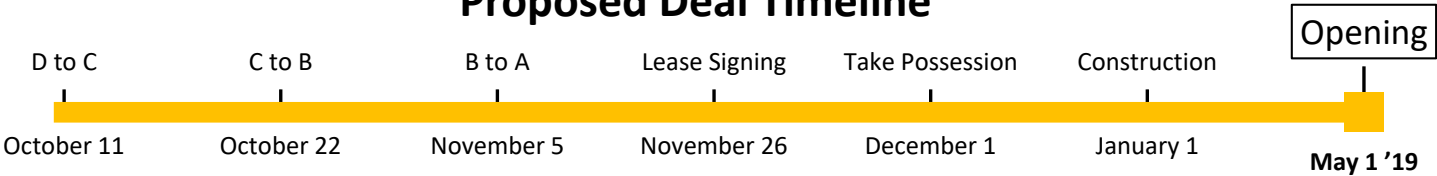


Hatamen Plaza, Beijing, CHINA



Presented by: [Christina Qiu]

Proposed Deal Timeline



KEY DISCUSSION ITEMS

- The landlord is Glory Land Company Ltd., an investment holding company principally engaged in property development. Glory Land Company is publicly listed in Hong Kong.
- Hatamen Plaza locates within the 2nd Ring Road, right above the intersection of Metro Line 2 and 5 (Chongwenmen Station), with access to bus stations of various routes. This building will be completed in Nov. 2018 and we plan to take 3F to 5F. The deal has a starting base rent of \$47.23/RSF.

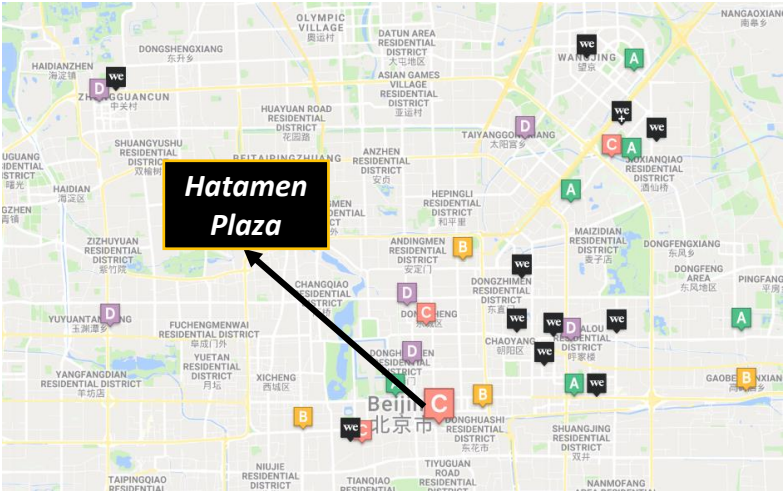
STREETSCAPE



RENDERING



MAP



DEAL OPPORTUNITIES, RISKS AND MITIGANTS

[USF – 106,310]
[DESK COUNT – 2,040]
[TI AMOUNT – N/A]
[LETTER OF CREDIT DOLLAR AMOUNT – N/A]
[CORPORATE GUARANTEE DOLLAR AMOUNT – N/A]



BUILDING SUMMARY	NOTES
Market/Submarket	Beijing
Market Occupancy	95%
Current Building Occupancy	40%
Total Bldg RSF	645,834
Existing (Year Built)/New Development	Nov-18
WW Desks	2,040
WW USF (USF/desk)	106,310 (52 per desk)
WW RSF (Loss factor)	127,565 (17% loss factor)
WW Floors (% of building)	19.8% of bldg
Floorplate USF	35,000
Parking	0 spaces
Majority of ceiling heights within 10-16'?	Yes
Sufficient elevators?	Yes
Sufficient signage?	Yes

LEGAL	NOTES
Are all lease obligations in local currency?	Yes
Lease Protection Type:	Limited Term
Is there a termination right?	NA

SIGNOFF TRACKER	NOTES
Sales	Yes
Ops	Yes
CWeO	Yes

DEAL TERMS	NOTES
Term	10 years
Base Rent/Lease Type (% escalations)	\$47.23 NNN - Lease (3.5% esc.)
Cash Deposit	\$1,670,597 (03 months)
Surety Bond	\$0,000 (00 months)
Letter of Credit	\$0,000 (00 months)
Corporate Guarantee	\$0,000 (00 months)
Description of Burndown	N/A
Lease Security Amount	\$0
Lease Security Months	0
Is this an SPE, or a Country Specific Entity?	N/A
Free Rent (Months)	\$3,012,901 (06)
TI Allowance	\$0,000 (\$00 per USF)
Renewal Option at Fixed Rent?	Yes
Controllable OpEx escalations capped?	No
OpEx/USF	\$17.57
Landlord Name	Glory Land Company Ltd.
Broker Commission due to WeWork	–

RETURNS/PROFITABILITY MEASURES	NOTES
Stabilized Avg Price/Desk (Stabilized Discounts)	\$545 (3.0% disc.)
Breakeven Occupancy	61%
Payback Period (Months)	37
Gross NPV	\$11,005,000
Adjusted NPV	\$3,084,000
Revenue/Rent	1.9x
EBITDAR/Rent	1.6x
EBITDA Margin	32%
Pricing within 5% of WeWork comps?	Yes

CAPEX SUMMARY	AMOUNT	Per USF	Per Desk
Total Construction Costs	\$6,484,910	\$61	\$3,179
Tenant Improvements	\$0	\$0	\$0
Net Construction Costs to WeWork	\$6,484,910	\$61	\$3,179
% of Total Constrution Costs	100%	-	-
% of Regional Budget	2%	-	-

DEAL OPPORTUNITIES, RISKS AND MITIGANTS

[USF – 106,310]
[DESK COUNT – 2,040]
[TI AMOUNT – N/A]
[LETTER OF CREDIT DOLLAR AMOUNT – N/A]
[CORPORATE GUARANTEE DOLLAR AMOUNT – N/A]



	OPPORTUNITIES	RISKS AND MITIGANTS
<u>LOCATION</u>	<ul style="list-style-type: none">Locates within the 2nd Ring Road (very core area in the city center), close to many cultural and historic sites, as well as commercial and business area.Right above the intersection of Metro Line 2 and 5 (Chongwenmen Station), with access to bus stations of various routes	<ul style="list-style-type: none">N/A
<u>BUILDING</u>	<ul style="list-style-type: none">The entire mix-use complex is 150.7M SF, including 22.6M SF shopping space, 92.3M SF office buildingTotal number of floors: West Tower 13F; East Tower 10F. Five floors underground with 473 parking space.Ceiling Height: 14.6 feetHigh-standard construction & finishes: Double Low-E glass façade, marble paversSignage: To be confirmed	<ul style="list-style-type: none">Lack of signage Mitigant: Signage subject to further discussion with LL & government approval.
<u>PROFORMA & PRICING</u>	<ul style="list-style-type: none">Pricing justification – according to market study and pricing of other co-working space, desk is priced at \$561 (Yr 3 stabilized gross price/desk/month), with fast ramp up stabilized in year 2 at 90% occupancy.	<ul style="list-style-type: none">Fast ramp-up Mitigant: Stabilized at 90% from year 2
<u>DEAL</u>	<ul style="list-style-type: none">Favorable deal terms (lower than market rent at \$47.23 with 6 month upfront free-rent period)Favorable returns (31% IRR, and comfortable break-even occupancy at 61.2%)	<ul style="list-style-type: none">N/A
<u>LEGAL</u>	<ul style="list-style-type: none">Renewable option at fixed rent (no more than 8% increase)Early termination: to be confirmed	<ul style="list-style-type: none">Early termination right not secured yet Mitigant: Subject to further discussion with LL
<u>CONSTRUCTION</u>	<ul style="list-style-type: none">New construction to be completed in Nov. 2018 with high building quality	<ul style="list-style-type: none">N/A
<u>OPERATIONS</u>	<ul style="list-style-type: none">Proximity to other open and pipeline WeWork locations and potential operational efficiencies	<ul style="list-style-type: none">N/A

MARKET PRESENCE & PRICING

[USF – 106,310]
[DESK COUNT – 2,040]
[TI AMOUNT – N/A]
[LETTER OF CREDIT DOLLAR AMOUNT – N/A]
[CORPORATE GUARANTEE DOLLAR AMOUNT – N/A]



we OPEN LOCATIONS ⁽¹⁾

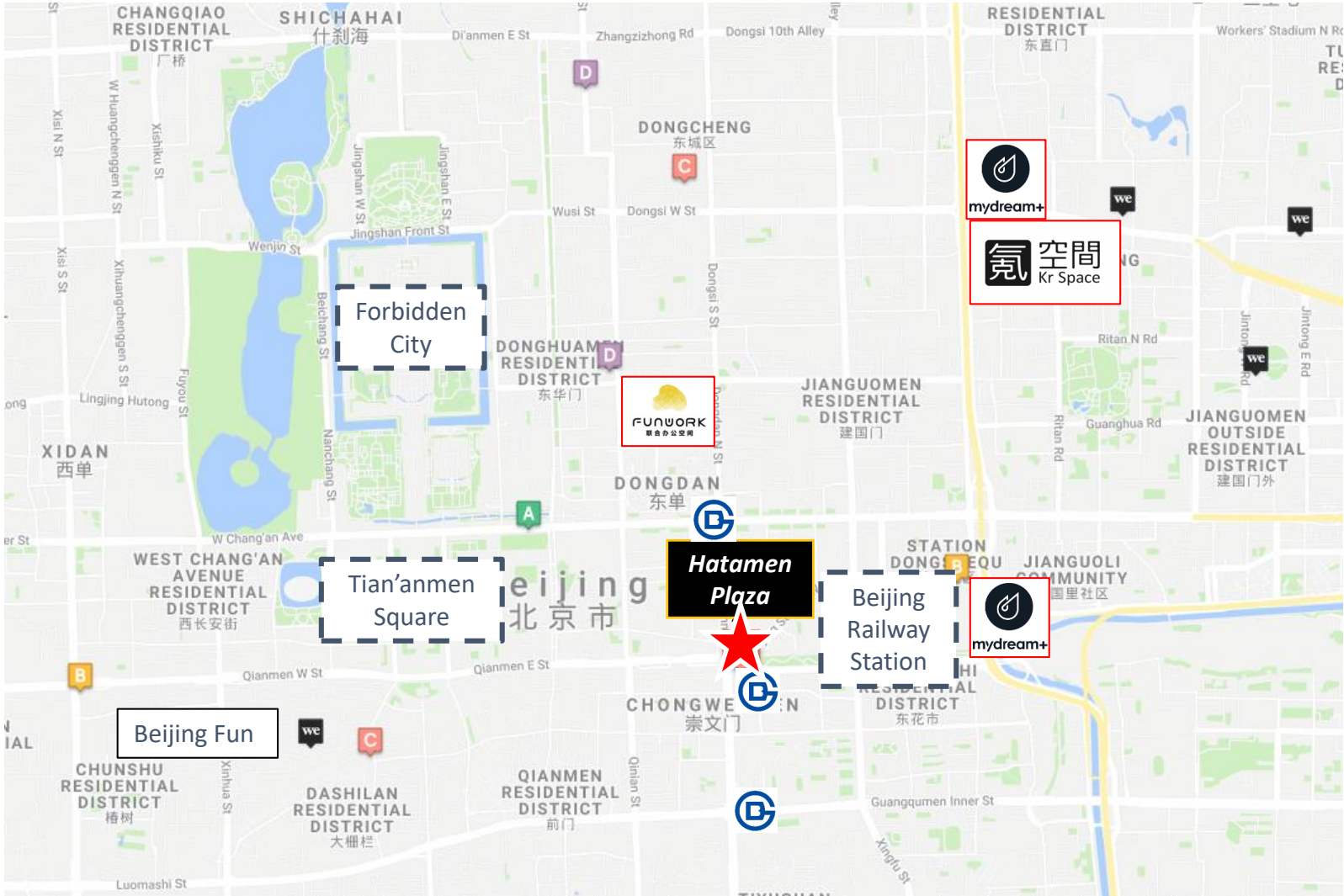
Location	Avg. Occ.	Desks (Capacity)	Avg. Price	Avg. Discount
Sanlitun	98.0%	497	\$451	4.0%
Baifu International	31.2%	945	\$543	53.3%
Beijing Fun	51.1%	266	\$585	18.6%
AVG.	53.7%	1,708	\$523	34.9%

⁽¹⁾ Limited to three most recently opened locations in market.

COWORKING PRESENCE

Company	# Locations	Proximity	Open Date	Occupancy	Price/ Desk
Funwork	1	0.7 miles	Feb. 2017	95%	\$ 267-\$ 326
Kr	1	1.3 miles	Jul. 2018	80%	\$ 297-\$ 400
My Dream Plus	2	0.3-1.8 miles	Oct. 2017	100%	\$ 326-\$ 371
Hatamen Plaza	-	-	-	-	\$561 ^(*)

^(*) Year 3 Stabilized Price. Starting at \$519.



SIGNED LOCATIONS – STAGE A, B & C ⁽²⁾

	Building/Address	Opening Date	Desks	Price/ Desk	RSF	USF	TI/RSF	Free Rent	Gross Rent/RSF
A	Air China Century	12/31/2018	1,752	\$490	113,565	92,730	N/A	6 mos.	\$43.06
B	NAGA Shangyuan	5/1/2019	655	\$581	45,926	36,040	\$53.13	7 mos.	\$61.00
C	CR Land Sihuidong	6/1/2019	1,010	\$415	81,941	52,520	N/A	6 mos.	\$38.73
	Hatamen Plaza	5/1/2019	2,040	\$561 ^(*)	127,565	106,310	N/A	6 mos.	\$52.38

^(*) Year 3 Stabilized Price. Starting at \$519.

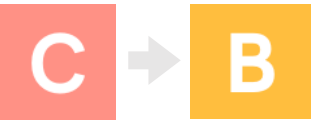
RECENT LEASE COMPS – IN BUILDING, SUBMARKET, MARKET

Building	Tenant	Date	Space SF	Rent (Net)	TI/RSF	Free Rent	Distance to Premises
Hatamen Plaza	SOG	06/2018	40,903	\$54.56	N/A	3 mos.	-
Hatamen Plaza	Ferring Pharmaceuticals	05/2018	10,764	\$54.56	N/A	3 mos.	-
Hatamen Plaza	WeWork	10/2018	127,565	\$47.23	N/A	6 mos.	-

⁽²⁾ Stage A deals limited to four deals within 3-6 months.

DEAL PARTNERS – LANDLORD, BROKER, AND ENTERPRISE OPPORTUNITIES

[USF – 106,310]
[DESK COUNT – 2,040]
[TI AMOUNT – N/A]
[LETTER OF CREDIT DOLLAR AMOUNT – N/A]
[CORPORATE GUARANTEE DOLLAR AMOUNT – N/A]



LANDLORD/OWNER:

- Description of landlord: Glory Land Company Ltd., an investment holding company principally engaged in property development. Glory Land Company is publicly listed in Hong Kong.
- Description of broker: through connection with Hony Capital.

OTHER PIPELINE TRANSACTIONS W/ LANDLORD (A, B & C STAGES)

Building/Address	Market	Lease Date	Space	LC Amount	LC (months)	CG Amount	CG (months)	TI Total	TI /RSF	Enterprise client(s)
N/A										

ENTERPRISE OPPORTUNITIES

TBD

CORPORATE GUARANTEE DOLLAR AMOUNT – N/A]

[illegible]

Office Detail & Sensitivities

Unit Mix	Offices			Desks	
	Interior	Exterior	Total	Desks	% Desks
	Hot Desks	61		61	3%
	Dedicated	-		0	0%
1-pers.	57	4	61	61	3%
2-pers.	39	10	49	98	5%
3-pers.	53	25	78	234	11%
4-pers.	50	59	109	436	21%
5-pers.	-	-	-	0	0%
6-pers.	22	86	108	648	32%
7-pers.	-	-	-	0	0%
8-pers.	5	30	35	280	14%
9-pers.	-	-	-	0	0%
10-pers.+	1	17	18	222	11%
Total	227	231	458	2,040	

Design Stage:

Gross Unit Pricing				
	Interior		Exterior	
	per Office	per Desk	per Office	per Desk
Hot Desks	\$311	\$311		
Dedicated	373	373		
1-pers.	623	623	747	747
2-pers.	1,179	589	1,415	707
3-pers.	1,680	560	2,017	672
4-pers.	1,867	467	2,241	560
5-pers.	2,255	451	2,706	541
6-pers.	2,614	436	3,136	523
7-pers.	2,941	420	3,528	504
8-pers.	3,236	404	3,884	485
9-pers.	3,641	405	4,369	485
10-pers.+				
Average		\$489		\$529

Revenue / Gross Rent

Rev / USF	Rev / Rent
\$95	1.5x
\$107	1.7x
\$119	1.9x
\$131	2.1x
\$142	2.3x

EBITDAR / Gross Rent

EBITDAR / USF	EBITDAR / Rent
\$81	1.3x
\$91	1.4x
\$101	1.6x
\$111	1.8x
\$121	1.9x

Gross Pricing / EBITDA %

Avg. LF / Mem.	Margin %
\$449.10	15%
\$505	24%
\$561	32%
\$618	38%
\$674	43%

DEAL PROFORMA (LOCAL)

[USF – 106,310]
[DESK COUNT – 2,040]
[TI AMOUNT – N/A]
[LETTER OF CREDIT DOLLAR AMOUNT – N/A]
[CORPORATE GUARANTEE DOLLAR AMOUNT – N/A]



Name/Address: **Hatamen** Location: **Beijing** Deal Lead: **Christina** Status: **C - Released without Signed Term Sheet**
All currency shown in CNY.

Building Summary	
Landlord	Glory Land Company Ltd.
Total Building RSF	645,834
Total Building Floors	13

Unit Summary	
USF - Usable Square Footage	106,310
RSF - Rentable Square Footage	127,565
Loss Factor	16.7%
% of Building	19.8%

Floors	3, 4, 5
Total Offices	458 offices
Total Desks	2,040 desks

Average PO Size	4.3
USF / Desk	52
Average Membership Fee per Desk (All)	3,500
Avg. Membership Fee per Desk (excl. HD & DD)	3,511

Key Dates	
C Release Date	October 2018
Possession Date	Dec-18
Time from C Release to Possession	1.7 mos.
Opening Date	May-19
Expected Construction Period (Poss to Open)	5.0 mos.

Deal Terms Summary	
Lease Term	10 years
Renewal Options	
Rent Determination @ Renewal	

Rent Type	NNN - Lease
Taking Full Building?	No
WW Responsible for BB Maintenance?	No

Starting Base Rent	318.53 /RSF
Expense Reimb (NNNs)	34.71 /RSF
Other Expense Placeholder	-
Additional TI Amort. Payment	-
Gross Rent (Includes NNN & TI Amort.)	353.23 /RSF
Annual Rent Esc.(or CAGR)	3.48%

Free Rent from Rent Commencement	1.0 mos
Free Rent from Possession	6.0 mos
TI Allowance + LL Credits	-
TI Loan (Amount)	-

Net Effective Rent /RSF @ 12.00%	379.99 /RSF
Net Effective Rent /USF @ 12.00%	455.96 /USF

Broker Fee	0.0%
Broker Fee to WeWork %	0.0%
Broker Fee to WeWork Total	-

Deal-Specific Underwriting Assumptions	

Stabilized P&L @ Year 3 from Opening				
Occupancy	90%			
Avg Available Desks	2,040			
Gross Price / Desk / Month	3,786			
Discounts	-3.0%			
Net Price / Desk / Month	3,672			
RevPAD / Month	3,305			
Revenues	Annual	%	/ USF	/ Desk
Membership Fees	83,406,000	98.0%	784.55	40,885
Discounts	(2,502,000)	-2.9%	(23.53)	(1,226)
Parking Revenues	-	0.0%	-	-
Service Revenues	4,170,000	4.9%	39.22	2,044
Total Revenue	85,074,000	100.0%	800.24	41,703

Operating Expenses				
Total Building Specific Exp.	-	0.0%	-	-
Payroll (6 employees)	2,008,000	2.4%	18.89	984
Cleaning	1,840,000	2.2%	17.31	902
Utilities	1,783,000	2.1%	16.77	874
Consumables	1,086,000	1.3%	10.22	532
Office Expenses	698,000	0.8%	6.57	342
Computer & Internet	1,086,000	1.3%	10.22	532
Telephone Expense	388,000	0.5%	3.65	190
Safety & Security	543,000	0.6%	5.11	266
Parking	-	0.0%	-	-
Unit Level G&A	1,706,000	2.0%	16.05	836
Other (R&M, etc.)	1,473,000	1.7%	13.86	722
Referral Fees	-	0.0%	-	-
Total Operating Expenses	12,611,000	14.8%	118.62	6,182
EBITDAR	72,463,000	85.2%	681.62	35,521

Rent Expenses				
Base Rent	40,633,000	47.8%	382.21	19,918
Expense Reimb (NNNs)	4,668,000	5.5%	43.91	2,288
Other Expense Placeholder	-	0.0%	-	-
Additional Rent - TI Amort	-	0.0%	-	-
Total Rent Expenses	45,301,000	53.2%	426.12	22,206
EBITDA	27,162,000	31.9%	255.50	13,315

Performance Metrics	
Breakeven Occupancy (Stabilized)	61.3%
Payback Period from Opening	37.2 mos.
Total TI as % of All-In Construction Cost	0%
IRR	31%

Capital & Concessions			
TI Buildout Cost	411.36	21,437	43,731,153
Base Buildout Cost	0.00	0	0
Gross Construction Cost	411.36	21,437	43,731,153
TI Allowance	0.00	0	0
Base Building Credits	0.00	0	0
TI Loan Amount	0.00	0	0
Total TI Allowance	0% of Gross	0.00	0

Free Rent from Possession	6.0 mos	191.10	9,959	20,316,257
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Total Concessions	191.10	9,959	20,316,257
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Net Constr. Cost to WW	100% of Gross	411.36	21,437	43,731,153
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Lease Security Schedule (Months of Gross Rent)					
	LC		CG		Total as % of Concessions
	Months	Total (M)	Months	Total (M)	
Year 1	-	-	-	-	-
Year 2	-	-	-	-	-
Year 3	-	-	-	-	-
Year 4	-	-	-	-	-
Year 5	-	-	-	-	-
Year 6	-	-	-	-	-
Year 7	-	-	-	-	-
Year 8	-	-	-	-	-
Year 9	-	-	-	-	-
Year 10	-	-	-	-	-
Year 11	-	-	-	-	-
Year 12	-	-	-	-	-
Year 13	-	-	-	-	-
Year 14	-	-	-	-	-

¹B/S utilization represents 100% of the outstanding LC and 35% of the outstanding CG

Cash Deposit of 11,264,981 paid back in year 10.

NPV Waterfall (Before Taxes)					
	LEASE TERM		10-YEAR TERM		Disc. Rate
	Total	/ USF	Total	/ USF	
EBITDAR less Reserve	390,290,000	3,671	376,663,000	3,543	12.00%
Gross Rent	(273,882,000)	(2,576)	(264,958,000)	(2,492)	12.00%
Mgmt Fees - Tier 2 & Profit Share (India)	0	0	0	0	12.00%
EBITDA	116,408,000	1,095	111,706,000	1,051	
Cost of Letter of Credit	0	0	0	0	12.00%
Cost of SPE	0	0	0	0	12.00%
Cash TI	(42,196,000)	(397)	(42,196,000)	(397)	12.00%
Brokerage Fees	0	0	0	0	12.00%
Stamp Duty (UK Only)	0	0	0	0	
Gross NPV	74,212,000	698	69,509,000	654	
Country Risk (2.00% Risk Premium)	(37,967,000)	(357)	(35,397,000)	(333)	12.00%
Corporate Overhead					
Security B/S Utilization	(15,446,000)	(145)	(18,464,000)	(174)	12.00%
Adjusted NPV	20,798,000	196	15,649,000	147	

Financial Metrics					
Profitability Measures	LEASE TERM		10-YEAR TERM		Benchmark
	Total	/ USF	Total	/ USF	
Gross NPV	74,212,000	698	69,509,000	654	
Adjusted NPV	20,798,000	196	15,649,000	147	
Whole Dollar Profit	262,322,000	2,468			
WW Mgmt Fees & Profit Share - NPV	N/A				India Only
WW Mgmt Fees & Profit Share - Year 3	N/A				India Only
Returns on Capital		Year 1	Year 2	Year 3	
Cash on Cash Return		-11%	47%	62%	
Coverage		Year 1	Year 2	Year 3	
Rent Coverage (EBITDAR / Rent)		0.9x	1.5x	1.6x	
Revenue / Gross Rent		1.2x	1.7x	1.9x	> 2.0x
Leverage		9.0x	4.5x	3.5x	> 2.3x
Total B/S Utilization		333,226,000	293,395,000	255,892,000	< 3.5x
Owner Metrics		Total	/ RSF		
Total Concessions		3,386,000	26.54	IRR / IRR with Res. Value @ 6.0% cap	
NPV @ 8.00%		302,060,000	2367.90	Payback Period from Opening	
				#NUM!	
				0.0 mos.	

Office Detail & Sensitivities

Design Stage:

Test Fit

Unit Mix	Offices			Desks	
	Interior	Exterior	Total	Desks	% Desks
Hot Desks	61			61	3%
Dedicated	-			0	0%
1-pers.	57	4	61	61	3%
2-pers.	39	10	49	98	5%
3-pers.	53	25	78	234	11%
4-pers.	50	59	109	436	21%
5-pers.	-	-	-	0	0%
6-pers.	22	86	108	648	32%
7-pers.	-	-	-	0	0%
8-pers.	5	30	35	280	14%
9-pers.	-	-	-	0	0%
10-pers.+	1	17	18	222	11%
Total	227	231	458	2,040	

Gross Unit Pricing			
	Interior		Exterior
	per Office	per Desk	per Office
Hot Desks	2,098	2,098	
Dedicated	2,518	2,518	
1-pers.	4,200	4,200	5,040
2-pers.	7,950	3,975	9,540
3-pers.	11,330	3,777	13,600
4-pers.	12,590	3,148	15,110
5-pers.	15,210	3,042	18,250
6-pers.	17,630	2,938	21,150
7-pers.	19,830	2,833	23,790
8-pers.	21,820	2,728	26,190
9-pers.	24,550	2,728	29,460
10-pers.+			
Average	3,298		3,566

Revenue / Gross Rent	
Rev / USF	Rev / Rent
640	1.5x
720	1.7x
800	1.9x
880	2.1x
960	2.3x

EBITDAR / Gross Rent	
EBITDAR / USF	EBITDAR / Rent
545	1.3x
613	1.4x
682	1.6x
750	1.8x
818	1.9x

Gross Pricing / EBITDA %		
Avg. LF / Mem.	Margin %	
3,029	15%	
3,407	24%	
3,786	32%	
4,164	38%	
4,543	43%	

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DEAL 3 YEAR P&L AND UNDERWRITING ASSUMPTIONS (USD)

[USF – 106,310]
[DESK COUNT – 2,040]
[TI AMOUNT – N/A]
[LETTER OF CREDIT DOLLAR AMOUNT – N/A]
[CORPORATE GUARANTEE DOLLAR AMOUNT – N/A]



FiMo Version: 3.4 October 19, 2018



Name/Address: **Hatamen** Location: **Beijing** Deal Lead: **Christina** Status: **C - Released without Signed Term Sheet**

All currency shown in USD. Converted at a rate of 0.1483 USD per 1 CNY.

Projected P&L from Opening					Year 1				Year 2				Year 3			
Occupancy	63%								90%				90%			
Avg Available Desks	2,040								2,040				2,040			
Gross Price / Desk / Month	\$519								\$540				\$561			
Discounts	-15.0%								-8.0%				-3.0%			
Net Price / Desk / Month	\$441								\$497				\$545			
RevPAD / Month	\$278								\$447				\$490			
Revenues	Annual	%	/ USF	/ Desk	Annual	%	/ USF	/ Desk	Annual	%	/ USF	/ Desk	Annual	%	/ USF	/ Desk
Membership Fees	\$7,994,000	111.1%	\$75.20	\$3,919	\$11,893,000	103.1%	\$111.87	\$5,830	\$12,368,000	98.0%	\$116.34	\$6,063				
Discounts	(1,199,000)	-16.7%	(11.28)	(588)	(951,000)	-8.2%	(8.95)	(466)	(371,000)	-2.9%	(3.49)	(182)				
Parking Revenues	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Service Revenues	400,000	5.6%	3.76	196	595,000	5.2%	5.60	292	618,000	4.9%	5.81	303				
Total Revenue	\$7,195,000	100.0%	\$67.68	\$3,527	\$11,537,000	100.0%	\$108.52	\$5,655	\$12,615,000	100.0%	\$118.66	\$6,184				
Operating Expenses																
Total Building Specific Exp.	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Payroll (6 employees)	\$275,000	3.8%	2.59	\$135	\$286,000	2.5%	2.69	\$140	\$298,000	2.4%	2.80	\$146				
Cleaning	252,000	3.5%	2.37	124	262,000	2.3%	2.46	128	273,000	2.2%	2.57	134				
Utilities	245,000	3.4%	2.30	120	254,000	2.2%	2.39	125	264,000	2.1%	2.48	129				
Consumables	149,000	2.1%	1.40	73	155,000	1.3%	1.46	76	161,000	1.3%	1.51	79				
Office Expenses	96,000	1.3%	0.90	47	100,000	0.9%	0.94	49	103,000	0.8%	0.97	50				
Computer & Internet	149,000	2.1%	1.40	73	155,000	1.3%	1.46	76	161,000	1.3%	1.51	79				
Telephone Expense	53,000	0.7%	0.50	26	55,000	0.5%	0.52	27	57,000	0.5%	0.54	28				
Safety & Security	74,000	1.0%	0.70	36	77,000	0.7%	0.72	38	80,000	0.6%	0.75	39				
Parking	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Unit Level G&A	234,000	3.3%	2.20	115	243,000	2.1%	2.29	119	253,000	2.0%	2.38	124				
Other (R&M, etc.)	202,000	2.8%	1.90	99	210,000	1.8%	1.98	103	218,000	1.7%	2.05	107				
Referral Fees	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Total Operating Expenses	\$1,729,000	24.0%	\$16.26	\$848	\$1,797,000	15.6%	\$16.90	\$881	\$1,868,000	14.8%	\$17.57	\$916				
EBITDAR	\$5,466,000	76.0%	\$51.42	\$2,679	\$9,740,000	84.4%	\$91.62	\$4,775	\$10,747,000	85.2%	\$101.09	\$5,268				
Rent Expenses																
Base Rent	\$6,025,000	83.7%	\$56.67	\$2,953	\$6,025,000	52.2%	\$56.67	\$2,953	\$6,025,000	47.8%	\$56.67	\$2,953				
Expense Reimb (NNNs)	657,000	9.1%	6.18	322	674,000	5.8%	6.34	330	692,000	5.5%	6.51	339				
Other Expense Placeholder	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Additional Rent - TI Amort	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Total Rent Expenses	\$6,682,000	92.9%	\$62.85	\$3,275	\$6,699,000	58.1%	\$63.01	\$3,284	\$6,717,000	53.2%	\$63.18	\$3,293				
EBITDA Before Free Rent	(\$1,216,000)	(16.9%)	(\$11.44)	(\$596)	\$3,041,000	26.4%	\$28.61	\$1,491	\$4,030,000	31.9%	\$37.91	\$1,975				
Free Rent	(502,000)	(7.0%)	(4.72)	(246)	0	-	0.00	0	0	-	0.00	0				
EBITDA After Free Rent	(\$714,000)	(9.9%)	(\$6.72)	(\$350)	\$3,041,000	26.4%	\$28.61	\$1,491	\$4,030,000	31.9%	\$37.91	\$1,975				
Reserve for Replacement	144,000	2.0%	1.35	71	231,000	2.0%	2.17	113	252,000	2.0%	2.37	124				
EBITDA less Reserve	(\$858,000)	-11.9%	-\$8.07	-\$421	\$2,810,000	24.4%	\$26.43	\$1,377	\$3,778,000	29.9%	\$35.54	\$1,852				

Assumptions Summary		
Stabilized Occupancy	90%	
Ramp Up Type	Fast - Stabilized in Year 2	
Avg. Annual Rent Escalation	3.48%	
Annual Revenue Escalation	4.00%	
Annual OpEx & NNN Escalation	4.00%	
FX Rate - Loca / \$	0.148290397	
Expense Reimb (NNNs) Detail	i.e. CAM, insurance, property tax, management fees	
Average Discounts		
	% of LF	Net LF / Desk
Year 1	15.00%	\$441
Year 2	8.00%	\$497
Year 3 / Stabilized	3.00%	\$545

Rent Schedule Detail (per RSF)			
Period	Base Rent	Months Free	Cash Base Rent
Year 1	\$47.23	1.0 mos.	\$43.30
Year 2	\$47.23	-	\$47.23
Year 3	\$47.23	-	\$47.23
Year 4	\$51.01	-	\$51.01
Year 5	\$51.01	-	\$51.01
Year 6	\$55.09	-	\$55.09
Year 7	\$55.09	-	\$55.09
Year 8	\$59.50	-	\$59.50
Year 9	\$59.50	-	\$59.50
Year 10	\$64.26	-	\$64.26
Year 11	\$64.26	-	\$64.26
Year 12	-	-	-
Year 13	-	-	-
Year 14	-	-	-
Year 15	-	-	-

Rent Escalation: 3.48% Annual Esc.

Reserve for Replacement Detail	
% of Net Revenue	2.00%
Total Over Lease Term	\$2,727,209
Total / USF	\$25.65

Phasing / Summary			
	Possession	Opening	Desks
Est. Initial Phase	Dec-18	May-19	2,040
Est. Last Phase	-	-	0
Other Phases			0
Total Desks			2,040

Phasing / Floor Detail			
Floor	Possession	Opening	Desks
Floor 3	Dec-18	May-19	675
Floor 4	Dec-18	May-19	684
Floor 5	Dec-18	May-19	681
			-
			-
			-
			-
			-
			-
			-

Office Detail & Sensitivities Design Stage: Test Fit

Unit Mix				Offices		Desks		
	Interior	Exterior	Total	Desks	% Desks			
Hot Desks	61			61	3%			
Dedicated	-			0	0%			
1-pers.	57	4	61	61	3%			
2-pers.	39	10	49	98	5%			
3-pers.	53	25	78	234	11%			
4-pers.	50	59	109	436	21%			
5-pers.	-	-	-	0	0%			
6-pers.	22	86	108	648	32%			
7-pers.	-	-	-	0	0%			
8-pers.	5	30	35	280	14%			
9-pers.	-	-	-	0	0%			
10-pers.+	1	17	18	222	11%			
Total	227	231	458	2,040				

Gross Unit Pricing				
	Interior		Exterior	
	per Office	per Desk	per Office	per Desk
Hot Desks	\$311	\$311		
Dedicated	373	373		
1-pers.	623	623	747	747
2-pers.	1,179	589	1,415	707
3-pers.	1,680	560	2,017	672
4-pers.	1,867	467	2,241	560
5-pers.	2,255	451	2,706	541
6-pers.	2,614	436	3,136	523
7-pers.	2,941	420	3,528	504
8-pers.	3,236	404	3,884	485
9-pers.	3,641	405	4,369	485
10-pers.+				
Average	\$489		\$529	

File Name: 20181012-HATAMEN-FiMo v3.4.xlsm



DEAL 3 YEAR P&L AND UNDERWRITING ASSUMPTIONS (LOCAL)

[USF – 106,310]
[DESK COUNT – 2,040]
[TI AMOUNT – N/A]
[LETTER OF CREDIT DOLLAR AMOUNT – N/A]
[CORPORATE GUARANTEE DOLLAR AMOUNT – N/A]



FiMo Version: 3.4 October 19, 2018



Name/Address: **Hatamen** Location: **Beijing** Deal Lead: **Christina** Status: **C - Released without Signed Term Sheet**

All currency shown in CNY.

Projected P&L from Opening					Year 1				Year 2				Year 3			
Occupancy	63%								90%				90%			
Avg Available Desks	2,040								2,040				2,040			
Gross Price / Desk / Month	3,500								3,640				3,786			
Discounts	-15.0%								-8.0%				-3.0%			
Net Price / Desk / Month	2,975								3,349				3,672			
RevPAD / Month	1,872								3,014				3,305			
Revenues	Annual	%	/ USF	/ Desk	Annual	%	/ USF	/ Desk	Annual	%	/ USF	/ Desk	Annual	%	/ USF	/ Desk
Membership Fees	53,908,000	111.1%	507.08	26,425	80,198,000	103.1%	754.38	39,313	83,406,000	98.0%	784.55	40,885				
Discounts	(8,086,000)	-16.7%	(76.06)	(3,964)	(6,416,000)	-8.2%	(60.35)	(3,145)	(2,502,000)	-2.9%	(23.53)	(1,226)				
Parking Revenues	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Service Revenues	2,695,000	5.6%	25.35	1,321	4,010,000	5.2%	37.72	1,966	4,170,000	4.9%	39.22	2,044				
Total Revenue	48,517,000	100.0%	456.37	23,783	77,792,000	100.0%	731.75	38,133	85,074,000	100.0%	800.24	41,703				
Operating Expenses																
Total Building Specific Exp.	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Payroll (6 employees)	1,857,000	3.8%	17.47	910	1,931,000	2.5%	18.16	947	2,008,000	2.4%	18.89	984				
Cleaning	1,701,000	3.5%	16.00	834	1,769,000	2.3%	16.64	867	1,840,000	2.2%	17.31	902				
Utilities	1,649,000	3.4%	15.51	808	1,715,000	2.2%	16.13	841	1,783,000	2.1%	16.77	874				
Consumables	1,004,000	2.1%	9.44	492	1,044,000	1.3%	9.82	512	1,086,000	1.3%	10.22	532				
Office Expenses	645,000	1.3%	6.07	316	671,000	0.9%	6.31	329	698,000	0.8%	6.57	342				
Computer & Internet	1,004,000	2.1%	9.44	492	1,044,000	1.3%	9.82	512	1,086,000	1.3%	10.22	532				
Telephone Expense	358,000	0.7%	3.37	175	373,000	0.5%	3.51	183	388,000	0.5%	3.65	190				
Safety & Security	502,000	1.0%	4.72	246	522,000	0.7%	4.91	256	543,000	0.6%	5.11	266				
Parking	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Unit Level G&A	1,577,000	3.3%	14.83	773	1,640,000	2.1%	15.43	804	1,706,000	2.0%	16.05	836				
Other (R&M, etc.)	1,362,000	2.8%	12.81	668	1,417,000	1.8%	13.33	695	1,473,000	1.7%	13.86	722				
Referral Fees	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Total Operating Expenses	11,659,000	24.0%	109.67	5,715	12,126,000	15.6%	114.06	5,944	12,611,000	14.8%	118.62	6,182				
EBITDAR	36,858,000	76.0%	346.70	18,068	65,666,000	84.4%	617.68	32,189	72,463,000	85.2%	681.62	35,521				
Rent Expenses																
Base Rent	40,633,000	83.8%	382.21	19,918	40,633,000	52.2%	382.21	19,918	40,633,000	47.8%	382.21	19,918				
Expense Reimb (NNNs)	4,427,000	9.1%	41.64	2,170	4,545,000	5.8%	42.75	2,228	4,668,000	5.5%	43.91	2,288				
Other Expense Placeholder	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Additional Rent - TI Amort	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-				
Total Rent Expenses	45,060,000	92.9%	423.85	22,088	45,178,000	58.1%	424.96	22,146	45,301,000	53.2%	426.12	22,206				
EBITDA Before Free Rent	(8,202,000)	(16.9%)	(77.15)	(4,021)	20,488,000	26.3%	192.72	10,043	27,162,000	31.9%	255.50	13,315				
Free Rent	(3,386,000)	(7.0%)	(31.85)	(1,660)	0	-	0.00	0	0	-	0.00	0				
EBITDA After Free Rent	-4,816,000	(9.9%)	(45.30)	(2,361)	20,488,000	26.3%	192.72	10,043	27,162,000	31.9%	255.50	13,315				
Reserve for Replacement	970,000	2.0%	9.12	475	1,556,000	2.0%	14.64	763	1,701,000	2.0%	16.00	834				
EBITDA less Reserve	-5,786,000	-11.9%	-54.43	-2,836	18,932,000	24.3%	178.08	9,280	25,461,000	29.9%	239.50	12,481				

Assumptions Summary		
Stabilized Occupancy	90%	
Ramp Up Type	Fast - Stabilized in Year 2	
Avg. Annual Rent Escalation	3.48%	
Annual Revenue Escalation	4.00%	
Annual OpEx & NNN Escalation	4.00%	
FX Rate - Loca / \$	0.148290397	
Expense Reimb (NNNs) Detail	i.e. CAM, insurance, property tax, management fees	
Average Discounts	% of LF	Net LF / Desk
Year 1	15.00%	2,975
Year 2	8.00%	3,349
Year 3 / Stabilized	3.00%	3,672

Rent Schedule Detail (per RSF)			
Period	Base Rent	Months Free	Cash Base Rent
Year 1	318.53	1.0 mos.	291.98
Year 2	318.53	-	318.53
Year 3	318.53	-	318.53
Year 4	344.01	-	344.01
Year 5	344.01	-	344.01
Year 6	371.53	-	371.53
Year 7	371.53	-	371.53
Year 8	401.25	-	401.25
Year 9	401.25	-	401.25
Year 10	433.35	-	433.35
Year 11	433.35	-	433.35
Year 12	-	-	-
Year 13	-	-	-
Year 14	-	-	-
Year 15	-	-	-

Rent Escalation: 3.48% Annual Esc.

Reserve for Replacement Detail	
% of Net Revenue	2.00%
Total Over Lease Term	18,391,000
Total / USF	172.99

Phasing / Summary			
	Possession	Opening	Desks
Est. Initial Phase	Dec-18	May-19	2,040
Est. Last Phase	-	-	0
Other Phases			0
Total Desks			2,040

Phasing / Floor Detail			
Floor	Possession	Opening	Desks
Floor 3	Dec-18	May-19	675
Floor 4	Dec-18	May-19	684
Floor 5	Dec-18	May-19	681

Office Detail & Sensitivities

Design Stage: **Test Fit**

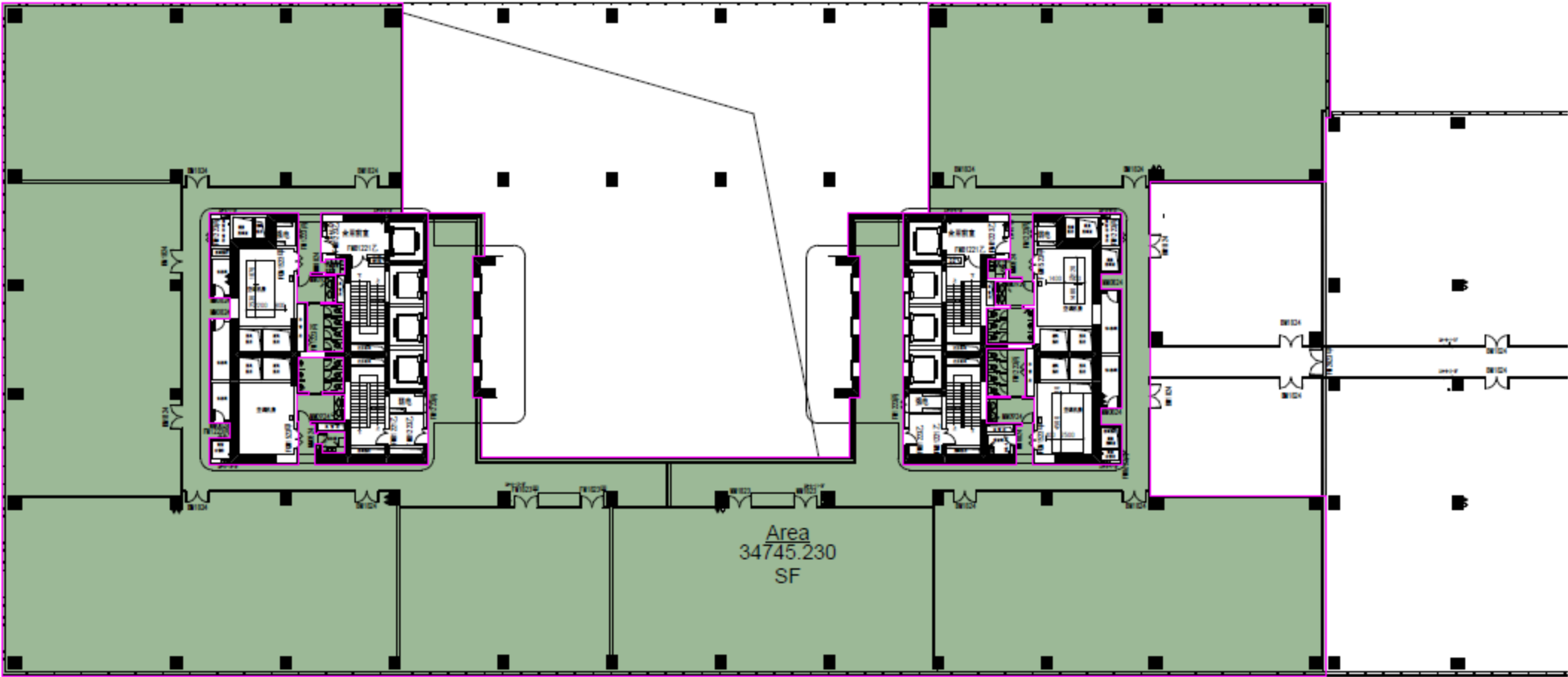
Unit Mix	Offices			Desks	
	Interior	Exterior	Total	Desks	% Desks
Hot Desks	61	-	61	61	3%
Dedicated	-	-	-	0	0%
1-pers.	57	4	61	61	3%
2-pers.	39	10	49	98	5%
3-pers.	53	25	78	234	11%
4-pers.	50	59	109	436	21%
5-pers.	-	-	-	0	0%
6-pers.	22	86	108	648	32%
7-pers.	-	-	-	0	0%
8-pers.	5	30	35	280	14%
9-pers.	-	-	-	0	0%
10-pers.+	1	17	18	222	11%
Total	227	231	458	2,040	

Gross Unit Pricing			
	Interior		Exterior
	per Office	per Desk	per Office
Hot Desks	2,098	2,098	
Dedicated	2,518	2,518	
1-pers.	4,200	4,200	5,040
2-pers.	7,950	3,975	9,540
3-pers.	11,330	3,777	13,600
4-pers.	12,590	3,148	15,110
5-pers.	15,210	3,042	18,250
6-pers.	17,630	2,938	21,150
7-pers.	19,830	2,833	23,790
8-pers.	21,820	2,728	26,190
9-pers.	24,550	2,728	29,460
10-pers.+			
Average		3,298	3,566

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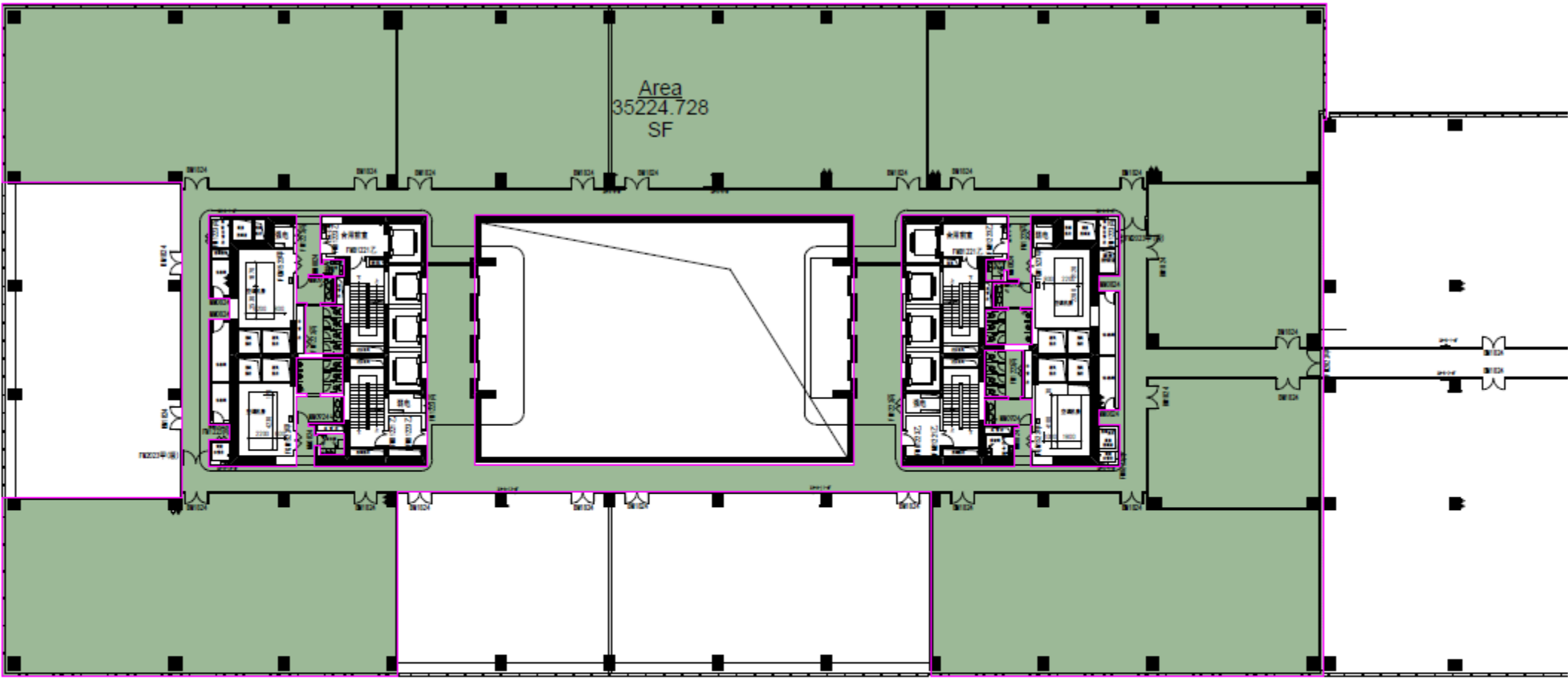


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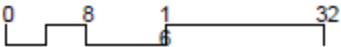


CONFIDENTIAL
L204
USF AREA
3TH FLOOR
Hatamen Plaza

TESTFIT – [4th FLOOR]

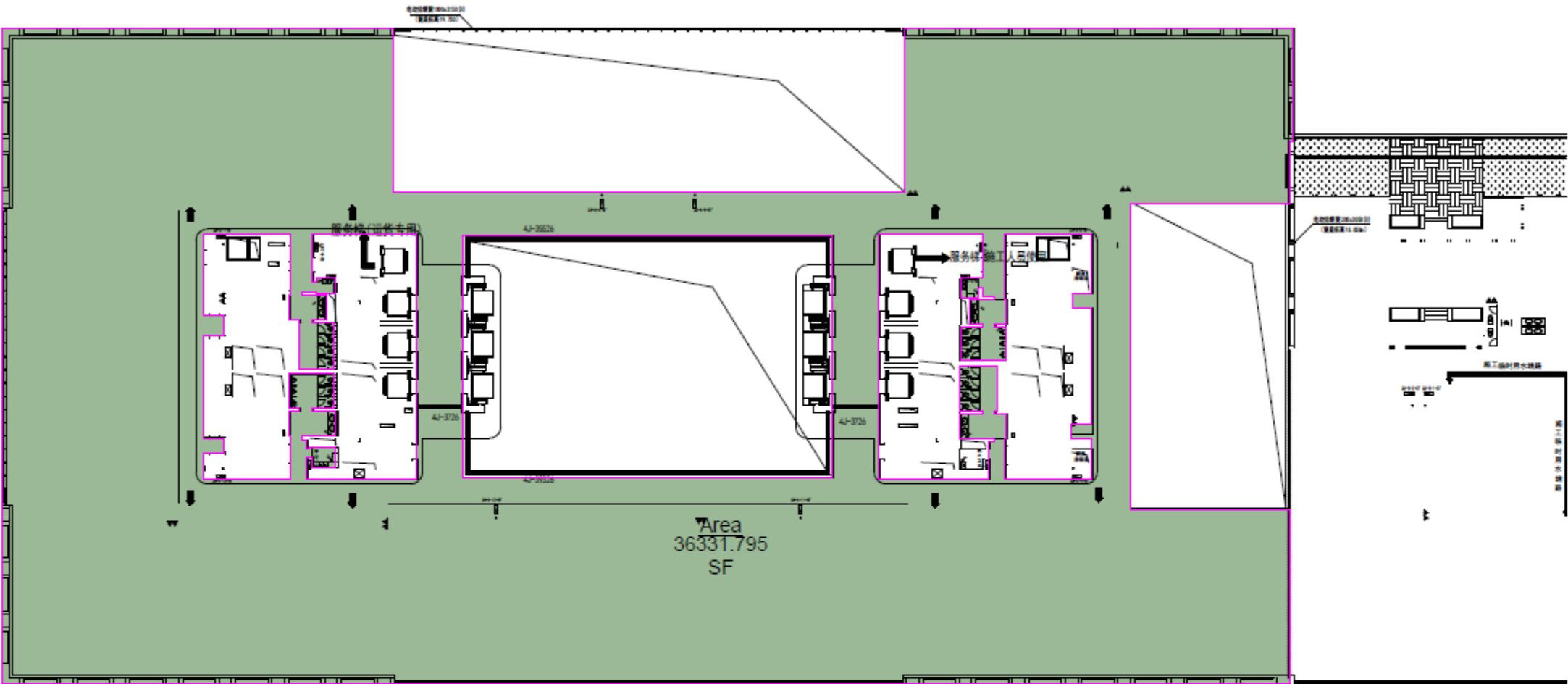


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CONFIDENTIAL
L202
USF AREA
4TH FLOOR
Hatamen Plaza

TESTFIT – [5th FLOOR]



CONFIDENTIAL
L201

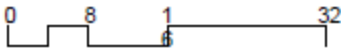
**USF AREA
5TH FLOOR**

Hatamen Plaza

CONFIDENTIAL DEAL MEMO – [OCTOBER 22, 2018]

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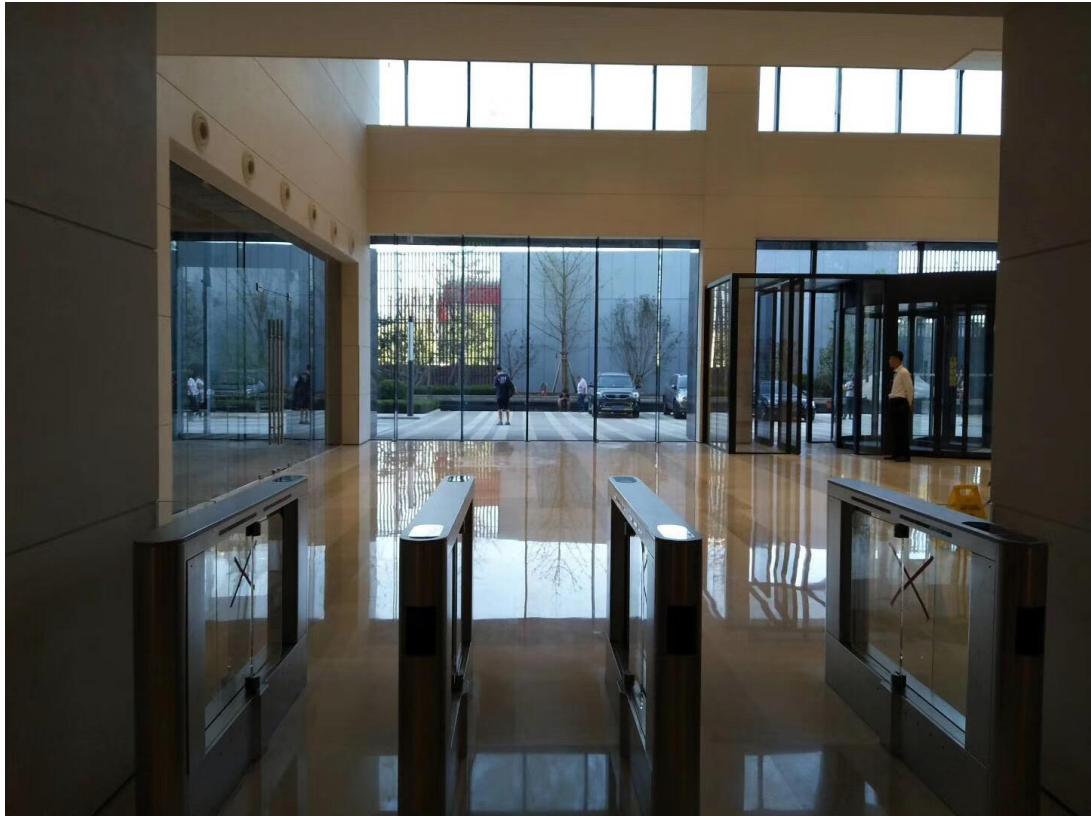
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BUILDING RENDERINGS & STREETSCAPES



INTERIOR BUILDING PHOTOS



DEAL MAPS

[USF – 106,310]

[DESK COUNT – 2,040]

[TI AMOUNT – N/A]

[LETTER OF CREDIT DOLLAR AMOUNT – N/A]

[CORPORATE GUARANTEE DOLLAR AMOUNT – N/A]

