standards, interpretations and amendments to standards were adopted by the Group for periods commencing on or after 1 January 2024, with no material impact on the Group:

- Non-current Liabilities with Covenants – Amendments to IAS 1
- Classification of Liabilities as Current or Non-Current – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The consolidated financial statements are prepared on a historical cost basis, with the exception of certain financial assets and liabilities that are measured at fair value.

The attributable results of those companies acquired or disposed of during the year are included for the periods of ownership.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 31.

IFRS not yet effective

The following new or amended standards and interpretations that are mandatory for 2025 annual periods (and future years) are not expected to have a material impact on the Company:

The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability – Amendments to IAS 21	1 January 2025
The Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group is in the process of assessing the impact of IFRS 18 – *Presentation and Disclosure in Financial Statements*, effective 1 January 2027, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows, and the additional disclosures required for management-defined performance measures (MPM's). The Group is also assessing the impact of how information is grouped in the financial statements.

There are no other IFRS standards or interpretations that are not yet effective that are expected to have a material impact on the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Climate

The potential climate-related risks and opportunities to which the Group is exposed, have been assessed by management, who assessed the potential financial impacts relating to the identified risks, primarily considering the useful lives of, and retirement obligations for, property, plant and equipment, the possibility of impairment of goodwill and other long-lived assets and the recoverability of the Group's deferred tax assets. Management has exercised judgement in concluding that there are no further material financial impacts of the Group's climate-related risks and opportunities on the consolidated financial statements. These judgements will be kept under review by management as the future climate-related impacts will depend on environmental, regulatory and other factors outside of the Group's control which are not all currently known.

Going concern

The Group reported a profit after tax of \$19m in 2024 (2023: loss of \$271m). Cashflow before growth capex and corporate activities but after interest and tax was \$190m (2023: \$263). Furthermore, net cash of \$21m (2023: \$(52)m) was generated from operations during the same period. Although the Group's balance sheet at 31 December 2024 reports a net current liability position of \$2,224m (31 December 2023: \$2,145m), the Directors concluded after a comprehensive review that no liquidity risk exists as:

1. The Group had funding available under the Group's \$720m revolving credit facility of \$436m (31 December 2023: \$279m) which was available and undrawn at 31 December 2024. The facility's current maturity date is June 2029;
2. A significant proportion of the net current liability position is due to lease liabilities which are held in non-recourse special purpose vehicles but also with a corresponding right-of-use asset. A large proportion of the net current liabilities comprise non-cash liabilities such as deferred revenue of \$525m (2023: \$552m) which will be recognised in future periods through the income statement. The Group holds customer deposits of \$584m (2023: \$585m) which are spread across a large number of customers and no deposit held for an individual customer is material; and
3. The Group maintains a 12-month rolling forecast and a three-year strategic outlook. It also monitors the covenants in its debt facilities to manage the risk of potential breach. The Group expects to be able to refinance external debt and/or renew committed facilities as they become due, which is the assumption made in the viability scenario modelling, and to remain within covenants throughout the forecast period. In reaching this conclusion, the Directors have assessed:
 - the potential cash generation of the Group against a range of illustrative scenarios (including a severe but plausible outcome); and
 - mitigating actions to reduce operating costs and optimise cash flows during any ongoing global uncertainty.
4. An external assessment from Fitch, a leading global credit rating agency, which has rated the Group and its listed bonds as investment grade with a BBB (Stable) rating and has continued to monitor the Group's financial performance since the initial rating assessment.

Due to the above, the Group does not believe the net current liabilities represents a liquidity risk. The Directors consider that the Group is well placed to successfully manage the actual and potential risks faced by the organisation including risks related to inflationary pressures and geopolitical tensions.

On the basis of their assessment, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these Group consolidated financial statements and consider it appropriate to continue to adopt the going concern basis in preparing the financial statements of the Group.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group controls an entity, when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences. The results are consolidated until the date control ceases or the subsidiary qualifies as a disposal group, at which point the assets and liabilities are carried at the lower of fair value less costs to sell and carrying value.

Joint ventures are those entities over whose activities the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The consolidated financial statements include the Group's share of the total recognised gains and losses of joint ventures on an equity-accounted basis, from the date that joint control commences until the date that joint control ceases or the joint venture qualifies as a disposal group, at which point the investment is carried at the lower of fair value less costs to sell and carrying value. When the Group's share of losses exceeds its interest in a joint venture, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of a joint venture.

Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Goodwill

All business combinations are accounted for using the purchase method. Goodwill is initially measured at fair value, being the excess of the aggregate of the fair value of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred (negative goodwill), then the gain is recognised in profit or loss.

Positive goodwill is stated at cost less any provision for impairment in value. An impairment test is carried out annually and, in addition, whenever indicators exist that the carrying amount may not be recoverable. Negative goodwill is recognised directly in profit or loss.

Intangible assets

Intangible assets acquired separately from the business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if their fair value can be identified and measured reliably on initial recognition.

Intangible assets are amortised on a straight-line basis over the estimated useful life of the assets as follows:

Brand – Regus brand	Indefinite life
Brand – Other acquired brands	20 years
Computer software	Up to 5 years
Customer lists – service agreements	2 years
Customer lists – sublease agreements	Up to 5 years

All amortisation of intangible assets is expensed through Selling, general and administration expenses in the consolidated income statement.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Asset lives and recoverable amounts are reviewed on an annual basis. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Right-of-use assets ⁽¹⁾	Over the lease term
Buildings	50 years
Leasehold improvements ⁽¹⁾	10 years
Furniture and equipment	5–10 years
Computer hardware	3–5 years

1. 10 years represents the average useful economic life.

All depreciation relating to Property, plant and equipment (including Right-of-use assets) is expensed through Cost of sales in the consolidated income statement apart from depreciation relating to property, plant and equipment used for corporate purposes.

Leases

The nature of the Group's leases relates primarily to the rental of commercial office real estate premises globally.

1. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost less lease incentives, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognised and initial direct costs incurred. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are assessed for indicators of impairment at the end of each reporting period and on an annual basis.

2. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments and variable lease payments that depend on an index or a rate. The variable lease payments that do not depend on an index or a rate are recognised as a lease expense in the period in which they are incurred.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the fixed lease payments.

3. Lease modifications

The carrying amount of lease liabilities is re-measured where there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The impact of the modification is recognised against the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

4. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to short-term leases (i.e. those leases that have a lease term of 12 months or less from commencement). It also applies the lease of low-value assets recognition exemption under IFRS 16 to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as a lease expense on a straight-line basis over the lease term.

5. Landlord contributions including lease incentives

Landlord contributions are contributions from our business landlords (property owners and landlords) towards the initial costs of opening a business centre, including the fit-out of the property. Landlord contributions representing a reimbursement of costs to the lessee (IWG) are accounted for as agency arrangements, and form part of the lessor's (landlord's) assets.

Landlord contributions for lease incentives are received at or before the lease commencement date for commercial reasons and, where the Group retains ownership of the fit-out assets, are accounted for as a lease incentive and

recognised by reducing the right-of-use asset. Any other landlord contributions for lease incentives received subsequent to the commencement of the lease are accounted for as part of the associated lease modification.

6. Lease term

The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management applies judgement in determining whether it is reasonably certain that a renewal or termination option will be exercised.

7. Lease break penalties

Lease break penalties, where the lease term has been determined as the period from inception up to a break clause and when there are break payments or penalties, have been appropriately included in the measurement of the lease liability.

8. Net investment in finance leases

The Group acts as an intermediate lessor where certain commercial office real estate properties, leased under separate 'head' lease agreements, are sublet as part of a separate sublease agreements. Interest in the 'head' lease and sublease are accounted for separately, with the classification of the sublease assessed with reference to the right-of-use assets arising from the head lease (not with reference to the underlying asset) resulting in some sub-leases being accounted for as finance leases.

The initial net investment in finance leases is equal to the present value of the lease receipts during the lease term that have not yet been paid. The right-of-use asset arising from the head lease is offset by the initial measurement of the net investment in the finance lease, plus any additional direct costs associated with setting up the lease.

If the sublease agreement contains lease and non-lease components, the Group applies IFRS 15 in determining the allocation of the agreement consideration.

Impairment of non-financial assets

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount was estimated at 30 September 2024. At each reporting date, the Group reviews the carrying amount of these assets to determine whether there is an indicator of impairment. If any indicator is identified, then the assets' recoverable amount is re-evaluated.

The carrying amount of the Group's other non-financial assets (other than deferred tax assets and inventory), including right-of-use assets, is reviewed at the reporting date to determine whether there is an indicator of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment losses are recognised in the income statement.

At each reporting date, the Group assesses whether there is an indication that a previously recognised impairment loss has reversed because of a change in the estimates used to determine the impairment loss. If there is such an indication, and the recoverable amount of the impaired asset or CGU subsequently increases, then the impairment loss is generally reversed, with the exception of goodwill.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group has identified individual business centres as the CGU.

The potential impairment of immovable property, plant and equipment and right-of-use assets at the centre (CGU) level are evaluated where there are indicators of impairment.

Centres (CGUs) are grouped by country of operation for the purposes of carrying out impairment reviews of goodwill as this is the lowest level at which it can be assessed.

Individual fittings and equipment in centres or elsewhere in the business that become obsolete or are damaged are assessed and impaired where appropriate.

The recoverable amount of relevant assets is the greater of their fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Financial assets

Financial assets are classified and subsequently measured at amortised cost, fair value through the profit or loss, or fair value through other comprehensive income (OCI). The classification depends on the nature and purpose of the financial assets and is determined on initial recognition.

Financial assets (including trade and other receivables) are measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to the gross carrying amount of the financial assets.

Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

IFRS 9 requires the Group to record expected credit losses on all of its financial assets held at amortised cost, on either a 12-month or a lifetime basis. The Group applies the simplified approach to trade receivables and recognises expected credit losses based on the lifetime expected losses. Provisions for receivables are established based on both expected credit losses and information available that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Inventory

Inventories relate to consumable items which are measured at the lower of cost or net realisable value. The cost of inventories is based on the first-in, first-out principle.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of change in value.

Interest-bearing borrowings and other financial liabilities

Financial liabilities, including interest-bearing borrowings, are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, financial liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate method.

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or expired.

Financial liabilities are classified as financial liabilities at fair value through profit or loss where the liability is either held for trading or is designated as held at fair value through profit or loss on initial recognition. Financial liabilities at fair value through profit or loss are stated at fair value with any resultant gain or loss recognised in the income statement.

Compound financial instruments issued by the Group comprise Convertible bonds denominated in pounds sterling that can be converted to ordinary shares at the option of the holder.

The debt component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The conversion option represents a derivative financial liability and is initially recognised as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the debt host.

Subsequent to initial recognition, the debt component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The derivative component of a compound financial instrument is re-measured at fair value through profit or loss. Interest related to the debt is recognised as a finance expense in profit or loss.

Derivative financial instruments

The Group's policy on the use of derivative financial instruments can be found in note 23. Derivative financial instruments are measured initially at fair value and changes in the fair value are recognised through profit or loss unless the derivative financial instrument has been designated as a cash flow hedge whereby the effective portion of changes in the fair value are deferred in equity.

In 2024, the Group began to use derivative financial assets/liabilities as hedging instruments to manage exposure to variability in cash flows arising from changes in foreign currency exchange rates in relation to the Group's debt liabilities. These derivatives are designated as cash flow hedging instruments. The effective portion of changes in fair value of the

derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss within Net finance expense.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

The Group has designated a portion of its Bank and other loans as the hedging instrument in a hedge of a net investment in foreign operations. The effective portion of foreign exchange gains and losses on the Bank and other loans are recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the gains and losses on the Bank and other loans are recognised immediately in profit or loss. The amount recognised in OCI is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

The effective portion of the cumulative net change in the fair value of hedging instruments used in the cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability are including in the hedging reserve.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Restructuring provisions are made for direct expenditures of a business reorganisation where the plans are sufficiently detailed and well-advanced and where the appropriate communication to those affected has been undertaken at the reporting date.

Provision is made for closure costs to the extent that the unavoidable costs of meeting the obligations exceed the economic benefits expected to be delivered. This includes potential dilapidation payments when it is probable that an outflow will occur and can be reliably estimated.

Deferred revenue

Invoices issued in advance of services provided, in accordance with contractual arrangements with customers, are held on the balance sheet as a current liability until the services have been rendered.

Equity

Equity instruments issued by the Group are recorded at the fair value of proceeds received, net of direct issue costs.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or re-issued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within retained earnings.

Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisitions.

Share-based payments

The share awards programme entitles certain directors and employees to acquire shares of the ultimate parent company (International Workplace Group plc); these awards are granted by the ultimate parent company (International Workplace Group plc) and are equity-settled. The fair value of options and awards granted under the Group's share-based payment plans outlined in note 24 is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes valuation model or the Monte Carlo method, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest in respect of non-market conditions except where forfeiture is due to the expiry of the option.

Revenue

The Group's primary activity is the provision of fully integrated, end-to-end global workspace solutions.

1. Office revenues

The Group recognises workstation revenue when it transfers services to a customer. It is measured based on the consideration specified in a contract with a customer. Services transfer to the customer equally over the contract period based on the time elapsed. Where discounted periods are granted to customers, service income is spread on a straight-line basis over the duration of the customer contract. Invoices are generally issued in advance, on a monthly basis with normal credit terms of 15 days and initially recognised as deferred revenue.

Workstation revenue is recognised over time as the services are provided. Amounts invoiced in advance are accounted for as deferred revenue (contract liability) and recognised as revenue upon provision of the service.

2. Management and franchise fees

Fees received for the provision of initial and subsequent services are recognised over time as the services are rendered. Fees charged for the use of continuing rights granted by the agreement are measured based on the contractually agreed percentage of revenue, generated by the operation, except where a different basis is determined in the contractual arrangements. Fees charged for other services provided, during the period of the agreement, are recognised as revenue as the services provided or the rights used. Invoices are generally issued on a monthly basis and settled immediately with invoiced amounts deducted from the amounts due to partners.

3. Service income

Service income (including the provision of workspace bookings, meeting rooms and inventory management) is recognised over time as the services are delivered or at a point in time depending on contractual obligations. Invoices are generally issued when the service is provided and subject to immediate settlement. In circumstances where the Group acts as an agent for the sale and purchase of goods to customers, only the commission fee earned is recognised as revenue.

4. Membership income

Revenue from the sale of memberships is deferred and recognised over time within the period that the benefits of the membership card are expected to be provided.

5. Customer deposits

Deposits received from customers against non-performance of the contract are held on the balance sheet as a current liability until they are either returned to the customer at the end of their relationship with the Group, or released to the income statement.

The Group has concluded that it is the principal in its revenue arrangements, except where noted above.

Adjusting items

Significant transactions, not indicative of the underlying performance of the consolidated Group are reported separately as adjusting items. The profit before tax and adjusting items measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies.

Adjusting items are separately disclosed by the Group to provide readers with helpful, additional information on the performance of the business across periods. Each of these items is considered to be significant in nature and/or size. The exclusion of these items is consistent with how the business performance is planned by, and reported to, the Board.

The classification of adjusting items requires management judgement after considering the nature and intentions of a transaction. Adjusting items recognised are based on the actual costs incurred and/or calculated on a basis consistent with the key judgements and estimates. The classification of adjusting items requires management judgement after considering the nature and intentions of a transaction. Where necessary, this judgement applied is based on a formal methodology, to determine whether or not some, or all, of the associated costs are arising in the ordinary course of business.

Management classifies the following as adjusting items:

1. Network rationalisation charges, representing direct closure costs and the write-off of the book values of assets pertaining to centres closed during the year;
2. Impairment charges and reversals, representing the impairment of property, plant and equipment, right-of-use assets, goodwill and other assets, and the reversals of prior impairments recorded;
3. Costs associated with acquisitions and restructurings during the year;
4. Other significant and non-recurring items, including write-off of fixed assets due to obsolescence.

Where estimated amounts provide to be in excess of the amounts required, the release of any amounts provided for at year-end are treated as adjusting items.

Employee benefits

The majority of the Group's pension plans are of the defined contribution type. For these plans the Group's contribution and other paid and unpaid benefits earned by the employees are charged to the income statement as incurred.

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets, excluding net interest, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Service costs are recognised in profit or loss and include current and past service costs as well as gains and losses on curtailments.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'cost of sales' and 'selling, general and administration expenses' in the consolidated income statement depending on the employee cost centre: service costs comprising current service costs; past service costs; and gains and losses on curtailments and non-routine settlements.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

Net finance expense

Interest charges and income are accounted for in the income statement on an accrual basis. Financing transaction costs that relate to financial liabilities are charged to interest expense using the effective interest rate method and are recognised within the carrying value of the related financial liability on the balance sheet. Fees paid for the arrangement of credit facilities are recognised as a prepayment asset and recognised through the finance expense over the term of the facility.

Where assets or liabilities on the Group balance sheet are carried at net present value, the increase in the amount due to unwinding the discount is recognised as a finance expense or finance income as appropriate.

Costs arising from bank guarantees and letters of credit and foreign exchange gains or losses are included in other finance costs (note 6).

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are not subject to discounting. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets and liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The carrying amount of a deferred tax asset or liability may change for reasons other than a change in the temporary difference itself. Such changes might arise as a result of a change in tax rates or laws, a reassessment of the recoverability of a deferred tax asset or a change in the expected manner of recovery of an asset or the expected manner of a settlement of a liability. The impact of these changes is recognised in the income statement or in other comprehensive income depending on where the original deferred tax balance was recognised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

In accordance with IFRIC Interpretation 23, the Group considers whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing studies, that in most jurisdictions it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Group has, where considered appropriate, provided for the potential impact of uncertain tax positions where the likelihood of tax authority adjustment is considered to be more likely than not. The adoption of the interpretation did not have an impact on the consolidated financial statements of the Group.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations; or
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

Foreign currency transactions and foreign operations

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the balance sheet date and the gains or losses on translation are taken to the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. The results and cash flows of foreign operations are translated using the average rate for the period. Assets and liabilities, including goodwill and fair value adjustments, of foreign operations are translated using the closing rate, with all exchange differences arising on consolidation being recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. Exchange differences are reclassified to the income statement on disposal.

Foreign currency translation rates

	At 31 December		Annual average	
	2024	2023	2024	2023
Pounds sterling	0.80	0.78	0.78	0.80
Euro	0.96	0.90	0.93	0.92

3. Segmental analysis

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses. An operating segment's results are reviewed regularly by the chief operating decision-maker (the Board of Directors of the Group) on a pre-IFRS 16 basis to make decisions about resources to be allocated to the segment and assess its performance, and for which distinct financial information is available. The segmental information is presented on the same basis on which the chief operating decision-maker received reporting during the year. Segmental assets and liabilities continue to be presented in accordance with IFRS.

The business is run on a worldwide basis but managed through two reportable segments, IWG Network and Digital and Professional Services.

IWG Network represents the Group's reportable segmental results excluding Digital and Professional Services. IWG Network is managed through both geographical regions and ownership structure splits. The three principle geographical regions are: the Americas, EMEA and Asia Pacific. The results of business centres in each of these regions, based on time zones, economic relationships, market characteristics, cultural similarities and language clusters, form the basis for reporting geographical results to the chief operating decision-maker. These geographical regions exclude the Group's non-trading, holding and corporate management companies, which are included in Other.

The Group's IWG Network results are also managed by ownership structure and are an additional basis for reporting results to the chief operating decision-maker. Company-owned comprises results from business centres owned, leased

and operated by the Group. Managed & Franchised comprises results relating to services provided to business centres owned by third parties.

The Digital and Professional Services comprises the results relating to The Instant Group investment and includes the Group's services provided outside of IWG network centres. All reportable segments are involved in the provision of global workplace solutions. The Group's reportable segments operate in different markets and are managed separately because of the different economic characteristics that exist in each of those markets. Each reportable segment has its own distinct senior management team responsible for the performance of the segment.

The Group's primary activity is the provision of global workplace solutions; therefore all revenue is attributed to a single group of similar products and services. Relevant product categories have; however, been included in the segmental analysis below. Revenue is recognised where the service is provided.

The Group has a diversified customer base and no single customer contributes a material percentage of the Group's revenue.

On pre-IFRS 16 basis	IWG Network Operating Segment							Digital and Professional Services	2024
	By geography				By ownership		IWG Network		
\$m	Americas	EMEA	Asia Pacific	Other	Company-owned	Managed & Franchised			
Revenue	1,289	1,669	334	9	3,222	79	3,301	456	3,757
Workstation revenue ⁽¹⁾	899	1,251	248	–	2,398	–	2,398	–	2,398
Fee income	19	36	24	–	–	79	79	–	79
Customer Service income ⁽²⁾	371	382	62	9	824	–	824	456	1,280
Cost of Sales	(1,120)	(1,371)	(255)	(11)	(2,757)	–	(2,757)	(277)	(3,034)
Other Cost of Sales (including depreciation)	(1,189)	(1,403)	(264)	(11)	(2,867)	–	(2,867)	(277)	(3,144)
Amortisation of Landlord contributions in Cost of Sales	69	32	9	–	110	–	110	–	110
Gross profit	169	298	79	(2)	465	79	544	179	723
Depreciation in Cost of Sales	170	149	28	–	347	–	347	9	356
Contribution	339	447	107	(2)	812	79	891	188	1,079
SG&A and other							(501)	(90)	(591)
Operating profit							43	89	132
Depreciation and amortisation					388	–	388	55	443
Impairment of assets					–	–	–	–	–
Loss on disposal of assets					64	–	64	–	64
Assets ⁽³⁾	3,772	4,015	535	604	8,926	–	8,926	707	9,633
Liabilities ⁽³⁾	(3,788)	(3,877)	(547)	(1,014)	(9,226)	–	(9,226)	(264)	(9,490)
Net (liabilities)/assets ⁽³⁾	(16)	138	(12)	(410)	(300)	–	(300)	443	143
Non-current asset additions ⁽³⁾⁽⁴⁾					359	–	359	24	383
Non-current asset acquisitions ⁽³⁾⁽⁴⁾					3	–	3	2	5

1. Includes customer deposits.

2. Includes membership card income.

3. Presented on a basis consistent with IFRS 16.

4. Excluding deferred taxation.

On pre-IFRS 16 basis	IWG Network Operating Segment							Digital and Professional Services	2023
	By geography				By ownership				
	Americas	EMEA	Asia Pacific	Other	Company-owned	Managed & Franchised			
\$m							IWG Network		
Revenue	1,304	1,640	341	6	3,230	61	3,291	473	3,764
Workstation revenue ⁽¹⁾	880	1,231	253	-	2,364	-	2,364	-	2,364
Fee income	11	30	20	-	-	61	61	-	61
Customer Service income ⁽²⁾	413	379	68	6	866	-	866	473	1,339
Cost of Sales	(1,245)	(1,511)	(317)	7	(3,066)	-	(3,066)	(274)	(3,340)
Other Cost of Sales (including depreciation)	(1,322)	(1,542)	(327)	7	(3,184)	-	(3,184)	(274)	(3,458)
Amortisation of Landlord contributions in Cost of Sales	77	31	10	-	118	-	118	-	118
Gross profit	59	129	24	13	164	61	225	199	424
Depreciation in Cost of Sales	192	152	31	-	375	-	375	6	381
Contribution SG&A	251	281	55	13	539	61	600 (467)	205 (89)	805 (556)
Operating (loss)/profit							(242)	110	(132)
Depreciation and amortisation					420	-	420	48	468
Impairment of assets					2	-	2	-	2
Loss on disposal of assets					97	-	97	-	97
Assets ⁽³⁾	3,954	4,433	598	704	9,689	-	9,689	767	10,456
Liabilities ⁽³⁾	(3,914)	(4,346)	(631)	(1,122)	(10,013)	-	(10,013)	(334)	(10,347)
Net (liabilities)/assets ⁽³⁾	40	87	(33)	(418)	(324)	-	(324)	433	109
Non-current asset additions ⁽³⁾⁽⁴⁾					571	-	571	36	607
Non-current asset acquisitions ⁽³⁾⁽⁴⁾					19	-	19	8	27

1. Includes customer deposits.
2. Includes membership card income.
3. Presented on a basis consistent with IFRS 16.
4. Excluding deferred taxation.

Operating profit in the 'Other' category is generated from services related to the provision of workspace solutions, offset by corporate overheads.

The operating segment's results presented on a pre-IFRS 16 basis reconcile to the financial statements as follows:

\$m	IWG Network Operating Segment						IWG Network	Digital and Professional Services	2024
	By geography				By ownership				
	Americas	EMEA	Asia Pacific	Other	Company-owned	Managed & Franchised			
Revenue – pre-IFRS 16 basis	1,289	1,669	334	9	3,222	79	3,301	456	3,757
Sublease income	–	–	–	–	–	–	–	(67)	(67)
Revenue – post IFRS 16 basis	1,289	1,669	334	9	3,222	79	3,301	389	3,690
Gross profit – pre-IFRS 16 basis	169	298	79	(2)	465	79	544	179	723
Total Adjustments impacting Gross Profit	156	182	24	–	362	–	362	19	381
Sublease income	–	–	–	–	–	–	–	(67)	(67)
Rent expense	550	578	126	2	1,256	–	1,256	86	1,342
Depreciation of property, plant and equipment including right-of-use assets ⁽¹⁾	(398)	(414)	(85)	(3)	(900)	–	(900)	(1)	(901)
Other ⁽²⁾	4	18	(17)	1	6	–	6	1	7
Gross profit – post IFRS 16 basis	325	480	103	(2)	827	79	906	198	1,104
Operating profit – pre-IFRS 16 basis							43	89	132
Total Adjustments impacting Operating Profit							360	18	378
Operating profit – post IFRS 16 basis							403	107	510
Depreciation and amortisation – pre-IFRS 16 basis					388	–	388	55	443
Depreciation of property, plant and equipment including right-of-use assets					900	–	900	1	901
Depreciation and amortisation					1,288	–	1,288	56	1,344
Impairment of assets – pre-IFRS 16					–	–	–	–	–
Net reversal of impairment of property, plant and equipment including right-of-use assets					(31)	–	(31)	–	(31)
Net reversal of impairment of assets					(31)	–	(31)	–	(31)
Loss on disposal of assets – pre-IFRS 16 basis					64	–	64	–	64
Loss on disposal of property, plant and equipment including right-of-use assets ⁽³⁾					(46)	–	(46)	(17)	(63)
Loss/(gain) on disposal of assets					18	–	18	(17)	1

1. Includes depreciation on right of use assets of \$1,049m offset by reduced depreciation on leasehold improvements under IFRS 16 due to the classification of certain landlord contributions as a reduction to property, plant and equipment.

2. Includes \$31m of net reversal of impairment of property, plant and equipment including right-of-use assets, as well as reversal of losses on disposal of property, plant and equipment including right-of-use assets of \$6m.

3. Loss on disposal under IFRS 16 is lower due to the classification of certain landlord contributions as a reduction to property, plant and equipment under IFRS 16.

\$m	IWG Network Operating Segment							Digital and Professional Services	2023
	By geography				By ownership				
	Americas	EMEA	Asia Pacific	Other	Company-owned	Managed & Franchised			
							IWG Network		
Revenue – pre-IFRS 16 basis	1,304	1,640	341	6	3,230	61	3,291	473	3,764
Sublease income	–	–	–	–	–	–	–	(75)	(75)
Revenue	1,304	1,640	341	6	3,230	61	3,291	398	3,689
Gross profit – pre-IFRS 16 basis	59	129	24	13	164	61	225	199	424
Total Adjustments impacting Gross Profit	100	164	39	4	307	–	307	1	308
Sublease income	–	–	–	–	–	–	–	(75)	(75)
Rent expense	555	606	141	–	1,302	–	1,302	78	1,380
Depreciation of property, plant and equipment including right-of-use assets ⁽¹⁾	(435)	(457)	(108)	(3)	(1,003)	–	(1,003)	(1)	(1,004)
Other ⁽²⁾	(20)	15	6	7	8	–	8	(1)	7
Gross profit	159	293	63	17	471	61	532	200	732
Operating (loss)/profit – pre-IFRS 16 basis							(242)	110	(132)
Total Adjustments impacting Operating Profit							310	1	311
Operating profit							68	111	179
Depreciation and amortisation – pre-IFRS 16 basis					420	–	420	48	468
Depreciation of property, plant and equipment including right-of-use assets					1,003	–	1,003	1	1,004
Depreciation and amortisation					1,423	–	1,423	49	1,472
Impairment of assets – pre-IFRS 16 basis					2	–	2	–	2
Net impairment of property, plant and equipment including right-of-use assets					99	–	99	–	99
Net impairment of assets					101	–	101	–	101
Loss on disposal of assets – pre-IFRS 16 basis					97	–	97	–	97
Gain on disposal of property, plant and equipment including right-of-use assets ⁽³⁾					(64)	–	(64)	(1)	(65)
Loss/(gain) on disposal of assets					33	–	33	(1)	32

1. Includes depreciation on right of use assets of \$1,146m offset by reduced depreciation on leasehold improvements under IFRS 16 due to the classification of certain landlord contributions as a reduction to property, plant and equipment.
2. Includes \$99m of net reversals of impairment of property, plant and equipment including right-of-use assets, offset by losses on disposal of property, plant and equipment including right-of-use assets of \$5m.
3. Loss on disposal under IFRS 16 is lower due to the classification of certain landlord contributions as a reduction to property, plant and equipment under IFRS 16.

4. Operating profit

Operating profit has been arrived at after crediting/(charging):

\$m	Notes	2024	2023
Revenue		3,690	3,689
Depreciation on property, plant and equipment	13	(1,266)	(1,392)
Right-of-use assets	13	(1,049)	(1,146)
Other property, plant and equipment	13	(217)	(246)
Amortisation of intangible assets	12	(78)	(80)
Variable property rents payable in respect of leases	22	(116)	(65)
Lease expense on short-term leases		–	(1)
Staff costs	5	(543)	(544)
Facility and other property costs		(631)	(653)
Expected credit losses on trade receivables	23	(13)	(19)
Loss on disposal of property, plant and equipment		(37)	(77)
Profit on disposal of right-of-use assets and related lease liabilities		42	46
Loss on disposal of intangible assets	12	(6)	(1)
Impairment of other intangible assets	12	–	(2)
Net reversal/(impairment) of property, plant and equipment ⁽¹⁾	13	31	(99)
Net reversal/(impairment) of right-of-use assets	13	19	(53)
Net reversal/(impairment) of other property, plant and equipment	13	12	(46)
Other costs		(562)	(622)
Operating profit before equity-accounted investees		511	180
Share of loss of equity-accounted investees, net of tax	19	(1)	(1)
Operating profit		510	179

- The net reversal of impairment of \$31m (2023: net impairment of \$99m) includes an additional impairment of \$48m (2023: \$143m), offset by the reversal of \$79m (2023: \$44m) previously provided for (note 13).
- Includes product and centre related costs of \$148m (2023: \$165m), marketing costs of \$130m (2023: \$117m), maintenance costs of \$94m (2023: \$109m), professional fees of \$79m (2023: \$93m) and other overhead costs of \$111m (2023: \$138m).

\$m	2024	2023
Fees payable to the Group's auditor and its associates for the audit of the Group accounts	(2)	(2)
Fees payable to the Group's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	(5)	(5)
Other services pursuant to legislation	–	–
Other non-audit services	(1)	(1)

5. Staff costs

\$m	2024	2023
The aggregate payroll costs were as follows:		
Wages and salaries	464	456
Social security	68	72
Pension costs	9	8
Share-based payments	2	8
	543	544

Average full-time Equivalents	2024	2023
The average number of persons employed by the Group (including Executive Directors), analysed by category and geography, was as follows:		
Centre staff	6,329	6,536
Sales and marketing staff	615	572
Finance and shared service centre staff	750	709
Other staff	1,313	1,238
	9,007	9,055
Americas	2,787	2,837
EMEA	3,449	3,366
Asia Pacific	1,069	1,001
Corporate functions	1,702	1,851
	9,007	9,055

Details of the Directors' emoluments and interests are given in the Directors' Remuneration report.

6. Net finance expense

\$m	2024	2023
Interest payable and similar charges on bank loans and corporate borrowings	(34)	(51)
Interest expense and accretion on Convertible bond ⁽¹⁾	(16)	(17)
Interest expense and accretion on Euro bond ⁽¹⁾	(22)	–
Interest expense on cross currency interest rate swap	(4)	–
Interest expense on financial debt	(76)	(68)
Interest payable on lease liabilities	(363)	(349)
Total interest expense	(439)	(417)
(Loss)/gain on foreign exchange	(17)	7
Other finance costs	(18)	(15)
Total finance expense	(474)	(425)
Interest income	2	1
Interest received on net lease investment	8	8
Gain on early settlement of Convertible bonds	7	–
Total interest and finance income	17	9
Net finance expense	(457)	(416)

1. Interest expense and accretion includes accretion of \$14m (2023: \$15m) in respect of the Convertible bonds, and \$1m (2023: \$nil) in respect of the Euro bond.

7. Taxation

(a) Analysis of charge in the year

\$m	2024	2023
Current taxation		
Corporate income tax	(47)	(96)
Previously unrecognised tax losses and temporary differences	5	55
(Under)/over provision in respect of prior years	(4)	10
Total current taxation	(46)	(31)
Deferred taxation		
Origin and reversal of temporary differences	(25)	(24)
Previously unrecognised tax losses and other differences	37	21
Total deferred taxation	12	(3)
Tax charge	(34)	(34)

(b) Reconciliation of taxation charge

	2024		2023	
	\$m	%	\$m	%
Profit/(loss) before tax	53		(237)	
Tax on profit at 11.9% (2023: 11.9%)	(6)	(12)	29	(12)
Tax effects of:				
Expenses not deductible for tax purposes	(76)	(143)	(102)	43
Items not chargeable for tax purposes	14	26	17	(7)
Previously unrecognised temporary differences expected to be used in the future	42	79	77	(33)
Current year temporary differences not currently expected to be used	(35)	(66)	(99)	42
Adjustment to tax charge in respect of previous years	(4)	(8)	10	(4)
Differences in tax rates on overseas earnings	31	60	34	(15)
Total tax charge for the year	(34)	(64)	(34)	14

The applicable tax rate is determined based on the tax rate in the canton of Zug in Switzerland, which was the statutory tax rate applicable in the country of domicile of the parent company of the Group at the end of the financial year.

(c) Factors that may affect the future tax charge

Unrecognised tax losses to carry forward against certain future overseas corporation tax liabilities have the following expiration dates

dates: \$m	2024	2023
2024	–	38
2025	35	45
2026	36	46
2027	32	40
2028	71	82
2029	90	88
2030	57	105
2031	61	12
2032 and later	9,505	1,733
	9,887	2,189
Available indefinitely	1,685	1,807
Unrecognised tax losses available to carry forward	11,572	3,996
Amount of losses recognised in deferred tax assets	319	275
Total tax losses available to carry forward	11,891	4,271

Additional tax losses have been generated since 31 December 2023, primarily resulting from the impairment of investments held by Head Office entities in Luxembourg. These losses are subject to recapture under certain conditions and are included in the table below as part of the unrecognised deferred tax assets figures of \$2,783m. The above loss expiry table excludes \$130m (2023: \$157m) US state tax losses.

The following deferred tax assets have not been recognised due to uncertainties over recoverability:

\$m	2024	2023
Intangibles	447	456
Accelerated capital allowances	98	68
Tax losses	2,783	992
Rent	161	136
Leases	78	80
Short-term timing differences	36	20
	3,603	1,752

(d) Corporation tax

\$m	2024	2023
Corporation tax payable	(65)	(55)
Corporation tax receivable	34	34

(e) Deferred taxation

The movement in deferred tax is analysed below:

\$m	Intangibles	Property, plant and equipment	Tax losses	Rent	Leases	Short-term temporary differences	Total
Deferred tax assets							
At 31 December 2022	98	–	19	88	1,341	88	1,634
Current year movement	(3)	(4)	50	(74)	(172)	38	(165)
Prior year movement	–	(1)	–	8	–	(8)	(1)
Exchange rate movements	3	5	(1)	(4)	–	(3)	
At 31 December 2023	98	–	68	18	1,169	115	1,468
Offset against deferred tax liabilities	–	–	–	–	(892)	–	(892)
Net deferred tax assets at 31 December 2023	98	–	68	18	277	115	576
Gross deferred tax assets at 31 December 2023	98	–	68	18	1,169	115	1,468
Current year movement	(15)	13	9	15	(126)	(10)	114
Exchange rate movements	1	–	(2)	–	–	–	(1)
At 31 December 2024	84	13	75	33	1,043	105	1,353
Offset against deferred tax liabilities	–	–	–	–	(767)	–	(767)
At 31 December 2024	84	13	75	33	276	105	586

\$m	Intangibles	Property, plant and equipment	Tax losses	Rent	Leases	Short term temporary differences	Total
Deferred tax liabilities							
At 1 January 2023	(73)	(103)	–	(1)	(1,095)	(3)	(1,275)
Current year movement	1	13	–	1	150	(2)	163
Exchange rate movements	–	–	–	–	–	2	2
At 31 December 2023	(72)	(90)	–	–	(945)	(5)	(1,112)
Offset against deferred tax assets	–	–	–	–	892	–	892
Net deferred tax liabilities at 31 December 2023	(72)	(90)	–	–	(53)	(5)	(220)
Gross deferred tax liabilities at 31 December 2023	(72)	(90)	–	–	(945)	(5)	(1,112)
Current year movement	(1)	15	–	(1)	119	(6)	126
Exchange rate movements	–	–	–	–	–	(1)	(1)
At 31 December 2024	(73)	(75)	–	(1)	(826)	(11)	(987)
Offset against deferred tax assets	–	–	–	–	767	–	767
At 31 December 2024	(73)	(75)	–	(1)	(59)	(11)	(220)

The movements in deferred taxes included above are after the offset of deferred tax assets and deferred tax liabilities where there is a legally enforceable right to set off and they relate to income taxes levied by the same taxation authority. The closing deferred tax position above represents the aggregated deferred tax asset or liability position within individual legal entities, with some companies recognising deferred tax assets and others recognising deferred tax liabilities. The closing position is a net deferred tax asset of \$586m and a deferred tax liability of \$220m.

In evaluating whether it is probable that taxable profits will be earned in future accounting periods for the purposes of deferred tax asset recognition, management based their analysis on the Board approved forecasts prepared for the purposes of reviewing goodwill for impairment.

At the balance sheet date, the temporary difference arising from unremitted earnings of overseas subsidiaries was \$15m (2023: \$15m). The only tax that would arise on these reserves if they were remitted would be non-creditable withholding tax.

In 2024 the deferred tax asset recognised in respect of the fair market value of IP resulting from a group restructure in 2019, in relation to which the amortisation is deductible for Swiss corporate income tax purposes, was reduced from \$100m to \$84m and is included as Intangibles in the deferred tax table above. Recognition of this deferred tax asset is based on the approved three-year forecast.

(f) Global minimum top-up tax

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted or substantively enacted in many of the jurisdictions where IWG operates, including in Switzerland where it has come into effect from January 1, 2024, with the introduction of a domestic minimum tax rule. The Group has performed an assessment of its potential exposure to Pillar Two global minimum income taxes and does not expect any material top-up taxes to arise in any jurisdiction in which it operates. Whilst the majority of the Group's entities benefit from transitional safe harbour rules which take them out of scope of the full rules, for the remaining entities, proxy Pillar Two calculations have been performed which confirm that no material top-up tax is expected to arise in any jurisdiction.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

8. Adjusting items

The Group has recognised the following adjusting items:

\$m	Notes	2024		2023	
		Cost of sales	Selling, general and administration costs	Cost of sales	Selling, general and administration costs
Closure credit		(2)	–	(15)	–
Net (reversal)/impairment of property, plant and equipment (including right-of-use assets) ⁽¹⁾	13	(93)	–	73	–
Other impairments		3	–	4	–
One-off items		–	6	39	(6)
Total adjusting items⁽²⁾		(92)	6	101	(6)

1. Net reversal of impairment of \$31m (2023: net impairment of \$99m) excludes depreciation of \$56m (2023: \$21m) and disposals of \$6m (2023: \$5m) in respect of adjusting items previously provided for (note 13).

2. Includes \$(113)m of non-cash items (2023: \$42m).

Closure related credit

A closure related credit of \$2m (2023: \$15m) was recognised during the year, which includes the direct closure costs of \$nil (2023: credit of \$1m) related to these centres, \$16m (2023: \$14m) write-off of the book value of assets, \$48m (2023: \$61m) against the right-of-use assets and \$66m (2023: \$89m) credits for the related lease liabilities.

Net reversal of impairment of property, plant and equipment (including right-of-use assets)

Management carried out a comprehensive review exercise for potential impairments across the whole portfolio at a cash-generating units (CGUs) level. This review compared the value-in-use of CGUs, based on management's assumptions regarding likely future trading performance, to the carrying values at 31 December 2024. Following this review, a net reversal of impairment of \$31m (2023: net impairment of \$99m) was recognised within cost of sales. Of this net reversal of impairment, \$12m (2023: net impairment of \$46m) and \$19m (2023: net impairment of \$53m) were recognised against property, plant and equipment and right-of-use assets respectively.

Other impairments

Impairment of Ukraine and Russia

As a result of geopolitical circumstances in the Ukraine and related sanctions against Russia, the Board has taken the decision to recognise a provision against the gross assets of both its Russian and Ukrainian operations. Following a review of the carrying value of the CGU, an additional \$3m (2023: \$4m) impairment charge was recognised against assets of \$22m (2023: \$19m). These operations are not material to the Group, representing less than 1% of both total revenue and net assets of the Group. Accordingly, the Group's significant accounting judgements, estimates and assumptions have not changed.

One-off items

During the year, the Group incurred \$3m (2023: \$2m) of restructuring and transaction costs.

Should the estimated charges be in excess of the amounts required, the release of any amounts provided for at 31 December 2024 would be treated as adjusting items.

Following a review of revenues derived from desktop telephones in 2023, the Group wrote-off \$nil (2023: \$39m) of telephone assets. The Group also wrote-off \$6m (2023: \$1m) of obsolete software during the year.

During the year, the Group utilised closure related legal provisions of \$3m (2023: \$9m).

9. Earnings/(loss) per ordinary share (basic and diluted)

	2024	2023
Basic and diluted profit/(loss) for the year attributable to shareholders (\$m)	20	(269)
Basic earnings/(loss) per share (¢)	2.0	(26.7)
Diluted earnings/(loss) per share (¢)	2.0	(26.7)
Weighted average number of shares for basic and diluted EPS	1,009,815,216	1,006,685,491
Weighted average number of shares under option	32,708,366	17,380,163
Weighted average number of shares that would have been issued at average market price	(26,212,684)	(13,303,122)
Weighted average number of share awards under the CIP, PSP, DBSP and One-off Award	2,824,696	2,210,401
Weighted average number of shares for diluted EPS when profitable	1,019,135,504	1,012,972,933
Potentially issuable shares on Convertible bonds (anti-dilutive)	76,408,203	76,408,203

Options are considered dilutive when they would result in the issue of ordinary shares for less than the market price of ordinary shares in the period. The amount of the dilution is taken to be the average market price of shares during the period minus the exercise price. In 2024, 9,320,378 share awards had a dilutive effect with a negligible impact on the basic earnings per share (2023: all awards were considered anti-dilutive).

The Group issued £350m of Convertible bonds in December 2020. As of 1 January 2024, the Convertible bonds created 76,408,203 of potentially issuable shares. During 2024, the Group repurchased £192m face value of the Convertible bonds, reducing the potentially issuable number of shares to 34,786,815 at 31 December 2024. The Convertible bonds had no dilutive effect in 2024 or 2023.

The average market price of one share during the year was 177.99p (2023: 159.96p), with a high of 207.00p on 28 May 2024 (197.70p on 2 February 2023) and a low of 151.60p on 19 December 2024 (127.40p on 25 October 2023).

10. Dividends

\$m	2024	2023
Final dividend for the year ended 31 December 2023: 1.00 pence per share proposed on 5 March 2024 and paid on 31 May 2024 (for the year ended 31 December 2022: nil pence per share)	13	–
Interim dividends for the year ended 31 December 2024: 0.43¢ per share; proposed on 4 August 2024 and paid on 4 October 2024	4	–

In line with the Group's dividend policy, the Board has proposed to shareholders a final dividend of 0.90¢ per share for a total 2024 dividend of 1.33¢ per share (2023: 1.00p per share). Subject to shareholder approval, it is expected that the dividend will be paid on 30 May 2025 to shareholders on the register at the close of business on 2 May 2025.

11. Goodwill

\$m	Total
Cost	
At 31 December 2022	1,128
Recognised on acquisition of subsidiaries	10
Exchange rate movements	34
At 31 December 2023	1,172
Recognised on acquisition of subsidiaries	2
Exchange rate movements	(26)
At 31 December 2024	1,148
Net book value	
At 31 December 2023	1,172
At 31 December 2024	1,148

Cash-generating units (CGUs), defined as individual business centres, are grouped by country of operation and Digital & Professional Services for the purposes of carrying out impairment reviews of goodwill as this is the lowest level at which it can be assessed. Goodwill acquired through business combinations is held at a country and Digital & Professional Services level and is subject to impairment reviews based on the cash flows of the CGUs within that country and the Digital & Professional Services segment.

The carrying amount of goodwill attributable to the reportable business segments is as follows:

\$m	2024	2023
Americas	379	381
EMEA	456	471
Asia Pacific	31	33
Digital & Professional Services	282	287
	1,148	1,172

The carrying value of goodwill and indefinite life intangibles allocated to the USA, UK and Digital & Professional Services is material relative to the total carrying value, comprising 81% of the total. The remaining 19% of the carrying value is allocated to a further 38 countries. The goodwill and indefinite life intangibles allocated to the USA, UK and Digital & Professional Services are set out below:

\$m	Goodwill	Intangible assets ⁽¹⁾	2024	2023
USA	355	–	355	355
United Kingdom	276	14	290	293
Digital & Professional Services	282	–	282	287
Other countries	235	–	235	251
	1,148	14	1,162	1,186

1. The indefinite life intangible asset relates to the Regus brand.

The value-in-use for each country and Digital & Professional Services has been determined using a model which derives the present value of the expected future cash flows for each individual country and Digital & Professional Services. Although the model includes budgets and forecasts prepared by management, it also reflects external factors, such as capital market risk pricing as reflected in the market capitalisation of the Group and prevailing tax rates, which have been used to determine the risk-adjusted discount rate for the Group. Management believes that the projected cash flows are a reasonable reflection of the likely outcomes over the medium to long-term. In the event that trading conditions deteriorate beyond the assumptions used in the projected cash flows, it is also possible that impairment charges could arise in future periods.

The following key assumptions have been used in calculating the value-in-use for each country and Digital & Professional Services:

- Future cash flows are based on forecasts prepared by management. The model excludes cost savings and restructurings that are anticipated but had not been committed to at the date of the determination of the value-in-use and capital expenditures and the related benefits arising from technology development projects that have not substantively commenced;
- Thereafter, forecasts have been prepared by management for 2025, and for a further four years, that follow a budgeting process approved by the Board;
- These forecasts exclude the impact of acquisitive growth expected to take place in future periods;
- Management considers these projections to be a reasonable projection of margins expected at the mid-cycle position;
- Harnessing synergies across the Group relating to digital sales conversion rates, Digital & Professional Services platform engagement and lead generation;
- Frequency, duration and amount of commissions earned on the Digital & Professional Services platform
- A terminal value is included in the assessment, reflecting the Group's expectation that it will continue to operate in these markets and the long-term nature of the business; and
- The Group applies a country-specific, pre-tax discount rate to the pre-tax cash flows for each country. The country-specific discount rate is based on the underlying weighted average cost of capital (WACC) for the Group. The Group WACC is then adjusted for each country to reflect the assessed market risk specific to that country. The Group pre-tax WACC decreased from 12.4% in 2024 to 10.9% in 2025 (post-tax WACC: 8.2%). The country-specific pre-tax WACC reflecting the respective market risk adjustment has been set between 9.6% and 13.1% (2023: 11.0% to 13.6%).

The amounts by which the values-in-use exceed the carrying amounts of goodwill are sufficiently large to enable the Directors to conclude that a reasonably possible change in the key assumptions would result in a recognised impairment of \$nil (2023: \$nil), in respect of all countries. Foreseeable events are unlikely to result in a change in the projections of such a significant nature as to result in the goodwill carrying amount exceeding their recoverable amount. The forecast models used in assessing the impairment of goodwill are based on the related business centre structure at the end of the year.

The US model assumes an average centre contribution of 25% (2023: 22%) over the next five years. A terminal value centre gross margin of 28% is adopted from 2029, with a nil long-term growth rate assumed on revenue and costs into perpetuity. The cash flows have been discounted using a pre-tax discount rate of 11.4% (2023: 11.1%).

The UK model assumes an average centre contribution of 20% (2023: 16%) over the next five years. A terminal value centre gross margin of 25% is adopted from 2029, with a 2.4% long-term growth rate assumed on revenue and costs into perpetuity. The cash flows have been discounted using a pre-tax discount rate of 12.4% (2023: 12.4%).

The Digital & Professional Services model assumes an average contribution of 38% (2023: 34%) over the next five years. A terminal value centre gross margin of 42% is adopted from 2029, with a 2.4% long-term growth rate assumed on revenue and costs into perpetuity. The cash flows have been discounted using a pre-tax discount rate of 12.4% (2023: 12.4%).

Management has considered the following sensitivities:

- **Market growth and RevPAR** – Management has considered the impact of a variance in market growth and RevPAR. The value-in-use calculation shows that if the long-term growth rate is nil, the recoverable amount of the US, UK and Digital & Professional Services would still be greater than their carrying value.
- **Discount rate** – Management has considered the impact of an increase in the discount rate applied to the calculation. The value-in-use calculation shows that for the recoverable amount to be less than its carrying value, the pre-tax discount rate would have to be increased by over 1,000% (2023: 435.9%) for the US, 9.3% (2023: 24.2%) for the UK and 5.1% for Digital & Professional Services (2023: 3.9%).
- **Occupancy** – Management has considered the impact of a variance in occupancy. The value-in-use calculation shows that for the recoverable amount to be less than its carrying value, occupancy in all future years would have to decrease by 18.4% (2023: 13.4%) for the US and 3.3% (2023: 5.3%) for the UK.
- **Pricing** – Management has considered the impact of a variance in price. The value-in-use calculation shows that for the recoverable amount to be less than its carrying value, price per occupied workspace in all future years would have to decrease by 33.7% (2023: 28.8%) for the US and 5.8% (2023: 8.2%) for the UK.

12. Other intangible assets

\$m	Brand	Customer lists	Software	Total
Cost				
At 31 December 2022	110	134	240	484
Additions at cost	–	–	74	74
Acquisition of subsidiaries	–	–	–	–
Disposals	–	–	(7)	(7)
Exchange rate movements	6	7	11	24
At 31 December 2023	116	141	318	575
Additions at cost	–	–	45	45
Acquisition of subsidiaries	1	–	1	2
Disposals	–	–	(8)	(8)
Exchange rate movements	(1)	(3)	(2)	(6)
At 31 December 2024	116	138	354	608
Amortisation				
At 31 December 2022	54	61	110	225
Charge for year	4	30	46	80
Disposals	–	–	(6)	(6)
Impairment	–	–	2	2
Exchange rate movements	3	2	3	8
At 31 December 2023	61	93	155	309
Charge for year	1	28	49	78
Disposals	–	–	(2)	(2)
Impairment	–	–	–	–
Exchange rate movements	–	(3)	(1)	(4)
At 31 December 2024	62	118	201	381
Net book value				
At 31 December 2022	56	73	130	259
At 31 December 2023	55	48	163	266
At 31 December 2024	54	20	153	227

Included within the brand value is \$14m relating to the acquisition of the remaining 58% of the UK business in the year ended 31 December 2006. The Regus brand acquired in this transaction is assumed to have an indefinite useful life due to the fact that the value of the brand is intrinsically linked to the continuing operation of the Group.

As a result of the Regus brand acquired with the UK business having an indefinite useful life no amortisation is charged but the carrying value is assessed for impairment on an annual basis. The brand was tested at the balance sheet date against the recoverable amount of the UK business segment at the same time as the goodwill arising on the acquisition of the UK business (see note 11).

13. Property, plant and equipment

\$m	Right-of-use assets ⁽¹⁾	Land and buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Total
Cost						
At 31 December 2022	11,655	193	2,059	1,115	166	15,188
Additions	372	–	110	51	3	536
Modifications ⁽²⁾	420	–	–	–	–	420
Acquisition of subsidiaries	12	–	6	–	–	18
Disposals	(893)	–	(62)	(181)	(8)	(1,144)
Exchange rate movements	207	11	21	15	4	258
At 31 December 2023	11,773	204	2,134	1,000	165	15,276
Additions	195	–	157	25	2	379
Modifications ⁽²⁾	607	–	–	–	–	607
Acquisition of subsidiaries	–	–	1	2	–	3
Disposals	(932)	–	(113)	(20)	(6)	(1,071)
Exchange rate movements	(341)	(2)	(106)	(34)	(6)	(489)
At 31 December 2024	11,302	202	2,073	973	155	14,705
Accumulated depreciation						
At 31 December 2022	5,608	17	1,257	644	136	7,662
Charge for the year	1,146	3	152	84	7	1,392
Disposals ⁽⁴⁾	(695)	–	(30)	(137)	(7)	(869)
Net impairment ⁽⁵⁾	53	–	46	–	–	99
Exchange rate movements	87	1	9	9	3	109
At 31 December 2023	6,199	21	1,434	600	139	8,393
Charge for the year ⁽³⁾	1,049	3	137	70	7	1,266
Disposals ⁽⁴⁾	(693)	–	(83)	(14)	(5)	(795)
Net reversal of impairment ⁽⁵⁾	(19)	–	(12)	–	–	(31)
Exchange rate movements	(174)	–	(42)	(22)	(6)	(244)
At 31 December 2024	6,362	24	1,434	634	135	8,589
Net book value						
At 31 December 2022	6,047	176	802	471	30	7,526
At 31 December 2023	5,574	183	700	400	26	6,883
At 31 December 2024	4,940	178	639	339	20	6,116

1. Right-of-use assets consist of property-related leases.

2. Modifications includes lease modifications and extensions.

3. Depreciation is net of \$56m (2023: \$21m) in respect of adjusting items previously provided for (note 8).

4. Disposals are net of \$6m (2023: \$5m) in respect of adjusting items previously provided for (note 8).

5. The net reversal of impairment of \$31m (2023: net impairment of \$99m) includes an additional impairment of \$48m (2023: \$143m), offset by the reversal of \$79m (2023: \$43m) previously provided for (note 8).

The key assumptions and methodology in calculating right-of-use assets and the corresponding lease liability remain consistent with those noted in notes 2 and 31.

Impairment tests for property, plant and equipment (including right-of-use assets) are performed on a cash-generating unit basis when impairment triggers arise. Cash-generating units (CGUs) are defined as individual business centres, being the smallest identifiable group of assets that generate cash flows that are largely independent of other groups of assets. The Group assesses whether there is an indication that a CGU may be impaired, including persistent operating losses, net cash outflows and poor performance against forecasts.

The recoverable amounts of property, plant and equipment are based on the higher of fair value less costs to sell and value-in-use. The Group considered both fair value less costs to dispose and value-in-use in the impairment testing on a centre-by-centre level, on a basis consistent with the impairment testing described in note 11. Impairment charges are recognised within cost of

sales in the consolidated income statement. In 2024, the Group recorded a net reversal of impairment charges of \$19m (2023: net impairment of \$53m) in respect of right-of-use assets and \$12m (2023: net impairment of \$46m) in respect of leasehold improvements.

14. Other long-term receivables

\$m	2024	2023
Deposits held by landlords against lease obligations	67	67

15. Trade and other receivables

\$m	2024	2023
Trade receivables, net	456	469
Prepayments and accrued income	143	185
Other receivables	283	230
Landlord contributions receivables	35	32
VAT recoverable	206	214
Deposits held by landlords against lease obligations	5	6
	1,128	1,136

16. Trade and other payables (including customer deposits)

\$m	2024	2023
Customer deposits ⁽¹⁾	584	585
Other accruals	380	415
Trade payables	232	310
VAT payable	146	133
Other payables	227	186
Other tax and social security	30	38
	1,599	1,667

1. Includes an unrealised foreign exchange loss of \$21m (2023: gain of \$9m).

17. Borrowings

Bank and other loans

The Group's total loan and borrowing position at 31 December 2024 and at 31 December 2023 had the following maturity profiles:

\$m	2024	2023
Repayments falling due as follows:		
In more than one year but not more than two years ⁽¹⁾	2	896
In more than two years but not more than five years	–	1
In more than five years ⁽²⁾	650	2
Total non-current	652	899
Total current⁽³⁾	208	17
Total bank and other loans	860	916

1. Includes \$nil (2023: \$419m) Convertible bonds liability, disclosed net of derivative foreign exchange cashflow hedges of \$nil (2023: \$nil).

2. Includes \$629m (2023: \$nil) Euro bond liability, disclosed net of derivative foreign exchange cashflow hedge liability of \$19m (2023: \$nil).

3. Includes \$191m (2023: \$nil) Convertible bonds liability, disclosed net of derivative foreign exchange cashflow hedge liability of \$2m (2023: \$nil).

The Group issued £350m Convertible bonds in December 2020, raising £343m, net of transaction fees. At the date of issue, the Convertible bonds were bifurcated between

- A financial liability recognised at amortised cost of £298m, by using the discounted cash flow of interest payments and the bonds' nominal value; and subsequently remeasured at amortised cost.
- A derivative financial liability of £52m, not being closely related to the host financial liability, was recognised separately and measured at fair value through profit or loss (note 23).

During 2024, the Group repurchased £192m face value of the Convertible bonds, valued at its amortised cost of \$235m, at a weighted average price of £0.923, including accrued interest, representing a consideration of £178m, or \$228m, resulting in a gain on settlement of \$7m.

As at 31 December 2024, the debt was valued at its amortised cost of \$191m (31 December 2023: \$419m) and the derivative liability at its fair value is \$2m (2023: \$nil). In December 2024, the Convertible bonds were reclassified from

non-current liabilities to current liabilities, due to the fact that bondholders have the option to cash settle in December 2025 at par which the Group expects to settle in cash.

The Group issued a €575m Euro bond on 28 June 2024 at a fixed coupon rate of 6.5% and a bullet maturity of June 2030. An additional €50m was issued on 10 September 2024. The bonds are traded on the London Stock Exchange's International Securities Market. Both IWG as a Group and the Euro bond itself have an investment-grade rating of BBB (Stable) assigned by Fitch Ratings. As at 31 December 2024, the debt was valued at its amortised cost of \$648m, comprising a \$629m bond liability and its related \$19m derivative foreign exchange cash flow hedge liability.

The Group's \$720m revolving credit facility (2023: \$1,116m) is subject to financial covenants which include interest cover and net debt to EBITDA ratio. The Group continued to operate in compliance with the covenants agreed with the lenders.

Further information regarding the Group's bond liabilities can be found in note 23.

18. Provisions

\$m	2024			2023		
	Closures	Other	Total	Closures	Other	Total
At 1 January	54	–	54	72	10	82
Acquired in the period	–	–	–	–	–	–
Provided in the period	5	1	6	10	–	10
Utilised in the period	(6)	–	(6)	(31)	(9)	(40)
Exchange rate movements	2	–	2	3	(1)	2
At 31 December	55	1	56	54	–	54
Analysed between:						
Current	33	1	34	31	–	31
Non-current	22	–	22	23	–	23
At 31 December	55	1	56	54	–	54

Closures

Provisions for closures relate to the expected costs of centre closures, including restructuring costs. Impairments of right-of-use assets and property, plant and equipment (note 13) are not included above.

Other

Other provisions include the estimated costs of claims against the Group outstanding at 31 December 2024, of which, due to their nature, the maximum period over which they are expected to be utilised is uncertain.

The Group is involved in various disputes, primarily related to potential lease obligations, some of which are in the course of litigation. Where there is a dispute and where, based on legal counsel advice, the Group estimates that it is probable that the dispute will result in an outflow of economic resources, provision is made based on the Group's best estimate of the likely financial outcome. Where a reliable estimate cannot be made, or where the Group, based on legal counsel advice, considers that it is not probable that there will be an outflow of economic resources, no provision is recognised. There are no disputes which are expected to have a material impact on the Group.

19. Investments in joint ventures

\$m	Investments in joint ventures	Provision for deficit in joint ventures	Total
At 31 December 2022	55	(8)	47
Share of loss	(1)	–	(1)
Exchange rate movements	2	–	2
At 31 December 2023	56	(8)	48
Share of loss	(1)	–	(1)
Disposal of joint ventures	–	2	2
Exchange rate movements	1	–	1
At 31 December 2024	56	(6)	50

The Group has 78 centres operating under joint venture agreements (2023: 81) at the reporting date, all of which are individually immaterial. The Group has a legal obligation in respect of its share of any deficits recognised by these operations. No indicators of impairment were identified by management in relation to these investments.

The results of the joint ventures below are the full-year results of the joint ventures and do not represent the effective share:

\$m	2024	2023
Income statement		
Revenue	114	108
Expenses	(109)	(113)
Profit/(loss) before tax for the year	5	(5)
Income tax expenses	(2)	–
Profit/(loss) after tax for the year	3	(5)
Balance sheet		
Non-current assets	154	180
Current assets	718	715
Current liabilities	(712)	(713)
Non-current liabilities	(135)	(165)
Net assets	25	17

20. Share capital

Ordinary equity share capital

	2024		2023		
	Number	Nominal value \$m	Number	Nominal value \$m	Nominal value £m
Authorised					
Ordinary 124¢ shares in International Workplace Group plc at 1 January	8,000,000,000	99	8,000,000,000	99	80
Ordinary 124¢ shares in International Workplace Group plc at 31 December	8,000,000,000	99	8,000,000,000	99	80
Issued and fully paid up					
Ordinary 124¢ shares in International Workplace Group plc at 1 January	1,057,248,651	13	1,057,248,651	13	10
Ordinary 124¢ shares issued for cash in the year	–	–	–	–	–
Ordinary 124¢ shares in International Workplace Group plc at 31 December	1,057,248,651	13	1,057,248,651	13	10

Treasury share transactions involving International Workplace Group plc shares between 1 January 2024 and 31 December 2024

As at 4 March 2025, 45,233,630 treasury shares were held. The holders of ordinary shares in International Workplace Group plc are entitled to receive such dividends as are declared by the Company and are entitled to one vote per share at meetings of the Company. Treasury shares do not carry such rights until reissued.

	2024		2023	
	Number of shares	\$m	Number of shares	\$m
1 January	50,558,201	194	50,564,853	194
Net treasury shares utilised ⁽¹⁾	(5,317,181)	(12)	(6,652)	–
31 December	45,241,020	182	50,558,201	194

1. During the year, 5,283,597 treasury shares (2023: nil) were utilised to increase the Group's equity voting rights in the non-controlling interest. In addition, out of the 410,169 (2023: 525,674) share awards exercised by employees, for 292,115 (2023: 126,516) the value of the share award in excess of the exercise price was settled through the utilisation of 33,584 (2023: 6,652) treasury shares and for 118,054 (2023: 399,158), the share awards were settled using shares purchased in the open market for \$0.2m (2023: \$0.6m).

21. Non-controlling interests

During the year, the Group increased its equity voting rights to 89.3% (2023: 86.6%) in the non-controlling interest for a consideration of \$14m net of utilisation of \$12m treasury shares.

In 2025, the Group expects to acquire the remaining 10.7% minority shares outstanding predominantly using already issued Treasury shares.

The following table summarises the information relating to each of the Group's subsidiaries that have a material non-controlling interest.

\$m	2024	2023
NCI percentage	10.7%	13.4%
Non-current assets	502	543
Current assets	343	338
Non-current liabilities	(157)	(146)
Current liabilities	(206)	(240)
Net assets	482	495
Net assets attributable to NCI	50	65
Revenue	214	220
Loss after tax	(5)	(13)
Other comprehensive income	–	30
Total comprehensive income/(loss)	(5)	17
Loss allocated to NCI	(1)	(2)
Other comprehensive income allocated to NCI	–	4
Cash flows from operating activities	13	37
Cash flows from investing activities	29	44
Cash flows from financing activities	(36)	(123)
Net increase/(decrease) in cash and cash equivalents	6	(42)

22. Net debt analysis

\$m	2024	2023
Cash and cash equivalents	148	141
Debt due within one year ⁽¹⁾	(208)	(17)
Debt due after one year ⁽²⁾	(652)	(899)
Net financial debt	(712)	(775)
Current net investment in finance leases	28	43
Non-current net investment in finance leases	88	81
Lease due within one year ⁽³⁾	(1,131)	(1,178)
Lease due after one year ⁽³⁾	(5,031)	(5,678)
Net debt	(6,758)	(7,507)

1. Includes \$191m (2023: \$nil) Convertible bonds liability, disclosed net of the derivative foreign exchange cashflow hedge liability of \$2m (2023: \$nil), and \$15m (2023: \$17m) of other short-term loans.

2. Includes \$nil (2023: \$419m) Convertible bonds liability and \$629m (2023: \$nil) Euro bond liability, disclosed net of derivative foreign exchange cash flow hedge liabilities of \$nil (2023: \$nil) and \$19m (2023: \$nil) respectively, and \$4m (2023: \$480m) other long-term loans.

3. There are no significant lease commitments for leases not commenced at 31 December 2024. Lease contracts are typically held in non-recourse special purpose entities.

The following table shows a reconciliation of net cash flow to movements in net debt:

\$m	Cash and cash equivalents	Bank and other loans	Convertible bonds ⁽²⁾	Euro bond ⁽²⁾	Net financial debt	Net investment in finance leases	Lease liabilities	Net debt
At 1 January 2023	194	(670)	(384)	–	(860)	178	(7,292)	(7,974)
Net decrease in cash and cash equivalents	(52)	–	–	–	(52)	–	–	(52)
Proceeds from issue of loans and net investment in finance leases	–	(1,237)	–	–	(1,237)	(67)	–	(1,304)
Repayment of loans and principal payment of lease liabilities	–	1,441	2	–	1,443	–	1,166	2,609
Interest (received)/paid	–	–	–	–	–	(8)	349	341
Non-cash movements	–	–	(15)	–	(15)	17	(947)	(945)
Interest income/(expense)	–	–	(15)	–	(15)	8	(349)	(356)
Other non-cash movements ⁽¹⁾	–	–	–	–	–	9	(598)	(589)
Exchange rate movements	(1)	(31)	(22)	–	(54)	4	(132)	(182)
At 31 December 2023	141	(497)	(419)	–	(775)	124	(6,856)	(7,507)
Net increase in cash and cash equivalents	21	–	–	–	21	–	–	21
Proceeds from issue of loans and net investment in finance leases	–	(808)	–	(650)	(1,458)	(49)	–	(1,507)
Repayment of loans and principal payment of lease liabilities	–	1,278	228	–	1,506	–	1,097	2,603
Interest (received)/paid	–	–	–	–	–	(8)	363	355
Non-cash movements	–	–	(4)	(1)	(5)	53	(981)	(933)
Interest income/(expense)	–	–	(14)	(1)	(15)	8	(363)	(370)
Other non-cash movements ⁽¹⁾	–	–	10	–	10	45	(618)	(563)
Exchange rate movements	(14)	8	2	3	(1)	(4)	215	210
At 31 December 2024	148	(19)	(193)	(648)	(712)	116	(6,162)	(6,758)

1. Includes gain on early settlement of the Convertible bonds of \$7m (2023: \$nil), movements on leases in relation to new leases, lease modifications/re-measurements of \$770m (2023: \$833m). Early termination of lease liabilities represents \$197m (2023: \$244m) of the non-cash movements.
2. Convertible bonds and Euro bond liabilities are presented net of related derivative foreign exchange cash flow hedge liabilities of \$2m (2023: \$nil) and \$19m (2023: \$nil) respectively.

Cash and cash equivalent balances held by the Group that are not available for use amounted to \$11m at 31 December 2024 (2023: \$11m). Of this balance, \$5m (2023: \$1m) is pledged as security against outstanding bank guarantees and a further \$6m (2023: \$10m) is pledged against various other commitments of the Group.

Cash flows on bank and other loans relate to movements in the revolving credit facility and other borrowings.

The following amounts are included in the Group's consolidated financial statements in respect of its leases:

\$m	2024	2023
Depreciation charge for right-of-use assets	(1,049)	(1,146)
Interest income on net lease investment	8	8
Interest expense on lease liabilities	(363)	(349)
Expenses relating to leases of low-value assets	–	(1)
Expenses relating to variable lease payments not included in lease liabilities	(116)	(65)
Additions to right-of-use assets	195	372
Acquired right-of-use assets	–	12
Principal portion of lease liabilities	(1,097)	(1,166)
Principal payments received from net lease investment	49	67
Total cash outflow for leases comprising interest and capital payments	(1,460)	(1,515)

Total cash outflows of \$1,576m (2023: \$1,580m) for leases, including variable payments of \$116m (2023: \$65m), were incurred in the year.

23. Financial instruments and financial risk management

The objectives, policies and strategies applied by the Group with respect to financial instruments and the management of capital are determined at Group level. The Group's Board maintains responsibility for the risk management strategy of the Group and the Chief Financial Officer is responsible for policy on a day-to-day basis. The Chief Financial Officer and

Group Treasurer review the Group's risk management strategy and policies on an ongoing basis. The Board has delegated to the Group Audit Committee the responsibility for applying an effective system of internal control and compliance with the Group's risk management policies.

Going concern

The Strategic Report sets out the Group's strategy and the factors that are likely to affect the future performance and position of the business. The financial review within the Strategic Report reviews the trading performance, financial position and cash flows of the Group. The Group's net debt position decreased by \$749m (2023: \$467m) to a net debt position of \$6,758m (2023: \$7,507m) as at 31 December 2024. Excluding the IFRS 16 net investment in finance leases and lease liabilities, the net financial debt position improved to \$712m (2023: \$775m). The investment in growth is funded by a combination of cash flow generated from the Group's mature business centres, cash flow from franchise and managed partner fees and debt. The Group had a \$720m revolving credit facility (RCF) provided by a group of relationship banks with a final maturity in 2029. As at 31 December 2024, \$436m (2023: \$279m) of the RCF was available and undrawn.

Although the Group has net current liabilities of \$2,224m (2023: \$2,145m), the Group does not consider that this gives rise to a liquidity risk. A large proportion of the net current liabilities comprise non-cash liabilities such as deferred revenue of \$525m (2023: \$552m) which will be recognised in future periods through the income statement. The Group holds customer deposits of \$584m (2023: \$585m) which are spread across a large number of customers and no deposit held for an individual customer is material. Therefore, the Group does not believe the net current liabilities represents a liquidity risk.

Credit risk

Credit risk could occur where a customer or counterparty defaults under the contractual terms of a financial instrument and arises principally in relation to customer contracts and the Group's cash deposits.

A diversified customer base, requirement for customer deposits, and payments in advance on workstation contracts minimise the Group's exposure to customer credit risk. No single customer contributes more than 1% of the Group's revenue. The Group applies the simplified approach to trade receivables and recognises expected credit losses based on the lifetime expected losses. Provisions for receivables are established based on both expected credit losses and information available that the Group will not be able to collect all amounts due according to the original terms of the receivables. Trade debtors that are more than four months overdue are considered to be in default and therefore, under the simplified lifetime approach, are impaired in full. This reflects the Group's experience of the likelihood of recoverability of these trade receivables based on both historical and forward-looking information. These provisions, which take into consideration any customer deposits held, are reviewed on an ongoing basis to assess changes in the likelihood of recoverability.

The Group has assessed the other receivable balances for expected credit losses, with immaterial expected credit losses recognised due to the nature and default history of these items.

The maximum exposure to credit risk for trade receivables at the reporting date, not taking into account customer deposits held, analysed by geographic region, is summarised below:

\$m	2024	2023
Americas	163	170
EMEA	227	236
Asia Pacific	33	38
Digital & Professional Services	33	25
	456	469

All of the Group's trade receivables relate to customers purchasing workplace solutions and associated services and no individual customer has a material balance owing as a trade receivable.

The ageing of trade receivables at 31 December was:

\$m	2024		2023	
	Gross	Provision	Gross	Provision
Not overdue	302	–	362	–
Past due 0 – 30 days	37	–	46	–
Past due 31 – 60 days	51	–	24	–
Past due 61 – 90 days	34	–	21	–
Past due more than 90 days	46	(14)	24	(8)
	470	(14)	477	(8)

At 31 December 2024, the Group maintained a provision of \$14m for expected credit losses (2023: \$8m) arising from trade receivables. The Group had provided \$13m (2023: \$19m) in the year, utilised \$7m (2023: \$25m) and released \$nil (2023: \$nil). Customer deposits of \$584m (2023: \$585m) are held by the Group, mitigating the risk of default.

IFRS 9 requires the Group to record expected credit losses on all of its receivables, on either a 12-month or a lifetime basis. The Group has applied the simplified approach to all trade receivables, which requires the recognition of the expected credit loss based on the lifetime expected losses. The expected credit loss is mitigated through the invoicing of contracted services in advance and customer deposits.

Cash investments and derivative financial instruments are only transacted with counterparties of sound credit ratings, and management does not expect any of these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk represents the risk that the Group will not be able to meet its obligations as they fall due. The Group manages liquidity risk by closely monitoring the global cash position, the available and undrawn credit facilities, and forecast capital expenditure, and expects to have sufficient liquidity to meet its financial obligations as they fall due. In response to ongoing political and economic uncertainty, the Group continues to focus on cash generation by increasing revenues, reducing costs and reducing capital expenditure by growing the Managed & Franchised segment of the business, resulting in short-term or long-term cash benefits. The Group has free cash and liquid investments (excluding blocked cash) of \$137m (2023: \$130m). In addition to cash and liquid investments, the Group had \$436m (2023: \$279m) available and undrawn under its committed borrowings. The Directors consider the Group has adequate liquidity to meet day-to-day requirements.

The Group maintains a revolving credit facility provided by a group of international banks. In June 2024, the Group fully repaid the previous drawn RCF and entered into a new RCF. The amount of the facility is \$720m (as at 31 December 2023: \$1,116m) with a final maturity in June 2029. As at 31 December 2024, \$436m was available and undrawn under the RCF facility (2023: \$279m).

The Group actively reviews its exposure to interest rate movements. The issuance of the fixed rate bond in 2024 significantly reduces the Group's exposure to an increase in interest rates.

Market risk

The Group is exposed to market risk primarily related to foreign currency exchange rates, interest rates and the market value of our investments in financial assets. These exposures are actively managed by the Group Treasurer and Chief Financial Officer in accordance with a written policy approved by the Board of Directors. The Group does not use financial derivatives for trading or speculative reasons.

Interest rate risk

The Group manages its exposure to interest rate risk through the relative proportions of fixed rate debt and floating rate debt. Any surplus cash balances are invested short-term, and at the end of 2024 no cash was invested for a period exceeding three months (2023: \$nil).

Foreign currency risk

The Group is exposed to foreign currency exchange rate movements. The majority of day-to-day transactions of overseas subsidiaries are carried out in local currency and the underlying foreign exchange exposure is small. Transactional exposures do arise in some countries where it is local market practice for a proportion of the payables or receivables to be in other than the functional currency of the affiliate. Intercompany charging, funding and cash management activity may also lead to foreign exchange exposures. It is the policy of the Group to seek to minimise such transactional exposures through careful management of non-local currency assets and liabilities, thereby minimising the potential volatility in the income statement. Net investments in IWG affiliates with a functional currency other than US dollars are of a long-term nature and the Group hedges a portion of such foreign currency translation exposures.

The principal exposures of the Group are to pounds sterling and the Euro, with approximately 20% (2023: 20%) of the Group's revenue being directly attributable to pounds sterling and 24% (2023: 25%) to the Euro.

From time to time the Group uses derivative financial instruments to manage its transactional foreign exchange exposures where these exposures cannot be eliminated through balancing the underlying risks.

No transactions of a speculative nature are undertaken.

The foreign currency exposure arising from open third-party transactions held in a currency other than the functional currency of the related entity is summarised as follows:

\$m	2024		
	GBP	EUR	USD
Trade and other receivables	5	9	7
Trade and other payables	(17)	(29)	(19)
Net statement of financial position exposure	(12)	(20)	(12)

\$m	2023		
	GBP	EUR	USD
Trade and other receivables	–	12	8
Trade and other payables	(2)	(24)	(24)
Net statement of financial position exposure	(2)	(12)	(16)

The Group uses forward foreign exchange contracts to hedge its currency risk relating to its bond liabilities denominated in euro and pounds sterling. These contracts have maturities aligning to the repayment dates of the bonds and are designated as cash flow hedges.

Other market risks

The Group does not hold any equity securities for fair value measurement under IFRS 9 and is therefore not subject to risks of changes in equity prices in the income statement.

Cash flow hedges

At year end, the Group held the following instruments to hedge exposures to changes in foreign currency rates.

	2024			2023		
	1–6 months	6–12 months	More than one year	1–6 months	6–12 months	More than one year
Net exposure (\$m)	–	201	564	–	–	–
Average USD:GBP forward contract rate	–	0.79	–	–	–	–
Average USD:EUR forward contract rate	–	–	0.93	–	–	–

The amounts at the reporting date relating to items designated as hedged items were as follows.

\$m	2024		2023	
	Change in value used for calculating hedge effectiveness	Cash flow hedge reserve	Change in value used for calculating hedge effectiveness	Cash flow hedge reserve
Convertible bonds £158m	2	(1)	–	–
Euro bond €525m	19	25	–	–

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

\$m	2024							
	Carrying amount			Line item in the balance sheet where the hedging instrument is included	Changes in the value of the hedging instrument recognised in profit or loss	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
	Nominal amount	Assets	Liabilities					
Forward exchange contract – Convertible bond £158m	201	–	(3)	Current Derivative financial liabilities	(2)	(1)	–	Finance expense
Cross-currency interest rate swap – Euro bond €525m	564	6	–	Non-current Derivative financial assets	(19)	25	(1)	Finance expense

Net investment hedges

A foreign currency exposure arises from the Group's net investment in its European subsidiaries that have a euro functional currency. The risk arises from the fluctuation in spot exchange rates between the euro and the US dollar, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening euro against the US dollar that will result in a reduction in the carrying amount of the Group's net investment in the European subsidiaries.

Part of the Group's net investment in its European subsidiaries is hedged by the €100m portion of the Euro bond (carrying amount: \$104m (2023: \$nil) that is not subject to the cross-currency interest rate swap, which mitigates the foreign currency risk arising from the subsidiaries' net assets. The bond is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the USD/EUR spot rate.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

The amounts related to items designated as hedging instruments were as follows:

\$m	Carrying amount			2024				Line item in profit or loss that includes hedge ineffectiveness
	Nominal amount	Assets	Liabilities	Balance Sheet line where the hedging instrument is included	Changes in the value of the hedging instrument recognised in profit or loss	Changes in hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	
Euro bond €100m	104	–	104	Bank and other loans	–	3	–	Finance expense

The amounts related to items designated as hedged items were as follows:

\$m	2024		2023	
	Change in value used for calculating hedge effectiveness	Hedging reserve	Change in value used for calculating hedge effectiveness	Hedging reserve
EUR net investment	3	27	–	–

Hedging reserve

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items resulting from cash flow hedge and net investment hedge accounting.

\$m	2024	2023
Balance at 1 January	–	–
Cash flow hedges:		
– Forward exchange contract – Convertible bonds	(1)	–
– Cross-currency interest rate swap – Euro bond €525m	25	–
Net investment hedge:		
– Euro bond €100m	3	–
Balance at 31 December	27	–

Included in the hedging reserve balance at 31 December 2024, is \$8m (2023: \$nil) of reserves related to the cost of hedging, to be amortised over the term of the respective bonds.

Sensitivity analysis

For the year ended 31 December 2024, it is estimated that a general increase of one percentage point in interest rates would have increased the Group's loss before tax by approximately \$3m (2023: \$5m) with a corresponding decrease in total equity.

It is estimated that a five-percentage point weakening in the value of pounds sterling against the US dollar would have decreased the Group's profit before tax by approximately \$6m for the year ended 31 December 2024 (2023: increased loss before tax by \$6m). It is estimated that a five-percentage point weakening in the value of the euro against the US dollar would have decreased the Group's profit before tax by approximately \$5m for the year ended 31 December 2024 (2023: increased loss before tax by \$3m).

It is estimated that a five-percentage point weakening in the value of pounds sterling against the US dollar would have decreased the Group's total equity by approximately \$28m for the year ended 31 December 2024 (2023: decreased by \$28m). It is estimated that a five-percentage point weakening in the value of the euro against the US dollar would have increased the Group's total equity by approximately \$4m for the year ended 31 December 2024 (2023: increased by \$3m).

Capital management

The Group's parent company is listed on the UK stock exchange and the Board's policy is to maintain a strong capital base. The Chief Financial Officer monitors the diversity of the Group's major shareholders and further details of the Group's communication with key investors can be found in the Corporate Governance Report. In 2006, the Board approved the commencement of a progressive dividend policy to enhance the total return to shareholders. The Company returned to this dividend policy in 2023.

The Group's Chief Executive Officer, Mark Dixon, is a major shareholder of the Company. Details of the Directors' shareholdings can be found in the Directors' Remuneration report. In addition, the Group operates various share option plans for key management and other senior employees.

The Group's objective when managing capital (equity and borrowings) is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

Effective interest rates

In respect of financial assets and financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature.

Except for lease liabilities, the Euro bond and the Convertible bonds, the undiscounted cash flow and fair values of these instruments is not materially different from the carrying value.

As at 31 December 2024:

\$m	Effective interest rate %	Carrying value	Contractual cash flow	Less than 1 year	1-2 years	2-5 years	More than 5 years
Cash and cash equivalents	0.9%	148	148	148	–	–	–
Trade and other receivables ⁽¹⁾	–	985	985	985	–	–	–
Net investment in finance leases	5.6%	116	167	41	37	74	15
Other long-term receivables	–	67	67	–	34	33	–
Derivative financial assets							
Cross-currency interest rate swap used for hedging:							
– Outflow	–	–	(817)	(46)	(46)	(138)	(587)
– Inflow	–	6	757	35	35	106	581
Financial assets	–	1,322	1,307	1,163	60	75	9
Bank loans and corporate borrowings	7.8%	–	–	–	–	–	–
Convertible bonds	3.8%	(191)	(201)	(201)	–	–	–
Euro bond	6.6%	(629)	(901)	(42)	(42)	(126)	(691)
Lease liabilities	5.7%	(6,162)	(9,159)	(1,451)	(1,366)	(3,291)	(3,051)
Other loans	0.1%	(19)	(19)	(15)	(2)	–	(2)
Deferred consideration on acquisitions	–	(5)	(5)	(2)	(3)	–	–
Contingent consideration on acquisitions	–	(7)	(7)	–	–	(7)	–
Trade and other payables	–	(1,597)	(1,597)	(1,597)	–	–	–
Other long-term payables	–	(1)	(1)	–	(1)	–	–
Derivative financial liabilities							
Forward foreign currency exchange contract for hedging:							
– Outflow	–	(3)	(201)	(201)	–	–	–
– Inflow	–	–	200	200	–	–	–
Financial liabilities	–	(8,614)	(11,891)	(3,309)	(1,414)	(3,424)	(3,744)

As at 31 December 2023:

\$m	Effective interest rate %	Carrying value	Contractual cash flow	Less than 1 year	1-2 years	2-5 years	More than 5 years
Cash and cash equivalents	0.6%	141	141	141	–	–	–
Trade and other receivables ⁽¹⁾	–	951	951	951	–	–	–
Net investment in finance leases	6.3%	124	170	52	32	64	22
Other long-term receivables	–	67	67	–	34	33	–
Financial assets		1,283	1,329	1,144	66	97	22
Bank loans and corporate borrowings	8.0%	(480)	(480)	–	(480)	–	–
Convertible bonds	3.8%	(419)	(451)	(3)	(448)	–	–
Euro bond	–	–	–	–	–	–	–
Lease liabilities	5.5%	(6,856)	(9,300)	(1,550)	(1,409)	(3,248)	(3,093)
Other loans	0.5%	(17)	(17)	(14)	–	(1)	(2)
Deferred consideration on acquisitions	–	(5)	(5)	(2)	(3)	–	–
Contingent consideration on acquisitions	–	(7)	(7)	–	–	(7)	–
Trade and other payables	–	(1,665)	(1,665)	(1,665)	–	–	–
Other long-term payables	–	(6)	(6)	–	–	(6)	–
Financial liabilities		(9,455)	(11,931)	(3,234)	(2,340)	(3,262)	(3,095)

1. Excluding prepayments.

Fair value disclosures

The fair values together with the carrying amounts shown in the balance sheet are as follows:

31 December 2024:

\$m	Carrying amount				Fair value			
	Cash, loans and receivables	Fair value – hedging instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	148	–	–	148	148	–	–	148
Trade and other receivables ⁽¹⁾	985	–	–	985	985	–	–	985
Other long-term receivables	67	–	–	67	67	–	–	67
Derivative financial assets	–	6	–	6	–	–	6	6
Derivative financial liabilities	–	(3)	–	(3)	–	–	(3)	(3)
Convertible bond	–	–	(191)	(191)	–	(187)	–	(187)
Euro bond	–	–	(629)	(629)	–	(694)	–	(694)
Other loans	–	–	(19)	(19)	–	–	–	–
Deferred consideration on acquisitions	–	–	(5)	(5)	–	–	–	–
Contingent consideration on acquisitions	–	–	(7)	(7)	–	–	(7)	(7)
Trade and other payables	–	–	(1,597)	(1,597)	–	–	–	–
Other long-term payables	–	–	(1)	(1)	–	–	–	–
	1,200	3	(2,449)	(1,246)	1,200	(881)	(4)	315

31 December 2023:

\$m	Carrying amount				Fair value			
	Cash, loans and receivables	Fair value – hedging instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	141	–	–	141	141	–	–	141
Trade and other receivables ⁽¹⁾	951	–	–	951	951	–	–	951
Other long-term receivables	67	–	–	67	67	–	–	67
Bank loans and corporate borrowings	–	–	(419)	(419)	–	–	–	–
Convertible bonds	–	–	(480)	(480)	–	–	(383)	(383)
Other loans	–	–	(17)	(17)	–	–	–	–
Deferred consideration on acquisitions	–	–	(5)	(5)	–	–	–	–
Contingent consideration on acquisitions	–	–	(7)	(7)	–	–	(7)	(7)
Trade and other payables	–	–	(1,665)	(1,665)	–	–	–	–
Other long-term payables	–	–	(6)	(6)	–	–	–	–
	1,159	–	(2,599)	(1,440)	1,159	–	(390)	769

1. Excluding prepayments.

At the date of issue, the £350m Convertible bonds were bifurcated at £298m and £52m between corporate borrowings (debt) and a derivative financial liability respectively. At 31 December 2024, the debt was valued at its amortised cost, \$191m (2023: \$419m) and the derivative liability at its fair value, \$nil (2023: \$nil).

Valuation techniques

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

The following tables show the valuation techniques used in measuring level 3 fair values and methods used for financial assets and liabilities not measured at fair value:

Type	Valuation technique
Cash and cash equivalents, trade and other receivables/payables, customer deposits and investment loan receivables	For cash and cash equivalents, receivables/payables with a remaining life of less than one year and customer deposits, the book value approximates the fair value because of their short-term nature.
Loans and overdrafts	The fair value of bank loans, overdrafts and other loans approximates the carrying value because interest rates are at floating rates where payments are reset to market rates at intervals of less than one year.
Contingent consideration, foreign exchange contracts and interest rate swaps	The fair values are based on a combination of broker quotes, forward pricing, and swap models.

Transfers between Levels 2 and 3

The Group has a Convertible bonds liability with a fair value of \$187m at 31 December 2024 (2023: \$383m). The fair value of this liability was categorised as Level 3 at 31 December 2023. This was due to the fact that the bonds' price on the open market reflected the combined value of the bonds' debt component and the derivative financial liability, therefore the debt element's fair value was calculated separately using non-observable inputs, rather than using the bonds' market price.

Since 31 December 2022, the Group has measured the derivative component of the bonds at \$nil, and therefore the bonds' price published on the open market is considered to reflect solely the fair value of the debt component of the bonds. Because the bonds now have a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 2 of the fair value hierarchy at 31 December 2024.

Convertible bond

In December 2020 the Group issued £350m Convertible bonds, issued by IWG Group Holdings S.à.r.l. and transferred in 2021 to IWG International Holdings S.à.r.l., a subsidiary of the Group and guaranteed by International Workplace Group plc, which is due for repayment in 2027 if not previously converted into shares. If the conversion option is exercised by the holder of the option, the issuer has the choice to settle by cash or equity shares in the Group. The holders of the bonds have the option to cash settle in December 2025 at par. The bonds carry a fixed coupon of 0.5% per annum. The bonds' liability is split between corporate borrowings (debt) and a derivative financial liability. At the date of issue, the £350m was bifurcated at £298m and £52m between corporate borrowings (debt) and a derivative financial liability, respectively.

The derivative liability represents a level 3 instrument, which has been valued with reference to the total Convertible bonds' price (a level 2 valuation) minus the level 3 valuation of the debt host.

Between June and October 2024, the Group repurchased in instalments a £192m face value of the Convertible bonds at a weighted average price of 0.926 including accrued interest, representing a consideration of £178m. At 31 December 2024, the debt was valued at its amortised cost, \$191m (2023: \$419m) and the derivative liability at its fair value, \$nil (2023: \$nil). The outstanding nominal value of the debt at 31 December 2024 was £158m.

The Group entered into a series of forward exchange rate contracts on 16 and 18 January 2024, respectively, to hedge against foreign currency fluctuations in relation to its £350m Convertible bonds denominated in GBP. These contracts were designated as cash flow hedges. The Group contracted to purchase £350m for \$445m in 2025. From June to October 2024, due to the partial repurchase of the Convertible bonds, £192m of the forward exchange rate contracts entered into, were closed out. As at 31 December 2024, the fair value of the forward exchange contract was \$(3)m, and amounts recognised through other comprehensive income/(loss) were \$(1)m.

Euro bond

The Group issued a €575m Euro bond on 28 June 2024 at a fixed coupon rate of 6.5% and a bullet maturity of June 2030. An additional €50m was issued on 10 September 2024. The Euro bond is traded on the London Stock Exchange's International Securities Market. Both IWG as a Group and the Euro bond itself have an investment-grade rating of BBB (Stable) assigned by Fitch Ratings.

Simultaneous to closing of the Euro bond, the Group entered into hedging arrangements to swap €400m of the issuance and the related interest into \$428m, with a weighted-average fixed coupon of 8.153%. On 12 September 2024, the Group entered into arrangements to swap an additional €50m and the related interest into \$55m, with a weighted-average fixed coupon of 7.820%. On 29 October 2024, the Group entered into hedging arrangements to swap an additional €75m of the Euro bond notional plus interest into \$81m, with a weighted-average fixed coupon of 8.216%. At the end of the period, a total of €525m of the issuance was hedged, with arrangements to swap into \$564m with a weighted-average fixed coupon of 8.137%. The hedge will remain in place for the life of the bond and has been designated as a cash flow hedge. As at 31 December 2024, the fair value of the swap contract was \$6m, and amounts recognised through other comprehensive income/(loss) were \$25m (2023: \$nil). The remaining of the €100m issuance and the related interest at a fixed coupon of 6.50% will remain in euros as these amounts are anticipated to be covered by a natural currency hedge due to the anticipated geographic diversity of operations of the Company and have been designated as net investment hedges. Accordingly, the weighted average interest cost on the new debt is 7.875%.

24. Share-based payments

There are three share-based payment plans, details of which are outlined below:

Plan 1: IWG Group Share Option Plan

During 2004 the Group established the IWG Group Share Option Plan that entitles eligible employees to purchase shares in International Workplace Group plc. In accordance with this programme, holders of vested options are entitled to purchase shares at the mid-market closing price of the shares at the day before the date of grant.

The IWG Group also operates the IWG Group Share Option Plan (France) which is included within the numbers for the IWG Share Option Plan disclosed above. The terms of the IWG Share Option Plan (France) are materially the same as the IWG Group Share Option Plan with the exception that they are only exercisable from the fourth anniversary of the date of grant, assuming the performance conditions have been met.

Reconciliation of outstanding share options

	2024		2023	
	Number of share options	Weighted average exercise price per share (p)	Number of share options	Weighted average exercise price per share (p)
At 1 January	53,482,059	169.60	52,304,124	171.48
Granted during the year	9,341,464	156.63	3,986,347	150.55
Lapsed during the year	(8,390,504)	182.63	(2,681,896)	178.41
Exercised during the year	(292,115)	170.87	(126,516)	158.42
Outstanding at 31 December	54,140,904	165.34	53,482,059	169.60
Exercisable at 31 December	23,535,725	194.13	21,477,049	198.95

Date of grant	Numbers granted	Weighted average exercise price per share (in pence)	Lapsed	Exercised	At 31 Dec 2024	Vesting and exercisable from	Vesting period	Expiry date	Performance conditions
May-14	1,845,500	187.20	(1,658,500)	(187,000)	– ⁽¹⁾	May-17	rateably over 5 years	May-24	Personal performance targets
Nov-14	12,875,796	186.00	(11,204,511)	(1,671,285)	– ⁽¹⁾	Nov-17	rateably over 5 years	Nov-24	Personal performance targets
May-15	1,906,565	250.80	(1,862,565)	–	44,000 ⁽¹⁾	May-18	rateably over 5 years	May-25	Personal performance targets
Dec-15	1,154,646	322.20	(395,186)	(25,000)	734,460 ⁽¹⁾	Dec-18	rateably over 5 years	Dec-25	Personal performance targets
Jun-16	444,196	272.50	(389,150)	(11,009)	44,037 ⁽¹⁾	Jun-19	rateably over 5 years	Jun-26	Personal performance targets
Sep-16	249,589	258.00	(214,313)	(7,055)	28,221 ⁽¹⁾	Sep-19	rateably over 5 years	Sep-26	Personal performance targets
Mar-17	1,200,000	283.70	–	–	1,200,000 ⁽¹⁾	Mar-20	rateably over 5 years	Mar-27	Personal performance targets
Dec-18 (Grant 1)	300,000	203.10	(75,000)	–	225,000 ⁽¹⁾	Dec-21	rateably over 3 years	Dec-28	Personal performance targets
Dec-18 (Grant 2)	20,900,000	199.80	(9,116,664)	(166,668)	11,616,668 ⁽¹⁾	Dec-21	rateably over 3 years	Dec-28	Personal performance targets
May-19	613,872	341.90	(595,834)	–	18,038 ⁽¹⁾	May-22	rateably over 3 years	May-29	Personal performance targets
Dec-19	108,349	408.60	(108,349)	–	– ⁽¹⁾	Dec-22	rateably over 3 years	Dec-29	Personal performance targets
Apr-20	20,325,000	165.00	(7,139,802)	(272,998)	12,912,200 ⁽²⁾	Apr-23	rateably over 3 years	Apr-30	50% Personal performance targets, 50% TSR
May-20	450,000	202.00	(419,667)	(30,333)	– ⁽¹⁾	May-23	rateably over 3 years	May-30	50% Personal performance targets, 50% TSR
Sep-20	173,148	291.00	(156,737)	–	16,411 ⁽²⁾	Sep-23	rateably over 3 years	Sep-30	TSR
Mar-21	466,377	342.80	(466,377)	–	– ⁽³⁾	Mar-24	rateably over 3 years	Mar-31	TSR
May-21	318,645	376.60	(318,645)	–	– ⁽³⁾	May-24	rateably over 3 years	May-31	TSR
Aug-21	580,655	310.00	(580,655)	–	– ⁽³⁾	Aug-24	rateably over 3 years	Aug-31	TSR
Mar-22	204,659	255.00	–	–	204,659 ⁽³⁾	Mar-25	rateably over 3 years	Mar-32	TSR
May-22 (Grant 1)	1,042,774	222.10	(42,774)	–	1,000,000 ⁽³⁾	May-25	rateably over 3 years	May-32	TSR
May-22 (Grant 2)	382,791	242.30	(382,791)	–	– ⁽³⁾	May-25	rateably over 3 years	May-32	TSR
Oct-22 (Grant 1)	15,087,586	117.95	(1,921,953)	–	13,165,633 ⁽³⁾	Oct-25	rateably over 3 years	Oct-32	TSR
Oct-22 (Grant 2)	600,000	122.25	(600,000)	–	– ⁽³⁾	Oct-25	rateably over 3 years	Oct-32	TSR
Dec-22	1,285,306	159.35	(75,306)	–	1,210,000 ⁽³⁾	Dec-25	rateably over 3 years	Dec-32	TSR
Mar-23 (Grant 1)	498,336	192.05	(329,108)	–	169,228 ⁽³⁾	Mar-26	rateably over 3 years	Mar-33	TSR
Mar-23 (Grant 2)	571,333	144.40	(55,402)	–	515,931 ⁽³⁾	Mar-26	rateably over 3 years	Mar-33	TSR
Aug-23	575,000	162.00	(225,000)	–	350,000 ⁽³⁾	Aug-26	rateably over 3 years	Aug-33	TSR
Oct-23	1,520,264	141.00	(741,724)	–	778,540 ⁽³⁾	Oct-26	rateably over 2–3 years	Oct-33	TSR
Nov-23	750,000	137.50	(250,000)	–	500,000 ⁽³⁾	Nov-26	rateably over 3 years	Nov-33	TSR
Dec-23	71,414	158.10	(5,000)	–	66,414 ⁽³⁾	Dec-26	rateably over 3 years	Dec-33	TSR
Jun-24	250,000	174.60	–	–	250,000 ⁽³⁾	Jun-27	rateably over 3 years	Jun-34	TSR
Sep-24	280,734	169.20	–	–	280,734 ⁽³⁾	Sep-27	rateably over 3 years	Sep-34	TSR
Sep-24	716,682	169.20	–	–	716,682 ⁽³⁾	Sep-27	rateably over 3 years	Sep-34	Personal performance targets
Nov-24	519,048	163.70	–	–	519,048 ⁽³⁾	Nov-27	rateably over 3 years	Nov-34	TSR
Dec-24	7,575,000	153.90	–	–	7,575,000 ⁽³⁾	Dec-27	rateably over 3 years	Dec-34	TSR
137,730,789			(63,700,735)	(19,889,150)	54,140,904				

1. These options have fully vested as of 31 December 2024.

2. The performance targets for these options have been met and they are subject to vesting schedules as described below.

3. These options are subject to performance targets and vesting schedules as described below.

Performance conditions for share options

Personal performance targets

The share options subject to personal performance targets are vested based on the achievement of certain of the Group's strategic goals, as set out at the date of issue of the share awards. These include franchise targets, profitability targets and KPI targets specific to the recipient of the award. Personal performance targets are subject to review, in line with changes to the Group's strategy, at the discretion of the Remuneration Committee.

Total Shareholder Return (TSR)

The share options subject to TSR targets are vested based on the Group ranking at or above the median for TSR performance relative to a comparator group over a period of three years with a minimum performance threshold of achieving a ranking at the median TSR or above and the maximum award being given for exceeding the comparator group median TSR performance by 10% or more.

The relative TSR condition is based on the performance of the Group's TSR growth against the median TSR growth of the comparator group as follows:

	% of the award that vests
Exceeds the median by 10% or more	100%
Exceeds the median by less than 10%	On a straight-line basis between 25% and 100%
Ranked at median	25%
Ranked below the median	0%

Measurement of fair values

The fair value of the rights granted through the employee share purchase plan was measured based on the Monte Carlo simulation or the Black-Scholes formula. The expected volatility is based on the historic volatility adjusted for any abnormal movement in share prices.

The inputs to the model are as follows:

	December 2024	November 2024	September 2024	June 2024
Share price on grant date	153.90p	163.70p	169.20p	174.60p
Exercise price	153.90p	163.70p	169.20p	174.60p
Expected volatility	38.28% – 51.43%	38.78% – 51.43%	39.66% – 51.22%	39.96% – 51.32%
Option life	3–5 years	3–5 years	3–5 years	3–5 years
Expected dividend	0.32%	0.31%	0.30%	0.29%
Fair value of option at time of grant	82.52p – 98.39p	90.14p – 105.92p	88.97p – 104.17p	96.64p – 111.33p
Risk-free interest rate	3.99% – 4.14%	4.34% – 4.47%	3.70% – 3.84%	3.92% – 4.08%

	December 2023	November 2023	October 2023	August 2023
Share price on grant date	158.10p	137.50p	141.00p	162.00p
Exercise price	158.10p	137.50p	141.00p	162.00p
Expected volatility	4064% – 55.49%	4200% – 55.25%	42.97% – 55.18%	4296% – 54.98%
Option life	3–5 years	3–5 years	3–5 years	3–5 years
Expected dividend	0.00%	0.00%	0.00%	0.00%
Fair value of option at time of grant	91.30p – 108.55p	82.73p – 95.52p	86.63p – 98.25p	99.53p – 112.66p
Risk-free interest rate	3.66% – 3.83%	4.22% – 4.38%	4.37% – 4.61%	4.37% – 4.61%

	March 2023 (Grant 2)	March 2023 (Grant 1)	December 2022	October 2022 (Grant 2)
Share price on grant date	144.40p	192.05p	159.35p	122.25p
Exercise price	144.40p	192.05p	159.35p	122.25p
Expected volatility	53.62% – 59.37%	52.75% – 60.04%	54.01% – 59.92%	53.34% – 58.16%
Option life	3–5 years	3–5 years	3–5 years	3–5 years
Expected dividend	0.00%	0.00%	0.00%	0.00%
Fair value of option at time of grant	96.70p – 102.37p	126.16p – 136.44p	106.53p – 113.10p	81.12p – 85.29p
Risk-free interest rate	3.35% – 3.46%	3.12% – 3.21%	3.22% – 3.24%	3.22% – 3.24%

	October 2022 (Grant 1)	May 2022 (Grant 2)	May 2022 (Grant 1)	March 2022
Share price on grant date	117.95p	242.30p	222.10p	255.00p
Exercise price	117.95p	242.30p	222.10p	255.00p
Expected volatility	53.30% – 58.05%	53.48% – 56.71%	54.59% – 56.66%	54.33% – 57.32%
Option life	3–5 years	3–5 years	3–5 years	3–5 years
Expected dividend	0.00%	0.00%	0.00%	0.00%
Fair value of option at time of grant	78.24p – 82.21p	153.52p – 158.97p	142.70p – 145.61p	162.79p – 168.44p
Risk-free interest rate	3.22% – 3.24%	1.42% – 1.60%	1.42% – 1.60%	1.41% – 1.49%

	August 2021	May 2021	March 2021	September 2020
Share price on grant date	310.00p	376.60p	342.80p	291.00p
Exercise price	310.00p	376.60p	342.80p	291.00p
Expected volatility	53.67% – 57.07%	53.78% – 59.19%	53.64% – 59.13%	51.81% – 62.96%
Option life	3–5 years	3–5 years	3–5 years	3–5 years
Expected dividend	1.12%	0.96%	1.00%	2.39%
Fair value of option at time of grant	163.92p – 171.67p	202.75p – 217.81p	183.02p – 196.95p	122.93p – 146.68p
Risk-free interest rate	0.37% – 0.49%	0.16% – 0.34%	0.15% – 0.33%	(0.08%) – (0.04%)

	May 2020	April 2020	December 2019	May 2019
Share price on grant date	202.00p	165.00p	408.60p	341.90p
Exercise price	202.00p	165.00p	408.60p	341.90p
Expected volatility	50.15% – 61.06%	49.02% – 59.29%	36.24% – 44.72%	38.84% – 45.75%
Option life	3–5 years	3–5 years	3–7 years	3–5 years
Expected dividend	3.44%	4.21%	1.59%	1.85%
Fair value of option at time of grant	71.39p – 86.80p	50.79p – 62.29p	141.77p – 172.84p	120.77p – 141.08p
Risk-free interest rate	0.00% – 0.06%	0.00% – 0.06%	0.57% – 0.65%	0.52% – 0.60%

	December 2018 (Grant 2)	December 2018 (Grant 1)	March 2017	September 2016
Share price on grant date	199.80p	203.10p	283.70p	258.00p
Exercise price	199.80p	203.10p	283.70p	258.00p
Expected volatility	37.66% – 44.35%	37.63% – 44.25%	27.42% – 29.87%	27.45% – 32.35%
Option life	3–5 years	3–5 years	3–5 years	3–7 years
Expected dividend	2.95%	2.90%	1.80%	1.80%
Fair value of option at time of grant	58.77% – 69.33%	39.36p – 46.42p	44.51p – 76.88p	40.96p – 67.89p
Risk-free interest rate	0.87% – 1.01%	0.73% – 0.88%	0.23% – 0.56%	0.09% – 0.38%

	June 2016	December 2015	May 2015
Share price on grant date	272.50p	322.20p	250.80p
Exercise price	272.50p	322.20p	250.80p
Expected volatility	27.71% – 34.81%	24.80% – 37.08%	27.23% – 30.12%
Option life	3–7 years	3–7 years	3–7 years
Expected dividend	1.71%	1.40%	1.59%
Fair value of option at time of grant	44.28p – 78.68p	29.76p – 90.61p	42.35p – 69.12p
Risk-free interest rate	0.14% – 0.39%	0.14% – 0.21%	0.81% – 1.53%

Plan 2: Performance Share Plan (PSP)

The PSP provides for the Remuneration Committee to make standalone awards, based on normal plan limits, up to a maximum of 250% of base salary.

Reconciliation of outstanding share awards

	2024 Number of awards	2023 Number of awards
At 1 January	3,417,871	2,542,212
PSP awards granted during the year	1,917,709	1,711,795
Lapsed during the year	(638,128)	(609,332)
Exercised during the year	(118,054)	(226,804)
Outstanding at 31 December	4,579,398	3,417,871
Exercisable at 31 December	92,050	–

There were 118,054 shares which were exercised during the year ended 31 December 2024 (2023: 226,804). The weighted average share price at the date of exercise for share awards exercised during the year ended 31 December 2024 was 184.72p (2023: 150.00p).

Plan	Date of grant	Numbers granted	Lapsed	Exercised	At 31 Dec 2024	Vesting and released from	Holding period	Expiry date	Performance conditions
PSP	07/03/2019	1,058,578	(848,474)	(118,054)	92,050	Mar-24	5 years	Mar-29	1/3 EPS, 1/3 ROI, 1/3 TSR
PSP	26/03/2021	959,015	(959,015)	–	–	Mar-26	5 years	Mar-31	TSR
PSP	09/03/2022	1,289,217	(431,373)	–	857,844	Mar-27	5 years	Mar-32	TSR
PSP	08/03/2023	1,711,795	–	–	1,711,795	Mar-28	5 years	Mar-33	TSR
PSP	06/03/2024	1,826,390	–	–	1,826,390	Mar-29	5 years	Mar-34	TSR
PSP	19/03/2024	91,319	–	–	91,319	Mar-29	5 years	Mar-34	TSR
		6,936,314	(2,238,862)	(118,054)	4,579,398				

Performance conditions for shares awarded

Earnings per share (EPS)

The total number of shares awarded subject to earnings per share (EPS) conditions are vested based on the EPS improvement over a period of three years. It is recognised by the Remuneration Committee that the EPS targets represent a highly challenging goal and consequently, in determining whether they have been met, the Committee will exercise its discretion.

Return on investment (ROI)

The total number of shares awarded subject to return on investment (ROI) conditions are vested based on the ROI improvement over a period of three years.

Total Shareholder Return (TSR)

The total number of shares awarded subject to TSR targets are vested based on the Group ranking at or above the median for TSR performance relative to a comparator group over a period of three years with a minimum performance threshold of achieving a ranking at the median TSR or above and the maximum award being given for exceeding the comparator group median TSR performance by 10% or more.

The relative TSR condition is based on the performance of the Group's TSR growth against the median TSR growth of the comparator group as follows:

	% of the award that vests
Exceeds the median by 10% or more	100%
Exceeds the median by less than 10%	On a straight-line basis between 25% and 100%
Ranked at median	25%
Ranked below the median	0%

On 20 February 2025, 857,844 options issued on March 2022 under the PSP were lapsed on 1st January 2025 following determination by the Remuneration Committee that the performance conditions had not been achieved.

Measurement of fair values

The fair value of the rights granted through the employee share purchase plan was measured based on the Monte Carlo simulation.

The inputs to the model are as follows:

	March 2024 (Grant 2)	March 2024 (Grant 1)	March 2023	March 2022	March 2021	March 2019
Share price on grant date	180.70p	180.00p	192.05p	255.00p	346.40p	244.90p
Exercise price	nil	nil	nil	nil	nil	nil
Number of simulations	250,000	250,000	250,000	250,000	250,000	250,000
Number of companies	32	32	32	32	32	32
Award life	5 years	5 years	5 years	5 years	5 years	5 years
Expected dividend	0.00%	0.00%	0.00%	0.00%	1.00%	2.57%
Fair value of award at time of grant	118.83p – 180.03p	118.37p – 179.33p	126.29p – 191.32p	167.75p – 254.14p	206.19p – 312.37p	124.38p – 188.43p
Risk-free interest rate	3.97%	3.97%	3.12%	1.45%	0.33%	0.79%

Plan 3: Deferred Bonus Share Plan and Other Shares Awards

The Deferred Bonus Share Plan, established in 2016, enables the Board to award options to selected employees on a discretionary basis. The awards are conditional on the ongoing employment of the related employees for a specified period of time. Once this condition is satisfied, those awards that are eligible will vest three years after the date of grant.

On 2 November 2022, the Chief Financial Officer received a conditional award over 511,571 ordinary shares in the Company. This was granted as a one-off award arrangement established under Listing Rule 9.4.2(2) in order to facilitate his recruitment. This award is subject to a TSR performance metric. Once this condition is satisfied, this award will vest 5 years after the date of grant.

Reconciliation of outstanding share options

	2024 Number of awards	2023 Number of awards
At 1 January	955,841	947,443
DBSP and other awards granted during the year	471,392	180,752
Lapsed during the year	–	–
Exercised during the year	–	(172,354)
Outstanding at 31 December	1,427,233	955,841
Exercisable at 31 December	91,923	91,923

The weighted average share price at the date of exercise for share awards exercised during the year ended 31 December 2024 was 0.00p (2023: 150.00p).

Plan	Date of grant	Numbers granted	Lapsed	Exercised	At 31 Dec 2024	Release date
DBSP	04/03/2020	264,277	–	(172,354)	91,923	Mar-23
DBSP	09/03/2022	171,415	–	–	171,415	Mar-25
One-off award	02/11/2022	511,751	–	–	511,751	Nov-27
DBSP	08/03/2023	180,752	–	–	180,752	Mar-26
DBSP	06/03/2024	471,392	–	–	471,392	Mar-27
		1,599,587	–	(172,354)	1,427,233	

Performance conditions related to the one-off award

Total Shareholder Return (TSR)

The total number of shares awarded subject to TSR targets are vested based on the Group ranking at or above the median for TSR performance relative to a comparator group over a period of three years with a minimum performance threshold of achieving a ranking at the median TSR or above and the maximum award being given for exceeding the comparator group median TSR performance by 10% or more.

The relative TSR condition is based on the performance of the Group's TSR growth against the median TSR growth of the comparator group as follows:

	% of the award that vests
Exceeds the median by 10% or more	100%
Exceeds the median by less than 10%	On a straight-line basis between 25% and 100%
Ranked at median	25%
Ranked below the median	0%

Measurement of fair values

The fair value of the rights granted through the employee share purchase plan was measured based on the Black-Scholes formula. The expected volatility is based on the historic volatility adjusted for any abnormal movement in share prices.

The inputs to the model are as follows:

	March 2024	March 2023	November 2022	March 2022	March 2020
Share price on grant date	180.00p	192.05p	131.90p	255.00p	356.50p
Exercise price	nil	nil	nil	nil	nil
Number of simulations	–	–	–	–	–
Number of companies	–	–	–	–	–
Award life	3 years	3 years	5 years	3 years	3 years
Expected dividend	0.00%	0.00%	0.00%	0.00%	1.95%
Fair value of award at time of grant	179.34p	191.17p – 191.33p	131.18p	254.14p	292.36p
Risk-free interest rate	4.08%	3.21%	3.24%	1.41%	0.00%

25. Retirement benefit obligations

The Group accounts for the Swiss and Philippines pension plans as defined benefit plans under IAS 19 – Employee Benefits.

The reconciliation of the net defined benefit liability and its components is as follows:

	2024			2023		
\$m	Switzerland	Philippines	Total	Switzerland	Philippines	Total
Fair value of plan assets	8	–	8	8	–	8
Present value of obligations	(10)	(2)	(12)	(10)	(1)	(11)
Net funded obligations	(2)	(2)	(4)	(2)	(1)	(3)

26. Acquisitions

Current period acquisitions

During the year ended 31 December 2024 the Group made various individually immaterial acquisitions for a total consideration of \$4m:

- \$2m consideration related to two immaterial acquisitions
- \$2m increased stake to 89.3% (2023: 86.6%) in a non-controlling interest for a consideration of \$14m net of utilisation of \$12m treasury shares

The provisional goodwill arising on these 2024 acquisitions reflects the anticipated future benefits IWG can obtain from operating the businesses more efficiently, primarily through increasing occupancy and the addition of value-adding products and services.

In the year, the acquisitions contributed revenue of \$2m and net retained loss of \$1m. If the above acquisitions had occurred on 1 January 2024, the revenue and net retained loss arising from these acquisitions would have been \$4m and \$1m respectively in the year ended 31 December 2024.

In relation to the acquisitions completed during the year ended 31 December 2024, the fair value of assets acquired has only been provisionally assessed, pending completion of a fair value assessment. The final assessment of the fair value of these assets will be made within 12 months of the acquisition dates and any adjustments reported in future reports.

Deferred consideration of \$nil arose on acquisitions completed during the year ended 31 December 2024. Deferred consideration of \$nil was paid and \$nil released, during the current year. \$5m deferred consideration is held on the Group's balance sheet at 31 December 2024.

Contingent consideration of \$nil arose on acquisitions completed during the year ended 31 December 2024. Contingent consideration of \$1m was paid and \$nil released, during the current year, with respect to milestones, achieved, on previous acquisitions. \$7m contingent consideration is held on the Group's balance sheet at 31 December 2024.

Goodwill of \$2m arose relating to 2024 acquisitions.

Prior period acquisitions

During the year ended 31 December 2023, the Group made various individually immaterial acquisitions for a total consideration of \$21m.

\$m	Book value	Final fair value adjustments	Final fair value
Net assets acquired			
Right-of-use assets	12		12
Other property, plant and equipment	5		5
Cash	3		3
Other current and non-current assets	10	(4)	6
Lease liabilities	(11)		(11)
Current liabilities	(8)	4	(4)
	11		11
Goodwill arising on acquisition			10
Total consideration			21
Less: deferred consideration			(3)
Less: contingent consideration			(8)
Cash flow on acquisition			10
Cash paid			10
Less: cash acquired			(3)
Net cash outflow			7

Goodwill of \$10m arose relating to 2023 acquisitions. The goodwill arising on the 2023 acquisitions reflects the expected future benefits IWG can obtain from operating the businesses more efficiently, primarily through increasing occupancy and the addition of value-adding products and services.

In the year, the acquisitions contributed revenue of \$10m and net retained loss of \$1m. If the above acquisitions had occurred on 1 January 2023, the revenue and net retained loss arising from these acquisitions would have been \$12m and \$2m respectively in the year ended 31 December 2023.

Deferred consideration of \$3m arose from acquisitions, \$1m was released and \$4m were settled during the year. In addition, \$2m deferred consideration relating to prior period acquisitions is held on the Group's balance sheet at 31 December 2023.

Contingent consideration of \$8m arose on the 2023 acquisitions. Contingent consideration of \$2m was paid and \$nil released, during the prior year, with respect to milestones, achieved or not achieved, on previous acquisitions. No additional contingent consideration relating to prior period acquisitions is held on the Group's balance sheet at 31 December 2023.

Non-controlling interests

During the year, the Group increased its equity voting rights to 89.3% (2023: 86.6%) in the non-controlling interest for a consideration of \$14m net of utilisation of \$12m treasury shares.

27. Capital commitments

Capital commitments in respect of centre fit-out obligations that are not offset by contractually committed landlord contributions are immaterial at December 31, 2024. There are \$1m (2023: \$1m) of capital commitments in respect of joint ventures and no significant lease commitments for leases not commenced at 31 December 2024.

28. Bank guarantees and contingent liabilities

The Group has bank guarantees and letters of credit held with certain banks, predominantly in support of leasehold contracts with a variety of landlords, amounting to \$332m (31 December 2023: \$389m). Of this \$332m, \$284m was utilised under the RCF facility (see Note 23) and the remaining \$48m from separate bilateral guarantee facilities. There are no material lawsuits pending against the Group.

29. Related parties

Parent and subsidiary entities

The consolidated financial statements include the results of the Group and its subsidiaries.

Joint ventures

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

\$m	Management fees received from related parties	Amounts owed by related party	Amounts owed to related party
2024			
Joint ventures	9	42	38
2023			
Joint ventures	9	49	46

As at 31 December 2024, none of the amounts due to the Group have been provided for as the expected credit losses arising on the balances are considered immaterial (2023: \$nil). All outstanding balances with these related parties are priced on an arm's length basis. None of the balances are secured.

Key management personnel

No loans or credit transactions were outstanding with Directors or Officers of the Company at the end of the year or arose during the year that are required to be disclosed.

Compensation of key management personnel (including Directors)

Key management personnel include those personnel (including Directors) that have responsibility and authority for planning, directing and controlling the activities of the Group:

\$m	2024	2023
Short-term employee benefits	11	9
Retirement benefit obligations	-	-
Share-based payments	1	3
	12	12

Share-based payments included in the table above reflect the accounting charge in the year. The full fair value of awards granted in the year was \$6m (2023: \$4m). These awards are subject to performance conditions and vest over three, four and five years from the award date (note 24).

Transactions with related parties

During the year ended 31 December 2024 the Group acquired goods and services from a company indirectly controlled by a Director of the Company amounting to \$65,754 (2023: \$81,252). There was a \$411 balance outstanding at the year-end (2023: \$81,510).

All transactions with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

30. Principal Group companies

The Group's principal subsidiary undertakings at 31 December 2024, their principal activities and countries of incorporation are set out below:

Name of undertaking	Country of incorporation	% of ordinary shares and votes held
Trading companies		
Regus Australia Management Pty Ltd	Australia	100
Regus Belgium SA	Belgium	100
Regus do Brasil Ltda	Brazil	100
Regus Business Service (Shenzhen) Ltd	China	100
Regus Management ApS	Denmark	100
Regus Management (Finland) Oy	Finland	100
IWG France Management Sarl	France	100
Regus CME Ireland Limited	Ireland	100
Regus Business Centres Limited	Israel	100
Regus Business Centres Italia S.r.l.	Italy	100
Regus Management Malaysia Sdn Bhd	Malaysia	100
Regus Management de Mexico, SA de CV	Mexico	100

Name of undertaking	Country of incorporation	% of ordinary shares and votes held
Trading companies (continued)		
IWG Management Services Morocco	Morocco	100
Regus New Zealand Management Ltd	New Zealand	100
Regus Business Centre Norge AS	Norway	100
IWG Management Sp z o.o.	Poland	100
Regus Business Centre, Lda	Portugal	100
Regus Management Singapore Pte Ltd	Singapore	100
Regus Management España SL	Spain	100
IWG Management (Sweden) AB	Sweden	100
Avanta Managed Offices Ltd	United Kingdom	100
Basepoint Centres Limited	United Kingdom	100
Green (Topco) Limited	United Kingdom	89.3
HQ Global Workplaces LLC	United States	100
RGN National Business Centre LLC	United States	100
RB Centres LLC	United States	100
Regus Management Group LLC	United States	100
Management companies		
RGN Management Limited Partnership	Canada	100
Regus Service Centre Philippines B.V.	Netherlands	100
Franchise International GmbH	Switzerland	100
Pathway IP II GmbH	Switzerland	100
Regus Global Management Centre SA	Switzerland	100
Regus Group Services Ltd	United Kingdom	100
IW Group Services (UK) Ltd	United Kingdom	100
Regus Management Group LLC	United States	100
Holding and finance companies		
IWG Enterprise S.à.r.l.	Luxembourg	100
IWG Group Holdings S.à.r.l.	Luxembourg	100
IWG International Holdings S.à.r.l.	Luxembourg	100
Ibiza Holdings Limited	Jersey	89.3
Global Platform Services GmbH	Switzerland	100
Regus Group Limited	United Kingdom	100
Regus Corporation	United States	100
Ibiza Finance Limited	Jersey	100
Genesis Finance GmbH	Switzerland	100
Pathway Finance GmbH	Switzerland	100
Pathway Finance EUR 2 GmbH	Switzerland	100
Pathway Finance USD 2 GmbH	Switzerland	100
IWG US Finance LLC	United States	100

31. Key judgmental and estimates areas adopted in preparing these accounts

The preparation of consolidated financial statements in accordance with IFRS requires management to make certain judgements and assumptions that affect reported amounts and related disclosures.

Key judgements

Tax assets and liabilities

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. Where appropriate, the Group assesses the potential risk of future tax liabilities arising from the operation of its business in multiple tax jurisdictions and includes provisions within tax liabilities for those risks that can be estimated reliably. Changes in existing tax laws can affect large international groups such as IWG and could result in additional tax liabilities over and above those already provided for.

Determining the lease term of contracts with renewal and termination options

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. Where a lease includes the option for the Group to extend the lease term, the Group makes a judgement as to whether it is reasonably certain that the option will be taken. This will take into account the length of time remaining before the option is exercisable, macro-economic environment, socio-political environment and other lease specific factors.

The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management applies judgement in determining whether it is reasonably certain that a renewal or termination option will be exercised.

Key estimates

Impairment of intangibles and goodwill

We evaluate the fair value of goodwill and other indefinite life intangible assets to assess potential impairments on an annual basis, or during the year if an event or other circumstance indicates that we may not be able to recover the carrying amount of the asset. We evaluate the carrying value of goodwill based on our CGUs aggregated at a country level and make that determination based upon future cash flow projections which assume certain growth projections which may or may not occur. We record an impairment loss for goodwill when the carrying value of the asset is less than its estimated recoverable amount. Further details of the methodology and assumptions applied to the impairment review in the year ended 31 December 2024, including the sensitivity to changes in those assumptions, can be found in note 11.

Deferred tax assets

We base our estimate of deferred tax assets and liabilities on current tax laws and rates and, where relevant, the Group's three-year business plans and other expectations about future outcomes. Changes in existing laws and rates, and their related interpretations, and future business results may affect the amount of deferred tax liabilities or the valuation of deferred tax assets over time. Our accounting for deferred tax consequences represents management's best estimate of future events that can be appropriately reflected in the accounting estimates. It is Group policy to recognise a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the assets can be used. Significant changes to the Group's forecasts and other expectations of future outcomes could significantly impact the recognition of deferred tax assets.

Given the significant level of corporate developments in the Group and the number of legal entities and countries in which the Group operates, the determination of the period of time representing foreseeable future requires judgement to be exercised. Management has determined the most suitable period to be the three-year period corresponding to the Group's business forecasting processes. Any changes in management's approach to this assessment could significantly impact the recognition of deferred tax assets.

Derivatives

The Group applies hedge accounting to manage the volatility of cash flows arising from fluctuations in foreign exchange rates.

The assessment of hedge effectiveness and the measurement of ineffectiveness involve significant judgement, including estimating future cash flows, selecting appropriate valuation methodologies, and determining the probability of forecasted transactions. Changes in market conditions or assumptions could impact hedge effectiveness and result in reclassification of gains or losses from other comprehensive income to earnings.

Impairment of property, plant and equipment (including right-of-use assets)

We evaluate the potential impairment of property, plant and equipment at a centre (CGU) level where there are indicators of impairment at the balance sheet date. In the assessment of value-in-use, key judgemental areas in determining future cash flow projections include: an assessment of the location of the centre; the local economic situation; competition; local environmental factors; the management of the centre; and future changes in occupancy, revenue and costs of the centre.

While centre costs remain relatively stable, revenue is a function of the expected levels of occupancy and the corresponding pricing achieved. In assessing any impairment, the value-in-use calculated is therefore assessed for sensitivity to changes in both occupancy and pricing, to determine the extent to which these estimates need to change before an impairment arises. On a similar basis, overall performance is also a function of the discount rate applied (which is based on the incremental borrowing rates associated with centre leases). The value-in-use calculation is therefore also assessed for sensitivity to changes in this discount rate, to determine the extent to which this discount rate needs to change before an impairment arises.

We evaluate the potential impairment of property, plant and equipment at a centre (CGU) level where there are indicators of impairment at the balance sheet date and for centres which have been identified as part of the Group's rationalisation programme. The key area of estimation involved is in determining the recoverable amount of the rationalised centres, determining whether historical financial performance is reflective of future financial performance, over what period the rationalisation will take place, and the level of moveable assets that will be utilised in other centres.

Estimating the incremental borrowing rates on leases

The determination of applicable incremental borrowing rates on leases at the commencement of lease contracts also requires judgement. The Group determines its incremental borrowing rates by obtaining interest rates from various

external financing sources and makes certain adjustments to reflect the terms of the lease. The Group considers the relevant market interest rate, based on the weighted average of the timing of the lease payments under the lease obligation. In addition, a spread over the market rate is applied based on the cost of funds to the Group, plus a spread that represents the risk differential of the lessee entity compared to the Group funding cost.

Fair value accounting for business combinations

For each business combination, we assess the fair values of assets and liabilities acquired. Where there is not an active market in the category of the non-current assets typically acquired with a business centre or where the books and records of the acquired company do not provide sufficient information to derive an accurate valuation, management calculates an estimated fair value based on available information and experience.

The main categories of acquired non-current assets where management's judgement has an impact on the amounts recorded include tangible fixed assets, customer list intangibles and the fair market value of leasehold assets and liabilities. For significant business combinations management also obtains third-party valuations to provide additional guidance as to the appropriate valuation to be included in the financial statements.

32. Subsequent events

On 4 March 2025 IWG announced a \$50m share buyback programme.

Furthermore, the Board has recommended a final dividend for 2024 of 0.90¢ pertaining to 2024.

There were no other significant events occurring after 31 December 2024 affecting the consolidated financial statements of the Group.

Reconciliation for alternative performance measures

Alternative performance measures

The Group reports certain alternative performance measures (APMs) that are not required under International Financial Reporting Standards (IFRS) which represents the generally accepted accounting principles (GAAP) under which the Group reports. The Group believes that the presentation of these APMs provides useful supplemental information, when viewed in conjunction with our IFRS financial information as follows:

- to evaluate the historical and planned underlying results of our operations;
- to set Director and management remuneration; and
- to discuss and explain the Group's performance with the investment analyst community.

None of the APMs should be considered as an alternative to financial measures derived in accordance with GAAP. The APMs can have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. These performance measures may not be calculated uniformly by all companies and therefore may not be directly comparable with similarly titled measures and disclosures of other companies.

Additional information has been provided on the following pages to bridge the statutory information reported with the performance presented as part of the Chief Executive Officer's and Chief Financial Officer's review.

Reconciliation of alternative performance measurement adjustments recognised

The purpose of these unaudited pages is to provide a reconciliation from the 2024 financial results to the alternative performance measures in accordance with the previous pre-IFRS 16 policies adopted by the Group, thereby giving the reader greater insight into the impact of IFRS 16 on the results of the Group. The recognition of these adjustments will not impact the overall cash flows of the Group or the cash generation per share.

1. Rent income and finance income

Under IFRS 16, where the sublease is assessed with reference to the right-of-use assets arising from the head lease, conventional rent income is not recognised in the profit or loss. The receipts associated with this income instead are used to determine the net investment in finance leases noted above. The net investment in finance leases is measured in subsequent periods using the effective interest rate method, based on the applicable interest rate. The related finance income arising on subsequent measurement is recognised directly through profit or loss.

2. Rent expense and finance costs

Under IFRS 16, conventional rent charges are not recognised in the profit or loss. The payments associated with these charges instead form part of the lease payments used in calculating the right-of-use assets and related lease liabilities noted above. The lease liabilities are measured in subsequent periods using the effective interest rate method, based on the applicable interest rate. The related finance costs arising on subsequent measurement are recognised directly through profit or loss.

3. Depreciation, lease payments and lease receipts

Depreciation on the right-of-use assets recognised, is depreciated over the life of the lease on a straight-line basis, adjusted for any period between the lease commencement date and the date the related centre opens, reflecting the lease-related costs directly incurred in preparing the business centre for trading. Lease payments on head leases reduce the lease liabilities recognised in the balance sheet. Lease receipts on subleases reduce the net investment in finance leases recognised in the balance sheet.

4. Other adjustments

These adjustments primarily reflect the impairment of the right-of-use assets and other property, plant and equipment as well as the reversal of the closure cost provision on a pre-IFRS 16 basis. Certain parking, storage and brokerage costs are also reversed, as they form part of the lease payments.

System-wide revenue (unaudited)

in \$m	Reference	Year Ended 31 December 2024	Year Ended 31 December 2023
System-wide revenue	CFO review	4,231	4,157
Fee revenue	CFO review	79	61
Managed & Franchised system revenue	CFO review	(620)	(529)
Group Revenue	Consolidated income statement	3,690	3,689

Consolidated EBITDA (unaudited)

Year ended 31 December 2024:

\$m	Notes	As reported	Rent income	Rent expense	Depreciation	Other Adjustments ⁽¹⁾	pre-IFRS 16
Adjusted EBITDA		1,824	67	(1,342)	–	8	557
Adjusting items		30			–	(12)	18
Depreciation on property plant and equipment	4	(1,266)	–	–	901	–	(365)
Amortisation of intangible assets	4	(78)	–	–	–	–	(78)
Operating profit/(loss)	4	510	67	(1,342)	901	(4)	132

1. Includes \$31m of net reversal of impairment of property, plant and equipment including right-of-use assets.

Year ended 31 December 2023:

\$m	Notes	As reported	Rent income	Rent expense	Depreciation	Other Adjustments ⁽¹⁾	pre-IFRS 16
Adjusted EBITDA		1,768	75	(1,381)	–	41	503
Adjusting items		(117)	–	–	–	(50)	(167)
Depreciation on property plant and equipment	4	(1,392)	–	–	1,004	–	(388)
Amortisation of intangible assets	4	(80)	–	–	–	–	(80)
Operating profit/(loss)	4	179	75	(1,381)	1,004	(9)	(132)

1. Includes \$99m of net impairment of property, plant and equipment including right-of-use assets.

Landlord contributions receivables in relation to leased centres (unaudited)

\$m	Reference	2024	2023
Opening landlord contribution receivables	15	32	28
Net landlord contributions recognised in the period		56	57
• Proceeds from landlord contributions (reimbursement of costs)	Operating activities, Statement of cashflows	8	27
• Proceeds from landlord contributions (lease incentives)	Investing activities, Statement of cashflows	48	30
• Maintenance landlord contributions	CFO review	12	9
• Gross growth landlord contributions	CFO review	44	48
Contributions owed settled in the period		(52)	(54)
Exchange differences		(1)	1
Closing landlord contribution receivable	15	35	32

Working capital (unaudited)

Year ended 31 December 2024:

\$m	Reference	As reported	Rent income & expense and finance income & expense	Depreciation and lease payments	Other adjustments	pre-IFRS 16
Landlord contributions – reimbursement	Statement of cash flows	8	–	(8)	–	–
(Increase)/decrease in trade and other receivables	Statement of cash flows	(22)	(35)	–	–	(57)
Increase/(decrease) in trade and other payables	Statement of cash flows	(2)	957	(992)	(23)	(60)
Working capital		(16)	922	(1,000)	(23)	(117)
Analysed as:						
Working capital (excluding amortisation of landlord contributions)	CFO review					(51)
Working capital related to the amortisation of landlord contributions	CFO review					(110)
Growth-related landlord contributions	CFO review					44

Year ended 31 December 2023:

\$m	Reference	As reported	Rent income & expense and finance income & expense	Depreciation and lease payments	Other adjustments	pre-IFRS 16
Landlord contributions – reimbursement	Statement of cash flows	27	–	(22)	(5)	–
(Increase)/decrease in trade and other receivables	Statement of cash flows	(10)	32	–	2	24
Increase/(decrease) in trade and other payables	Statement of cash flows	165	935	(1,048)	(28)	24
Working capital		182	967	(1,070)	(31)	48
Analysed as:						
Working capital (excluding amortisation of landlord contributions)	CFO review					118
Working capital related to the amortisation of landlord contributions	CFO review					(118)
Growth-related landlord contributions	CFO review					48

Capital expenditure (unaudited)

Year ended 31 December 2024:

\$m	Reference	As reported	Rent income & expense and finance income & expense	pre-IFRS 16
Purchase of property, plant and equipment	Statement of cash flows	(192)	(2)	(194)
Purchase of intangible assets	Statement of cash flows	(45)	–	(45)
Total capital expenditure		(237)	(2)	(239)

Analysed as:		Net capital expenditure	Landlord contributions	Gross capital expenditure
Maintenance capital expenditure	CFO review	(93)	(12)	(105)
Gross growth capital expenditure	CFO review	(88)	(44)	(132)
Capitalised rent related to centre openings	CFO review	–	(2)	(2)
Total capital expenditure		(181)	(58)	(239)

Year ended 31 December 2023:

\$m	Reference	As reported	Rent income & expense and finance income & expense	pre-IFRS 16
Purchase of property, plant and equipment	Statement of cash flows	(191)	(3)	(194)
Purchase of intangible assets	Statement of cash flows	(74)	–	(74)
Total capital expenditure		(265)	(3)	(268)

Analysed as:		Net capital expenditure	Landlord contributions	Gross capital expenditure
Maintenance capital expenditure	CFO review	(113)	(9)	(122)
Gross growth capital expenditure	CFO review	(95)	(48)	(143)
Capitalised rent related to centre openings	CFO review	–	(3)	(3)
Total capital expenditure		(208)	(60)	(268)

Five-year summary

\$m	31 Dec 2024 (Unaudited)	31 Dec 2023 Restated (1)	31 Dec 2022 Restated (1)	31 Dec 2021 Restated (1)	31 Dec 2020
Income statement (full year ended)					
Revenue	3,690	3,689	3,385	3,065	3,139
Cost of sales	(2,573)	(2,938)	(2,685)	(2,594)	(3,068)
Expected credit reversal/(losses) on trade receivables	(13)	(19)	7	(137)	(45)
Gross profit	1,104	732	707	334	26
Selling, general and administration expenses	(593)	(552)	(525)	(451)	(474)
Share of (loss) of equity-accounted investees, net of tax	(1)	(1)	(1)	(3)	(4)
Operating profit/(loss)	510	179	181	(120)	(452)
Finance expense	(474)	(425)	(353)	(272)	(343)
Finance income	17	9	43	36	4
Profit/(loss) before tax for the year from continuing operations	53	(237)	(129)	(356)	(791)
Income tax (expense)/credit	(34)	(34)	39	(14)	(39)
Profit/(loss) for the year from continuing operations	19	(271)	(90)	(370)	(830)
Profit/(loss) after tax for the year from discontinued operations	–	–	1	81	(5)
Profit/(loss) after tax for the year	19	(271)	(89)	(289)	(835)
Earnings/(loss) per ordinary share (EPS):					
Attributable to ordinary shareholders					
Basic (¢)	2.0	(26.7)	(8)	(28)	(88)
Diluted (¢)	2.0	(26.7)	(8)	(28)	(88)
Weighted average number of shares outstanding ('000s)	1,009,815	1,006,685	1,238,854	1,386,146	1,152,190
From continuing operations					
Basic (¢)	2.0	(26.7)	(8)	(28)	(88)
Diluted (¢)	2.0	(26.7)	(8)	(28)	(88)
Weighted average number of shares outstanding ('000s)	1,009,815	1,006,685	1,238,854	1,386,146	1,152,190
Balance sheet data (as at)					
Intangible assets	1,375	1,438	1,386	1,057	1,023
Right-of-use assets	4,940	5,574	6,048	7,100	7,712
Property, plant and equipment	1,176	1,309	1,479	1,516	1,651
Net investment in finance leases	116	124	177	–	–
Deferred tax assets	586	576	552	522	257
Other assets	1,292	1,294	1,257	1,147	1,502
Cash and cash equivalents	148	141	194	105	97
Total assets	9,633	10,456	11,093	11,447	12,242
Current liabilities	3,563	3,500	3,646	3,064	3,325
Non-current liabilities	5,927	6,847	7,071	7,933	8,215
Equity	143	109	377	451	702
Total equity and liabilities	9,633	10,456	11,094	11,448	12,242

1. The comparative information has been restated as the Group changed its accounting policy on deferred tax related to assets and liabilities arising from a single transaction due to amendments to IAS 12 (note 2)

Glossary

Adjusted contribution

Gross Profit excluding depreciation before the application of IFRS 16 and adjusting items to cost of sales.

Adjusted EBITDA

EBITDA excluding adjusting items.

Adjusting items

Adjusting items reflects the impact of adjustments, both incomes and costs not indicative of the underlying performance, which are considered to be significant in nature and/or size.

Capital-light

Business centres operating under a variable lease, joint-venture, managed and franchised arrangements.

Company-owned

Business centres operated by the Group under a conventional lease or variable lease arrangements.

Contribution

Gross profit excluding depreciation and amortisation in cost of sales

Digital and Professional Services

Services not related to the IWG network

EBIT

Earnings before interest and tax.

EBITDA

Earnings before interest, tax, depreciation and amortisation.

EPS

Earnings per share.

Expansions

A general term which includes new business centres established by IWG and acquired centres in the year.

Growth capital expenditure

Capital expenditure in respect of centres which opened during the current or prior financial period.

Growth-related landlord contributions (leased centres)

Landlord contributions received in respect of centres which opened during the current or prior financial period.

Maintenance capital expenditure (leased centres)

Capital expenditure in respect of centres owned for a full 12-month period prior to the start of the financial year and operated throughout the current financial year, which therefore have a full-year comparative.

Maintenance-related landlord contributions (leased centres)

Landlord contributions received in respect of centres owned for a full 12-month period prior to the start of the financial year and operated throughout the current financial year, which therefore have a full-year comparative.

Managed & Franchised

Business centres operating under a formal joint-venture, managed or franchise arrangements.

Net debt

Operations cash and cash equivalents, adjusted for both short and long-term borrowings, lease liabilities and net investments in finance leases and derivatives.

Net financial debt

Operations cash and cash equivalents, adjusted for both short and long-term borrowings and derivatives.

Network rationalisation

Network rationalisation for the current year is defined as a centre that ceases operation during the period from 1 January to December of the current year. Network rationalisation for the prior year comparative is defined as a centre that ceases operation from 1 January of the prior year to December of the current year.

Occupancy

Occupied square feet divided by total inventory square feet expressed as a percentage.

Pre-IFRS 16 basis/Before application of IFRS 16

Reporting in accordance with IFRS accounting standards effective as at the relevant reporting date with the exception of IFRS 16 – Leases.

Rooms

The yearly average total business centre square meters divided by a standard room of seven square meters.

RevPAR

Monthly average IWG Network revenue, divided by the average available number of rooms, excluding rooms opened and closed in the period

System-wide revenue

Refers to the total revenue generated across IWG network, including revenue from franchise, managed centre and joint-venture partners, but excluding related fee income. System revenue relates to the allocation of System-wide revenue across our segments.

TSR

Total shareholder return.

Corporate directory

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International Workplace Group plc

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Registered number

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