

IFRS to US GAAP Conversion

June 2025

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Introduction

- As previously announced, IWG is transitioning to US GAAP from IFRS as it better reflects the financial profile of the business and how the business is run.
- US GAAP results are similar to Pre-IFRS16, which is how the business has reported alongside IFRS
- Underlying cash generation remains unchanged
- US GAAP changes do not impact dividends, capital allocation or capital returns policy
- No impact on the flexibility of leases and SPV structure
- The transition to US GAAP has had an impact on Adjusted EBITDA for both FY 2023 and FY 2024 predominantly due to differences in capitalisation and treatment of leases and allowable expenses
- Guidance has been recalibrated like-for-like in line with the 2024 US GAAP impact

Key changes resulting from transition to US GAAP





















**No
impact on**



**Significant
impact on**

Item	Explanation
Our overall economics	Accounting change does not impact the underlying business.
How we run the business	US GAAP P&L and Cashflow is similar to pre-IFRS16, which is aligned to how the business has always been managed.
Cashflow generation	Accounting change does not impact underlying cashflow generation.
Leases	All leases classified as operating leases vs finance leases. Right of use asset ("ROU asset") and lease liability remain on balance sheet. Lease/rent expense is in one line in cost of sales vs two lines below adjusted EBITDA in depreciation and interest.
Statement of operations in years which have impairment reversals under IFRS	Historically, we impaired and then reversed impairments at specific locations when trading conditions improved. Impairment reversals are disallowed under US GAAP.
Negative Equity	US GAAP does not allow impairment reversals which, when combined with the historic translation adjustment from the conversion to US dollars for reporting, has resulted in a consolidated net liability balance sheet position. As a Jersey company, this has no impact on the Group's ability to distribute dividends, continue with the share buybacks or how we run the business.
Cash Flow Statement: Decrease in operating cash inflows, decrease in financing cash outflows	There is no impact on actual cashflows. For disclosure purposes, US GAAP treats the lease / rent payments as cost of sales, therefore reducing what is presented as operating cash inflows. This is offset by a reduction in the lease related expenditure previously included under financing cash outflows.

US GAAP primary areas of change

Areas of change	High level explanation	Impact		
		Statement of Operations	Balance Sheet	Cash flow
1 Leases	<p>US GAAP: Classified as operating leases, resulting in a ROU asset and lease liability on the balance sheet which unwind through a “straight-line” operating expense within cost of sales. Impairments of ROU assets (including leasehold improvements) cannot be reversed. Sub leases as lessor accounted for as an operating lease.</p> <p>IFRS: Classified as finance leases resulting in ROU asset and lease liability on the balance sheet, which unwind through straight-line depreciation and decreasing interest expense. Impairments of ROU assets (including leasehold improvements) can be reversed. Sub leases as lessor accounted for as finance leases.</p>			
<i>Further detail on following pages</i>				
2 Intangibles	<p>US GAAP: Eligible costs capitalised as intangible assets and recognised over time as amortisation expense or as prepaid expenses and recognised over time as cost of sales. Ineligible costs are expensed as sales and marketing or general and admin expenses.</p> <p>IFRS: Eligible costs capitalised as intangible assets and recognised over time as amortisation expense.</p>			
3 Capex (incl. LL TI) and closure costs	<p>US GAAP: Estimated asset retirement obligations recognised related to future contractual centre closure costs. Leasehold/tenant improvements depreciated over the shorter of the lease term or the useful life.</p> <p>IFRS: Liabilities for contractual centre closure expenditures accrued when centre closure is expected. Leasehold/tenant improvements depreciated over the useful life.</p>			
4 Acquisitions and disposals	Differences relating to the accounting for acquisitions that were completed pre-2024.			
5 Taxes and Other	Income tax expense is based on pre-tax US GAAP income vs IFRS income. Deferred income taxes are impacted by changes to the Balance Sheet under US GAAP, specifically relating to leases. Other impacts include separate presentation of restricted cash.			
		 High  Medium  Low		

Summary changes to FY24 financials

	KPI	Change impact	IFRS	US GAAP	Explanation
Statement of Operations	Revenue	○	\$3,690m	\$3,756m	US GAAP includes sublease income (specific to the back-to-back transactions within DPS).
	Gross Profit	◐	\$1,104	\$948m	Lower lease/rent expense from previously impaired centres that remain open and presentation of depreciation and amortisation expense below gross profit offset by the reclassification of lease interest expense as part of lease/rent expense.
	Adjusted EBITDA ¹	●	\$1,824m (\$557m – pre-IFRS16)	\$501m	Adjusted EBITDA similar to Pre-IFRS16. Some differences due to calculation of lease/rent expense.
	Finance Expense	●	\$(457)m	\$(84)m	Lease interest expense included in cost of sales as part of one line lease/rent expense.
	Profit before Tax	○	\$53m	\$58m	Lower lease/rent expense from previously impaired centres offset against impermissibility of reversing centre impairments under US GAAP.
Balance Sheet	Lease Liability	○	\$6,162m	\$6,143m	Lease liability remains consistent with IFRS.
	ROU Asset	○	\$4,940m	\$5,161m	ROU asset remains largely consistent, newer maturity/renewal leases have a higher ROU asset offset by previously impaired centres that remain open.
	Net Debt ¹	●	\$6,758m (\$712m – pre-IFRS16)	\$729m	Net debt remains largely consistent with pre-IFRS16 but excludes the potential benefit of restricted cash (2024: \$11m).
Cash Flow	Operating cashflow	●	\$1,329m (\$298m – pre-IFRS16)	\$272m	Lease/rent payments are now classified as cost of sales and therefore in operating cash flows. Includes some tenant incentives/landlord contributions.
	Investing Cash Flow	○	\$(183)m (\$93)m – pre-IFRS16)	\$(171)m	Remains consistent apart from sublease income (specific to the back-to-back transactions within DPS) and reclassifications of some lease-related purchases to operating cash flow.
	Financing Cash Flow	●	\$1,125m (\$76)m – pre-IFRS16)	\$(79)m	No longer impacted by lease related cashflows.

1. Alternative performance measures (APMs)

Summary modelling considerations on FY24 financials

KPI		US GAAP	Outlook impact (US GAAP as base for outlook impact)
Statement of Operations	Revenue	\$3,756m	One-off impact of including sublease income (specific to the back-to-back transactions within DPS).
	Gross Profit	\$948m	Lower lease/rent expense from previously impaired centres that remain open, offset by leases which are renewed and have a higher ROU asset recognised again.
	Adjusted EBITDA ¹	\$501m	Lower lease/rent expense from previously impaired centres that remain open, offset by leases which are renewed and have a higher ROU asset recognised again.
	Finance Expense	\$(84)m	One-off impact of reclassification of lease interest expense as lease/rent expense. Now largely just represents interest expense.
	Profit before Tax	\$58m	Lower lease/rent expense from previously impaired centres offset by leases which are renewed and have a higher ROU asset recognised again.
Balance Sheet	Lease Liability	\$6,143m	Lease liability for existing leases will decline, offset by new lease liabilities for renewals and new centres.
	ROU Asset	\$5,161m	ROU asset for existing leases will decline, offset by new ROU Assets for renewals and new centres.
	Net Debt ¹	\$729m	Net debt will continue to trend consistently with pre-IFRS16 guidance but excludes the potential one-off benefit of restricted cash (2024: \$11m).
Cash Flow	Operating cashflow	\$272m	Impacted by future cash lease/rent payments.
	Investing Cash Flow	\$(171)m	Remains consistent with previous capex outlook.
	Financing Cash Flow	\$(79)m	No longer impacted by lease related cash flows.

1. Alternative performance measures (APMs)

Leases | Key IFRS to US GAAP accounting differences

Description	IFRS	US GAAP	Implication	Impact
Classification of leases as operating leases vs finance leases	<ul style="list-style-type: none"> All leases accounted for as finance leases 	<ul style="list-style-type: none"> All leases recognised as operating leases 	<ul style="list-style-type: none"> Leases accounted for as operating leases resulting in “straight-line” expense within cost of sales¹ 	●
Centre (incl. ROU Asset and Leasehold Improvements) Impairments	<ul style="list-style-type: none"> Centre impairments can be reversed in subsequent periods if centre performance improves 	<ul style="list-style-type: none"> Centre impairments cannot be reversed in subsequent periods 	<ul style="list-style-type: none"> Increased impairment expense Lower cost of sales¹ and depreciation for leases and leasehold improvements which are impaired but were subject to an impairment reversal 	●
Variable lease payments	<ul style="list-style-type: none"> Changes in variable lease payments based on an index or rate result in a remeasurement of the lease liability (with a corresponding adjustment to the related ROU asset) whenever there is a change in the cash flows 	<ul style="list-style-type: none"> Changes in variable lease payments based on an index or rate are expensed as incurred in the period of the change 	<ul style="list-style-type: none"> Increased cost of sales¹ for leases with variable payments 	◐
Sublease classification / income	<ul style="list-style-type: none"> Subleases classified as finance leases based on the ROU asset recognised as part of the head lease rather than the underlying asset 	<ul style="list-style-type: none"> Subleases classified as operating leases based on the underlying asset rather than the ROU asset on the head lease 	<ul style="list-style-type: none"> DPS subleases reclassified to operating leases resulting in additional revenue and operating lease expense 	◐
Initial direct costs / lease incentives	<ul style="list-style-type: none"> Pre-opening facility costs and stamp duty capitalised as part of PPE Broker fee rebates offset against cost of sales on an as incurred basis 	<ul style="list-style-type: none"> Pre-opening facility costs expensed as incurred Stamp duty allocated to ROU asset and recognised in cost of sales¹ over lease term Broker fee rebates allocated to ROU Asset and recognised in cost of sales¹ over lease term 	<ul style="list-style-type: none"> Pre-opening facility costs expensed as incurred Broker fees and rebates unwind to cost of sales¹ 	○
Leasehold/tenant improvements	<ul style="list-style-type: none"> Leasehold/tenant improvements depreciated over the useful life (typically 10 years) 	<ul style="list-style-type: none"> Leasehold/tenant improvements depreciated over the shorter of the initial lease term (through break) or useful economic life 	<ul style="list-style-type: none"> Leasehold/tenant improvements are depreciated over a shorter period resulting in higher depreciation expense 	○

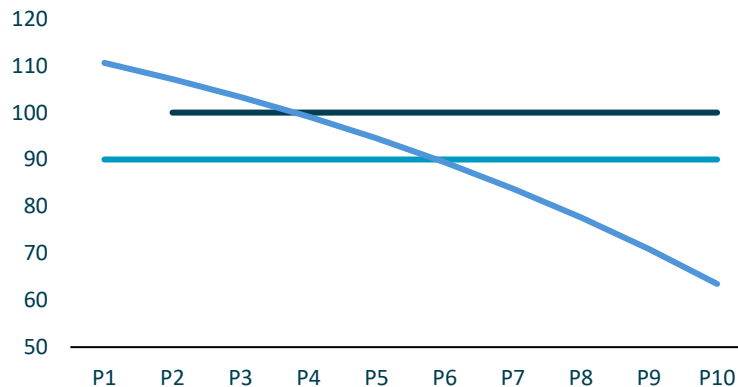
1. Cost of sales includes lease / rent expense

Leases | Impact on P&L relative to cashflow

Example 1

Assumptions

- 10 Year Lease @ \$100 per annum
- 1 year rent free
- Interest: 10%
- 0% fixed inflator

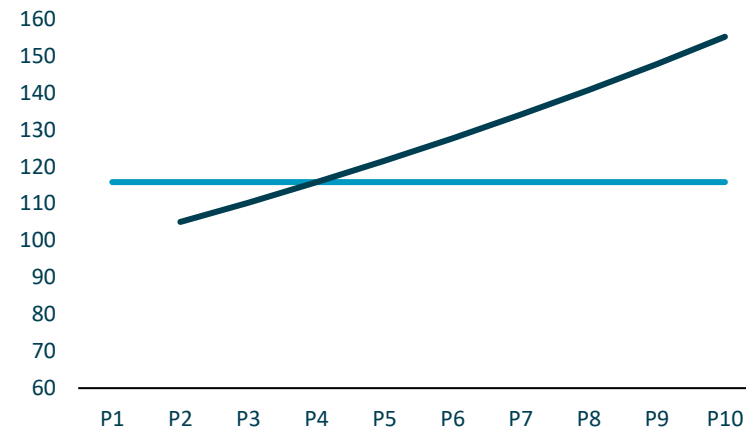


US GAAP P&L expense Cash expense IFRS P&L expense

Example 2

Assumptions

- 10 Year Lease @ \$100 per annum
- 1 year rent free
- Interest: 10%
- 5% fixed contract inflator (p.a.)

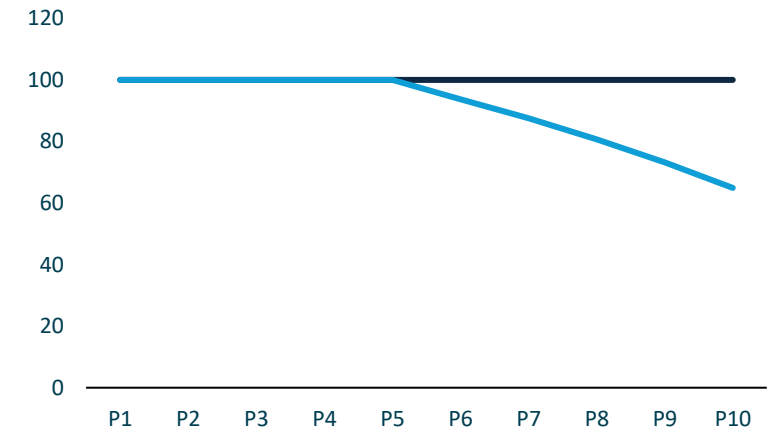


US GAAP P&L expense Cash expense

Example 3

Assumptions

- 10 Year Lease @ \$100 per annum
- 1 year rent free
- Interest: 10%
- Impairment in Y5
- 0% fixed inflator



Cash expense Total Lease Expense

Leases | Impact on the key statements for FY24

Statement of Operations	IFRS	US GAAP	Pre-IFRS16	US GAAP	
Revenue	\$\$\$\$	↑	\$\$\$\$	→	All leases classified as operating leases resulting in single lease expense within cost of sales
Cost of sales (excl. lease depreciation)	(\$\$) Excl. lease interest	↑ Single straight-line lease/rent expense	(\$\$\$\$) Straight-line rent expense	↑ Single straight-line lease/rent expense	US GAAP Gross Profit is defined same way as pre-IFRS16 contribution margin (excl. depreciation)
Lease depreciation	(\$\$) Incl. straight-line ROUA depreciation	N/A	N/A	N/A	Lower adjusted EBITDA (aligned to pre-IFRS16) due to all lease expense presented within cost of sales
Gross Profit	\$	↑	\$	↓	
Depreciation	(\$\$\$)	↓ ¹	(\$)	↔ ¹	Impairment will be higher under US GAAP due to inability to reverse impairments from prior periods
Adjusted EBITDA	\$\$	↓	\$	↓	
Impairment (net of reversals)	(\$)	↑	N/A	↑	Increased SG&A due to disallowed capital expenditure
Operating Profit	\$	↓	\$	↓	
Finance Costs	(\$)	↓	(\$)	↔	Lower financing costs due to no lease interest expense
Profit Before Tax	\$\$\$	↔	\$\$\$	↓	
Balance Sheet	IFRS	US GAAP	Pre-IFRS16	US GAAP	
Assets	\$\$\$\$	↔	0 (in case of operating leases)	↑	ROU asset and Lease liability remain on balance sheet. The ROU Asset is measured differently on transition to US GAAP but offset by post-transition impact of non-reversal of impairments resulting in similar FY24 ROU asset
Liabilities	\$\$\$\$	↔	0 (in case of operating leases)	↑	
Cash flow	IFRS	US GAAP	Pre-IFRS16	US GAAP	
Net cash provided by (used for) operating activities	\$\$	↓	\$\$\$\$	↔	
Net cash flows provided by (used for) investing activities	\$\$\$	↓	\$\$	↔	Decrease in operating cash flows (aligned with pre-IFRS16) as lease / rent payments are now in cost of sales. Offset by financing cash flows
Net cash flows provided by (used for) financing activities	\$\$\$	↑	\$\$	↔	

1. All depreciation (excl. leases) presented beneath Gross Profit

US GAAP | Statement of operations (P&L)

(in millions, except per share amounts)

	Year Ended December 31,		
	2024	2023	2022
Revenue	\$ 3,756	\$ 3,764	\$ 3,432
Cost of sales exclusive of items shown separately below	2,808	2,879	2,804
Gross profit	948	885	628
Sales and marketing	188	189	169
General and administrative expenses	326	307	320
Allowance for (recovery of) credit losses	13	19	(8)
Impairment of long-lived assets and goodwill	83	143	84
(Gain) loss on disposal of long-lived assets and other closure related (credits) costs	(57)	32	(33)
Depreciation and amortisation	253	293	265
Operating income (loss)	142	(98)	(169)
Interest expense	(64)	(54)	(34)
Foreign currency (loss) gain	(17)	6	(6)
Gain on extinguishment of debt	16	-	-
Other finance costs	(19)	(19)	(21)
Income (loss) before income taxes and share of (loss) income from equity method investments	58	(165)	(230)
Income tax (expense) benefit	(40)	(43)	39
Share of loss from equity method investments	-	(1)	(1)
Net income (loss)	18	(209)	(192)
Net income (loss) attributable to noncontrolling interests	-	(2)	(4)
Net income (loss) attributable to the Company	\$ 18	\$ (207)	\$ (188)
Net income (loss) per common share:			
Basic	\$ 0.02	\$ (0.21)	\$ (0.19)
Diluted	\$ 0.02	\$ (0.21)	\$ (0.19)

IFRS to US GAAP | Statement of operations (P&L)

	IFRS (\$'m) Reported	US GAAP presentation reclasses	IFRS (\$'m) After reclasses	US GAAP Adjustments					US GAAP (\$'m)
	FY24		FY24	1. Leases	2. Intangibles	3. Capex (incl. LL TI) and closure costs	4. Acquisitions and Disposals	5. Income Tax and Other	FY24
Revenue	3,690	0	3,690	66	-	-	-	-	3,756
Cost of sales exclusive of items shown separately below	(2,573)	1,216	(1,357)	(1,439)	-	(12)	-	-	(2,808)
Gross profit	1,117	1,216	2,333	1,373	-	(12)	-	-	948
Depreciation and amortisation	-	(1,353)	(1,353)	1,087	22	(9)	-	-	(253)
Allowance for (recovery of) credit losses	(13)	0	(13)	-	-	-	-	-	(13)
Sales and marketing	-	(189)	(189)	-	1	-	-	-	(188)
General and administrative expenses	(593)	279	(314)	(6)	(1)	(2)	(1)	-	(326)
Impairment of long-lived assets and goodwill	-	32	32	(102)	-	(13)	-	-	(83)
(Gain) loss on disposal of long-lived assets and other (credits) costs	-	21	21	23	-	13	-	-	57
Operating Income (loss)	510	5	516	(371)	22	(22)	(1)	-	142
Other finance costs	(8)	(4)	(12)	(8)	-	-	-	1	(19)
Interest expense	(449)	8	(440)	363	-	-	-	13	(64)
Gain on extinguishment of debt	-	7	7	-	-	-	-	8	16
Foreign currency (loss) gain	-	(17)	(17)	-	-	-	-	-	(17)
Income (loss) before income taxes and share of (loss) from equity method investments	53	0	53	(16)	22	(22)	(1)	22	58
Income tax (expense) benefit	(34)	0	(34)	-	-	-	-	(6)	(40)
Share of loss from equity method investments	(1)	-	(1)	1	-	(1)	-	-	(0)
Net income (loss)	19	0	19	(15)	22	(23)	(1)	16	18
Net loss (income) attributable to non-controlling interests	(0)	-	(0)	-	-	-	-	-	-
Net income (loss) attributable to the Company	19	0	19	(15)	22	(23)	(1)	16	18

Alternative Performance Measures | Adjusted EBITDA and Net Debt

Adjusted EBITDA	US GAAP (\$'m)	US GAAP (\$'m)	US GAAP (\$'m)	Ref
	FY2024	FY2023	FY2022	
Operating income (loss)	142	(98)	(169)	[1]
Add back:	333	386	369	
Depreciation and amortization	253	293	265	[2]
Wind down landlord contributions	80	93	104	[3]
Adjusting items:	26	175	51	
Impairment	83	143	84	[4]
Closure (credits) costs	(57)	32	(33)	[5]
Adjusted EBITDA	501	463	251	

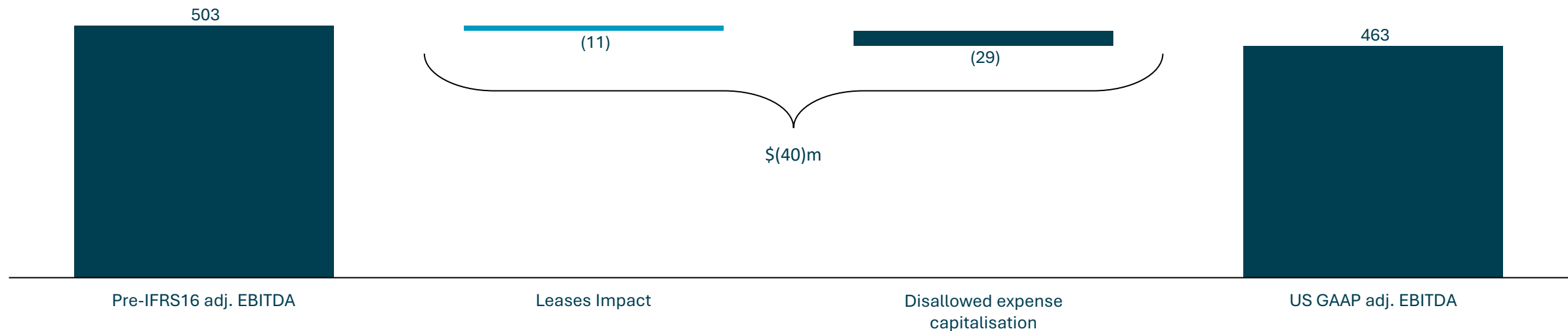
Ref

- 1 2024 US GAAP consolidated statement of operations, Operating income (loss)
- 2 2024 US GAAP consolidated statement of operations, Depreciation and amortisation (net of D&A of LLC)
- 3 2024 US GAAP financial statements, Note 12, Property & Equipment, net
- 4 2024 US GAAP consolidated statement of operations, Impairment of long-lived assets and goodwill
- 5 2024 US GAAP consolidated statement of operations, (Gain) loss on disposal of long-lived assets and other closure related (credits) costs
- 6 2024 US GAAP consolidated balance sheet
- 7 Debt portion of cash flow hedges disclosed in Note 14, Fair Value Measurements

Net Debt	US GAAP (\$'m)	US GAAP (\$'m)	Ref
	FY2024	FY2023	
Cash and cash equivalents	(137)	(130)	[6]
Short-term debt, net	212	17	[6]
Long-term debt, net	633	921	[6]
Cash flow hedge liabilities	21	-	[7]
Net Debt	729	808	

Pre-IFRS16 to US GAAP bridge

FY23 Adjusted EBITDA (\$'m)



Leases impact comprises a positive impact on adjusted EBITDA due to 1) lower lease / rent expense from impaired centres, offset by 2) recognition of fixed inflators in lease payments

E.g.

- 1) Previously impaired centres that remain open have a lower lease / rent expense under US GAAP,
- 2) Contractual increases in lease / rent expense (e.g. 5% per annum) are straight-lined over the period of a lease for US GAAP and expensed as you go under pre-IFRS16

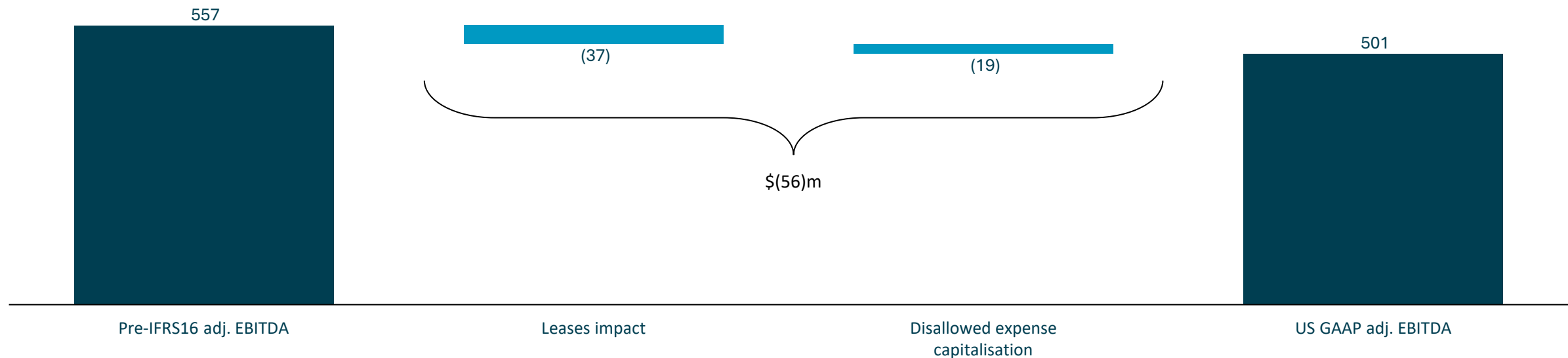
Capitalised expenses required to be expensed under US GAAP

E.g.

Pre-opening costs are expensed as you go and are not allowed to be capitalised under US GAAP

Pre-IFRS16 to US GAAP bridge

FY24 Adjusted EBITDA (\$'m)



Leases impact comprises a positive impact on adjusted EBITDA due to 1) lower lease / rent expense from impaired centres, offset by 2) recognition of fixed inflators in lease payments.

E.g.

- 1) Previously impaired centres that remain open have a lower lease / rent expense under US GAAP.
- 2) Contractual increases in lease / rent expense (e.g. 5% per annum) are straight-lined over the period of a lease for US GAAP and expensed as you go under pre-IFRS16.

Capitalised expenses required to be expensed under US GAAP.

E.g.

Pre-opening costs are expensed as you go and are not allowed to be capitalised under US GAAP.

US GAAP | Balance sheet

(in millions, except share and per share amounts)

Assets**Current assets:**

Cash and cash equivalents
Accounts receivable, net
Prepaid expenses
Other current assets

Total current assets**Non-current assets:**

Operating lease right-of-use assets
Property and equipment, net
Intangible assets, net
Deferred tax asset
Goodwill, net
Equity method investments
Other non-current assets

Total assets**Liabilities****Current liabilities:**

Accounts payable
Short-term debt, net
Deferred revenue
Customer deposits
Operating lease liabilities
Accrued expenses and other current liabilities

Total current liabilities**Non-current liabilities:**

Long-term debt, net
Long-term operating lease liabilities
Other non-current liabilities

Total liabilities

As of December 31,			
2024		2023	
\$	137	\$	130
	651		628
	152		162
	391		388
	1,331		1,308
	5,161		5,881
	784		919
	176		198
	357		353
	1,173		1,197
	54		53
	76		74
\$	9,112	\$	9,983
\$	232	\$	310
	212		17
	539		567
	584		585
	1,154		1,215
	887		835
	3,608		3,529
	633		921
	4,989		5,673
	91		101
\$	9,321	\$	10,224

US GAAP | Balance sheet

(in millions, except share and per share amounts)

Shareholders’ deficit

	As of December 31,	
	2024	2023
Common stock; par value \$0.0124; 8,000,000,000 shares authorised, 1,057,248,651 issued and outstanding as of December 31, 2024 and 2023, respectively	13	13
Treasury stock, at cost; 45,241,020 shares at December 31, 2024 and 50,558,201 shares at December 31, 2023	(182)	(194)
Additional paid-in capital	493	491
Accumulated deficit	(268)	(269)
Accumulated other comprehensive (loss)	(313)	(345)
Total shareholders’ deficit	(257)	(304)
Noncontrolling interests	48	63
Total shareholders’ deficit	(209)	(241)
Total liabilities and shareholders’ equity	\$ 9,112	\$ 9,983

IFRS to US GAAP bridge | Balance sheet

– Assets & Liabilities

	IFRS (\$'m) Reported	US GAAP presentation reclasses	IFRS (\$'m) After reclasses	US GAAP Adjustments						US GAAP (\$'m)
FY24			FY24	Opening balance adjustments - Leases	Opening balance adjustments – Other ³	1. Leases	2. Intangibles	3. Capex (incl. LL TI) and closure costs	4. Acquisitions and Disposals	5. Taxes and Other
ASSETS										
Current assets:										
Cash and cash equivalents	148	(11)	137	-	-	-	-	-	-	137
Accounts receivable, net	1,128	(477)	651	-	(0)	-	-	-	-	651
Prepaid expenses	-	129	129	2	1	9	5	-	-	152
Other current assets	63	359	422	(43)	(7)	15	-	-	-	391
Total current assets	1,340	-	1,340	(41)	(6)	24	5	-	-	1,331
Non-current assets:										
Operating lease right-of-use assets	4,940	-	4,940	308	-	(88)	-	-	-	5,161
Property and equipment, net	1,176	-	1,176	(122)	(269)	20	-	(20)	-	784
Intangible assets, net	227	-	227	-	(68)	-	18	-	-	176
Deferred tax asset	586	-	586	-	(223)	-	-	-	-	357
Goodwill, net	1,149	-	1,149	31	(7)	(1)	-	-	-	1,173
Equity method investments	56	-	56	2	(5)	1	-	(1)	-	54
Other non-current assets	160 ¹	-	160	(81)	7	(6)	-	-	-	76
Total assets	9,633	-	9,633	97	(570)	(50)	23	(21)	-	9,112
LIABILITIES										
Current liabilities:										
Accounts payable	1,599	(1,368)	232	-	-	-	-	-	-	232
Short-term debt, net	206	-	206	-	-	-	-	-	6	212
Deferred revenue	525	-	525	15	-	(1)	-	-	-	539
Customer deposits	-	584	584	-	-	-	-	-	-	584
Operating lease liabilities	1,132	-	1,132	37	-	(15)	-	-	-	1,154
Accrued expenses and other current liabilities	102 ²	785	887	4	(29)	21	-	-	4	887
Total current liabilities	3,563	-	3,563	56	(29)	5	-	-	10	3,608
Non-current liabilities:										
Long-term debt, net	633	-	633	-	22	-	-	-	(22)	633
Deferred tax liabilities	220	-	220	-	(220)	-	-	-	0	0
Long-term operating lease liabilities	5,031	-	5,031	(5)	-	(38)	-	-	-	4,989
Other non-current liabilities	43	-	43	-	50	-	-	1	1	91
Total liabilities	9,490	-	9,490	52	(177)	(33)	-	1	1	9,321

■ New lines ■ IFRS ■ US GAAP

1. Other long-term receivables, Non-current net investment in finance lease and Non-current derivative financial asset; 2. Corporation tax payable, Provisions (Current), Current Derivative liabilities; 3. Includes impact of non-reversal of PPE impairments

IFRS to US GAAP bridge | Balance sheet - Equity

	IFRS (\$'m) Reported	US GAAP presentation reclasses	IFRS (\$'m) After reclasses	US GAAP Adjustments							US GAAP (\$'m)
	FY24		FY24	Opening balance adjustments - Leases	Opening balance adjustments – Other ⁴	1. Leases	2. Intangibles	3. Capex (incl. LL TI) and closure costs	4. Acquisitions and Disposals	5. Taxes and Other	FY24
Equity:											
Common stock; par value \$0.0124; 8,000,000,000 shares authorised, 1,057,248,651 issued and outstanding as of December 31, 2024 and 2023, respectively	13	-	13	-	-	-	-	-	-	-	13
Treasury stock, at cost; 45,241,020 shares at December 31, 2024 and 50,558,201 shares at December 31, 2023	(182)	-	(182)	-	-	-	-	-	-	-	(182)
Additional paid-in capital	440 ¹	(24)	416	-	76	-	-	-	-	2	493
Accumulated deficit	128 ²	24	152	56	(472)	(15)	22	(23)	(1)	14	(268)
Accumulated other comprehensive (loss)	(306) ³	-	(306)	(11)	6	(2)	1	1	0	(2)	(313)
Total shareholders' equity - the Company	93	-	93	45	(391)	(17)	23	(22)	(1)	14	(257)
Noncontrolling interests	50	-	50	-	(2)	-	-	-	-	-	48
Total shareholders' equity	143	-	143	45	(393)	(17)	23	(22)	(1)	14	(209)

■ New lines ■ IFRS ■ US GAAP

1. Other Reserves & Share Premium; 2. Retained Earnings; 3. Foreign Currency Translation Reserve and Hedging Reserves; 4. Includes impact of non-reversal of PPE impairments

US GAAP | Cash flow statement

(in millions)	Year Ended December 31,		
	2024	2023	2022
Cash Flows from Operating Activities:			
Net income (loss)	\$ 18	\$ (209)	\$ (192)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortisation	253	293	265
Operating lease cost	1,394	1,444	1,436
Stock-based compensation	2	7	5
Deferred income tax (benefit) expense	(7)	12	(79)
Allowance for (recovery of) credit losses	13	19	(8)
Share of loss from equity method investments	-	1	1
Impairment of goodwill and other assets	83	143	84
(Gain) loss on disposal of assets	(45)	18	(23)
Gain on extinguishment of debt	(16)	-	-
Increase (decrease) in provision	2	(31)	47
Changes in operating assets and liabilities:			
Accounts receivable and prepaid expenses	(58)	(30)	(111)
Other current assets and non-current asset	(67)	27	(12)
Accounts payable, accrued expenses, and other liabilities	34	114	60
Deferred revenue	(10)	(13)	91
Customer deposits	21	34	41
Operating lease liabilities	(1,424)	(1,488)	(1,486)
Proceeds from landlord contributions ¹	56	57	63
Other operating activities, net	23	1	3
Net cash provided by operating activities	272	399	185
Cash Flows from Investing Activities:			
Purchases of property and equipment	(137)	(189)	(251)
Additions to intangible assets	(31)	(44)	(18)
Acquisition of companies, net of cash acquired	(3)	(7)	(398)
Proceeds from sales of business, net of cash disposed	-	-	2
Other investing activities, net	-	-	1
Net cash used for investing activities	(171)	(240)	(664)

US GAAP | Cash flow statement (cont.)

(in millions)	Year Ended December 31,		
	2024	2023	2022
Cash Flows from Financing Activities:			
Proceeds from issuance of long-term debt	808	1,237	1,684
Proceeds from issue of Euro bonds	669	-	-
Payment of debt issuance cost	(30)	-	-
Repayment of long-term debt	(1,278)	(1,443)	(1,165)
Repayment of convertible bonds	(228)	-	-
Dividends paid	(17)	-	-
Issuance of noncontrolling interests	-	-	69
Purchase of treasury shares	-	-	(6)
Contingent consideration payment on acquisition of companies	(1)	(6)	-
Other financing activities, net	(2)	(3)	-
Net cash (used for) provided by financing activities	(79)	(215)	582
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(15)	3	(14)
Changes in cash, cash equivalents and restricted cash	22	(56)	103
Net increase (decrease) in cash, cash equivalents and restricted cash	7	(53)	89
Cash, cash equivalents and restricted cash at beginning of period ²	141	194	105
Cash, cash equivalents and restricted cash at end of period²	\$ 148	\$ 141	\$ 194

¹ During the years ended December 31, 2024, 2023, and 2022, the total proceeds from landlord contributions were \$56 million, \$57 million, and \$63 million, respectively. These amounts include reimbursements for costs of \$8 million, \$27 million, and \$23 million, as well as lease incentives of \$48 million, \$30 million, and \$40 million.

² Restricted cash is presented within Other current assets and Other non-current assets. Refer to Footnote 1, *Description of the Business and Summary of Significant Accounting Policies*, for further details.

Pre-IFRS16 to US GAAP bridge | Cash flow

	Pre-IFRS16 (\$'m) Reported FY24	Change	US GAAP (\$'m) FY24
Adjusted EBITDA - PRE-IFRS16 / US GAAP	557	(56)	501
Working capital (excl. amortisation of landlord contributions on leased property)	(56)	(3)	(59)
Working capital related to the amortisation of landlord contributions on leased property	(110)	(7)	(117)
Maintenance capital expenditure (net)	(94)	31	(63)
Cash inflow/(outflow) from business activities	297	(35)	262
Tax paid	(35)	0	(35)
Finance costs on bank & other facilities	(72)	(2)	(74)
Cash inflow/(outflow) before growth capex and corporate activities	190	(37)	153
Gross growth capital expenditure	(132)	39	(93)
Growth-related landlord contributions	44	0	44
Net growth capital expenditure	(88)	39	(49)
Purchase of subsidiary undertakings (net of cash)	(5)	2	(3)
Cash inflow/(outflow) before corporate activities	97	4	101
Proceeds from issue of loans, net of related transaction costs	809	(1)	808
Proceeds from issue of Eurobond, net of related transaction costs	650	19	669
Other finance transaction costs	(11)	(19)	(30)
Repayment of loans	(1,279)	1	(1,278)
Repayment of Convertible bond	(228)	0	(228)
Payment of ordinary dividend	(17)	0	(17)
Other corporate items	0	(0)	
Contingent consideration payment on acquisition of companies		(1)	(1)
Other financing activities, net		(2)	(2)
Net cash inflow/(outflow) for the year	21	1	22
Opening net cash	141	1	141
FX movements	(14)	(2)	(15)
Closing cash	148	(0)	148

■ New lines ■ IFRS ■ US GAAP

- Under IFRS (and pre-IFRS16), capex is recognised on an accrual basis with the balance being recognised through working capital when the capex is actually paid.
 - During 2024, IWG received invoices for capex-related activity which were paid during H1 2025.
 - As a result, US GAAP capex during 2024 was lower with a corresponding benefit to accounts payable.
- Historically, on renewal of leases, stamp duty (and equivalent taxes) have been recognised as maintenance capex.
 - Under US GAAP, stamp duty is included into the ROU asset and therefore forms part of the lease expense – the cash impact being recognised through working capital.
- Additionally, some items were capitalised under IFRS but are expensed under US GAAP. These cashflows are included in cash flows from business activities, predominantly lease payments, under US GAAP rather than included in capex.

Like-for-like guidance under US GAAP

KPI	pre-IFRS16	US GAAP	Comments
Medium-term adjusted EBITDA	\$1bn	\$1bn	Unchanged – remains medium term target as leases impact reduces
2025 adjusted EBITDA	\$580m-\$620m	\$525m-\$565m	Recalibrated like-for-like in line with 2024 US GAAP impact on adjusted EBITDA
Net Debt	"Around \$700m"	"Around \$720m"	Adjusted in line with 2024 US GAAP impact on Net Debt
Cash flow from operations before corporate activities	Above 2024 levels	Above 2024 levels	Unchanged
Growth capex	No total given, but no more than \$25m for centres	No more than \$25m for centres	Unchanged
Maintenance Capex	\$100m	\$100m	Unchanged
Signings	Above 2024 levels	Above 2024 levels	Unchanged
Openings	Above 2024 levels	Above 2024 levels	Unchanged