

[www.axios.com /wework-softbank-memo-press-fe24e84a-de81-4735-a848-53827fd4ab4d.html](https://www.axios.com/wework-softbank-memo-press-fe24e84a-de81-4735-a848-53827fd4ab4d.html)

WeWork tells employees that press is "mischaracterizing" SoftBank plans

Dan Primack

6-7 minutes

WeWork on Wednesday told employees that the company has plenty of access to capital and that it will keep its co-working buildings open so that its members can keep their own businesses running, according to an internal memo obtained by Axios.

The big picture: This comes after reports that WeWork's largest shareholder [may bail on a \\$3 billion tender offer](#) it had agreed to last fall, and as the coronavirus pandemic has made co-working less palatable to those seeking to follow social distancing recommendations.

Below is the full memo, signed by WeWork CEO Sandeep Mathran and executive chairman Marcelo Claure (who also is a top SoftBank executive).

WeWork Team,

When we joined WeWork, we emphasized that while this would not be an easy ride, we would ultimately be a stronger company in the end. Today, we want to clarify a few things.

The press is mischaracterizing SoftBank's commitment to WeWork based upon a tender offer update to shareholders SoftBank sent yesterday. That update reminded shareholders that certain conditions need to be satisfied for the tender offer to be completed. The conditions were agreed to last year. Certain conditions have not yet been met and Softbank has communicated that it expects all agreed-upon conditions to be satisfied before the tender is completed. Those are the facts. But more importantly, the Softbank tender offer has no bearing on Softbank's funding commitment to WeWork itself and does not impact our current liquidity and financial strength of the business.

The tender offer is to WeWork shareholders – not to fund the WeWork business.

In terms of the actual funding of our business, let us explain each component: Softbank funded \$1.5B in October 2019, backstopped a \$1.75B letter of credit facility led by Goldman Sachs in February 2020, and committed an additional \$3.3B in unused debt financing – \$2.2B of which is an executed unsecured funding facility not conditioned on the tender offer and \$1.1B is unexecuted and conditioned on the tender closing. SoftBank is WeWork's largest shareholder and there should be no doubt in Softbank's support of WeWork and the strategic five-year financial plan that we all continue to execute on together.

With that said, the world is changing quickly and like every other company, we too are evaluating how best to manage these turbulent times and are assessing a range of potential actions to ensure we remain well positioned to succeed in both the near and long-term. The current environment also reinforces the importance and urgency of WeWork becoming a profitable and self-sustaining business.

With the COVID-19 outbreak, we know the past few weeks have been challenging – to say the least. Everyone has been asked on short notice to adjust so much of their lives. Schools have closed, forcing many parents into substitute teaching. From restaurants to playgrounds, stadiums and places of worship, our normal gathering places have shuttered. Grocery store clerks, emergency room doctors, delivery truck drivers, and so many more have been thrust to the front lines to keep our communities functioning as best they can. And for the rest of us, it's natural to worry about how our friends, neighbors, and loved ones will weather these uncertain times.

We know there have been questions about WeWork's response to the Coronavirus pandemic, particularly as it relates to WeWork spaces that have remained opened in certain cities around the world. WeWork is in an incredibly unique position. WeWork is a service provider and we have an obligation to keep our buildings open. In the same way we expect certain businesses to remain open for

us – whether it be a fulfillment center to send us a package, a bank so we can handle finances, grocery stores and pharmacies to supply us our valued goods – we too have members counting on us to remain open so they can run their companies to generate revenue, pay their people, and continue serving their customers. Since the start of the spread of the Coronavirus pandemic, we have undertaken a range of efforts from increased building cleanings, new work from home policies, reduced staffing models, rotational work programs, Uber subsidies to avoid mass transportation, and more. These changes have been made to prioritize the health and safety of you, our members and our communities and will continue to be enhanced, as appropriate. Where we believe we can operate our buildings safely, and in accordance with government policies, we will keep those buildings open. For those who have helped us to stay open, we want to share three of many quotes from our members:

"We are a financial services company so we need to be able to access our office throughout this coronavirus issue. Please do not close or shut us out. We have 130 clients whose financial lives depend on us."

"We provide support to Hospitals, Clinics, and Food Banks in the terms of personnel. We provide essential personnel like nurses and medical assistants and other licensed healthcare professionals to keep their business in operation."

"Our company is working with Health Care companies, hospitals and delivery companies involved in combating COVID-19 and as such our business is essential and needs to remain supported and able to access WeWork locations throughout the country during this time."

With that said, WeWork will implement a work from home policy for all employees including Community. We are preparing to hire third-parties as needed to keep our buildings open. But we will first give WeWork employees the option to come to work. This is an individual choice – and has no bearing on your status at WeWork. This will go into effect immediately and we will reevaluate this policy again by March 31st.

Our deepest and most sincere thanks go to all of our colleagues around the world for their tenacity, unity and their ability to pull through, together, for our members and one another.

Thank you all for your unwavering commitment to WeWork.

Marcelo and Sandeep