

Court File No. CV-23-00709258-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT  
ACT*, R.S.C. 1985, c. C 36, AS AMENDED**

**AND IN THE MATTER OF 9670416 CANADA INC., WEWORK CANADA GP ULC  
AND WEWORK CANADA LP ULC**

**APPLICATION OF WEWORK INC. UNDER SECTION 46 OF THE *COMPANIES'  
CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**FIRST REPORT OF THE INFORMATION OFFICER  
ALVAREZ & MARSAL CANADA INC.**

**DECEMBER 12, 2023**

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## 1.0 INTRODUCTION

- 1.1 Commencing on November 6, 2023 (the “**Petition Date**”), WeWork Inc. (“**WeWork Parent**” or the “**Company**”) and certain of its subsidiaries and affiliates (collectively, the “**Chapter 11 Debtors**”), including: 9670416 Canada Inc., WeWork Canada GP ULC, and WeWork Canada LP ULC (“**Canada LP ULC**”, and collectively, the “**Canadian Debtors**” and each a “**Canadian Debtor**”); 700 2 Street Southwest Tenant LP, 4635 Lougheed Highway Tenant LP and 1090 West Pender Street Tenant LP (collectively, the “**Canadian Limited Partnerships**” and each a “**Canadian Limited Partnership**”, and together with the Canadian Debtors, the “**WeWork Canadian Entities**” and each a “**WeWork Canadian Entity**”, and collectively, the business of the WeWork Canadian Entities, the “**Canadian Business**”); and WeWork Companies U.S. LLC (the “**Real Property Obligor**”), commenced cases in the United States Bankruptcy Court for the District of New Jersey (the “**U.S. Bankruptcy Court**”) by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Chapter 11 Cases**”).
- 1.2 The purpose of the Chapter 11 Cases is to preserve value and advance towards a reorganization with limited disruptions to the business and operations of the Chapter 11 Debtors, including the Canadian Business.
- 1.3 On November 7, 2023, upon the application of WeWork Parent, in its capacity as the proposed foreign representative of the Chapter 11 Cases, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order pursuant to Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and Section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, among other things,

providing for an interim stay of proceedings in respect of the WeWork Canadian Entities and their respective directors and officers, as applicable, and in respect of the Real Property Obligor, in Canada.

- 1.4 The proceedings commenced by WeWork Parent under the CCAA are referred to herein as the “**CCAA Recognition Proceedings**”, and together with the Chapter 11 Cases, the “**Restructuring Proceedings**”.
- 1.5 On November 8, 2023, following a hearing in respect of the first day motions filed by the Chapter 11 Debtors (the “**First Day Hearing**”), the U.S. Bankruptcy Court granted certain orders (the “**First Day Orders**”), including an order authorizing WeWork Parent to act as “foreign representative” on behalf of the Chapter 11 Debtors’ estates in the CCAA Recognition Proceedings (in such capacity, the “**Foreign Representative**”). Following the First Day Hearing, the U.S. Bankruptcy Court also granted certain additional orders (collectively, with the First Day Orders, the “**U.S. Orders**”).<sup>1</sup>
- 1.6 On November 16, 2023, the Court granted an order (the “**Supplemental Order**”), among other things, recognizing the Chapter 11 Cases as “foreign main proceedings” in respect of the WeWork Canadian Entities under Part IV of the CCAA (the “**Initial Recognition Order**”); and (i) recognizing and giving full force and effect in Canada to certain of the U.S. Orders entered in the Chapter 11 Cases (the “**Recognized First Day Orders**”); (ii)

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<sup>1</sup> Copies of each of the orders and other documents related to the Chapter 11 Cases are available at the website maintained by Epiq: <https://dm.epiq11.com/case/WeWork>.

granting a stay of proceedings in respect of the WeWork Canadian Entities and their respective directors and officers, as applicable, and the Real Property Obligor, in Canada; (iii) extending the protections and authorizations of such order to the Canadian Limited Partnerships; (iv) appointing Alvarez & Marsal Canada Inc. (“**A&M Canada**”) as information officer in respect of the CCAA Recognition Proceedings (in such capacity, the “**Information Officer**”); and (v) granting the Administration Charge and the D&O Charge (each as defined in the Supplemental Order).

- 1.7 A&M Canada, in its capacity as Proposed Information Officer, filed with the Court a report dated November 15, 2023 (the “**Pre-Filing Report**”) to provide the Court with, among other things, certain background information with respect to the WeWork Canadian Entities and the Chapter 11 Cases. A copy of the Pre-Filing Report is attached hereto as **Appendix “A”** and is available on the Information Officer’s case website at: [www.alvarezandmarsal.com/WeWorkCanada](http://www.alvarezandmarsal.com/WeWorkCanada).

## **2.0 TERMS OF REFERENCE AND DISCLAIMER**

- 2.1 In preparing this report (this “**First Report**”), A&M Canada has relied solely on information and documents provided by the Foreign Representative and the other Chapter 11 Debtors, as well as their Canadian legal counsel and publicly available documents filed with the U.S. Bankruptcy Court (collectively the “**Information**”). Except as otherwise described in this First Report:

- (a) the Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Information Officer has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the *Chartered Professional Accountants of Canada Handbook* (the “**Handbook**”) and accordingly, the Information Officer expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
- (b) some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Handbook, has not been performed.

2.2 Future-oriented financial information referred to in this First Report was prepared based on estimates and assumptions made by the Chapter 11 Debtors’ management. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, and the variations could be significant.

2.3 This First Report should be read in conjunction with the affidavit of David Tolley sworn on December 11, 2023 (the “**Third Tolley Affidavit**”). Capitalized terms used but not defined herein have the meanings ascribed to them in the Third Tolley Affidavit.

- 2.4 Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

### **3.0 PURPOSE OF THIS REPORT**

- 3.1 The purpose of this First Report is to provide the Court with information regarding the following:

- (a) the Foreign Representative's motion for an order (the "**Second Supplemental Order**") recognizing and giving effect in Canada to certain further orders that have recently been granted by the U.S. Bankruptcy Court as discussed below; and
- (b) a summary of the activities of the Information Officer since the date of its appointment.

### **4.0 ORDERS FOR WHICH RECOGNITION IS BEING SOUGHT**

- 4.1 The Chapter 11 Debtors have recently sought and obtained from the U.S. Bankruptcy Court final versions of certain of the Recognized First Day Orders which were initially granted on an interim basis by the U.S. Bankruptcy Court (the "**December 6 Final First Day Orders**"), as well as certain additional orders (the "**Additional Orders**"). The Foreign Representative is now seeking recognition of certain of the December 6 Final First Day Orders and the Additional Orders by the Court, and a hearing before the Court has been scheduled for December 14, 2023, for this purpose.

- 4.2 The Information Officer and its legal counsel have reviewed each of the December 6 Final First Day Orders and the Additional Orders that the Foreign Representative is seeking recognition of and supports the recognition of such Orders by the Court.
- 4.3 Each of the December 6 Final First Day Orders and Additional Orders for which recognition of the Court is being sought is described in the Third Tolley Affidavit and copies are attached as schedules thereto.
- 4.4 The Information Officer notes that the December 6 Final First Day Orders for which the Foreign Representative is seeking recognition are, for the most part, common in chapter 11 proceedings and are substantially consistent with the Recognized First Day Orders previously recognized by the Court pursuant to the Supplemental Order.
- 4.5 This First Report includes pertinent information regarding certain of the Additional Orders for which the Foreign Representative is seeking recognition, including the Assumption/Rejection Procedures Order, the Lease Rejection Order, the Automatic Stay Enforcement Order, the De Minimis Claims Procedures Order, and the De Minimis Asset Transactions Procedures Order.

Assumption/Rejection Procedures Order

- 4.6 The U.S. Bankruptcy Court entered the Assumption/Rejection Procedures Order on November 29, 2023. A copy of the Assumption/Rejection Procedures Order is attached as Exhibit “N” to the Third Tolley Affidavit.



- 4.7 The Assumption/Rejection Procedures Order authorizes and approves procedures for rejecting or assuming executory contracts and unexpired leases. The Assumption/Rejection Procedures Order also provides the Chapter 11 Debtors, including the WeWork Canadian Entities, with the authority to remove or abandon the Personal Property of the Chapter 11 Debtors, including, without limitation, equipment, fixtures, furniture and other Personal Property that may be located on, or may have been installed in, leased premises that are subject to a rejected contract after the effective date of any proposed rejection.
- 4.8 As described in the Third Tolley Affidavit, the Chapter 11 Debtors are party to thousands of contracts which include, among other agreements, contracts related to the operation of the Chapter 11 Debtors' business, including the Canadian Business. The Chapter 11 Debtors are in the process of evaluating all of their contracts to determine whether such contracts should be: (a) rejected, as they are unfavourable or no longer beneficial; or (b) assumed (including as amended) or assumed (including as amended) and assigned, as they are favourable or otherwise valuable to the estate of the Chapter 11 Debtors, including those contracts that the Chapter 11 Debtors may assume as amended following consensual negotiations with the applicable contract counterparties.
- 4.9 The purpose of the Assumption/Rejection Procedures Order is to streamline the ability of the Chapter 11 Debtors, including the WeWork Canadian Entities, to: (a) reject burdensome contracts that no longer provide a benefit to the estate of the Chapter 11 Debtors, including the WeWork Canadian Entities, and avoid having to file separate motions to reject such contracts, which would result in substantial cost and administrative

burden on the estates of the Chapter 11 Debtors, including the WeWork Canadian Entities; and (b) assume (including as amended) contracts that the Chapter 11 Debtors, including the WeWork Canadian Entities, believe will benefit the estates, while also providing parties in interest with adequate notice of the rejection or assumption of a contract and an opportunity to object to such relief within a reasonable time period.

4.10 The Assumption/Rejection Procedures Order, among other things, authorizes and approves the following procedures with respect to the rejection of contracts:

- (a) the Order requires the issuance of a notice substantially in the form attached as Exhibit 1 to the Assumption/Rejection Procedures Order (each, a “**Rejection Notice**”) at least two (2) days before the proposed effective date of rejection. The notice must detail, among other things, the contract(s) to be rejected; the parties to such contract; the proposed effective date of rejection for each such contract; if any such contract is a real property lease, the address of the leased location affected by the Rejection Notice and the personal property to be abandoned by the debtors, if any, and a reasonable description of abandoned property; with respect to real property, any known third party having a secured interest in any remaining property, including personal property, furniture, fixtures, and equipment, located at the leased premises; and details regarding filing objections to the Rejection Notice;
- (b) the Chapter 11 Debtors are required to serve each Rejection Notice no later than two (2) business days after its filing, through email and postal services to all affected and interested parties;

- (c) parties wishing to object to a proposed rejection must file their objections within ten (10) days of the date the Chapter 11 Debtors file and serve the relevant Rejection Notice; and
- (d) if there are no timely filed objections, the contract will be considered rejected on the specified date or an agreed-upon date, which date can be no earlier than the filing date of the notice for non-residential real property leases.

4.11 The Information Officer understands that the WeWork Canadian Entities will provide the Information Officer with copies of any Rejection Notices that relate to the Canadian Business.

4.12 The Assumption/Rejection Procedures Order provides for less notice of rejection than would otherwise be required under the CCAA. However, the Information Officer understands that many contracts to be assumed or rejected have been subject to negotiations since the commencement of the Chapter 11 Cases, and therefore the counterparties are likely aware of the Company's restructuring and the potential for a contract assumption/rejection. The proposed procedure also provides a reasonable period of time (ten (10) days) for any counterparty to object to a proposed assumption or rejection and treats the counterparties of the WeWork Canadian Entities the same as the counterparties of the Chapter 11 Debtors.

Lease Rejection Order

- 4.13 The U.S. Bankruptcy Court entered the Lease Rejection Order on November 29, 2023. A copy of the Lease Rejection Order is attached as Exhibit “P” to the Third Tolley Affidavit.
- 4.14 The Lease Rejection Order, among other things, authorizes the Chapter 11 Debtors to: (a) reject certain unexpired leases, including any amendments, modifications, or supplements thereto (each, a “**Rejected Lease**,” and collectively, the “**Rejected Leases**”) for nonresidential real property located at the premises set forth on Schedule 1 of the Lease Rejection Order (as applicable, the “**Rejected Premises**”); and (b) abandon certain equipment, fixtures, furniture, or other personal property that may be located at the premises.
- 4.15 To the extent that any Personal Property is located at the Rejected Premises, the Chapter 11 Debtors, including the WeWork Canadian Entities, will evaluate such remaining Personal Property to determine whether such Personal Property is burdensome to the estate when considering all costs and potential recoveries. To reduce post-petition administrative costs, the Chapter 11 Debtors, including the WeWork Canadian Entities, determined that the abandonment of Personal Property that may be located at each of the Rejected Premises, if any, may be appropriate and in the best interests of the Chapter 11 Debtors, including the WeWork Canadian Entities, their estates and their creditors.
- 4.16 The Rejected Leases include five (5) Canadian Leases in respect of which Canada LP ULC is the tenant. These Canadian Leases have been surrendered and the WeWork Canadian

Entities vacated the Rejected Premises of each such Rejected Lease in Canada as of their Rejection Date of December 6, 2023.

- 4.17 The Information Officer understands that the landlords and counterparties to the contracts received notice of the Chapter 11 Debtors' intention to reject the contracts and leases through the initial motion in respect of the Lease Rejection Order filed on November 8, 2023, and that the Chapter 11 Debtors and their advisors contacted the landlords shortly thereafter to provide notice that such rejection materials had been filed. The Information Officer notes that the notice period provided to these Canadian landlords was two (2) days shorter than the thirty (30) days' notice provided for when disclaiming leases pursuant to section 32 of the CCAA. These Canadian landlords are being treated in the same manner as the Chapter 11 Debtors' U.S.-based landlords whose leases are also being rejected.

Automatic Stay Enforcement Order

- 4.18 On December 4, 2023, the U.S. Bankruptcy Court entered the Automatic Stay Enforcement Order, a copy of which is attached as Exhibit "Q" to the Third Tolley Affidavit.
- 4.19 The Automatic Stay Enforcement Order orders that the automatic stay applies to Chapter 11 Debtors' property wherever located and by whomever held, including furniture, fixtures, and equipment, and the right to perform under various membership agreements. The Order also outlines that Hudson's Bay Company ULC ("**HBC**") shall provide the Chapter 11 Debtors, including the WeWork Canadian Entities, access to their and their members' personal property located at 176 Yonge, and to the freight elevators for purposes

of accessing such personal property on the dates as specified therein and at no additional cost to the Chapter 11 Debtors, including the WeWork Canadian Entities.

- 4.20 As described in the Third Tolley Affidavit, Canada LP ULC is party to a management agreement with HBC dated July 31, 2018 (the “**Management Agreement**”). On November 30, 2023, Canada LP ULC, was scheduled to move furniture from the 176 Yonge location, which HBC initially did not cooperate in facilitating. On December 3, 2023, HBC and the Chapter 11 Debtors reached a consensual agreement resulting in the Automatic Stay Enforcement Order being entered by the U.S. Bankruptcy Court on December 4, 2023, on an unopposed basis and without a hearing.
- 4.21 On December 5, 2023, Canada LP ULC removed Chapter 11 Debtor and member-owned furniture and other property from 176 Yonge. Pursuant to the Automatic Stay Enforcement Order, additional moves are scheduled in accordance with the Management Agreement.
- 4.22 The Information Officer understands that the Automatic Stay Enforcement Order was necessary to ensure compliance with the Management Agreement.

#### De Minimis Claims Procedures Order

- 4.23 On December 6, 2023, the U.S. Bankruptcy Court entered the De Minimis Claims Procedures Order, a copy of which is attached as Exhibit “S” to the Third Tolley Affidavit.
- 4.24 The De Minimis Claims Procedures Order, among other things, authorizes and approves the procedure and notice requirements to allow the Chapter 11 Debtors, including the

WeWork Canadian Entities, to compromise and settle claims brought by various parties against the Chapter 11 Debtors, or brought by the Chapter 11 Debtors against one or more Claimant(s), with a Settlement Amount less than or equal to \$1 million.

4.25 The Information Officer understands that the Settlement Procedures will allow the Chapter 11 Debtors, including the WeWork Canadian Entities, to enter into Settlements on a more cost-effective and expeditious basis by eliminating the need to file a separate motion to approve each Settlement. The Information Officer is supportive of the procedures as the ability to settle claims expeditiously maximizes recoveries for all stakeholders. Given that the Chapter 11 Debtors had in excess of \$4 billion of funded debt obligations as of the Petition Date, the Information Officer believes the \$1 million claim threshold is reasonable and supports the recognition of such Order by the Court.

4.26 The Information Officers understands that the WeWork Canadian Entities will provide the Information Officer with notice of any Settlements relating to the Canadian Business.

De Minimis Asset Transactions Procedures Order

4.27 On December 6, 2023, the U.S. Bankruptcy Court entered the De Minimis Asset Transactions Procedures Order, a copy of which is attached as Exhibit “U” to the Third Tolley Affidavit.

4.28 The De Minimis Asset Transaction Procedures Order, among other things, authorizes and establishes procedures for the expedited use, sale, transfer, or abandonment of assets with an aggregate sale price less than or equal to \$4 million, free and clear of all Liens, without

the need for further Court approval and with Liens attaching to the proceeds with the same validity, extent, and priority as had attached to the assets immediately prior to transaction, as well as the notice requirements for same.

- 4.29 The De Minimis Asset Transactions Procedures Order authorizes the Chapter 11 Debtors, including the WeWork Canadian Entities, to transact outside of the ordinary course of business for transactions with value less than or equal to \$4 million, provided that the total value of transactions does not exceed \$15 million during the course of the Chapter 11 Cases.
- 4.30 The De Minimis Asset Transactions Procedures Order does not apply to any non-residential real property leases, which may not be used, sold, assigned, transferred, abandoned, or otherwise dealt with pursuant to the authority granted pursuant to the De Minimis Asset Transactions Procedures Order, and such non-residential real property leases are not considered “De Minimis Assets”, as defined in the De Minimis Asset Transactions Procedures Motion.
- 4.31 Pursuant to the proposed Second Supplemental Order, the WeWork Canadian Entities shall be authorized to deal with their property in accordance with the De Minimis Asset Transactions Procedures Order notwithstanding paragraph 5 of the Initial Recognition Order; provided that, a WeWork Canadian Entity shall provide written notice to the Information Officer and any affected landlord at least five (5) days prior to taking any action with respect to its property pursuant to the De Minimis Asset Transactions Procedures Order. Any such notice will be in addition to the notice that is required to be



provided to certain interested parties in the Chapter 11 Cases pursuant to the De Minimis Asset Transactions Procedures Order.

- 4.32 The Information Officer understands the need for the Chapter 11 Debtors to be able to close transactions involving De Minimis Assets during the Restructuring Proceedings in an efficient and timely manner without the need to file a separate motion to approve each such transaction. The Information Officer believes that the transaction thresholds of \$4 million for a single transaction and \$15 million for all transactions are reasonable in the circumstances.

## **5.0 ACTIVITIES OF THE INFORMATION OFFICER**

- 5.1 The activities of the Information Officer since being appointed have included:
- (a) establishing a website at <https://www.alvarezandmarsal.com/WeWorkCanada> to make available copies of the Orders granted in the CCAA Recognition Proceedings as well as other relevant motion materials, reports and information of interest to the creditors of the WeWork Canadian Entities. In addition, there is a link on the Information Officer's website to the Chapter 11 Debtors' restructuring website maintained by Epiq that includes copies of all U.S. Bankruptcy Court materials and orders, petitions, notices, and other materials;
  - (b) coordinating publication of the notice of the Chapter 11 Cases and CCAA Recognition Proceedings in *The Globe & Mail (National Edition)* newspaper, on November 22, 2023 and November 29, 2023;

- (c) monitoring the Epiq website for activity in the Chapter 11 Cases;
- (d) responding to stakeholder inquiries;
- (e) discussing matters relevant to the Chapter 11 Cases with the Chapter 11 Debtors' Canadian legal counsel and other advisors, including the Company's U.S.-based financial and restructuring advisor, Alvarez & Marsal North America, LLC;
- (f) providing such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (g) with the assistance of Osler, Hoskin & Harcourt LLP, counsel to the Information Officer, reviewing the motions filed and orders entered in the Chapter 11 Cases; and
- (h) with the assistance of its legal counsel, preparing this First Report and reviewing draft materials of the Foreign Representative in connection with the CCAA Recognition Proceedings.

## **6.0 RECOMMENDATIONS**


- 6.1 The Information Officer understands that the recognition of the December 6 Final First Day Orders and the Additional Orders sought in the proposed Second Supplemental Order are necessary to advance the Restructuring Proceedings and the efforts of the Chapter 11 Debtors, including the WeWork Canadian Entities, to maximize the value of their estate via the global restructuring.

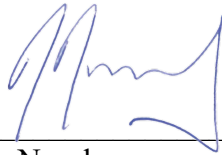
- 6.2 The Information Officer and its legal counsel have reviewed the December 6 Final First Day Orders and the Additional Orders and believe that the recognition of such Orders is reasonable and appropriate in the circumstances. Based on the foregoing, the Information Officer respectfully recommends that the Court grant the relief requested by the Foreign Representative.

*[The Remainder of the Page Is Intentionally Left Blank]*

All of which is respectfully submitted to the Court this 12th day of December 2023.

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as Information Officer  
and not in its personal or corporate capacity**

Per:   
\_\_\_\_\_  
Alan J. Hutchens  
Senior Vice-President

Per:   
\_\_\_\_\_  
Josh Nevsky  
Senior Vice-President

**APPENDIX A**  
**REPORT OF THE PROPOSED INFORMATION OFFICER**

*(see attached)*

Court File No. CV-23-00709258-00CL

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SUPERIOR COURT OF JUSTICE  
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT  
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**APPLICATION OF WEWORK INC. UNDER SECTION 46 OF THE *COMPANIES'  
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**REPORT OF THE PROPOSED INFORMATION OFFICER  
ALVAREZ & MARSAL CANADA INC.**

**NOVEMBER 15, 2023**

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## 1.0 INTRODUCTION

- 1.1 Commencing on November 6, 2023 (the “**Petition Date**”), WeWork Inc. (“**WeWork Parent**”) and certain of its subsidiaries and affiliates, including 9670416 Canada Inc., WeWork Canada GP ULC, and WeWork Canada LP ULC (collectively, the “**Canadian Debtors**” and each a “**Canadian Debtor**”, and together with the other Chapter 11 debtors, the “**Chapter 11 Debtors**”), commenced cases in the United States Bankruptcy Court for the District of New Jersey (the “**U.S. Bankruptcy Court**”) by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”, and the cases commenced thereby, the “**Chapter 11 Cases**”).
- 1.2 The purpose of the Chapter 11 Cases is to preserve value and advance towards a reorganization with limited disruptions to the operations of the Chapter 11 Debtors, including the Canadian Debtors, and 700 2 Street Southwest Tenant LP, 4635 Lougheed Highway Tenant LP and 1090 West Pender Street Tenant LP (collectively, the “**Canadian Limited Partnerships**” and each a “**Canadian Limited Partnership**”, and together with the Canadian Debtors, the “**WeWork Canadian Entities**”, and collectively, the business of the Canadian Limited Partnerships together with the business of the Canadian Debtors, the “**Canadian Business**”), and WeWork Companies U.S. LLC (the “**Real Property Obligor**”).
- 1.3 On November 7, 2023, upon the application of WeWork Parent, in its capacity as the proposed foreign representative of the Chapter 11 Cases, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order pursuant to Part IV of the



*Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and Section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, among other things, providing for an interim stay of proceedings in respect of the WeWork Canadian Entities and their respective directors and officers, as applicable, and in respect of the Real Property Obligor, in Canada.

- 1.4 The proceedings commenced by WeWork Parent under the CCAA are referred to herein as the “**CCAA Recognition Proceedings**”, and together with the Chapter 11 Cases, the “**Restructuring Proceedings**”.
- 1.5 On November 8, 2023, following a hearing in respect of the first day motions filed by the Chapter 11 Debtors (the “**First Day Hearing**”), the U.S. Bankruptcy Court granted certain orders (the “**First Day Orders**”), including an order (the “**Foreign Representative Order**”) authorizing WeWork Parent to act as “foreign representative” on behalf of the Chapter 11 Debtors’ estates in the CCAA Recognition Proceedings (in such capacity, the “**Foreign Representative**”). Following the First Day Hearing, the U.S. Bankruptcy Court also granted certain additional orders (collectively, with the First Day Orders, the “**U.S. Orders**”).<sup>1</sup>
- 1.6 The purpose of this Report of the Proposed Information Officer (the “**Report**”) is to provide this Court with background information with respect to the Chapter 11 Debtors

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<sup>1</sup> Copies of each of the orders and other documents related to the Chapter 11 Cases are available at the website maintained by Epiq: <https://dm.epiq11.com/case/WeWork>.

(and, in particular, the WeWork Canadian Entities), the Canadian Business and the Restructuring Proceedings, and to assist the Court in considering the Foreign Representative's request for the following relief:

- (a) an order, among other things, recognizing the Chapter 11 Cases as “foreign main proceedings” in respect of the WeWork Canadian Entities under Part IV of the CCAA (the “**Initial Recognition Order**”); and
- (b) an order, among other things: (i) recognizing and giving full force and effect in Canada to certain of the U.S. Orders entered in the Chapter 11 Cases; (ii) granting a stay of proceedings in respect of the WeWork Canadian Entities and their respective directors and officers, as applicable, and the Real Property Obligor, in Canada; (iii) extending the protections and authorizations of such order to the Canadian Limited Partnerships; (iv) appointing Alvarez & Marsal Canada Inc. (“**A&M Canada**” or the “**Proposed Information Officer**”) as information officer in respect of the CCAA Recognition Proceedings (in such capacity, the “**Information Officer**”); and (v) granting the Administration Charge and the D&O Charge (each as defined herein) (the “**Supplemental Order**”).

## **2.0 TERMS OF REFERENCE AND DISCLAIMER**

- 2.1 In preparing this Report, A&M Canada has relied solely on information and documents provided by the Foreign Representative and the other Chapter 11 Debtors, as well as their Canadian legal counsel and publicly available documents filed with the U.S. Bankruptcy Court (collectively the “**Information**”). Except as otherwise described in this Report:

- (a) the Proposed Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Information Officer has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the *Chartered Professional Accountants of Canada Handbook* (the “**Handbook**”) and accordingly, the Proposed Information Officer expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
- (b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Handbook, has not been performed.

2.2 Future-oriented financial information referred to in this Report was prepared based on estimates and assumptions made by the Chapter 11 Debtors’ management. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, and the variations could be significant.

2.3 This Report should be read in conjunction with the initial affidavit of David Tolley sworn on November 7, 2023 (the “**Initial Tolley Affidavit**”), and the supplemental affidavit of David Tolley sworn on November 14, 2023 (the “**Second Tolley Affidavit**”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Initial Tolley Affidavit or the Second Tolley Affidavit, as applicable.

- 2.4 Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

### **3.0 A&M'S QUALIFICATIONS TO ACT AS INFORMATION OFFICER**

- 3.1 Alvarez & Marsal North America, LLC (“**A&M US**”) was engaged to act as consultant to WeWork Parent and its subsidiaries in August 2023. A&M US’s activities have included assisting WeWork Parent with financial planning and analysis, preparation of cash flow forecasts, and assisting with contingency and restructuring planning, including with respect to the commencement of the Chapter 11 Cases.
- 3.2 A&M Canada and A&M US are related to Alvarez & Marsal Holdings, LLC. Alvarez & Marsal Holdings, LLC is an independent international professional services firm, providing, among other things, bankruptcy, insolvency and restructuring services. A&M Canada became involved with WeWork Parent as it became clearer that recognition proceedings in Canada would also be necessary. The personnel of A&M Canada had not previously been involved in the activities of A&M US in respect of its engagement by WeWork Parent.
- 3.3 Through its recent involvement, the Proposed Information Officer has become familiar with the Canadian Business and the operations of the WeWork Canadian Entities, and the key issues and stakeholders in the CCAA Recognition Proceedings. The Proposed Information Officer believes that this understanding will enhance the efficiency of the CCAA Recognition Proceedings.

- 3.4 A&M Canada is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and has significant experience in connection with proceedings under the CCAA, including acting as information officer in recognition proceedings of Yellow Corporation, Sungard Availability Services, Knotel Canada, Brooks Brothers Canada, Pier 1 Imports, Jack Cooper Ventures, Payless Shoes, Modular Space Holdings, LightSquared, Durabla Canada and others.
- 3.5 The senior A&M Canada professional personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants, Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees, who have acted in cross-border restructurings and CCAA matters of a similar nature in Canada.
- 3.6 The Proposed Information Officer has retained Osler, Hoskin & Harcourt LLP to act as its independent legal counsel.
- 3.7 A&M Canada has consented to act as Information Officer should this Court approve the relief requested by the Foreign Representative pursuant to the Initial Recognition Order and the Supplemental Order. A copy of the consent is attached as Tab 4 to the WeWork Parent's Initial Application Record.

## 4.0 BACKGROUND

### Company Overview

- 4.1 The WeWork Canadian Entities are part of an integrated group that is a global leader in flexible workspace (“**WeWork**”), providing customers with space-as-a-service. WeWork operates approximately 770 locations in over 30 countries and is among the top commercial real estate lessors in business hubs including New York City, London, Dublin, Boston, and Miami. In the United States, WeWork operates approximately 220 locations across the country. In Canada, WeWork operates 24 locations in Toronto, Vancouver, Calgary and Montreal, as described in more detail below.
- 4.2 Prior to the Petition Date, WeWork employed nearly 2,700 employees, and 59 employees in Canada. None of the employees in Canada are represented by a union.
- 4.3 The WeWork Canadian Entities comprise a relatively small part of the broader integrated corporate group. For the year ended December 31, 2022, the WeWork Canadian Entities represented approximately 3% of WeWork’s consolidated revenue and approximately 2.2% of its workforce.
- 4.4 The WeWork Canadian Entities operated at a net loss for the trailing twelve-month period ended June 30, 2023, with revenues of approximately \$89 million and operating costs of approximately \$92 million, resulting in a net loss of \$3 million. A summarized profit and loss statement for the Canadian Business is provided as Appendix A.

- 4.5 The WeWork Canadian Entities' assets consist primarily of cash, accounts receivable, lease rights of use assets, property and equipment, and certain intercompany balances.
- 4.6 Based on the books and records of the Canadian Business, as of June 30, 2023, total liabilities exceeded total assets by approximately \$32 million. A summarized consolidated trial balance for the WeWork Canadian Entities is provided as Appendix B. A detailed discussion of the Chapter 11 Debtors' business, including the events leading up to the Restructuring Proceedings, is provided in the Initial Tolley Affidavit.

#### Secured Credit Facilities

- 4.7 As of the Petition Date, the Chapter 11 Debtors owed approximately \$4.2 billion in aggregate outstanding principal and accrued interest for funded debt obligations, as summarized below. Sixty-five percent (65%) of the equity of 9670416 Canada Inc. has been pledged as collateral under the LC Facility and the Secured Notes under New York law security agreements. The Canadian Debtors and the Canadian Limited Partnerships are not otherwise guarantors nor equity pledgors under WeWork's secured and unsecured debt facilities and notes.

Facility	Approximate Outstanding Principal Amount
Senior LC Facility	\$988 million
Junior LC Facility	\$470 million
Series I 1L Notes	\$525 million
Series II 1L Notes	\$306 million
Series III 1L Notes	\$181 million
2L Notes	\$687 million
2L Exchangeable Notes	\$188 million
3L Notes	\$23 million
3L Exchangeable Notes	\$270 million

<b>Total Secured Debt</b>	<b>\$3,637 million</b>
7.875% Senior Notes	\$164 million
5.000% Senior Notes	\$9 million
<b>Total Funded Debt Obligations</b>	<b>\$3,811 million</b>

4.8 Over the course of the last several weeks, the Chapter 11 Debtors and the Consenting Stakeholders engaged in negotiations to document, among other things, (i) a forbearance agreement with the Consenting Stakeholders until November 6, 2023; (ii) a satisfaction and forbearance agreement with the certain Issuing Banks under the LC Facility; (iii) a restructuring support agreement centered on the full equitization of WeWork’s 1L Notes, 2L Notes, and the LC Facility to reduce the WeWork’s funded debt by approximately \$3 billion; and (iv) the terms of the Chapter 11 Debtors’ use of cash collateral during the Restructuring Proceedings. Taken together, these agreements are intended to provide the Chapter 11 Debtors with the opportunity to pursue a comprehensive financial and operational restructuring on an expedited timeline, obviate the need to repay all outstanding balances and cash collateralize all undrawn amounts under the LC Facility within five days, and provide a basis for the Chapter 11 Debtors, including the WeWork Canadian Entities, to continue to use cash collateral on a consensual basis under the Interim Cash Collateral Order.

4.9 The Foreign Representative and its counsel have advised the Proposed Information Officer that the U.S. “adequate protection” liens granted in the Chapter 11 Cases were not granted on the assets of the WeWork Canadian Entities.



4.10 The above debt facilities and notes are described in greater detail in the Initial Tolley Affidavit.

Canadian Locations and Leases

4.11 Prior to the Petition Date, the WeWork Canadian Entities operated 24 leased locations within Canada (the “**Canadian Locations**”), across four provinces, all of which are guaranteed by the Real Property Obligor, as summarized below.

Province	Number of Locations	Employees
Ontario	10	21
British Columbia	9	21
Quebec	4	15
Alberta	1	2
<b>Total</b>	<b>24</b>	<b>59</b>

4.12 As described in the Initial Tolley Affidavit, the Chapter 11 Debtors engaged Hilco Real Estate, LLC (“**Hilco**”) to renegotiate leases globally, including with landlords for Canadian Locations (the “**Canadian Landlords**”). The Proposed Information Officer understands that Hilco has been in contact with the Canadian Landlords, both prior to and after the Petition Date.

4.13 The gross monthly lease payments for the Canadian Locations in aggregate equal approximately \$5.1 million.

4.14 The Proposed Information Officer understands that the Chapter 11 Debtors did not make the November lease payments that were due prior to the Petition Date for the vast majority of their leases and, in some cases, October rent also remains unpaid (collectively, the “**Pre-**

**Filing Rent**”), including the leases for the Canadian Locations. As of the Petition Date, the Proposed Information Officer understands that Canadian Landlords were owed approximately \$6.3 million in outstanding Pre-Filing Rent, and that payment on leases for two Canadian Locations that were due on November 10, 2023 (after the Petition Date), were processed on November 13, 2023.

4.15 The Foreign Representative and its counsel have advised the Proposed Information Officer that, pursuant to the Bankruptcy Code, the Chapter 11 Debtors, including the WeWork Canadian Entities, are not required to immediately pay rent for the period from and after the Petition Date until the next rent payment date (i.e., generally, rent for the period November 7 to 30, 2023) (the “**Post-Filing Stub Rent**”). The Proposed Information Officer understands that WeWork, with the assistance of Hilco, intends to address the payment of Post-Filing Stub Rent as part of their ongoing restructuring discussions with the Canadian Landlords regarding the broader renegotiation of the leases for the Canadian Locations. The Foreign Representative and its counsel have advised the Proposed Information Officer that the Chapter 11 Debtors will otherwise pay post-filing rent (other than the Post-Filing Stub Rent) for each applicable post-filing payment period as and when due under the applicable lease on the payment dates required therein. The Foreign Representative and its counsel have also advised the Proposed Information Officer that amounts due in respect of Post-Filing Stub Rent will have enhanced priority relative to general unsecured creditors as “administrative expenses” in the Chapter 11 Cases.

4.16 The Proposed Information Officer understands that leases for five Canadian Locations are included in the rejection schedule to the proposed Lease Rejection Order, which has been

filed by the Chapter 11 Debtors with the U.S. Bankruptcy Court and is scheduled to be heard on November 28, 2023, and that WeWork has already exited these premises. As noted in the Second Tolley Affidavit, the Foreign Representative intends to seek the recognition of the Lease Rejection Order in the CCAA Recognition Proceedings.

#### Cash Management System

- 4.17 As described in the Initial Tolley Affidavit, the WeWork Canadian Entities are integrated into WeWork's system of intercompany loans and transactions, which allows WeWork to allocate cash resources and ensure tax efficiency within the entire corporate group. As outlined in the Second Tolley Affidavit, the WeWork Canadian Entities are dependent on the continued operation of the Cash Management System to collect, transfer, and disburse funds and to facilitate cash monitoring, forecasting, and reporting, necessitating the recognition of the Interim Cash Management Order.
- 4.18 There are 40 active bank accounts maintained at JP Morgan Chase, all denominated in Canadian dollars (the "**Canadian Bank Accounts**"), which are used in connection with operating the Canadian Business, including for deposits of customer collections and funding payments to landlords, suppliers and employees.
- 4.19 The Canadian Bank Accounts are administered by the Chapter 11 Debtors' treasury department in the United States and the United Kingdom.
- 4.20 The Canadian Business is funded through a Canadian dollar denominated Intercompany Loan from WeWork Interco LLC, a U.S. entity, to WeWork Canada LP ULC, which is the primary source of funding needs for the Canadian Business. The other WeWork Canadian

Entities are then party to Intercompany Loan agreements with WeWork Canada LP ULC, which provide funding from WeWork Canada LP ULC to each entity, as needed.

- 4.21 The Proposed Information Officer is advised that WeWork expects that there will be sufficient cash resources within the Canadian Business to finance operations during the course of the Restructuring Proceedings. As at the Petition Date, the Canadian Bank Accounts held a total of approximately \$17 million.
- 4.22 The Proposed Information Officer understands that WeWork currently intends to use available cash resources to finance operations and restructuring costs of the Chapter 11 Debtors during the course of the Restructuring Proceedings. The Proposed Information Officer notes that the Interim Cash Management Order authorizes the Chapter 11 Debtors, including the WeWork Canadian Entities, to continue to perform intercompany transactions and funding consistent with the Chapter 11 Debtors' historical practices.
- 4.23 If WeWork determines that it requires additional post-petition financing, the Proposed Information Officer understands that WeWork will seek approval of such financing as required.

## **5.0 CENTRE OF MAIN INTEREST**

- 5.1 The Chapter 11 Debtors, including the WeWork Canadian Entities, are managed in the United States as an integrated group from a corporate, strategic and management perspective.

- 5.2 The Initial Tolley Affidavit describes the Chapter 11 Debtors' integrated business. The WeWork Canadian Entities are wholly dependent on WeWork Parent and other Chapter 11 Debtors located in the United States for key leadership and the managerial, accounting, finance and other critical functions typically performed by a corporate head office. The Initial Tolley Affidavit confirms that payroll for employees of the Canadian Business is processed in Costa Rica through WeWork's third-party payroll services provider, directed by U.S.-based employees at WeWork's office in New York City.
- 5.3 Based on the foregoing and the discussion set forth in the Initial Tolley Affidavit, the Proposed Information Officer is of the view that it would be appropriate for this Court to determine that the "centre of its main interests" of each of the WeWork Canadian Entities is the United States and to recognize the Chapter 11 Cases as "foreign main proceedings" pursuant to the CCAA.

## **6.0 ORDERS FOR WHICH RECOGNITION IS BEING SOUGHT**

- 6.1 As further described in the Second Tolley Affidavit, in addition to the Foreign Representative Order, the Interim Cash Collateral Order and the Interim Cash Management Order, noted herein, the Foreign Representative is also seeking recognition in Canada of several other U.S. Orders pursuant to the Supplemental Order, each of which are "first day" orders commonly entered in Chapter 11 proceedings.
- 6.2 The Proposed Information Officer is supportive of this Court recognizing and giving full force and effect in Canada to these U.S. Orders.

## **7.0 COURT ORDERED CHARGES SOUGHT IN THE SUPPLEMENTAL ORDER**

7.1 Pursuant to the proposed Supplemental Order, the Foreign Representative is seeking the establishment of the Administration Charge and the D&O Charge on the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of the WeWork Canadian Entities (the “**Property**”).

7.2 The proposed Supplemental Order also provides that the priorities of these charges on the Property shall be as follows:

(a) First – Administration Charge (to the maximum amount of CAD \$750,000); and

(b) Second – D&O Charge (to the maximum amount of CAD \$2.5 million),

and that such charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, in favour of any person.

### Administration Charge

7.3 The proposed Supplemental Order provides for the granting of a charge on the Property in the maximum amount of CAD \$750,000, to secure the professional fees of Canadian counsel to the Foreign Representative and the WeWork Canadian Entities, the Information Officer and legal counsel to the Information Officer (the “**Administration Charge**”).

7.4 The Administration Charge is a customary protection provided to professionals assisting with Canadian insolvency proceedings. The Proposed Information Officer has reviewed

the quantum of the proposed Administration Charge in this case and believes it is reasonable and appropriate in the circumstances, having regard to the nature of these proceedings, the scope and level of work expected to be required, and the size of charges approved in similar CCAA recognition proceedings.

#### D&O Charge

- 7.5 The proposed Supplemental Order provides that the WeWork Canadian Entities will indemnify their directors and officers against obligations and liabilities that they may incur in their capacity as directors and officers of the WeWork Canadian Entities from the commencement of these CCAA Recognition Proceedings (which includes any obligations and liabilities for wages, vacation pay or termination or severance pay due to employees of any of the WeWork Canadian Entities, whether or not any such employee was terminated prior to or after the commencement of the CCAA Recognition Proceedings except to the extent that, with respect to any director or officer, any obligation or liability was incurred as a result of their gross negligence or willful misconduct), and provides for the granting of a charge on Property in the amount of CAD \$2.5 million in favour of the WeWork Canadian Entities' directors and officers as security for such indemnity (the **"D&O Charge"**).
- 7.6 The Proposed Information Officer assisted the WeWork Canadian Entities in the calculation of the D&O Charge taking into consideration the amount of the WeWork Canadian Entities' payroll, including source deductions, employee benefits and EHT;

vacation pay, statutory termination obligations, and HST/PST. The primary components of the D&O Charge calculation are summarized below.

<b>Liability Category</b>	<b>Estimated Potential Liability (CAD \$millions)</b>
Wages, Source Deductions, Employee Benefits and EHT	0.5
Vacation Pay	0.3
Termination Pay	0.2
HST / PST	1.5
<b>Total</b>	<b>\$2.5</b>

7.7 The Proposed Information Officer is of the view that the D&O Charge is required and reasonable in the circumstances.

## **8.0 PROPOSED INITIAL ACTIVITIES OF THE INFORMATION OFFICER**

8.1 The Supplemental Order proposes that following its appointment, the initial activities of the Information Officer will include:

- (a) establishing a website at <https://www.alvarezandmarsal.com/WeWorkCanada> to make available copies of the Orders granted in the CCAA Recognition Proceedings as well as other relevant motion materials, reports and information of interest to the creditors of the WeWork Canadian Entities;
- (b) coordinating publication of the notice of the Chapter 11 Cases and CCAA Recognition Proceedings in *The Globe & Mail (National Edition)* newspaper, commencing within five business days from the date of the Initial Recognition Order, once a week for two consecutive weeks;



- (c) responding to creditor inquiries regarding the Restructuring Proceedings;
- (d) providing such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (e) providing the Court with periodic reports on the status of the Chapter 11 Cases, which reports may include information relating to the property and the business of the Chapter 11 Debtors or such other matters as may be relevant to the Restructuring Proceedings; and
- (f) engaging independent legal counsel in respect of the exercise of its powers and the performance of its obligations.

## **9.0 RECOMMENDATIONS**


- 9.1 The Proposed Information Officer and its legal counsel have reviewed the terms of the proposed Initial Recognition Order and Supplemental Order and believe that the relief sought by the Foreign Representative, as set out in therein, is fair and reasonable in the circumstances, having regard to the present circumstances of the WeWork Canadian Entities.
- 9.2 The Proposed Information Officer notes that each of the WeWork Canadian Entities is a Chapter 11 Debtor and is of the view that the “centre of its main interests” is the United States, and therefore it would be appropriate for this Court to recognize the Chapter 11 Cases as “foreign main proceedings” pursuant to the CCAA and the proposed Initial Recognition Order.

- 9.3 The Proposed Information Officer is also of the view that it would be appropriate for this Court to recognize and give full force and effect in Canada to the U.S. Orders proposed by the Foreign Representative pursuant to the Supplemental Order to best ensure coordination in Canada with the Chapter 11 Cases. The terms of the proposed Supplemental Order relating to A&M Canada's role as information officer are also fair and reasonable, and consistent with the terms of appointments of information officers in other recognition proceedings under the CCAA.
- 9.4 Based on the foregoing, the Proposed Information Officer respectfully recommends that this Court grant the relief requested by the Foreign Representative pursuant to the proposed Initial Recognition Order and Supplemental Order.

All of which is respectfully submitted to the Court this 15<sup>th</sup> day of November, 2023.

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as Proposed Information Officer  
and not in its personal or corporate capacity**

Per:   
\_\_\_\_\_  
Alan J. Hutchens  
Senior Vice-President

Per:   
\_\_\_\_\_  
Josh Nevsky  
Senior Vice-President

## APPENDIX A

### Summarized Profit and Loss Statement For the 12-month period ended 6/30/2023

<i>Figures in USD 000's Unaudited</i>	9670416 Canada Inc.	WeWork Canada LP ULC	WeWork Canada GP ULC	700 2 Street Southwest Tenant LP	4635 Lougheed Highway Tenant LP	1090 West Pender Street Tenant LP	Consolidated
<b>Revenue</b>							
Membership revenue	-	93,659	-	2,704	-	-	96,363
Service revenue	-	2,646	-	56	-	-	2,702
Intercompany revenue	-	(13,010)	2,782	(104)	-	(3)	(10,335)
<b>Total Revenue</b>	<b>-</b>	<b>83,294</b>	<b>2,782</b>	<b>2,657</b>	<b>-</b>	<b>(3)</b>	<b>88,730</b>
<b>Expenses:</b>							
Building operating expenses	-	52,557	64	1,937	-	-	54,557
Community support expenses	-	63	570	-	-	-	633
Pre-opening community expenses	-	3,551	-	-	2,567	172	6,290
Selling, General and Administrative Expenses	-	3,072	1,878	36	-	-	4,985
Impairment of goodwill, intangibles and other assets	-	7,192	-	-	398	-	7,591
Restructuring and other related costs	-	(594)	219	-	(1,070)	150	(1,294)
Depreciation & Amortization	-	18,195	6	642	-	-	18,843
Intercompany expense	-	3	10	-	-	-	13
<b>Total Expenses</b>	<b>-</b>	<b>84,040</b>	<b>2,748</b>	<b>2,614</b>	<b>1,896</b>	<b>322</b>	<b>91,619</b>
<b>Loss from operations</b>	<b>-</b>	<b>(745)</b>	<b>34</b>	<b>43</b>	<b>(1,896)</b>	<b>(325)</b>	<b>(2,889)</b>
<b>Interest and other income (expense):</b>							
Interest expense	-	(3)	-	-	-	-	(3)
Interest income	-	555	-	-	-	-	555
Realized foreign currency gain (loss)	-	(9)	5	-	-	-	(4)
Unrealized foreign currency gain (loss)	-	(380)	13	(22)	-	(4)	(393)
<b>Total Interest and Other Income (expense)</b>	<b>-</b>	<b>162</b>	<b>19</b>	<b>(22)</b>	<b>-</b>	<b>(4)</b>	<b>155</b>
Pre-tax loss	-	(584)	53	20	(1,895)	(329)	(2,735)
Income tax benefit (provision)	-	(316)	-	-	-	-	(316)
<b>Net Income/(Loss)</b>	<b>-</b>	<b>(900)</b>	<b>53</b>	<b>20</b>	<b>(1,895)</b>	<b>(329)</b>	<b>(3,051)</b>

## APPENDIX B

### Summary Consolidated Trial Balance *As at 6/30/2023*

<i>Figures in USD 000's Unaudited</i>	<b>9670416 Canada Inc.</b>	<b>WeWork Canada LP ULC</b>	<b>WeWork Canada GP ULC</b>	<b>700 2 Street Southwest Tenant LP</b>	<b>4635 Lougheed Highway Tenant LP</b>	<b>1090 West Pender Street Tenant LP</b>	<b>Consolidated</b>
Cash & Cash Equivalents	22	159,368	10	1,620	-	-	161,019
Accounts Receivable	-	1,200	-	19	-	-	1,219
Lease Related Asset	-	3,627	-	4,593	7,239	629	16,089
PP&E	-	7,504	15	5,208	213	-	12,940
Other Assets	14	(11,346)	653	145	222	(3)	(10,316)
Intercompany Assets	3,924	(37,019)	55,336	1,555	34	12	23,842
<b>Total Assets</b>	<b>3,960</b>	<b>123,333</b>	<b>56,013</b>	<b>13,141</b>	<b>7,708</b>	<b>638</b>	<b>204,792</b>
Accounts Payable	-	18,992	(321)	(98)	(103)	(1,404)	17,066
Lease Related Liability	-	(7,949)	-	(8,405)	(5,763)	317	(21,800)
Member Security Deposits	-	(850)	-	(390)	-	-	(1,240)
Other Liabilities	323	45	(231)	(86)	-	-	52
Intercompany Liability	(5,372)	(153,025)	(57,972)	(7,458)	(6,972)	(304)	(231,103)
Equity	1,088	19,454	2,510	3,297	5,130	753	32,232
<b>Total Liabilities &amp; Equity</b>	<b>(3,960)</b>	<b>(123,333)</b>	<b>(56,013)</b>	<b>(13,141)</b>	<b>(7,708)</b>	<b>(638)</b>	<b>(204,792)</b>

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF 9670416 CANADA INC., WEWORK CANADA GP ULC AND WEWORK CANADA LP ULC**

**APPLICATION OF WEWORK INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**FIRST REPORT OF  
THE INFORMATION OFFICER**

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