

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**

**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**”).¹
- 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

¹ 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

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

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
Total	24	59

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.

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

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 15th 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
Revenue							
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)
Total Revenue	-	83,294	2,782	2,657	-	(3)	88,730
Expenses:							
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
Total Expenses	-	84,040	2,748	2,614	1,896	322	91,619
Loss from operations	-	(745)	34	43	(1,896)	(325)	(2,889)
Interest and other income (expense):							
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)
Total Interest and Other Income (expense)	-	162	19	(22)	-	(4)	155
Pre-tax loss	-	(584)	53	20	(1,895)	(329)	(2,735)
Income tax benefit (provision)	-	(316)	-	-	-	-	(316)
Net Income/(Loss)	-	(900)	53	20	(1,895)	(329)	(3,051)

APPENDIX B

Summary Consolidated Trial Balance *As at 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
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
Total Assets	3,960	123,333	56,013	13,141	7,708	638	204,792
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
Total Liabilities & Equity	(3,960)	(123,333)	(56,013)	(13,141)	(7,708)	(638)	(204,792)

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(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**REPORT OF
THE PROPOSED INFORMATION OFFICER**

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