

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

August 04, 2022  
Date of Report (date of earliest event reported)

WEWORK INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

001-39419  
(Commission File Number)

85-1144904  
(I.R.S. Employer Identification Number)

575 Lexington Avenue  
New York, NY 10022  
(Address of principal executive offices and zip code)  
(646) 389-3922  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Class A common stock, par value \$0.0001 per share	WE	The New York Stock Exchange
Warrants, each whole warrant exercisable for one share of Class A common stock	WE WS	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 - Results of Operations and Financial Condition.**

On August 4, 2022, WeWork Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended June 30, 2022. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (this “Form 8-K”) and is incorporated by reference in this Item 2.02.

The information in this Item 2.02 and Exhibit 99.1 is being furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 7.01 - Regulation FD Disclosure**

On August 4, 2022, at 8:00 a.m., Eastern time, the Company will host its second quarter 2022 earnings conference call and will present certain information on its business, including a summary of its results of operations for the quarter ended June 30, 2022. A copy of the investor presentation that will be used during this earnings conference call is furnished as Exhibit 99.2 to this Form 8-K and is incorporated by reference in this Item 7.01.

The information in this Item 7.01 and Exhibit 99.2 is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 - Financial Statements and Exhibits**

(d): The following exhibits are being filed herewith:

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release dated August 4, 2022</a>
99.2	<a href="#">Q2 2022 Investor Presentation</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 4th day of August, 2022.

**WEWORK INC.**

By: /s/ Jared DeMatteis  
Name: Jared DeMatteis  
Title: Chief Legal Officer

**WeWork Reports Second Quarter 2022 Results**  
**Revenue Increases 7% Quarter-over-Quarter and 37% Year-over-Year**

NEW YORK, August 4, 2022 – WeWork Inc. (NYSE: WE) ("WeWork"), the leading global flexible space provider, disclosed financial results today for the three months ended June 30, 2022. Second quarter and other recent highlights include:

- Revenue for the second quarter was \$815 million, an increase of 7% quarter-over-quarter and 37% year-over-year. Revenue using the Company's budgeted foreign exchange rates was \$841 million, above the Company's guidance of \$800 - \$825 million.
- Consolidated physical occupancy in the second quarter was 72%, including committed memberships.

"From our core dedicated space offerings, to our access products and newly launched software solution, WeWork Workplace, our second quarter results demonstrate how the versatility of our offerings provide companies of all sizes with the ultimate adaptability," said Sandeep Mathrani, CEO and Chairman of WeWork. "As we head into the second half of the year, we remain confident in our proven ability to execute against our goals of growing revenue, increasing occupancy and continuing to drive towards profitability."

**Second Quarter 2022 Consolidated Financial Results**

- Revenue for the second quarter was \$815 million, an increase of 7% quarter-over-quarter and 37% year-over-year. Revenue using the Company's budgeted foreign exchange rates was \$841 million, above the Company's guidance of \$800 - \$825 million.
- Net Loss was \$635 million, a 31% improvement year-over-year. Net loss includes approximately \$391 million<sup>(1)</sup> related to significant non-cash expenses.
- Adjusted EBITDA was negative \$134 million, a \$78 million improvement from the first quarter of 2022 and a \$315 million improvement from the prior year period, and within guidance of negative \$125 - \$175 million.

(1) Refer to footnote 2 in the Net Loss to Adjusted EBITDA reconciliation for significant non-cash expenses included in Net Loss.

**Space-as-a-Service:**

- As of June 30, 2022, WeWork's systemwide real estate portfolio consisted of 777 locations across 38 countries, supporting approximately 917,000 desks and 658,000 physical memberships, equating to 72% occupancy, and an increase in memberships of 5% quarter-over-quarter and 33% year-over-year.
- Systemwide gross desk sales totaled 205,000 in the second quarter, or the equivalent of 12.3 million square feet sold. Systemwide new desk sales were 93,000 in the second quarter or the equivalent of 5.6 million square feet.
- As of June 30, 2022, WeWork's consolidated real estate portfolio consisted of 641 locations across 33 countries, which supported approximately 749,000 desks and 528,000 physical memberships and equates to occupancy of 70%, and 72% when including committed memberships. The growth in consolidated physical memberships was 5% and 37% quarter-over-quarter and year-over-year, respectively.
- On a consolidated basis, gross desk sales totaled 160,000 desks sold in the second quarter of 2022, which equates to approximately 9.6 million square feet sold. Consolidated new desk sales were 73,000 in the second quarter or the equivalent of 4.4 million square feet.
- WeWork reported average revenue per physical member ("ARPM") of \$481. ARPM, using the Company's budgeted foreign exchange rates, was \$497, an increase of 3% quarter-over-quarter.

**WeWork Access:**

All Access memberships grew to 62,000 as of June 30, 2022, an increase of 13% quarter-over-quarter, representing an additional 7 percentage points of occupancy. Growth in All Access memberships yielded annual run-rate revenue of \$180 - \$190 million.

**WeWork Workplace:**

On July 19, WeWork launched WeWork Workplace, a new space management solution built in partnership with Yardi, the leading provider of real estate software. WeWork Workplace provides companies with a universal platform that enables inventory management across office spaces, enhanced employee experiences and space optimization through insights and analytics. WeWork Workplace marries space, asset and people management capabilities, removing guesswork from designing a strategic work model by providing actionable data to inform decision making. As a result, the software aims to help employers reduce real estate costs, while empowering employees to more purposefully engage with the spaces they choose and create more meaningful physical connections. To date, the Company has signed 11 companies to the platform, providing them with 7,400 licenses to manage spaces in WeWork's portfolio and in non-WeWork locations. The pipeline includes over 100 companies comprising more than 35,000 licenses.

**Liquidity:**

WeWork ended the second quarter of 2022 with cash, commitments, and access to liquidity of approximately \$1.7 billion. This includes approximately \$625 million of available cash, \$550 million of unissued senior secured notes, and at least \$500 million of secured debt covenant capacity.

**Outlook:**

The Company reaffirms its full year 2022 revenue guidance to \$3.4 - \$3.5 billion and Adjusted EBITDA of negative \$400 - \$475 million. Consistent with previous reporting, guidance for full year 2022 excludes the impact of fluctuations from the Company's original budgeted foreign exchange rates.

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Source: We Work

Category: Investor Relations, Earnings

Investors

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**About WeWork**

WeWork Inc. (NYSE: WE) was founded in 2010 with the vision to create environments where people and companies come together and do their best work. Since then, we've become the leading global flexible space provider committed to delivering technology-driven turnkey solutions, flexible spaces, and community experiences. For more information about WeWork, please visit us at [wework.com](http://wework.com).

**Forward-Looking Statements**

Certain statements made in this press release may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These forward looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "pipeline," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Although WeWork believes the expectations reflected in any forward-looking statement are based on reasonable assumptions, it can give no assurance that its expectations will be attained, and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to, WeWork's ability to refinance, extend, restructure or repay near and intermediate term debt; its indebtedness; its ability to raise capital through equity issuances, asset sales or the incurrence of new debt; retail and credit market conditions; impairments; its liquidity demand; changes in general economic conditions, including as a result of the COVID-19 pandemic and the conflict in Ukraine; delays in customers and prospective customers returning to the office and taking occupancy as a result of the COVID-19 pandemic and the emergence of variants leading to a parallel delay in receiving the corresponding revenue; the impact of foreign exchange rates on WeWork's financial performance; and WeWork's inability to implement its business plan or meet or exceed its financial projections. Forward-looking statements speak only as of the date they are made. WeWork discusses these and other risks and uncertainties in its annual and quarterly periodic reports and other documents filed with the U.S. Securities and Exchange Commission. WeWork may update that discussion in its periodic reports, or as otherwise required by law, but otherwise takes no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

### **Use of Non-GAAP Financial Measures**

This press release includes certain financial measures not presented in accordance with generally accepted accounting principles in the United States ("GAAP"): Adjusted EBITDA, Free Cash Flow, and non-GAAP financial measures of foreign exchange (including on a forward-looking basis). These financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to net loss or other measures of profitability, liquidity or performance under GAAP. You should be aware that WeWork's presentation of these measures may not be comparable to similarly titled measures used by other companies, which may be defined and calculated differently. WeWork believes that these non-GAAP measures of financial results (including on a forward-looking basis) provide useful supplemental information to investors about WeWork. WeWork's management uses forward-looking non-GAAP measures to evaluate WeWork's projected financials and operating performance. Additionally, to the extent that forward-looking non-GAAP financial measures are provided, they are presented on a non-GAAP basis without reconciliations of such forward-looking non-GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

### **Non-GAAP Financial Definitions**

#### **Adjusted Earnings Before Interest Expense, Income Tax, Depreciation, and Amortization ("Adjusted EBITDA")**

We supplement our GAAP results by evaluating Adjusted EBITDA, a non-GAAP measure. We define "Adjusted EBITDA" as net loss before income tax (benefit) provision, interest and other (income) expense, depreciation and amortization expense, stock-based compensation expense, expense related to stock-based payments for services rendered by consultants, income or expense relating to the changes in fair value of assets and liabilities remeasured to fair value on a recurring basis, expense related to costs associated with mergers, acquisitions, divestitures and capital raising activities, legal, tax and regulatory reserves or settlements, significant legal costs incurred by WeWork in connection with regulatory investigations and litigation regarding WeWork's 2019 withdrawn initial public offering and the related execution of the SoftBank Transactions, as defined in Note 1 of the Notes to the Consolidated Financial Statements included in our Quarterly Report for the quarter ended March 31, 2022, net of any insurance or other recoveries, significant non-ordinary course asset impairment charges and, to the extent applicable, any impact of discontinued operations, restructuring charges, and other gains and losses on operating assets.

#### **Free Cash Flow**

We also supplement our GAAP results by evaluating Free Cash Flow, a non-GAAP measure. Free Cash Flow is defined as net cash provided by (used in) operating activities less purchases of property, equipment and capitalized software, each as presented in the Company's condensed consolidated statements of cash flows and calculated in accordance with GAAP. Free Cash Flow is both a performance measure and a liquidity measure that we believe provides useful information to management and investors about the amount of cash generated by or used in the business. Free Cash Flow is also a key metric used internally by our management to develop internal budgets, forecasts, and performance targets.

#### **Non-GAAP Financial Measures of Foreign Exchange**

We supplement our GAAP financial results by evaluating our performance excluding the effect of foreign exchange, or by assessing our performance using the foreign exchange rates that we used to calculate certain forward-looking financial information, to facilitate period over period comparisons. We believe that the disclosure of our financial results on a budgeted foreign exchange basis is a useful supplemental measure of operating performance because it facilitates comparison of our current performance to our guidance provided by excluding the effects of foreign currency volatility. We calculate our budgeted foreign exchange results by translating the current quarter functional currency results at our budgeted foreign exchange rate, which is an estimated forward rate for each of our functional currencies determined during the fourth quarter of the prior fiscal year as part of our annual budgeting process. The presentation of financial results on a budgeted foreign exchange basis should be considered in addition to, but not a substitute for, measures of financial performance reported in accordance with U.S. GAAP.

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(Other key performance indicators (in thousands, except for revenue in millions and percentages)):	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
<b>Other key performance indicators:</b>				
<b>Consolidated Locations<sup>(1)</sup></b>				
Membership and service revenues	\$ 796	\$ 744	\$ 694	\$ 625
Workstation Capacity (Desks)	749	746	746	766
Physical Memberships	528	501	469	432
All Access and Other Legacy Memberships	62	55	45	32
Memberships	589	555	514	464
Physical Occupancy Rate	70 %	67 %	63 %	56 %
Enterprise Physical Membership Percentage	45 %	46 %	47 %	49 %
<b>Unconsolidated Locations<sup>(1)</sup></b>				
Membership and service revenues <sup>(2)</sup>	\$ 128	\$ 132	\$ 133	\$ 119
Workstation Capacity (Desks)	168	170	166	165
Physical Memberships	131	125	121	114
Memberships	131	126	121	114
Physical Occupancy Rate	78 %	74 %	73 %	69 %
<b>Systemwide Locations</b>				
Membership and service revenues <sup>(3)</sup>	\$ 924	\$ 876	\$ 827	\$ 744
Workstation Capacity (Desks)	917	916	912	932
Physical Memberships	658	626	590	546
All Access and Other Legacy Memberships	62	55	46	32
Memberships	720	681	635	578
Physical Occupancy Rate	72 %	68 %	65 %	59 %

(1) For certain key performance indicators the amounts we present are based on whether the indicator relates to a location for which the revenues and expenses of the location are consolidated within our results of operations ("Consolidated Locations") or whether the indicator relates to a location for which the revenues and expenses are not consolidated within our results of operations, but for which we are entitled to a management fee for our advisory services ("Unconsolidated Locations"). As of June 30, 2022, our India, China and Israel locations are our only Unconsolidated Locations.

(2) Unconsolidated membership and service revenue represents the results of Unconsolidated Locations that typically generate ongoing management fees for the Company at a rate of 2.75-4.00% of applicable revenue.

(3) Systemwide Location membership and service revenue represents the results of all locations regardless of ownership.

**WEWORK INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

(Amounts in millions, except share and per share amounts)	June 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 625	\$ 924
Accounts receivable and accrued revenue, net of allowance of \$28 as of June 30, 2022 and \$63 as of December 31, 2021	102	130
Prepaid expenses	179	180
Other current assets	305	238
Total current assets	1,211	1,472
Property and equipment, net	4,949	5,374
Lease right-of-use assets, net	11,888	13,052
Restricted cash	7	11
Equity method and other investments	84	200
Goodwill	685	677
Intangible assets, net	76	57
Other assets (including related party amounts of \$459 as of June 30, 2022 and \$596 as of December 31, 2021)	738	913
Total assets	<u>\$ 19,638</u>	<u>\$ 21,756</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 515	\$ 621
Members' service retainers	432	421
Deferred revenue	116	120
Current lease obligations	868	893
Other current liabilities	169	78
Total current liabilities	2,100	2,133
Long-term lease obligations	16,417	17,926
Unsecured notes payable (including amounts due to related parties of \$1,650 as of June 30, 2022 and December 31, 2021)	2,200	2,200
Warrant liabilities, net	6	16
Long-term debt, net	1,003	666
Other liabilities	229	228
Total liabilities	21,955	23,169
Commitments and contingencies		
Redeemable noncontrolling interests	(4)	36

**WEWORK INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS – (CONTINUED)**  
**(UNAUDITED)**

(Amounts in millions, except share and per share amounts)	June 30, 2022	December 31, 2021
<b>Equity</b>		
WeWork Inc. shareholders' equity (deficit):		
Preferred stock; par value \$0.0001; 100,000,000 shares authorized, zero issued and outstanding as of June 30, 2022 and December 31, 2021	—	—
Common stock Class A; par value \$0.0001; 1,500,000,000 shares authorized, 708,926,043 shares issued and 705,981,831 shares outstanding as of June 30, 2022, and 1,500,000,000 shares authorized, 705,016,923 shares issued and 702,072,711 shares outstanding as of December 31, 2021	—	—
Common stock Class C; par value \$0.0001; 25,041,666 shares authorized, 19,938,089 shares issued and outstanding as of June 30, 2022 and December 31, 2021	—	—
Treasury stock, at cost; 2,944,212 shares held as of June 30, 2022 and December 31, 2021	(29)	(29)
Additional paid-in capital	12,360	12,321
Accumulated other comprehensive income (loss)	165	(31)
Accumulated deficit	(15,155)	(14,143)
Total WeWork Inc. shareholders' deficit	(2,659)	(1,882)
Noncontrolling interests	346	433
Total equity	(2,313)	(1,449)
Total liabilities and equity	\$ 19,638	\$ 21,756

**WEWORK INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

(Amounts in millions, except share and per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue	\$ 815	\$ 593	\$ 1,580	\$ 1,191
Expenses:				
Location operating expenses—cost of revenue (exclusive of depreciation and amortization of \$150 and \$170 for the three months and \$308 and \$346 for the six months ended June 30, 2022 and 2021, respectively, shown separately below)	736	780	1,472	1,599
Pre-opening location expenses	38	43	85	77
Selling, general and administrative expenses	189	227	397	499
Restructuring and other related costs	(26)	(28)	(156)	466
Impairment expense	36	242	127	542
Depreciation and amortization	158	180	329	364
Total expenses	1,131	1,444	2,254	3,547
Loss from operations	(316)	(851)	(674)	(2,356)
Interest and other income (expense), net:				
Income (loss) from equity method and other investments	(9)	6	(3)	(25)
Interest expense (including related party expenses of \$132 and \$96 for the three months and \$222 and \$184 for the six months ended June 30, 2022 and 2021, respectively)	(159)	(113)	(272)	(218)
Interest income	2	5	3	10
Foreign currency gain (loss)	(157)	33	(201)	(38)
Gain (loss) from change in fair value of warrant liabilities (including related party financial instruments of none and \$1 for the three months and none and \$(351) for the six months ended June 30, 2022 and 2021, respectively)	7	1	10	(351)
Total interest and other income (expense), net	(316)	(68)	(463)	(622)
Pre-tax loss	(632)	(919)	(1,137)	(2,978)
Income tax benefit (provision)	(3)	(4)	(2)	(7)
Net loss	(635)	(923)	(1,139)	(2,985)
Net loss attributable to noncontrolling interests:				
Redeemable noncontrolling interests — mezzanine	15	34	36	65
Noncontrolling interest — equity	43	—	91	(1)
Net loss attributable to WeWork Inc.	\$ (577)	\$ (889)	\$ (1,012)	\$ (2,921)
Net loss per share attributable to Class A and Class B common stockholders:				
Basic	\$ (0.76)	\$ (6.12)	\$ (1.33)	\$ (20.35)
Diluted	\$ (0.76)	\$ (6.12)	\$ (1.33)	\$ (20.35)
Weighted-average shares used to compute net loss per share attributable to Class A and Class B common stockholders, basic and diluted	761,552,438	145,361,231	760,620,470	143,551,434

**WEWORK INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

(Amounts in millions)	Six Months Ended June 30,	
	2022	2021
<b>Cash Flows from Operating Activities:</b>		
Net loss	\$ (1,139)	\$ (2,985)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	329	364
Impairment expense	127	542
Non-cash transaction with principal shareholder	—	428
Stock-based compensation expense	26	160
Issuance of stock for services rendered, net of forfeitures	—	(2)
Non-cash interest expense	149	105
Provision for allowance for doubtful accounts	2	17
(Income) loss from equity method and other investments	3	25
Distribution of income from equity method and other investments	47	3
Foreign currency (gain) loss	201	38
Change in fair value of financial instruments	(10)	351
Changes in operating assets and liabilities:		
Operating lease right-of-use assets	610	831
Current and long-term lease obligations	(798)	(909)
Accounts receivable and accrued revenue	14	12
Other assets	(22)	(59)
Accounts payable and accrued expenses	(90)	(41)
Deferred revenue	2	(37)
Other liabilities	11	(4)
Deferred income taxes	3	2
Net cash provided by (used in) operating activities	(535)	(1,159)
<b>Cash Flows from Investing Activities:</b>		
Purchases of property, equipment and capitalized software	(175)	(171)
Change in security deposits with landlords	(2)	3
Proceeds from asset divestitures and sale of investments, net of cash divested	—	8
Contributions to investments	(5)	(27)
Distributions from investments	18	—
Cash used for acquisitions, net of cash acquired	(9)	—
Net cash provided by (used in) investing activities	(173)	(187)

WEWORK INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED) – (CONTINUED)

(Amounts in millions)	Six Months Ended June 30,	
	2022	2021
<b>Cash Flows from Financing Activities:</b>		
Principal payments for property and equipment acquired under finance leases	(2)	(2)
Proceeds from unsecured related party debt	—	1,000
Proceeds from issuance of debt	350	349
Repayments of debt	(4)	(2)
Debt and equity issuance costs	(17)	—
Proceeds from exercise of stock options and warrants	4	2
Taxes paid on withholding shares	(1)	—
Distribution to noncontrolling interests	(3)	—
Issuance of noncontrolling interests	32	—
Payments for contingent consideration and holdback of acquisition proceeds	—	(2)
Proceeds relating to contingent consideration and holdbacks of disposition proceeds	5	12
Additions to members' service retainers	213	198
Refunds of members' service retainers	(169)	(205)
Net cash provided by (used in) financing activities	408	1,350
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(3)	(3)
Net increase (decrease) in cash, cash equivalents and restricted cash	(303)	1
Cash, cash equivalents and restricted cash—Beginning of period	935	854
Cash, cash equivalents and restricted cash—End of period	\$ 632	\$ 855

A reconciliation of net loss, the most comparable GAAP measure, to Adjusted EBITDA is set forth below:

(Amounts in millions)	Three months ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Net loss</b>	\$ (635)	\$ (923)	\$ (1,139)	\$ (2,985)
Income tax (benefit) provision <sup>(1)</sup>	3	4	2	7
Interest and other (income) expenses, net <sup>(1),(2)</sup>	316	68	463	622
Depreciation and amortization <sup>(1)</sup>	158	180	329	364
Restructuring and other related costs <sup>(1),(2)</sup>	(26)	(28)	(156)	466
Impairment expense <sup>(1)</sup>	36	242	127	542
Stock-based compensation expense <sup>(3)</sup>	13	4	26	58
Other, net <sup>(4)</sup>	1	4	2	31
<b>Adjusted EBITDA</b>	\$ (134)	\$ (449)	\$ (346)	\$ (895)

(1) As presented on our condensed consolidated statements of operations.

(2) Includes non-cash interest expense of \$96 million and \$(7) million gain from the change in fair value of warrant liabilities included in Interest and other (income) expenses, net and non-cash gains of \$(62) million included in Restructuring and other related costs during the three months ended June 30, 2022.

(3) Represents the non-cash expense of our equity compensation arrangements for employees, directors, and consultants.

(4) Other, net includes stock-based payments for services rendered by consultants, change in fair value of contingent consideration liabilities, legal, tax and regulatory reserves or settlements, legal costs incurred by the Company in connection with regulatory investigations and litigation regarding the Company's 2019 withdrawn initial public offering and the related execution of the SoftBank Transactions, as defined in Note 1 of the notes to the consolidated financial statements included in our Form 10-Q, filed on May 12, 2022, net of any insurance or other recoveries, and expense related to mergers, acquisitions, divestitures and capital raising activities, all as included in selling, general and administrative expenses on the condensed consolidated statements of operations.

A reconciliation of net cash provided by (used in) operating activities, the most comparable GAAP measure, to Free Cash Flow is set forth below:

(Amounts in millions)	Six Months Ended June 30,	
	2022	2021
Net cash provided by (used in) operating activities <sup>(1)</sup>	\$ (535)	\$ (1,159)
Less: Purchases of property, equipment and capitalized software <sup>(1),(2)</sup>	(175)	(171)
<b>Free Cash Flow</b>	\$ (710)	\$ (1,330)

(1) As presented on our condensed consolidated statements of cash flows.

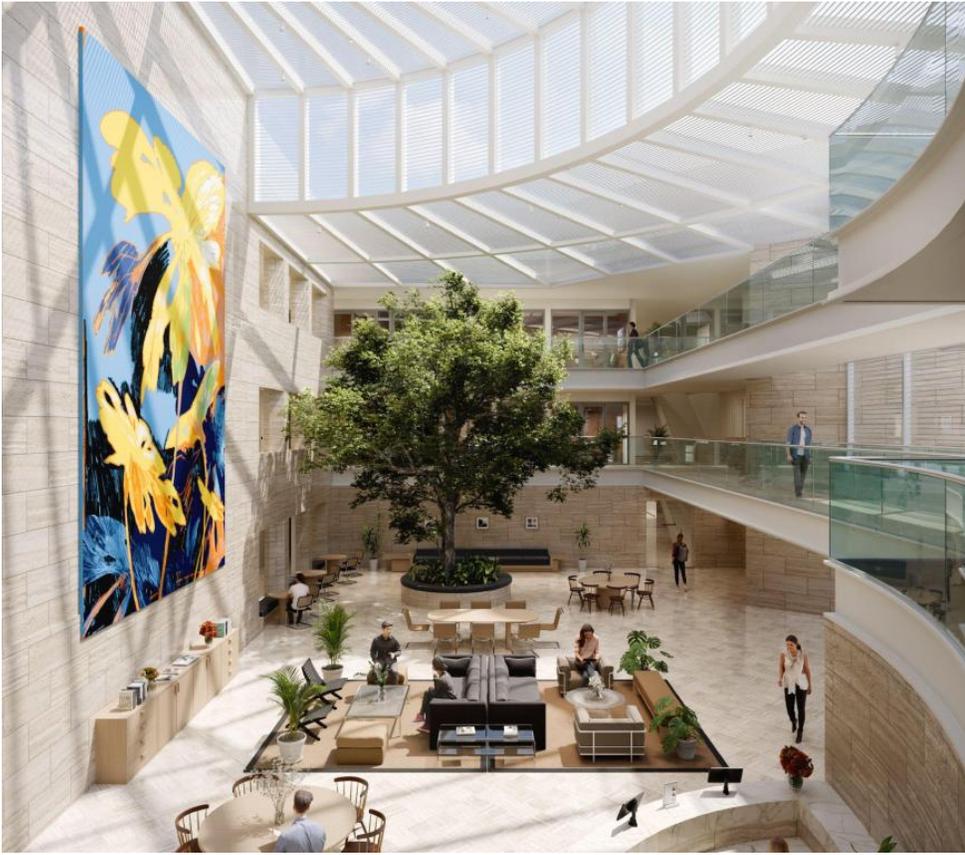
(2) The prior years' financial information has been reclassified to conform to the current year presentation for the aggregation of Capitalized software of \$25 million and \$18 million during the six months ended June 30, 2022 and 2021, respectively, and Purchases of property and equipment into one financial statement line item, "Purchases of property, equipment and capitalized software".

A reconciliation of total revenue, the most comparable GAAP measure, to budgeted foreign exchange revenue is set forth below:

(Amounts in millions)	Three Months Ended June 30,	
	2022	
Total revenue <sup>(1)</sup>	\$	815
FX Impact <sup>(2)</sup>		26
<b>Budgeted foreign exchange revenue</b>	\$	841

(1) As presented on our condensed consolidated statements of operations.

(2) Calculated by translating the current quarter functional currency revenue at our budgeted foreign exchange rate, which is an estimated forward rate for each of our functional currencies determined during the fourth quarter of the prior fiscal year as part of our annual budgeting process.



## Q2 2022 Results

wework

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# Disclaimer

## Forward-Looking Statements

Certain statements made in this press release may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These forward looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "pipeline," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Although WeWork believes the expectations reflected in any forward-looking statement are based on reasonable assumptions, it can give no assurance that its expectations will be attained, and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to, WeWork's ability to refinance, extend, restructure or repay near and intermediate term debt; its indebtedness; its ability to raise capital through equity issuances, asset sales or the incurrence of new debt; retail and credit market conditions; impairments; its liquidity demand; changes in general economic conditions, including as a result of the COVID-19 pandemic; delays in customers and prospective customers returning to the office and taking occupancy as a result of the COVID-19 pandemic and the emergence of variants leading to a parallel delay in receiving the corresponding revenue; the impact of foreign exchange rates on our financial performance; and WeWork's inability to implement its business plan or meet or exceed its financial projections. Forward-looking statements speak only as of the date they are made. WeWork discusses these and other risks and uncertainties in its annual and quarterly periodic reports and other documents filed with the U.S. Securities and Exchange Commission. WeWork may update that discussion in its periodic reports, but otherwise takes no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

## Use of Data

This presentation contains information concerning WeWork's solutions and WeWork's industry, including market size and growth rates of the markets in which WeWork participates, that are based on industry surveys and publications or other publicly available information, other third-party survey data and research reports commissioned by WeWork and its internal sources. This information involves many assumptions and limitations. There can be no guarantee as to the accuracy or reliability of such assumptions and you are cautioned not to give undue

weight to this information. Further, no representation is made as to the reasonableness of the assumptions made by third parties or the accuracy or completeness of any projections or modeling or any other information contained herein. Any data on past performance of WeWork or modeling contained herein is not an indication as to future performance. WeWork has not independently verified any such third-party information. Similarly, other third-party survey data and research reports commissioned by WeWork, while believed by WeWork to be reliable, are based on limited sample sizes and have not been independently verified by WeWork. In addition, projections, assumptions, estimates, goals, targets, plans and trends of the future performance of the industry in which WeWork operates, and WeWork's future performance, are necessarily subject to uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the estimates made by independent parties and by WeWork. Except as may be required by law, WeWork assumes no obligation to update the information in this presentation.

## Use of Non-GAAP Financial Metrics

This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles in the United States ("GAAP"): Adjusted EBITDA, Free Cash Flow, and non-GAAP financial measures of foreign exchange, including ARPM at budgeted foreign exchange rates (including on a forward looking basis). These financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to net loss or other measures of profitability, liquidity or performance under GAAP. You should be aware that our presentation of these measures may not be comparable to similarly titled measures used by other companies, which may be defined and calculated differently. WeWork believes that these non-GAAP measures of financial results (including on a forward-looking basis) provide useful supplemental information to investors about WeWork. WeWork's management uses forward-looking non-GAAP measures to evaluate WeWork's projected financials and operating performance.

Reconciliations of non-GAAP measures to their most directly comparable GAAP counterparts are included in the Appendix to this presentation. Additionally, to the extent that forward-looking non-GAAP financial measures are provided, they are presented on a non-GAAP basis without reconciliations of such forward-looking non-GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

## Non-GAAP Financial Measures of Foreign Exchange

We supplement our GAAP financial results by evaluating our performance excluding the effect of foreign exchange. We believe that the disclosure of our financial results on a budgeted foreign basis is a useful supplemental measure of operating performance because it facilitates comparison of our current performance to our guidance provided by excluding the effects of foreign currency volatility. We calculate our budgeted foreign exchange results by translating the current quarter functional currency results at our budgeted foreign exchange rate, which is a spot rate for each of our functional currencies determined early in the fiscal year as part of our annual budgeting process. The presentation of financial results on a budgeted foreign exchange basis should be considered in addition to, but not a substitute for, measures of financial performance reported in accordance with U.S. GAAP.

## India, China and Israel

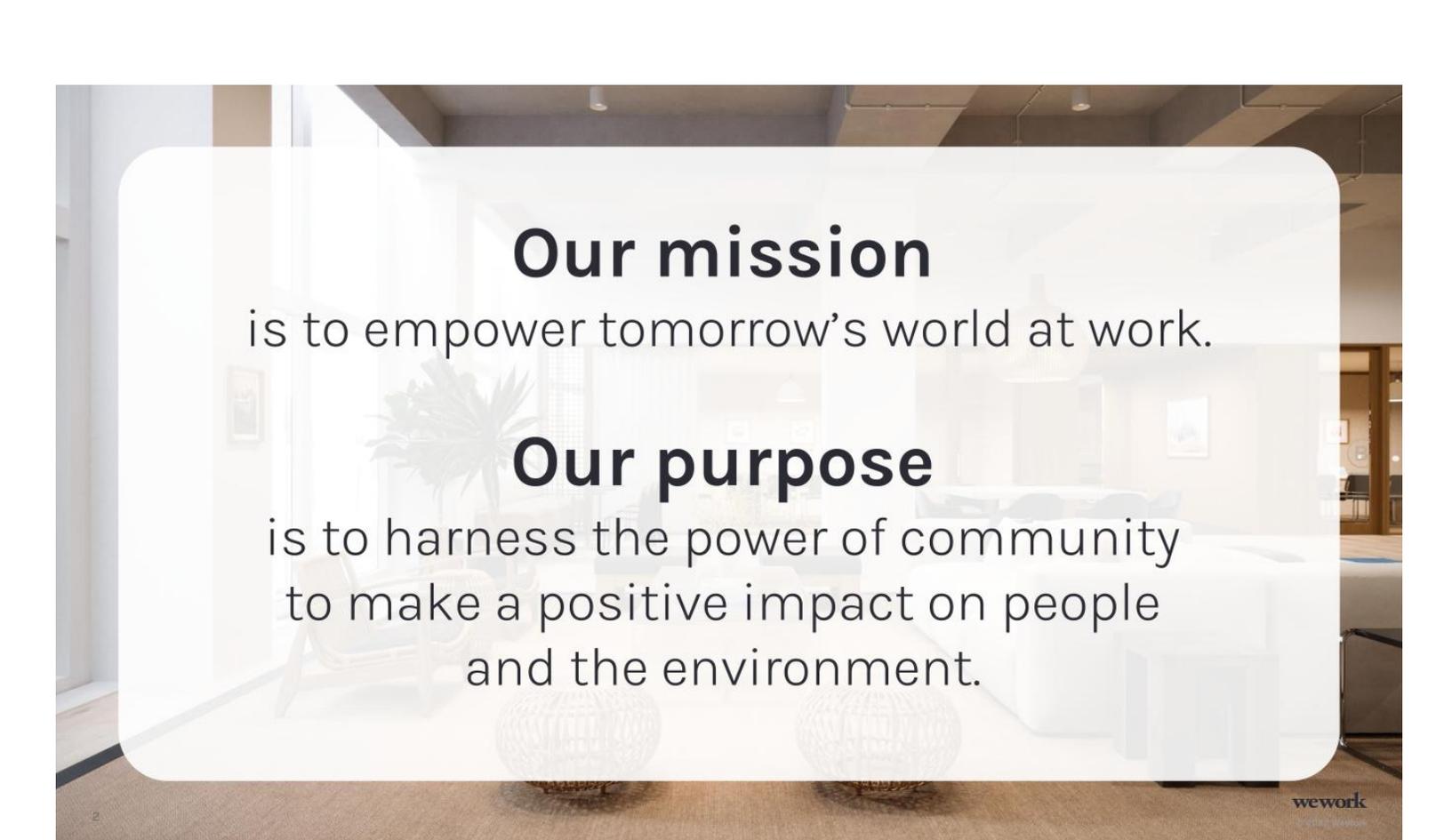
This presentation includes operating metrics (including number of locations, desks, and memberships) relating to WeWork's investments and operations in China and India, which are not consolidated. Therefore, the results of WeWork's operations in China and India are not reflected in the WeWork financial statements and projections set forth in this presentation on a line-by-line basis, as such operations are not conducted through consolidated subsidiaries or controlling interests of WeWork. In June 2021, WeWork closed a franchise agreement and transferred the building operations and obligations of its Israel locations to the franchisee. Israel results of operations have been included through May 2021, and excluded from subsequent projections. Unless otherwise explicitly specified in this presentation, India, China and Israel related metrics are excluded from all calculations.

## Trademarks

This presentation contains trademarks, service marks, trade names and copyrights of WeWork and other companies, which are the property of their respective owners.

## Preliminary Financial Information

We report our financial results in accordance with U.S. generally accepted accounting principles. All projected financial information and metrics in this presentation are preliminary. These estimates are not a comprehensive statement of our financial position and results of operations. There is no assurance that we will achieve our forecasted results within the relevant period or otherwise.



## **Our mission**

is to empower tomorrow's world at work.

## **Our purpose**

is to harness the power of community  
to make a positive impact on people  
and the environment.

## Our Core Values



Do the right thing.



Strive to be better, together.



Be entrepreneurial.



Give gratitude.



Be human, be kind.

## Our Core Constituents



Colleagues



Members



Shareholders



Partners



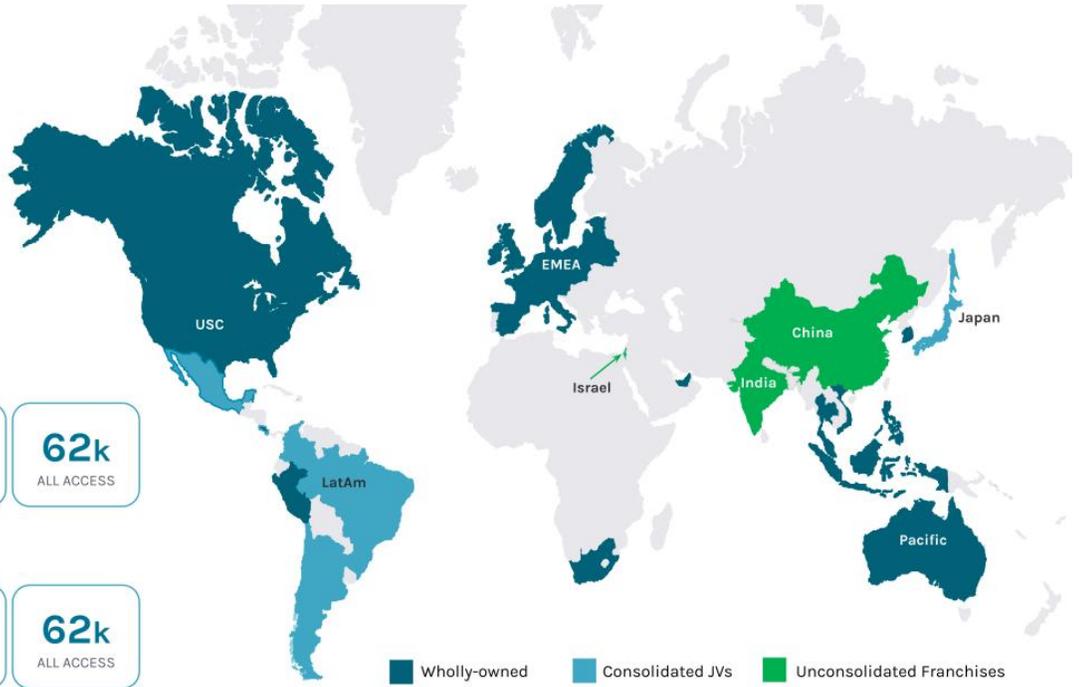
Society

For all the ways  
you work,  
we're here.

Systemwide



Consolidated



Note: Metrics presented as of June 2022. Consolidated metrics include operations in the United States and Canada, Latin America, Europe, Japan, and Pacific regions. Systemwide metrics include consolidated regions as well as India, China, and Israel, which are not consolidated.

# The world's top companies trust WeWork



**58%**  
of the Fortune 100 are  
WeWork members

**45%**  
of physical memberships are  
enterprise

**~27,000**  
SMB member organizations

**~2,400**  
Enterprise member organizations

Note: All figures as of June 2022 and on a consolidated basis unless otherwise noted. Logos used herein are the property of third parties and for informational purposes only and do not imply any endorsement by those companies of WeWork's company or products or vice versa.

# WeWork represents an outsized portion of demand

Q2 2022 leasing activity

Market	WeWork Committed Occupancy	WeWork Physical Occupancy	WeWork as a % of Market Stock <sup>(1)</sup>	Q2 2022 Traditional Market Square Feet Leased <sup>(1)</sup>	Q2 2022 WeWork Square Feet Leased <sup>(2)</sup>	Equivalent % of Q2 Traditional Square Feet Leased <sup>(1)</sup>	WeWork Q2 Leasing as a Multiple of Market Stock
Boston	58%	57%	~1%	1,360k	270k	20%	14x
New York	68%	68%	~1%	5,900k	1,080k	18%	16x
Miami	94%	97%	~1%	720k	110k	15%	28x
San Francisco	75%	75%	~1%	3,480k	310k	9%	12x
London	79%	78%	~1%	2,600k	870k	34%	24x
Dublin	78%	80%	~1%	500k	220k	45%	37x
Paris	86%	80%	~1%	2,500k	320k	13%	20x
Berlin	91%	86%	~0.5%	2,280k	130k	6%	18x

1. Please refer to "Market Share Methodology and Sources" for additional information on methodology and sources.

2. WeWork leasing activity based on total new desks sold and renewed in each market multiplied by 60 rentable square feet per desk.

## Q2 2022 market overview

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Systemwide gross desk sales (SF sold) <sup>(1)</sup>	133k (8.0m SF)	134k (8.0m SF)	142k (8.5m SF)	163k (9.8m SF)	202k (12.1m SF)	197k (11.8m SF)	217k (13.0m SF)	211k (12.7m SF)	205k (12.3m SF)
Consolidated gross desk sales (SF sold) <sup>(1)</sup>	91k (5.4m SF)	93k (5.5m SF)	105k (6.3m SF)	120k (7.2m SF)	156k (9.4m SF)	153k (9.3 SF)	164k (9.9m SF)	166k (10.0m SF)	160k (9.6m SF)
Consolidated new desk sales (SF sold) <sup>(1)</sup>	34k (2.0m SF)	41k (2.5m SF)	48k (2.9m SF)	60k (3.6m SF)	97k (5.8m SF)	84k (5.0m SF)	87k (5.2m SF)	83k (5.0m SF)	73k (4.4 m SF)
Committed Occupancy	n/a	n/a	n/a	47%	53%	60%	66%	70%	72%
Enterprise as % of physical memberships	51%	53%	53%	52%	52%	49%	47%	46%	45%
Average commitment length (months)	19	20	20	21	22	21	20	20	19
All Access memberships	35k	34k	13k	15k	20k	32k	45k	55k	62k

Note: See "Terms and Definitions" pages for definitions of gross desk sales, enterprise as % of physical memberships, committed occupancy, and WeWork Access memberships.  
 1. Assuming 60 square feet per desk sold.

# WeWork Access

## Products

### WeWork On Demand

Bookable workspaces around the world by the hour



#### Pay-as-you-go

Choose from over 320+ locations in 70+ major cities through the WeWork app.

**Global locations: 70+ cities**

Term: Hourly or daily

### WeWork All Access

Monthly membership unlocks 500+ locations worldwide



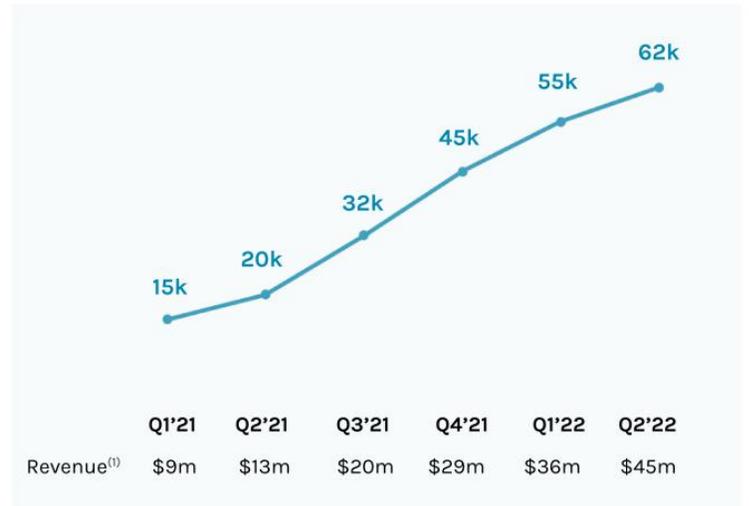
#### Monthly membership

Book workspace through the WeWork app, and unlock access to over 500+ WeWork locations around the world.

**Global locations: 500+**

Term: Monthly

## All Access Memberships



Note: See "Terms and Definitions" pages for definition of All Access & Other Legacy Memberships.  
 1. All Access revenue inclusive of On Demand

# Total Revenue

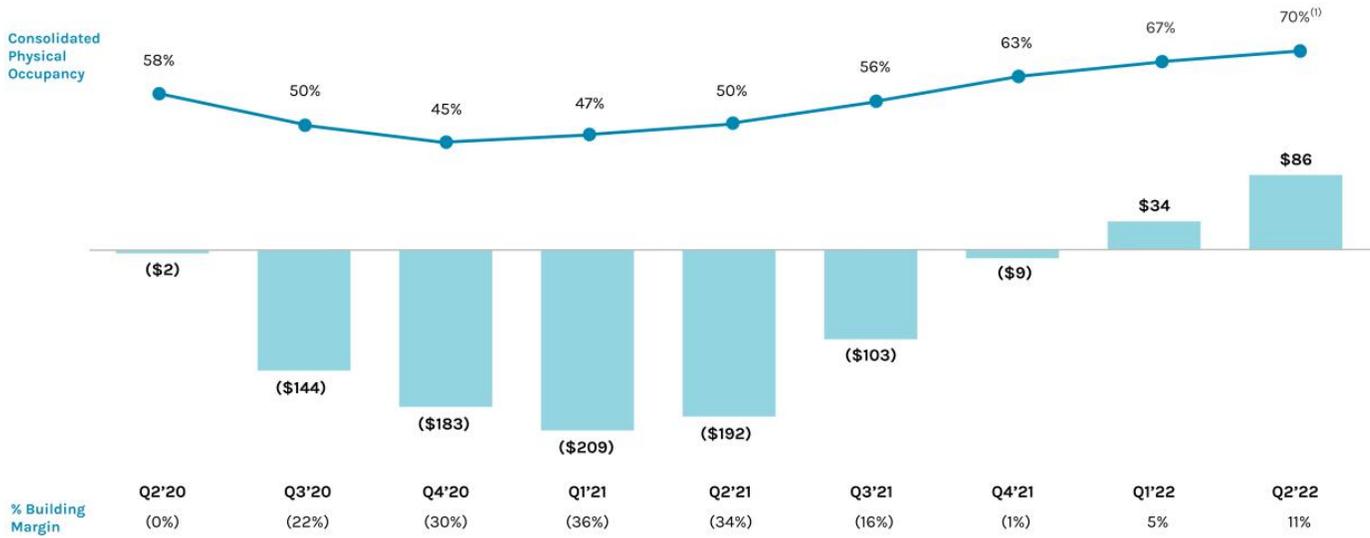
US\$ millions



Note: Space-as-a-Service revenue includes unconsolidated location management fee revenue and revenue attributable to our legacy venture businesses.

# Building Margin

US\$ millions

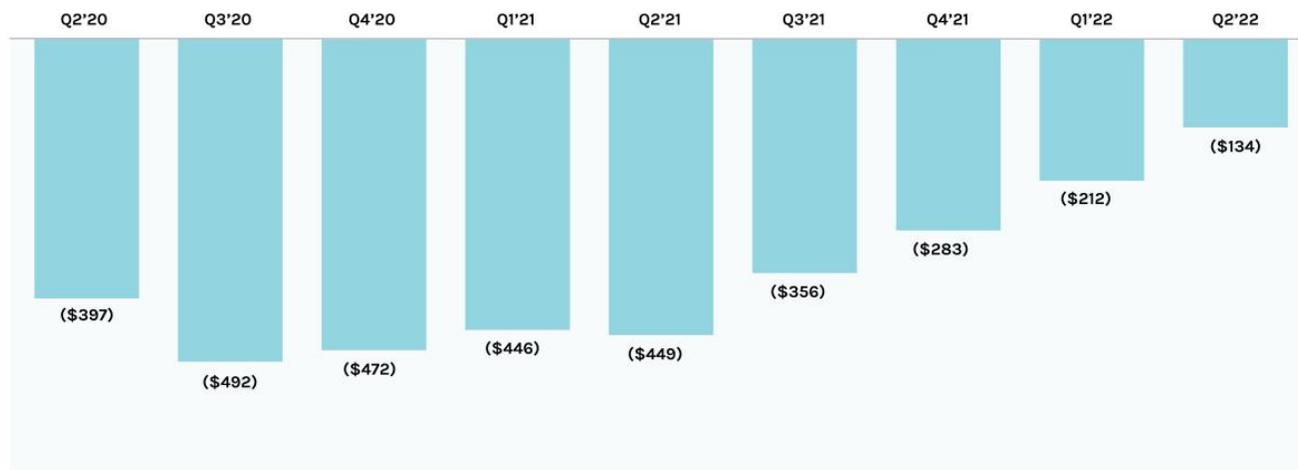


Note: See "Terms and Definitions" pages for definition of Building Margin, which is a Non-GAAP measure. See "GAAP to Non-GAAP reconciliations" page for reconciliation to GAAP metrics.

1. Consolidated physical occupancy was 70% and committed occupancy was 72% as of June 2022.

# Adj. EBITDA

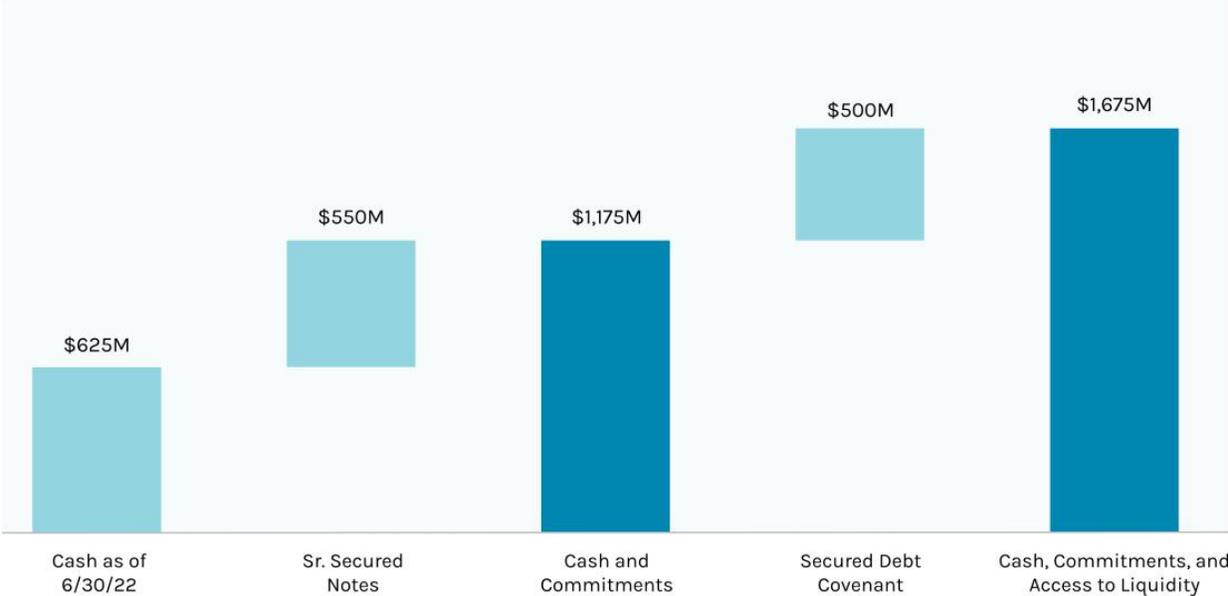
US\$ millions



Note: See "Terms and Definitions" pages for definition of Adj. EBITDA, which is a Non-GAAP measure. See "GAAP to Non-GAAP reconciliations" page for reconciliation to GAAP metrics.

# Cash, Commitments, and Access to Liquidity

US\$ millions



1. Covenant capacity includes a minimum of \$500 million as of June 2022.

# Capitalization table

As of June 30, 2022

\$US millions	Coupon	Maturity	Amount
<b>Cash &amp; cash equivalents <sup>(1)</sup></b>			<b>\$625</b>
\$1.25B / \$1.05B Senior LC Tranche <sup>(2) (3)</sup>	5.600%	2/9/2024	-
\$350M Junior LC Tranche <sup>(2) (4)</sup>	7.688%	11/30/2023	\$350
\$550M / \$500M Senior Secured Notes <sup>(5)</sup>	7.500%	2/12/2024	-
JapanCo Debt	2.500% - 3.300%	Various	\$25
<b>Total secured debt</b>			<b>\$375</b>
Senior Unsecured Notes	7.875%	5/1/2025	\$669
Senior Unsecured Notes (Series II)	5.000%	7/10/2025	\$550
Senior Unsecured Notes (Series I)	5.000%	7/10/2025	\$1,650
<b>Total outstanding debt</b>			<b>\$3,244</b>
<b>Net outstanding debt</b>			<b>\$2,619</b>

1. In addition to these amounts, the Company had restricted cash of \$7.0 million as of June 30, 2022.

2. Prior to May 10, 2022, the 2020 LC Facility was scheduled to terminate on February 9, 2024 and the commitments thereunder were scheduled to decrease to \$1.25 billion beginning on February 10, 2023. On May 10, 2022, the Company executed the Fourth Amendment to the Credit Agreement. As amended, the 2020 LC Facility is subdivided into a \$1.25 billion Senior LC Tranche and a \$350 million junior LC tranche. The termination date of the Junior LC Tranche is November 30, 2023. The termination date of the Senior LC Tranche, which steps down from \$1.25 billion to \$1.05 billion in February 2023, is February 9, 2024.

3. As of June 30, 2022, \$1.2B of standby letters of credit were outstanding under the 2020 LC Facility. The Company has also entered into various other letter of credit arrangements, the purpose of which is to guarantee payment under certain leases entered into by JapanCo and certain subsidiaries, totaling \$4.0 million outstanding.

4. The reimbursement obligations under the Junior LC Tranche bear interest at the ABR (as defined in the Fourth Amendment to the Credit Agreement) plus 5.50% or the Term SOFR Rate (as defined in the Fourth Amendment to the Credit Agreement), with a floor of 0.75%, plus 6.50%, at the WeWork Obligor's option.

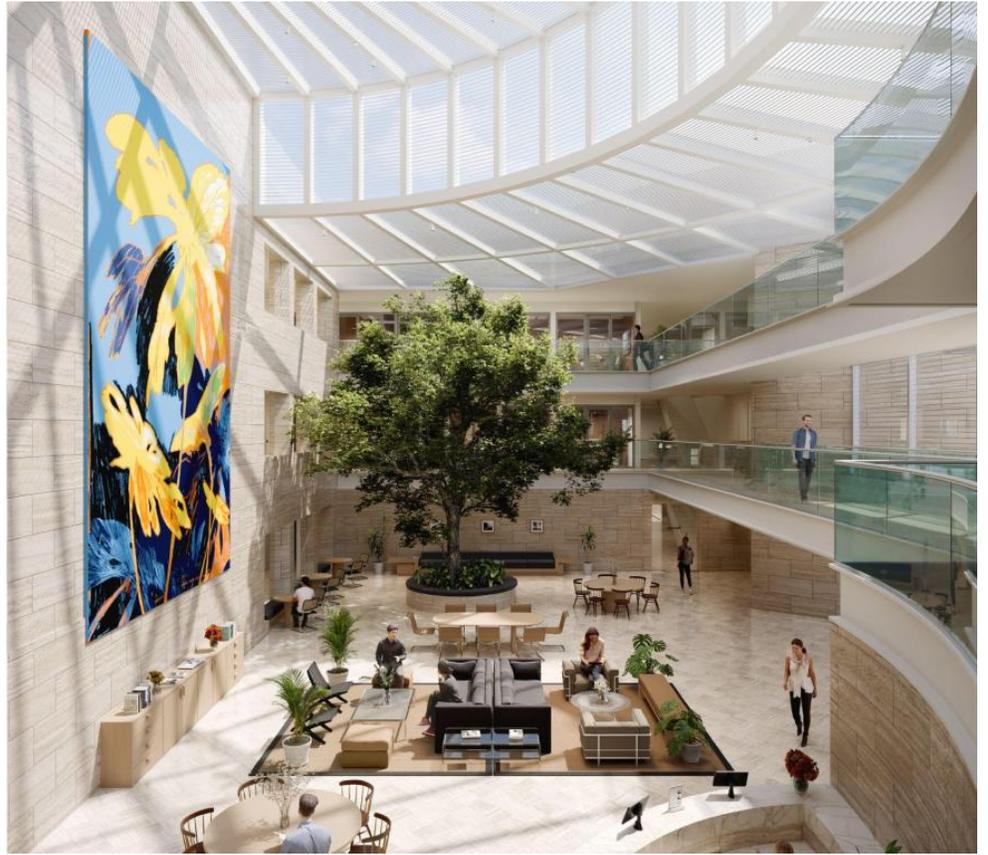
5. On December 16, 2021, the Company, WW Co-Obligor Inc. and an affiliate of SoftBank Group Corp. (the "Note Purchaser") entered into an amendment to the Master Senior Secured Notes Note Purchase Agreement that governs the Senior Secured Notes pursuant to which the Note Purchaser agreed to extend its commitment to purchase up to an aggregate principal amount of \$500.0 million of the Senior Secured Notes that may be issued by the Company from February 12, 2023 to February 12, 2024. If issued, the Senior Secured Notes will mature on February 12, 2024. Under the terms of the amended Master Senior Secured Notes Note Purchase Agreement, the Company has the ability to issue up to an aggregate principal amount of (i) until February 11, 2023, \$550.0 million and (ii) from February 12, 2023 to February 12, 2024, \$500.0 million of Senior Secured Notes. No Senior Secured Notes were issued as of June 30, 2022.

## Company guidance

	June 30 YTD (Actual)	June 30 YTD (Budget FX)	Full Year Guidance <sup>(1)</sup>
<b>Consolidated Revenue</b>	\$1.58 billion	\$1.61 billion	\$3.40 - \$3.50 billion
<b>Consolidated Adj. EBITDA</b>	(\$346) million	(\$346) million	(\$400 - \$475) million
<b>Systemwide Revenue</b>	\$1.83 billion	\$1.86 billion	

Source: WeWork Q2 2022 Earnings Release.

# Appendix



# Key performance indicators

· As of Q2'22, Consolidated includes all regions with WeWork locations outside of China, India and Israel.

## Historical KPIs based on as reported classification in prior periods

	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
<b>Physical Desks</b>									
Consolidated	936k	962k	865k	804k	770k	766k	746k	746k	749k
Unconsolidated	58k	57k	166k	160k	168k	165k	166k	170k	168k
Systemwide	994k	1,020k	1,030k	963k	937k	932k	912k	916k	917k
<b>Physical Memberships</b>									
Consolidated	543k	480k	387k	378k	386k	432k	469k	501k	528k
Unconsolidated	34k	27k	89k	97k	110k	114k	121k	125k	131k
Systemwide	577k	507k	476k	475k	496k	546k	590k	626k	658k
<b>Physical Occupancy Rate</b>									
Consolidated	58%	50%	45%	47%	50%	56%	63%	67%	70%
Unconsolidated	59%	47%	54%	61%	66%	69%	73%	74%	78%
Systemwide	58%	50%	46%	49%	53%	59%	65%	68%	72%
<b>All Access Memberships</b>									
All Access & Other Legacy Memberships	35k	34k	13k	15k	20k	32k	45k	55k	62k

# Quarterly financial results

US\$ millions

	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Membership & Services Revenue	759	665	612	579	565	627	696	747	801
Other Revenue	55	76	54	19	28	34	21	18	14
<b>Total Revenue</b>	<b>\$814</b>	<b>\$741</b>	<b>\$666</b>	<b>\$598</b>	<b>\$593</b>	<b>\$661</b>	<b>\$718</b>	<b>\$765</b>	<b>\$815</b>
Location Operating Expenses	(794)	(836)	(813)	(809)	(780)	(752)	(729)	(734)	(734)
Pre-Opening Expenses	(74)	(60)	(46)	(33)	(43)	(40)	(42)	(47)	(38)
SG&A <sup>(1)</sup>	(343)	(338)	(279)	(201)	(219)	(225)	(230)	(196)	(177)
<b>Adj. EBITDA</b>	<b>(\$397)</b>	<b>(\$492)</b>	<b>(\$472)</b>	<b>(\$446)</b>	<b>(\$449)</b>	<b>(\$356)</b>	<b>(\$283)</b>	<b>(\$212)</b>	<b>(\$134)</b>
<b>Building Margin &amp; Physical Membership ARPM</b>	<b>Q2'20</b>	<b>Q3'20</b>	<b>Q4'20</b>	<b>Q1'21</b>	<b>Q2'21</b>	<b>Q3'21</b>	<b>Q4'21</b>	<b>Q1'22</b>	<b>Q2'22</b>
Membership & Services Revenue	759	665	612	579	565	627	696	747	801
Less: Unconsolidated Management Fee Revenue	1	1	3	4	1	2	2	3	5
<b>Adj. Membership &amp; Services Revenue (A)</b>	<b>\$758</b>	<b>\$665</b>	<b>\$609</b>	<b>\$575</b>	<b>\$564</b>	<b>\$625</b>	<b>\$694</b>	<b>\$744</b>	<b>\$796</b>
Less: All Access & On Demand Revenue	-	-	-	9	13	20	29	36	45
<b>Physical Membership Revenue (B)</b>	<b>\$758</b>	<b>\$665</b>	<b>\$609</b>	<b>\$567</b>	<b>\$551</b>	<b>\$605</b>	<b>\$665</b>	<b>\$708</b>	<b>\$751</b>
Location Operating Expenses	(794)	(836)	(813)	(809)	(780)	(752)	(729)	(734)	(734)
Less: Indirect Location Operating Expenses	(34)	(28)	(21)	(25)	(24)	(24)	(26)	(24)	(24)
<b>Adj. Location Operating Expenses (C)</b>	<b>(\$760)</b>	<b>(\$808)</b>	<b>(\$792)</b>	<b>(\$784)</b>	<b>(\$756)</b>	<b>(\$728)</b>	<b>(\$703)</b>	<b>(\$710)</b>	<b>(\$710)</b>
<b>Building Margin (A - C)</b>	<b>(\$2)</b>	<b>(\$144)</b>	<b>(\$183)</b>	<b>(\$209)</b>	<b>(\$192)</b>	<b>(\$103)</b>	<b>(\$9)</b>	<b>\$34</b>	<b>\$86</b>
% Building Margin	0%	(22%)	(30%)	(36%)	(34%)	(16%)	(1%)	5%	11%
Average Physical Memberships (D)	507k	439k	397k	378k	381k	416k	458k	488k	521k
<b>Physical Membership Monthly ARPM (B / D)</b>	<b>\$499</b>	<b>\$505</b>	<b>\$512</b>	<b>\$500</b>	<b>\$482</b>	<b>\$485</b>	<b>\$484</b>	<b>\$484</b>	<b>\$481</b>
<b>ARPM at Company's Budget FX Rate</b>									<b>\$497</b>

1. SG&A exclusive of stock-based compensation and other expenses excluded from Adjusted EBITDA

# GAAP to non-GAAP reconciliation

US\$ millions

	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
<b>Net loss</b>	<b>(\$1,110)</b>	<b>(\$999)</b>	<b>(\$1,168)</b>	<b>(\$2,062)</b>	<b>(\$923)</b>	<b>(\$844)</b>	<b>(\$803)</b>	<b>(\$504)</b>	<b>(\$635)</b>
Income tax (benefit) provision	7	6	(2)	3	4	(2)	(2)	(1)	3
Interest and other (income) expenses, net	76	(38)	(105)	553	68	206	103	147	316
Depreciation and amortization	196	198	191	184	180	171	174	171	158
Restructuring and other related costs	81	19	52	494	(28)	16	(48)	(130)	(26)
Impairment / (gain on sale) of goodwill, intangibles and other assets	280	254	546	299	242	88	241	91	36
Stock-based compensation expense	12	9	7	54	4	4	48	13	13
Other Net	22	24	7	29	4	5	4	1	1
<b>Adj. EBITDA</b>	<b>(\$436)</b>	<b>(\$527)</b>	<b>(\$472)</b>	<b>(\$446)</b>	<b>(\$449)</b>	<b>(\$356)</b>	<b>(\$283)</b>	<b>(\$212)</b>	<b>(\$134)</b>
Less: ChinaCo Adj. EBITDA	(39)	(35)	-	-	-	-	-	-	-
<b>Adj. EBITDA Excluding ChinaCo</b>	<b>(\$397)</b>	<b>(\$492)</b>	<b>(\$472)</b>	<b>(\$446)</b>	<b>(\$449)</b>	<b>(\$356)</b>	<b>(\$283)</b>	<b>(\$212)</b>	<b>(\$134)</b>

	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
<b>Location Gross Profit / (Loss) Including Depreciation &amp; Amortization</b>	<b>(\$204)</b>	<b>(\$346)</b>	<b>(\$382)</b>	<b>(\$414)</b>	<b>(\$386)</b>	<b>(\$288)</b>	<b>(\$201)</b>	<b>(\$147)</b>	<b>(\$85)</b>
Depreciation and amortization	166	174	181	175	170	162	164	158	150
<b>Location Gross Profit / (Loss) Exclusive of Depreciation &amp; Amortization</b>	<b>(\$38)</b>	<b>(\$172)</b>	<b>(\$201)</b>	<b>(\$239)</b>	<b>(\$215)</b>	<b>(\$125)</b>	<b>(\$37)</b>	<b>\$11</b>	<b>\$65</b>
Unconsolidated management fee revenue	(1)	(1)	(3)	(4)	(1)	(2)	(2)	(3)	(5)
Stock-based compensation expense	3	1	1	9	1	1	5	2	2
Indirect location operating expenses	34	28	21	25	24	24	26	24	24
<b>Building Margin</b>	<b>(\$2)</b>	<b>(\$144)</b>	<b>(\$183)</b>	<b>(\$209)</b>	<b>(\$192)</b>	<b>(\$103)</b>	<b>(\$9)</b>	<b>\$34</b>	<b>\$86</b>

# Terms and definitions

## Overall Business Definitions:

- **Space-as-a-Service:** WeWork's existing flexible workspace business, including incremental growth for WeWork's flexible workspace business. Includes revenues associated with asset-light management or franchise agreements with landlords where WeWork operates the space in exchange for a fee. Included in Membership and Services revenue in our consolidated financial statements.
- **WeWork Access:** On Demand pay-as-you-go or All Access monthly membership providing an individual with access to over 500 WeWork locations. Included in Membership and Services revenue in our consolidated financial statements
- **WeWork Workplace:** turnkey third-party flexible workspace management solution leveraging WeWork's property and technology platform.
- **SMB:** organizations with less than 500 full-time equivalent employees
- **Enterprise:** organizations with greater than 500 full-time equivalent employees

## Operating KPIs:

- **Locations:** represents the estimated number of open locations. A location is considered open when it begins to generate revenue.
- **Desks:** Represents the estimated number of workstations available at open locations (may also be referred to as 'Workstations' Or 'Physical Workstations').
- **Physical Memberships:** The number of WeWork physical memberships which is the number of occupied desks in a given period.
- **Physical Occupancy:** is the number of physical memberships divided by the number of desks.
- **Committed Occupancy:** physical memberships in addition to net memberships that have been sold and are contracted to move-in in a future period or move out within the next two months, divided by the number of desks.
- **Physical Enterprise Membership:** represents physical memberships attributable to enterprise members. Enterprise membership percentage represents the percentage of our memberships attributable to these organizations.
- **Physical Average Revenue per Membership ("ARPM"):** membership and services revenue less revenue attributable to All Access and On Demand memberships and unconsolidated management fee revenue, divided by consolidated cumulative physical memberships in the period.
- **Budget Foreign Exchange Rate ARPM:** membership and services revenue less revenue attributable to All Access and On Demand memberships and unconsolidated management fee revenue, calculated using the Company's budgeted foreign exchange rates, divided by consolidated cumulative physical memberships in the period.
- **All Access & Other Legacy Memberships:** includes All Access monthly subscription memberships and Other Legacy Memberships.
- **New Desk Sales:** new members that have signed a contract for now or at a future move-in date and existing members who have signed a contract resulting in additional desk sales now or at a future date.
- **Gross Desk Sales:** Include New Desk Sales and renewals. Renewals include all members previously committed who continue their membership on a commitment. Renewals do not include month-to-month members.
- **Average Commitment Length:** represents base contract terms in months. This excludes the impact of any extension and / or termination options. The commitment lengths disclosed may include periods for which members have an option to terminate their commitments with a less than 10% penalty.

## Terms and definitions (cont'd)

### Financial Metrics:

- **Systemwide Revenue:** systemwide location membership and service revenues represents the results of all locations regardless of ownership, including Consolidated and Unconsolidated Locations.
- **Location Operating Expenses:** include the day-to-day costs of operating an open location and exclude pre-opening costs, depreciation and amortization and sales and marketing, which are separately recorded.
  - o **Lease Cost:** is recognized on a straight-line basis over the life of the lease term in accordance with GAAP and is the most significant component of location operating expenses
  - o **Direct Other Location Expenses:** include utilities, ongoing repairs and maintenance, cleaning expenses, office expenses, security expenses, credit card processing fees and food and beverage costs. Direct location operating expenses also include personnel and related costs for the teams managing our buildings.
  - o **Indirect Other Location Expenses:** include certain expenses that are necessary to operate our buildings but not directly tied to an individual building. Examples of these expenses include certain regional management and teams managing member relations, new member sales and facilities management.
- **Pre-Opening Expense:** consist of expenses (including all lease costs, which also include non-cash GAAP straight-line lease cost) incurred before a location opens for member operations. Excludes depreciation and amortization expense and stock-based compensation expense.
- **SG&A:** consist of sales and marketing, general and administrative and sourcing, development and other expenses, and certain community support expenses that are necessary to operate our buildings but not directly tied to an individual building. Excludes depreciation and amortization expense, stock-based compensation expense, expense related to stock-based payments for services rendered by consultants, expense related to costs associated with mergers, acquisitions divestitures, and capital raising activities, legal, tax, and regulatory reserves or settlements.
- **Building Margin:** is a non-GAAP measure we define as membership and services revenue, excluding management fees earned at our Unconsolidated Locations, less location operating expenses, before depreciation and amortization, stock-based compensation and certain indirect location operating overhead expenses.
- **Adj. EBITDA:** is a non-GAAP measure we define as net loss before income tax (benefit) provision, interest and other (income) expenses, net, depreciation and amortization expense, restructuring and other related cost, impairment / (gain on sale) of goodwill, intangibles and other assets, stock-based compensation expense, stock-based payments for services rendered by consultants, change in fair value of contingent consideration liabilities, legal, tax and regulatory reserves and settlements, legal costs incurred by the Company in connection with regulatory investigations and litigation, and expenses related to costs associated with mergers, acquisitions, divestitures and capital raising activities.

# Market share methodology and sources

Market	% Market Stock Source as of Q2 2022	Market Square Feet Leased in Q2 2022 Source
Boston	Total Boston commercial office square footage of 79m per Jones Lang LaSalle	Boston leasing activity of 1.36m square feet per CBRE estimate
New York	Total Manhattan commercial office square footage of 412m per Cushman and Wakefield	Manhattan leasing activity of 5.9m square feet per Cushman and Wakefield estimate
Miami	Total Miami commercial office square footage of 46m per Jones Lang LaSalle	Miami leasing activity of 0.72m square feet per Jones Lang LaSalle estimate
San Francisco	Total San Francisco commercial office square footage of 210m per Jones Lang LaSalle	San Francisco leasing activity of 3.48m square feet per Jones Lang LaSalle estimate
London <sup>(1)</sup>	Total London commercial office square footage of 284m per Cushman and Wakefield	London leasing activity of 2.6m square feet per Cushman and Wakefield estimate
Dublin <sup>(1)</sup>	Total Dublin commercial office square footage of 46m per Jones Lang LaSalle	Dublin leasing activity of 0.50m square feet per Jones Lang LaSalle estimate
Paris <sup>(1)</sup>	Total Paris commercial office square footage of 226m per estimate	Paris leasing activity of 2.5m square feet per Immostat estimate
Berlin <sup>(1)</sup>	Total Berlin commercial office square footage of 227m per Jones Lang LaSalle	Berlin leasing activity of 2.28m square feet per Knight Frank estimate

1. Market Stock data as of Q1 2022.

