



Charlie Steel

Chief Financial Officer

IWG International
Workplace
Group

The Plan in December 2023

We set out a clear plan at the Investor Day in December 2023, and we are delivering it

What we said ¹	What we have delivered
Growth of coverage and network	▶ Open centre location count increased by 32% to 4,434 since the end of 2023 and over 1 million rooms open; 228,000 rooms in the pipeline ²
Rapid growth in Managed & Franchised	▶ Recurring management fees expected to be \$45m in 2025, up 4.5x vs 2023
Margin expansion in Company-owned	▶ Adjusted gross profit margins for H1 2025 +160bps higher than FY2023
Reduce core overheads and invest selectively	▶ Core overheads falling; Investment in Partnership sales team and areas of new coverage
Capex reduction as capital-light accelerates	▶ We opened 890 locations between 2017–2019 and spent \$1.1bn in net growth capex. In the 18 months to H1 2025, we opened 962 new locations and spent net growth capex of only \$69m
Medium term EBITDA target of \$1bn	▶ 15% EBITDA growth since FY2023 ⁴
Strengthen the balance sheet	▶ Investment grade BBB (stable) bonds, no refinancing needs until 2029, credit spreads continue to decline
Resume shareholder returns	▶ \$152m of capital returned to shareholders since the 2023 investor day in buybacks (\$121m) and dividends (\$31m) ⁵
Make financials easier to understand	▶ 2 nd year of USD reporting; US GAAP implemented in H1 2025

¹ Source: Investor Day presentation p7–15

² As of 30th September 2025

³ In the 9 months to end Sept 2025

⁴ Using consensus EBITDA for 2025

⁵ To 28th November 2025

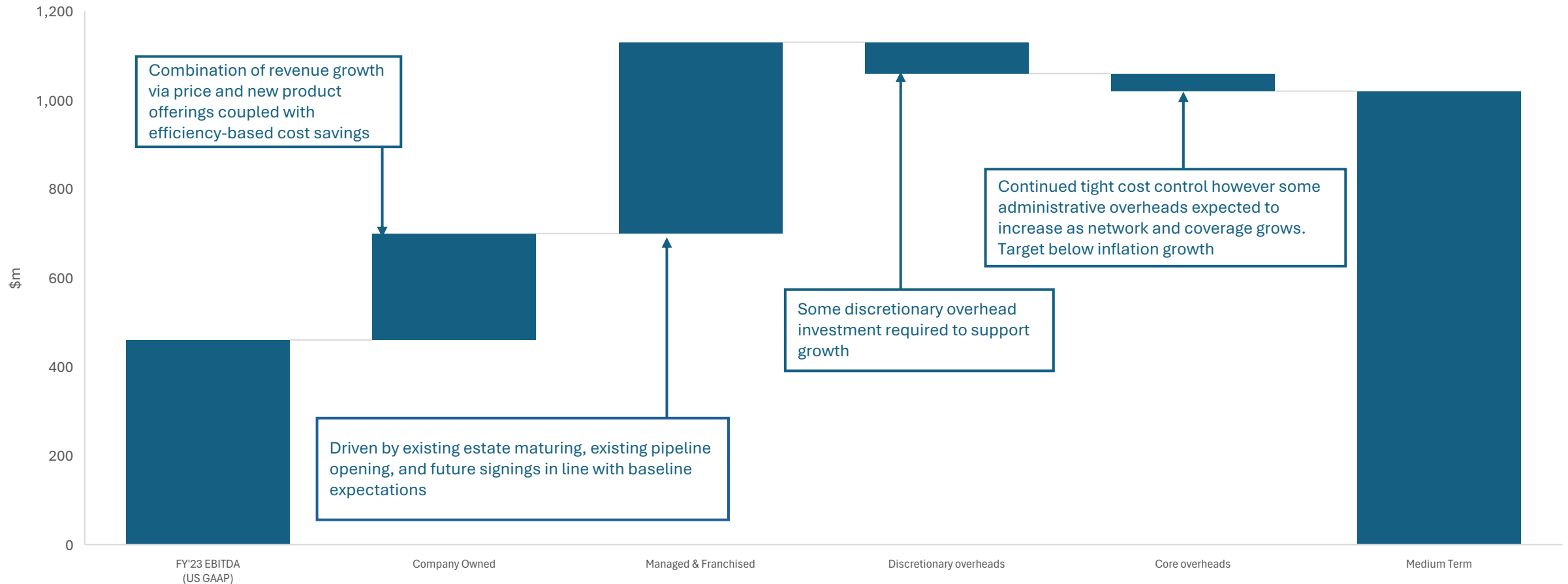
Continuation of the plan

What we intend to deliver from here

- Continue the journey toward our EBITDA target of at least \$1bn in the medium term
- Massive growth in recurring management fee income
- Delivery towards the 30% gross margin target in Company-owned
- Continue to return capital to shareholders, primarily through share buybacks



Evolution of EBITDA to \$1bn target



| Further clarity in reporting

We are continuing to make the financials easier to understand

- We changed our functional and reporting currency to USD in Jan 2024 and in H1 2025 we transitioned accounting standards to US GAAP
- As we progress with our capital-light transition, we are making two further changes to align with our operations better:
 - Managed Lease Agreements revenue recognised on a net basis from FY2025
 - Digital & Professional Services reporting integrated into the other two segments from 1 January 2026
 - Enterprise Managed real estate leases will novate into Company-owned division
 - Virtual Office revenues associated with Company-owned locations reported in Company-owned division
 - Digital, brokerage and consulting services reported in Managed & Franchised division
- As announced at Q3 2025 results, to help accelerate centre opening, IWG now holds pre-launch equipment prior to issuance and bills the management centre landlord rather than back-to-backed with suppliers
 - No change to Gross Profit but revenue recognised gross

Managed Lease Agreements

- IWG operates the location and handles all cashflows
- Landlord partner receives all revenue net of IWG's fees and recharged costs
- As technically a lease, IWG recognises all revenue and cost but equates to 16% gross margin of system revenue
- No lease liability
- Partner requirements due to regulatory/legal circumstances

Digital & Professional Services

- Assets which enable IWG to grow, in a capital-light manner, beyond the traditional 'IWG Network'
- Includes Virtual Offices, Managed Real Estate, Marketplaces and Consultancy Services

Pre-launch services

- Items such as IT equipment, printers, coffee machines that are sold to Managed Centres prior to opening

Digital & Professional Services

Integration and impact on financials

- No impact on group financials or cash, we are adjusting how we present the numbers to reflect how we operate the business
- The acquisition of The Instant Group enabled acceleration of our own capital-light growth within the IWG Network as well as supporting wider income streams

Impact of integrating D&PS

	As Reported	Company-owned	Managed & Franchised
FY 2023 (\$m)			
System Revenue	473	402	71
Group Revenue	473	402	71
Gross Profit	228	157	71

	As Reported	Company-owned	Managed & Franchised
FY 2024 (\$m)			
System Revenue	455	387	68
Group Revenue	455	387	68
Gross Profit	222	154	68

	As Reported	Company-owned	Managed & Franchised
H1 2025 (\$m)			
System Revenue	207	173	34
Group Revenue	207	173	34
Gross Profit	98	64	34

I. Managed & Franchised

Breakdown of the income streams

	Recurring Management Fees	Franchise & JV Fees	Other Services
Driver / KPI	<ul style="list-style-type: none"> Rooms RevPAR 	<ul style="list-style-type: none"> Rooms RevPAR 	<ul style="list-style-type: none"> Openings Signings Customers

	FY 2024	H1 2025	FY 2024	H1 2025	FY 2024	H1 2025
Revenue (\$m)	21	22	40	21	88	44
COGS (\$m)	0	0	0	0	0	0
Gross Profit (\$m)	21	22	40	21	88	44
Gross Profit (%)	100	100	100	100	100	100
RevPAR (\$)	256	178	487	502	n/a	n/a
RevPAR (Mature) (\$)	391	285	512	519	n/a	n/a
RevPAR target at maturity (\$)	250	250	n/a	n/a	n/a	n/a

I. Managed & Franchised

Now includes all our capital-light business lines

- Novation of Managed Lease Agreements:
 - Due to netting of these agreements, total revenue coming into a location will be seen in system revenue, but Group revenues are lower
 - No other financials will be impacted

FY 2023 (\$m)	Prior	Proforma	Change
System Revenue	427	498	17%
Group Revenue	61	132	116%
Adjusted Gross Profit	61	132	116%
Adj GP Margin	100.0%	100.0%	
Fees	61	61	0%
Locations	682	682	0%
Rooms	123,000	123,000	0%

FY 2024 (\$m)	Prior	Proforma	Change
System Revenue	620	703	13%
Group Revenue	79	149	89%
Adjusted Gross Profit	79	149	89%
Adj GP Margin	100.0%	100.0%	
Fees	79	81	3%
Locations	1,116	1,218	9%
Rooms	185,000	204,500	11%

H1 2025 (\$m)	Prior	Proforma	Change
System Revenue	361	408	13%
Group Revenue	50	87	74%
Adjusted Gross Profit	50	87	74%
Adj GP Margin	100.0%	100.0%	
Fees	50	53	6%
Locations	1,365	1,508	10%
Rooms	220,000	247,400	12%

2. Company-owned

Receives virtual office revenues and costs for its locations

- Virtual Office revenue will now be reported with the relevant locations in Company-owned
- We continue to make good progress on our strategy to expand Company-owned margins

FY 2023 (\$m)	Prior	Proforma	Change
System Revenue	3,230	3,632	12%
Group Revenue	3,230	3,632	12%
Adjusted Gross Profit	689	846	23%
Adj GP Margin	21.3%	23.30%	+200bps
Locations	2,832	2,832	0%
Rooms	772,000	772,000	0%

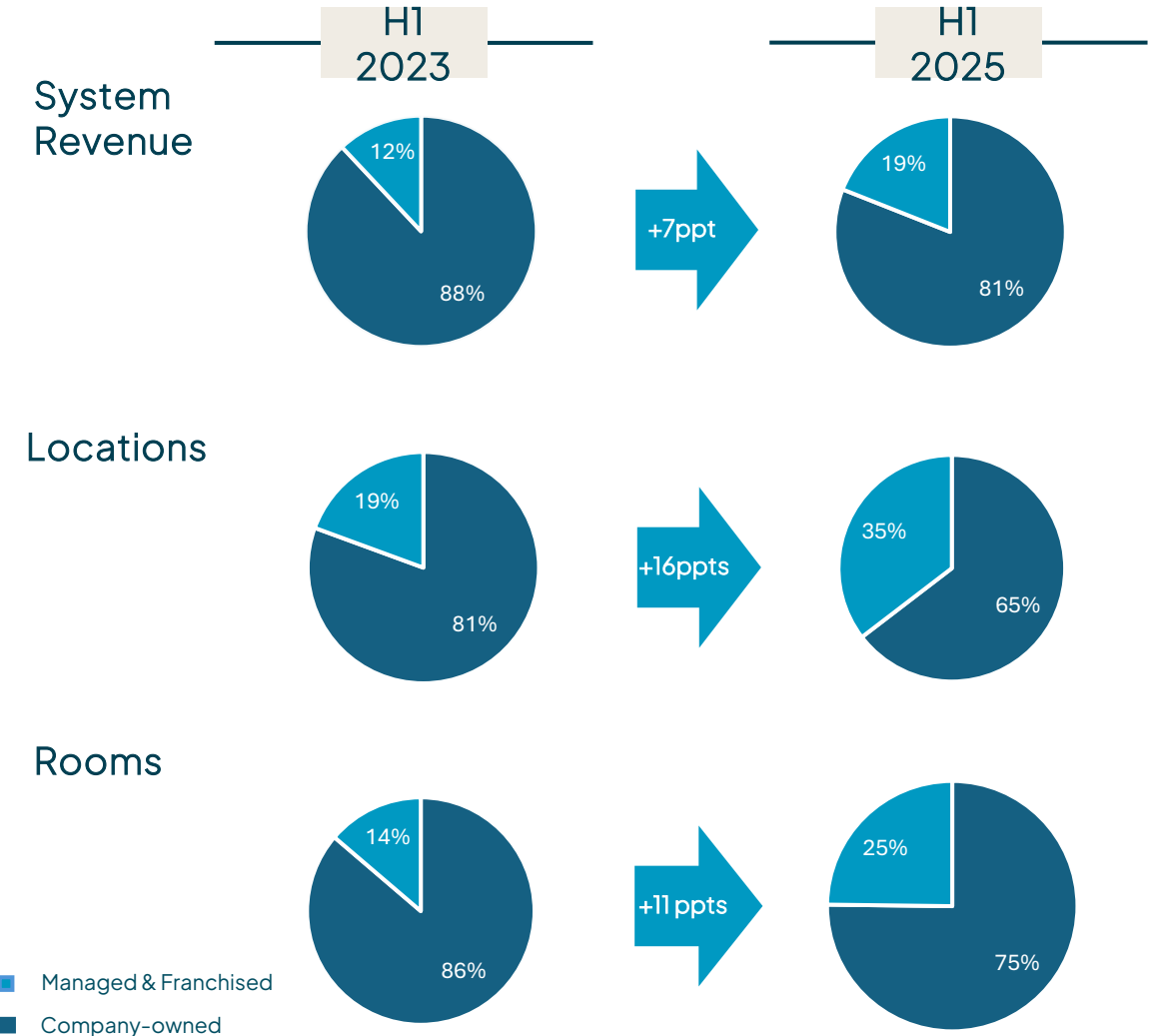
FY 2024 (\$m)	Prior	Proforma	Change
System Revenue	3,222	3,594	12%
Group Revenue	3,222	3,594	12%
Adjusted Gross Profit	727	879	21%
Adj GP Margin	22.6%	24.5%	+190bps
Locations	2,873	2,771	-4%
Rooms	775,000	755,500	-3%

H1 2025 (\$m)	Prior	Proforma	Change
System Revenue	1,593	1,753	10%
Group Revenue	1,593	1,753	10%
Adjusted Gross Profit	375	436	16%
Adj GP Margin	23.5%	24.9%	+140bps
Locations	2,895	2,752	-5%
Rooms	777,400	750,000	-4%

No change to strategy

Transition to capital-light network continues at a faster pace

- As we continue our evolution into an increasingly capital-light business; our plans, and targets remain unchanged
 - Expand margins in Company-owned
 - Grow fee income in Managed & Franchised
 - Develop and grow the most extensive coverage and network in the industry

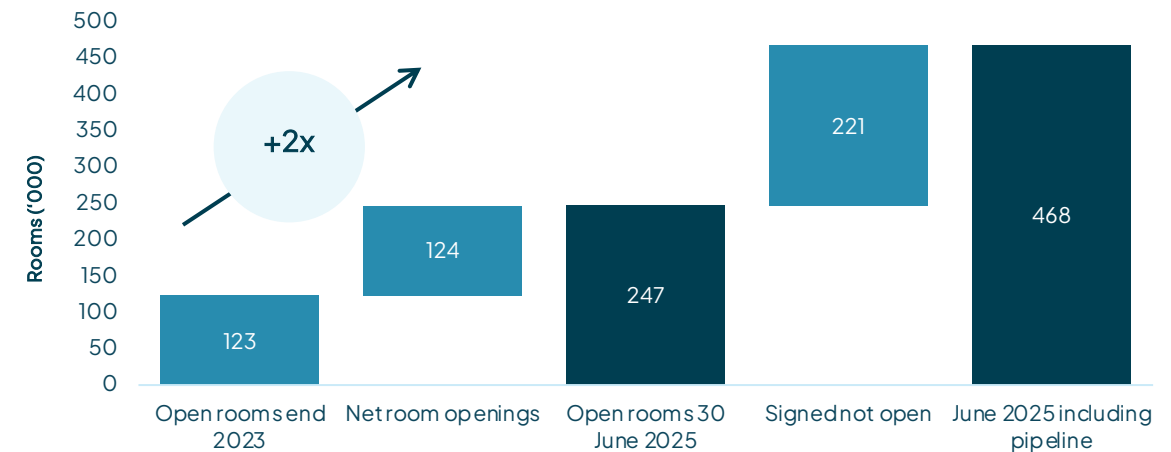


I. Managed & Franchised

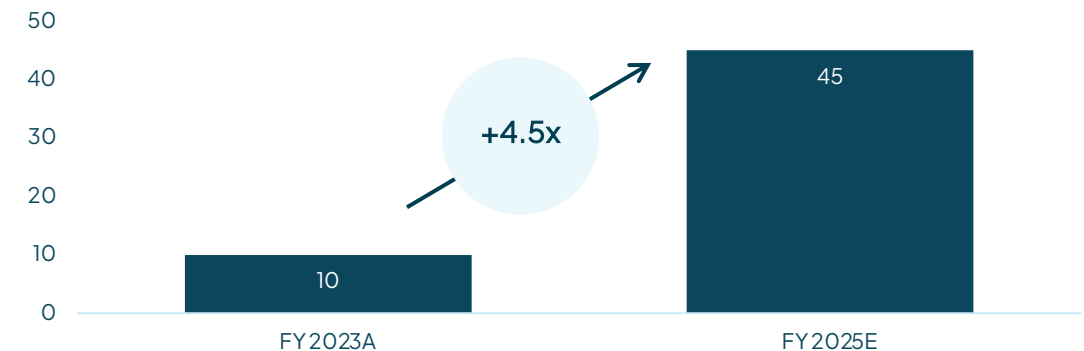
Unprecedented growth continues

- Open rooms doubled between Dec 2023 and June 2025 to 247k rooms
- Including pipeline this increases by an additional c.90% to 468k rooms
- Drives exponential growth in recurring management fees
- 4.5x increase from \$10m in FY23 to an expected \$45m in FY25
- System revenue continues to grow with current network maturity and as new rooms come into the footprint
- When the existing portfolio of rooms that are open matures, and the unopen pipeline opens and matures, the Managed & Franchised division should generate system revenue of \$1.7bn per year

Managed partnerships room evolution since 2023



Recurring management fees (\$m)

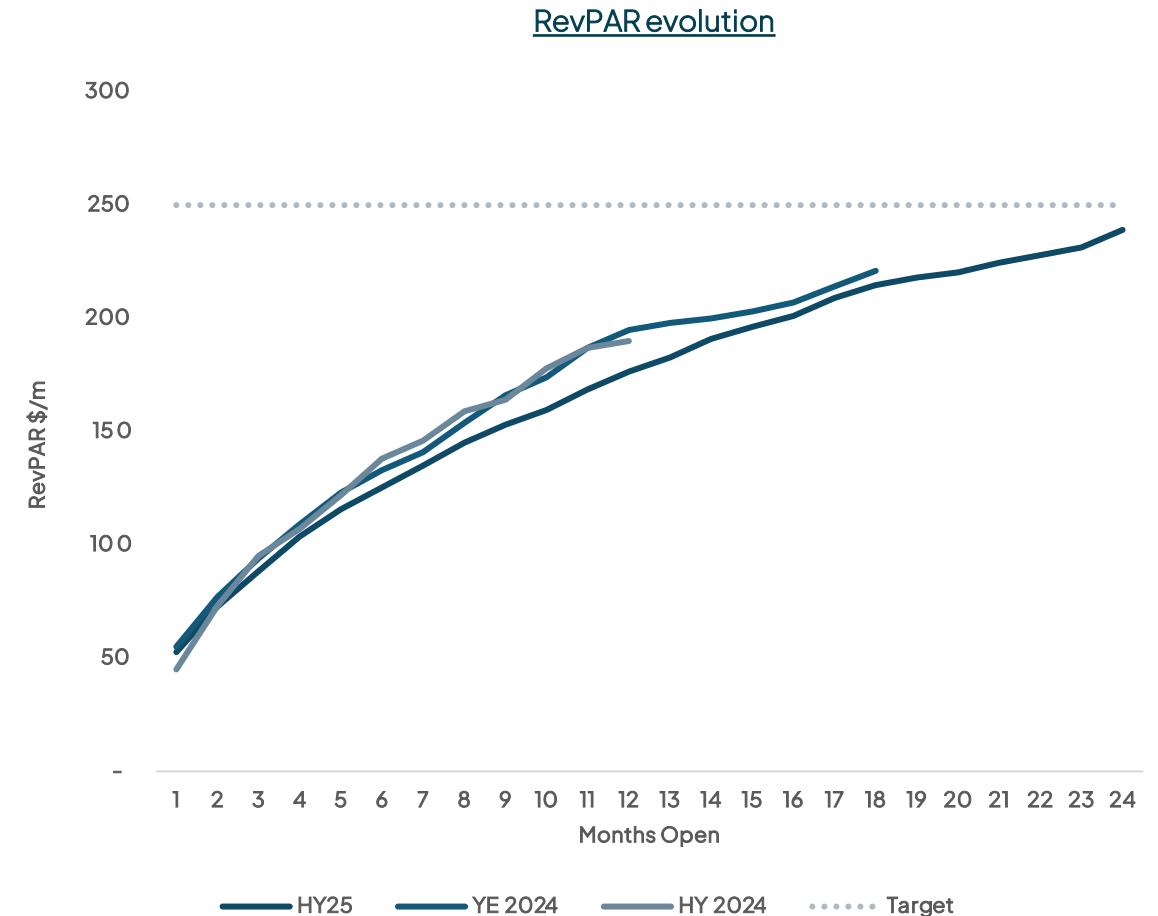


Rooms unopened 24 months after signing have been taken out of the pipeline. As a result, 19,000 rooms have been taken out of the pipeline

I. Managed & Franchised

Managed Partnership RevPAR as expected

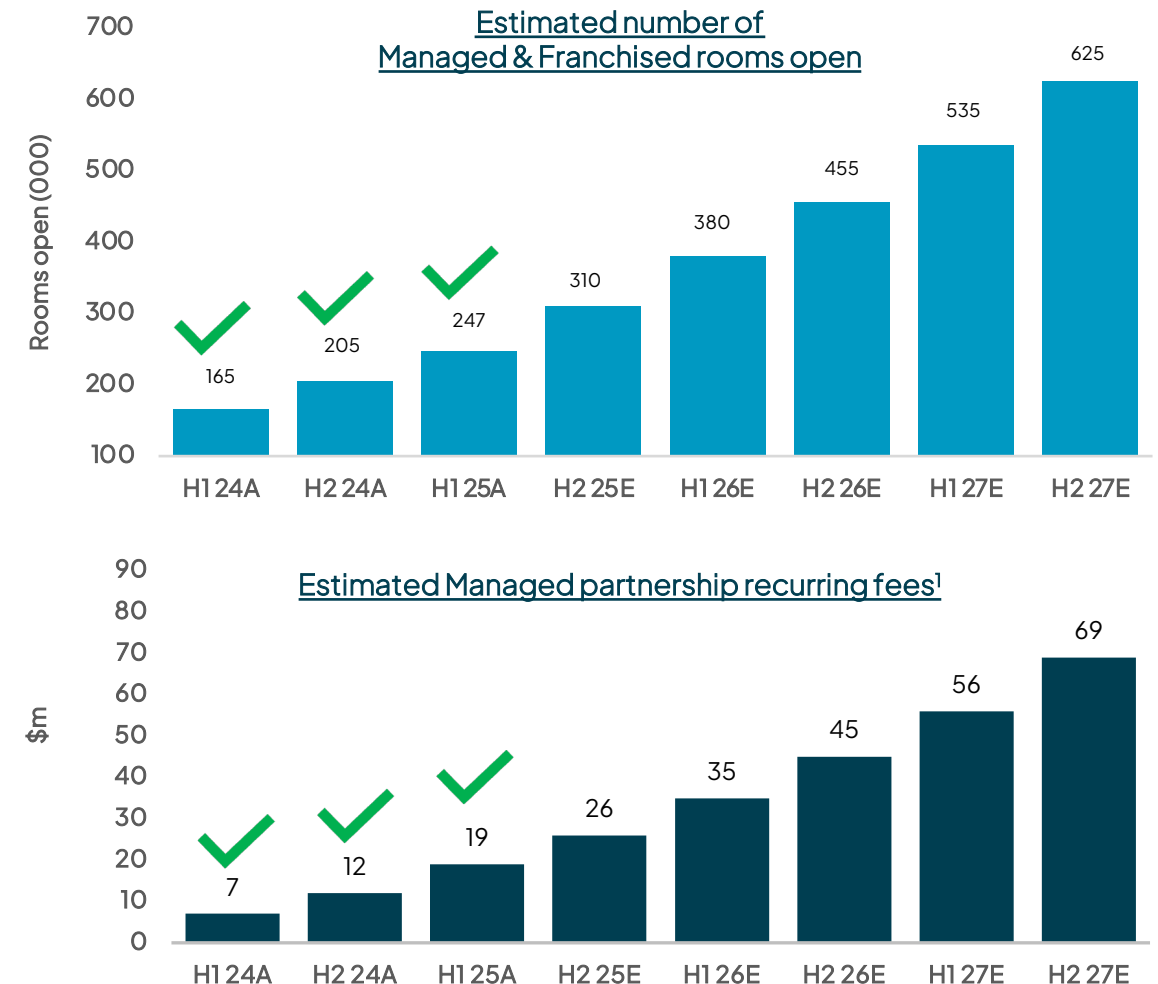
- RevPAR of new Managed Partnerships evolving in line with previous cohorts but slightly slower than the original 18 month expectations
- At the end of June 2025, revenue is being delivered from 247,000 rooms and 1,508 locations in the managed and franchised partnership network
- System revenue from managed and franchised locations annualising over \$700m in 2025



I. Managed & Franchised

Very strong growth in recurring management fees

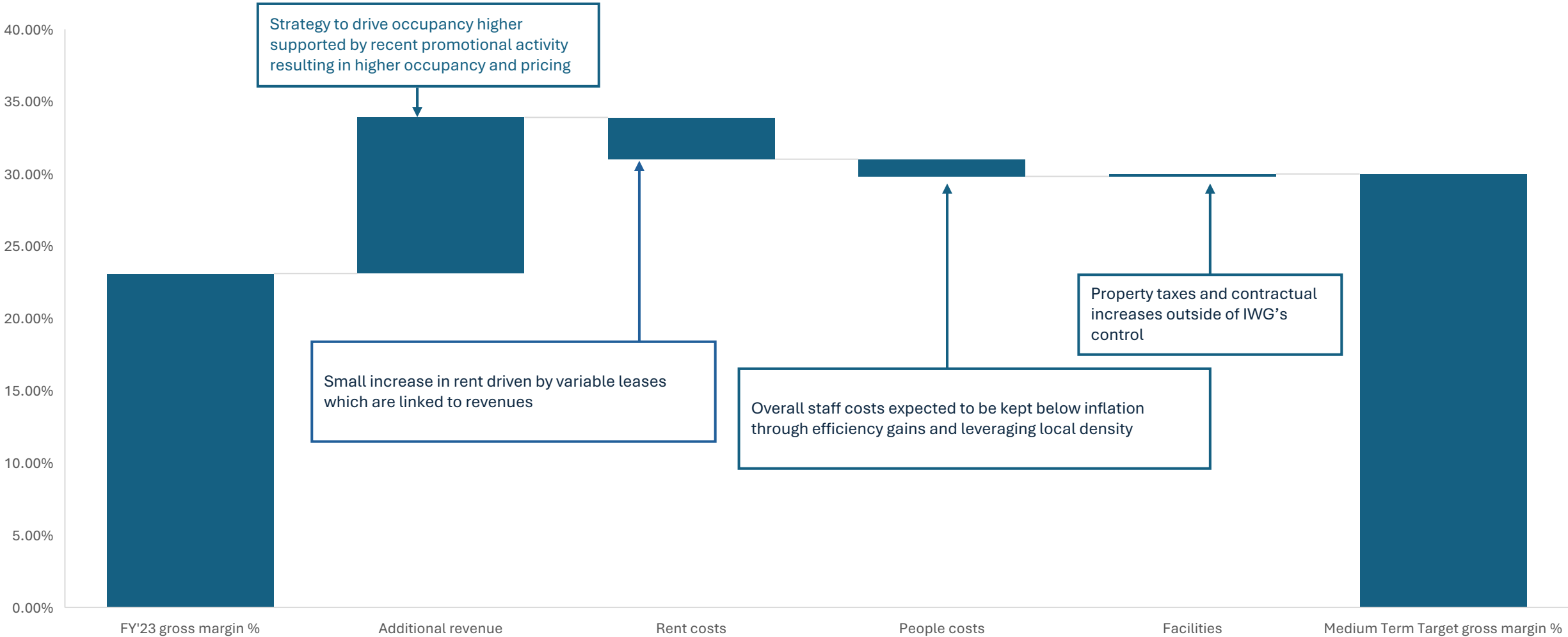
- Recurring management fees generated from Managed Partnerships expected to grow significantly due to the maturity curve of the existing open estate; the unopened pipeline; and new locations yet to be signed
- Incremental investment in the division in 2025 has led to an acceleration in the number of locations being signed and opened
- Whilst forecasting has been very accurate to date there may be some short-term variation to these estimates



¹. Fees just from Managed Agreements. Franchise & JVs are reported separately, but are also recurring.

2. Company owned

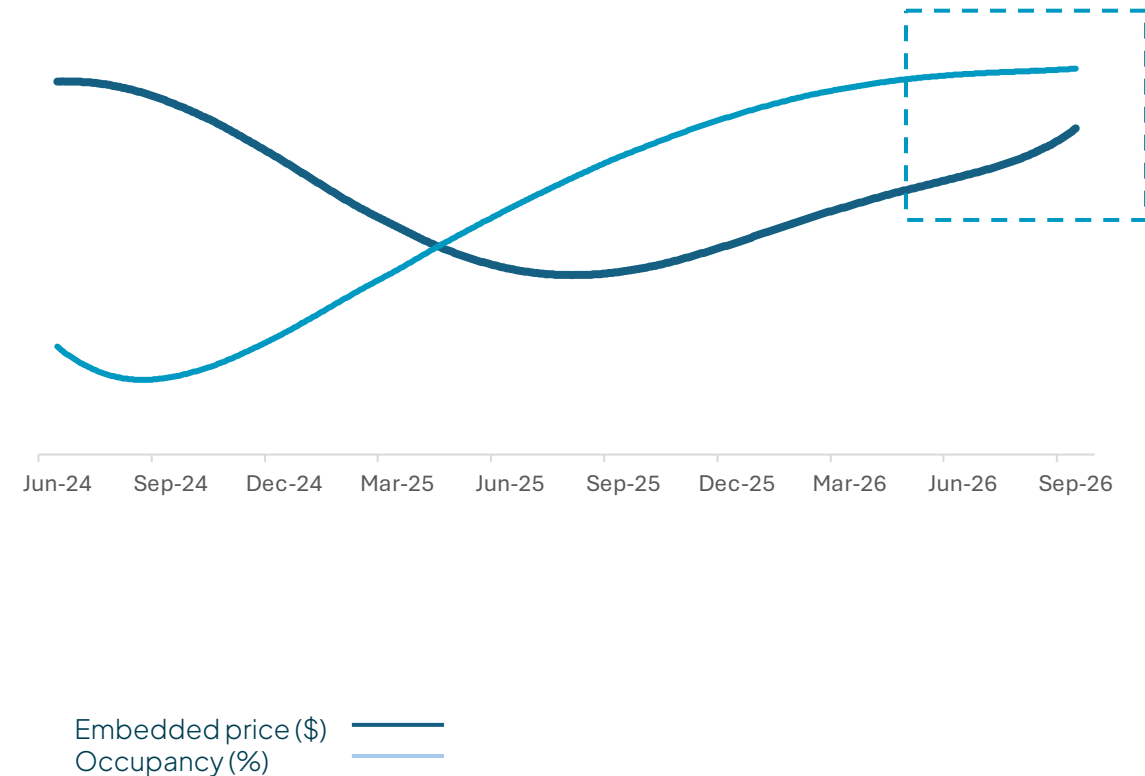
How we will drive margins to 30%



2. Company owned

Pricing evolution gives confidence for further revenue growth in 2026

- Our strategy in Company-owned to drive revenue has been to increase occupancy via promotions for new customers
- Occupancy, for customers signing up for one month or longer, has increased by 300bps relative to H1 2024
- Embedded price is the average price across the network for long-term contracted revenue
- Given natural churn, the promotional activity has led to downward pressure on embedded price
- As customers come to the end of their promotional period – promotions are reduced and churn has not moved, which drives embedded pricing higher
- This gives confidence in the revenue outlook into 2026

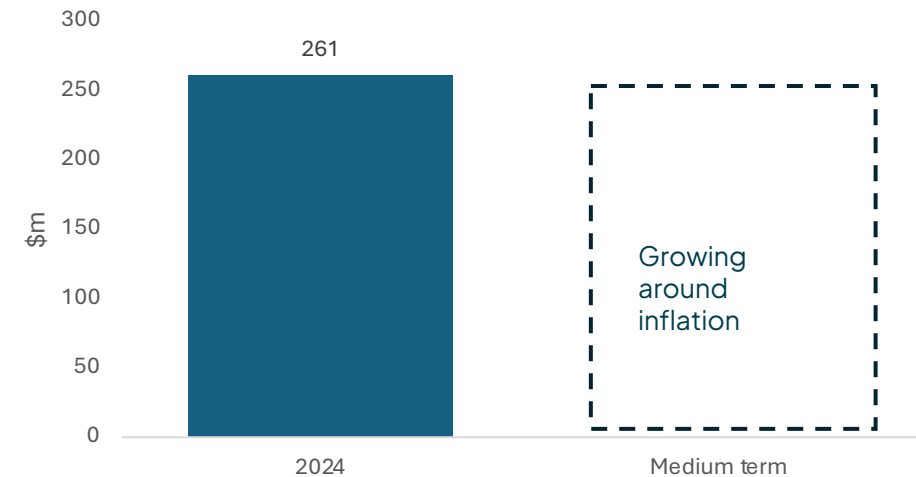


Embedded price is the price for contracted office revenue

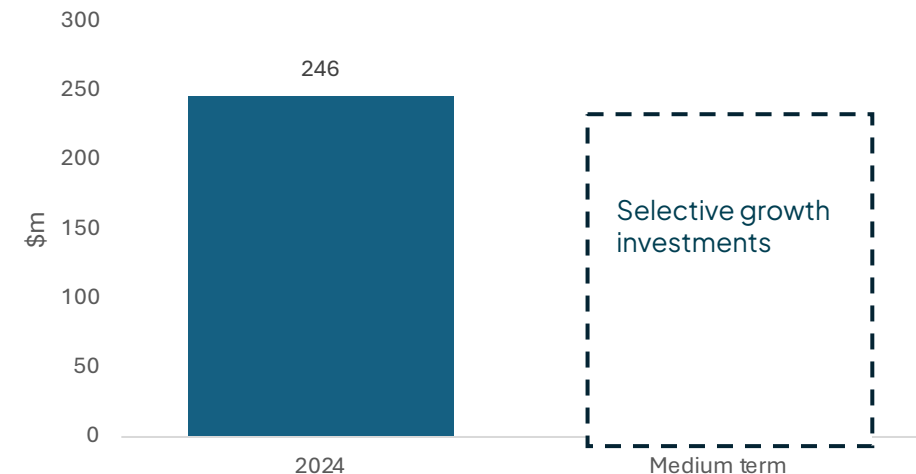
Overheads and evolution

- IWG maintains tight cost control which has historically kept cost growth below inflation
- As network and coverage grows there will be some additions in core overheads for related administrative functions and some stepped/volume related products and services
- Discretionary overheads are those spent to support growth within the business and are for future expansion
- We expect to continue investing in partnership sales and other levers such as marketing to increase our network

Core overheads



Discretionary overheads

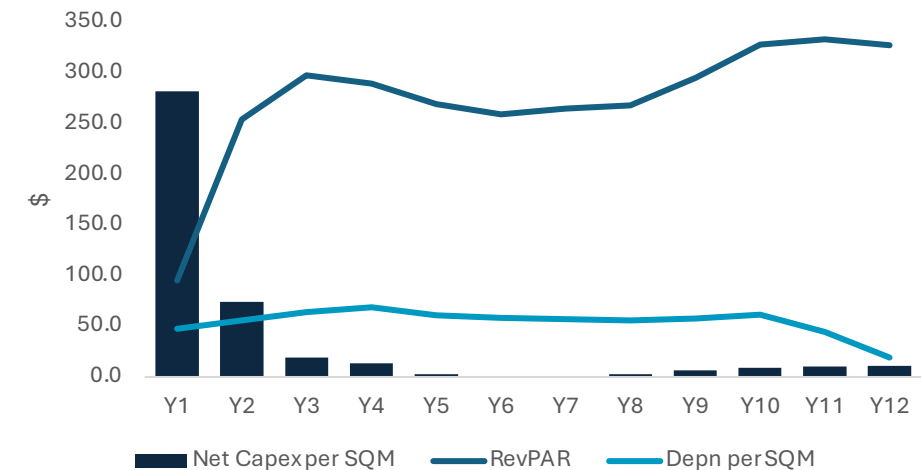


Capex will continue to be controlled

Maintenance capex to be \$100m and grow with inflation

- Historical capex has been weighted towards growth capex for new locations
- Capex spent on new locations is depreciated over the term of the first lease – typically 10 years
- Majority of capex for initial fit-out of a location lasts much longer than 10 years – walls / partitions / HVAC rerouting
- IWG peak capex years were 2017–2019 (\$1.1bn of net growth capex) – as these leases come up for renewal, any capex spend will be significantly less than the initial outlay
- When leases come up for renewal, capex costs for refurbishments are lower. Maintenance capex expected to be \$100m pa and to grow with inflation
- Quality is not reducing – RevPAR has been stable despite capex in the outer years being significantly lower than at the start of a location's life

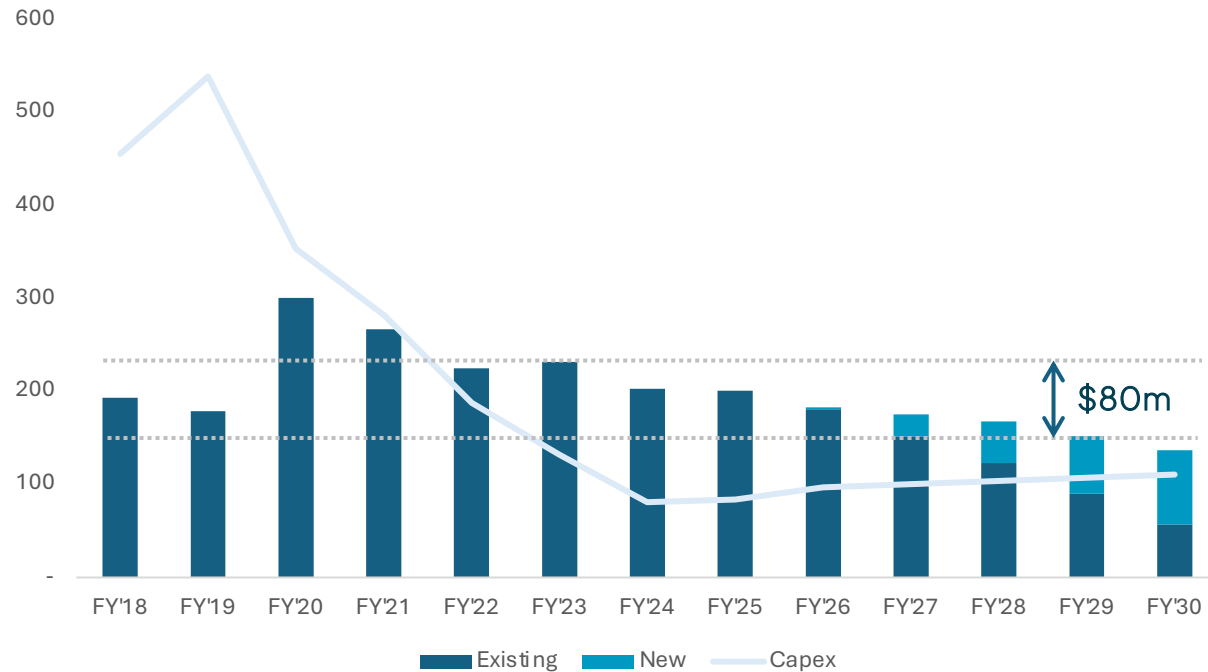
Example of Company-owned centre capex



Aggregate net capex / square metres in the respective year of a centre's life. Only centres opened in the last 15 years that are still open included.

As a result, depreciation set to fall markedly

Incremental to earnings

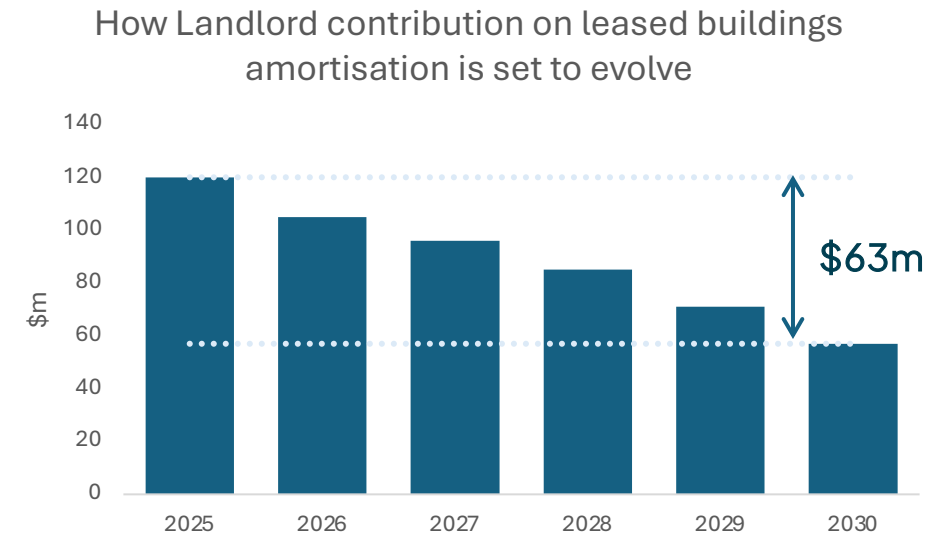


- Depreciation is significantly higher than capex today
- Centre fit out capex is depreciated over the life of the first lease, typically 10 years despite many of our centres being open for considerably longer than that
- Net Growth Capex in 2017 – 2019 was \$1.1bn – growth capex related to these years will be fully depreciated by 2029
- Capex will be well controlled
- Therefore, depreciation will fall to capex levels – not capex increasing to meet depreciation

Landlord contribution on leased buildings amortisation

Also set to decline

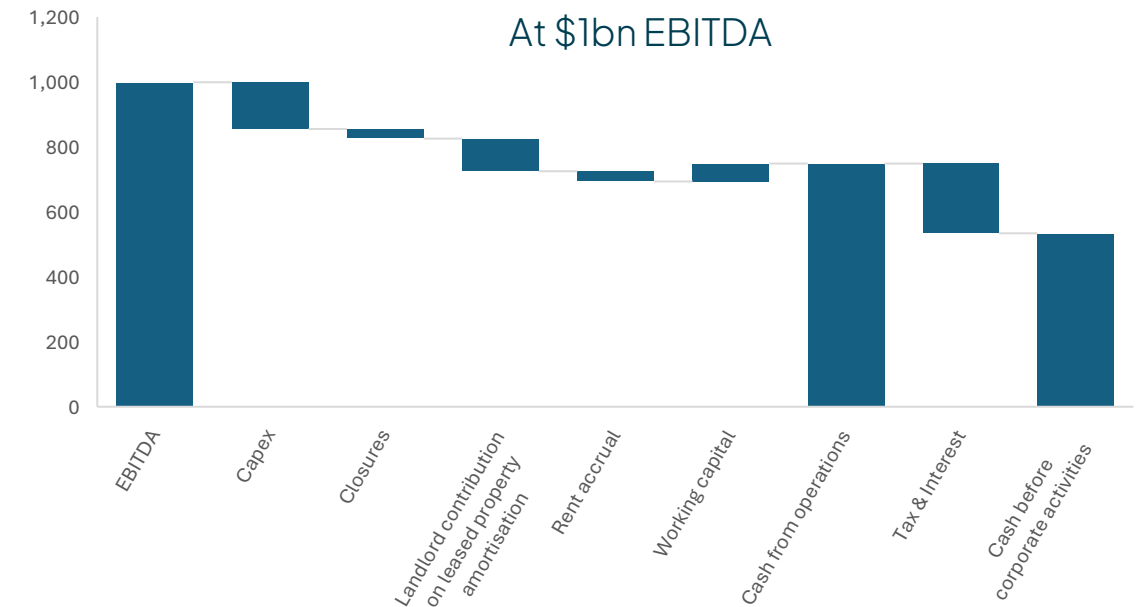
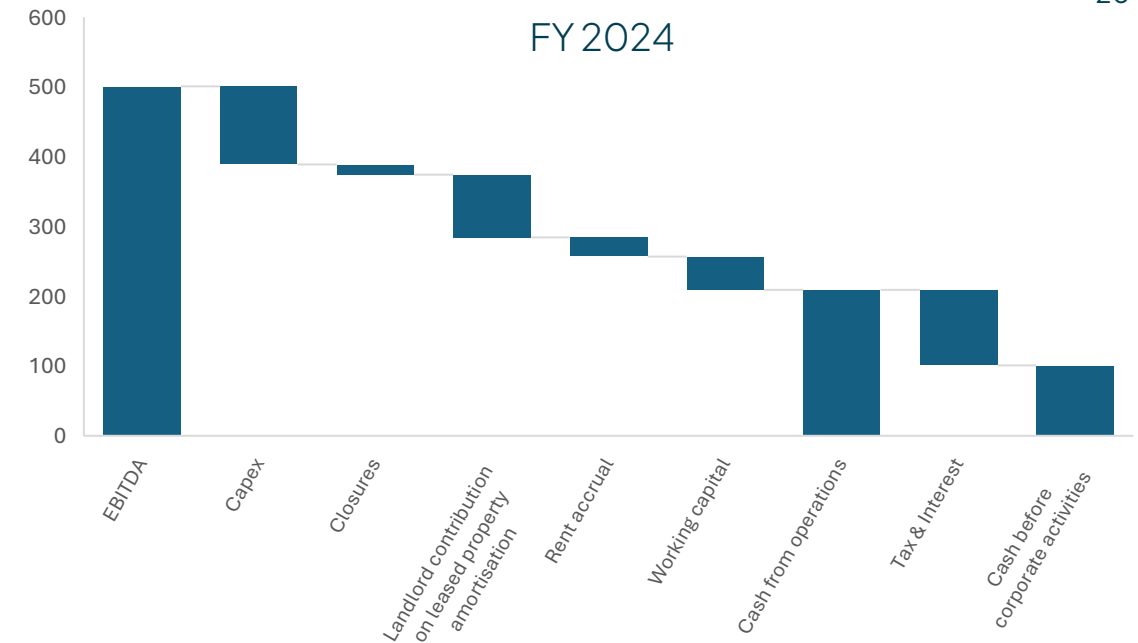
- Historically, when IWG signed a lease with a landlord in the Company-owned division, the landlord would contribute towards capex – a tenant incentive
- IWG receives the cash from the landlord which is then amortised over the life of the lease as a credit to rent expense
- All else being equal, if IWG was spending the same amount of growth capex per year, landlord contribution amortisation would be stable
- In line with the capital-light strategy – capex for IWG has declined significantly, so the landlord contribution on leased buildings amortisation is falling in line with that
- This impact reduces EBITDA but improves EBITDA to cashflow conversion as the amortisation is a non-cash item



Cashflow conversion

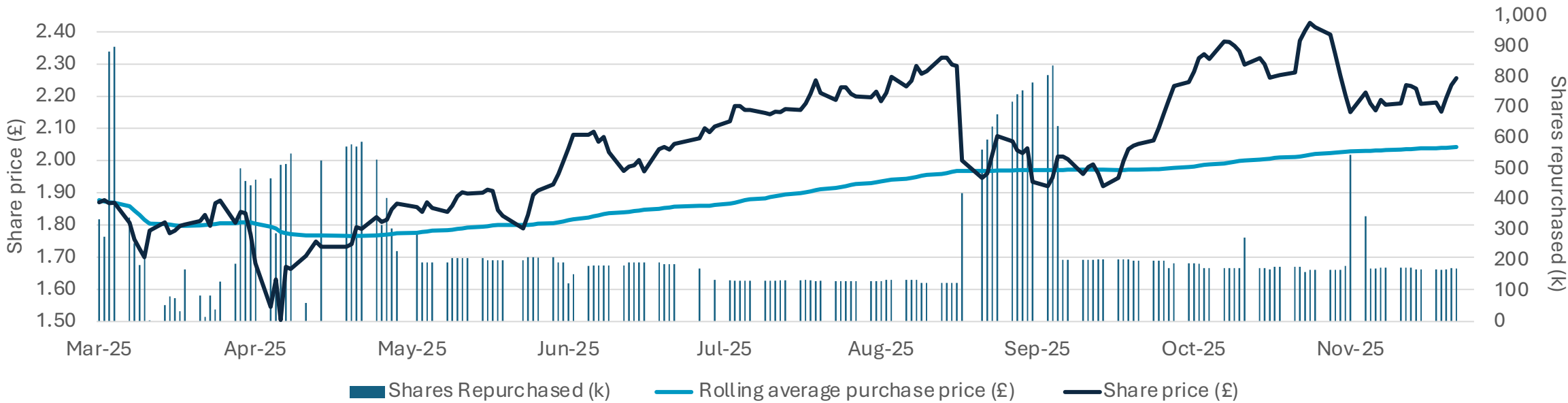
Improves as EBITDA grows

- As EBITDA grows, cashflow is expected to increase as incremental EBITDA is cash
- Many of the line items below EBITDA are not expected to scale linearly
 - Capex will remain stable
 - Working capital should become a tailwind as Managed & Franchised continues to grow
- Tax expected to increase by c20% of the marginal profit growth in-line with previous guidance
- Some purchases such as goods and services, VAT, tax payments can vary from period to period and are recorded as working capital impacts



IWG’s current \$130m share buyback programme

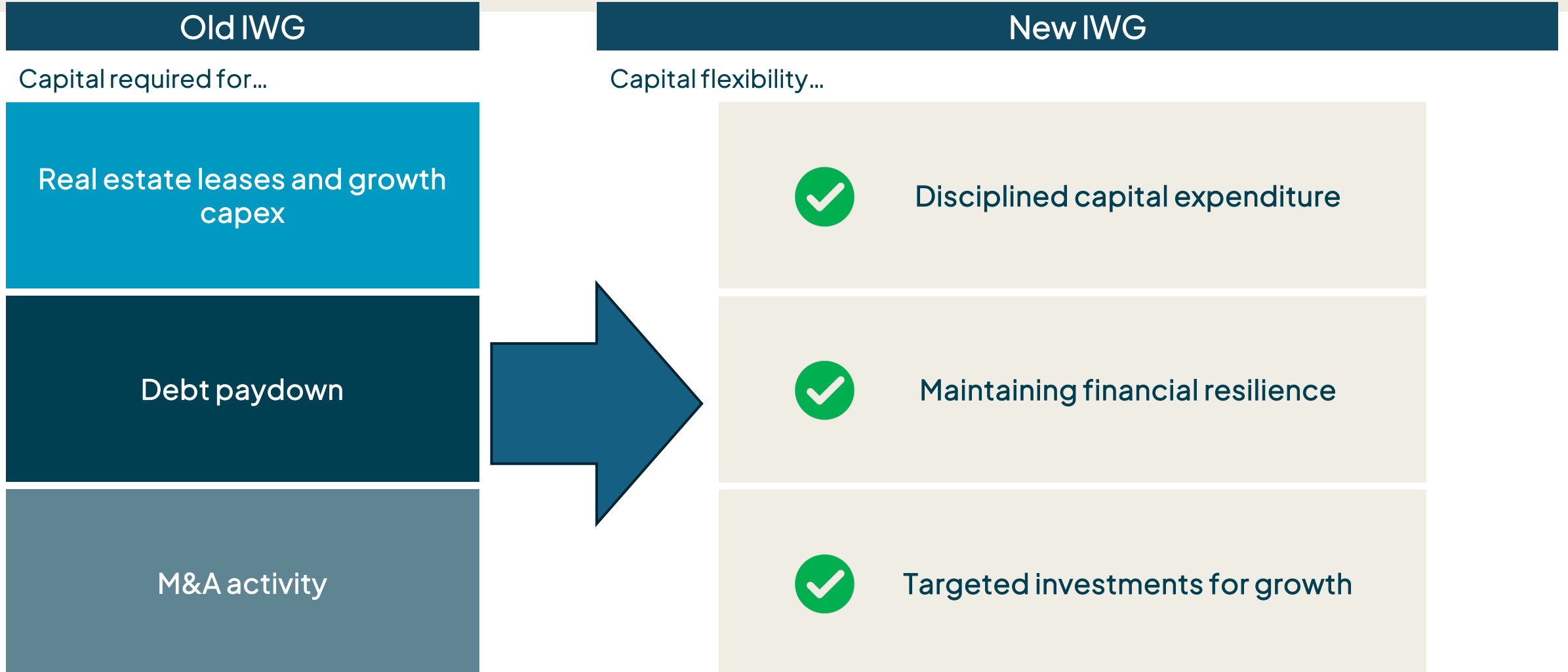
Stable buyback programme which has also taken advantage of share price weaknesses



2025 programme	
Target programme repurchase amount (\$)	\$130,000,000
Start date	4 March 2025
Expected end date	31 December 2025

Programme performance (as of 28th November 2025)	
Repurchase amount (to date)	£91m / \$121m (93% of the programme)
Shares purchased (to date)	45,562,299
Rolling average purchase price (to date)	£2.0465
Discount to share price as of 28th Nov	12%

Evolution of capital allocation priorities



Disciplined and clear capital allocation to return surplus capital to shareholders: Buyback to continue into 2026



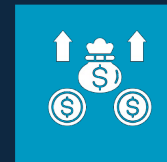
#1:
**Financial
resilience**



#2:
**Investing in
the business**



#3: Dividends



#4:
**Share buyback
to return capital**

Maintaining BBB Investment Grade credit rating
Strong balance sheet with no refinancing required until 2029
Net Debt / EBITDA to decline driven by EBITDA growth

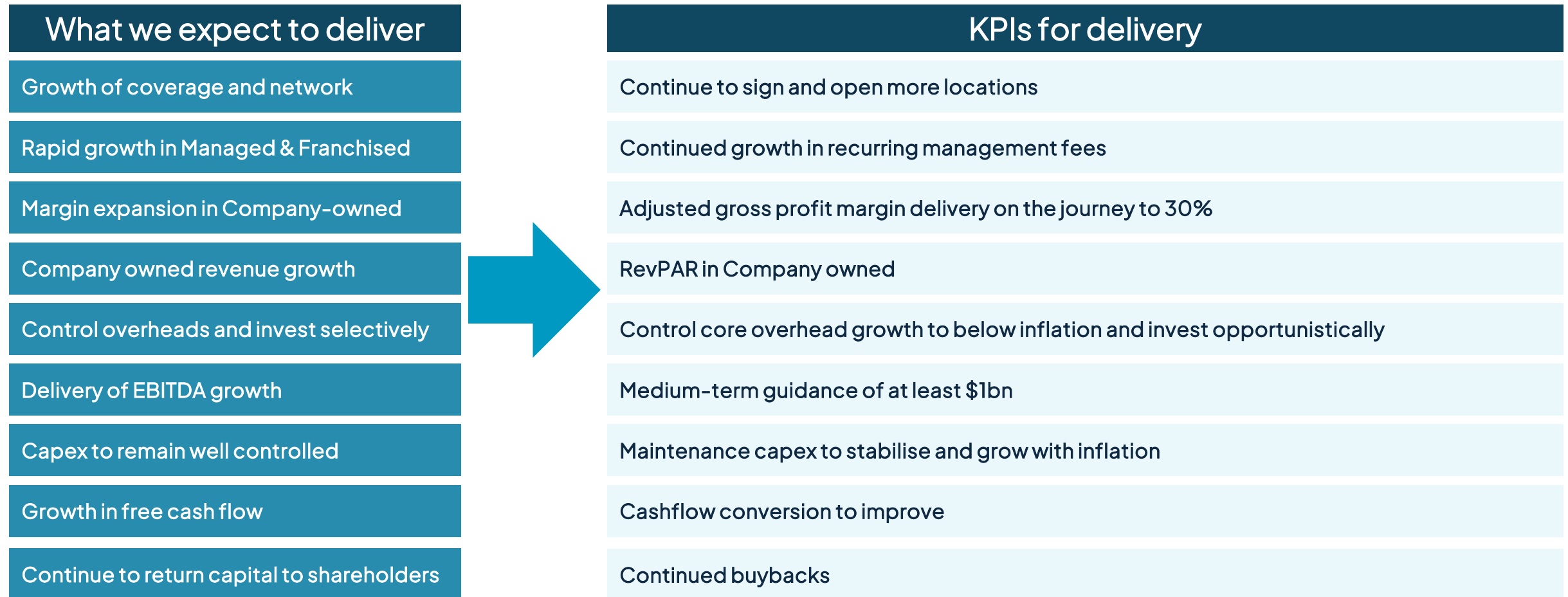
IWG announced a \$50m buyback in March 2025, then upsized twice to a minimum \$130m in June and August 2025 respectively
As of 28 November 2025:
£91m / \$121m spent (93% complete) 45.6m shares repurchased 4.3% reduction in share count¹

We will continue the buyback programme into 2026

1. Based on NOSH at the start of the programme, prior to 4 March 2025

The Plan from December 2025

Continued accelerating growth over the next few years



Outlook

FY 2026: Short term outlook

- EBITDA growth in 2026 expected to be driven by primarily by revenue increase rather than cost reduction
- Adjusted EBITDA guidance of \$585m – \$625m
 - Key assumption is at least 4% growth in Company-owned revenue – this is performing in-line with December 2025 run rate

Medium term

- Adjusted EBITDA guided to be at least \$1bn in the medium-term with incremental EBITDA translating to free cashflow

Returns to shareholders:

- Return cashflow to shareholders in line with capital allocation policy.
- The share buyback programme will continue into 2026



Conclusion

- IWG has continued to deliver on its strategy
- Strategic pace set to increase
- Focus on cash generation
- Sensible investment
- D&PS integration
- No change to core strategy
- Confident on outlook





Thank you

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Q&A

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Appendix

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Clarity of presentation

We are continuing to make the financials clearer to understand

- Post the Investor Day in 2023, we made two changes to better align the presentation of our financials with the operation of our business:
 - Functional and reporting currency switched to USD from Jan 1 2024
 - Accounting standards switched to US GAAP for H1 2025
- As an example...the 2021 Annual Report had two cashflow statements !
- As we progress with our Capital-light transition, to improve the alignment of our financial presentation with continuing developments in the operations of our business we are making two further changes to our financial presentation:
 - Managed Lease Agreements revenue recognised on a net basis from 2025
 - Digital & Professional Services integrated into the business from 1 January 2026

Cash flow

The table below reflects the Group's cash flow:

€m	2021 (As reported)	IFRS 16 impact	2021 (Pre-IFRS 16)
Adjusted EBITDA	1,057.7	978.1	79.6
Working capital ⁽¹⁾	(146.1)	28.0	(174.1)
Growth-related partner contributions	–	50.4	(50.4)
Maintenance capital expenditure	(101.1)	–	(101.1)
Maintenance-related partner contributions	5.2	–	5.2
Tax paid	(5.4)	–	(5.4)
Finance costs	(182.6)	(167.1)	(15.5)
Finance lease liability arising on new leases ⁽²⁾	(561.6)	(561.6)	–
Proceeds from partner contributions (lease incentives)	35.9	35.9	–
Other items	9.1	(13.5)	22.6
Cash flow before growth capital expenditure, investments, share repurchases and dividends	111.1	350.2	(239.1)
Gross growth capital expenditure	(192.9)	(30.7)	(162.2)
Growth-related partner contributions	50.4	–	50.4
Net growth capital expenditure	(142.5)	(30.7)	(111.8)
Cash flow before investments, share repurchases and dividends	(31.4)	319.5	(350.9)

Managed Lease Agreements

The different types of agreements with landlords, and how are they treated

Conventional

- Traditional long-term lease
- IWG operates the location
- All revenues and costs recognised in the financials
- Gross profit in Company-owned = 25% today
- Lease liability = present value of future rents, discounted
- Leases in individual SPVs

Flexible

- Like a traditional lease, but typically combines a minimum rent and a flexible component
- Treatment the same as a conventional lease, but lower operational leverage
- Lease liability = present value of future minimum rents, discounted
- Leases in individual SPs

Franchise Agreements

- Franchise partner operates the location using one of IWG's brand
- IWG receives a franchise fee
- IWG recognises the franchise fee at 100% gross margin
- No lease liability

Managed Partnerships

- IWG operates the location and handles all cashflows
- Landlord partner receives all revenue net of IWG's fees and recharged costs
- IWG recognises the fee income of 16% at 100% gross margin
- No lease liability

Managed Lease Agreements

- IWG operates the location and handles all cashflows
- Landlord partner receives all revenue net of IWG's fees and recharged costs
- As technically a lease, IWG recognises all revenue and cost but equates to 16% gross margin of system revenue
- No lease liability

- Why do we have MLAs?
 - In 2022, when we started to pursue our pivot into Capital-light, Managed Partnership Agreements were the main type of agreement
 - However, to satisfy some regulatory requirements, some landlords were unable to sign a Managed Partnership Agreement, so Managed Lease Agreements were signed instead
 - In some countries, the agreements also needed to include the word 'Lease' – this was limited to 14 countries

Managed Lease Agreements

They were treated gross...they will now be treated net

- Why gross?
 - Due to the word 'Lease' in the agreements IWG recognised all revenue and all costs, despite gross margin being 16%, in line with the Managed Partnership Agreements
 - As they were treated gross, and due to the term 'Lease' in the agreements – they were included in the Company-owned segment
- Why do we want to treat them net?
 - Same characteristics as Managed Partnership Agreements, and the sales / fit out process is the same – capex spent by landlord
 - Makes sense to be accounted for on a net basis, in line with the MPAs and included in the Managed & Franchised segment
 - Allows for easier comparison of KPIs including signings, openings and RevPAR
- What financials are impacted?
 - Due to netting of these agreements, total revenue coming into a location will be seen in System revenue, but Group revenues are lower
 - No other financials will be impacted

Impact of the MLA change

FY 2023 (\$m)	Company-owned	Managed & Franchised	Total
System Revenue	0	0	0
Group Revenue	0	0	0
Gross Profit	0	0	0
Locations	0	0	0
Rooms	0	0	0

FY 2024 (\$m)	Company-owned	Managed & Franchised	Total
System Revenue	(15)	15	0
Group Revenue	(15)	2	(13)
Gross Profit	(2)	2	0
Locations	(102)	102	0
Rooms	(19,500)	19,500	0

Formerly costs less 16% fees

H1 2025 (\$m)	Company-owned	Managed & Franchised	Total
System Revenue	(13)	13	0
Group Revenue	(13)	3	(10)
Gross Profit	(3)	3	0
Locations	(143)	143	0
Rooms	(27,400)	27,400	0

Enterprise Managed Contract leases

- In the Enterprise Managed Real Estate business, IWG enters into 'back to back' lease agreements with both the Landlord, and the end enterprise tenant (IWG's customer)
- IWG enters a head lease with a Landlord and a sub-lease with the enterprise customer. The key terms of both agreements are matched, therefore no risk to IWG
- IWG earns a recurring management fee for the management services provided to the building



Pre-opening services

- What are pre-opening services?
 - Comprise items such as IT equipment, printers, coffee machines that are sold to managed centre landlords prior to opening
 - Historically, IWG purchased the equipment when a managed centre landlord ordered and paid for the Starter Kit and charged the landlord a fixed margin on the cost of the Starter Kit
 - To help accelerate the timeframe between signing a centre, and the centre opening, and to reflect the continued growth of managed centres, the business model has evolved and IWG now holds starter kit equipment which is then issued and billed to a managed centre landlord
- How were they recognised, and how will they be recognised under the new business model?
 - When IWG took zero inventory risk, all revenues were recognised on a net basis
 - Post the change in business model, accounting guidance requires the revenue on pre-opening services to be recognised on a gross basis
 - This change took effect in Q3 2025, and had a positive impact of \$9m for the quarter on revenue, but no impact on \$m gross profit

Example of the change:

Assume pre-opening services costs \$85

\$	Prior Method	New Method
Revenue Recognised	15	100
Cost of Sales	0	(85)
Gross Profit	15	15

| Delinquent customer revenue recognition

Simplifying revenue recognition driven by partner reporting

Historically IWG has continued to bill customers who have not paid for longer than 5 months until the end of their agreements, and recognised the revenue when the service should have been delivered

90% of this revenue was provided against, reflecting minimum expected collection rates

- Historically, collection rates have significantly exceeded 10% on this cohort

Whilst we have a good understanding of aggregate collection rates, this is difficult to predict by location

- As we transition to our capital light model, this has caused issues with partner reporting

Going forwards, IWG will only bill delinquent customers when the cash is actually collected

This will push back revenue recognition on the unprovided 10% by a few months so will have an impact on P&L but no impact on cash

We are still estimating the impact of this in 2026 but is likely to be c.\$15m one-off non-cash impact

IFRS to US GAAP Conversion

June 2025

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Group

Caution statement

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Introduction

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

Key changes resulting from transition to US GAAP

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

US GAAP primary areas of change

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

● High ◐ Medium ○ Low

Summary changes to FY24 financials

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






1. Alternative performance measures (APMs)

Summary modelling considerations on FY24 financials

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

1. Alternative performance measures (APMs)

Leases | Key IFRS to US GAAP accounting differences

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

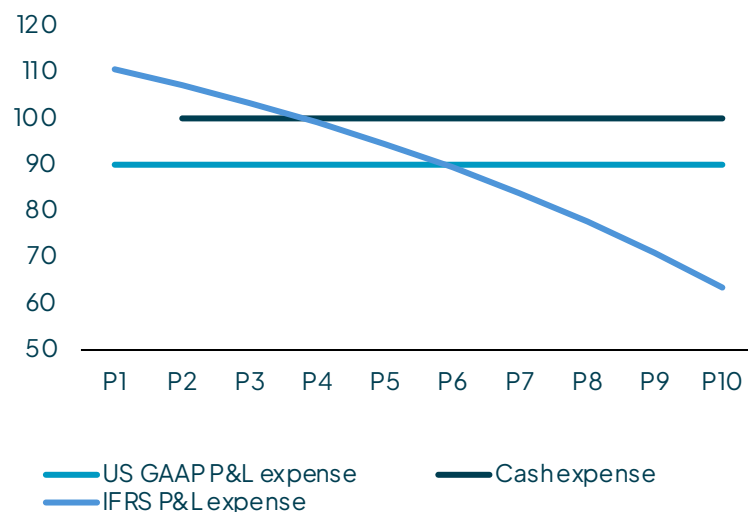
1. Cost of sales includes lease / rent expense

Leases | Impact on P&L relative to cashflow

Example 1

Assumptions

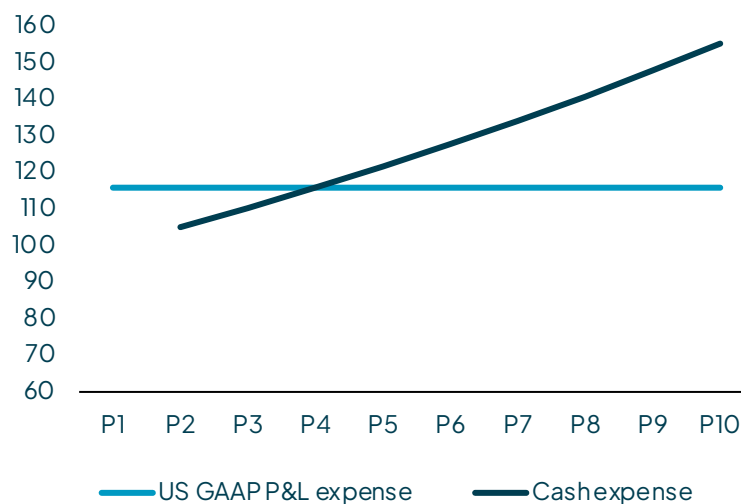
- 10 Year Lease @ \$100 per annum
- 1 year rent free
- Interest: 10%
- 0% fixed inflator



Example 2

Assumptions

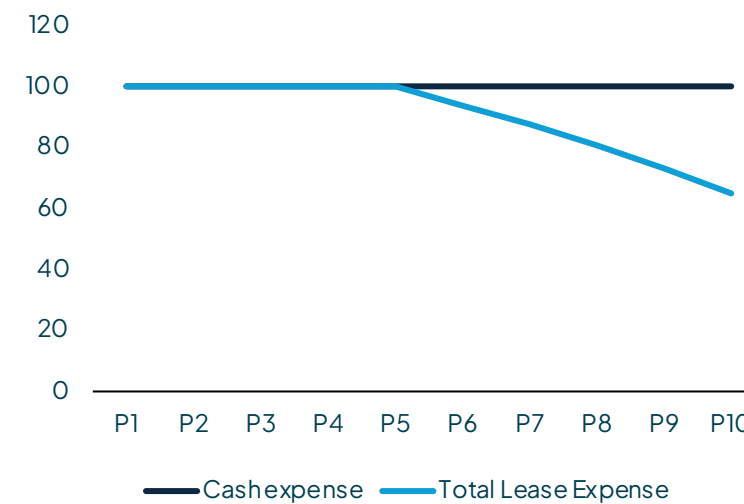
- 10 Year Lease @ \$100 per annum
- 1 year rent free
- Interest: 10%
- 5% fixed contract inflator (p.a.)



Example 3

Assumptions

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



Leases | Impact on the key statements for FY24

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

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

US GAAP | Statement of operations (P&L)

(in millions, except per share amounts)

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

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

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

Alternative Performance Measures | Adjusted EBITDA and Net Debt

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

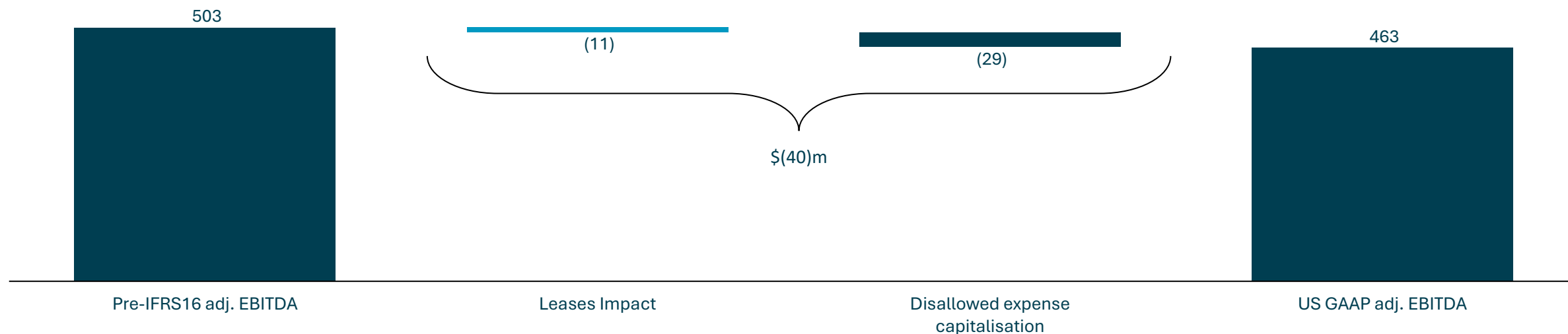
Ref

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

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

Pre-IFRS16 to US GAAP bridge

FY23 Adjusted EBITDA (\$'m)



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

E.g.

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

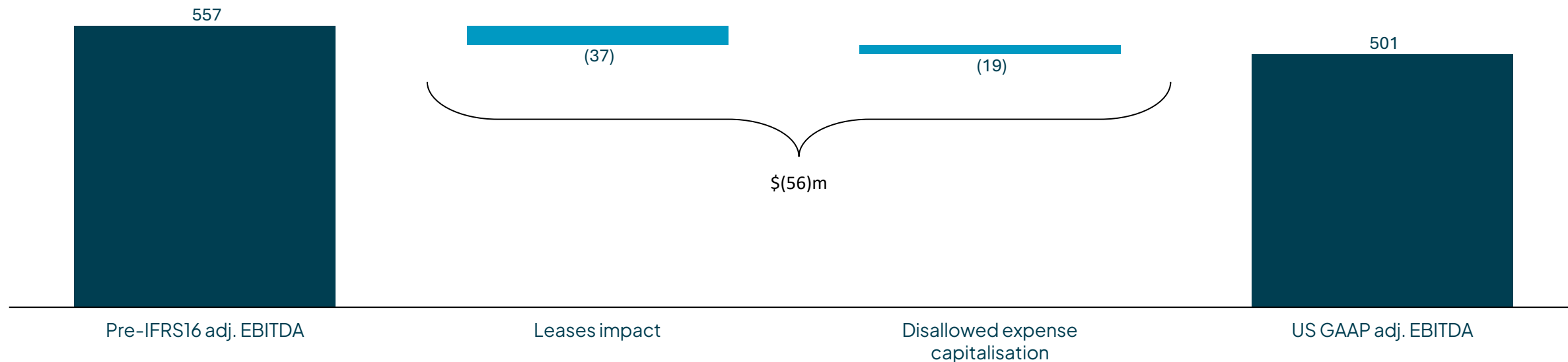
Capitalised expenses required to be expensed under US GAAP

E.g.

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

Pre-IFRS16 to US GAAP bridge

FY24 Adjusted EBITDA (\$'m)



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

E.g.

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

Capitalised expenses required to be expensed under US GAAP.

E.g.

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

US GAAP | Balance sheet

(in millions, except share and per share amounts)

Assets

Current assets:

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

Total current assets

Non-current assets:

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

Total assets

Liabilities

Current liabilities:

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

Total current liabilities

Non-current liabilities:

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

Total liabilities

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

US GAAP | Balance sheet

(in millions, except share and per share amounts)

Shareholders' deficit

Common stock; par value \$0.0124; 8,000,000,000 shares authorised, 1,057,248,651 issued and outstanding as of December 31, 2024 and 2023, respectively

Treasury stock, at cost; 45,241,020 shares at December 31, 2024 and 50,558,201 shares at December 31, 2023

Additional paid-in capital

Accumulated deficit

Accumulated other comprehensive (loss)

Total shareholders' deficit

Noncontrolling interests

Total shareholders' deficit

Total liabilities and shareholders' equity

As of December 31,	
2024	2023
13	13
(182)	(194)
493	491
(268)	(269)
(313)	(345)
(257)	(304)
48	63
(209)	(241)
\$ 9,112	\$ 9,983

	IFRS (\$'m) Reported	US GAAP presentation reclasses	IFRS (\$'m) After reclasses	US GAAP Adjustments						US GAAP (\$'m)	
	FY24		FY24	Opening balance adjustments - Leases	Opening balance adjustments - Other ³	1. Leases	2. Intangibles	3. Capex (incl. LL TI) and closure costs	4. Acquisitions and Disposals	5. Taxes and Other	FY24
ASSETS											
Current assets:											
Cash and cash equivalents	148	(11)	137	-	-	-	-	-	-	-	137
Accounts receivable, net	1,128	(477)	651	-	(0)	-	-	-	-	-	651
Prepaid expenses	-	129	129	2	1	9	5	-	-	5	152
Other current assets	63	359	422	(43)	(7)	15	-	-	-	4	391
Total current assets	1,340	-	1,340	(41)	(6)	24	5	-	-	9	1,331
Non-current assets:											
Operating lease right-of-use assets	4,940	-	4,940	308	-	(88)	-	-	-	-	5,161
Property and equipment, net	1,176	-	1,176	(122)	(269)	20	-	(20)	-	-	784
Intangible assets, net	227	-	227	-	(68)	-	18	-	-	-	176
Deferred tax asset	586	-	586	-	(223)	-	-	-	-	(7)	357
Goodwill, net	1,149	-	1,149	31	(7)	(1)	-	-	-	-	1,173
Equity method investments	56	-	56	2	(5)	1	-	(1)	-	-	54
Other non-current assets	160	-	160	(81)	7	(6)	-	-	-	(4)	76
Total assets	9,633	-	9,633	97	(570)	(50)	23	(21)	-	(2)	9,112
LIABILITIES											
Current liabilities:											
Accounts payable	1,599	(1,368)	232	-	-	-	-	-	-	-	232
Short-term debt, net	206	-	206	-	-	-	-	-	-	6	212
Deferred revenue	525	-	525	15	-	(1)	-	-	-	-	539
Customer deposits	-	584	584	-	-	-	-	-	-	-	584
Operating lease liabilities	1,132	-	1,132	37	-	(15)	-	-	-	-	1,154
Accrued expenses and other current liabilities	102 ²	785	887	4	(29)	21	-	-	-	4	887
Total current liabilities	3,563	-	3,563	56	(29)	5	-	-	-	10	3,608
Non-current liabilities:											
Long-term debt, net	633	-	633	-	22	-	-	-	-	(22)	633
Deferred tax liabilities	220	-	220	-	(220)	-	-	-	-	0	0
Long-term operating lease liabilities	5,031	-	5,031	(5)	-	(38)	-	-	-	-	4,989
Other non-current liabilities	43	-	43	-	50	-	-	1	-	-	91
Total liabilities	9,490	-	9,490	52	(177)	(33)	-	1	-	(16)	9,321

IFRS to US GAAP bridge | Balance sheet - Equity

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

■ New lines ■ IFRS ■ US GAAP

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

US GAAP | Cash flow statement

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

US GAAP | Cash flow statement (cont.)

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

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

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

Pre-IFRS16 to US GAAP bridge | Cash flow

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

■ New lines ■ IFRS ■ US GAAP

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

Like-for-like guidance under US GAAP

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