

Enabling productivity

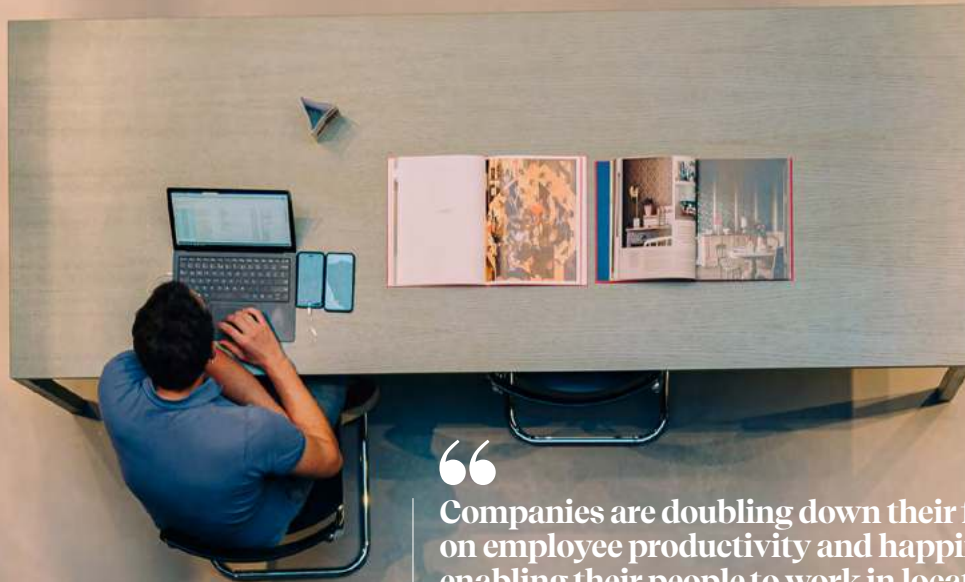
everywhere



Annual Report and Accounts
2024

What we do

We help millions of people and their businesses to work more productively across the globe. We do so by providing a choice of professional, inspiring and collaborative workspaces, communities and services.



“

Companies are doubling down their focus on employee productivity and happiness, enabling their people to work in locations closer to where they live. This shift is empowering International Workplace Group plc's rapid growth, right across the world.”

Mark Dixon, Founder and CEO, IWG

Spaces
Urecht, Netherlands

Using our Annual Report

This year's Annual Report and Accounts ('Report') is specifically designed to help you navigate interactively through the different sections. By using the controls and section tabs to the right, you can flick between pages and sections. The icons below will allow access to more content in the Report and on our website.

Throughout this report you can find links to our complementary suite of reporting by following these icons:

-  Online at our website iwgplc.com
-  Watch a video
-  Within another section of this report
-  In another International Workplace Group plc publication
-  Case study

Enabling Productivity, Everywhere

Growing demand for flexible and hybrid working is the driving force behind International Workplace Group plc's rapid global growth and its advantages ensure that it's here to stay.



Chairman's statement

See page

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Chief Executive Officer's review

See page

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A community connected by the world’s largest platform for work



Financial Highlights

System wide revenue (\$)

4,231m

Adjusted EBITDA (\$)

557m¹

Net financial debt (\$)

712m

1. Adjusted EBITDA before the application of IFRS 16.

Non-financial Highlights

New openings

624

New signings

899

Sustainability Highlights

Intensity reduction in Scope 1 and Scope 2 market-based carbon emissions per sqm

26%

Absolute reduction in Scope 1 and Scope 2 market-based emissions

25%

Centres utilising renewable electricity

1,409

Donated to charitable organisations (\$)

1.23m

See page 22 for full Key Performance Indicators

Hybrid working - enabling productivity everywhere

Right across the world, multiple organisations are experiencing first-hand the benefits of hybrid working where it matters most: on the balance sheet; in the wellbeing, commitment and productivity of their people; in a reduced carbon footprint; and through more positive social impact.

And these benefits don't stop there. Data from the global sustainability consultancy firm Arup in partnership with International Workplace Group plc shows that by reducing the need to commute, hybrid working can cut urban carbon emissions by a staggering 87% in the US and 70% in the UK³. At the same time, local communities are set to see major increases in the numbers of skilled people working locally, significantly boosting their economies through the increased number of businesses in the area and the heightened use of local services and retail.

Significantly reduced costs

It is becoming increasingly recognised that companies using the hybrid model are gaining from very significant savings, generated by the move away from fixed long-term and expensive leases on traditional real estate. Cisco Systems, for example, saved an extraordinary \$500 million during the five years following its shift to hybrid. A report from Global Workforce Analytics concludes that employers using the hybrid model should be able to save about \$11,000 annually for every one of their employees working in the hybrid model⁴.

There is a wealth of data to demonstrate the gains that more localised working delivers, from research showing:

90%
of CEOs say hybrid is saving them money¹

75%
of hybrid and remote workers report better physical health

88%
of hybrid and remote workers report better job satisfaction

75%
of hybrid and remote workers report better work-life balance²

Little wonder that such a high proportion of CEOs say they have reduced costs by adopting hybrid working.

Enabling productivity everywhere for better business performance

As a uniquely powerful driver of increased profitability, reduced costs go hand-in-hand with better employee productivity for companies using hybrid.

IWG research among US-based CEOs shows 63% reporting that their employees are more productive. Professor Nicholas Bloom of Stanford University, acknowledged as the leading academic in the future of work, has concluded that the average productivity boost gained by hybrid businesses stands at 3% to 4%.

Professor Bloom is also co-author of a study into how American hybrid workers are using the 60 million hours released every day across the national workforce by not having to commute. This showed they are spending on average 35% of the time released on their primary work, significantly boosting their productivity.



“Every firm out there is doing hybrid because it’s such a no-brainer to increase profit.”

Professor Nicholas Bloom
William Eberle Professor of Economics,
Stanford University.

1. IWG US CEO survey.
2. International Workplace Group 2025 White Paper. Accelerating Action: How Hybrid Working Can Fast-Track Equality at Work for Women.
3. Arup research.
4. Global Workforce Analytics.

Hybrid working - enabling employee happiness

The positive impact of the hybrid model on business performance is only part of the story. Widespread benefits for people's everyday lives, the environment and local communities are further essential gains that companies, the people working for them and the families they support are benefiting from, right across the world.

A key factor in employee attraction and retention

Factors including the reduced need to commute and the opportunity to spend more time with friends and family are making hybrid working an extremely attractive option for employees.

Recent research among 500 in-house and agency recruiters shows that hybrid is fast becoming an essential must-have for workers, with 75% saying they'd had candidates reject job opportunities that didn't offer flexible working and 72% saying firms that don't offer it are becoming less attractive to talent⁵.

As a corollary, employers are regularly reporting improved employee loyalty levels since making the shift to hybrid: 59% of CEOs questioned in one study said they had seen better attraction and retention following the change.

5. How rigid office mandates are losing companies talent – HRreview.

6. Owl Labs research.

7. Commuting and Wellbeing: Dr K. Chatterjee et alia.

8. The IWG Hybrid Working Calculator: US figure based on four days a week spent working locally and travelling one day a week to a central office. Includes incidental costs such as food and drink. UK figure based on three days a week spent working locally and travelling two days a week to a central office. Only transport costs included.

9. Arup research, 2023.

Significantly improved mental health and happiness

Quoting studies from Owl Labs and Ergotron, Bryan Robinson Ph.D. of the University of North Carolina has highlighted how remote and hybrid workers are 22% happier than those working without flexibility and stay longer in their jobs⁶.

Of the 1,000 fulltime workers sampled in the Ergotron research, he wrote, 88% cited better job satisfaction, while 75% reported improved physical health and work-life balance.

The single biggest driver of greater employee happiness, meanwhile, is the reduced need to commute to city centres. This is the key finding of a study led by Dr Kiron Chatterjee of the University of the West of England, confirming the opportunities hybrid offers for improved subjective wellbeing⁷.

Employees achieving important financial gains

Reduced commuting is also a major contributor to another key factor for employees: significant financial savings, putting people in a better position to meet their personal goals.

Recent IWG research undertaken with Development Economics has revealed the value of these savings, amounting to over \$30,000 each year in the US and £13,000 in the UK⁸.

An overwhelming majority (86% in the UK and 84% in the US) say that such savings have put them in a better position to meet goals like saving for a rainy day, paying off debts, saving for holidays and creating a deposit to buy a home.

Much reduced environmental impact

But perhaps the most important positive impact of the reduced need to commute that results from hybrid working is the greatly reduced carbon emissions associated with it.

Research from Arup has established that hybrid working can reduce urban carbon emissions by 70% in the UK, which sounds staggering until compared with the US figure of up to 87%⁹.

At a city level, this means potential reductions of up to 87% in Los Angeles and 82% in New York. In the UK, Glasgow (80%), Manchester (70%) and London (49%) all showed considerable improvement potential.

Communities benefiting from talent retention

Arup research also suggests that smaller towns in the US could see an increase in white-collar worker numbers of 60% over the next 20 years, and an even more extraordinary rise of 175% in the UK.

Citing Chippenham in Wiltshire where IWG has a centre as an example, it shows that the continued uptake of hybrid working could drive a 120% increase in the number of skilled workers in the town, significantly benefiting the local economy and enabling people to spend far more quality time with friends and family.

A better future for all

For businesses, individual employees, communities and the planet as a whole – the hybrid revolution has tangible benefits for everybody. That's why the ways of working it enables are here to stay, delivering enhanced productivity, a significantly better work/life balance and a better future for all.

“Business leaders should embrace the hybrid work revolution and harness its potential to create a healthier, more productive, and more satisfied workforce.”

Dr Gleb Tsipursky
writing in Psychology Today.

75%

of recruiters say candidates rejected job opportunities that didn't offer flexible working.

72%

of recruiters say firms that don't offer it are becoming less attractive to talent.

59%

of CEOs said they had seen better attraction and retention after a change to hybrid.



 Read more about the shift to hybrid working

Reshaping the world of work

The world of work is changing. Working from a hub, home or on the go is the new normal. At International Workplace Group plc, we are the global leaders in hybrid working and our vision is to have a centre serving every community, so our partners can empower businesses and individuals to work flexibly and productively from anywhere in the world.

Our vision

Our vision to have a centre serving every community to support the concept of the '15-minute city' so we and our partners can empower businesses and individuals to work flexibly and productively from anywhere in the world. To do this we are focused on opening local spaces to enable workers to return to an office, rather than the office.

International Workplace Group plc in numbers



10,000
global team members



120
countries we're present in



3,989
workspace locations globally



50
languages spoken by our team



80%
of new openings in suburban locations

Adding value through our brands

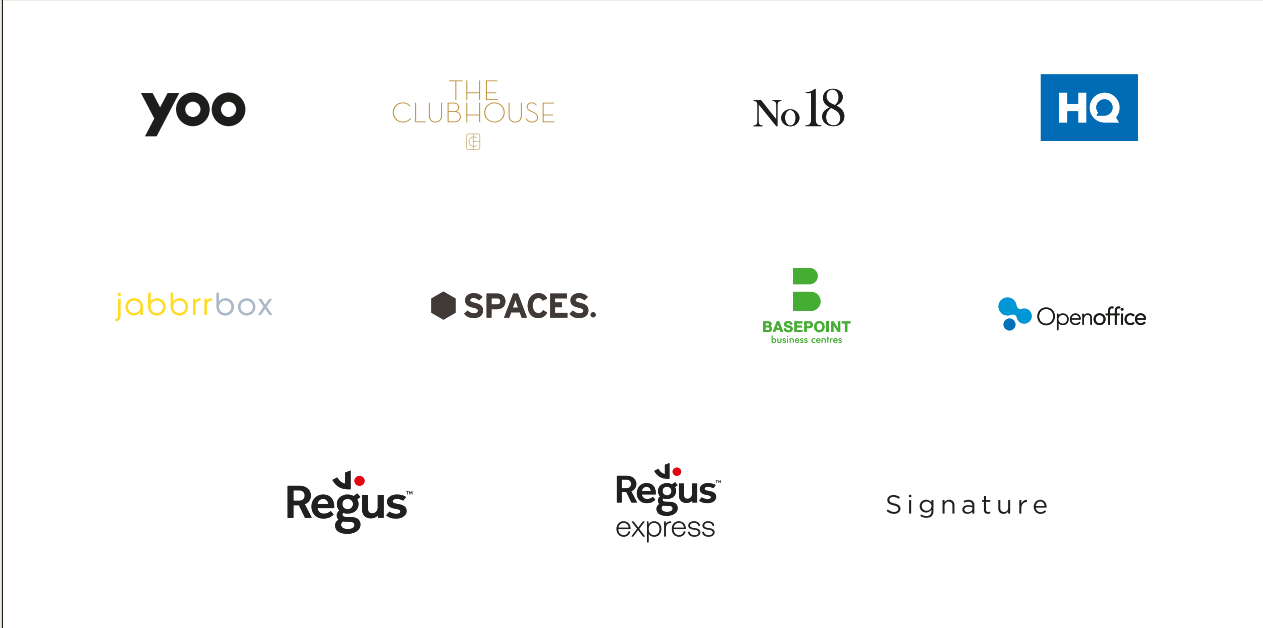
At IWG, our brands form part of the largest workspace platform in the world. As we help businesses and people everywhere re-imagine how they work, what empowers our customers the most is choice.

With a network of thousands of locations globally and a range of solutions, our portfolio of brands enable us to meet different design aesthetics, support different workstyles, while recognising that when it comes to workspace environment, one size does not fit all.

With more than 35 years of experience, part of IWG's role is to help educate, inspire and enable our customers to navigate the world of work and find the right solution and space within our platform that supports their business. We also help our partners capitalise on the rapidly growing hybrid working market by unlocking the value in their empty spaces. They too benefit from a range of brands to choose from to suit their space and local demographic.

What makes us unique from any other workspace provider is our multi-brand approach. Through scale and choice, we are uniquely geared to help businesses of any size, from sole traders and start-ups to many of the largest house-hold names in the world. Our aim is to make workspace simple for everyone – one contract, one price, everything that's needed included.

Our brand portfolio



 [Read more about our brands](#)

Our international brands are some of the world’s **most recognisable workspace brands**

Including some of the world’s most recognisable workspace brands, our global operating brands cover a range of price points and aesthetic requirements to meet the needs of our customers. These are the brands through which we grow our network, from high-end luxury workspace, to a practical and cost-effective fit-out and everything in between.



The world’s flexible workspace experts

Regus was founded in 1989 to support any individual or business looking for a professional workspace environment that gives them the scale they need to succeed. With the largest network of workspaces, Regus enables everyone to find a workspace that’s closer to home, so everyone can enjoy a happier, healthier and more productive lifestyle.



Beautifully designed collaborative workspace

Spaces was founded in 2006 in Amsterdam. It provides workers with beautiful and creative environments where they can be inspired and can connect. Each Spaces is designed to offer a professional and collaborative working environment full of timeless design classics, inspiring art and accessories combined with a thriving business community of like-minded professionals.



All the essentials in one workspace

HQ provides efficient, functional space, offering practical places with all the essentials businesses need, set up and ready-to-go. HQ appeals to businesses of all shapes and sizes, from large corporates to individual freelancers – everyone is welcome.



Signature

Your key to the world’s ultimate business locations

Signature represents an exclusive selection of landmark buildings in the most sought-after locations in the world. Signature provides a premium working environment, with custom designs reflecting the quality and nature of the building. It provides businesses with ultimate prestige, offering an exclusive address and place to work that truly enhances their reputation, along with a community programme of partnerships, professional events and hospitality services.



Our digital brands and managed office solutions **meet the demand for ‘instant workspace’ and customised solutions**

With the advance of ‘on-demand’ platforms ranging from instant travel to instant accommodation, our digital brands have been built and developed to meet the demand for ‘instant workspace’.



What’s the opportunity?

Our mission statement has always been to provide employees with a great day at work, in a location that is best for employee and employer alike.

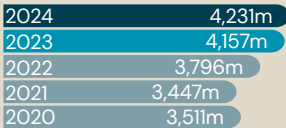
Technological advances over recent years has been an enabler of this huge societal shift and will drive the growth of flexible and hybrid working in the short, medium and long term.

Two of IWG’s biggest strategic advantages are our scale and network. Our scale allows us to pass on our economies of scale to our customers and partners alike and our network allows us to provide better coverage and value proposition to our customers. The flywheel of scale and network drives more partners and customers to us – increasing our scale and network further each day. We opened more locations in 2024 than the second biggest in the industry has open in total – so this moat continually gets deeper and wider.

Why we’re well positioned

System-wide revenue (\$)

4,231m

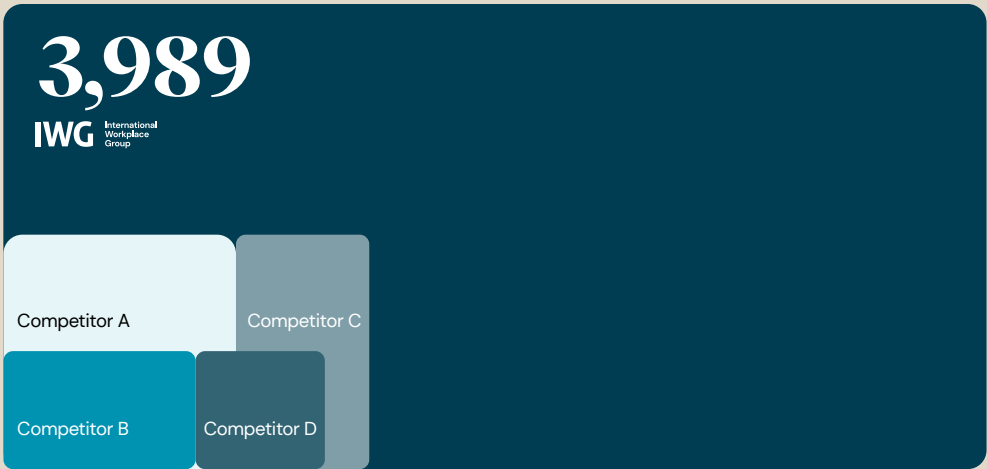


Contribution of each business' (\$)



1. Gross Profit excluding depreciation before the application of IFRS 16 defined in the alternative performance measures section.
2. Underlying contribution growth excluding the single contract loss.

Market leading global network



A strategy for growth

Unique global network

- IWG is focused on the delivery of a flexible workspace platform to millions of customers across 120 countries
- 3,989 locations globally including 624 opened in 2024
- Our multi-brand model allows us to appropriately segment the marketplace so we can be the solution for the whole market

Sustainable, long-term partnerships

- IWG is focused on fostering long-term, sustainable relationships with customers and partners to form symbiotic relationships
- Building owners
 - Franchise investors
 - Institutional developers and investors

Seamless platform

- We provide a platform solution to employers and employees alike to enable them to benefit from the huge advantages that flexible work platforms can bring
- Integrated technology
- Global platform infrastructure

Read more on page 21



Customer case study: Global Technology Company

8,300

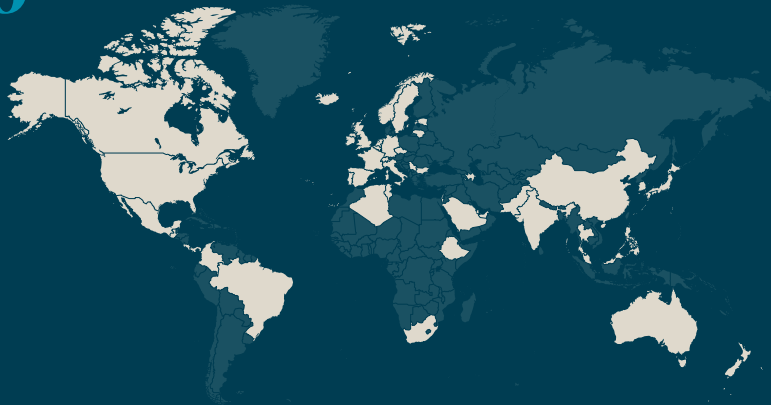
drop-in visits¹

957

locations used¹

44

countries covered¹



Flex journey

- IWG worked with our client to provide access for its 120,000 employees to our global network of locations
- The client subsequently opened branded collaborative spaces in multiple IWG locations
- Our client has recently required all staff to return to the office, with a “check-in” at an IWG location being included as an office visit
- IWG’s flexible solution has received strong support from the client, supporting their staff’s hybrid working requirement and reducing their need for long term real estate

1. KPIs and Financial metrics based on FY2023 usage of IWG’s network

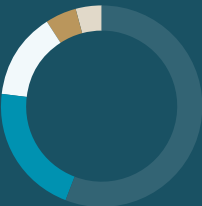
Network usage by the customer

Revenue by product type



Office	74%
Meeting room	11%
Day office	4%
Parking	7%
Services	4%

Revenue by geography



UK	56%
Europe	21%
Americas	14%
APAC	5%
MEA	4%



Demand for innovative workspace solutions has accelerated the growth of our network



“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.”

Douglas Sutherland
Chairman

3,989
locations

\$2tn
Our industry is expected
to be worth more than



See page 22 for full
Key Performance Indicators

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 our building owner partners we provide strong returns from flexible workspace, simplifying the process by providing everything needed to operate the business successfully.”



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
17 March 2025



“
I am confident that in 2025 and beyond IWG will continue to build on the strengths developed over the last 35 years.”

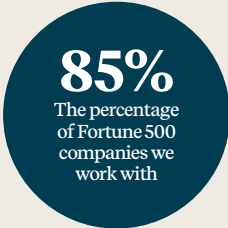


Record revenue and network expansion paves the way for continued growth



“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.”

Mark Dixon
Chief Executive Officer



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 millions of 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 IWG 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, the vast majority 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.

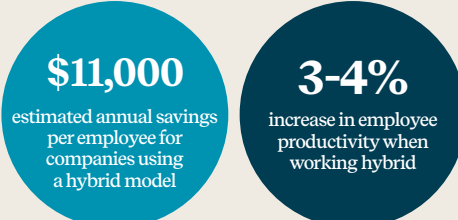
We will continue to make ongoing investments into our world class platform as well as focusing on the rapid growth of network coverage in partnership with the property industry and investors using capital-light expansion methods such as management agreements, partnering deals and franchising.

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.

“
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.”



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
17 March 2025

“
2024 was a record year for both revenue and network expansion and provides the foundations for continued growth in the year ahead.”



The growing flexible workspace market

Across the world, significant forces are influencing the future development of the flexible and hybrid workspace market. The underlying themes have been in place for a long time and have dramatically accelerated as technological advances supports the structural shift. The pandemic at the start of this decade helped to accelerate the shift, but the underlying drivers are far more powerful and getting stronger. Here we reflect on how the ways we react to change are enabling us to strengthen our position as the global market leader.

Market drivers	Trends and industry impact Environmental Concerns By supporting employees working at or near home, a reduction in commuting needs is one of the single biggest contributions organisations can make to reduce their carbon footprint. Taking positive action is broadly seen as a key driver of hiring and retaining talent and allows an increasing sense of shared responsibility and global citizenship. Societal Change Flexibility in working hours and location is increasingly being seen as a pre-requisite for many people. Research shows that the majority of people want to work from an office, but they don't want the commute. Demand from companies of all sizes for high-quality accommodation and services in local markets continues to accelerate. Evolving global economy Corporates and consumers alike are aiming to increase flexibility in every facet of their lives. Companies across the world are aiming to reflect their business priorities in their real estate strategies. For many, this includes increasing operational flexibility while driving down overall costs, entering new markets, and initiating new ways of maintaining closer relationships with customers and suppliers alike.	How are we responding - Investing in highly efficient, intelligent, green buildings, continuously upgrading our estate and enabling reduced commuting by opening more locations outside city centres. - Upgrading or closing inefficient centres to improve environmental performance across our portfolio. - Supporting new ways of working that allow people everywhere to contribute to the carbon reduction agenda. - Our network expansion is focused on local markets, enabled and accelerated by our capital-light growth strategy that is driving our global presence towards our long-term aspiration of reaching 30,000 centres. - We ensure our customers gain from our scale, brand portfolio and service levels at every stage of their development. - We enable our customers to participate in our local social investment programmes across the world. - We provide 'hub-and-spoke' infrastructure to meet national and regional development plans. - Our sophisticated global platform allows immediate personalised support to meet emerging customer needs. - Our global network supports a worldwide, regional and local presence wherever required, allowing customers to make rapid shifts in location, scale, strategy and customer focus.
	Market enablers Advancing technology Historically, video-conferencing and virtual meetings were out of reach for many due to availability / quality and expense. Teams, Zoom et al didn't really exist pre pandemic for many – this is clearly not the case today allowing employees to work from anywhere and still be able to collaborate. Advances in AI are further enabling the rise of hybrid working as it opens up ever more locations for people to collaborate across the globe regardless of where they are physically located. Agile property models Corporates increasingly need to be poised for rapid reinvention in an ever-more complex and competitive environment. To support rapid shifts in strategy, scale and location, businesses are increasingly demanding highly efficient, green, intelligent buildings, high-quality services and solutions that extend far beyond just a simple headquarters building.	- We leverage our unmatched insight into the technological needs and expectations of businesses, delivered by millions of individuals who use our services every day. - We continually invest in world-class, resilient IT infrastructure, innovative digital offerings and services at all our centres. - With thousands of centres worldwide, we provide the resilience and global infrastructure to meet every flexible-working need. - We can respond quickly and fluidly to rapidly changing needs and demands by developing bespoke solutions that can be rapidly engineered for global uptake. - We have the experience, scale and investment power to deliver and continuously upgrade in line with individual expectations. - Our network comprises a wide variety of building types able to serve even complex business needs.

Creating value through our unique offer

As we head towards our fifth decade of operating, we have successfully developed our business model to deliver cash flow from our three divisions. Today, with our unmatched scale and network, our unique multi-brand approach and highly efficient platform, IWG is set for unprecedented growth.

Our business is split into three divisions, across two distinct activities.

1. **The IWG Network** – these comprise the physical locations we offer our customers. Run as two divisions – Managed & Franchised and Company-owned
2. **Digital Services** – the digital solution to the flexible work industry

Our mission is to give everyone a great day at work

We are structured across 3 divisions	IWG Network				
	Managed & Franchised	Company-owned	Digital & Professional Services		
Which enable us to	Operate and create access to the largest network of flexible workspace in the world				
Our key inputs are	Partner relationships	People	Network	Brands	
	Formats		Platform		
Supported by our operating model, to drive differentiation	Operational efficiency	Centralised support functions	Managed & Franchised partners		
	Strong governance and risk management		Scaled platform	Multi brand	
Creating value for our stakeholders					
	Customers	Partners	Employees	Communities	Shareholders
Ensuring we deliver on our purpose	To help millions of people have a great day at work				

What we do

We partner with property owners and investors across the world to provide the largest network of flexible workspace for businesses of every type and size. Through our unique global infrastructure, we deliver a comprehensive service that ensures our partners, franchisees and end customers have a great day at work.

Key inputs

Our partner relationships

Our success depends on the success of our partners and franchisees so we use all our experience and expertise to deliver the service and the support they need.

Our people

We employ great people and help them to achieve their full potential so they can drive our and our partner's success.

Our networks

It is our vision to have a centre serving every community to support the concept of the '15 minute city' so we and our partners can empower businesses and individuals to work flexibly and productively from anywhere in the world.

Our brands

Our unique approach to brands allows us to segment the market globally, and on a local basis enables us to offer a solution to all businesses, from a single person all the way up to the biggest companies on the planet, allowing us to maximise uptake and create a unique growth opportunity.

Our formats

Versatile, green, inspiring, secure and practical, our formats drive employee satisfaction and productivity.

Our platform

Our flexible platform features world class, easy to use infrastructure that delivers simple points of access and a great user experience.

How we do it

Creating access to the flexible workspace market Property owners

Our unique portfolio of brands and formats lets building owners select the flexible workspace solution that will add the most value by meeting the needs of the local business community. Our platform and centralised support functions makes implementation simple and efficient.

Our competitive operating model

Operational efficiency

We continuously optimise the performance and effectiveness of our locations. Combined with a disciplined approach to costs, this enables us to deliver long term value. Our platform and centralised support functions underpin IWG's operational efficiency globally.

Centralised support functions

Centralised support functions maximise value for our partners, franchisees, customers and shareholders. From procurement to marketing, we and our stakeholders benefit from economies of scale and global reach to provide consistent support and service to the business.

Managed & Franchised partners

Our partners, whether in a franchise or a managed partnership find it easy to use our business model, brands and access the groups marketing support.

Scaled platform

IWG's different brands operate from a single highly efficient global platform, enabling us to provide workplace solutions across the world that meet every customer's requirements.

Multi-brand

We recognise that there is no 'one size fits all' solution, so we provide a choice of workspace formats through our different brands, formats and workspaces to accommodate our customers' varied needs.

Strong governance and risk management system

Robust governance and a rigorous risk management model underpin our operating model to ensure the business is managed prudently and risks are assessed appropriately.

Helping everyone have a great day at work

At IWG, we have a strong record of delivering value to our key stakeholders, comprising five major groups: **customers, partners, employees, communities and investors.**



Customers

We enable businesses to perform better with more flexibility and agility, staffed by more fulfilled, effective and loyal teams.

Why are they important to us?

IWG exists to serve its customers. By paying for our services, they enable us to consistently improve our global offering with ever-better property models, working environments, value, service and business solutions that collectively add up to a great day at work.

What do they want from us?

Our customers need us to understand their changing needs, responding fast and with precision. This means giving them the flexibility to achieve rapid shifts on cost, location and scale, while providing the great working environments, world-class IT and admin support they need to achieve their business goals.

How do we engage with them?

We empower our customers to choose from a wide range of leading brands, so they can find the precise solution that works best for their business. We also give them and their people all the support they need, wherever they are: in the office, at home and on the move.



Partners

We offer an exciting, sustainable business opportunity powered by our global leadership, unique experience and unrivalled operating platform.

Why are they important to us?

They not only own or manage the buildings where our customers work, they also bring us the benefits of their experience across a range of niche and local markets to deepen our understanding of specific customer needs.

What do they want from us?

Our partners need flexible, bespoke relationships based on shared trust, enabling them to maximise the benefits of our proven business model, our experience, the power of our brands and our global leadership position.

How do we engage with them?

We provide established international sales and marketing channels and comprehensive training from the outset, as well as ongoing support and training from an experienced global team.





“
The combination of our scale and network means we are uniquely positioned to help our partners turn assets into cash generating machines, and enables our customers to fulfil their needs.”



Employees

We recognise the talents of our diverse and passionate workforce across the world, enabling our people to contribute to society while driving successful careers.

Why are they important to us?

They are the public face of IWG. They ensure we deliver customer value and drive our growth, attract new business and deliver the returns our shareholders want.

What do they want from us?

Like everybody else, they want a great day at work, based on mutual loyalty, exciting rewards, effective development opportunities and the benefits associated with working for a global leader.

How do we engage with them?

Our people promise commits us to delivering interesting and achievable work, together with sensitive management, a company that cares, and the opportunity to advance and develop their careers with us.



Communities

We bring employment opportunities to the heart of communities, attracting jobs, reducing unnecessary travel and encouraging social connection.

Why are they important to us?

They are increasingly the source not only of our employees but our customers too, enabling us to grow at scale in multiple local markets across the world.

What do they want from us?

They want us to help them thrive, attracting new employment and enabling local people to work closer to home.

How do we engage with them?

We are a part of the community, and are heavily involved in community projects from education to health-related and other initiatives.



Investors

We deliver sustainable returns via a progressive dividend policy that's enabled by our prudent approach to investment.

Why are they important to us?

They give us the financial support and authorisation we need to continue our unique strategy for growth and strengthen our leadership position in the global flexible workspace sector.

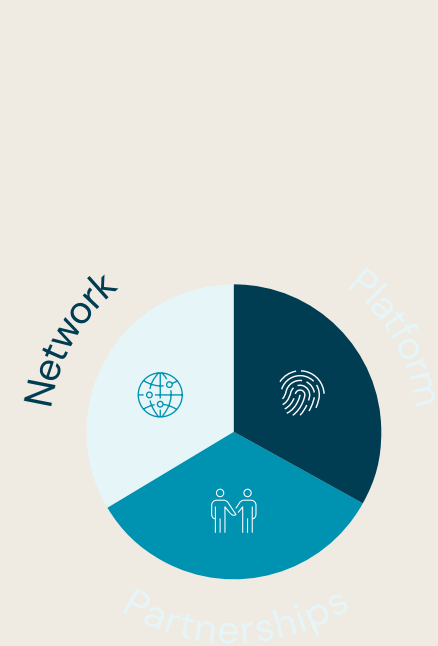
What do they want from us?

Our investors want us to continue articulating and following a consistent strategy, communicating with them clearly and regularly, and giving them the opportunity to comment on our progress.

How do we engage with them?

In 2024, our Investor Relations function held more than 400 meetings with investors and analysts. These meetings were held both virtually and in person across the world.

How we are extending our global market-leadership



Unique global network

Providing high-quality workspace under a multiplicity of leading brands wherever it is required across the world – whether in cities, towns, suburbs and rural locations.

Highlights in the year

- In 2024 we added a record number of new locations to our network
- We opened 624 new, high quality centres across many geographies
- We also signed a further 899 deals with landlords for new locations, further extending our pipeline to add to our network strength

Objectives for 2025 and beyond

- Aspiration of reaching 30,000 centres in the long term
- As we grow our network, the flywheel effect of more coverage, more customers, allows us huge economies of scale further cementing our advantage

How we measure success

- Continuing to profitably grow our network and coverage to provide our customers with locations that suit them



Sustainable, long-term partnerships

Our focus on franchising, and partnering with building owners, to create close, symbiotic relationships and drive significant revenue and cashflow generation, now and into the future.

Highlights in the year

- Our partnership sales team signed a record number of deals with landlords across the world
- These signings also led to record openings
- Heading into 2025, we have a record pipeline of signed, not yet open locations

Objectives for 2025 and beyond

- We expect to sign more locations in 2025 than in 2024
- We also expect to open more new locations in 2025 than in 2024
- This growth is getting broader in more and more countries, and deeper within countries

How we measure success

- Generating revenue for our partners, and fee income for IWG



Seamless platform

Delivering continuous technological development to bring our customers solutions that maximise workforce efficiency, flexibility and loyalty, no matter where their employees work.

Highlights in the year

- We continue to invest in technology to enhance the customer and partner journey
- This investment also allows us to focus on what is best for our customers and partners as we can respond faster and more flexibly to shifts in customer preferences

Objectives for 2025 and beyond

- Drive customers and partners to our business utilising our technology and platform
- Continue to optimise locations and networks
- Utilise more tools such as AI to most efficiently work with our customers and partners

How we measure success

- Creating more flexibility in our business to respond to changing customer and partner preferences
- Using proprietary data to best target how we grow our network and coverage

Sustainable growth

We aim to deliver sustainable profitable growth for our investors through providing customers globally with an unrivalled choice of convenient work environments that suit the full range of workspace and service needs.

Key

Directors' remuneration

Annual bonus targets

Long Term Incentives

1	Industry-leading profitable growth	Adjusted EBITDA ¹ (\$m) 557m (2023: 503m)	2024557m 2023503m 2022383m 2021110m 2020173m	Overview Adjusted EBITDA up 11% to \$557m, reflecting the great progress we have made in focusing on driving revenue through our platform and a laser like focus on costs and efficiency.	Future ambitions and risk Maintaining the strong focus on capital-light growth, creating the world's largest digital workspace platform and continued cost discipline, together with increasing revenue with drive continually improving profitability.	Links
2	Global multi-brand network	Network (locations) 3,989 (2023: 3,514)	20243,989 20233,514 20223,345 20213,314 20202,313	We continue to add quality, convenience and choice to our network in a carefully controlled and risk managed way. We opened 624 new locations in 2024 as we continue to grow our network.	We remain focused on accelerating growth through our capital-light strategy by adding locations to the network. Simultaneously, we will continue to develop our brands to enhance the customer proposition.	
3	Network growth	New openings (locations) 624 (2023: 328)	2024624 2023328 2022152 2021146 2020141	As we continue to add high quality locations to our network, our network and coverage advantage grows and we become more attractive to our customers. We are also driving down unit costs through economies of scale, and this makes us more attractive to partners.	We expect to sign more locations in 2025 than the 899 in 2024, and we expect to open more locations in 2025 than in 2024 as we continue to grow our scale and network advantage.	
4	Capital-light growth	Net growth capital investment (\$m) 88m (2023: 95m)	202488m 202395m 2022173m 2021144m 2020263m	As we continue growing via our capital-light business model, group net growth capital expenditure fell to \$88m. Despite this reduction in capex – we opened the most locations ever in a year.	In 2024 we signed agreements in 899 new locations to be added to our global network. Given the vast majority of these are managed partnerships and capital-light, our net growth capex should continue to decline.	
5	Strong balance sheet	Net Financial Debt / Adjusted EBITDA ¹ 1.3x (2023: 1.5x)	20241.3x 20231.5x 20222.3x 20214.8x 20202.8x	2024 saw the Group continue to deliver the balance sheet and also put in place a longer term sustainable funding structure by refinancing the balance sheet and extending the duration.	The inaugural bond issue backed by a debut investment grade rating puts in place the foundations to support investor returns, whilst also allowing ongoing delivery.	

1. Adjusted EBITDA before the application of IFRS 16.

Three business divisions to deliver a ‘great day at work’

We aim to deliver sustainable profitable growth for our investors through providing customers globally with an unrivalled choice of convenient work environments that suit the full range of workspace and service needs.

Why we have introduced segmental KPIs

We present our business as three divisions, within two distinct business units – the IWG Network comprising our physical locations, and Digital & Professional Services – which is our digital solution. In order to best understand the business, the drivers are somewhat distinct.

1 Managed & Franchised These locations do not have leases or require IWG to spend any capex. IWG receives a management / franchise fee from System revenue. Focus on RevPAR delivery	Fee income (\$m) 79m (2023: 61m) 2024 2023 2022 2021 79m 61m 42m 32m Open Rooms 185,000 (2023: 123,000) 2024 2023 2022 2021 185,000 123,000 92,000 76,000	Recurring management fee income: 79% growth in 2024
2 Company-owned Risk reduced via flexible Special Purpose Vehicle structure. Focus on driving RevPAR and driving margin in the business.	Contribution¹ (\$m) 790m (2023: 711m) 2024 2023 2022 2021 790m 711m 593m 357m Contribution Margin (%) 25% (2023: 22%) 2024 2023 2022 2021 25% 22% 20% 13%	251bps contribution margin expansion
3 Digital & Professional Services This provides access to the entire market, not just the IWG Network. There are limited capex requirements here and the division is moving increasingly to a fee / subscription model.	Revenue (\$m) 389m (2023: 398m) 2024 2023 2022 2021 389m 398m 333m 182m Contribution¹ (\$m) 188m (2023: 204m) 2024 2023 2022 2021 188m 205m 180m 108m	Underlying revenue growth of 8% excluding the single contract loss

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

Record revenue, Record EBITDA, Record centre openings



“2024 has been a record year for the Group, delivering both its highest ever-system 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.”

Charlie Steel,
Chief Financial Officer

\$4.2bn
System revenue

\$557m
EBITDA

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
Gross Margin	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 (c)						
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 \$3m (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)

\$m	2024	2023
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 (2023: \$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
17 March 2025

Sustainable workspaces for all

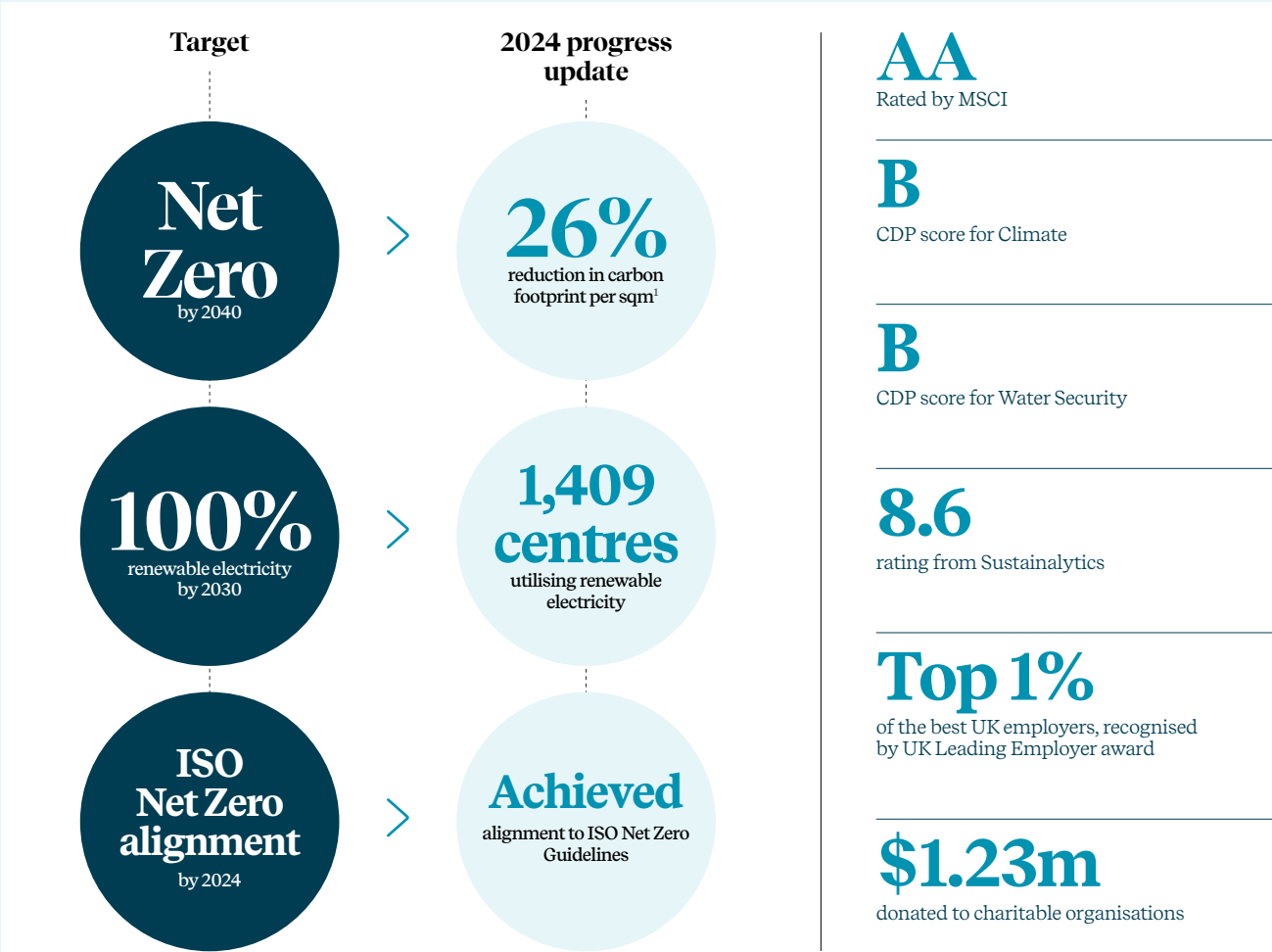
At IWG, we are committed to making a positive impact on the planet. We have successfully achieved our sustainability goals for 2024 and remain focused on pursuing our long term Net Zero ambitions.

We seek to help our customers reduce their carbon emissions through hybrid working solutions that deliver positive impacts for people and planet. By reducing the emissions associated with commuting, we support a low carbon future, addressing the global climate challenge while enhancing work-life balance and productivity for our customers and their employees.

We are also actively working to minimise the carbon footprint of our own operations, demonstrating our commitment to sustainability and a greener future.

“
Our customers not only want access to a network of locations, but they are increasingly concerned about the environmental impact of where they work. IWG is proud to offer flexible workspaces that are better for both people and planet.”

Mark Dixon
Chief Executive Officer



1. Intensity reduction metric in Scope 1 and Scope 2 market-based carbon emissions per sqm.

Our carbon reduction journey so far...

Reducing carbon emissions is core to our business model and integral to how we tackle sustainability.

Our workspaces continue to reduce daily carbon emissions, empowering the transition to hybrid working and directly impacting how people commute and use buildings. As an organisation, IWG offers solutions that bring workplaces closer to where people live and/or transportation hubs. Simultaneously, we aid building owners to provide sustainability-conscious workspaces while ensuring we operate as a responsible business. We are working towards setting both absolute and intensity-based targets by the end of 2025, and continuing to accelerate our decarbonisation efforts each year.

In 2024, we made progress on key milestones to deliver against our long-term targets as shown on the right. We also continued to evolve and align with the International Standardisation Organisation (ISO) Net Zero Guidelines, establishing 2024 as a baseline year for our carbon-reduction strategy and targets. We have achieved a 26% reduction in carbon emission per sqm¹, and now have more than 1,400 buildings that are powered through on-site renewables or certified renewable electricity.

1. Intensity reduction metric in Scope 1 and Scope 2 market-based carbon emissions per sqm.
2. Our emissions have been assured to a limited standard by Apex.

Our progress towards Net Zero²

Our key accomplishments in 2024 included:

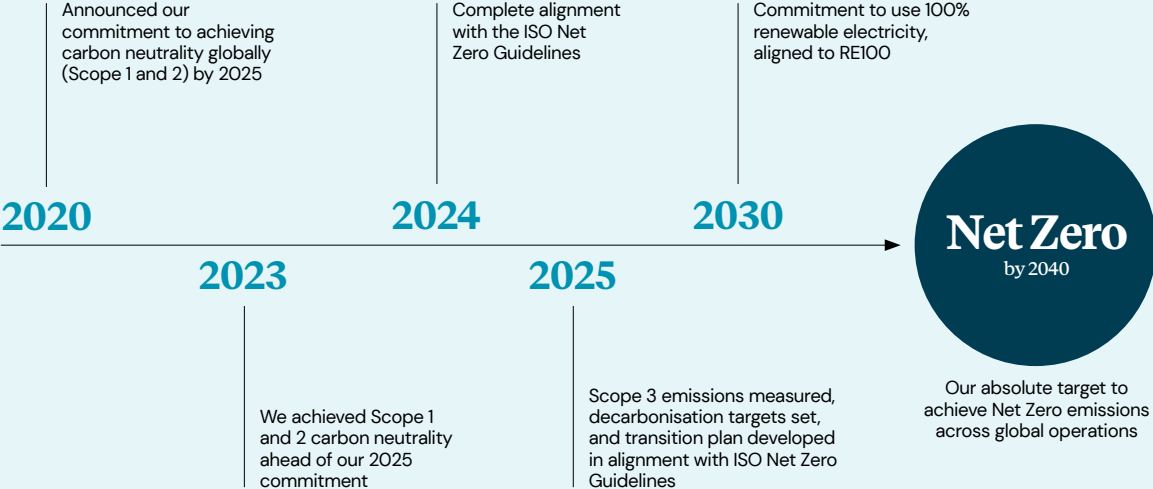
- capturing the totality and ensuring the accuracy of our Scope 1 and 2 carbon footprint;
- commencing Scope 3 inventory definition;
- remaining on track to align with ISO Net Zero Guidelines; and
- preparing for the reporting requirements of the upcoming regulatory Corporate Sustainability Reporting Directive (CSRD).

We have also made significant advancements in our sustainability data platform and governance processes, strengthening the accuracy and reliability of our carbon data. By leveraging AI to process larger volumes of actual data, we reduced our reliance on regional averages, enhancing the precision of our carbon footprint calculations. These improvements align with best practices in data refinement and reinforce the integrity of our environmental data reporting.

The image on the right outlines our accomplishments and our journey towards achieving Net Zero by 2040.

Net Zero by 2040

Our absolute target is to achieve Net Zero emissions across our global operations.



As a member of RE100¹, a global initiative that encourages businesses to use 100% renewable energy, we continued to transition our centres towards using renewable electricity in support of our sustainability goals. This is achieved through accessing on-site renewables from occupied buildings, where feasible, directly procuring renewable tariffs, and obtaining Renewable Electricity Certificates (or the local equivalent).

We have further integrated sustainability principles into our key property lifecycle processes. Updates to our Landlord Lease Agreements, Investment Committee Framework and Site Handover Checklist now ensure the collection of data on the availability of renewable electricity, our fossil fuel usage, and the quarterly sharing of energy consumption data. These enhancements reinforce our commitment to sustainable operations and data-driven decision-making.

We have also continued to expand sustainable practices across the organisation. We continued to localise and further roll out our cleaning programme, which includes increasing sustainable products, reducing waste and improving recycling options.

We are proud of the partnership we have built with Lyreco, with 36% of our spend on cleaning products categorised as environmentally friendly products (e.g. recycled plastic, low toxicity etc.).

We remain committed to advancing our sustainability strategy by providing transparent information on our environmental efforts. This includes our annual reporting through the CDP, showcasing our progress and reinforcing dedication to sustainable practices. We engage our customers and teams in supporting our Net Zero programme through efforts to protect natural resources and reduce waste.

1. Renewable Electricity 100 – <https://www.there100.org/>

Our upcoming priorities

In 2025, we are advancing our sustainability strategy to ensure we continue to drive meaningful progress. The following are key priorities for 2025:

- Emissions Measurement & Transparency: we will measure our complete Scope 1, 2, and 3 emissions in line with the Greenhouse Gas (GHG) Protocol.
- Science Based Targets Initiative (SBTi) aligned Net Zero Transition Plan: we will develop a structured plan aligned to SBTi and ISO Net Zero Guidelines to guide our path to decarbonisation.
- Biodiversity & Natural Capital: we will define a biodiversity strategy and targets to protect the natural resources that are critical to our operations.
- Supply Chain Sustainability: We will define our supply chain engagement strategy and programme, ready for execution in 2026.

Implementing these initiatives enables us to accelerate our decarbonisation efforts and transform our operations and value chain to be more sustainable. This will help pave the way to achieving our long-term Net Zero target with confidence and efficiency.

Understanding our Scope 3 emissions

In line with our ongoing commitment to sustainability, we plan to disclose detailed Scope 3 emissions data in 2025. For 2024, we have identified the Scope 3 categories relevant to our operations.

- Of the 15 Scope 3 categories, 11 are relevant to our upstream and downstream activities:
- Upstream emissions relate to the production of goods and services we purchase or acquire.
 - Downstream emissions relate to the use or disposal of our goods and services.

The table opposite outlines these categories. Calculations are under way and we intend to report our Scope 3 emissions in our FY2025 Annual Report.

Category	Relevance for IWG
1 Purchased Goods & Services	Operational (tangible) products and (intangible) services purchased by IWG e.g. facilities management services, consumables.
2 Capital Goods	Fixed assets or capital investments purchased by IWG e.g. computers, machinery.
3 Fuel & Energy-related Activities	Production, transmission and delivery of fuels and energy consumed by IWG (emissions not already captured in Scope 1 and 2).
4 Upstream Transportation & Distribution	Transportation and distribution of products purchased by IWG. This includes use of warehouses.
5 Waste Generated in Operations	Operational waste from leased and owned offices, and construction waste.
6 Business Travel	Employee travel for business purposes e.g. client meetings, conferences and events.
7 Employee Commuting	Employee commuting and emissions associated with working from home.
9 Downstream Transportation & Distribution	Transportation and distribution of sold products.
11 Use of Sold Products	IWG's sold products, including digital products.
14 Franchises	Operation of franchises not already included in Scope 1 & 2.
15 Investments	Company's investments and joint ventures not already included in Scope 1 & 2.

Building a responsible supply chain

We are committed to maintaining a reliable and responsible supply chain, recognising its critical role in achieving our sustainability goals. We require all supply chain partners to adhere to our Supplier Code of Conduct, ensuring alignment with our values and sustainability commitments.

Building on the launch of our Sustainability Supply Chain Framework in 2023, we conducted a comprehensive review in 2024 to further strengthen the framework. This review incorporated additional data, enabling deeper insights into our supply chain partners and fostering greater transparency.

In 2025, we will continue to enhance our governance processes as part of our commitment to continuous improvement, ensuring stronger oversight, increased accountability and more robust decision-making across our supply chain operations.

In addition, developing a comprehensive supply chain engagement strategy will be a key focus in 2025 as part of developing a credible Net Zero Transition Plan and reducing our Scope 3 emissions. We will pilot the programme with a select number of suppliers in 2025, with a full rollout planned for 2026.

- Our supply chain engagement strategy will include:
- Segmenting and categorising suppliers by sustainability risk and prioritising them based on strategic importance to identify those targeted for engagement;
 - Developing an engagement programme: define outreach materials and a plan with specific milestones, and create a communications plan for effective engagement;
 - A pilot and feedback: pilot the programme with key suppliers to gather input and refine for wider engagement; and
 - Tracking and reporting: define success metrics and reporting mechanisms to monitor and track progress towards targets.

Incorporating circular economy principles into our operations

Another example of our commitment to minimising environmental impact across our value chain is our market-leading furniture reuse programme, which allows customers to choose furniture from our IWG design catalogue. Unused furniture is centrally stored, refurbished and redeployed to the next customer, creating a closed loop system that reduces waste while enabling our growth through the efficient reuse of resources within our existing network.

Making our global office spaces sustainable

To embed sustainability in our capital allocation and long-term investment decisions, we introduced our Centre Sustainability Assessment Questionnaire in 2024. Building managers in our network were requested to complete the questionnaire to help baseline our portfolio for sustainability credentials. The insight from this will help to inform our future portfolio strategy and decisions for building renewals going forward.

Today there are more than 850 buildings with green building certification in our global portfolio.

Number of buildings with globally recognised green building certifications

LEED	296
BREEAM	237
Energy Star	311

* The remaining buildings hold locally recognised certifications (e.g. NABERS, BOMA, etc.)

We are committed to enhancing the sustainability of our workspaces and recognise the importance of aligning with global green building standards as best practice. In 2025, we will develop a comprehensive Green Building Strategy and action plan, aiming for full implementation in 2026.



“We are committed to enhancing the sustainability of our workspaces and recognise the importance of aligning with global green building standards as best practice.”



Creating sustainability action

Our sustainability advisory unit is at the forefront of reshaping the future of work. Incendium is driving Net Zero and decarbonisation strategies across a variety of sectors. By partnering with large corporations, it is helping to develop and implement tailored strategies that effectively reduce and manage environmental impact, supporting the global transition to a more sustainable future.

Driving strategic partnerships to set industry best practice for healthy flex workspaces

Over the past decade, healthy buildings have become a strategic imperative for organisations worldwide, not only helping support and sustain employee health and wellbeing, but also driving improved economic performance. Recent research underscores that investing in a supportive and health-conscious work environment can lead to significant improvements in median productivity scores, engagement and satisfaction¹.

Tenant and investor demand for healthy buildings is growing. Certified healthy buildings have seen a 77% increase in rents compared to competitors, and 54% of institutional investors are being driven to invest sustainably by the desire to have a positive impact on society and the planet. There has never been a stronger case for healthy workspaces.¹

In 2024, we partnered with the International WELL Building Institute, forming a strategic partnership to develop a first-of-a-kind healthy building rating, developed specifically for coworking and flexible workspace operators.

The WELL Coworking rating addresses core wellbeing strategies, from mental rejuvenation through to education, and aims to provide operators with a strategic framework to evaluate health and wellbeing policies within their spaces. Operators can then showcase this rating within their own sites, on their websites and in physical marketing materials, while being able to differentiate their workspaces across our market-leading platforms.

Integrating sustainability into the flex office lifecycle

Sustainability in the office sector depends on a complex chain of designers, constructors, suppliers, landlords, operators and tenants. Balancing aspirational targets with the reality of local market conditions can be challenging and requires expertise to ensure Net Zero guidelines are considered appropriately without undermining the feasibility of a project.

Our Digital and Professional Services solution integrates sustainability principles throughout the flexible office lifecycle, giving customers insight and choice relating to their environmental performance decisions.

Our Digital and Professional Services target is to achieve over 95% reduction and responsible end-of-life reallocation or refurbishment of products within the office or total reuse within the flex sector.

This approach is built on robust governance, ensuring strong oversight and accountability, while engaging closely with customers to align with their Net Zero ambitions. Through continuous collaboration, the Digital and Professional Services solution will enable flexible office providers to achieve their sustainability goals and drive meaningful progress towards a more sustainable future.

Achieving carbon neutrality
(Scope 1, 2 and Scope 3 building operations)

While we have made progress in reducing our total carbon footprint, we recognise the need to account for the emissions we cannot yet avoid.

As part of this commitment, we have continued our support of the Amazon Basin Carbon Project, which is independently verified by the renowned Verra and Social Carbon standards.

Carbon credits are created through investing in communities to stop deforestation. Continued support has been made in areas including education, fisheries and poultry production, as well as support for local rural producers and cooperatives with infrastructure, water wells and other sustainable development initiatives.

Understanding our biodiversity impact

2024 marked a significant milestone in our commitment to environmental stewardship as we successfully completed our initial biodiversity baseline assessment. This comprehensive study has provided us with invaluable insights into the diverse ecosystems with which our operations intersect, identifying the key dependencies, impacts, risks and nature-related opportunities throughout our value chain. Armed with this data, we will be equipped to create tailored strategies and targets to protect the natural resources we rely on.

We are aligning our efforts with the Taskforce on Nature-related Financial Disclosures (TNFD) framework to ensure our actions are transparent, accountable and effective. This foundational work not only aligns with our sustainability goals but also strengthens our commitment to operating responsibly and ethically. We are excited to build on this momentum and continue our journey towards a more sustainable, nature-positive future.



1. IWBI, Investing in Health Pays Back, 2024

A global talent strategy to deliver record network growth

The continuous expansion of our network was a key strategic objective in 2024, to ensure customers have access to exceptional workspace anywhere they want to work. This rapid expansion required an equally dynamic talent plan to deliver transformation in every part of our business. From strategy to customer service, it is our people who are delivering more locations, new services and technology and specialised brands to suit every type of client, ensuring everyone has a great day at work.

Growth

The acceleration of our global network requires a world-class team of property experts to ensure building owners join IWG in partnerships that will allow them to grow their business by joining the workspace revolution, changing the way businesses work. This rapid growth requires a singular focus on recruitment, training and leadership to bring in new talent across the world to meet landlord and partner demands.

Customers

As we welcome more customers into our network across the globe, our expectations of our customer service teams have never been higher: to consistently deliver the service our customers expect, underpinned by new solutions to enhance the working day. This means our customer teams are pivotal to our success. The IWG Academy is their dedicated platform for knowledge, education, development and recognition.

Innovation

Investments in new talent in strategy and innovation are paving the way forward for us to surpass customer expectations in the years to come. New products, enhanced automation and more efficient ways of working will make it easier for customers and landlords to partner with us. This team is at the forefront of researching and planning for the future, for example using the latest ideas in AI advancement to continually improve the experience of our customers and streamline our platforms for landlords and property partners.

Our people

Our commitment to being an employer of choice remained a priority in 2024. This was reflected in our winning a Leading Employer award again, demonstrating our commitment to giving our team members a great day at work – just as we do customers.



Our people promises guarantee our employees benefit from:

- interesting work;
- a manager and company that cares; and
- an opportunity to develop and grow their careers.

Our talent strategy is founded on our ongoing commitment to attracting top talent, combined with career opportunities and engaging reward and recognition programmes at all levels.

Elements of our talent strategy covered particular areas of expertise in 2024, and these are discussed in more detail below.

Dynamic recruitment

Our recruitment model successfully enabled us to recruit over 3,500 individuals who began new careers with IWG across the globe in 2024. While we partner with the world's leading search firms to deliver Board and executive talent, we have a dedicated in-house recruitment team who operate globally, collaborating with our in-house research team to find the best talent across all markets. We use a multichannel recruitment strategy that encompasses team member referrals, social media, job boards, proactive sourcing and agencies, meaning we have access to top talent in every country. As with other functions, the recruitment team is embracing AI to improve the process for the business and candidates, while ensuring hiring decisions are still made by our experienced managers.

Rising at IWG

Progression from Community Associate to Community Manager

- Community Manager 3 (CM3)**
CM3 can also be used for exceptional cases where we have very large more complex centres.
- Community Manager 2 (CM2)**
A CM2 is an experienced CM who has a minimum of three years' experience.
- Community Manager 1 (CM1)**
An internally promoted CM is an experienced CA who has completed both the advanced centre training and the First-Time Manager training.
- Community Associate 3 (CA3)**
CA3 is used for exceptional cases where we have very large more complex centres.
- Community Associate 2 (CA2)**
A CA2 is an experienced CA who has been with the business for a minimum of nine months and has completed advanced centre training.
- Community Associate 1 (CA1)**
We hire Community Associates at this level.

“
Our IWG Academy offers tailored courses and webinars on a variety of topics to enhance team member skills. This year, the IWG Academy had three million views, with 50,000 individual seats filled in live training sessions and webinars.”



Learning and development

At IWG, our commitment to team member learning and development begins from day one. In 2024, our induction programme was recognised as the Onboarding Programme of the Year by The Learning and Performance Institute (LPI), a global organisation that acknowledges excellence in learning and development across 80+ countries. Additionally, 94% of new team members reported in our engagement survey that the induction programme helped them succeed in their roles.



Our IWG Academy offers tailored courses and webinars on a variety of topics to enhance team member skills. This year, the IWG Academy had three million views, with 50,000 individual seats filled in live training sessions and webinars. We continued delivering core programmes on key topics such as health and wellbeing, compliance and IT security. We are proud that 98% of our team members participated in training in 2024, demonstrating our strong commitment to learning and development.

For our customer teams, we have designed clear career pathways supported by targeted training, empowering team members to grow within IWG while ensuring they have the skills to deliver world-class service. These structured pathways help us retain and develop top talent, fostering long-term success.

HR shared services

Our global HR service model plays an integral role in delivering efficient HR services in a growing environment. In 2024, we focused on using automation to streamline the scalable processes that support our expanding team member base throughout the entire team member life cycle. We currently have a 24/7 HR service desk that provides team members and partners with immediate access to answers on all people-related topics.

We are continually enhancing team member and manager self-service processes within our HR systems to improve the user experience and support future growth. Our team member app offers a range of features from absence management to mobile-friendly training, making it a valuable tool for our teams. In 2025, AI will enhance the team member experience even further, which will be essential as we open new locations in existing and remote new locations.

HR data

Data underpins everything we do in monitoring and evaluating the happiness, productivity and efficiency of our people. Dedicated people plans by country and city help our leaders drive the best performance possible for customers, for our landlord and property partners, and for shareholders.

Our IWG team members represent the variety and perspectives of our customers and clients. Based on voluntary data our profile is as follows:

White	48%
Black	21%
Latino	19%
Asian	8%
Mixed race	3%
Pacific Islander	1%

Across all team members, we have a gender split of 67% female and 33% male, fostering a multiple perspective workplace culture.

At Board level we are 43% female and 57% male and our Senior Leadership is 14% female and 86% male.

Our team member networking groups provide a platform for our people to connect and support one another, fostering an inclusive workplace culture.

We also continue to operate our confidential Right to Speak reporting helpline for all team members across the world. In addition, we have an international team member assistance programme that provides free confidential counselling services to our people and their families.

Communication and recognition

At IWG we prioritise sharing best practice by staying in touch as a team. We host regular leadership meetings and town halls to be certain we stay aligned on our shared vision, performance targets and objectives.

To support global alignment, we conduct regular business reviews across all levels of the organisation, ensuring we are delivering a strong return on investment. Our focus on performance is also closely aligned with initiatives that support the wellbeing and growth of our team members, empowering them to thrive at IWG.

We received great results from our annual team member engagement survey: 93% of new starters said they would recommend IWG as an employer to friends or family, and 98% of new hires said they were very clear about their role and what is expected of them.

Having clear accountability and recognition continues to be essential for us. In 2024, we held two regional Leadership Conferences in North America and the UK/Europe/MEA/APAC. During these events, we recognised individual and team achievements and set our strategic objectives for 2025. We also offer international incentive trips to reward outstanding behaviour and performance. The field teams continue to be recognised through accreditation certifications and recognition pins.

“
We prioritise team member wellbeing through initiatives such as pre-employment health checks, on-site medical support, health seminars, annual medical exams, and occupational health programmes.”

Reward

In 2024, we carried out regular reviews of salary levels, adjusting base pay and bands as needed. Markets with high inflation rates required multiple reviews throughout the year to ensure fair and correct positioning.

Incentive-based rewards play a key role in our compensation strategy across all levels of the organisation. To recognise and motivate our field teams, we offer a quarterly performance-based incentive programme for those managing relationships with customers and landlords to ensure consistency of performance.

The Remuneration Committee assesses leadership compensation in relation to international benchmarks, mirroring the global nature of IWG's business. Compensation approaches are designed to reward, retain and attract the talent that will propel IWG's growth, updating packages as required.

To meet evolving team member preferences, we continue to expand our benefits offerings, including salary sacrifice programmes for electric cars and bicycles. We also prioritise team member wellbeing through initiatives such as, pre-employment health checks, on-site medical support, health seminars, annual medical exams, and occupational health programmes, helping our teams stay healthy and supported.

In 2025, we expect to utilise new technology and AI to provide a robust and dynamic platform for continued growth and improvement for multiple stakeholders: for landlords and property partners, for our customers, for shareholders and of course for all our employees who are a cornerstone of our success and future strategy.



Contributing to local communities across the world

At IWG, our collective spirit continues to make a difference to the lives of communities.

During the year, we invested in more events to raise funds for local communities than ever before. To help our teams contribute, we continued to make them aware of our Networking and Fundraising Toolkit, which enables all business networking events to have a social, community or wellbeing impact.

Thanks to our global scale, we can empower teams on the ground to choose how to collaborate with our clients and suppliers to have the greatest impact on the causes that matter most to them. Additionally, as part of our mission to give everyone a great day at work, we continued to give space to charities and non-profits a 10% discount as part of our commitment to helping them excel in their mission. In 2024, more than 1,000 such organisations partnered with us.

1

Raising awareness

In France, some of our team members took part in supporting the Imagine for Margo association while participating in Les Cycles de L'Immobilier. This is an event where European real estate professionals ride from Lyon to Cannes to attend the Market for Real Estate Professionals (MIPIM). Our team raised \$1,635 for Imagine for Margo, which funds European programmes that accelerate research and improve understanding of paediatric cancers.

Our team and clients at the Bizdojo centre in Auckland, New Zealand held a successful and impactful fundraising initiative in support of Cancer Society Daffodil Day, a fundraising campaign held globally to raise money for cancer research and patient support. The team held a baked goods sale, which through the support of clients and team members raised \$423.



“

Incredible work for a very worthy cause – well done.”

Valerie Prince Cayol
Executive PA

“

This money will send ten children to school in Uganda, covering all their school requirements for one year and make a huge impact on their lives and future. So really, massive thank you!”

Claire MacNally
Legal Counsel



2

Supporting the opportunity for education

Our teams and customers across the UK joined together to raise awareness and hold a bake sale for Kiddies Support Scheme (KiSS).

This is an incredible charity working to provide children in Uganda with

opportunities for quality education, often for the most vulnerable in the community who otherwise would not have this chance. The teams and our clients were able to raise \$3,055.

“It was extremely gratifying to take part in the donation campaign for Rio Grande do Sul, knowing that our contribution made a difference in the lives of so many people during such a challenging time. We are always available, as there are no barriers when it comes to compassion and helping others.”

Pedro Oliveira
Community Associate
(Spaces Berrini)



3 Supporting our local communities

When the catastrophic floods in Rio Grande do Sul in Brazil left thousands without homes, our teams in Puerto Algre opened up all IWG centres that were not affected to allow people to work and recharge their devices. The team also set up donation points at these centres, enabling customers and the public to give around 200kg of clothing to those in need.

In the US, our team at Spokane Wells Fargo did a tremendous job in raising funds and shoe donations for Sole Aim, a charity that aims to provide local children and homeless people with shoes. All together, the team was able to provide around 300kg of shoes for the community's most vulnerable members.

4 Spreading joy during the holiday season

Globally, our teams partake in spreading joy and giving back during the holiday season.

For a fourth consecutive year, the UK-based IWG team took part in the Giving Tree initiative to buy gifts and raise money for the KidsOut foundation. This is a non-profit organisation that makes Christmas wishes for underprivileged children come true – many of whom have escaped domestic violence, being forced to flee their homes quickly and leave all their possessions behind. Due to the great efforts of our teams across the UK, and an outstanding partnership, we raised \$42,812.

In South Africa, all IWG centres participated in the Santa Shoebox Project, a nationwide initiative. This great cause provides underprivileged children with new clothes, toys, school supplies, sweets and toiletries. The team spent approximately 146 hours volunteering to collect and drop boxes. As a result, a total of 754 shoe boxes were collected and distributed, containing essential items and treats for children throughout South Africa.



“We are incredibly grateful to IWG for their ongoing support of our Giving Tree initiative over the past four years. Their dedication has brought joy and hope to thousands of disadvantaged children, helping us ensure that every child we support receives a gift at Christmas.”

Sara Williams
CEO of KidsOut



Transparent information for investors

At IWG, we seek to consistently comply with regulation and disclosures and share relevant information for investor transparency.

We continue to benchmark our progress against our peers and are pleased that external ratings remain above average for our industry.

We have retained a strong AA rating from MSCI and enhanced our Sustainability score to 8.6 (considered negligible risk).

We have also retained B ratings for our CDP for both Climate and Water Security.

Climate-related financial disclosure

We have aligned our approach to the Task Force on Climate-related Financial Disclosures (TCFD) in compliance with the Financial Conduct Authority's (FCA's) listing Rule 9.8.6R(8). We also disclose in alignment with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. We are currently reviewing the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and their implications for our business. To continuously improve our reporting on climate-related risks and opportunities, we have aligned with the four pillars of the TCFD: (i) Governance; (ii) Strategy; (iii) Risk Management; and (iv) Metrics & Targets.

During the year we continued to act on findings in our 2023 Climate Scenario Analysis (CSA), and have further strengthened our understanding of the potential impacts of climate-related risks and opportunities on our business. Our next CSA is scheduled to be conducted in 2025 to expand our knowledge of the implication of both physical and transition climate risks in line with our growing and evolving business.

Governance

Successful implementation of our approved sustainability strategies is a critical element of our growth plan. The Chairman of the Board has overall responsibility for the oversight of our sustainability agenda, leading the Board on the company's sustainability strategy and monitoring implementation against agreed milestones. Throughout the Board, there are clearly defined roles for climate-related issues. These include our Independent Non-Executive Director with oversight of employee engagement and CSR, who oversees climate-related risk in community and environmental projects. Ultimately, our CEO holds primary responsibility for formulating and delivering IWG's strategy, which includes reviewing risks associated with sustainability, while our Audit Committee provides assurance.

Having noted a key risk in the importance of achieving externally stated commitments (2023 Climate Scenario Analysis), we have evolved our reporting to the Board and key decision-making committees. Progress against key climate objectives is reported to the CEO monthly, and addressed quarterly to the Board. Additionally, the Board and Audit Committee provide oversight across our sustainability activity.

Strategy

Climate-risk analysis

In 2022, the IWG Board approved the Climate Scenario Analysis, which was conducted with support from our sustainability consultancy partners in 2023. This included engagement of stakeholders and a detailed quantitative and qualitative assessment of three plausible climate scenarios (1.5°C, 2°C and 2.5°C increase by 2050) over the short- (2030), medium- (2050) and long-term (2100) time horizons. The CSA was conducted in adherence with TCFD's recommended methodology for non-financial companies, which involved risk development, scenario development, screening, a risk impact assessment and mitigation development. All risks and opportunities identified were assessed over short-term (to 2030), medium-term (to 2050) and long-term (to 2100) time horizons.

Our five material climate-related risks and one opportunity are key pillars of activity and progress for IWG's sustainability strategy. Progress on mitigating actions is monitored by the internal audit team and the Board. It aids our ongoing efforts to maintain the resiliency of our business strategy in preparing us for any future climate-related risk and allowing us to capitalise on future opportunities.

The following section summarises the findings of our scenario assessment.

Scenario analysis findings

In 2023, we engaged with stakeholders across the business to enhance our risk management strategies for each risk. We are on track against plans to mitigate based on a risk-based approach and prioritisation and have demonstrable resilience within our organisational strategy across all three scenarios. We will continue to review climate risks annually with scenario analysis conducted on a biannual basis. We recognise this is a dynamic process and we will continue to evolve our understanding.

Actions to mitigate risk

Physical risk: extreme weather

Extreme weather is a risk factor for our existing portfolio and new site identification programme. We have continued to strengthen our Business Continuity plan and displacement procedures to protect against the risk of revenue loss due to extreme weather disruption. We have implemented in our standard business procedure a disaster relief policy for areas affected by natural disasters, such as storms and floods. This policy was designed to help us offer the general public safe places to seek shelter.

Additionally, the Network Development team has embedded the Centre Sustainability Assessment criteria into the Investment Committee process that enables enhanced information for decision-making, such as identifying green-certified buildings and investments in urban areas. Our capital-light growth model will also reduce the severity of this risk going forward.

Physical risk: operating costs

Some climate scenarios will continue to present an operational cost risk, such as energy price volatility and insurance costs. We maintain stringent cost management across all lines, which mitigates this risk.

Transition risk: carbon tax

Carbon taxation remains a potential risk to IWG, and to ensure we are at the forefront of regulation we have completed an initial CSRD assessment this year. Although no mandated carbon taxes are applicable to us, to mitigate against future risk we have continued to prioritise and invest in reducing our carbon footprint. This is visible through efforts to transition to certified renewable electricity and our efforts to clarify and reduce carbon emissions across all scopes. We saw a 26% reduction in carbon footprint per sqm¹ in 2024, and will continue progress towards Net Zero.

1. Intensity reduction metric in Scope 1 and Scope 2 market-based carbon emissions per sqm.

Transition risk: failing to meet externally stated commitments

We take our commitments seriously, and the prioritisation of achieving these is overseen by the Board and Senior Leadership Team. We met all key Net Zero milestones in 2024, (see page 32 for further detail). To increase confidence in the delivery of our Net Zero by 2040 target, we have invested in technology to improve data visibility, started transitioning to renewable electricity and further developed our detailed transition plan.

Additionally, we believe it is critical we continue to develop further standards, and these are set out in our Water and Environmental policies. These policies guide activity and decisions across the business, for example by encouraging the selection of products that support biodiversity.

Transition risk: supply chain disruption

Improving our engagement with suppliers allows us to better understand and manage future risks which may impact our supply chain. In 2024, we reviewed suppliers for environmental risk management, the strength of strategic relationships and ongoing cost management as part of our Sustainability Supply Chain Framework.

Supplier transparency has improved through our robust risk management process as part of our enterprise-wide risk management process. See pages 45 to 49 for more information.

A key action which reduces the risk of disruption is our strategy to consolidate our supply chain by region. By having numerous suppliers able to deliver key products and services across the globe, we reduce our logistics-related carbon footprint and provide optionality for key purchases.

Risk management

We operate an enterprise-wide risk management process in order to identify and report key business and strategic risks. Since 2022, climate risk has been included in our principle risks, and this year we added supply-chain transparency. We assess risks against

their likelihood and the severity of their impact across several dimensions: our business operations; customer access to our portfolio; market capitalisation; trust among our customers, partners and shareholders; and supply-chain and regulatory pressures.

Evolving our business to maximise opportunity
Opportunity: sustainable workspace market leadership

We strive to establish market leadership in providing sustainable workspaces for hybrid working. Given our leading position in hybrid working and existing investment in sustainable workspaces, we are well positioned to align with emerging regulations, driving our relevance and growth in existing and new markets, in urban and rural areas. We have demonstrated industry-leading practices by introducing the Sustainability Index, allowing our customers and clients to accurately track building performance and report on their sustainability initiatives.

Additionally, we will develop a Green Building Strategy and Action Plan to align with industry best practices, establishing our market leadership. This will increase the number of sustainable buildings in our portfolio and support the delivery of our Net Zero goals. See page 32 for more details.

We operate an enterprise-wide risk management process in order to identify and report key business and strategic risks. See pages 45 to 49.

We assess risks against their likelihood and the severity of their impact across several dimensions: our business operations; customer access to our portfolio; market capitalisation; trust among our customers, partners and shareholders; and supply chain and regulatory pressures. We use three lines of defence to manage risk, ensuring robust oversight and alignment with our risk management framework.



Since 2022, we have been tracking sustainability-related risk as a principal risk, fully integrated into our multidisciplinary and company-wide risk management processes. The CSA findings have played a key role in shaping our mitigation actions, ensuring they are data-driven and effectively incorporated into our broader risk management framework.

As part of our wider strategic process, we continue to carry out risk assessments throughout the year. Annual disclosures to frameworks, including CDP, allow our risk management processes to be captured, and mitigation measures to be assessed.

For more information on how we manage risk, please see pages 45 to 49.

Metrics and targets

We are committed to achieving Net Zero by 2040 and in 2025 we will be setting interim targets and metrics.

Net Zero

This year, we enhanced our methodology to include both market-based and location-based GHG reporting while continuing to align with the GHG Protocol.

Our ongoing investment in an AI-powered data platform has significantly improved the transparency and accuracy of our energy consumption and Scope 1 and 2 carbon emissions reporting. The platform has increased the volume of actual data collected and used in our estimations, reducing our reliance on estimated values for sites where data is unavailable. In such cases, calculations are based on average regional consumption per square metre. This has been instrumental in accurately assessing our energy performance.

In 2025, we aim to further enhance the quality of our Scope 1 and 2 inventory by including mobile combustion and fugitive emissions. Additionally, we will set absolute and intensity reduction targets, which will be used to track our progress.

We have calculated our Scope 1 emissions for 2024 to be 63k tCO₂e¹, representing an 19% reduction. Our Scope 2 Market-Based emissions amounted to 106k tCO₂e¹ representing a 28% decrease. This equates total 25% reduction across our Scope 1 and 2 emissions², which were due to:

- Enhanced data governance and site engagement, leading to more accurate reporting of natural gas and renewable energy use at each site, and subsequent estimation methodology.
- Improved AI capabilities, enabling greater reliance on real data for emissions tracking.
- Increased investment in certified renewable electricity, including renewable energy tariffs and certificates.
- Improved estimation methodology using daily averages instead of monthly averages, where possible, for more accurate results.

We continued to implement operating standards focused on reducing energy, waste and seeking energy-efficient buildings to our portfolio.

We also calculated our Scope 3 emissions for joint ventures and shared a partial Scope 3 disclosure in CDP. We identified 11 of the 15 Scope 3 categories in 2024 to be relevant to our upstream and downstream activities. In 2025, our focus will transition to further understanding our indirect emissions, enhancing our supply chain engagement and better reporting on potential supply chain risk. We will disclose our detailed Scope 3 emissions by 2025, in alignment with the ISO Net Zero Guidelines,

In 2025, we will set robust reduction action plans across all our emission categories and develop an REIOO-aligned renewable energy strategy, shifting towards building our long-term resilience and to meeting our Net Zero goals.

1. Our emissions have been assured to a limited standard by Apex.
2. Absolute reduction metric in Scope 1 and Scope 2 market-based carbon emissions.

Our GHG Emissions¹

Greenhouse gas emissions (tCO ₂ e k)	2021 (Base Year)	2023	2024
Scope 1 – Natural Gas	86	78	63
Scope 2 – Electricity (Market-Based)	154	147	106
Scope 2 – Electricity (Location-Based)	–	–	146
Total Scope 1 & 2 Market-Based	240	225	169
Emissions (tCO ₂ e) per sqm	0.042	0.040	0.030
Total Scope 1 & 2 Location-Based	–	–	209
Energy consumption (MWh)			
Natural Gas	471,101	424,794	348,283
Electricity	469,809	459,397	438,404
Total	940,910	884,192	786,686

Streamlined Energy and Carbon Reporting (SECR)^{1,3}

We followed the requirements of the SECR regulation for our UK operation.

Greenhouse gas emissions (tCO ₂ e k)	2021 (Base Year)	2023	2024
Scope 1 – Natural Gas	9.3	8.5	11.0
Scope 2 – Electricity (Market-Based)	18.4	8.1	9.1
Scope 2 – Electricity (Location-Based)	–	–	16
Total Scope 1 & 2 Market-Based	28	17	20
Emissions (tCO ₂ e) per sqm	0.036	0.027	0.033
Total Scope 1 & 2 Location-Based	–	–	27
Energy consumption (MWh)			
Natural Gas	50,932	46,722	61,216
Electricity	86,806	64,490	75,615
Total	137,738	111,212	136,832

Corporate Sustainability Reporting Directive (CSRD)

Progress this year marks a significant milestone in our sustainability journey as we embark on the process of aligning with the Corporate Sustainability Reporting Directive (CSRD). Recognising the importance of comprehensive and transparent reporting, we have initiated several key steps to ensure our readiness for CSRD compliance.

3. Increased energy consumption in the UK for 2024 compared to 2023 reflects the impact of colder weather during 2024 and improved data from implementing our enhanced data collection.

Stakeholder engagement

Understanding the perspectives and expectations of our stakeholders is crucial to our sustainability strategy. In late 2024, we commenced our extensive stakeholder engagement sessions, involving a diverse group of internal and external stakeholders. These sessions provided valuable insights into the sustainability issues that matter most to our stakeholders. Their feedback has been instrumental in shaping our sustainability priorities and reporting framework.

Double materiality assessment

In alignment with CSRD requirements, we are in the process of completing a double materiality assessment.

This will not only evaluate the impact of our operations on the environment and society, it will also consider how these factors affect our business performance and resilience. By identifying and prioritising the most significant sustainability issues, we will be better positioned to address risks and opportunities, ensuring long-term value creation for our stakeholders.

Looking ahead

As we move forward, our focus will be on refining our data collection processes around our material topics, enhancing our reporting capabilities and embedding sustainability deeper into our corporate strategy.

We are preparing to provide a comprehensive CSRD-compliant report, which will offer greater transparency and accountability to our stakeholders. This report will reflect our ongoing efforts and progress in driving sustainable growth and making a positive impact on society and the environment.

Verification Opinion Declaration Greenhouse Gas Emissions

To: The Stakeholders of International Workplace Group plc,

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by International Workplace Group plc (IWG) for the period stated below. This verification declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of IWG. IWG is responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyse, and review the information. Apex is responsible for expressing an opinion on the GHG statement based on the verification. Verification activities applied in a limited level of verification are less extensive in nature, timing, and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational control
- Worldwide
- Exclusions
 - Refrigerants
 - Consumption of fuels other than natural gas.

Types of GHGs: CO₂, N₂O, CH₄

GHG Emissions Statement:

- **Scope 1:** 62,640 metric tonnes of CO₂ equivalent
 - **Scope 2 (location-based):** 146,254 metric tonnes of CO₂ equivalent
 - **Scope 2 (market-based):** 106,020 metric tonnes of CO₂ equivalent.
- Data and information supporting the Scope 1 and Scope 2 GHG emissions statement were in some cases historical and in some cases estimated.

This verification opinion declaration, including the opinion expressed herein, is provided to IWG and is solely for the benefit of IWG in accordance with the terms of our agreement. We consent to the release of this declaration to the public or other organisations for reporting and/or disclosure purposes, without accepting or assuming any responsibility or liability on our part to any other party who may have access to this declaration.

Global Warming Potential (GWP) and emission factor data sets:

- GWP: Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR-5)
- United States Environmental Protection Agency (USEPA) Emissions & Generation Resource Integrated Database (eGRID), 2023 (2021 data)
- USEPA Emission Factor Hub, 2024
- Ecoinvent Emission Factor Database v3.9 and v3.10.

Period covered by GHG emissions verification:

- 1 January 2024 to 31 December 2024.

Criteria against which verification was conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2).

Reference standard:

- ISO 14064-3: Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas statements.

Level of assurance and qualifications:

- Limited
- This verification used a materiality threshold of ±5% for aggregate errors in sampled data for each of the above indicators.

GHG verification methodology:

Evidence-gathering procedures included but were not limited to:

- interviews with relevant personnel of IWG;
- review of documentary evidence produced by IWG;
- review of IWG's data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- audit of sample of data used by IWG to determine GHG emissions.

Verification opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions statement shown above:

- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2).

It is our opinion that IWG has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

Apex is an independent professional services company that specialises in Health, Safety, Social and Environmental management services including assurance with over 30 years' history in providing these services.

Attestation:

Jessica Jacobs, Lead Verifier
ESG Senior Project Manager
Apex Companies, LLC
Cincinnati, Ohio

February 27, 2025

No member of the verification team has a business relationship with IWG, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Trevor Donaghy, Technical Reviewer
ESG Director and National Practice Leader
Apex Companies, LLC
Pleasant Hill, California

February 27, 2025

Managing our risks

Risk management is an integral part of IWG’s operational practices and strategic planning process. Having efficient and robust enterprise risk management is vitally important to the achievement of our strategic objectives.

As such, we conduct regular enterprise-wide risk reviews to identify and consider potential risks to the Group and its strategy. We calculate their possible impact and implement strategies to protect the interests of IWG and all its stakeholders.

The Board has overall responsibility for ensuring that IWG has an appropriate risk management framework in place. This includes approving the risk appetite for the Group. Our risk appetite outlines the extent to which we are willing to take measured risks in pursuit of our strategic objectives.

Three Lines model

IWG operates the Three Lines model to manage risk, endorsed by the Board. See diagram on the right. Three Lines model IWG’s risk management framework is designed to reduce and manage, rather than eliminate risk through disciplined and practical risk identification, assessment and mitigation. Through this process, we can fully understand the risks and opportunities present in our day-to-day operations and in our business objectives.

Our enterprise-wide risk management process allows us to understand the nature, scope and potential impact of our key business and strategic risks, enabling us to manage them effectively. IWG has a comprehensive approach to risk management, as set out in more detail in the Audit Committee report on pages 69 to 71.

In 2024, our risk work incorporated ongoing economic disruption and market changes impacting our principal risks. External risks, and those outside of the Group’s control, were considered and included as part of scenario testing relevant to our Viability statement.

Principal risks to the achievement of our strategy

Our principal risks are linked to our key business objectives and overall strategy and were considered in the context of the ongoing economic downturn as well as market and competition changes.

A critical component of the risk management process is to assess the impact and likelihood of risks, allowing determination to be made over the current level of controls in place versus future controls and risk status. All our principal risks are managed in accordance with our Group risk appetite and mitigated as far as reasonably practical.

We have zero tolerance of financial and ethical non-compliance, and aim to have our health, safety, environmental and security risks managed to levels that are as low as reasonably practicable.

Effective risk management requires awareness and engagement throughout IWG to provide a top down and bottom up view of risk. At IWG, risk management is embedded into operational decision-making and reflected in the Group’s key processes and controls. Risk management takes place at various levels across the business, including:

- monthly performance reviews for all countries and Group functions;
- individual reviews of every new location investment and all acquisitions;
- an annual budgeting and planning process for all markets and Group functions;
- Audit Committee review of our principal risks, their mitigation and status;
- an annual review of all risks in our risk register, updated regularly for significant changes between annual reviews.

Three lines of defence



Why we have streamlined our risk management

The Group operates in a dynamic environment where risks continue to evolve. Hence, we have taken the opportunity to streamline our risks, and to stratify the risk landscape into strategic, financial, operational and legal and compliance risk categories. With a view to focus on the top risk matters that could impact the organisation considering the strategic view, we have removed and/or merged risks within our principal risks profile. Having said that, we recognise whilst some of these risks may not necessarily translate to principal risks, are still important and ongoing management will continue to be required as part of the continuous risk management review process.

The risk management review process entails our Group risk register, which combines external and internal insight to understand the underlying risks to the organisation with agreed mitigation strategies.

The overall risk profile has remained broadly stable. Where we have developed our strategy and associated short to medium-term plans, the related risks have reduced accordingly. Successfully managing these risks will help us to achieve our goal of being a customer-focused, competitive, resilient and growing business. The following table details the current principal risk pillars and how we manage them.

Mapping our key risks and movement

Strategic risks

- 1 Revenue and Growth
- 2 Transformation initiatives
- 3 Macroeconomic and Geopolitical instability
- 4 Partnership portfolio
- 5 Lease obligations
- 6 Innovation and Increased Competition

Financial risks

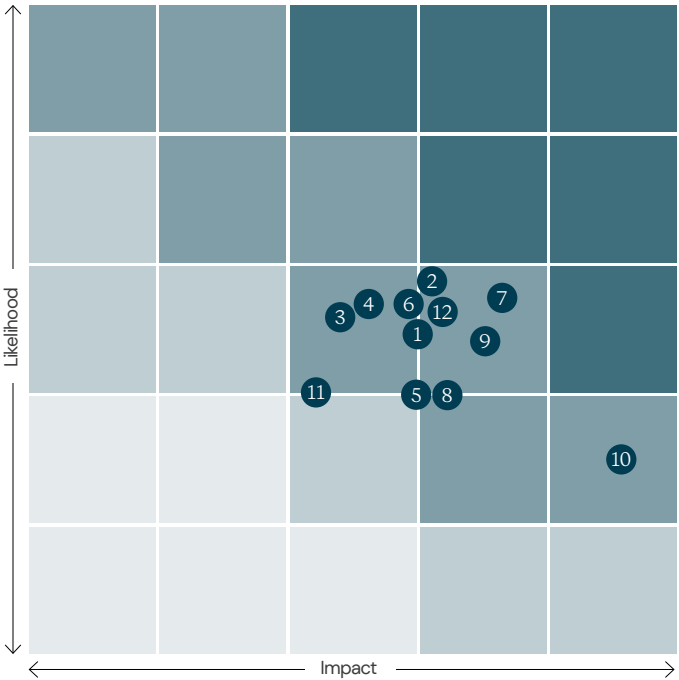
- 7 Liquidity

Operational risks

- 8 Talent Management and Succession
- 9 Cyber Security
- 10 Business Continuity and Disaster Recovery
- 11 Sustainability

Legal and Compliance risks

- 12 Legal, Tax and Regulatory complexity



Strategic risks	
Risk description	Mitigation
Revenue and Growth	
IWG continues to implement its strategy, with significant global growth planned to capture the opportunities being created by structural changes occurring in the workspace market including the adoption of hybrid working. If strategic growth does not align to the demand growth, this could lead to under or over supply which could impact our competitive position, profitability and cash generation.	The Group operates a strong capital-light growth structure, enabling low-cost and high-margin investment. This is monitored through a robust business planning and forecasting process, which provides timely and reliable information to address opportunities and risks to performance. Monthly Business Reviews occur to monitor both spend and profitability, and quarterly reviews occur to monitor new centre performance and profitability. As part of the annual planning process, a growth plan is agreed for each country, which clearly sets out the annual growth objectives and means to achieve these goals.
Transformation initiatives	
The business is executing significant transformation and automation initiatives. There is a risk that the execution and delivery of these initiatives are not achieved within the desired time frames or deliver the desired outcomes.	IWG has various technology and operational change programmes under way, such as the upgrade and implementation of a new enterprise resource planning (ERP) system. Dedicated resources, including external resources when required, are allocated and programme-managed to deliver transformation programmes in a coordinated manner with clear timelines and expected outcomes. Leadership monitors progress across major transformation programmes to address and resolve issues related to timelines or deliverables.
Macroeconomic and Geopolitical instability	
IWG is impacted by macroeconomic factors, including heightened geopolitical uncertainties, elevated interest rates and inflationary pressures. Such changes in market conditions could adversely impact our global market share, operating revenue and profit performance.	The Group monitors the changing macroeconomic environment and continually evaluates potential risks. The business has a very diverse operational footprint with almost 4,000 locations globally. The geographic locations most directly impacted to date will not have a material effect on our global operations, nor financial results. Since moving to USD currency in January 2024 the impact of the currency fluctuation on the Group's profit has been reduced. During the refinancing activities in 2024, most of the debt moved to fixed interest rates, which reduces the volatility of rates. Further, management's strong cost control processes, efficiencies resulting from transformation initiatives, and the Group's capital-light strategy reduce the negative impacts of inflation.
Partnership portfolio	
The Group continues to expand through our Managed & Franchised partnerships capital-light growth strategy. Achieving our partnership objectives will require the continued development of our skills, services and resources. Failure to meet partnership objectives can adversely impact growth.	Overall management of the partnership portfolio occurs at the global level while partner relationships are managed by country and local management teams to maintain a regular dialogue with partners to ensure we are meeting expectations. There is an ongoing initiative to enhance and improve the partner reporting process. There is periodic reporting to the Board regarding performance and potential issues related to the Partner portfolio.
Lease obligations	
The Group's portfolio of leases gives rise to an inherent risk in relation to lease obligations and associated financial commitment. The life of the Group's leases are, on average, significantly longer than the average terms of customer contracts, which creates a potential for mismatch if revenues fall significantly, or lease costs rise faster than revenues, which can impact profitability and cash flow.	The business has put a structure in place which allows for the exiting of lease obligations. This is by placing lease contracts into standalone legal entities which are not fully cross-guaranteed. In this way individual centres are sustained by their own profitability and cash flow. In the Company-owned segment, leases are based on either full or partial variable rental payments when possible. In this way the risk to profitability and cash flow of that centre from fluctuations in market rates is reduced by the consequent adjustment to rental costs. The number of leases and geographic diversity of our business reduces the overall risk to our business. Each year, a significant number of leases in our portfolio reach a natural breakpoint, further reducing the risk.
Innovation and Increased Competition	
Failure to continuously evolve, innovate and respond to market demand, alongside an inability to maintain sustainable global competitive advantage could result in a loss of market share and adversely impact profitability for the Group.	IWG's strategy includes investment in innovation to develop new product and services to further increase its competitive advantage, protect current revenue and unlock potential new sources of revenue. The Group continues to offer a diverse product range under its different brands to cater to multiple customer segments. This supports the ability to capture and maintain market share across the flexible workspace market. There is a regular review of the portfolio of products and services to assure they are aligned to customer expectations and requirements.

Financial risks

Risk description	Mitigation
Liquidity	
The Group relies on external funding to support its net debt position. If the funding process is inadequately managed, this could cause a liquidity issue, resulting in insufficient funding available to meet the Group's operational and growth needs.	The Group continually monitors its cash flow and financial headroom development and maintains a 12-month rolling forecast and a three-year strategic outlook. The Group also monitors the relevant financial ratios against the covenants in its facilities to manage the risk of breach. The Group refinanced its debt book during 2024. Currently, it has a €625m fixed rate bond, which is predominantly swapped to fixed USD, and a remaining fixed rate convertible bond of £158 million entirely swapped to USD. The remaining debt is drawn on the Group's Committed Revolving Credit Facility provided by a group of prime banks that is available until 2029. The Group expects to be able to refinance external debt and/or renew committed facilities as they become due and to remain within covenants throughout the forecast period. The net debt and debt headroom are closely monitored by the Group's CFO. The Group models liquidity requirements and the impact it will have on RCF headroom and debt levels. In 2024, there has been continued strong cash generation resulting in a continued reduction in net debt.

Operational risks

Risk description	Mitigation
Talent Management and Succession	
To achieve its strategic objectives, the Group needs to continuously increase its management capabilities through the development, engagement and retention of existing talent supplemented by the hiring of experienced professionals. This will support our strategic execution and enhance succession planning throughout the Group.	The Group has comprehensive training for key levels and functions utilising e-learning, videos, webinars, case studies and coaching. Succession planning discussions are an integral part of our business planning and review process. Succession plans and retention strategies are in place at a local and Group level. The annual planning process includes a Human Resources Plan, and performance against the plan is reviewed throughout the year. There are regular external and internal evaluations of the performance of the Board, which continues to maintain a focus on succession planning.
Cyber Security	
The continued integration of the digital economy and use of external cloud services, combined with a rise in phishing attempts and malicious attacks could result in additional costs and damage. The Group manages large volumes of data, across various systems and platforms. The breach of confidential data, technology disruption or data loss due to an internal or external attack on our information systems and data or by internal security control failure, may result in a negative reputational, operational, regulatory or financial impact.	The Group regularly assesses and manages the effectiveness of its security infrastructure and ability to effectively defend against current and future cyber risks by using analysis tools and experienced professionals to evaluate and mitigate potential impacts. Cyber Security awareness training is conducted for all employees and the Group maintains comprehensive cyber insurance coverage.
Business Continuity and Disaster Recovery	
With operations globally, insufficient Business Continuity and Disaster recovery plans for data centres, sales call centres, regional hubs and customer centres, may result in adverse impact to the Group's operations and financial results.	The Group continues to improve its Business Continuity plans to ensure there is effective resilience to any disruption to operations. Detailed business impact assessments have been performed and completed to identify critical systems and areas where the business can temporarily operate without. The business's operational footprint is very diverse with almost 4,000 locations globally. Therefore, the impact of operational disruption is naturally offset. The Group maintains business interruption insurance.

Operational risks continued

Risk description	Mitigation
Sustainability	
Regulations and expectations related to sustainability are constantly evolving. An inadequate sustainability strategy or actions could result in IWG being unable to manage climate-related exposures and related external commitments. This could impact the Group's ability to attract and/or retain customers, partners, employees and capital.	The Group has a broad sustainability response and is actively working on a number of initiatives to deliver against our external commitments and goals. The Group is progressing on track with interim milestones towards our sustainability targets and ongoing efforts to align with evolving relevant guidelines to ensure credibility. Further strategic plans include a renewable energy strategy to reduce overall carbon footprint in accordance with RE100 requirements and development of a supply chain engagement strategy and governance processes for ensuring a responsible supply chain.

Legal and Compliance risks

Risk description	Mitigation
Legal, Tax and Regulatory complexity	
The global business compliance, legal, tax, and regulatory environment continues to evolve, with ongoing legislative changes in many jurisdictions impacting the way in which we operate. This includes the nature of partner relationships, interactions with suppliers and our responsibilities to customers and colleagues. Failing to address this risk effectively, and non-compliance or inadequate compliance, could lead to regulatory breaches, significant monetary and non-monetary penalties, adverse litigation and associated reputational harm.	The Group monitors tax and regulatory requirements and develops compliance and risk-mitigating policies and procedures. The Group is committed to complying with all applicable statutory obligations and tax regulations. The customer set up process includes compliance reviews regarding applicable KYC (Know Your Customer) rules.

Viability statement

In accordance with the UK Corporate Governance Code published by the Financial Reporting Council in January 2024, and considering the Group's current position and prospects as outlined in the Strategic report and its principal risks for a period longer than 12 months as required by the going concern statement, the Board has a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due, for the next three years.

The Board's consideration of the long-term viability of the Group is an extension of our business planning process, which includes financial forecasting, a robust enterprise-wide risk management programme, regular business performance reviews and scenario planning.

For the purposes of assessing the Group's viability, the Board identified that, of the principal risks detailed on pages 47 to 49, the following are the most important to the assessment of the viability of the Group.

The following principal risks were modelled to support the Viability statement:

- revenue shortfall;
- USD appreciation;
- a significant cyber security or data breach event.

Two scenarios (likely-case and worst-case) were modelled for USD appreciation and cyber security or data breach event using assumptions derived from historical data or based on case studies/available market research to determine the impact on revenue, gross profit, operating profit and EBITDA.

The impact on performance was assessed over a three-year period (2025–27) taking into account both individual and a combination of risks materialising.

The potential impact of each scenario was modelled on the Group's revenue, gross profit, operating profit, net debt and debt covenants over the three-year forecast period. The Board subsequently considered the viability of the Group both in the context of the individual risks listed above and in combination of two or more risks over a range of assumptions. The stress testing showed that the Group would be able to withstand any of the severe but plausible scenarios by taking management action during the normal course of business.



Corporate Governance

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In respect of the year ended 31 December 2024, the Company was subject to the UK Corporate Governance Code 2018 (the 'Code'). We are pleased to confirm that in 2024 we have complied with all aspects of the Code, except provision 19 (Chair tenure), as further explained on page 53.

A copy of the Code is available on www.frc.org.uk.

Chairman's letter

“Our governance framework enables the Board to function as an effective team in order to develop and promote its collective vision of the Company’s purpose, its culture, and the behaviours that the Board wishes to promote in conducting business.”



Strategy
aligned with stakeholder interests

Sustainability
an integral component of our decision-making

Dear Shareholder

I am pleased to introduce our Corporate Governance report.

Here we provide details of our Board members and their activities during 2024. We also provide details of the governance structures we use to facilitate an effective Board and an entrepreneurial Senior Leadership Team, whilst ensuring the long-term sustainable success of the Company for the benefit of our stakeholders.

Members	Attendance (out of possible maximum number of meetings)
Douglas Sutherland, Chairman	11/11
Mark Dixon	11/11
Laurie Harris	11/11
Nina Henderson	11/11
Tarun Lal	10/11
Sophie L'Hélias	11/11
François Pauly*	11/11
Charlie Steel	11/11

* Resigned 31 December 2024

Sustainability and social responsibility

Delivering a sustainable business for the benefit of our stakeholders is a critical element of IWG's purpose. It underpins our strategy and drives our culture and values. Sustainability is a principal risk to the business which we carefully manage through our governance structures. It also represents an opportunity to provide sustainable office solutions to our clients.

I lead the Board in our oversight of corporate sustainability, ensuring that sustainability decisions are an integral component of all Board decision-making. Our Remuneration Committee ensures alignment between our compensation structures and our sustainability goals and our Audit Committee provides oversight of the implementation of our sustainability policies.

We continue to make progress towards our long-term goal of achieving Net Zero carbon emissions by 2040, and are pleased that as at 31 December 2024 we have converted more than 1,400 of our centres to certified green electricity (more than 900 as at 31 December 2023).

Further details of our sustainability governance and carbon reduction journey are detailed in our Corporate Responsibility report on pages 31 to 44.

Board membership and composition

François Pauly stepped down from the Board on 31 December 2024. I wish to personally thank François for his valuable contribution over the last nine years, during which IWG significantly strengthened its position as the global leader in the rapidly developing flexible workspace market. We have benefited from François' expertise and experience, and he has been a great support to me though his role as Senior Independent Director.

Tarun Lal succeeded François as Senior Independent Director and Chair of the Nomination Committee on an interim basis, whilst the Nomination Committee completes its process of identifying suitable candidates for appointment to the Board and refreshment of our senior Board roles. Further information on the Nomination Committee's succession activities can be found in our Nomination Committee report on pages 64 to 67.

Whilst succession plans are progressing, Nina Henderson and I have agreed to remain on the Board in our current roles for the near term. Despite our tenures exceeding the recommended nine-years the Nomination Committee recommends to maintain relevant experience on the Board through the transformational period which the Company and the flexible workspace market continue to experience and whilst the Board continues to implement value enhancing activities.

External Board Review

Ensuring we have an effective Board and governance structures that are fit for purpose is of paramount importance. Each year a performance review of the Board, its Committees and Directors is undertaken. For 2024 this review was performed externally and details are reported on page 66. I am pleased that the review concluded that we continue to have an effective Board with no material issues to be addressed.

Stakeholder engagement

During 2024 we continued to actively engage with our stakeholders and supported a number of measures to ensure that our strategy and director incentives are clearly aligned with those of our stakeholders.

Changes approved in 2024 included re-denominating the share capital of the Company into US dollars, the resumption of our progressive dividend policy and a series of debt transactions, resulting in net debt reduction and an extension of debt maturities. We are focusing on growth through our capital-light business ensuring that growth capex requirements will continue to drop, generating more free cash flow for shareholders. We continue to evaluate further measures with the goal of share price recovery, including implementation of share buybacks.

Throughout 2024 Nina Henderson, our Non-Executive Director with oversight of employee engagement and corporate social responsibility ('CSR'), has kept the Board abreast of employee views and the work to support local communities. She recently reported on the results of our 2024 Employee Survey showing that 77% of responders would recommend IWG as an employer, positively reflecting our corporate culture.

Further information on Board decision-making and stakeholder engagement is detailed on pages 60 to 62.

Remuneration Policy

We are asking for your approval of a new Remuneration Policy at our 2025 annual general meeting. This policy seeks to address the remuneration gap between current remuneration packages for our Executives and global comparatives, including our biggest market in the US. We consider it is essential to our succession and retention plans and ask for your support. Full details of the proposed policy are set out in the Directors' Remuneration report on pages 73 to 87.

The Remuneration Committee Chair and I have engaged with shareholders to gain their input on alignment of the policy to strategy implementation and creation of value for all stakeholders. We are pleased that the majority of shareholders with whom we have engaged are supportive of our proposals. We will continue to engage with shareholders regarding this important topic.

Code compliance

During 2024 we have complied with all aspects of the Code, except for provision 19. My time as Chairman has exceeded nine years from the date of my first appointment to the Board. My appointment is regularly reviewed by the Nomination Committee which, as further explained on page 67, has concluded that in consideration of the Group's near-term strategic objectives and succession activities, it remains in the best interests of our stakeholders that I continue in the Chairman role for the near-term, subject to regular review by the Nomination Committee.

We carefully monitor changes in corporate governance and during the year we received briefings to prepare for the implementation of the UK Corporate Governance Code 2024 (the 'Revised Code'). The Audit Committee is overseeing a project to review our internal control framework in preparation for the implementation of Provision 29 of the Revised Code. Further information is available on page 71.

Annual Report

The Board and the Audit Committee have reviewed this Annual Report and consider that it provides the information necessary for you to assess the Company's position and performance, business model and strategy.

We consider the Annual Report, taken as a whole, to be fair, balanced and understandable and seek your approval of the Annual Report at the Company's annual general meeting which will be held on 20 May 2025.

Douglas Sutherland
Chairman



“
Delivering a sustainable
business is a critical
element of IWG’s
purpose. It underpins our
strategy and drives our
culture and values.”

Douglas Sutherland
Chairman

Board of Directors

Committee membership key

A Audit **R** Remuneration **N** Nomination **●** Chair



1. Douglas Sutherland
Chairman

N

Nationality: American and Luxembourgish
Appointed*: 27 August 2008

Experience:
Douglas was Chief Financial Officer of Skype during its acquisition by eBay. Prior to this, Douglas was an Arthur Andersen Partner with international management responsibilities. He has served as a director of companies in multiple jurisdictions and was the founding Chairman of the American Chamber of Commerce in Luxembourg.

External appointments:
Chairman, Socrates Health Solutions Inc.; Director, Medtop Group S.A.; Member of the board of managers, Al Monet Parento S.àrl.

* Independent on appointment as Chairman on 18 May 2010.



2. Mark Dixon
Chief Executive Officer

Nationality: British
Founder: 1989
Experience:
Mark is one of Europe's best-known entrepreneurs and since founding the Regus Group in Brussels, Belgium in 1989, he has achieved a formidable reputation for leadership and innovation. By understanding the way that globalisation, personal mobility and digital technology have enabled new ways of working, Mark has overseen the growth of IWG into the world's largest workspace provider.
Prior to Regus and IWG he established businesses in the retail and wholesale food industry.
Mark has received many awards for enterprise and is widely acknowledged as one of the pioneers of the workspace industry who revolutionised the way business approaches its property needs with his vision of the future of work.



3. Laurie Harris
Independent Non-Executive Director

A R N

Nationality: American
Appointed: 14 May 2019
Experience:
Laurie was a global engagement audit partner with PricewaterhouseCoopers LLP, advising large public companies, including Fortune 100 financial services companies, in the US and internationally over her 38-year career. Laurie is Chair of the Audit Committee as the Board considers her to have recent and relevant financial experience.
External appointments:
Independent Director and Audit Committee Chair, QBE North America; Independent Director and Audit Committee Chair, Synchronoss Technologies, Inc. (NASDAQ: SNCR); Independent Director and Audit Committee Chair, Hagerty Inc (NYSE: HGTY); Independent Director and Audit Committee Chair, Everlake Insurance Company.



4. Nina Henderson
Independent Non-Executive Director with oversight of employee engagement and CSR

A R N

Nationality: American
Appointed: 20 May 2014
Experience:
During her 30-year career with Bestfoods and its predecessor company CPC International, Nina held a number of international and North American general management and executive marketing positions, including Corporate Vice President of Bestfoods and President of Bestfoods Grocery. She has also served as a director of numerous companies including AXA Financial Inc., Royal Dutch Shell plc, Del Monte Food Company and Pactiv Corporation. Nina holds a Bachelor of Science with honours from Drexel University.
External appointments:
Non-Executive Director and Chair of the Remuneration Committee, Hikma Pharmaceuticals plc; Director and Human Resource Compensation Committee Chair, CNO Financial Inc.; Vice Chair, Drexel University's Board of Trustees; Commissioner, Smithsonian National Portrait Gallery; Director, the Foreign Policy Association; Director, VNS Health; Trustee, Philadelphia Orchestra Kimmel Center, Director, St Christopher's Hospital for Children.



5. **Tarun Lal**
Senior Independent Non-Executive Director

A N R

Nationality: American

Appointed: 10 May 2022

Experience:

Tarun, born and raised in India, brings extensive franchising expertise to the Board from over 25 years with Yum! Brands, Inc., where he currently serves as President of KFC U.S. and has previously held executive roles, including KFC's Global Chief Operating Officer and Managing Director – KFC Middle East, Pakistan, Turkey, Africa, and India.

External appointments:

President, KFC U.S., retired effective May 2025.



6. **Sophie L'Hélias**
Independent Non-Executive Director

A R

Nationality: French

Appointed: 1 December 2022

Experience:

Sophie is President of LeaderXXchange™ which advises investors and companies on sustainability and ESG strategies. She initially practised as a M&A lawyer and later specialised in finance as Managing Director of a New York-based investment fund. She also launched a consulting business focused on sustainability and corporate governance strategies and is a co-founder of the International Corporate Governance Network. She has served as Chair of Suez SA and Lead Independent Director of Kering.

External appointments:

Non-Executive Director, Herbalife (NYSE); Non-Executive Director, Africa50; Non-Executive Director, Agence France-Locale; Non-Executive Director, Echiquier Positive Impact Europe funds; Non-Executive Director; Member, HCGE (Haut Comité de Gouvernement d'Entreprise); Vice President, Ideas and Prospective at the MEDEF; Senior Fellow, The Conference Board ESG Center in New York.



7. **Charlie Steel**
Chief Financial Officer

Nationality: British and Irish

Appointed: 1 November 2022

Experience:

Prior to joining IWG, Charlie was Chief Financial Officer of Babylon, a US-listed digital-first, value-based healthcare provider, Global Head of Corporate Development at CMC Markets, a retail-focused financial services business, Vice President at Deutsche Bank AG and held positions at Lehman Brothers and IBM. Charlie holds a degree in Economics and Management from the University of Oxford.

External appointments:

Non-Executive Director and Chair of the Audit Committee, Department of Work and Pensions in the UK Government; Non-Executive Director, AICPA.

Committee membership key

A Audit

R Remuneration

N Nomination

● Chair

Former Directors:

François Pauly stood down as a director on 31 December 2024.

Board composition as at 31 December 2024

Our Board is currently made up of seven members and each Board member is valued for the unique combination of skills, drive, beliefs, knowledge, personal attributes and experiences they bring to the boardroom.

The benefits of having an experienced and well balanced Board are clear and in its regular review of Board composition the Nomination Committee considers how new appointments can strengthen our decision-making and ensure we have the expertise needed to meet our strategic ambitions.

Experience of the Board



Read our Directors' biographies on
pages 54 and 55

Nationality representation
on the Board*



American	57%
British	29%
French	14%
Irish	14%
Luxembourgish	14%

* Two Directors are dual nationals.

Length of tenure of
Non-Executive Directors



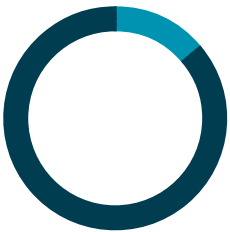
0-3 years	40%
4-6 years	20%
9+ years	40%

Age group representation
on the Board



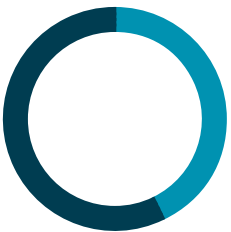
36-45 years	14%
46-55 years	14%
56-65 years	43%
66-75 years	29%

Ethnicity group representation
on the Board



Asian	14%
White	86%

Gender representation
on the Board



Female	43%
Male	57%

Board
independence



Independent Non-Executive Directors	57%
Chair - independent on appointment	14%
Executive Directors	29%

Governance report

Board effectiveness

Our governance framework aims to ensure the Board is effective and able to provide leadership and oversight of the Company within a framework of effective controls that enables risk to be assessed and managed and where assumptions and ideas can be challenged and debated. Our framework enables the Board to function as an effective team in order to develop and promote its collective vision of the Company's purpose, its culture, and the behaviours that the Board wishes to promote in conducting business.

Matters reserved for the Board

Matters that are considered sufficiently material that they can only be decided by the Board as a whole and cannot be delegated include:

- approval of long-term objectives and commercial strategy;
- approval of the annual plan;
- approval of regulatory announcements including the interim and annual financial statements;
- approval of terms of reference and membership of the Board and its Committees;
- appointment and removal of the Company Secretary;
- approval of risk management strategy;
- changes to the Group's capital structure;
- changes to the Group's management and control structure;
- capital expenditure in excess of \$15m; and
- material contracts (with an annual value in excess of \$15m).



Full details of the matters reserved for the Board are available on: www.iwgplc.com.

Development and support

To ensure continuing development and provide appropriate support, all Directors have:

- a customised and comprehensive induction programme prepared by the Chairman with the support of the Company Secretary, ensuring they can quickly and effectively contribute to discussion and decision-making on the Board and in respect of any Board Committees to which they are appointed;
- the opportunity to meet with major shareholders;
- access to the Company's operations and employees;
- access to training which is reviewed on an ongoing basis to meet particular needs;
- access to the advice and services of the Company Secretary; and
- access to independent professional advice at the Company's expense.

Induction

The Chairman, supported by the Company Secretary, is responsible for preparing and coordinating a customised and comprehensive induction programme for each newly appointed Director, ensuring they can contribute effectively to discussion and decision-making.

Conflicts of interest

Directors are required to notify the Company as soon as they become aware of a conflict of interest or a potential conflict of interest. At the start of each Board meeting each Director is required to confirm whether they have a conflict of interest with any of the matters to be discussed; if a conflict does arise the Director is excluded from that discussion.

Time commitment

Directors are required to have sufficient time to meet their Board responsibilities which is considered when making new appointments. Following their appointment Directors are required to seek Board approval before taking on additional external appointments.

Insurance and indemnity

Appropriate insurance cover is obtained to protect the Directors in the event of a claim being brought against them. In accordance with our articles and to the extent permitted by law, an indemnity is provided to Directors of the Company in respect of liability incurred as a result of their office.

Culture, value and ethics

IWG employs 10,000 people and corporate responsibility is a top priority. Our people are at the heart of our culture which is based on our pioneering spirit, mutual empowerment, shared leadership and global network that is united by trust in one another.

Our global reach means we are constantly aware of our environmental impact. We work with local communities to mitigate this and improve sustainability.

Your Board is committed to upholding ethical standards, prioritising the wellbeing of our people and the environment. We ensure that our people conduct business activities ethically, without bias or discrimination, in all our business activities and in alignment with our strategic goals.

We support our culture, value and ethics by:

- leading by example, by always acting ethically and being aware as a Board of our environmental impact, for example we use commercial flights and avoid unnecessary air travel where possible;
- considering our people and the environment in all our decision-making;
- carefully monitoring the Group's sustainability initiatives and targets;
- providing training on our Code of Conduct, and compliance policies; and
- maintaining a zero-tolerance policy both to bribery and corruption and to slavery and human trafficking; training is provided to all employees and our statements on these are reviewed annually and made available on www.iwgplc.com. All instances of bribery and corruption are investigated and reported to our Audit Committee.

Culture is monitored and assessed using the following indicators:

- Board members' interactions with our people;
- regular feedback on employee views and community initiatives from our Non-Executive Director with oversight of employee engagement and CSR;
- results of the 2024 Employee Engagement Survey; and
- reports made through our 'Right to Speak' policy which encourages employees to speak out without fear of repercussions or retaliation. Information on the reports received during 2024 can be found in the Audit Committee report on pages 70 and 71.

The Board's review of culture for 2024 indicated that the policy, practices and behaviour throughout IWG are aligned with our purpose, values, ethics and strategy. No corrective actions were recommended to the Senior Leadership Team.

Performance monitoring

The Board monitors performance through regular reporting covering key performance indicators, profitability and cash flow, operating unit updates, costs, treasury and investor relations. Trading and finance updates as well as updates on strategic and finance projects are provided at all scheduled Board meetings, allowing the Board to monitor and measure performance and to make decisions on matters reserved for the Board in order to support the delivery of its strategy.

The Board is responsible for approving results, dividends and announcements, including the going concern basis for preparing these accounts as detailed on pages 30 and 102 and reviewing the stress testing and analysis which underpins the Viability statement as detailed on page 50.

- The Board also reviews the Group’s corporate responsibility activities and reporting, receiving updates on:
- the Group’s carbon footprint and progress made in achieving the agreed milestones;
 - the progress on other environmental objectives, such as reducing water usage and waste;
 - the culture of the Group and the wellbeing of employees;
 - the Group’s talent; and
 - the initiatives we support in the local communities in which we operate.

Prudent and effective controls

The Board is responsible for assessing the nature and extent of the principal risks it is willing to take to achieve its strategy and long-term objectives, and also those risks and emerging risks that threaten its business model, future performance, solvency or liquidity.

The key risks and emerging risks to the Group, both financial and non-financial, and the steps taken to manage and mitigate them which were reviewed and approved by the Board, are detailed on pages 45 to 49. Information on our approach to sustainability risk can also be found in our Task Force on Climate-related Financial Disclosures on pages 41 to 43.

The Board has delegated authority for overseeing and reviewing its system of internal controls and risk management to the Audit Committee, which reports regularly to the Board. Details of the system and the Committee’s review of its effectiveness are reported on page 70.

During 2024 Management commenced preparations for the introduction of Provision 29 of the Revised Code on internal control which will apply to the Company from the financial year commencing on 1 January 2026.

Provision 29 of the Revised Code enhances Directors’ responsibilities by requiring a declaration regarding the effectiveness of the Company’s material controls. The Board has delegated oversight of preparations for Provision 29 to the Audit Committee who will regularly update the Board on progress. Further information can be found in the Audit Committee Report on page 71.

Purpose and strategy

The Board is responsible for reviewing and approving the Group’s purpose and strategy as further detailed in our business model and information on how we add value for stakeholders on pages 18 to 20. Our purpose underpins everything we do and is closely aligned with our three-year plan and strategy.

The Board meeting held in September focused on strategy and allowed the Board to make its annual deep-dive strategic assessment. Throughout the year the Board reviews key strategic developments and performance against strategic objectives, organisation, personnel and sustainability as well as presentations from key areas of the business.

The Board is also responsible for approving the Group’s operating model and annual plan, ensuring that the right structure, talent and resources are available to implement its strategy and long-term objectives.

Recognised indicators of culture monitored by the Board and its Committees:

-  Environmental responsibility
-  Employee support and training
-  Employee voice
-  Whistleblowing and bribery reports
-  Health and wellbeing
-  Support local communities

Board activities

The Board meets regularly to oversee the delivery of the Group’s strategic objectives to ensure it continues to promote the long-term success of the Company.

How the Board spent its time in 2024

The Chairman and the Company Secretary plan an annual schedule of matters to be considered by the Board, ensuring all key issues are covered and that topics are discussed at appropriate times during the year.

Initially seven meetings were scheduled for 2024 with additional meetings to be arranged as needed to ensure the Board was kept abreast of our strategic projects and to respond to business challenges and opportunities in a timely manner. In total the Board met 11 times during 2024. This included a detailed

strategy session in September and additional meetings which were arranged to consider time-sensitive matters. When appropriate for executing previously discussed matters between meetings the Board delegated its authority to a committee.

The Chairman and the Company Secretary set the meeting agendas ensuring that Board meetings are structured to ensure time for in-depth discussions on key issues and to allow time for the Chairman to meet with Non-Executive Directors without the Executive Directors present. They ensure that the Board receives clear, concise and timely information on all relevant matters so that discussions are well-informed. Board papers are made available in advance of meetings on a secure board portal. This portal is also used to distribute relevant reference material. Minutes are taken of all Board discussions and decisions.

Non-Executive Directors regularly meet with the Executive Directors and Senior Leaders outside of the formal meeting schedule. Senior leaders and individuals from the relevant business area are also invited to attend Board meetings in relation to key items, allowing the Board the opportunity to debate and challenge initiatives directly.

In the event that a Director has a concern about the running of the Company or a proposed action, such concerns are recorded in the Board minutes or can be recorded by Non-Executive Directors who are resigning, in a written statement which is circulated to the Board. No such concerns were raised in 2024.



Key activities of the Board in 2024

January
Adoption of USD reporting currency

February
Approved the 2023 year-end results and the Preliminary Results Announcement
Recommended a final dividend of one pence per share
Reviewed the results from the 2023 Board Review
Reviewed the Group’s principal risks and mitigating actions
Reviewed sustainability activities
Reviewed CSR activity across the Group

March
Approved the Company’s Annual Report and Accounts in respect of the 2023 year-end
Approved the Notice of the 2024 annual general meeting
Recommended the change of the Company name to “International Workplace Group plc”
Recommended the redenomination of the Company’s nominal share capital into USD
Approved the Q1 Trading Statement

April

August
Approved the 2024 half-year results and the Interim Results Announcement
Approved payment of an interim dividend of 0.43¢ per share
Approved further repurchases of the Convertible Bond

July
Announcement of the Company’s inclusion in the FTSE4Good Index Series

June
Approved debt refinancing:

- issuance of a Euro Investment Grade Bond
- entry into a new Revolving Credit Facility
- partial repurchase of the Convertible Bond

May
2024 annual general meeting attended by all directors
Reviewed Investor Relations activity and feedback from the AGM
Received Digital & Professional Services update
Briefing on the Revised Code

September
Off-site strategic review
Reviewed the Group’s talent strategy and culture
Received an update on sustainability
Reviewed Investor Relations activity and potential US listing considerations
Insurance Renewal update
Approved increase in Euro investment grade bond of €50m

October
Approved the Q3 Trading Statement
Approved further repurchases of the Convertible Bond

November
Approved the three-year plan and annual budget
Assessed the Group’s viability over three-years
Received Strategic and Organisational update
Received Digital & Professional Services update
Received IT/Cyber update
Insurance renewal update
Reviewed results of the Employee Engagement Survey

December
Board Review interviews with all directors conducted by Condign Board Consulting
Resignation of François Pauly
Appointment of Tarun Lal as Nomination Committee Chair and Senior Independent Director

Regular Reports

- Monthly Board Report
- Quarterly Finance Update

Standing Agenda Items

- Trading update
- Finance update
- Strategy implementation update
- Feedback from Committee meetings

Stakeholder engagement

Building and maintaining strong relationships with our stakeholders is key to the long-term success of our business. During 2024 we worked closely with our partners and our decision-making has been informed by their views and experiences.

Your Board seeks to take the views of its key stakeholders: our shareholders, customers, franchise partners, landlords, employees and communities, into account in its discussions and decision-making.

Information on how we have placed our stakeholders at the centre of our strategy can be found throughout our Strategic Report and details of how we create value for our primary stakeholders can be found on pages 18 to 20.

The Board receives regular updates from the Chief Executive Officer, the Chief Financial Officer and the Chairman on the views of key stakeholders on the Group's strategic agenda as well as receiving insights from other members of the Board and through the Company's stakeholder engagement initiatives.

Key stakeholder engagement initiatives undertaken by the Company in 2024 included:

- the publication of eight White Papers reporting on analysis and research undertaken by IWG which covered areas such as the quantification of savings that can be achieved through hybrid working, work trend forecasts for 2025 and the environmental benefits of hybrid working;
- engagement with shareholders and proxy advisors regarding the 2024 annual general meeting;
- 15 pulse surveys undertaken with business leaders and employees about the workplace and preferred ways of working;
- the 2024 Employees Engagement survey;
- the employee engagement programme overseen from the Board by Nina Henderson;

- leadership conferences also attended by our franchise partners and certain Board members were held in our major geographic areas during 2024;
- workshops for our franchise partners were held throughout 2024, notably workshops in the UK and Germany were attended by more than 70% of local franchisees; and
- CSR activities undertaken by our employees throughout the world to engage with communities and reduce our environmental impact.

Shareholder engagement

Investor meetings

The Board is kept informed of investor views through the distribution of analyst and broker briefings and regular investor relations updates and Board presentations.

Our Investor Relations ('IR') team uses Customer Relationship Management software to engage with shareholders and potential shareholders. In 2024 the team continued its active engagement programme, holding 357 investor meetings either in person or online which allowed IWG to engage directly with more than 400 investors, discussing areas such as market outlook, financial and operating performance, sustainability and governance matters. In addition, a number of roadshows were held and six conferences were attended, as shown in our IR programme: 2024 Calendar.

The Chairman, Chief Executive Officer and Chief Financial Officer maintain a close dialogue with institutional investors on the Company's performance, sustainability initiatives, governance, plans and objectives. They regularly participate in investor meetings and make themselves available for questions, at the time of major announcements and on request. The Chairman, Chief Executive Officer and Chief Financial Officer regularly update the Board on

the results of these meetings and the opinions of investors. All Directors have a standing invitation to participate in investor meetings. Committee Chairs engage with shareholders when there are significant changes within their areas of responsibility.

General meetings

The annual general meeting each year is held in May, save in exceptional circumstances, in Switzerland and is attended by all members of the Board. In addition to the formal business of the meeting, there is normally a trading update and shareholders have the opportunity to ask questions and to meet the Directors afterwards.

All Directors attended our 2024 annual general meeting in person and were also available to respond to shareholder queries outside of the meeting. All resolutions were voted on separately by means of a poll and the final results were published after the meeting. All resolutions were passed with at least 92% of votes in favour.

The 2025 annual general meeting will be held on Tuesday 20 May 2025. Notice of the meeting will be in a separate document. As always, the Directors will be available on request to respond to any shareholder queries outside of the meeting and will publish plans to understand any significant votes against any resolutions.

Company website

Our website www.iwggplc.com has a dedicated IR section which includes our Annual Reports, results presentations and our financial calendar.

Senior Independent Director

Our Senior Independent Director, Tarun Lal, is available to address any shareholder concerns that cannot be resolved through normal channels of communication.

IR programme | 2024 calendar

Q1

- FY 2023 results
- Investor Roadshow
- Jefferies Conference (UK)

Q2

- Q1 Trading Update
- Berenberg Conference (US)
- US Investor Roadshow
- HSBC Conference (UK)
- Debt Roadshow
- H1 Financing and Pre Close Update

Q3

- H1 2024 Results
- Investor Roadshow
- GS Credit Conference (UK)
- BofA Global Real Estate Conference (US)
- US Investor Roadshow

Q4

- Q3 Trading Update
- Investec UK Conference (UK)
- Stifel & LSE UK Conference (US)
- US Investor Roadshow

Key

- Corporate Calendar
- Roadshows
- Other IR events

Employee engagement

The health, safety and emotional wellbeing of our people is of paramount importance to the Board and it informs our decision-making.

- The Board is made aware of employee views and is able to gain insights about the organisation through the following channels:
- employee surveys;
 - feedback from the new starter and leaver process;
 - talent reviews, participation in company meetings and visits to workplace sites;
 - initiatives that develop and enable collaboration across the many countries and different cultures represented by IWG team members;
 - the employee engagement programme overseen on behalf of the Board by Nina Henderson, Non-Executive Director with oversight of employee engagement and CSR; and
 - our 'Right to Speak' policy, which encourages all employees regardless of seniority to raise matters that cause them concern through a third party managed whistleblowing system without fear of retaliation; the results and actions taken are regularly reviewed by the Audit Committee.

In 2024 IWG was again recognised as a Top 1% leading employer in the UK.

We are extremely proud of the accomplishments of our global workforce and further information on our talent strategy can be found on pages 36 to 38.

Non-Executive Director with oversight of employee engagement and CSR

Nina Henderson

Ensuring the health and wellbeing of our employees, understanding employee views and ideas, recognising their achievements and challenges is a key priority for the Board. We recognise that our success is driven by our people and that our decision making must be informed by them.

My role

As Non-Executive Director with oversight of employee engagement, I interact with our employees to gather their views. I share my observations with the Board and management.

On an annual basis, with the support of the Chief Talent Officer, management and the Board, a plan of meeting attendance, visitations and informal exchanges with IWG colleagues is developed.

The Board and I receive feedback through the IWG new starter and leaver process, which is designed to ensure team members have a great start to work at IWG and provides an understanding of the reasons why team members might leave the business.

In addition, I have oversight of corporate social responsibility, and I work closely with our sustainability team to understand the initiatives that are being supported by our people across the globe and to provide feedback to the Board.

Representing and supporting employees

Feedback I receive from employees is regularly discussed at Board and Committee meetings. The perspectives are also shared with management.

IWG's innovation and strategy to deliver solutions for the evolution of work is dependent on the ideas and contributions of IWG team members. Our approach to employee engagement will continue to foster an avenue for exchange of perspectives and insights.

Activities during 2024

During 2024, I was privileged to interact with a wide variety of employees through multiple channels, this included visits to centres and corporate offices across the globe and my attendance at our Country Manager conference, held in the UK during October 2024.

Our 2024 Employee Engagement Survey reported that 77% of employees would recommend IWG to friends and family as a positive employment experience. We continue to explore efforts that will continue to provide the "great day at work" for our employees and customers.



Board decision-making

As a Jersey-incorporated Company we are not required to make a Section 172 Statement under the UK Companies Act; we do however maintain the same high standards when complying with our Director duties in accordance with Jersey company law. Our Directors are required to act in good faith and in the best interests of the Company and in doing this our Directors have regard, amongst other items to the matters highlighted in the below example.

The Board has approved a strategy of providing modern, flexible workspaces conveniently located where people want to work on terms that bring significant benefits to our customers and partners whilst providing attractive returns to our shareholders.



The likely consequences of any decision in the long-term

As evidenced from our operations and accelerated growth across 120 countries, as well as our research into future work trends, the continued growth in the need for flexible workspace shows no signs of abating.

Through our capital-light growth strategy we are able to position ourselves for continued growth in the long-term whilst generating attractive returns for our shareholders.



The interests of the Company's employees

The growth of our business creates new opportunities for employees to develop their careers in a fast-paced exciting environment and to have the benefits associated with working for a global leader with strong sustainability policies.



The need to foster the Company's business relationships

Our customers: This strategy allows our customers to perform better, with more flexibility and agility. We enable their employees to be more productive and fulfilled.

Our partners: Partners and franchisees have the opportunity to diversify into an exciting and fast-growing market, whilst building owners and developers achieve a good return on their investment.



The impact of the Company's operations on the community and the environment

Through this strategy we can significantly reduce carbon emissions by reducing commuting time for workers and providing energy efficient local offices.

Providing local working will benefit the economies of local communities and encourages social connections.



The desirability of the Company maintaining a reputation for high standards of business conduct

Growth in a sustainable and ethical way creates reputational and cultural benefits. We will always act in accordance with our culture and values, doing what is right for the environment and our people and ensuring we act ethically and without bias in all our business activities.



The need to act fairly as between members of the Company

This is a strategy which will benefit all our shareholders, by driving growth and creating opportunities and attractive returns.

Division of responsibilities

There is a clear division of responsibilities between the running of the Board and the running of the Company’s business. No one individual Director has unfettered powers of decision-making, and all Directors are required to act in the best interests of the Company.

Douglas Sutherland
Chairman

Douglas is responsible for leading the Board, setting high governance standards and focusing the Board on strategic matters. He oversees the Group’s business and implementation of the Group’s sustainability policies and strategy. He sets the Board’s agenda and monitors the effectiveness of the Board. He ensures effective communication with shareholders and that the Board is aware of the views of all major stakeholders. He also facilitates the contribution of the Non-Executive Directors and ensures constructive relations between the Executive and Non-Executive Directors.

Mark Dixon
Chief Executive Officer

Mark is responsible for formulating strategy and for its delivery through the Senior Leadership Team once agreed by the Board. He creates a framework of strategy, values and objectives to ensure the successful delivery of key targets and allocates decision-making and responsibilities accordingly.

Charlie Steel
Chief Financial Officer

Charlie is responsible for leading the finance and accounting functions of the Group. He is also responsible for business ethics, good governance, assisting with strategy and compliance.

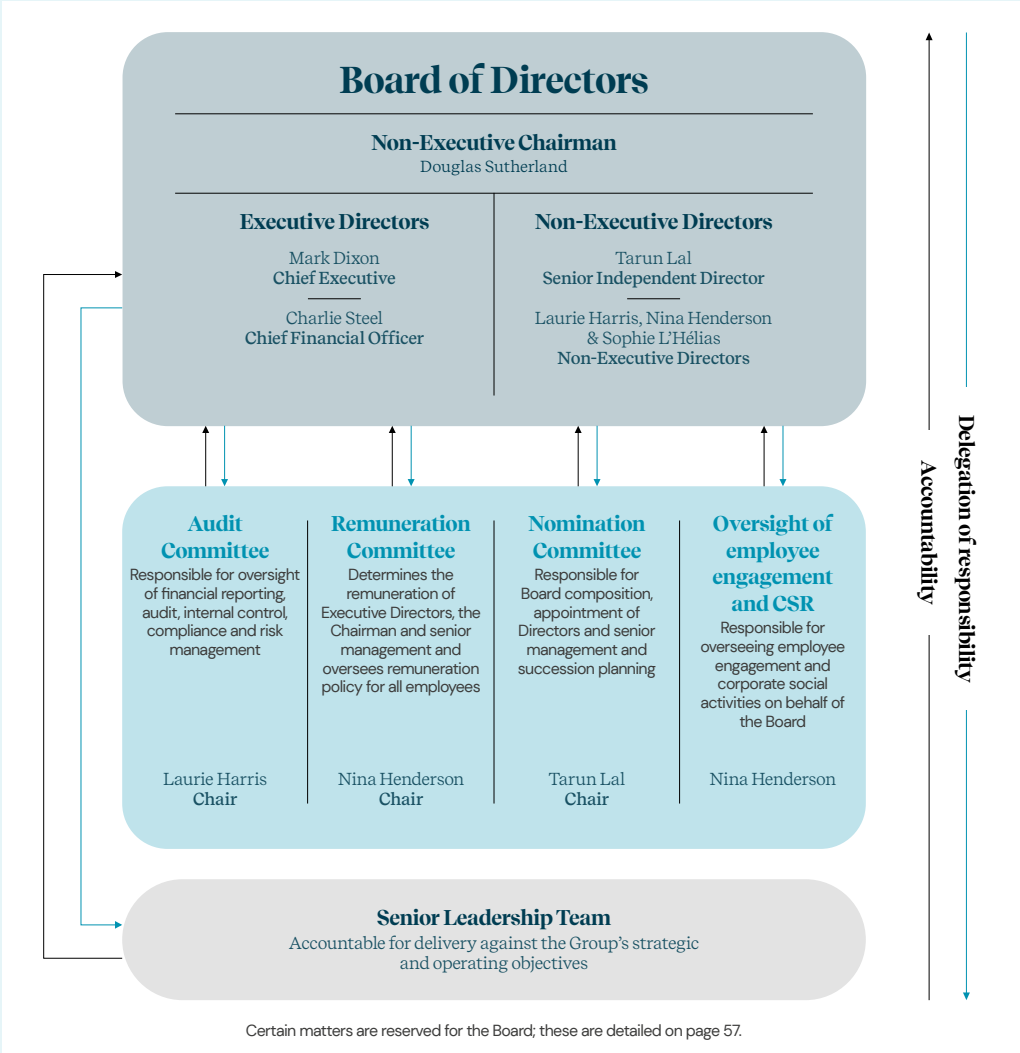
Tarun Lal
Senior Independent Director

Tarun acts as a sounding board and confidant for the Chairman, as an intermediary for other Directors as required, and leads the appraisal of the Chairman’s performance. He is also available to shareholders if they have concerns that cannot be resolved through normal channels.

Non-Executive Directors
The independent counsel, character and judgement of the Non-Executive Directors enhance the development of strategy and the overall decision-making of the Board. The Non-Executive Directors scrutinise the performance of management and monitor the reporting of business performance, satisfying themselves as to the integrity of financial information and that financial controls and systems of risk management are robust and defensible. They are also responsible for determining appropriate levels of executive remuneration.

Timothy Regan
Company Secretary

Timothy is responsible for advising the Board, through the Chairman, on all governance matters and ensuring that the Board has the policies, processes, information, time and resources it needs to function efficiently and effectively. He also acts as secretary to the Board Committees.



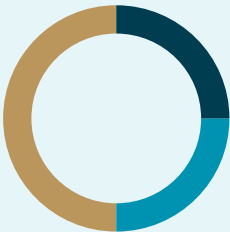
Succession plans focused on strategic ambitions

“
We continue to have full confidence in the Board’s members, their commitment to the Company and in the Board’s governance structures and processes.”

Tarun Lal,
Chair, Nomination Committee

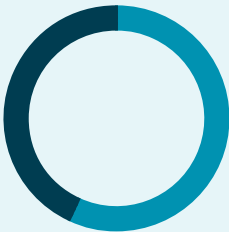


Length of tenure
within the Committee



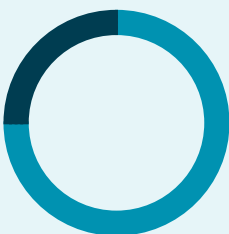
0-3 years	25%
4-6 years	25%
9+ years	50%

Gender representation
within the Committee



Male	57%
Female	43%

Ethnic group representation
within the Committee



White	75%
Asian	25%

Members	Attendance (out of possible maximum number of meetings)
Tarun Lal	7/7
Laurie Harris	7/7
Nina Henderson	7/7
François Pauly*	7/7
Douglas Sutherland	7/7

The majority of members of the Committee are independent Non-Executive Directors.

* Resigned 31 December 2024

Dear Shareholder

I am pleased to present to you our report on the work of the Nomination Committee (the ‘Committee’) during 2024. This has been a productive year for the Committee, with a particular focus on succession planning to refresh and strengthen the Board and its Committees ensuring that we look to the future and deliver our strategic ambitions.

I was appointed as Chairman of the Committee and as Senior Independent Director on 31 December 2024. This followed the resignation of François Pauly, who had served on the Board for nine years. Recognising the time commitment that my new roles require, I have agreed to both appointments on an interim basis pending the completion of the Committee’s ongoing process of identifying suitable candidates for appointment to the Board for the refreshment of our senior Board roles with a view to our strategic objectives.

Key activities of the Committee during 2024 included:

- our search for new Non-Executive Directors;
- succession planning activities; and
- our External Board Review.

Board and committee composition

Our Board currently comprises seven members, being: the Non-Executive Chairman (independent at the time of appointment); two Executive Directors; and four independent Non-Executive Directors. Further information on Board composition can be found on page 56 and the biographies of individual directors are on pages 54 and 55.

Board succession activities

During 2024 the Committee, reflecting on its review of the balance of existing skills, knowledge, cultures and experience on the Board and its strategic objectives, continued with its plans for the refreshment of senior Board and committee roles.

The Committee appointed Spencer Stuart and Audeliss Executive Search consultancies to identify a longlist of Non-Executive Director candidates. Both Spencer Stuart and Audeliss Executive Search are

signatories to the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice and they have no other connection to the Company or any of the Directors.

The Committee is currently in advanced discussions with potential candidates, and we will be announcing Board changes in due course.

As part of its succession planning the Committee has also considered the importance of retaining the experience on the Board that is needed in the near-term to deliver through the transformational period which the Company and the flexible workspace market continue to experience and whilst the Board continues to implement value enhancing activities. Following appropriate reviews by the Committee, we are pleased to advise that Nina Henderson and Douglas Sutherland will remain on the Board in their current roles for the near term.

Board Diversity Policy and objectives

All Board appointments and succession plans are based on merit and objective criteria, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. Within that context, we follow our Board Diversity Policy to assure we access the broadest pool of potential candidates on an equitable basis.

The objective of the Board Diversity Policy is to ensure that the Board's composition is inclusive, welcoming different cultures, perspectives, skills, and experiences from across the globe. IWG is committed to engaging talented people, irrespective of their race, colour, religion, age, sex, sexual orientation, marital status, national origin, present or past history of mental or physical disability, socio-economic background and any other factors not related to a person's ability to perform the relevant role.

Our disclosure in respect of the Listing Rules Diversity Guidelines can be found on page 66. We are pleased to currently meet the targets, with the exception that we do not yet have a female in a senior Board position,

as defined, noting we do have female Chairs of our Audit and Remuneration committees.

However, during our current Board refreshment activities, there will be a period during which we will not meet these objectives. With that in mind, reporting against the Board Diversity Policy objectives set for 2024 can be found in the table opposite. All objectives were achieved.

For 2025 we have updated the objectives set in accordance with our Board Diversity Policy, with the aim of improving the diversity of our Senior Leadership Team in the mid-term.

Our objectives for 2025 which will be reported on in 2026 are to:

- maintain or increase the level of female directors on the Board and its committees;
- appoint a female director and/or a director from a non-white ethnic group to one of the positions of Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer in the mid-term;
- maintain or increase the current levels of ethnic diversity on the Board and its Committees;
- increase the level of female and/or non-white male members of the Senior Leadership Team in the mid-term;
- develop a pipeline of high-calibre candidates by encouraging a broad range of senior individuals within the business to take on additional roles to gain valuable Board experience;
- consider candidates for appointment as Non-Executive Directors from a wide international pool including those without previous FTSE Board experience; and
- ensure Non-Executive Director and Senior Leadership Team longlists include a significant representation of highly qualified candidates reflecting diversity including women and candidates with different racial and ethnic backgrounds.

Performance against 2024 Board diversity objectives

Objective	Performance achieved
Maintain a level of at least 37.5% female Directors on the Board rising to 40% in the near-term.	Throughout 2024 we had three female Board members. As at 31 December 2024 this represented 40% of our Board.
Appoint a female Director and/or a Director from a non-white ethnic group to one of the positions of Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer in the mid-term.	Tarun Lal was appointed as our Senior Independent Director on 31 December 2024, this is on an interim basis whilst we implement our plans to refresh the Board in the near term.
Maintain or increase the current levels of ethnic diversity on the Board, Audit Committee, Nomination Committee and Remuneration Committee.	We continue to have two ethnicities represented on each of our Board Committees.
Maintain or increase current levels of female members on the Nomination Committee, Audit Committee and Remuneration Committee.	We continue to have two female members on our Nomination Committee (50%) and three female members on our Remuneration and Audit Committee (75%).
Assist the development of a pipeline of high-calibre candidates by encouraging a broad range of senior individuals within the business to take on additional roles to gain valuable Board experience.	The Committee supports initiatives aimed at strengthening the executive talent pipeline and ensuring that high potential people at every level are developed within the business. Senior individuals are encouraged to gain Board experience through internal and external Board appointments and are also invited to present at Board meetings. Further information on our talent strategy can be found on pages 36 to 38.
Consider candidates for appointment as Non-Executive Directors from a wide international pool including those with little or no previous FTSE Board experience.	The profile, which is being used to identify and engage with potential new directors, was drawn up to allow us to consider a wider pool of talent; FTSE experience is not a pre-requisite.
Ensure Non-Executive Director longlists have at least 50% of candidates reflecting diversity including women and candidates with different racial and ethnic backgrounds.	The profile, which is being used to identify and engage with potential new directors, was drawn up to ensure that longlists reflect our desire to continue to improve the diversity of our Board and to ensure that we maintain our levels of gender diversity (currently 40%).
Engage executive search firms who have signed up to the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice.	During 2024 we worked with Spencer Stuart, Audeliss Executive Search and Korn Ferry, each of whom are signatories to the Voluntary Code of Conduct for Executive Search Firms.

Board and Senior Leadership Team gender and ethnicity metrics – Listing Rules 9.8.6R (9) and 14.3.33R (1)

As at 31 December 2024 we have not yet met all the targets of the Listing Rules diversity guidelines as set out below:

Listing Rules requirement	Detail
At least 40% of the Board are women.	Achieved: As at 31 December 2024 we had 43% female Board representation.
At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is a woman.	Not yet achieved: As at 31 December 2024 we did not have a woman in any of the senior board positions as defined by the Listing Rules. We have a mid-term target for the appointment of a woman to a senior position as defined by the Listing Rules.
At least one member of the Board is from an ethnic minority background (which is defined by reference to the categories recommended by the Office for National Statistics (ONS) excluding those listed, by the ONS as coming from a white ethnic background).	Achieved: Since May 2022 we have had one director who is not from a white ethnic group.

The numerical data required under the Listing Rules is set out in Table One covering sex/gender representation and Table Two covering ethnicity representation. All data provided has been collected through self-reporting from the individuals concerned. By ‘executive management’ we refer to our Senior Leadership Team which encompasses the most senior levels of management reporting to the Chief Executive Officer, including the Company Secretary but excluding all administrative and support staff.

Table One: Reporting table on sex/gender representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	57%	4	12	86%
Women	3	43%	0	2	14%
Other categories	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

Table Two: Reporting table on ethnicity representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other white (including minority white groups)	6	86%	3	11	79%
93% mixed/multiple ethnic groups	-	-	-	3	21%
Asian/Asian British categories	1	14%	1	-	-
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

External Board Review

The performance of your Board, its Committees, the Chairman and individual Directors is reviewed annually and every third year our review is facilitated externally. In respect of 2024, our Board Review (the ‘Review’) has been facilitated externally by Condign Board Consulting (‘Condign’), who have no other connection to the Company or any of the Directors. The Review was conducted through a series of one-to-one discussions with Board members. The Review included enquiry into the other appointments held by each Director (detailed on pages 54 and 55) and the time they were able to commit to performing their role for the Company. The results of the Review were discussed by the Board and the Committee. The suggestions for improvement, which included adding time to in-person Board meetings to enhance the integration of new Board members and strategy implementation discussions, are being incorporated into our ongoing efforts to continuously improve the processes and effectiveness of the Board. We continue to have full confidence in the Board’s members, their commitment to the Company and in the Board’s governance structures and processes.

The Committee uses the review process to monitor effectiveness, performance, balance, independence, leadership and to guide our succession planning, enabling the Committee to identify strengths and weaknesses and ensuring that we are able to identify the capabilities required for particular Board appointments.

Chairman of the Board

I led the review of the Chairman of the Board, Douglas Sutherland, which was conducted by the Committee without Douglas being present. The Committee was informed by the External Board Review, the views of the Executive Directors and the views of investors. As previously advised, Douglas, has been on the Board for more than the recommended term of nine years. He was appointed as Chairman of the Board on 18 May 2010 and was considered independent on appointment. From 27 August 2008 until his appointment as Chairman, Douglas served as an independent Non-Executive Director of the Company.

Based on the review of his performance in 2024 the Committee recommends that Douglas Sutherland remain in this role in the near-term. The Committee believes that given the strategic plans, succession activities and other ongoing initiatives that his continued leadership of the Board is in the best interests of all stakeholders.

Independence of Non-Executive Directors

The Committee reviewed the independence of all Non-Executive Directors in 2024; all are independent and continue to make independent contributions and effectively challenge management.

The Committee does not consider that independence will necessarily be compromised by the length of service of an individual director and following careful evaluation has determined, despite Nina Henderson’s tenure exceeding nine years, that she continues to demonstrate clear independence of character and judgement.

Re-election of the Board

All Directors (unless they are retiring) submit themselves for re-election by shareholders annually.

Directors appointed during the period since the last annual general meeting are required to seek election at the next annual general meeting under the Company’s articles of association.

Reasons why the contribution of Directors offering themselves for re-election or election continues to be important to the long-term success of the Company are described in the notice of annual general meeting.

Board appointments

The Committee leads the process for the appointment of all new directors and, in identifying and recommending candidates to the Board, the Committee considers candidates on merit against objective criteria and in accordance with the Board Diversity Policy.

Nominations are based on the existing balance of skills, knowledge and experience on the Board, on the merits and capabilities of the nominee and on the time they are able to give to the role in order to promote the success of the Company.

Senior Leadership Team

The Committee oversees changes and succession planning for the Senior Leadership Team, and supports initiatives to strengthen the executive talent pipeline.

Succession planning

We monitor that succession plans are in place for the orderly succession of appointments to the Board and the Senior Leadership Team as well as all senior Board and Committee positions, so that there is an appropriate balance of skills, experience and knowledge. Succession planning discussions and a talent review process continue to be an integral priority of the Company’s business planning and review process, as is the continued development of both management capacity and capabilities within the business.

Terms of Reference

Below is a summary of the terms of reference of the Committee:

- Board appointment and composition: to regularly review the structure, size and composition of the Board and make recommendations on the role and nomination of Directors for appointment and re-appointment to the Board.
- Board Committees: to make recommendations to the Board in relation to the suitability of candidates for membership of the Audit and Remuneration Committees.
- Board effectiveness: to review annually and make appropriate recommendations.
- Board performance: to assist the Chairman with the annual performance review to assess the performance and effectiveness of the overall Board and individual Directors.
- Leadership: to remain fully informed about strategic issues and commercial matters affecting the Company and to keep under review the leadership needs of the organisation to enable it to compete effectively.

Complete details of the above are available on the Company’s website www.iwgplc.com.

Tarun Lal
Chair, Nomination Committee

Gender balance

Board



Male 57%
Female 43%

Senior Leadership Team



Male 86%
Female 14%

Direct Reports to the Senior Leadership team



Male 68%
Female 32%

Global workforce



Male 33%
Female 67%

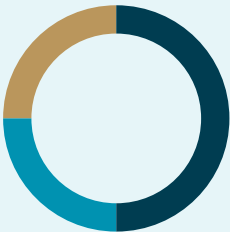
Managing our business ethically and responsibly

“Responsible corporate behaviour is an integral part of the overall governance framework and our management structures.”

Laurie Harris,
Chair, Audit Committee

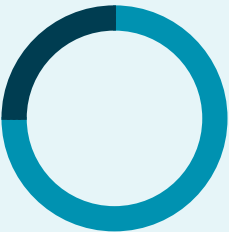


Length of tenure within the Committee



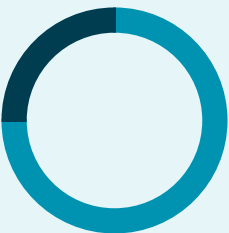
0-3 years	50%
4-6 years	25%
9+ years	25%

Gender representation within the Committee



Female	75%
Male	25%

Ethnic group representation within the Committee



White	75%
Asian	25%

Members	Attendance (out of possible maximum number of meetings)
Laurie Harris	9/9
Nina Henderson	9/9
Tarun Lal	9/9
Sophie L'Hélias	9/9
François Pauly*	9/9

All members of the Committee are independent Non-Executive Directors.

* Resigned 31 December 2024

Dear Shareholder

I am pleased to present you with this report on the work of the Audit Committee (the 'Committee') during 2024.

Your Committee has an important responsibility to act independently of Company management. We ensure, for the benefit of shareholders and all stakeholders, that we provide robust challenge in respect of financial reporting and internal control.

This report sets out the role and responsibilities of the Committee and our key activities during the year.

Activities in 2024 included oversight of:

- financial reporting;
- sustainability reporting;
- strategic financial projects including the debt refinancing implemented in 2024;
- risk management and internal audit; and
- preparations for the implementation of the UK Corporate Governance Code 2024 (the 'Revised Code').

Membership

The Committee consists entirely of independent Non-Executive Directors. In compliance with the UK Corporate Governance Code and as determined by the Nomination Committee and the Board, I am the Committee member possessing recent and relevant financial experience and qualifications. Committee members hold a diverse range of skills, experience, qualifications and industry acumen in areas such as franchising, retail, risk, human resources, Corporate Responsibility and governance and all Committee members have proven track records in leadership and financial transactions. Taken as a whole the Nomination Committee and the Board have ensured that the Committee has the competence needed to effectively fulfil its role. The biographies of all Committee members can be found on pages 54 and 55.

Meetings

Nine Committee meetings were held in the year and where time-sensitive approvals were needed authority was delegated to a sub-committee. Meetings are planned with the Company Secretary to co-ordinate with key dates within the financial reporting calendar and audit cycle. The Company Secretary ensures information and meeting papers are provided in a timely manner, takes minutes at all meetings of the Committee, and provides any necessary practical support.

At my request, the external auditors, Executive Directors, the Chairman, the Company Secretary and the Business Assurance Director attend meetings. Executive Directors, internal and external auditors are expected to make information freely available to the Committee, to listen to the views of the Committee and discuss issues openly.

At least annually, the Committee meets independently, without management, with the Company's external auditors and the Business Assurance Director. In addition I regularly meet with Executive Directors, the Chairman, the external lead audit partner and the Business Assurance Director outside of the formal Committee process.

Performance

The effectiveness of the Committee is reviewed annually as part of the Board Review process detailed on page 66. In respect of 2024 this review was conducted externally by Condign Board Consulting who have no other connection to the Company or any of the Directors.

Training

All Committee members have access to the necessary training to be able to fulfil their role. This includes training as part of their induction programme and ongoing training which includes updates on any new standards, legal or reporting requirements and best practice. Further information can be found on page 57.

Resources

Executive Directors are under an obligation to ensure Committee members are kept properly informed and have the information needed to discharge their duties as Directors of the Company. This obligation includes taking the initiative to supply relevant information in a timely manner rather than waiting to be asked and ensuring that all employees and directors are advised of the need to cooperate with the Committee and provide it with any information it requires.

If needed resource is available for the Committee to take independent legal, accounting or other advice.

Responsibilities

The below is a summary of the terms of reference of the Committee (the full text of which is available on the Company's website www.iwgplc.com):

- Financial reporting: monitoring the integrity of financial reporting for compliance with applicable statutes and accounting standards.
- Internal control and risk: reviewing the effectiveness of internal controls and risk management systems.
- Internal audit: monitoring the internal audit programme, reviewing all findings and making certain that the function is sufficiently resourced and free from restrictions.
- External audit: advising on the appointment, reappointment, remuneration and removal of the external auditor.
- Employee concerns: reviewing whistleblowing arrangements.

I routinely report to the Board on how the Committee has discharged these responsibilities and on any other matters where the Board has requested the Committee's opinion. This includes highlighting any concerns raised or areas for improvement identified.

Where there is disagreement between the Board and the Committee which cannot be resolved through discussion the Committee can report on the matter to the shareholders as part of the Annual Report. There was no such disagreement in 2024.

Activities of the Audit Committee in respect of 2024

This section summarises the main focus areas of the Committee in respect of 2024 and the results of the work undertaken.

Financial reporting

Our main focus was the review of the quarterly results and this Annual Report together with the formal announcements relating thereto. Before recommending these to the Board we determined that the actions and judgements made by management were appropriate. Particular focus was given to:

- critical accounting policies and practices and changes thereto;
- changes in the control environment;
- control observations identified by the auditor;
- decisions delegated to and requiring judgements by management;
- adjustments resulting from the audit;
- clarity of the disclosures made;
- compliance with accounting standards and relevant financial and governance reporting requirements; and
- the process surrounding compilation of the Annual Report to confirm it is fair, balanced and understandable.

The Committee formally considers and minutes key audit matters as detailed on page 72 before recommending the financial statements to the Board.

The Committee recommends the Annual Report to the Board. It considers the Annual Report, taken as a whole, to be fair, balanced and understandable, providing the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

During 2024 the Committee also reviewed proposals, liaised with KPMG and provided advice to management and the Board in respect of the debt refinancing transactions undertaken in 2024. This included entry into a new revolving credit facility and issuance of a Euro Investment Grade Bond backed by a debut investment grade Fitch BBB credit rating.

Additionally the Committee had oversight of ongoing finance projects. This included the change of the Company's reporting currency to USD effective 1 January 2024, the potential adoption of US GAAP reporting standards and considering matters relevant to potential changes in the stock exchange for the listing of the Company's shares.

Risk management

The Board is responsible for establishing the risk appetite for the Group. The Committee oversees and reviews an ongoing process for identifying, evaluating and managing the risks faced by the Group. Major business risks and their financial implications are appraised by the responsible executives as part of the planning process and are endorsed by regional management. Key risks are reported to the Committee, which reports on them to the Board. The appropriateness of controls is considered by the executives, having regard to cost, benefit, materiality and the likelihood of risks crystallising. Key risks and actions to mitigate those risks were considered by both the Committee and the Board and were formally reviewed and approved.

Emerging and principal risks

There are a number of existing and emerging risks and uncertainties which could have an impact on the Group's long-term performance. The Group has a risk management structure in place designed to identify, manage and mitigate such business risks. Risk assessment and evaluation are an integral part of the annual planning process, as well as the Group's monthly review cycle.

The Group's principal risks, together with an explanation of how the Group manages these risks are presented on pages 45 to 49 of this Annual Report.

Sustainability

Sustainability is identified as an operational risk and is a standalone principal risk to the business. Further information can be found on page 49 and on pages 41 to 43.

On the request of the Board the Committee monitors the Group's implementation of its sustainability policies. In respect of 2024, this included reviewing the limited assurance work performed by an independent third party on our Scope 1 and 2 greenhouse gas emissions information included on page 44, as well as the Committee's assessment of the impact of climate related risks on the Group's financial statements as detailed in note 2 on page 102. The Committee also reviewed the disclosures provided on pages 41 to 43 in compliance with the framework provided by the Task Force on Climate-Related Financial Disclosures.

Internal control

The Committee has a delegated responsibility for the Company's system of internal control and risk management and for reviewing the effectiveness of this system. Such a system is designed to identify, evaluate and control the significant risks associated with the Group's achievement of its business objectives with a view to safeguarding shareholders' investments and the Group's assets. Due to the limitations that are inherent in any system of internal control, this system is designed to meet the Group's particular needs and the risks to which it is exposed and is designed to manage rather than eliminate risk. Accordingly, such a system can provide reasonable, but not absolute, assurance against material misstatement or loss.

In accordance with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (the 'FRC Guidance'), the Committee confirms there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group.

During 2024, the Committee continued to revisit its risk identification and assessment processes, inviting Board members and senior management to convene and discuss the Group's key risks and mitigating controls.

A risk-based approach has been adopted in establishing the Group's system of internal control and in reviewing its effectiveness. To identify and manage key risks:

- Group-wide procedures, policies and standards have been established;
- a framework for reporting and escalating significant matters is maintained;
- reviews of the effectiveness of management actions in addressing key Group risks identified by the Board have been undertaken; and
- a system of regular reports from management setting out key performance and risk indicators has been developed.

This process is designed to provide assurance by way of cumulative assessment and is embedded in operational management and governance processes.

Key elements of the Group's system of internal control which have operated throughout the year under review are as follows:

- the risk assessments of all significant business decisions at the individual transaction level, and as part of the annual business planning process;
- a Group-wide risk register is maintained and updated at least annually whereby all inherent risks are identified and assessed, and appropriate action plans developed to manage the risk per the risk appetite of the Group as established by the Board. The Board reviews the Group's principal risks at least annually and management periodically reports on the progress against agreed actions, enabling the Committee to monitor how key risks are managed;
- the annual strategic planning process, which is designed to ensure consistency with the Company's strategic objectives. The final plan is reviewed and approved by the Board. Performance is reviewed against objectives at each Board meeting;
- comprehensive monthly business review processes under which business performance is reviewed at business line, business centre, area, country, regional and functional levels. Actual results are reviewed against targets, explanations are received for all material movements, and recovery plans are agreed where appropriate;
- the documentation of key policies and control procedures (including finance, operations, and health and safety) having Group-wide application.

- These are available to all staff through the IWG Academy;
- formal procedures for the review and approval of all investment and acquisition projects. The Group's Investment Committee reviews and approves all investments. Additionally, the form and content of routine investment proposals are standardised to facilitate the review process;
 - the delegation of authority limits with regard to the approval of transactions;
 - the generation of targeted, action-oriented reports from the Group's sales and operating systems on a daily, weekly and monthly basis, which provide management at all levels with performance data for their area of responsibility, and which help them to focus on key issues and manage them more effectively;
 - the delivery of a centrally coordinated assurance programme by the business assurance department that includes key business risk areas. The findings and recommendations of each review are reported to both management and the Committee; and
 - the maintenance of high standards of behaviour which are demanded from staff at all levels in the Group. The following procedures support this:
 - a clearly defined organisation structure with established responsibilities;
 - an induction process to educate new team members on the standards required from them in their role, including business ethics and compliance, regulation and internal policies;
 - the availability of Group and country-specific policies via the Group's internal platforms, including the Company's Code of Conduct, detailed guidance on employee policies and the standards of behaviour required of staff;
 - policies, procedure manuals and guidelines are readily accessible through the IWG Academy;
 - operational audit and self-certification tools which require individual managers to confirm their adherence to Group policies and procedures; and
 - a Group-wide policy to recruit and develop appropriately skilled employees of high calibre and integrity and with appropriate disciplines.

The Committee and the Board regard responsible corporate behaviour as an integral part of the overall governance framework and believe that it should be fully integrated into management structures and systems. Therefore, the risk management policies, procedures and monitoring methods described above apply equally to the identification, evaluation and control of the Company's safety, ethical and environmental risks and opportunities. This approach makes sure that the Company has the necessary and adequate information to identify and assess risks and opportunities affecting the Company's long-term value arising from its handling of corporate responsibility and corporate governance matters.

The Committee has completed its annual review of the effectiveness of the system of internal control for the year to 31 December 2024 and is satisfied that it is in accordance with the FRC Guidance and the Code. The assessment included consideration of the effectiveness of the Board's ongoing process for identifying, evaluating and managing the risks facing the Group.

Whistleblowing policy

A whistleblowing channel, hosted by an independent third party and which may be used anonymously, is available to all employees via email, the web, or on the IWG Academy. We operate a 'Right to Speak' policy, the aim of which is to encourage all employees, regardless of seniority, to bring matters that cause them concern to the attention of the Committee, through the whistleblowing channel, without fear of repercussions or retaliation. Employees can monitor the progress of the reports they have made.

The Business Assurance Director, in consultation with the Senior Leadership Team, decides on the appropriate method and level of investigation. The Committee is notified of all material discourses made and receives reports on the results of investigations and actions taken on a regular basis. The Committee has power to request further information, conduct its own enquiries or order additional action as it sees fit.

During 2024 we received 51 reports through our whistleblowing channel. 42 of these were classified as requiring further investigation and were reported to the Committee; of these, 31 have been resolved to date and the remaining reports which were received are under investigation. None of the investigations identified instances of bribery and corruption that needed to be reported to the Committee.

Internal audit

The Committee has overall responsibility for monitoring and reviewing the effectiveness of the Company's internal audit function within the context of the overall risk management system.

This includes responsibility for the appointment and removal of the head of the internal audit function, the Business Assurance Director, and for approving the remit of internal audit; ensuring it is free to work independently and objectively and that it has the necessary resources and access to information to enable it to fulfil its mandate in accordance with appropriate professional standards.

In 2024 a new Business Assurance Director was appointed and the Committee sought to ensure that the Group increased the breadth of skills within the team to take into account the requirements of the Revised Code with additional consideration towards US requirements.

During 2024 the Committee reviewed progress made against the 2024 internal audit plan. The plan for 2025 has also been assessed and approved. The Committee received regular reports from the Business Assurance Director which were reviewed promptly and it monitored management's responsiveness to the finding and recommendations of the internal audit team. The Committee held its annual meeting with the Business Assurance Director without the presence of management. The Business Assurance Director had direct access to the Committee Chair and to the Chairman of the Board throughout the year.

UK Corporate Governance Code 2024

In 2024 management began initial preparations for the introduction of the Revised Code. This will apply to the Company from the financial year commencing on 1 January 2025, with the exception of Provision 29 on internal control which will apply to the Company from the financial year commencing on 1 January 2026.

Provision 29 of the Revised Code enhances directors' responsibilities by requiring a declaration regarding the effectiveness of the Company's material controls. The Board has delegated oversight of preparations for Provision 29 to the Committee and we have approved the engagement of EY, who have no other connection to the Company or any other Directors, to assist with this project. As part of the project we will also consider the US requirements which would apply should we determine that it is appropriate to move the listing of our shares to the US.

Planned project steps include:

- establishing our project team;
- agreeing the definition of "material controls";
- determining disclosures and principal risks requiring material controls;
- establishing a list of material controls and assigning ownership;
- determining the level of confidence which the Board requires to determine the effectiveness of material controls and identifying the confidence gap; and
- enhanced narrative reporting.

Updates will be provided to the Board throughout the project.

External audit

The Committee makes recommendations to the Board, to be put to shareholders at the annual general meeting in relation to the appointment, reappointment and removal of the external auditor. They are responsible for overseeing the relationship with the

external auditor which includes annually assessing the objectivity and independence of the external auditor and the measures in place to safeguard their independence, as well as undertaking an annual evaluation of their effectiveness.

KPMG were initially appointed in 2016 as the external auditors of the Company. Whilst the Company is a Jersey company, after consultation with KPMG, the Committee determined that appointing a Jersey-registered KPMG Ireland audit partner would best serve the needs of the Group. KPMG were reappointed at the 2024 annual general meeting and in respect of the financial year ended 31 December 2024 they completed reviews of the Group's Q1 results for the period to 31 March, the half-year results of the Group for the period to 30 June 2024, the Q3 results for the period to 30 September 2024 and they audited the consolidated financial statements of the Group for the year ended 31 December 2024.

The Committee approves the remuneration of the external auditor and their terms of engagement. The breakdown of the audit fees paid to the external auditor during the year to 31 December 2024 can be found in note 4 on page 113.

Independence and objectivity of the external auditor

The Committee has assessed and confirmed the continuing independence and objectivity of KPMG.

The value of non-audit services provided by KPMG in 2024 amounted to \$1m (2023: \$1m). Non-audit services primarily related to assurance and audit related services. During the year there were no circumstances where KPMG were engaged to provide services which might have led to a conflict of interest.

The Committee has also undertaken its annual review of the measures in place to safeguard KPMG's independence as detailed in its policy on non-audit related services, which includes the following measures:

- the external auditor is used for non-audit related services only where their use will deliver a demonstrable benefit as compared with the use of other potential providers and where it will not impair their independence or objectivity;
- all proposals for permitted defined non-audit services to use the external auditor must be submitted to, and authorised by, the Chief Financial Officer and/or Committee Chair before any work is performed;
- permitted non-audit services are reviewed annually by the Committee and currently include: consultation on financial accounting and regulatory reporting matters; reviews of internal accounting and risk management controls; reviews of compliance with policies and procedures; non-statutory audits (e.g. regarding acquisitions and disposal of assets and interests in companies) and assurance on finance-related projects;
- prohibited non-audit services include: tax compliance and advisory services; legal services; book-keeping and other accounting services; design, provision and implementation of information technology services; internal audit services; valuation services; payroll services; recruitment services in relation to key management positions; HR services relating to the organisation structure and cost control; and transaction (acquisitions, mergers and dispositions) work that includes investment banking services, preparation of forecasts or investment proposals and deal execution services; and
- KPMG confirm at every Committee meeting that, since the prior meeting, there have been no significant issues affecting their objectivity and independence arising from the provision of non-audit services.

KPMG are required to adhere to a rotation policy requiring rotation of the lead audit partner at least every five years. A new audit partner was appointed in respect of 2024.

Effectiveness of the external auditor

The Committee has evaluated and confirmed the effectiveness of KPMG as external auditor.

The Committees’ annual assessment of the effectiveness of the external auditor covers all aspects of the external audit process including planning, execution, communication and reporting. The Chair discusses the results of the assessment with the audit partner and agrees on the action plans to be put in place as needed.

The Committee’s assessment of the effectiveness of the external audit conducted by KPMG in respect of the year ended 31 December 2024 was informed by the views of employees, senior leaders and stakeholders across the Group. Particular focus was given to:

- the audit process as a whole and its suitability for the challenges facing the Group, this included considering the delivery against the agreed audit plan and the actions agreed with the Committee;
- the strength and independence of the external audit team and the level of resourcing;
- the exercise by the external audit team of its professional scepticism and its ability to challenge management assumptions where necessary; it was noted that as part of their audit, KPMG had challenged management to ensure robustness of reporting across a wide set of topics, in particular concerning: impairment tests of ROU assets, PPE, goodwill and intangibles; lease accounting; revenue recognition; taxation; controls. No material issues were identified as part of this audit challenge.
- the external audit team’s understanding of the control environment as detailed in their management letter and other communications;
- the culture of the external auditor in seeking continuous improvement and increased quality including KPMG’s self-assessment of risks to the audit quality and the actions taken in response to previous quality assessments; and
- the quality and timeliness of communications and reports received and the quality of interactions with management.

Audit tendering process

The Company’s last audit tendering process was undertaken in 2018. The Committee notes that KPMG is involved in assuring the proposed change to reporting under US GAAP and in view of the nature and status of this process, amongst other considerations, the Committee does not believe it is appropriate to consider an audit tender at this time.

This will be re-evaluated following the outcome of this process, ensuring sufficient time and resources can be dedicated to the tendering process.

Re-appointment of the external auditor

Following the Committee’s assessments of the independence, objectivity and effectiveness of KPMG as external auditor, the Committee has recommended to the Board that KPMG Ireland be recommended to the Company’s shareholders for reappointment as the Company’s external auditor in respect of the financial year ended 31 December 2025.

Laurie Harris
Chair, Audit Committee

Significant financial reporting judgements

The Committee discussed and reviewed the following key audit matters with KPMG and management in relation to the financial statements for 2024. For each area, we discussed with KPMG their procedures to challenge and evaluate management’s assumptions. The Committee was satisfied with the accounting and disclosures in the financial statements.

Accounting matter	Detail
Goodwill and intangible assets	The Committee has considered the impairment testing undertaken and disclosures made in relation to the value of the Company’s goodwill and intangibles and has challenged the key assumptions made by management in their valuation methodology. The Committee considers that an appropriate approach has been used by management and is satisfied that no additional impairment of intangibles and goodwill is required. See notes 11, 12 and 31 for further information.
Recognition of deferred tax assets	The Committee has reviewed the basis on which management has recognised and valued deferred tax assets, with particular focus on the recoverability of deferred tax assets associated with the Group’s intellectual property in Switzerland. The Committee is satisfied that management’s judgements on the generation of future taxable profits in the foreseeable future are aligned with the Group’s other business forecasting processes. The Committee has considered the presentation and disclosure (in accordance with IAS 1 and IAS 12) in respect of taxation-related balances and is satisfied that the Group’s disclosures reflect the risks inherent in accounting for the deferred taxation balances. See notes 7 and 31.
Impairment of leasehold property, plant and equipment (‘PPE’) and right-of-use (‘ROU’) assets	The Committee reviewed the process used by management during 2024 to assess all open, non-franchise business centres across the Group for indicators of impairment. We challenged key judgements and estimates relating to the impairment of leasehold PPE and ROU assets and ultimately concluded that management’s judgements and the disclosure of these impairments were appropriate. See notes 13 and 31.

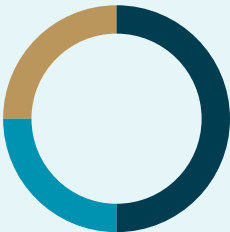
Fostering the long-term success of the Company

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The Committee has designed performance-driven remuneration policies that reward delivery of our strategic priorities and support our culture and values to foster the Group’s sustainable long-term success.”

Nina Henderson,
Chair, Remuneration Committee

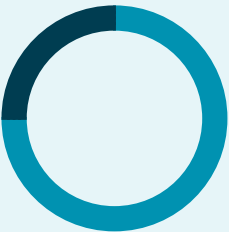


Length of tenure within the Committee



0-3 years	50%
4-6 years	25%
9+ years	25%

Gender representation within the Committee



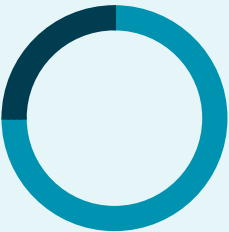
Female	75%
Male	25%

Attendance (out of possible maximum number of meetings in 2024)

Members	Attendance
Nina Henderson	7/7
Laurie Harris	7/7
Sophie L'Hélias	7/7
Tarun Lal	7/7
François Pauly*	7/7

* Resigned 31 December 2024
All members of the Committee are independent Non-Executive Directors.

Ethnic group representation within the Committee



White	75%
Asian	25%

Dear Shareholder

On behalf of the Remuneration Committee (the 'Committee'), I present the 2024 Directors' Remuneration report. The Committee has designed performance-driven remuneration policies that reward delivery of our strategic priorities and support our culture and values to foster the Group's sustainable long-term success.

In 2024 IWG's Executives and Associates delivered a record year. Highest ever revenue, profit and business expansion positioning the Company for continued growth and leading edge innovation. IWG's portfolio of products and services will continue to enable the evolution of work.

Notable 2024 performance achievements, linked to our 2024 annual bonus plan, include: an adjusted EBITDA (on a pre IFRS 16 and constant currency basis) of \$561m; cashflow from business activities of \$298m; continued network growth through the opening of more than 600 new capital-light centres; and the continuation of our carbon reduction journey, with more than 1,400 centres using certified green electricity. These accomplishments, requiring current investment, will continue to provide future benefits and create long-term value for all stakeholders.

The metrics we set in respect of 2024 Executive Director performance and those metrics which we will apply for 2025 performance evaluation have and will continue to align the interests of our Executives with the long-term interests of our shareholders.

Remuneration Policy

Our Remuneration policy (the 'Policy') was last approved by shareholders at the 2023 annual general meeting, receiving support from 87.2% of shareholders. Our application of the Policy in respect of 2023 received approval from 95.5% of shareholders.

IWG is the global market leader providing solutions for the evolution of work including hybrid formats. The combination of IWG's innovation and growth plans are enabling our ability to deliver our medium-term financial ambitions and, by extension, significant

shareholder value. The Committee has carefully reviewed our current remuneration approach. We conclude that there is an opportunity to significantly increase the alignment of executive pay with the successful delivery of our strategy and shareholder value. It is within this context that we will propose a new design for our Policy for shareholder vote at the May 2025 annual general meeting.

Context for change

IWG is a truly global company, listed in the United Kingdom, headquartered in Switzerland and generating revenue across 120 countries including a substantial presence in the United States which is our largest and most rapidly growing geography.

IWG's ambitious growth plans depend on our ability to retain and motivate our existing management team and where appropriate to recruit new people.

Our highly experienced executive team drawn from the global marketplace makes them attractive targets for our rivals. There is no doubt that the US is the most competitive talent market in which we operate, and the reality is that the pull of the US markets shapes the competitive landscape for all our global roles. Recently two large US-based global rivals, CBRE and Yardi (the new owner of WeWork) have both announced substantial new investment in the sector.

The changes we are proposing address both the quantum of reward we are able to offer and some of the structural aspects of compensation design. While we appreciate the rationale supporting often utilised UK practices, we are suggesting approaches which will reduce impediments to international recruitment. Concurrently, we have reviewed structure and performance conditions to ensure that we will pay significant rewards only when shareholders have also experienced significant growth in value.

Summary of main changes and supporting rationale

Annual bonus

Quantum

To determine an appropriate bonus quantum we considered both UK and US market practice. Increasing the bonus to 200% of salary maintains a quantum in line with the upper quartile of FTSE 250 companies while being relatively modest against US market norms.

It is important however to ensure that this increase is sufficiently linked to the immediate goals of the Company. As such, in the first year of operation, the 50% increase will be linked to TSR growth, with the full amount paid only if TSR is above the upper quartile of the FTSE 350. This will ensure there is a clear focus on the immediate goal of share price recovery.

Deferral

Our current policy is that 50% of any bonus earned will be deferred into shares that vest after three years. In practice it is very challenging for Executive Directors to dispose of shares when they are in role due to potential market signalling. Consequently, Executives may build up an exposure to IWG shares that is materially beyond the ownership guidelines we set.

We are extending our minimum shareholding requirements to be 300% of salary and believe that this is the appropriate mechanism through which to ensure that Executives are aligned to share price.

As such we are proposing that, once Directors have met or exceeded their shareholding guideline, the bonus deferral requirement will reduce to 20% of any bonus earned. For the avoidance of doubt the entire cash bonus will remain subject to clawback for three years post payment and the deferred bonus will remain subject to malus for three years post award.

Long Term Incentive Quantum

In line with the rationale detailed above, we felt it was prudent to strongly consider pay levels in the US market in addition to the UK market, in particular within the Long Term Incentive where reward is linked to the long-term success of the Company. An increase from 250% of salary to 300% of salary is therefore proposed as this remains modest in comparison to typical US levels.

PSP/RSP mix

We are additionally proposing to allow flexibility within the Policy to allow either PSP (Performance Share Plan) or RSP (Restricted Share Plan) awards to be granted. RSP awards are those without performance conditions (but with an underpin which will allow the Committee to lapse the awards in the event of materially poor performance). RSP awards, by design, offer a more certain level of reward, providing immediate alignment to shareholders. In recognition of the increased certainty if RSP awards are granted they will be valued at twice the value of an equivalent PSP award when determining their value as part of our proposed maximum award of 300% of salary.

The flexibility to allow a different mix of PSP and RSP awards to be granted ensures that the Remuneration Committee will have the appropriate tools available to them over the three-year policy period.

Multiplier for delivering exceptional shareholder returns

IWG has ambitious growth plans, headlined by our medium term aim to deliver \$1bn EBITDA. If we deliver against these stretching ambitions this will generate exceptional returns for shareholders. The Committee believes that if significant shareholder returns are delivered then it will be appropriate for management to share in this value that they have created.

As such, we propose to introduce a multiplier on any PSP award which will enhance the payout up to 1.33x. This multiplier will only be triggered if TSR, measured over three years, is above the upper quartile of the FTSE 350 index, with the maximum multiplier only payable for upper decile performance or higher. At this time, the FTSE 350 index as the benchmark recognises that IWG is an LSE listed firm and that the company's unique business does not lend itself to development of a custom peer group. The Committee reviewed a number of benchmark possibilities including US indices. As the company continues to execute its capital-light strategy, the Committee will continue to review appropriate benchmarks.

Shareholding requirement

The executive share ownership guidelines under our current Remuneration Policy require a minimum shareholding target of 200% of salary. Executives are permitted five years to reach the target and we already operate post-vesting and post-cessation shareholding requirements.

To further strengthen the alignment of interests between the Executives and shareholders, we are proposing to increase the minimum shareholding requirement from 200% of salary to 300% of salary.

The full Policy can be found on pages 76 to 81 of this Annual Report.

The Chair of the Committee and the Board Chair have engaged with shareholders in relation to this Policy review, in order to gain their input on Policy alignment to strategy implementation and creation of value for all stakeholders. We were pleased that the majority of shareholders, with whom we have engaged, are supportive of our proposals. We will continue to engage with shareholders in the lead up to our annual general meeting.

2024 Remuneration Outcomes

Annual bonus

The Committee set financial and strategic targets for the 2024 annual bonus. The financial measures consisted of an adjusted EBITDA (on a pre-IFRS 16 and constant currency basis) target (50%), cash generation (30%) and strategic targets consisting of measures relating to network growth (10%) and carbon footprint reduction through the conversion to certified green electricity (10%). Achievement of minimum financial targets was a condition for the application of strategic target payouts.

The achieved result for adjusted EBITDA (on a pre-IFRS 16 and constant currency basis) was \$561m resulting in a bonus payment equal to 84% of maximum for this element. Cashflow from business activities of \$298m was achieved resulting in a bonus payment equal to 100% of maximum for this element. These achievements resulted in a bonus payment equal to 90% of maximum in respect of the financial objectives.

The capital-light growth target was also achieved with the opening of 601 new capital-light centres during the year. This reflected the significant efforts to build the capabilities to accelerate centre openings delivering an increase of 100% over the capital-light openings during 2023. As at 31 December 2024, 1,409 centres were using certified green electricity resulting in a bonus payment equal to 100% of maximum for this element. These achievements resulted in a bonus payment equal to 100% of maximum in respect of the strategic objectives.

Overall, the 2024 annual bonus formulaic outcome was 92% of maximum. The Committee reviewed this formulaic outcome and were comfortable it was an accurate reflection of performance and in line with stakeholders' experience. Therefore, no discretion was applied.

Performance Share Plan ('PSP')

The PSP pays for performance against a predetermined relative Total Shareholder Return ('TSR') target measured over three years as described below. The plan's structure recognises that IWG's strategic plans are designed to drive increasing value over multiple years. Beyond reward, the PSP's intention is to also support retention of key management talent.

The PSP award was made in March 2022. The award was subject to a relative TSR condition measured over three financial years 2022–2024. Performance was assessed as below the median of the FTSE 350 (excluding investment trusts). Therefore, the 2022 PSP award has lapsed in full. No discretion was applied by the Committee.

Executive salaries

The Chief Executive Officer has received a salary increase of 4% which is in line with the global workforce average salary increase paid in respect of performance in 2024.

The Chief Financial Officer has brought strong experience to IWG and has developed further in the two and a half years he has been in post. Since appointment in 2022, he has demonstrated a strong level of performance through business strategy execution. His expertise has been crucial in the Company's currency transition to the US dollar on an expedited basis. He has played a vital role in enhancing the shareholder register, including a higher US focus. Considering these factors, along with marketplace compensation benchmarking, the Committee has agreed a 10% increase to £510,000.

The year ahead

Assuming shareholder approval of the new Policy, the Committee is implementing 2025 remuneration as follows:

- The maximum annual bonus potential is increased under the new policy to 200% of base salary for Executive Directors with 50% of any bonus paid deferred in shares which vest after three years. Performance will be measured against adjusted

- EBITDA (37.5%), cash generation (22.5%) and strategic metrics (15%) and relative TSR (25%).
- Awards of 150% of base salary will be granted under the PSP subject to a relative TSR performance measured over three financial years, 2025–2027. Awards are subject to a multiplier of up to 1.33x for TSR performance above upper quartile relative to the FTSE 350. Any award that vests is subject to an additional two-year holding period.
 - Awards of 75% of base salary will be granted under the RSP subject to an underpin and continued employment over the three year vesting period.

In making its decisions, the Committee continues to consider the pay and conditions across the Group's workforce, the experiences of the Company and its stakeholders along with the need to reward executive performance that enables the future success of the Company.

Workforce engagement and global workforce pay

In addition to its review of executive remuneration, the Committee reviews the remuneration approaches and practices in place across the Group. The Committee ensures that there is strong rationale for how compensation approaches evolve across different levels of the organisation and that we offer competitive and fair pay across the Group.

The majority of our 10,000 employees' remuneration is determined by role, performance, location, and longevity within the Group compared to marketplace benchmarks. Salaries are reviewed annually, and all employees share in our success through performance related incentives. The average pay rise awarded to employees in respect of 2024 was 5% (5% in respect of 2023).

Through my role as Non-Executive Director with oversight of employee engagement, I have continued my programme of meeting with our global workforce to provide feedback to the Board, the Committee and management on the insights I gain through my role. These insights can then be used to inform our

decision-making process including our review of the compensation approach used across the Group and ensuring that the interests of all employees are aligned with the strategic objectives of the Company. Further information on this can be found on page 61.

Annual general meeting

Shareholders will be asked to approve resolutions in support of the 2024 Annual Report on Remuneration, the new Policy and the rules of the new equity plan.

On behalf of the Committee, I commend this report to you and look forward to your support for these resolutions at the annual general meeting.

Nina Henderson
Chair, Remuneration Committee

Directors’ Remuneration Policy (subject to approval at the 2025 AGM)

This report sets out the Group’s Policy on remuneration for Executive and Non-Executive Directors, to be proposed to shareholders at the annual general meeting on 20 May 2025, from which date the Policy will apply if approved.

The Policy has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended and the provisions of the current Corporate Governance Code and the Listing Rules. The Board delegated its responsibility to the Remuneration Committee of the Board (the ‘Committee’) to establish the Policy on the remuneration of the Executive Directors and the Chair. The Board has established the Policy on the remuneration of the other Non-Executive Directors.

Overview of Directors’ Remuneration Policy

The Policy considers principles of clarity, simplicity, risk, predictability, proportionality and alignment to culture and has the following objectives:

- to provide a balanced package between fixed and variable pay, and long- and short-term elements;
- to align with the Company’s strategic goals and time horizons whilst encouraging prudent risk management;
- to incorporate incentives that are aligned with and support the Group’s business strategy and align executives to the creation of long-term shareholder value, within a framework that is sufficiently flexible to adapt as our strategy evolves;
- to align the interests of the Executive Directors, senior executives and employees with the long-term interests of shareholders and strategic objectives of the Company;
- to ensure ongoing alignment with the UK Corporate Governance Code;
- to align management and shareholder interests through building material share ownership over time;
- to reflect the remuneration received by the wider employees, considering proportionality;
- to ensure that our remuneration structures are transparent and easily understood;
- to ensure equitable remuneration practices; and
- to reflect the global operating model of the Group whilst taking account of governance best practice.

Policy table for Executive Directors

Component	Purpose/link to strategy	Operation	Maximum	Performance framework
Base salary	To provide a competitive component of fixed remuneration to attract and retain people of the highest calibre and experience needed to shape and execute the Company’s strategy.	Salaries are set by the Committee. The Committee reviews all relevant factors such as: the scope and responsibilities of the role, the skills, experience and circumstances of the individual, sustained performance in role, the level of increase for other roles within the business, and appropriate market data. Salaries are normally reviewed annually, and any changes normally made effective from 1 January.	There is no prescribed maximum salary. Salary increases will normally be in line with increases awarded to other employees in the business, although the Committee retains discretion to award larger increases if it considers it appropriate (eg. to reflect a change in role, development and performance in role, or to align to market data).	While there are no performance targets attached to the payment of salary, performance is a factor considered in the annual salary review process.
Summary of changes from previous Policy: No changes				
Benefits	To provide a competitive benefits package.	Incorporates various cash and non-cash benefits which may include: a company car (or allowance) and fuel allowance, private health insurance, life assurance, and, where necessary, other benefits to reflect specific individual circumstances, such as housing or relocation allowances, representation allowances, reimbursement of school fees, travel allowances, or other expatriate benefits. Any reasonable business-related expenses (including tax thereon) can be reimbursed if determined to be a taxable benefit. Executive Directors are eligible for other benefits which are introduced for the wider workforce on broadly similar terms. Executive Directors will be eligible to participate in any all-employee share plan operated by the Company, on the same terms as other eligible employees. The maximum level of participation is subject to limits imposed by relevant legislation from time to time (or a lower cap set by the Company).	Benefit provision is set at an appropriate competitive market rate for the nature and location of the role. There is no prescribed maximum as some costs may change in accordance with market conditions.	N/A
Summary of changes from previous Policy: No changes				

Component	Purpose/link to strategy	Operation	Maximum	Performance framework
Pension	To provide retirement benefits in line with the overall Group Policy.	Provided through participation in the Company's money purchase (personal pension) scheme, under which the Company matches individual contributions up to a maximum of base salary. The Company may amend the form of an Executive Director's pension arrangement in response to changes in legislation or similar developments.	Set at a level commensurate with the workforce in the executive's location (currently 7% of base salary for existing Directors).	N/A
Summary of changes from previous Policy: No changes				
Annual bonus	To incentivise and reward annual performance and create further alignment with shareholders through the delivery and retention of deferred equity.	Provides an opportunity for additional reward (up to a maximum specified as a % of salary) based on annual performance against targets set and assessed by the Committee. Half of any annual bonus paid will be deferred in shares which will vest after three years, subject to continued employment but no further performance targets. The other half is paid in cash following the relevant year end. Upon meeting or exceeding the shareholding guidelines, 20% of any bonus earned will be deferred in shares which will vest after three years, subject to the same conditions above. A dividend equivalent provision allows the Committee to pay dividends, at the Committee's discretion, on vested shares at the time of vesting and may assume the reinvestment of dividends on a cumulative basis. Recovery and withholding provisions apply to bonus awards (see note 1 below).	200% of base salary per annum.	Performance metrics are selected annually based on the current business objectives. At least 70% will be linked to key financial metrics, of which there will typically be a significant profit-based element. Performance below threshold results in zero payment. Payments rise from 0% to 100% of the maximum opportunity levels for performance between the threshold and maximum targets.
Summary of changes from previous Policy:				
1) Maximum opportunity increased from 150% of salary to 200% of salary. 2) Amount of bonus deferred reduced from 50% to 20% if the minimum shareholding guidelines have been met.				

Component	Purpose/link to strategy	Operation	Maximum	Performance framework
Long-term incentive	Motivates and rewards the creation of long-term shareholder value. Aligns executives' interests with those of the shareholders. Provides flexibility for the Committee and ensures the appropriate tools are available throughout the Policy period.	Awards may be granted on an annual basis as either Performance Share Plans (PSPs) and/or Restricted Share Plans (RSPs). Awards under the PSP and RSP will take the form of either nil-cost options or conditional share awards. Participation and individual award levels will be determined at the discretion of the Committee within the Policy. Recovery and withholding provisions apply to PSP awards (see note 1 below). A dividend equivalent provision allows the Committee to pay dividends, at the Committee's discretion, on vested shares at the time of vesting and may assume the reinvestment of dividends on a cumulative basis. Awards vest three years following grant, subject to performance against pre-determined targets for the PSP and subject to an underpin for the RSP. Awards granted via a PSP may be subject to an additional performance multiplier. Vested awards are subject to a holding period of two years following achievement of performance conditions. This requires the Executive Directors to retain the net-of-tax number of vested shares for a period of two years following vesting.	The target amount of nil-cost options or conditional share awards granted under the awards will have a value equivalent to 150% of base salary. The normal maximum amount (before the application of any multiplier) of nil-cost options or conditional shares applicable for vesting under the PSP is equal to twice the target amount. The maximum performance multiplier applicable to PSP awards will be 1.33x the normal maximum amount. The maximum amount of nil-cost options or conditional shares applicable for vesting under the RSP is equal to the target amount. The PSP/RSP mix will be decided by the Committee on an annual basis.	PSP awards have a performance period of three financial years starting at the beginning of the financial year in which the award is made. RSPs will be subject to an underpin, which the Committee will assess against prior to vesting. Performance conditions will measure the long-term success of the Company. The Committee may introduce or reweight performance measures so that they are directly aligned with the Company's strategic objectives for each performance period. In respect of each performance measure, performance below the threshold target results in zero vesting. The starting point for vesting of each performance element will be no higher than 25%.
Summary of changes from previous Policy:				
1) Construct of the Long Term Incentive amended such that it can be composed of a mix of PSP or RSP awards, with the Committee determining the most appropriate mix each year. 2) Maximum Long Term Incentive opportunity increased from 250% to 300% of salary of PSP equivalent awards. In the event that RSP awards are granted they will be valued at 2-for-1 vs. a PSP award. 3) Introduction of a multiplier on the PSP of up to 1.33x, which will only be triggered for relative TSR above upper quartile, with upper decile performance required to trigger the maximum payout under the multiplier.				

Component	Purpose/link to strategy	Operation	Maximum	Performance framework
Shareholding guidelines	To align Executive Directors’ interests with those of our long-term shareholders and other stakeholders.	Executive Directors are expected to build a holding in the Company’s shares to a minimum value of three times their base salary within five years. This may be built via the retention of the net-of-tax shares vesting under the Company’s equity-based share plans. Deferred shares and shares subject to a holding period (net-of-tax) can be counted towards the total.	N/A	N/A
Summary of changes from previous Policy: Minimum holding value increased from two times base salary to three times base salary.				
Post-cessation shareholding requirement	To align Executive Directors’ interests with those of our long-term shareholders and other stakeholders.	Executive Directors are expected to hold, for up to two years post-cessation, the existing shareholding requirement or the actual shareholding at cessation, if lower.	N/A	N/A
Summary of changes from previous Policy: Minimum holding value increased from two times base salary to three times base salary.				

- Notes to the policy table:
- Recovery and withholding provisions may be applied in circumstances which include misconduct or material error by a participant, material misstatement in the Company’s audited accounts or a material downturn in the performance of the Company, or error in the assessment of performance and in other circumstances in which the Committee thinks the operation of the process is appropriate, including a failure in risk management or material reputational damage. Awards subsequent to the grant, but before the expiry of the holding period, may be reduced or an Executive Director may be required to repay an award at any time within three years of the date on which the award vests. All annual cash and share bonuses alongside long-term incentives are subject to a malus and clawback policy.
 - As IWG operates in a number of geographies, employee remuneration practices vary across the Group to reflect local market practice. However, employee remuneration policies are based on the same broad principles. Our primary objective in awarding variable pay is to drive achievement of results, according to role, and to recognise and reward excellent performance. Accordingly, to account for variances in responsibilities, influence and seniority, incentive schemes are not uniform in approach. Performance targets are set annually taking into account a number of internal and external reference points including: the level of performance that is achievable over a sustained period of time; historic performance and internal forecasts of future performance; market expectations, and any guidance provided to the market.
 - In order to ensure that the Policy achieves its intended aims, the Remuneration Committee retains discretion over the operation of certain elements of the variable pay policy. This includes the discretion to adjust the annual bonus, PSP and RSP outcome if it is not considered to be reflective of the wider performance of IWG and to ensure that it can, in appropriate circumstances, override formulaic outcomes. In addition, the Committee may adjust elements of the plans including but not limited to:
 - participation;
 - in exceptional circumstances determining that any share-based award (or any dividend equivalent) will be settled (in full or in part) in cash;
 - determining the extent of payment or vesting of an award based on the assessment of any performance condition, including discretion as to the basis on which performance is to be measured if an award vests in advance of normal timetable (on cessation of employment as a good leaver or on the occurrence of a corporate event) and whether (and to what extent) pro-rata will apply in such circumstances;
 - whether (and to what extent) recovery and/or withholding will apply to any award;
 - ability to adjust the number of shares under the DBSP, PSP, RSP or other share-based award to take into account a variation in the share capital;
 - the timing of the grant of award and/or payment;
 - the size of an award (up to plan limits) and/or payment within the limits set out in the policy table above;
 - discretion relating to the measurement of performance within the limits set out in the policy table above in the event of a change of control;
 - determination of a good leaver (in addition to any specified categories) for incentive plan purposes;
 - adjustments required in certain circumstances (e.g. rights issues, corporate restructuring and special dividends); and
 - the ability to adjust existing performance conditions for exceptional events at any point before vesting so that they can still fulfil their original purpose. Should any such discretions be exercised, an explanation would be provided in the following Annual Report on Remuneration and may be subject to shareholder consultation as appropriate.
 - For the avoidance of doubt, in approving this Remuneration Policy, authority is given to the Company to make payments and honour any prior commitments entered into with current or former Directors (such as the payment of pension or the unwinding of legacy share schemes prior to the approval of the current Policy). Details of any payments will be set out in the Annual Report on Remuneration as they arise. The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed (i) before the Policy came into effect or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes “payments” include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are “agreed” at the time the award is granted.

Policy table for the Chairman and Non-Executive Directors

Component	Purpose/link to strategy	Operation	Maximum
Chairman fees	Normally reviewed, but not necessarily increased, annually and as determined by the Committee. The Committee will consider, where appropriate, pay data at companies of a similar scale and relevant multi-country operating model.	There is no prescribed maximum although fees and fee increases will be considered in line with the increases of the wider workforce and market rates.	The Chairman is not eligible for any performance-related remuneration.
	A single fee which reflects all Board and Committee duties. Set at a level sufficient to attract and retain individuals with the required skills, experience and knowledge to allow the Board to effectively carry out its duties.		
Summary of changes from previous Policy: No changes			
Non-Executive Director fees	Normally reviewed, but not necessarily increased, annually and as determined by the Chairman and the Executive Directors.	There is no prescribed maximum although fees and fee increases will be considered in line with the increases of the wider workforce and market rates.	The Non-Executive Directors are not eligible for any performance-related remuneration.
	The Chairman and Executive Directors will consider, where appropriate, pay data at companies of a similar scale and relevant multi-country operating model. A base fee is payable with additional fees for chairing key Board Committees, for being the Senior Independent Director and for being responsible for the oversight of employee engagement and CSR. Set at a level sufficient to attract and retain individuals with the required skills, experience and knowledge to allow the Board to effectively carry out its duties. Any reasonable business-related expenses (including tax thereon) can be reimbursed if determined to be a taxable benefit. Additional fees may be payable in relation to extra responsibilities undertaken such as chairing a Board Committee or other similar duties or being a member of a committee. If there is a temporary yet material increase in the time commitments for Non-Executive Directors, the Board may pay extra fees on a pro-rata basis to recognise the additional workload. Fees are paid entirely in cash.		
Summary of changes from previous Policy: No changes			

Consideration of conditions elsewhere in the Group

The Committee has regard to the pay and employment conditions of employees within the Group when it sets the Remuneration Policy for the remuneration of Executive Directors, the first layer of management below the Board, the Company Secretary and the Chairman of the Board. The Committee does not consult directly with employees. However the Committee Chair is the dedicated Non-Executive Director with oversight of employee engagement, ensuring a two-way dialogue between the Board and the workforce. A summary of some of the activities undertaken and information gathered from this engagement is included on page 61.

The general principles of the Policy are broadly applied throughout the Group and are designed to support recruitment, motivation and retention as well as to reward high performance in a framework of approved risk management, and to promote the long-term sustainable success of the Company.

The structure of total remuneration packages for those within the Committee’s remit and for the broader employee population is similar, comprising salary, pension and benefits and eligibility for a discretionary annual bonus. The level of bonus opportunity is determined by role and responsibility. Executive Directors, the first layer of management below the Board and other selected senior executives participate in the Company’s share schemes to aid retention and motivate the delivery of long-term growth in shareholder value and to align their interests with those of shareholders. Annual base pay increases for the Executive Directors and the first layer of management below the Board are normally limited to the average base pay increase for the wider employee population unless there are exceptional circumstances such as a change in role or salary progression for a newly appointed Director.

Consideration of shareholder views

The Committee is dedicated to ensuring that shareholders understand and support our remuneration structures. Accordingly, where changes are being made to the Policy, or in the event of a significant exercise of discretion, we will consult with shareholders, as appropriate, to explain our approach and rationale fully. Additionally, the Committee considers shareholder feedback received in relation to each annual general meeting alongside any views expressed during the year. We actively engage with our largest shareholders and consider the range of views expressed. In exceptional circumstances, the members of the Committee, including the Committee Chair, attend the Company’s annual general meeting and are available to listen to views and to answer shareholders’ questions about Directors’ remuneration.

The Committee also reviews the executive remuneration framework in the context of published shareholder guidelines.

Approach to recruitment remuneration

When determining the remuneration package for a newly appointed Executive Director, the Committee would seek to apply the following principles:

- The package must be sufficiently competitive to facilitate the recruitment of individuals of the highest calibre and experience needed to shape and execute the Company’s strategy. At the same time, the Committee would seek to pay no more than necessary.
- The remuneration package for a new Executive Director would be set in accordance with the terms of the Policy in force at the time of the appointment. Salaries would reflect the skills and experience of the individual, and may (but not necessarily) be set at a level to allow future salary progression to reflect performance in the role. Where salaries are set below market, multi-year staged increases may be awarded to achieve the desired market positioning over time. Where necessary these increases may be above those of the wider workforce but will be subject to continued development in the role.

- Benefits will be limited to those outlined in the Policy, with relocation assistance provided where appropriate. Where provided, relocation assistance will normally be for a capped amount and/or limited time. Pension provisions will be set in line with the Policy.
- The Committee may offer additional cash and/or share-based payments in the year of appointment when it considers these to be in the best interests of the Company and, therefore, shareholders. In accordance with the Policy, the normal maximum level of variable remuneration (before the application of any multipliers) which may be awarded is 500% of salary (of which 300% is permitted under the hybrid long-term incentive and 200% under the annual bonus plan). Performance conditions for variable pay in the year of appointment may be different to those applying to other Directors, which would be subject to stretching performance conditions.
- Depending on the timing of the appointment, the Committee may deem it appropriate to set different performance conditions to the current Executive Directors for the first performance year of appointment. A long-term incentive award can be made shortly following an appointment (assuming the Company is not in a close period).
- Where an individual forfeits remuneration at a previous employer as a result of appointment to the Company, the Committee may offer compensatory payments or awards to facilitate recruitment. Such payments or awards could include cash as well as performance and non-performance-related share awards and would be in such form as the Committee considers appropriate taking into account all relevant factors such as the form, expected value, anticipated vesting and timing of the forfeited remuneration. The aim of any such award would be to ensure that, so far as possible, the expected value and structure of the award will be no more generous than the amount forfeited.
- Any share-based awards referred to in this section will be granted as far as possible under the Company's existing share plans. If necessary, awards may be granted outside of these plans as permitted under the Listing Rules, and in line with the approach and the limits set out above.
- In the case of an internal appointment, variable pay awarded in respect of the incumbent's prior role may pay out according to its terms of grant. In addition, any other ongoing remuneration obligations prior to their appointment may continue, provided that they are put to shareholders for approval at the first annual general meeting following their appointment.
- For an overseas appointment, the Committee will have discretion to offer cost-effective benefits, including expatriate benefits, and pension provisions which reflect market practice and relevant legislation.

The remuneration package for a newly appointed Non-Executive Director would normally be in line with the structure set out in the Policy table for Non-Executive Directors on page 79.

Service contracts

Executive Directors have service contracts with the Group which can be terminated by the Company or the Director by giving 12 months' notice. The service contract policy for new appointments will be on similar terms as existing Executive Directors, with the facility to include a notice period of no more than 12 months. The Company may terminate employment of the Executive Directors by making a payment in lieu of notice which would not exceed 12 months' salary.

Under the current service agreements, Mark Dixon's contract provides that, on a change of control, he may terminate the contract by giving one month's notice and will, in addition to contractual payments for the one-month notice period, receive a payment equal to 12 months' salary, and remain eligible for a discretionary bonus.

The Chairman and Non-Executive Directors are appointed for a three-year term, which is renewable, with six months' notice on either side, no contractual termination payments being due and subject to retirement pursuant to the articles of association at the annual general meeting.

The Directors' service contracts are available for inspection at the Company's registered office within normal business hours.

Policy on payment for loss of office

Where an Executive Director leaves employment, the Committee's approach to determining any payment for loss of office will normally be based on the following principles:

- The Committee's objective is to find an outcome which is in the best interests of the Company and its shareholders, taking into account the specific circumstances, contractual obligations and seeking to pay no more than is warranted. Payments in lieu of notice will not exceed 12 months' salary and benefits.
- Treatment of annual bonus:
 - There is no contractual right to receive an annual bonus in the year of termination. However, the Committee has discretion, for certain leavers to make a payment under the annual bonus entirely in cash. This will reflect the period of service during the year and performance (measured at the same time as performance for other plan participants, if feasible). Should the Committee make a payment in these circumstances, the rationale would be set out in the following Annual Report on Remuneration.
- Treatment of share plans:
 - If an Executive Director leaves employment with the Company, unvested PSP and RSP shares will lapse unless the Committee in its absolute discretion determines otherwise (good leaver) for reasons including, amongst others, injury, disability, retirement, redundancy and death or in any other circumstances at the discretion of the Committee. Deferred bonus shares will vest in full for any leaver, except in the case of misconduct issues, in which case deferred bonus shares will lapse. The Committee, however, still retains overall discretion to lapse awards based on the specific circumstances of any departure.
 - In the circumstances where an Executive Director's award does not lapse, it will vest at the normal vesting date, may be pro-rated, and will be subject to achievement of performance criteria. Any post-vesting or post-cessation holding requirements, as defined in the Policy, will also normally apply.
 - Should the Committee adjust the time pro-rating, then this would be explained in the following Annual Report on Remuneration. If the Executive Director ceases to be an employee for any reason other than those specified above then the award shall lapse immediately on such cessation.
 - Awards will vest on the normal vesting date unless the Committee determines, in its discretion, that awards will vest at the date of cessation.

The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. The Committee may also pay reasonable outplacement and legal fees where considered appropriate.

Policy in respect of external Board appointments for Executive Directors

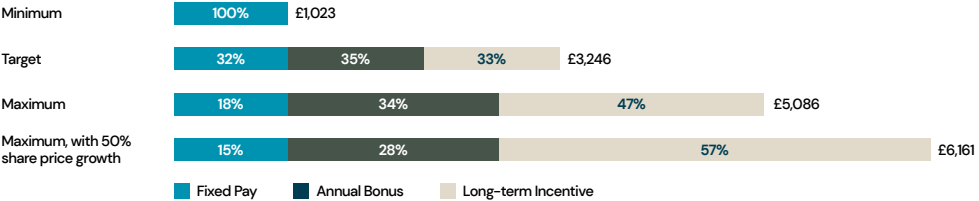
It is recognised that external non-executive directorships may be beneficial for both the Company and Executive Directors. At the discretion of the Board, Executive Directors are permitted to retain fees received in respect of any such non-executive directorship.

Illustration of Proposed Directors’ Remuneration Policy

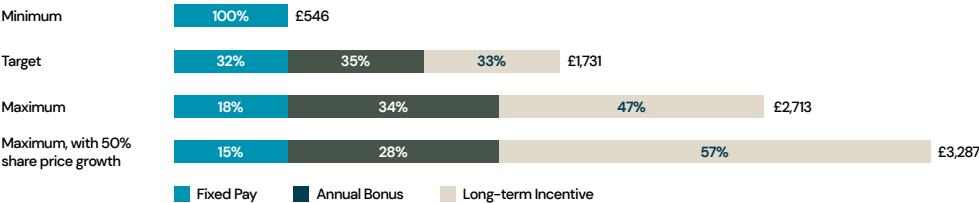
The charts below illustrate the application of the Policy set out in the Policy table for Executive Directors. This assumes the level of fixed remuneration (salary, benefits and pension) as at 1 January 2025 and the following in respect of each scenario:

- “Fixed” represents fixed remuneration only (i.e. current salary, benefits and pension).
- “Target” represents fixed remuneration plus an annual at target bonus of 120% of salary, 37.5% of salary (25% of maximum) vesting of the PSP and 75% of salary (100% of maximum) vesting of the RSP. Note, target levels of award are for illustrative purposes only.
- “Maximum” represents the maximum annual bonus of 200% of salary and full vesting of the PSP and PSP multiplier (200% of salary) and full vesting of the RSP (75% of salary).
- “Maximum + 50% share price growth” represents maximum levels of award plus the impact of 50% share price growth on the PSP and RSP award.

Chief Executive Officer



Chief Financial Officer



All figures in £'000s and rounded to the nearest thousand.
Benefits and pension values are based on the value of benefits received in relation to 2024 calculated on a full-year-basis.

Annual Report on Remuneration

Membership and meetings

All members of the Committee are independent. Committee membership during the year and attendance at the meetings is set out on page 73. In addition to the designated members of the Committee, the Chairman, Chief Executive Officer and Company Secretary also attended Committee meetings during the year although none were present during discussions concerning their own remuneration.

Terms of reference

The Committee’s terms of reference are available on the Company’s website: www.iwgplc.com.

Implementation of the Remuneration Policy for 2025

This Annual Report on Remuneration (including the Committee Chair’s annual statement on pages 73 to 75) will be put to a single advisory shareholder vote at the 2025 annual general meeting (‘2025 AGM’). Additionally, the proposed Directors’ Remuneration Policy will be put to a binding shareholder vote at the 2025 AGM. The information below includes how we intend to operate our Policy in 2025 (assuming the proposed Directors’ Remuneration Policy is approved at the 2025 AGM), as well as the pay outcomes in respect of the 2024 financial year.

Reporting

The Group continues to use pre-IFRS 16 results for its primary management reporting including performance target setting and measuring achievements against those targets. Therefore, the figures in this report are presented on a pre-IFRS 16 basis. The reporting currency changed from GBP to USD effective from 1 January 2024. However remuneration continues to be set in GBP and therefore remuneration outcomes in this report are presented in GBP.

Remuneration for 2025

Base salaries for the Executive Directors

The current salaries as at 1 January 2025 (and compared to 2024) are as follows:

	Effective 1 Jan 2025 (£'000)	Effective 1 Jan 2024 (£'000)	Percentage change
Mark Dixon	£956	£919	4%
Charlie Steel	£510	£462	10%

For context, the average base salary increase paid to global employees in respect of performance in 2024 was 5%.

Benefits and pension

Benefits and pension provisions will operate in line with the approved Policy.

Annual bonus (Subject to approval of the proposed Directors’ Remuneration Policy)

For 2025 the maximum bonus potential for both Executive Directors is 200% of salary. The on-target bonus is 120% of salary. Prior to meeting the shareholding guidelines, half of any bonus paid will normally be deferred into shares under the IWG Deferred Bonus Share Plan (‘DBSP’), which will vest after three years subject to continued employment. Once the shareholding guideline has been met or exceeded, the bonus deferral requirement will reduce to 20% of any bonus earned.

For the 2025 annual bonus, in line with the approach taken in 2024, 150% of salary will be based 50% on measurement against EBITDA targets, 30% on measurement against cash generation targets and 20% against measurement of strategic targets, a portion of which will be focused on achieving specific sustainability objectives. An additional quantum of bonus opportunity of 50% of salary will be subject to a TSR performance condition, with the maximum only payable for upper quartile performance vs. FTSE350 excluding investment trusts.

Achievement of minimum financial targets is a condition for the application of strategic target payouts. The targets are not being disclosed prospectively as they are commercially sensitive; however, a description of the performance against targets set will be included in next year’s Annual Report.

Long-term incentive (subject to approval of the proposed Directors’ Remuneration Policy)

Recognising the substantial increase in opportunity for long-term value to be created for our shareholders, for 2025, the hybrid long-term incentive will be granted through the use of PSP and RSP awards. PSP awards will be granted at a maximum of 150% of salary and RSP awards at 75% of salary (up to the Policy maximum) to Executive Directors.

PSP

Performance will be measured over a three-year period ending 31 December 2027. The PSP awards are subject to a TSR performance metric as summarised below. The Committee will continue to review the suitability of the TSR metric and may revert back to a broader selection of metrics on PSP awards in the future.

Performance conditions	Threshold vesting	Threshold performance	Maximum vesting	Maximum performance
Relative TSR versus FTSE 350 excluding investment trusts (100% weighting)	25%	Median	100%	Upper quartile

In addition, the PSP awards are subject to a multiplier which will enhance the payout available by up to 1.33x in the event that the TSR exceeds the upper quartile of the FTSE 350 index excluding investment trusts. The multiplier will be calibrated as follows:

Relative TSR performance vs FTSE 350 excluding investment trusts	Multiplier
Upper quartile (UQ)	1x
Upper decile (UD)	1.33x
Between UQ and UD	Straight line between 1x and 1.33x

RSP

The RSP award will vest over a three-year period from the date of grant and will be subject to continued employment and an underpin which will allow the Committee to lapse the award in the event of materially poor performance. The achievement of the underpin will be assessed at vesting.

PSP and RSP awards are subject to a holding period of two years following achievement of performance conditions and underpins, where applicable. This requires the Executive Directors to retain the net-of-tax number of vested shares for a period of two years following vesting.

Chairman and Non-Executive fees

The Committee is responsible for reviewing the Chairman’s fees and the Chairman and Executive Directors are responsible for reviewing Non-Executive fees. No fee changes were proposed for 2025 and the current fees as at 1 January 2025 (and compared to 2024) are as follows:

	2025 (£’000)	2024 (£’000)	Percentage change
Non-Executive Chairman	300	300	0%
Basic fee for Non-Executive Director	62	62	0%
Additional fees:			
Chair of Audit Committee	15	15	0%
Chair of Remuneration Committee	15	15	0%
Senior Independent Director combined with Chair of Nomination Committee	15	15	0%
Oversight of employee engagement and CSR	15	15	0%
Variable dislocation allowance for non-Swiss Directors ¹	5 to 10	5 to 10	0%

1 The level of dislocation allowance for non-Swiss Directors is determined according to their country of residence.

Remuneration outcomes for 2024

Single total figure of remuneration table (Audited)

The Committee is satisfied that the approved Policy operated as intended in 2024. The following table shows the total remuneration in respect of the year ending 31 December 2024, together with the prior year comparative.

Executive Directors

£'000	Salary		Benefits		Pension		Annual bonus		Long-term incentive awards		Total		Total fixed		Total variable	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Mark Dixon	919	875	–	–	64	61	1,268	1,129	–	–	2,250	2,065	982	936	1,268	1,129
Charlie Steel	462	440	–	–	32	31	638	568	–	–	1,132	1,039	494	471	638	568

Non-Executive Directors

£'000	Fees		Benefits		Pension		Annual bonus		Long-term incentive awards		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Douglas Sutherland	300	300	–	–	–	–	–	–	–	–	300	300
Laurie Harris	87	87	–	–	–	–	–	–	–	–	87	87
Nina Henderson	102	102	–	–	–	–	–	–	–	–	102	102
Tarun Lal	72	72	–	–	–	–	–	–	–	–	72	72
Sophie L'Hélias	67	67	–	–	–	–	–	–	–	–	67	67
François Pauly	82	82	–	–	–	–	–	–	–	–	82	82

Annual bonus – The bonus shown is the full award in respect of the relevant financial year. Half of the bonus awarded to Executive Directors was deferred into shares for three years.

Pension – This includes a cash payment to Charlie Steel in lieu of a pension contribution.

Total pension benefits

During the year under review, the Executive Directors received pension contributions of 7% of salary into defined contribution arrangements (or cash equivalent) plus any contributions in accordance with standard local practice or employment regulations. Details of the value of pension contributions received in the year under review are set out in the Pension column of the single total figure of remuneration table, as shown above.

Determination of 2024 annual bonus (Audited)

The targets set for the 2024 bonus at the start of the year were as follows:

Measure	Weighting	Target (60% of maximum)	Maximum (100%)	Achieved	Outcome (% maximum)
Adjusted EBITDA (pre-IFRS 16 and constant currency basis)	50%	\$531m	\$581m	\$561m	84%
Cashflow from business activities	30%	\$219m	\$275m	\$298m	100%
Network growth through new capital-light centres open ¹	10%	450 new centres opened (gross)	498 new centres opened (gross)	601 new centres opened (gross)	100%
Carbon footprint reduction through use of certified green electricity ¹	10%	1,255 centres at year end	1,390 centres at year end	1,409 centres at year end	100%
Overall outcome					92%

1. Achievement of minimum financial targets was a condition for the application of strategic target payouts.

Director	Bonus maximum (% of base salary)	Bonus awarded (% of award)	Bonus awarded (£'000)	Cash bonus (£'000)	Deferred shares (£'000)
Mark Dixon	150%	92%	1,268	634	634
Charlie Steel	150%	92%	638	319	319

1. Half of the bonus was awarded in cash, with half deferred in shares which vest after three years.

PSP awards vesting in 2024 (Audited)

The award made to Executive Directors under the PSP in 2022 was subject to a TSR performance metric measured over the three financial years ending 31 December 2024. Performance and vesting are as detailed below. No discretion was applied to the outcome by the Committee.

Performance conditions	Threshold vesting	Threshold performance	Maximum vesting	Maximum performance	Performance achieved	Actual % vesting
Relative TSR versus FTSE 350 excluding investment trusts (100% weighting)	25%	Median	100%	10% compound annual growth above median	Below median	0%

PSP awards vesting in 2027 (Audited)

PSP awards granted to Executive Directors on 6 March 2024 and 19 March 2024 which vest subject to a three-year performance period ending 31 December 2026 were as follows:

Executive	Number of share options	% of base salary	Value of award (£'000)	% of maximum amount receivable for threshold vesting
Mark Dixon	1,276,042	250%	£2,297	25%
Charlie Steel	641,667	250%	£1,155	25%

1. Based on a face value grant of 250% of salary and using the share price of 180p on 5 March 2024.

The awards are subject to a TSR performance metric as summarised below.

Performance conditions	Threshold vesting	Threshold performance	Maximum vesting	Maximum performance
Relative TSR versus FTSE 350 excluding investment trusts (100% weighting)	25%	Median	100%	10% compound annual growth above median

The Company’s current share price, including current assumptions regarding the future implementation of the Company’s strategic transformation referenced in analysts’ reports, has been taken into account when setting stretching relative TSR targets.

Awards are subject to a post-vesting holding period of two years. This requires the Executive Directors to hold on to the net-of-tax number of vested shares for a period of two years following vesting.

DBSP awards granted in the year

DBSP awards granted to Executive Directors on 6 March 2024 as a deferred bonus in respect of the financial year ended 31 December 2023 and which become exercisable on the third anniversary after the date of grant, subject to continuous employment, were as follows:

Executive	Number of share options	% of base salary	Value of award (£'000)
Mark Dixon	313,664	64.5%	£565
Charlie Steel	157,728	64.5%	£284

Statement of share scheme interests and shareholdings (Audited)

Executive Directors are expected to build a holding in the Company’s shares to a minimum value of two times their base salary within five years of their appointment. This must be built through the retention of the net-of-tax shares vesting under the Company’s equity-based share plans. The following table sets out, for Directors who served during the year, the total number of shares held (including the interests of connected persons) as at 31 December 2024 alongside the interests in share schemes for the Executive Directors.

Shareholding guidelines								
	Shares held outright	% of salary required	Guideline met?	% of salary attained ¹	Unvested DBSP options ²	Unvested PSP options subject to performance conditions ³	PSP options for which performance conditions have been achieved	Options as a One Off Award (subject to performance conditions)
Executive Directors								
Mark Dixon	254,795,598	200%	Yes	44,162%	556,244	3,272,913	—	—
Charlie Steel	0	200%	No ⁴	32%	176,873	1,214,435	—	511,751 ⁵

Non-Executive Directors

Douglas Sutherland	440,000
Laurie Harris	15,000
Nina Henderson	30,800
Tarun Lal	—
Sophie L’Hélias	—
François Pauly ⁶	220,000

- 1. Based on a share price of 159.1p and base salary as at 31 December 2024. Awards not subject to performance conditions included on a notional net of tax basis.
- 2. Half of any bonus awarded is deferred in share options which vest after three years, subject to continued employment but no further performance targets.
- 3. Unvested awards under the 2022, 2023 and 2024 PSP are subject to further performance conditions.
- 4. Charlie Steel was appointed on 1 November 2022 and has until 1 November 2027 (5 years) to meet the guideline.
- 5. On 2 November 2022 Charlie Steel received a conditional award of over 511,751 shares at nil cost. This was granted as a one-off award arrangement established under Listing Rule 9.4.2(2) in order to facilitate his recruitment.
- 6. François Pauly resigned on 31 December 2024.

With the exception of the Directors’ interests disclosed in the preceding table, no Director had any additional interest in the share capital of the Company during the year. On 20 February 2025, 857,844 options issued to Mark Dixon on 9 March 2022 under the PSP were lapsed following determination that the performance conditions had not been achieved as further detailed on page 83. There have been no other movements in Directors’ share interests between year-end and the date of this report.

Supporting disclosures and additional context

Percentage change in remuneration of Directors compared to employees

The table below shows the percentage change in remuneration of each Director compared to our global workforce (determined to be the most representative comparison) on a full-time equivalent basis, between the year ending 31 December 2023 and the year ending 31 December 2024. Between the year ending 31 December 2019 and the year ending 31 December 2023 the percentage change in remuneration of each Director is compared to our employees in Switzerland on a full-time equivalent basis.

	Year-on-year change in Directors' and employees' pay														
	2024			2023			2022			2021†			2020		
	Base salary % change	Benefits % change	Annual bonus % change	Base salary % change	Benefits % change	Annual bonus % change	Base salary % change	Benefits % change	Annual bonus % change	Base salary % change	Benefits % change	Annual bonus % change	Base salary % change	Benefits % change	Annual bonus % change
Executive Directors															
Mark Dixon	5%	0%	12%	0%	0%	158%	0%	–	(33)%	0%	–	NM ⁴	6%	–	(100)% ²
Charlie Steel	5%	0%	12%	0% ⁶	0%	NM ⁷	–	–	–	–	–	–	–	–	–
Non-Executive Directors															
Douglas Sutherland	0%	–	–	0%	–	–	0%	–	–	0%	–	–	20%	–	–
Laurie Harris	0%	–	–	0%	–	–	0%	–	–	0%	–	–	12%	–	–
Nina Henderson	0%	–	–	0%	–	–	0%	–	–	0%	–	–	33%	–	–
Tarun Lal	0%	–	–	0% ⁸	–	–	–	–	–	–	–	–	–	–	–
Sophie L'Hélias	0%	–	–	0% ⁹	–	–	–	–	–	–	–	–	–	–	–
François Pauly	0%	–	–	0%	–	–	0%	–	–	0%	–	–	12%	–	–
Employees	5%	5%	28%	1%	4%	18% ¹⁰	3%	(1)% ⁵	3%	6%	(3)% ⁵	NM ⁴	9%	2%	(100)% ³

1. All Executive Directors and Non-Executive Directors had a salary freeze/fee freeze between 2020 and 2021. In addition, in response to the COVID-19 pandemic Executive Directors and Non-Executive Directors voluntarily agreed to a 50% reduction in their base salaries from 1 May 2020 to 31 December 2020 and the salary increases reflecting performance, increased responsibilities (Nina Henderson's responsibilities increased to include oversight of employee engagement and CSR) and market comparables, which were approved at the 2020 annual general meeting, were voluntarily deferred until 1 January 2021. There will be no recovery of the deferred increases or the voluntary reductions. The table reflects the % changes excluding the effect of these voluntary waivers and deferrals during the height of the COVID-19 pandemic.

2. No annual bonus was paid to Mark Dixon in respect of 2020. A bonus of £1,237.5k was paid in respect of 2019.

3. No annual bonuses were paid to employees in Switzerland in respect of 2020.

4. The percentage change is not meaningful due to no annual bonuses being paid in respect of 2020.

5. Reductions in employee benefits during 2021 and 2022 were primarily due to reductions in disturbance allowances and car allowances resulting from changes in the way employees worked during the COVID-19 pandemic.

6. Charlie Steel was appointed as Director and Chief Financial Officer on 1 November 2022. Base salary changes are calculated with reference to time served in the role in the relevant period.

7. No annual bonus was paid to Charlie Steel in respect of 2022. A bonus of £568k was paid in respect of 2023.

8. Tarun Lal was appointed as Non-Executive Director on 10 May 2022. Base salary changes are calculated with reference to time served in the role in the relevant period.

9. Sophie L'Hélias was appointed as Non-Executive Director on 1 December 2022. Remuneration detailed above reflects time served in respect of the role during the relevant period.

10. The lower percentage increase in employee bonuses compared to Executive Directors in respect of 2023, is a result of higher 2022 bonus payouts to employees reflecting achievement against personal goals.

Relative importance of spend on pay

The table below shows total employee remuneration and distributions to shareholders paid during the years ending 31 December 2024 and 31 December 2023 and the percentage changes between years:

	2024	2023	Change 2023 to 2024
Total employee remuneration	\$543m	\$544m	0%
Distributions to shareholders via dividends and share buybacks	\$17m	\$nil	NM ¹

1. No dividends were paid during 2023. In 2024 a final dividend in respect of the financial year ending 31 December 2023 was paid as well as an interim dividend in respect of the financial year ending 31 December 2024. No share buybacks were made in 2023 or 2024.

Chief Executive Officer's pay ratio

The table below shows our voluntary disclosure of the Chief Executive Officer's pay ratio information from 2019 and the required disclosure from 2020 to 2024 at the 25th, 50th and 75th percentiles compared to the pay of our UK employees. The ratios have been calculated based on the single total figure of remuneration for Mark Dixon and the total pay of our employees on a full-time equivalent basis under calculation methodology A of the regulations. No element was omitted for the purpose of the calculation.

The median pay ratio was similar this year as compared with last year largely due to the CEO's bonus for 2024 being awarded at 92% of maximum compared to 86% of maximum in 2023. Due to the differences in remuneration structure between the CEO and employees and the higher weighting put on the variable pay elements for the CEO, we expect this ratio to fluctuate year on year.

Overall, the Committee is satisfied that the median ratio is consistent with IWG's pay, reward and progression policies for all employees which relate pay levels to performance and market benchmarks. Bonus schemes, participated in by the majority of employees, and long-term incentives align performance with shareholder experience.

Financial year	Methodology	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2019	Option A	231:1	148:1	102:1
2020	Option A	43:1	35:1	20:1
2021	Option A	74:1	50:1	29:1
2022	Option A	49:1	36:1	24:1
2023	Option A	78:1	55:1	38:1
2024	Option A	89:1	62:1	40:1

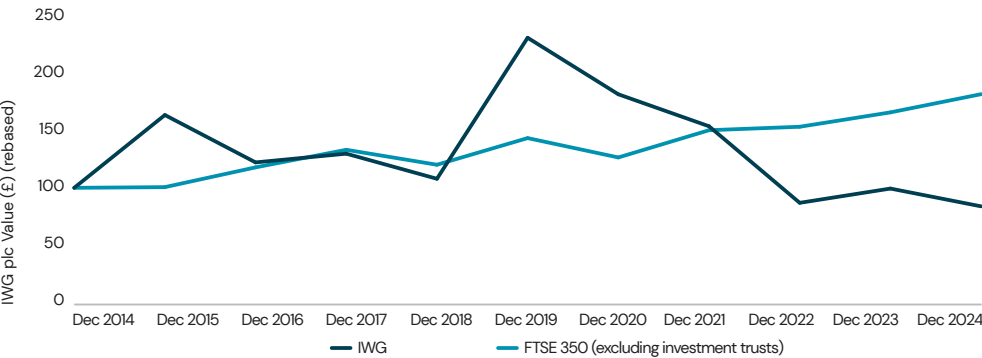
	Mark Dixon (£'000)	P25 (£'000)	P50 (£'000)	P75 (£'000)
Total pay	2,250	25.2	36.2	56.2
Base salary	919	25.0	37.0	53.2

Performance graph and table

The graph below shows the TSR of IWG in the ten-year period to 31 December 2024 against the TSR of the FTSE 350 (excluding investment trusts). TSR reflects share price growth and assumes dividends are reinvested over the relevant period. The Committee considers the FTSE 350 (excluding investment trusts) relevant since it is an index of companies of similar size to IWG.

Historical TSR performance

Movement in the value of a hypothetical £100 holding since 31 December 2014 (to 31 December 2024)



Source: Eikon from Refinitiv

This graph shows the value, by 31 December 2024, of £100 invested in International Workplace Group plc on 31 December 2014, compared with the value of £100 invested in the FTSE 350 (excluding investment trusts) Index on the same date.

The table below provides remuneration data for the Chief Executive Officer for each of the ten financial years over the equivalent period.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Single total figure of remuneration	£1,968k	£3,035k	£1,132k	£1,451k	£4,181k	£1,454k	£1,890k	£1,374k	£2,065k	£2,250k
Bonus (% of maximum)	100%	93%	0%	43%	100%	0%	50%	33%	86%	92%
Long-term incentive vesting (% of maximum)	97%	91%	11%	2%	100%	33%	17%	0%	0%	0%

Payments to past directors/payments for loss of office (Audited)

There have been no payments to past directors or payments for loss of office in 2024.

Service contracts/letters of appointment

Executive Directors have service contracts with the Group which can be terminated by the Company or the Director by giving 12 months’ notice. The Chairman and Non-Executive Directors are appointed for an initial three-year term, which shall continue unless terminated with six months’ notice on either side, no contractual termination payments being due and subject to retirement pursuant to the articles of association at the annual general meeting.

The Directors’ service contracts are available for inspection at the Company’s registered office within normal business hours. The following table sets out the dates that each Director was first appointed by the Group, the expiry date of the current term and the length of service as of 31 December 2024. All Directors except those retiring will seek re-election at the 2025 annual general meeting.

	Current service contract/ appointment agreement	Initial appointment date as Director within the Group	Expiry of current term	Length of service as Director with the Group
Executive Directors				
Mark Dixon	Appointment agreement – 19 December 2016 Director service agreement – 1 July 2020	Founder 1989	–	Founder 1989
Charlie Steel	Appointment agreement – 23 August 2022 Employment agreement – 23 August 2022	1 November 2022	–	2 years 2 months
Non-Executive Directors ¹				
Douglas Sutherland	Appointment agreement – 16 February 2017	27 August 2008	–	16 years 5 months (13 years 8 months as Chairman)
Laurie Harris	Appointment agreement – 14 May 2019	14 May 2019	–	5 years 8 months
Nina Henderson	Appointment agreement – 19 December 2016	20 May 2014	–	10 years 8 months
Tarun Lal	Appointment agreement – 7 March 2022	10 May 2022	9 May 2025	2 years 8 months
Sophie L’Hélias	Appointment agreement – 30 November 2022	1 December 2022	1 December 2025	2 years 1 month

1. Francois Pauly resigned on 31 December 2024 and is therefore not included within the table.

Advisors to the Committee

The Executive Compensation team within PwC provided independent advice to the Committee during the year. No other services were provided by PwC during the year. PwC was appointed by the Committee during 2020. The fees charged by PwC for the provision of independent advice to the Committee during 2024 were £79k (2023: £47k). With regard to remuneration advice, the Committee is comfortable that PwC’s engagement partner and team are objective and independent.

Statement of voting at general meeting

The Committee is directly accountable to shareholders and, in this context, is committed to an open and transparent dialogue with shareholders on the issue of executive remuneration. The members of the Committee attend the Company’s annual general meeting and are available to answer shareholders’ questions about Directors’ remuneration. Votes cast by proxy and at the annual general meeting held on 9 May 2023 and at the annual general meeting held on 21 May 2024 in respect of remuneration-related resolutions are shown in the table below:

Resolution	Votes for		Votes against		Total votes cast	Votes withheld
	#	%	#	%		
Approval of Directors’ Remuneration Policy at the 2023 annual general meeting	719,060,452	87.23%	105,260,913	12.77%	824,321,365	4,315
Approval of the Annual Report on Remuneration for year ending 31 December 2023	707,044,890	95.48%	33,469,143	4.52%	740,514,033	11,699

Nina Henderson
Chair, Remuneration Committee

Directors' report

The Directors of the Company present their Annual Report and the audited financial statements of the Company and its subsidiaries (together the 'Group') for the year ended 31 December 2024.

Incorporation

The Company was incorporated in Jersey on 27 September 2016 and has a head office branch registered in Switzerland.

On 24 May 2024, the name of the Company was changed from IWG plc to International Workplace Group plc.

Directors

The Directors of the Company who held office during the financial year under review were:

Executive Directors

- Mark Dixon (Chief Executive Officer)
- Charlie Steel (Chief Financial Officer)

Non-Executive Directors

- Douglas Sutherland (Chairman)
- Laurie Harris
- Nina Henderson
- Tarun Lal
- Sophie L'Hélias
- François Pauly (resigned 31 December 2024)

Biographical details for the current Directors are shown on pages 54 and 55. Details of the Directors' interests and shareholdings are in the Directors' Remuneration report on page 84.

Details of the role of the Board can be found on page 63, and the process for the appointment of Directors can be found on page 67.

The Directors' biographies, Corporate Governance report, Nomination Committee report, Audit Committee report, Directors' Remuneration report and Directors' statement on pages 51 to 87 and 90 all form part of this report.

Corporate Governance Statement

The Governance section of this Annual Report on pages 51 to 90, together with information contained in the shareholder information section on page 150, constitute our Corporate Governance Statement. This includes:

- information on the Company's compliance with the UK Corporate Governance Code published by the Financial Reporting Council in 2018 (the 'Code'), and where the Code is publicly available (page 51);
- a description of the main features of our internal control and risk management arrangements in relation to the financial reporting process (pages 69 to 71);
- a description of the composition and operation of the Board and its Committees (pages 51 to 87); and
- information on our Board Diversity Policy and objectives (page 65).

Principal activity

The Company works with franchise partners, landlords and property owners to provide the world's largest network of flexible workspace.

Business review

The Directors have presented a Strategic report on pages 2 to 50 as follows:

- The Chief Executive Officer's review on pages 14 to 16 addresses:
 - the review of the Company's business; and
 - an indication of the likely future developments in the business.
- The Chief Financial Officer's review on pages 24 to 30 addresses:
 - the development and performance of the business during the financial year; and
 - the position of the business at the end of the year.
- The risk management and principal risks report, on pages 45 to 49, includes a description of the principal risks facing the Company, including financial risks, and the steps taken and policies implemented to mitigate those risks.
- Sustainability has been identified as a stand-alone principal risk and the steps taken to manage this risk are detailed on page 49 and pages 41 to 43.
- The Company's activities in research and development are detailed on pages 16, 17 and 21 and in the risk management and principal risks report on page 47.
- Our Corporate Responsibility report on pages 31 to 44, includes:
 - information on sustainability including our carbon reduction journey, pages 31 to 35;
 - information on employees including development, culture and performance, pages 36 to 38;
 - information on community engagement, pages 39 and 40;
 - Task Force on Climate Related Financial Disclosures on pages 41 to 43.
- The Nomination Committee report on pages 64 to 67 includes information on our Board Diversity Policy.
- The Directors' statement on page 90 includes the statutory statement in respect of disclosure to the auditor.

The Directors do not consider any contractual or other relationships with external parties to be essential to the business of the Group.

Anti-bribery and anti-corruption

The Company is committed to carrying out business in an honest and ethical manner and has zero tolerance of bribery and corruption, this applies to its employees, its suppliers and other third parties working with the Company.

All employees receive training on our bribery and corruption policy. The Company's statement of commitment is reviewed by the Board annually and was fully updated in 2023, it can be found on the Company website: www.iwgplc.com.

Respect for human rights

The Company has zero tolerance to slavery and human trafficking. Our Modern Slavery Statement is aligned to the Modern Slavery Act 2015 and is reviewed by the Board annually. In addition our Fair Treatment policy sets out our commitment to protect human rights and against all forms of forced labour. Both policies can be found on the Company website: www.iwgplc.com.

Results and dividends

The profit before taxation for the year was \$53m (2023: loss of \$237m). Effective 1 January 2024, the Company adopted USD as its reporting currency.

The Directors are pleased to recommend a final dividend of 0.90c per ordinary share (2023: one pence GB sterling per ordinary share). The total dividend for the year will therefore be \$1.33 per share, made up of the interim dividend of 0.43c per share paid in October 2024 (2023: nil) and assuming the final dividend is approved by shareholders at the forthcoming annual general meeting, to be held on 20 May 2025, an additional 0.90c per share

(2024: One pence GB sterling per share) which is expected to be paid on 30 May 2025 to shareholders on the register at the close of business on 2 May 2025. Subject to shareholder approval, the final dividend for 2024 will be declared in USD and paid in GBP. The foreign exchange rate at which the final dividend will be converted into GBP will be the New York closing rate on 2 May 2025, this will be reported via the Company's website as soon as practicable after it has been established. Shareholders wishing to receive their dividend in USD rather than GBP will be able to request this through the Company's Registrars.

Policy and practice on payment of creditors

The Group does not follow a universal code dealing specifically with payments to suppliers but, where appropriate, our practice is to:

- agree the terms of payment upfront with the supplier;
- ensure that suppliers are made aware of these terms of payment; and
- pay in accordance with contractual and other legal obligations.

Employees

The Group treats applicants for employment with disabilities with full and fair consideration according to their skills and capabilities.

Should an employee become disabled during their employment, efforts are made to retain them in their current employment or to explore opportunities for their retraining or redeployment elsewhere within the Group.

All employees are encouraged to become involved in the Company's performance. Employee surveys are routinely fielded to gather information on the Company, employee contribution to performance and other issues.

Political and charitable donations

It is the Group's policy not to make political donations either in the UK or overseas. During the year the Group made charitable donations of \$1.23m (2023: \$737k).

Capital structure

Following shareholder approval at the Company's annual general meeting on 21 May 2024, the Company changed its nominal share capital from ordinary shares with a par value of £0.01 each to ordinary shares with a par value of \$0.0124 each, effective from 31 May 2024. As at 31 December 2024 the Company's share capital (including treasury shares) comprised 1,057,248,651 issued and fully paid up ordinary shares of \$0.0124 nominal value in the Company (2023: 1,057,248,651 ordinary shares of £0.01 nominal value). All ordinary shares (excluding treasury shares) have the same rights to vote at general meetings of the Company and to participate in distributions. There are no securities in issue that carry special rights in relation to the control of the Company. The Company's shares are traded on the London Stock Exchange.

Details of the Company's employee share schemes can be found in note 24 of the notes to the accounts on pages 133 to 139. The Company's employee share schemes contain provisions relating to a change of control of the Company. The terms, conditions and discretion for the vesting and exercise of awards and options may be amended in the event of a change of control of the Company.

Power for the Company to issue shares

At the Company's annual general meeting held on 21 May 2024 the shareholders of the Company approved resolutions giving authority for the Company to allot ordinary shares in the Company up to one-third of the Company's issued share capital and up to two-thirds of the Company's issued share capital in connection with a rights issue and to disapply pre-emption rights, in each case, until the earlier of the conclusion of the Company's next annual general meeting or 20 August 2025.

On 21 December 2020 the shareholders of the Company approved resolutions at a general meeting for the allotment and issue of new ordinary shares on a non-pre-emptive basis upon conversion of £350m unsubordinated unsecured guaranteed convertible bonds due 2027 (the 'Convertible Bonds') into ordinary shares in the Company in accordance with their terms.

Such authority is limited to the allotment and issue of new ordinary shares pursuant to the conversion of the Convertible Bonds, with no such conversion occurring during 2024. Following a change of control of the Company, the holder of each Convertible Bond may exercise their conversion right using the formula set out in the terms of the Convertible Bonds or may require the issuer to redeem that Convertible Bond at its principal amount, together with accrued and unpaid interest.

In June 2024, the Company successfully completed the issuance of a €575m investment grade bond due 2030 (the "2030 Bond") and the signing of a new \$720m revolving credit facility due 2029, and also reduced the principal amount of the Convertible Bonds outstanding via repurchases. In September 2024, the Company successfully upsized the 2030 Bond by €50m, bringing the size of the 2030 Bond to €625m in aggregate, and completed further repurchases of the Convertible Bonds. Following these repurchases, £158m in aggregate principal amount of the Convertible Bonds remained outstanding as at 31 December 2024.

Power for the Company to repurchase shares

At the Company's annual general meeting held on 21 May 2024 the shareholders of the Company approved a resolution giving authority for the Company to purchase in the market up to 105,724,865 ordinary shares representing approximately 10% of the issued share capital (excluding treasury shares) as at 22 April 2024. No repurchases took place in 2024.

Going concern

The Directors, having made appropriate enquiries, have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the accounts on pages 97 to 144.

In adopting the going concern basis for preparing the financial statements, the Directors have considered the further information included in the business

activities commentary as set out on pages 14 to 16, as well as the Group's principal risks and uncertainties as set out on pages 45 to 49 and the outcomes of modelled and stress-tested scenarios set out in the Viability statement on page 50.

Further details on the going concern basis of preparation can be found on page 30 and in note 2 of the notes to the accounts, on page 102.

Post balance sheet events

Subsequent events occurring after 31 December 2024 are detailed in note 32 of the notes to the accounts on page 143.

Auditors

In accordance with Jersey law, a resolution for the reappointment of KPMG Ireland as auditors of the Company is to be proposed at the forthcoming annual general meeting.

Substantial interests

At 14 March 2025, the Company has been notified of the following substantial interests held in the issued share capital of the Company.

	Number of voting rights	% of issued share capital (excluding treasury shares)
Estorn Limited ¹	254,795,598	25.3%
Toscafund Asset Management LLP	98,287,996	9.7%

1. Mark Dixon owns 100% of Estorn Limited.

Approval

This report was approved by the Board on 17 March 2025.

On behalf of the Board

Timothy Regan
Company Secretary
17 March 2025

Directors' statement

Statement of Directors' responsibilities in respect of the Annual Report and financial statements.

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable law and regulations.

In accordance with the Companies (Jersey) Law 1991 (the 'Law') the Directors are responsible for preparing Group financial statements each financial year using generally accepted accounting principles ('GAAP') as prescribed in the Law. The Directors use International Financial Reporting Standards ('IFRS') as adopted by the UK which have been specified as meeting the Law's prescribed standards.

In accordance with the Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and its profit or loss for the period. In preparing the Group financial statements, the Directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable, relevant and reliable;
3. state which prescribed GAAP the financial statements have been prepared in accordance with; and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that its financial statements comply with the Law and IFRS. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities including maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' report, a Strategic report, a Directors' Remuneration report and a Corporate Governance Statement that comply with that Law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company website.

Legislation in the UK and Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statutory statement as to disclosure to auditor

The Directors who held office at the date of approval of this Directors' statement confirm that:

- so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

These financial statements have been approved by the Directors of the Company. The Directors confirm that the financial statements have been prepared in accordance with applicable law and regulations.

Statement of responsibility

We confirm that to the best of our knowledge:

1. the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
2. the Directors' report, including content contained by reference, includes a fair review of the development and performance of the business and the position of the Group taken as a whole, together with a description of the principal risks and uncertainties that they face; and
3. the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

Mark Dixon
Chief Executive Officer

Charlie Steel
Chief Financial Officer
17 March 2025



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Independent auditor's report to the members of International Workplace Group plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of International Workplace Group plc ("the Company") and its consolidated undertakings ("the Group") for the year ended 31 December 2024 set out on pages 97 to 143, which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated balance sheet, consolidated statement of cash flows and related notes, comprising material accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is Jersey Law and International Financial Reporting Standards (IFRS) as adopted by the United Kingdom.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Group's affairs as at 31 December 2024, and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the United Kingdom;
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the directors on 21 December 2016. The period of total uninterrupted engagement is for the 9 financial years ended 31 December 2024. We have fulfilled our ethical responsibilities and we remain independent of the Group in accordance with UK ethical requirements, including the Financial Reporting Council (FRC)'s Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Conclusions relating to going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or to cease their operations, and as they have concluded that the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included considering the strategic risks relevant to the Group's business model and analysing how those risks might affect the Group's financial resources or ability to continue operations for the going concern period.

The risk we considered most likely to adversely affect the Group's available financial resources over the going concern period was the potential economic impact of a prolonged economic downturn impacting the Group's ability to generate revenue.

We considered various downside scenarios which were more pessimistic than those indicated by the Group's own forecasts. A key judgement in the downside scenarios of the Group is that there is a reasonable expectation that the existing committed debt facilities in place are adequate to cover the Group's liquidity requirements in such scenarios. There were no other risks identified that we considered were likely to have a material adverse effect on the Group's available financial resources over this period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

In relation to the Group's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group will continue in operation.

Detecting Irregularities including Fraud

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Reading audit committee, nomination committee, remuneration committee and Board meeting minutes.
- Planning and performing analytical procedures to identify any usual or unexpected relationships.

Independent auditor's report to the members of International Workplace Group plc continued

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team. This included communication from the Group to component audit teams of relevant laws and regulations and any fraud risks identified at Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group level.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related Companies legislation), distributable profits legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Group's licence to operate. We identified the following areas as those most likely to have such an effect: health and safety, employment law and certain aspects of company legislation recognising the nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries to test based on specific risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions, if any.
- Assessing significant accounting estimates for bias.

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key Audit Matters: Our Assessment of Risk of Material Misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters are consistent with our 2023 audit.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Valuation of Goodwill and Intangible Assets: \$1,375 million (2023: \$1,438 million)

Refer to page 102 (accounting policy) and pages 118 to 119 (financial disclosures).

The Key Audit Matter

There is a risk that the carrying amounts of the Group's goodwill and intangible assets will be more than the estimated recoverable amount, if future cash flows are not sufficient to recover the Group's investment. This could occur if forecasted cash flows decline in certain markets or where revenue and costs are subject to significant fluctuations. Key assumptions include revenue growth, occupancy rates, discount rates and terminal values. The recoverability of goodwill is spread across multiple geographies and economies as highlighted in note 11 and is dependent on individual businesses acquired achieving or sustaining sufficient profitability in the future.

The carrying value of goodwill and intangible assets associated with certain of the Group's cash-generating units ("CGU") is considered a significant risk due to the material nature of the asset in the context of the Group balance sheet, uncertainty associated with estimating future trading conditions for that developing area of the business and market, and the sensitivity of the impairment model to changes in key assumptions.

We focus on this area due to the inherent uncertainty involved in forecasting and discounting future cash flows, particularly in projected revenue growth, which forms the basis of the assessment of recoverability.

For the reasons outlined above the engagement team determine this matter to be a key audit matter.

Independent auditor's report to the members of International Workplace Group plc continued

How the matter was addressed in our audit

- Our audit procedures in this area included, but were not limited to, our assessment of the historical accuracy of the Group's forecasts and challenging management's profitability forecasts underlying their impairment model. We obtained and documented our understanding of the impairment testing process and tested the design and implementation of the relevant control therein.
- We applied judgement in using our own valuation specialists to assist us in evaluating the key judgements used by the Group, in particular those relating to the discount rates and terminal growth calculations used to determine the present value of the cash flow projections. We compared the value in use for the Group as a whole to the Group's market capitalisation and noted that the Group's market capitalisation exceeded the net book value of assets at year end.
- We compared the key assumptions to external industry specific and general economic data and performed sensitivity analysis considering various downside scenarios which were more pessimistic than those considered by the Group.
- Based on the procedures we performed, we found that the key assumptions underpinning management's assessment of the recoverable amount of goodwill and intangible assets, are reasonable.

Recognition of Deferred Tax Assets associated with the Group's intellectual property in Switzerland - \$84 million (2023: \$100 million)

Refer to pages 107 to 108 (accounting policy) and pages 114 to 116 (financial disclosures).

The key audit matter

The Group has significant deferred tax assets in respect of the future benefit of deductible temporary differences and accumulated tax losses where it is considered probable that they would be utilised or recovered in the foreseeable future through the generation of future taxable profits by the relevant Group entities or by offset against deferred tax liabilities. In addition, a significant amount of deferred tax assets was not recognised at the reporting date due to the uncertainty of the relevant Group entities being able to generate future taxable profits against which the tax losses may be utilised before they expire.

We identified the recognition of deferred tax assets associated with the group's intellectual property in Switzerland as a key audit matter because of the inherent uncertainty associated with key assumptions made by the group when forecasting future taxable profits, which determine the extent to which deferred tax assets are or are not recognised. In addition, we considered the significance of the recognised deferred tax assets in assessing this key audit matter. The estimation uncertainty has continued to be elevated in 2024 due to the ongoing strategic developments in the business. We focused our attention in particular on the key assumptions applied by the group, including revenue growth and the estimated amortisation of the intellectual property, when assessing the recoverability of deferred tax assets associated with the Group's intellectual property in Switzerland.

How the matter was addressed in our audit

- In this area our audit procedures included using our work on the Group's forecasts described in the goodwill key audit matter above. We obtained and documented our understanding of processes related to the Director's assessment of the recoverability of deferred tax assets and tested the design and implementation of the relevant control therein. In addition, we applied judgements through the use of our own tax specialists to assist us in evaluating and challenging the key assumptions used by the Group in calculating the deferred tax assets

including assessing the recoverability of the tax losses against the forecast future taxable profits, taking into account the Group's tax position, the timing of forecast taxable profits, and our knowledge and experience of the application of relevant tax legislation.

- We considered the historical accuracy of forecasts of future taxable profits made by the Group by comparing the actual taxable profits for the current year with Group's estimates in the forecasts made in the previous year and assessing whether there were any indicators of management bias in the selection of key assumptions.
- We considered the impact of the ongoing changes in the Group's strategy which places greater focus on developing their capital light model and the impact of this on the Group's assessment of the recoverability of the assets recognised. We challenged the Director's key assumptions in relation to the recoverability of the deferred tax assets recognised in Switzerland, arising on the transfer of the Group's intellectual property in 2019, by involving our taxation specialists to evaluate the recoverability of the deferred tax asset in relation to the deductible temporary differences available. We evaluated whether the Director's judgements on the generation of future taxable profits in the foreseeable future were aligned with the Group's other business forecasting processes. We assessed the presentation and disclosure (in accordance with IAS 1 and IAS 12) in respect of taxation related balances and considered whether the Group's disclosures reflected the risks inherent in the accounting for the taxation balances.
- Based on the audit procedures performed, we found that the key assumptions used by the Director's in calculating the future taxable profits of the Group for the purpose of assessing the recoverability of deferred tax assets relating to Swiss Intellectual property assets are reasonable.

Impairment of Leasehold Property, Plant and Equipment ('PPE') and Right of Use ('ROU') assets – \$31 million net reversal of impairment (2023: \$99 million net charge of impairment)

Refer to page 103 (accounting policy) and page 121 (financial disclosures).

The key audit matter

There is a risk that the carrying value of the Group's business centres exceeds the recoverable amount of each centre given the Group's closure and planned closure of certain centres in the ordinary course of business. In response to this risk, the Group has performed an assessment of the Group's CGUs (identified as individual business centres) to identify indicators of impairment. The Group carried out an impairment analysis for each CGU where impairment indicators were identified and impaired the associated Leasehold Improvements PPE and Right of Use assets to their estimated recoverable amount. The Group also reviewed each CGU impaired at 31 December 2023 to determine if previously recognised impairment losses no longer existed or had decreased such that the carrying value of the CGU should be increased to its recoverable amount at 31 December 2024. We consider this area to be a key audit matter, in consideration of the significance of the assets and the related net impairment charge/reversal, the judgements made in assessing impairment indicators for each CGU and the key assumptions used to determine the future cash flows of each CGU, which are used to determine the recoverable amount.

The recoverability of the Group's Leasehold Improvements PPE and Right of Use assets and the associated impairment charge recognised in the year have been identified as a key audit matter for the reasons outlined above.

Independent auditor's report to the members of International Workplace Group plc continued

How the matter was addressed in our audit

- We applied judgement in designing audit procedures to respond to this risk include assessing whether there were indicators of impairment at the CGU level, including assessing the performance of business centres for any impairment indicators. We obtained and documented our understanding of the impairment testing process and the design and implementation of the relevant key control. We tested the completeness of the groups identification of business centres performing below expectations and accordingly at a greater risk of impairment. Where centres performed below expectations, we considered whether this was an indicator of impairment given our understanding of the maturity of the business centre, the status of rent renegotiations with landlords and assessment of the current performance of the business centre. Where there were indicators of impairment, or where there were indicators that previously recognised impairment should be reversed, we assessed the Group's impairment analysis and challenged the assumptions in relation to the cash flow forecasts used to determine the recoverable amount of each CGU. This included assessing any expected cash outflows where a business centre will be closed and analysing the change in circumstances giving rise to an impairment reversal.
- We performed testing over the impairment charge and reversal of impairment to validate the accuracy of the net credit recorded in the income statement in the year. We recalculated the impairment charge and impairment charge reversal for the year and validated the mathematical accuracy of the calculation. As a result of our audit procedures, we found that the identification of indicators of impairment and impairment reversals was supported by reasonable judgements.
- We found the judgements made by Director's in relation to future cash flow forecasts to assess the recoverability of individual business centres were supported by reasonable key assumptions and the calculation of the impairment charge and impairment charge reversal recognised in the year were accurately recorded.

Our application of materiality and an overview of the scope of our audit

The materiality for the consolidated financial statements as a whole was set at \$15 million (2023: \$12.7 million) which is 0.41% (2023: 0.34%) of total revenues. In 2024, consistent with 2023, we have used revenue as the benchmark for materiality. Consistent with 2023, we determined that adjusted profit before tax was not an appropriate benchmark in 2024 given the volatility in the Group's results over the past number of years. We have determined, in our professional judgement, that revenue is the principal benchmark within the financial statements relevant to members of the Group in assessing financial performance.

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to \$11.2 million (2023: \$9.5 million) for the group. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk. Our judgement in setting performance materiality was guided by the follow factors; Historically, the Group are receptive to audit findings and have corrected misstatements, disclosure omissions and sought to improve their control environment on receipt of our control deficiencies findings. During the prior year audit, we noted no significant control deficiencies and that previously identified significant deficiencies were closed by the Group. Progress was made on the prior year audit to ensure that key controls over significant risk areas have been designed and implemented. Most of the group's significant risks will be audited substantively with limited reliance on controls other than for an element of our testing of Revenue and leases.

We agreed with the audit committee to report corrected and uncorrected misstatements we identified through our audit with a value in excess of \$0.75 million (2023: \$0.63 million). We also agreed to report other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

We applied materiality to assist us determine what risks were significant risks and the appropriate audit procedures to be performed.

The structure of the Group's finance function is such that certain transactions and balances are accounted for by central Group finance teams, with the remainder accounted for in the operating units. We performed comprehensive audit procedures, including those in relation to the key audit matters, on those transactions and balances accounted for at Group and operating unit level. In determining those components in the Group on which we perform audit procedures, we considered the relevant size and risk profile of the components.

In relation to the Group's operating units, audits for Group reporting purposes were performed at twelve identified key reporting components, augmented by risk focused audit procedures which were performed for certain other components. These audits covered 80% of total Group revenue. The Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back.

Planning meetings were held with component auditors in order to assess the key audit risks, audit strategy and work to be undertaken. The Group audit team approved the materiality of each of the components, which ranged from \$6m to \$10.5m, having regard to the mix of size and risk profile of the components. Detailed audit instructions were sent to the auditors of each of these identified locations. These instructions covered the significant audit areas to be covered by these audits (which included the relevant risks of material misstatement detailed above) and set out the information required to be reported to the Group audit team.

Senior members of the Group audit team, including the lead engagement partner, attended each component audit closing meetings via video conferencing facilities, at which the results of component audits were discussed with divisional and Group management.

At these meetings, the findings reported to the Group audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditor. The Group audit team interacted with the component teams where appropriate during various stages of the audit, inspected key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Other Information

The directors are responsible for the other information presented in the annual report together with the financial statements. The other information comprises the information included in the Strategic Report and Governance sections of the Annual Report, as well as the unaudited appendices (including the summarised extract of unaudited Parent Company balance sheet, reconciliation for alternative performance measures, the five-year summary and the glossary).

Independent auditor's report to the members of International Workplace Group plc continued

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion on that information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 90;
- Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 90;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 90;
- Directors' statement on the annual report and financial statements, taken as a whole on fair, balanced and understandable and the information necessary for shareholders to assess the Group's position and performance, business model and strategy set out on page 90;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated set out on pages 45 to 49;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 69 to 70; and
- The section describing the work of the audit committee set out on pages 68 to 72.

We have nothing to report in respect of matters on which we are required to report by exception Under the Companies (Jersey) Law 1991, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company; or
- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of the above responsibilities.

Respective responsibilities and restrictions on use

Responsibilities of Directors for the Financial Statements

As explained more fully in the directors' responsibilities statement set out on page 90, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Group's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Emma O'Driscoll

17 March 2024

for and on behalf of KPMG

Chartered Accountants, Statutory Audit Firm

1 Stokes Place,
St. Stephen's Green, Dublin 2,
Ireland

Consolidated income statement

\$m	Notes	Year ended 31 December 2024	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 (c)	9	2.0	(26.7)
Diluted (c)	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	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

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:										
Income/(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	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	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

\$m	Notes	As at 31 December 2024	As at 31 December 2023 Restated ⁽¹⁾	As at 1 January 2023 Restated ⁽¹⁾
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 balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 97 to 143 were approved by the Board on 17 March 2025.

Mark Dixon
Chief Executive Officer

Charlie Steel
Chief Financial Officer

Consolidated statement of cash flows

\$m	Notes	Year ended 31 December 2024	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 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

\$m	Notes	Year ended 31 December 2024	Year ended 31 December 2023 Restated ⁽¹⁾
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

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. The Group and Company financial statements for the year ended 31 December 2024 were authorised for issue by the Board of Directors on 17 March 2025 and the balance sheets were signed on the Board's behalf by Mark Dixon and Charlie Steel. The audited Group accounts are included from pages 97 to 143.

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 3Q, 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').

The Company prepares its parent company annual accounts in accordance with accounting policies based on the Swiss Code of Obligations; extracts from these unaudited accounts are presented on page 144.

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.

Notes to the accounts continued

2. Material Accounting policies continued

Climate

The potential climate-related risks and opportunities to which the Group is exposed, as identified by management, are disclosed in the Group's TCFD disclosures on pages 41 and 43. Management has 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: \$263m). 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.

Notes to the accounts continued

2. Material Accounting policies continued

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.

Notes to the accounts continued

2. Material Accounting policies continued

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.

Notes to the accounts continued

2. Material Accounting policies continued

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.

Notes to the accounts continued

2. Material Accounting policies continued

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.

Notes to the accounts continued

2. Material Accounting policies continued

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.

Notes to the accounts continued

2. Material Accounting policies continued

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.

Notes to the accounts continued

On pre-IFRS 16 basis

On pre-IFRS 16 basis	IWG Network Operating Segment						IWG Network	Digital and Professional Services	2024
	By geography				By ownership				
	Americas	EMEA	Asia Pacific	Other	Company-owned	Managed & Franchised			
\$m									
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.

Notes to the accounts continued

On pre-IFRS 16 basis

On pre-IFRS 16 basis	IWG Network Operating Segment						IWG Network	Digital and Professional Services	2023
	By geography				By ownership				
	Americas	EMEA	Asia Pacific	Other	Company-owned	Managed & Franchised			
\$m									
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	251	281	55	13	539	61	600	205	805
SG&A							(467)	(89)	(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 assets/(liabilities) ⁽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.

Notes to the accounts continued

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

On pre-IFRS 16 basis

On pre-IFRS 16 basis	IWG Network Operating Segment						IWG Network	Digital and Professional Services	2024
	By geography				By ownership				
	Americas	EMEA	Asia Pacific	Other	Company-owned	Managed & Franchised			
\$m									
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.

Notes to the accounts continued

On pre-IFRS 16 basis

On pre-IFRS 16 basis	IWG Network Operating Segment						IWG Network	Digital and Professional Services	2023
	By geography				By ownership				
	Americas	EMEA	Asia Pacific	Other	Company-owned	Managed & Franchised			
\$m									
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.

Notes to the accounts continued

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)
<i>Right-of-use assets</i>	13	(1,049)	(1,146)
<i>Other property, plant and equipment</i>	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)
<i>Net reversal/(impairment) of right-of-use assets</i>	13	19	(53)
<i>Net reversal/(impairment) of other property, plant and equipment</i>	13	12	(46)
Other costs ²		(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 Directors' emoluments and interests are given on pages 73 to 87 in the Director's Remuneration report, with audited schedules identified where relevant.

Notes to the accounts continued

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.

Notes to the accounts continued

7. Taxation continued

(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
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:

	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

Notes to the accounts continued

7. Taxation continued

(e) Deferred taxation continued

	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 income 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).

Notes to the accounts continued

8. Adjusting items continued

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 (c)	2.0	(26.7)
Diluted earnings/(loss) per share (c)	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).

Notes to the accounts continued

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 operating 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.

Notes to the accounts continued

11. Goodwill continued

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.

Notes to the accounts continued

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

Notes to the accounts continued

13. Property, plant and equipment continued

\$m	Right-of-use assets ⁽¹⁾	Land and buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Total
Accumulated depreciation						
At 31 December 2022	5,608	17	1,257	644	136	7,662
Charge for the year	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

- Right-of-use assets consist of property-related leases.
- Modifications includes lease modifications and extensions.
- Depreciation is net of \$56m (2023: \$21m) in respect of adjusting items previously provided for (note 8).
- Disposals are net of \$6m (2023: \$5m) in respect of adjusting items previously provided for (note 8).
- 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

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

Notes to the accounts continued

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

- Includes \$nil (2023: \$419m) Convertible bonds liability, disclosed net of derivative foreign exchange cashflow hedges of \$nil (2023: \$nil).
- Includes \$629m (2023: \$nil) Euro bond liability, disclosed net of derivative foreign exchange cashflow hedge liability of \$19m (2023: \$nil).
- 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.

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 on page 133 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.

Notes to the accounts continued

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 1.24¢ shares in International Workplace Group plc at 1 January	8,000,000,000	99	8,000,000,000	99	80
Ordinary 1.24¢ 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 1.24¢ shares in International Workplace Group plc at 1 January	1,057,248,651	13	1,057,248,651	13	10
Ordinary 1.24¢ shares issued for cash in the year	–	–	–	–	–
Ordinary 1.24¢ 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).

Notes to the accounts continued

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 (loss)/income	(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)

- 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.
- 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.
- 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.

Notes to the accounts continued

22. Net debt analysis continued

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)
<i>Interest (expense)/income</i>	–	–	(15)	–	(15)	8	(349)	(356)
<i>Other non-cash movements⁽¹⁾</i>	–	–	–	–	–	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)
<i>Interest (expense)/income</i>	–	–	(14)	(1)	(15)	8	(363)	(370)
<i>Other non-cash movements⁽¹⁾</i>	–	–	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.

Notes to the accounts continued

22. Net debt analysis continued

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)	(79)
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 on pages 2 to 50 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 on pages 24 to 30 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.

Notes to the accounts continued

23. Financial instruments and financial risk management continued

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.

Notes to the accounts continued

23. Financial instruments and financial risk management continued

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 1 year	1-6 months	6-12 months	More than 1 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	–	–

Notes to the accounts continued

23. Financial instruments and financial risk management continued

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	2024							
	Carrying amount			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	Line item in profit or loss that includes hedge ineffectiveness
	Nominal amount	Assets	Liabilities					
Euro bond €100m	104	–	104	Bank and other loans	–	3	–	Finance expense

Notes to the accounts continued

23. Financial instruments and financial risk management continued

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 on page 52. 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 on pages 73 to 87. 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.

Notes to the accounts continued

23. Financial instruments and financial risk management continued

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.

Notes to the accounts continued

23. Financial instruments and financial risk management continued

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	–	–	(480)	(480)	–	–	–	–
Convertible bonds	–	–	(419)	(419)	–	–	(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.

Notes to the accounts continued

23. Financial instruments and financial risk management continued

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

Notes to the accounts continued

24. Share-based payments continued

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
	95,843,265		(39,331,013)	(2,371,348)	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.

Notes to the accounts continued

24. Share-based payments continued

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	40.64% – 55.49%	42.00% – 55.25%	42.97% – 55.18%	42.96% – 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%

Notes to the accounts continued

24. Share-based payments continued

	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	–

Notes to the accounts continued

24. Share-based payments continued

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 1 January 2025 following determination by the Remuneration Committee that the performance conditions had not been achieved as further detailed on page 83.

Notes to the accounts continued

24. Share-based payments continued

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%

Notes to the accounts continued

24. Share-based payments continued

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:

\$m	2024			2023		
	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

Notes to the accounts continued

26. Acquisitions continued

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.

Notes to the accounts continued

29. Related parties continued

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 (Shenzen) 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
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

Notes to the accounts continued

30. Principal Group companies continued

Name of undertaking	Country of incorporation	% of ordinary shares and votes held
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.

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

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.

On 11 March 2025, the Group repurchased £18m (\$23m) face value of the Convertible bonds at a weighted average price of £0.965, including accrued interest, representing a consideration of £17m (\$22m).

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.

Parent Company Accounts

Summarised extract of unaudited company balance sheet

(Accounting policies are based on the Swiss Code of Obligations)

\$m	As at 31 Dec 2024	As at 31 Dec 2023
Trade and other receivables	3	27
Prepayments	–	3
Total current assets	3	30
Investments	3,680	3,680
Total non-current assets	3,680	3,710
Total assets	3,683	3,710
Trade and other payables	7	9
Accrued expenses	4	3
Total short-term liabilities	11	12
Other long-term liabilities	4	1
Total long-term liabilities	4	1
Total liabilities	14	13
Issued share capital	13	13
Reserves from capital contributions	3,096	3,113
Retained earnings	767	805
Loss for the year	(25)	(40)
Treasury shares	(182)	(194)
Total shareholders' equity	3,669	3,697
Total liabilities and shareholders' equity	3,683	3,710

The values of the investments recognised have been considered by the Directors and are considered fully recoverable.

Approved by the Board on 17 March 2025

Mark Dixon
Chief Executive Officer

Charlie Steel
Chief Financial Officer

Accounting policies

Basis of preparation

These financial statements were prepared in accordance with accounting policies based on the Swiss Code of Obligations.

The Company is included in the consolidated financial statements of International Workplace Group plc.

The balance sheet has been extracted from the non-statutory accounts of International Workplace Group plc for the year ended 31 December 2024, which are available from the Company's registered office, Baarerstrasse 52, CH-6300, Zug, Switzerland.

Investments

The value of the investment held in IWG Group is measured at acquisition cost.

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, p25	4,231	4,157
Fee revenue	CFO review, p25	79	61
Managed & Franchised system revenue	CFO review, p25	(620)	(529)
Group Revenue	Consolidated income statement, p97	3,690	3,689

Consolidated contribution (unaudited)

Year ended 31 December 2024:

\$m	Notes	As reported	Rent income	Rent expense	Depreciation	Other adjustments	pre-IFRS16
Adjusted contribution		2,325	67	(1,342)	–	7	1,057
Adjusting items ¹		36	–	–	–	(14)	22
Depreciation on property, plant and equipment and other		(1,257)	–	–	901	–	(356)
Gross profit	3	1,104	67	(1,342)	901	(7)	723

Year ended 31 December 2023:

\$m	Notes	As reported	Rent income	Rent expense	Depreciation	Other adjustments	pre-IFRS16
Adjusted contribution		2,239	75	(1,380)	–	43	977
Adjusting items ¹		(123)	–	–	–	(49)	(172)
Depreciation on property, plant and equipment and other		(1,384)	–	–	1,004	(1)	(381)
Gross profit	3	732	75	(1,380)	1,004	(7)	424

1. Excludes related depreciation on an IFRS 16 basis for \$56m (2023: \$22m).

Reconciliation for alternative performance measures continued

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, p100	8	27
• Proceeds from landlord contributions (lease incentives)	Investing activities, Statement of cashflows, p100	48	30
• Maintenance landlord contributions	CFO review, p29	12	9
• Gross growth landlord contributions	CFO review, p29	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, p100	8	–	(8)	–	–
Increase/(decrease) in trade and other receivables	Statement of cash flows, p100	(22)	(35)	–	–	(57)
Increase/(decrease) in trade and other payables	Statement of cash flows, p100	(2)	957	(992)	(23)	(60)
Working capital		(16)	922	(1,000)	(23)	(117)
Analysed as:						
Working capital (excluding amortisation of landlord contributions)	CFO review, p28					(51)
Working capital related to the amortisation of landlord contributions	CFO review, p28					(110)
Growth-related landlord contributions	CFO review, p28					44

Reconciliation for alternative performance measures continued

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, p100	27	–	(22)	(5)	–
(Increase)/decrease in trade and other receivables	Statement of cash flows, p100	(10)	32	–	2	24
Increase/(decrease) in trade and other payables	Statement of cash flows, p100	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, p28					118
Working capital related to the amortisation of landlord contributions	CFO review, p28					(118)
Growth-related landlord contributions	CFO review, p28					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, p100	(192)	(2)	(194)
Purchase of intangible assets	Statement of cash flows, p100	(45)	–	(45)
Total capital expenditure		(237)	(2)	(239)

Analysed as:		Net capital expenditure	Landlord contributions	Gross capital expenditure
Maintenance capital expenditure	CFO review, p29	(93)	(12)	(105)
Gross growth capital expenditure	CFO review, p29	(88)	(44)	(132)
Capitalised rent related to centre openings	CFO review, p29	–	(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, p100	(191)	(3)	(194)
Purchase of intangible assets	Statement of cash flows, p100	(74)	–	(74)
Total capital expenditure		(265)	(3)	(268)

Analysed as:		Net capital expenditure	Landlord contributions	Gross capital expenditure
Maintenance capital expenditure	CFO review, p29	(113)	(9)	(122)
Gross growth capital expenditure	CFO review, p29	(95)	(48)	(143)
Capitalised rent related to centre openings	CFO review, p29	–	(3)	(3)
Total capital expenditure		(208)	(60)	(268)

Five-year summary

\$m	31 Dec 2024	31 Dec 2023 Restated ⁽¹⁾	31 Dec 2022 Restated ⁽¹⁾⁽²⁾	31 Dec 2021 Restated ⁽¹⁾⁽²⁾	31 Dec 2020 Restated ⁽¹⁾
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 (losses)/reversal 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 (c)	2.0	(26.7)	(8)	(28)	(88)
Diluted (c)	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	1,258	1,148	1,502
Cash and cash equivalents	148	141	194	105	97
Total assets	9,633	10,456	11,094	11,448	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 in USD (note 2).

2. 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 IAS12.

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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Timothy Regan, Company Secretary
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