

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 2, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 001-40605

Membership Collective Group Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

**180 Strand
London, WC2R 1EA
United Kingdom**
(Address of principal executive offices)

86-3664553
(I.R.S. Employer
Identification No.)

WC2R 1EA
(Zip Code)

Registrant's telephone number, including area code: +44 (0) 207 8512 300

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.01 per share	MCG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 14, 2022, the registrant had 197,581,922 shares outstanding, comprised of 56,081,537 Class A common stock, \$0.01 par value per share, outstanding and 141,500,385 shares of Class B common stock, \$0.01 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) that are based on our beliefs and assumptions and on information currently available to us. Forward-looking statements include information concerning our possible or assumed future results of operations and expenses, business strategies and plans, trends, market sizing, competitive position, industry environment, potential growth opportunities and product capabilities, among other things. Forward-looking statements include all statements that are not historical facts and, in some cases, can be identified by terms such as “aim,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “goal,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “strive,” “will,” “would,” or similar expressions and the negatives of those terms.

As used in this report, any reference to ‘Membership Collective Group,’ ‘MCG,’ ‘our company,’ ‘the company,’ ‘us,’ ‘we’ and ‘our’ refers to: (i) if prior to the exchange of equity interests by equity holders in Soho House Holdings Limited for shares of Class A common stock or Class B common stock (as applicable) in Membership Collective Group Inc. as described in this report, to Soho House Holdings Limited and its consolidated subsidiaries, and (ii) if following such exchange, to Membership Collective Group Inc., together with its consolidated subsidiaries.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including those described in “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and elsewhere in this report. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements.

Membership Collective Group Inc.
Condensed Consolidated Balance Sheets
As of October 2, 2022 (Unaudited) and January 2, 2022

(in thousands, except for par value and share data)	As of	
	October 2, 2022	January 2, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 227,896	\$ 212,833
Restricted cash	7,205	7,829
Accounts receivable, net	32,285	19,338
Inventories	37,445	29,697
Prepaid expenses and other current assets	81,113	57,004
Total current assets	385,944	326,701
Property and equipment, net	627,046	684,961
Operating lease assets	1,016,262	996,991
Goodwill	187,417	214,257
Other intangible assets, net	121,700	132,158
Equity method investments	20,870	23,621
Deferred tax assets	460	446
Other non-current assets	5,392	2,348
Total non-current assets	1,979,147	2,054,782
Total assets	\$ 2,365,091	\$ 2,381,483
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 69,893	\$ 71,497
Accrued liabilities	65,896	63,127
Current portion of deferred revenue	90,673	76,866
Indirect and employee taxes payable	33,467	25,289
Current portion of debt, net of debt issuance costs	897	6,923
Current portion of related party loans	21,663	21,661
Current portion of operating lease liabilities—sites trading less than one year	3,057	842
Current portion of operating lease liabilities—sites trading more than one year	32,725	34,513
Other current liabilities	37,286	29,045
Total current liabilities	355,557	329,763
Debt, net of current portion and debt issuance costs	559,169	459,343
Property mortgage loans, net of debt issuance costs	116,012	115,122
Operating lease liabilities, net of current portion - sites trading less than one year	197,983	174,469
Operating lease liabilities, net of current portion - sites trading more than one year	940,364	941,861
Finance lease liabilities	70,742	72,582
Financing obligation	76,123	75,802
Deferred revenue, net of current portion	26,787	27,518
Deferred tax liabilities	2,546	1,856
Other non-current liabilities	236	975
Total non-current liabilities	1,989,962	1,869,528
Total liabilities	2,345,519	2,199,291
Commitments and contingencies (Note 16)		

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Membership Collective Group Inc.
Condensed Consolidated Balance Sheets
As of October 2, 2022 (Unaudited) and January 2, 2022

<i>(in thousands, except for par value and share data)</i>	As of	
	October 2, 2022	January 2, 2022
Shareholders' equity		
Class A common stock, \$0.01 par value, 1,000,000,000 shares authorized, 62,039,025 shares issued and 57,097,465 outstanding as of October 2, 2022 and 61,029,730 issued and outstanding as of January 2, 2022; Class B common stock, \$0.01 par value, 500,000,000 shares authorized, 141,500,385 shares issued and outstanding as of October 2, 2022 and January 2, 2022	2,025	2,025
Additional paid-in capital	1,205,756	1,189,044
Accumulated deficit	(1,255,938)	(1,021,832)
Accumulated other comprehensive income	97,819	6,897
Treasury stock, at cost; 4,941,560 shares as of October 2, 2022	(34,802)	—
Total shareholders' equity attributable to Membership Collective Group Inc.	14,860	176,134
Noncontrolling interest	4,712	6,058
Total shareholders' equity	19,572	182,192
Total liabilities and shareholders' equity	<u>\$ 2,365,091</u>	<u>\$ 2,381,483</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Membership Collective Group Inc.
Condensed Consolidated Statements of Operations (Unaudited)
For the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021

(in thousands except for per share data)	For the 13 Weeks Ended		For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Revenues				
Membership revenues	\$ 71,023	\$ 51,162	\$ 195,685	\$ 136,518
In-House revenues	108,488	66,859	305,928	128,911
Other revenues	86,535	61,538	200,211	110,610
Total revenues	266,046	179,559	701,824	376,039
Operating expenses				
In-House operating expenses (exclusive of depreciation and amortization of \$14,700 and \$13,701 for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and of \$42,551 and \$40,391 for the 39 weeks ended October 2, 2022 and October 3, 2021)	(139,212)	(89,340)	(380,880)	(205,579)
Other operating expenses (exclusive of depreciation and amortization of \$12,271 and \$3,605 for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and of \$29,939 and \$16,665 for the 39 weeks ended October 2, 2022 and October 3, 2021)	(74,482)	(54,379)	(184,873)	(123,257)
General and administrative expenses	(30,807)	(24,369)	(86,740)	(60,374)
Pre-opening expenses	(2,555)	(4,672)	(10,328)	(15,990)
Depreciation and amortization	(26,971)	(21,500)	(72,490)	(61,250)
Share-based compensation	(7,778)	(15,281)	(19,855)	(19,958)
Foreign exchange loss, net	(53,910)	(14,599)	(128,160)	(30,521)
Other	(912)	(8,863)	(1,989)	(22,974)
Total operating expenses	(336,627)	(233,003)	(885,315)	(539,903)
Operating loss	(70,581)	(53,444)	(183,491)	(163,864)
Other (expense) income				
Interest expense, net	(18,453)	(20,827)	(52,948)	(67,449)
(Loss) Gain on sale of property and other, net	(12)	(31)	1,529	6,872
Share of income of equity method investments	686	949	2,426	123
Total other expense, net	(17,779)	(19,909)	(48,993)	(60,454)
Loss before income taxes	(88,360)	(73,353)	(232,484)	(224,318)
Income tax expense	(3,013)	(2,868)	(3,070)	(2,048)
Net loss	(91,373)	(76,221)	(235,554)	(226,366)
Net (income) loss attributable to noncontrolling interests	(295)	(806)	1,448	2,873
Net loss attributable to Membership Collective Group Inc.	\$ (91,668)	\$ (77,027)	\$ (234,106)	\$ (223,493)
Net loss per share attributable to Class A and Class B common stock				
Basic and diluted (Note 15)	\$ (0.46)	\$ (0.72)	\$ (1.16)	\$ (1.73)
Weighted average shares outstanding:				
Basic and diluted (Note 15)	199,391	194,016	201,021	164,209

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Membership Collective Group Inc.
Condensed Consolidated Statements of Comprehensive Loss (Unaudited)
For the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021

<i>(in thousands)</i>	For the 13 Weeks Ended		For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Net loss	\$ (91,373)	\$ (76,221)	\$ (235,554)	\$ (226,366)
Other comprehensive income				
Foreign currency translation adjustment	41,346	12,325	89,911	26,924
Comprehensive loss	(50,027)	(63,896)	(145,643)	(199,442)
(Income) loss attributable to noncontrolling interest	(295)	(806)	1,448	2,873
Foreign currency translation adjustment attributable to noncontrolling interest	591	123	1,011	8
Total comprehensive loss attributable to Membership Collective Group Inc.	\$ (49,731)	\$ (64,579)	\$ (143,184)	\$ (196,561)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Membership Collective Group Inc.
Condensed Consolidated Statements of Changes in Redeemable Shares and Shareholders' (Deficit) / Equity (Unaudited)
For the 13 weeks and 39 weeks ended October 3, 2021

	Soho House Holdings Limited Redeemable Preferred Shares	Soho House Holdings Limited Redeemable C Ordinary Shares	Soho House Holdings Limited Ordinary Shares	Membership Collective Group Inc. Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Deficit Attributable to Soho House Holdings Limited	Noncontrolling Interest	Total Shareholders' Deficit
(in thousands except for share data)										
As of January 3, 2021	\$ 14,700	\$ 160,405	\$ 265,181	\$ —	\$ 72,755	\$ (757,103)	\$ (13,257)	\$ (432,424)	\$ 58,431	\$ (373,993)
Net loss	—	—	—	—	—	(90,479)	—	(90,479)	(2,558)	(93,037)
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(19)	(19)
Contributions from noncontrolling interest	—	—	—	—	—	—	—	—	644	644
Issuance of SHHL senior convertible preference shares (Note 14)	175,000	—	—	—	—	—	—	—	—	—
Senior convertible preference shares issuance costs	(13,426)	—	—	—	—	—	—	—	—	—
Proceeds from issuance of SHHL redeemable C ordinary shares (Note 14)	—	47,000	—	—	—	—	—	—	—	—
Share-based compensation (Note 13)	—	—	—	—	2,129	—	—	2,129	—	2,129
Net change in cumulative translation adjustment	—	—	—	—	—	—	15,965	15,965	44	16,009
As of April 4, 2021	\$ 176,274	\$ 207,405	\$ 265,181	\$ —	\$ 74,884	\$ (847,582)	\$ 2,708	\$ (504,809)	\$ 56,542	\$ (448,267)
Net loss	—	—	—	—	—	(55,987)	—	(55,987)	(1,121)	(57,108)
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(114)	(114)
Non-cash dividends on senior convertible preference shares	4,177	—	—	—	(4,177)	—	—	(4,177)	—	(4,177)
SHHL C2 ordinary shares issued in connection with the Cipura Acquisition	—	—	905	—	7,795	—	—	8,700	—	8,700
SHHL C2 ordinary shares issued in connection with the Mandolin Acquisition	—	—	130	—	1,120	—	—	1,250	—	1,250
Purchase of Soho Works North America noncontrolling interests	—	—	5,596	—	26,945	—	—	32,541	(32,541)	—
Purchase of Scorpions noncontrolling interests	—	—	809	—	6,876	—	—	7,685	(16,338)	(8,653)
SHHL C2 ordinary shares issued in connection with the LINE and Saguaro Acquisition	—	—	2,644	—	23,001	—	—	25,645	—	25,645
Accretion of redeemable preferred shares to redemption value, net of foreign currency remeasurement gain	4,955	—	—	—	(5,863)	908	—	(4,955)	—	(4,955)
Share-based compensation, net of tax	—	—	—	—	2,548	—	—	2,548	—	2,548
Net change in cumulative translation adjustment	—	—	—	—	—	—	(1,481)	(1,481)	71	(1,410)
As of July 4, 2021	\$ 185,406	\$ 207,405	\$ 275,265	\$ —	\$ 133,129	\$ (902,661)	\$ 1,227	\$ (493,040)	\$ 6,499	\$ (486,541)
Net loss	—	—	—	—	—	(77,027)	—	(77,027)	806	(76,221)
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(240)	(240)
Non-cash dividends on senior convertible preference shares	158	—	—	—	(158)	—	—	(158)	—	(158)
Effect of the Reorganization Transactions (Note 1)	—	(207,405)	(275,265)	1,564	481,106	—	—	207,405	—	207,405
Issuance of common stock in connection with initial public offering, net of offering costs, underwriting discounts and commissions	—	—	—	306	387,232	—	—	387,538	—	387,538
Conversion of senior convertible preference shares into Class A common stock (Note 1)	(165,907)	—	—	155	165,752	—	—	165,907	—	165,907
Foreign currency remeasurement loss on redeemable preferred shares	242	—	—	—	—	(242)	—	(242)	—	(242)
Redemption of the May 2016 preferred shares	(19,899)	—	—	—	—	—	—	—	—	—
Share-based compensation, net of tax	—	—	—	—	15,281	—	—	15,281	—	15,281
Net change in cumulative translation adjustment	—	—	—	—	—	—	12,448	12,448	(123)	12,325
As of October 3, 2021	\$ —	\$ —	\$ —	\$ 2,025	\$ 1,182,342	\$ (979,930)	\$ 13,675	\$ 218,112	\$ 6,942	\$ 225,054

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Membership Collective Group Inc.
Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)
For the 13 weeks and 39 weeks ended October 2, 2022

(in thousands)	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Equity Attributable to Membership Collective Group Inc.	Noncontrolling Interest	Total Shareholders' Equity
As of January 2, 2022	\$ 2,025	\$ 1,189,044	\$ (1,021,832)	\$ 6,897	\$ —	\$ 176,134	\$ 6,058	\$ 182,192
Net loss	—	—	(60,479)	—	—	(60,479)	(147)	(60,626)
Purchase of noncontrolling interests in connection with the Soho Restaurants Acquisition (Note 3)	—	(1,884)	—	—	—	(1,884)	1,884	—
Shares repurchased (Note 15)	—	—	—	—	(2,611)	(2,611)	—	(2,611)
Non-cash share-based compensation (Note 13)	—	7,331	—	—	—	7,331	—	7,331
Net change in cumulative translation adjustment	—	—	—	11,210	—	11,210	(79)	11,131
As of April 3, 2022	\$ 2,025	\$ 1,194,491	\$ (1,082,311)	\$ 18,107	\$ (2,611)	\$ 129,701	\$ 7,716	\$ 137,417
Net loss	—	—	(81,959)	—	—	(81,959)	(1,596)	(83,555)
Distributions to noncontrolling interest	—	—	—	—	—	—	(364)	(364)
Shares repurchased (Note 15)	—	—	—	—	(16,897)	(16,897)	—	(16,897)
Non-cash share-based compensation (Note 13)	—	4,274	—	—	—	4,274	—	4,274
Additional IPO costs	—	(269)	—	—	—	(269)	—	(269)
Net change in cumulative translation adjustment	—	—	—	37,775	—	37,775	(341)	37,434
As of July 3, 2022	\$ 2,025	\$ 1,198,496	\$ (1,164,270)	\$ 55,882	\$ (19,508)	\$ 72,625	\$ 5,415	\$ 78,040
Net loss	—	—	(91,668)	—	—	(91,668)	295	(91,373)
Distributions to noncontrolling interest	—	—	—	—	—	—	(407)	(407)
Shares repurchased (Note 15)	—	—	—	—	(15,294)	(15,294)	—	(15,294)
Non-cash share-based compensation (Note 13)	—	7,260	—	—	—	7,260	—	7,260
Net change in cumulative translation adjustment	—	—	—	41,937	—	41,937	(591)	41,346
As of October 2, 2022	\$ 2,025	\$ 1,205,756	\$ (1,255,938)	\$ 97,819	\$ (34,802)	\$ 14,860	\$ 4,712	\$ 19,572

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Membership Collective Group Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
For the 39 weeks ended October 2, 2022 and October 3, 2021

<i>(in thousands)</i>	For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021
Cash flows from operating activities		
Net loss	\$ (235,554)	\$ (226,366)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	72,490	61,250
Non-cash share-based compensation (Note 13)	18,865	19,958
Deferred tax (benefit) expense	(299)	1,421
Gain on sale of property and other, net	(1,529)	(6,872)
Share of profit of equity method investments	(2,426)	(123)
Amortization of debt issuance costs	3,471	3,679
Loss on debt extinguishment	—	14,126
PIK interest (settled), net of non-cash interest	25,663	(64,870)
Distributions from equity method investees	596	—
Foreign exchange loss, net	128,160	30,521
Changes in assets and liabilities:		
Accounts receivable	(14,986)	(10,099)
Inventories	(12,509)	(4,662)
Operating leases, net	30,283	20,906
Other operating assets	(31,670)	(23,636)
Deferred revenue	26,341	21,669
Accounts payable and accrued and other liabilities	31,210	48,159
Net cash provided by (used in) operating activities	<u>38,106</u>	<u>(114,939)</u>
Cash flows from investing activities		
Purchase of property and equipment	(62,989)	(64,125)
Proceeds from sale of assets	665	—
Purchase of intangible assets	(17,628)	(7,337)
Cash acquired in the Cipura Acquisition	—	559
Acquisition of noncontrolling interests	—	(8,653)
Property and casualty insurance proceeds received	338	—
Net cash used in investing activities	<u>(79,614)</u>	<u>(79,556)</u>
Cash flows from financing activities		
Repayment of borrowings (Note 11)	(533)	(612,566)
Payment for debt extinguishment costs (Note 11)	—	(9,109)
Issuance of related party loans	3,217	4,014
Proceeds from borrowings (Note 11)	105,795	459,290
Payments for debt issuance costs	(1,860)	(12,994)
Principal payments on finance leases	(431)	(214)
Principal payments on financing obligation	(1,175)	(994)
Distributions to noncontrolling interest	(771)	(373)
Contributions from noncontrolling interest	—	644
Senior convertible preference shares issued, net of issuance costs (Note 14)	—	161,574
Purchase of treasury stock (Note 15)	(34,802)	—
Proceeds from issuance of SHHL redeemable C ordinary shares, net of issuance costs (Note 14)	—	47,000
SHHL Redeemable preferred shares redeemed (Note 14)	—	(19,899)
Proceeds from initial public offering, net of offering costs	(269)	388,078
Net cash provided by financing activities	<u>69,171</u>	<u>404,451</u>
Effect of exchange rate changes on cash and cash equivalents, and restricted cash	<u>(13,224)</u>	<u>(1,104)</u>
Net increase in cash and cash equivalents, and restricted cash	14,439	208,852
Cash, cash equivalents and restricted cash		
Beginning of period	220,662	59,970
End of period	<u><u>\$ 235,101</u></u>	<u><u>\$ 268,822</u></u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Membership Collective Group Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
For the 39 weeks ended October 2, 2022 and October 3, 2021

<i>(in thousands)</i>	For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021
Cash, cash equivalents and restricted cash are comprised of:		
Cash and cash equivalents	227,896	259,341
Restricted cash	7,205	9,481
Cash, cash equivalents and restricted cash as of October 2, 2022 and October 3, 2021	\$ 235,101	\$ 268,822
Supplemental disclosures:		
Cash paid for interest, net of capitalized interest	\$ 22,504	\$ 104,057
Cash paid for income taxes	138	195
Supplemental disclosures of non-cash investing and financing activities:		
Conversion of senior convertible preference shares to Class A common stock (Note 15)	\$ —	\$ 165,907
SHHL C2 ordinary shares issued in exchange for acquisitions of businesses and noncontrolling interests	—	75,821
Operating lease assets obtained in exchange for new operating lease liabilities	101,640	125,199
Acquisitions of property and equipment under finance leases	11,357	—
Non-cash dividends on senior convertible preference shares (Note 15)	—	4,335
Accrued capital expenditures as of October 2, 2022 and October 3, 2021	7,908	3,499
Accrued offering costs as of October 2, 2022 and October 3, 2021	—	540

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

1. Nature of Business

Membership Collective Group Inc. (“MCG”) is a global membership platform of physical and digital spaces that connects a vibrant, diverse group of members from across the world. These members use the MCG platform to both work and socialize, to connect, create, have fun and drive a positive change. Our members engage with us through our global portfolio of 38 Soho Houses, 9 Soho Works Clubs, The Ned in London and New York, The LINE and Saguaro hotels in North America, Scorpios Beach Club in Mykonos, Soho Home, our interiors and lifestyle retail brand, and our digital channels.

MCG was incorporated on February 10, 2021 under the laws of the State of Delaware. On July 19, 2021, we completed the initial public offering (“IPO”) of our Class A common stock pursuant to a Registration Statement on Form S-1 (File No. 333-257206). Immediately prior to the closing of the IPO, we completed the following reorganization transactions (the “Reorganization Transactions”) which resulted in changes to our common stock and issued and outstanding shares:

- affiliates of The Yucaipa Companies, LLC, and Messrs. Ron Burkle, Nick Jones, and Richard Caring exchanged their equity interests in our predecessor entity, Soho House Holdings Limited (“SHHL”), for 141,500,385 shares of Class B common stock having an equivalent value;
- the other equity holders of SHHL exchanged their equity interests for 14,935,193 shares of Class A common stock having an equivalent value.

In the IPO, we sold 30,567,918 shares of Class A common stock at a public offering price of \$14.00 per share, including 567,918 shares of Class A common stock sold pursuant to the underwriters’ partial exercise of a “greenshoe” option to purchase additional shares of common stock to cover over-allotments. Immediately after the IPO, the senior convertible preference shares of SHHL were converted into 15,526,619 shares of Class A common stock.

During periods preceding the IPO that are presented in these unaudited interim condensed consolidated financial statements, our business was conducted through SHHL, a Jersey, Channel Islands private limited company, and its subsidiaries and joint ventures. As a result of the Reorganization Transactions, SHHL became a wholly-owned subsidiary of MCG. Such transactions were accounted for as a reorganization and, therefore, the consolidated financial statements of MCG in periods after the IPO recognize the assets and liabilities received in the Reorganization Transactions at their historical carrying amounts, as reflected in the historical financial statements of SHHL.

The consolidated entity presented is referred to herein as “MCG”, “we”, “us”, “our”, or the “Company”, as the context requires and unless otherwise noted.

2. Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for reporting interim information on Form 10-Q. The preparation of the financial statements in conformity with US GAAP requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the periods presented. In preparing these unaudited condensed consolidated financial statements, we consistently applied the accounting policies described in our consolidated financial statements as of and for the year ended January 2, 2022 included in the Company’s Annual Report on Form 10-K filed with the SEC on March 16, 2022, with the exception of the Revenue Recognition policy which has been updated to reflect the launch of the House Introduction Credits, as explained in further detail below.

We operate on a fiscal year calendar consisting of a 52-or 53-week period ending on the last Sunday in December or the first Sunday in January of the next calendar year. In a 52-week fiscal year, each quarter contains 13 weeks of operations; in a 53-week fiscal year, each of the first, second and third quarters includes 13 weeks of operations and the fourth quarter includes 14 weeks of operations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been omitted in accordance with the rules and regulations of the SEC. The year-end condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by US GAAP. The unaudited condensed consolidated financial statements include normal recurring adjustments, which in the opinion of management are necessary for the fair presentation of the unaudited condensed consolidated balance sheets, unaudited condensed consolidated statements of operations, of comprehensive loss, of changes in redeemable shares and shareholders’ equity (deficit), and of cash flows for the periods presented. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto, included in the Company’s Annual Report on Form 10-K as of and for the fiscal year ended January 2, 2022.

The results of operations for the 13- and 39-week periods ended October 2, 2022 and October 3, 2021 are not necessarily indicative of the operating results for the full fiscal year or any future periods.

The unaudited condensed consolidated statement of operations for the 39 weeks ended October 2, 2022 and the unaudited condensed consolidated balance sheet as of October 2, 2022 include the correction of an error related to the Company’s unaudited condensed consolidated financial

statements as of and for the 13 weeks ended April 3, 2022 ("Q1 2022"), and the consolidated financial statements as of and for the 52 weeks ended January 2, 2022 ("Fiscal 2021"), 53 weeks ended January 3, 2021 ("Fiscal 2020"), and 52 weeks ended December 29, 2019 ("Fiscal 2019"). The error relates to the correction of the estimation of the historical operating lease liabilities which resulted in the overstatement of historical operating lease liability and assets by \$12 million and \$5 million, respectively, as of Q1 2022; \$11 million and \$5 million, respectively, as of Fiscal 2021; \$18 million and \$13 million, respectively, as of Fiscal 2020; and \$17 million and \$14 million, respectively as of Fiscal 2019. The correction of this error is presented within operating lease assets and operating lease liabilities in the unaudited condensed consolidated balance sheet as of October 2, 2022 amounting to \$5 million and \$12 million, respectively. The error also resulted in the overstatement of operating lease expenses, with no effect for the 13 weeks ended October 2, 2022, with a cumulative impact of \$6 million for the 13 weeks ended April 3, 2022, \$6 million for Fiscal 2021, \$5 million for Fiscal 2020 and \$3 million for Fiscal 2019. The correction of this cumulative error is presented within In-House operating expenses in the unaudited condensed consolidated statement of operations for the 39 weeks ended October 2, 2022.

Certain prior period amounts have been reclassified to conform to the current period presentation with no impact on previously reported net loss or cash flows, and no material impact on financial position.

Revenue Recognition

House Introduction Credits

New members admitted on or after April 4, 2022 are required to purchase House Introduction Credits ("House Introduction Credits") as part of their membership, per the House rules. House Introduction Credits are credits of an equivalent value to cash within Houses and are redeemable against purchases of food and beverage items and bedroom stays at the Houses. House Introduction Credits expire after three months from the date of issuance, where legally permitted in the regions we operate, if not utilized or if the Company terminates a member's House membership. House Introduction Credits are recognized upon issuance as deferred revenue on our unaudited condensed consolidated balance sheets. Revenue from House Introduction Credits are recognized as In-House revenues when redeemed by members, and as breakage revenue within Membership revenues upon expiration or in the period when we are able to reliably estimate expected breakage and further redemption is deemed remote.

Going Concern

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation for at least a period of 12 months after the date these financial statements are issued, and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

We have experienced net losses and significant cash outflows from cash used in operating activities over the past years as we develop our Houses. During the 13 weeks and 39 weeks ended October 2, 2022, the Company incurred a consolidated net loss of \$91 million and \$236 million, respectively. During the 39 weeks ended October 2, 2022, the Company had positive cash flow from operations of \$38 million. As of October 2, 2022, the Company had an accumulated deficit of \$1,256 million, cash and cash equivalents of \$228 million, and restricted cash of \$7 million.

In addition, we have had to temporarily close some of our Houses, hotels and public restaurants, at different times in prior periods due to continued effects of the COVID-19 pandemic, which has and may continue to have an impact on our revenues. At the date of issuance of these unaudited condensed consolidated financial statements, all of our Houses are open (with some limited seasonal closures).

In assessing the going concern basis of preparation of the unaudited condensed consolidated financial statements for the 13 weeks and 39 weeks ended October 2, 2022, we have taken into consideration detailed cash flow forecasts for the Company, the Company's forecast compliance with bank covenants, and the continued availability of committed and accessible working capital to the Company.

We have considered the current global economic and political uncertainties, specifically including inflationary pressures on consumables purchased and wages, as well as any further possible impacts from the COVID-19 pandemic and the Company has factored these in when it undertook an assessment of the cash flow forecasts covering a period of at least 12 months from the date these financial statements are issued. Cash flow forecasts have been prepared based on a range of scenarios including, but not limited to, no further debt or equity funding, macro-economic dynamics, possible temporary closures of our properties from any further impact of the COVID-19 pandemic (which impacts the Company's ability to keep open Houses and maintain a level of operations consistent with pre COVID-19 times), cost reductions, both limited and extensive, and a combination of these different scenarios.

We believe that our projected cash flows and the actions available to management to further control expenditure, as necessary, provide the Company with sufficient working capital (including cash and cash equivalents) to achieve its plans of continued recovery from the impact of the pandemic and mitigating the impacts of inflationary pressures and consumer confidences, subject to the following key factors:

- the continued access to Houses in a manner that is compliant with local laws and regulations, including the relaxing of mandatory capacity constraints, as well as anticipated demand;
- the level of in-House sales activity (primarily sales of food and beverage) that, even after opening, may be subject to reduced capacity as a result of any future restrictions and/or members spending patterns;
- the continued high level of membership retention and renewals, together with members continuing their current spending patterns; and
- the implementation of cost containment and reductions measures that are aligned with the anticipated levels of capacity.

Furthermore, available cash as a result of completed financing events, includes the exercising of an option on March 9, 2022 for issued additional notes under the existing senior secured notes for \$100 million and available additional liquidity, and access to an undrawn revolving credit facility of £71 million (\$79 million) (see Note 11, Debt, for additional information).

This, together with the Company's wider sufficient financial resources, an established business model, access to capital and the measures that have been put in place to control costs, mean that we believe that the Company is able to continue in operational existence, meet its liabilities as they fall due, operate within its existing facilities, and meet all of its covenant requirements for a period of at least 12 months from the date these financial statements are issued.

Based on the above, the unaudited condensed consolidated financial statements have been presented on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, we continue to adopt the going concern basis in preparing the unaudited condensed consolidated financial statements for the 13 weeks and 39 weeks ended October 2, 2022.

Comprehensive Loss

The entire balance of accumulated other comprehensive loss, net of income taxes, is related to the cumulative translation adjustment in each of the periods presented.

3. Consolidated Variable Interest Entities

The Company determined that it is the primary beneficiary of the following material variable interest entities ("VIEs"): Soho Restaurants Limited; Ned-Soho House, LLP; Soho Works Limited; and Soho Works North America, LLC.

Soho Restaurants Limited

Soho Restaurants Limited ("Soho Restaurants") is a casual fast-dining business that operates various restaurants throughout the UK. Prior to the August 2020 reorganization of Soho Restaurants (as further described below), the Company provided unsecured non-interest-bearing loan notes ("Soho Restaurants Loan Notes") to Soho Restaurants from time to time and guaranteed the obligations of Soho Restaurants under certain property leases with respect to any required rental and other payments.

On August 18, 2020, Soho Restaurants underwent a series of reorganization steps, through which Quentin Partners Limited ("Quentin Partners"), an affiliate of the Company, became the sole equity holder of Soho Restaurants. As a result of the reorganization and the Company's variable interest in Soho Restaurants (consisting primarily of the Soho Restaurants Loan Note that remained outstanding after the reorganization and certain lease guarantees), the Company determined that it is the primary beneficiary of Soho Restaurants due to its related party affiliation with Quentin Partners and its funding of the majority of Soho Restaurants' operations. As such, the Company began consolidating Soho Restaurants on August 18, 2020 and accounted for the Soho Restaurants reorganization using the acquisition method of accounting.

On March 29, 2022, the Company acquired all of the outstanding equity interests of Soho Restaurants for nominal consideration (the "Soho Restaurants Acquisition") from Quentin Partners. Because the Company consolidated Soho Restaurants prior to the Soho Restaurants Acquisition, the Company accounted for the Soho Restaurants Acquisition as a transaction with a noncontrolling interest holder that did not result in a change of control. The Company derecognized a noncontrolling deficit of \$2 million and recorded the difference between the fair value of consideration transferred to Quentin Partners and the carrying value of the noncontrolling interest as a reduction in additional paid-in capital (i.e. a deemed distribution in the absence of retained earnings). Following the Soho Restaurants Acquisition, the Company became the sole equity owner of Soho Restaurants.

Also, on March 29, 2022, Soho Restaurants also entered into a Trademark Assignment with Chick'n Limited, pursuant to which Soho Restaurants has agreed to transfer the rights to certain intangible assets to Chick'n Limited in exchange for three separate cash payments over a one-year period, commencing on March 29, 2022, totaling £1 million (\$2 million), all of which was recognized in gain on sale of property and other, net in the unaudited condensed consolidated statements of operations for the 39 weeks ended October 2, 2022.

Concurrently, on March 29, 2022, Soho Restaurants entered into a royalty-free Product License Agreement with Chick'n Limited, pursuant to which Chick'n Limited has agreed to grant the Company a non-exclusive, royalty-free license to produce and sell certain burgers at certain Soho Restaurant properties for a term of two years. Other than with respect to this limited license, Soho Restaurants has no legal right to the product.

Ned-Soho House, LLP

The Ned-Soho House, LLP joint venture maintains a management agreement to operate The Ned, which is owned by unconsolidated related parties to the Company. Management fees are recognized in other revenues in the unaudited condensed consolidated statements of operations.

Soho Works Limited and Soho Works North America, LLC

The Soho Works Limited ("SWL") joint venture develops and operates Soho-branded, membership-based co-working spaces, with five sites currently in operation in the UK. Soho Works North America, LLC and its wholly owned subsidiaries ("SWNA") was established to develop and operate Soho-branded, membership-based co-working spaces in North America.

The following table summarizes the carrying amounts and classification of the consolidated VIEs' assets and liabilities included in the unaudited condensed consolidated balance sheets. The obligations of the consolidated VIEs other than Soho Restaurants are non-recourse to the Company, and the assets of the VIEs can be used only to settle those obligations.

<i>(in thousands)</i>	As of	
	October 2, 2022	January 2, 2022
Cash and cash equivalents	\$ 7,850	\$ 7,187
Accounts receivable	3,098	4,137
Inventories	99	127
Prepaid expenses and other current assets	4,420	5,705
Total current assets	15,467	17,156
Property and equipment, net	70,770	89,753
Operating lease assets	217,264	238,786
Other intangible assets, net	264	160
Other non-current assets	168	205
Total assets	303,933	346,060
Accounts payable	9,331	11,258
Accrued liabilities	12,592	12,303
Indirect and employee taxes payable	897	599
Current portion of related party loans	21,265	21,092
Current portion of operating lease liabilities - sites trading more than one year	10,318	10,565
Other current liabilities	3,214	1,972
Total current liabilities	57,617	57,789
Operating lease liabilities, net of current portion - sites trading more than one year	252,569	278,171
Other non-current liabilities	236	872
Total liabilities	310,422	336,832
Net assets	\$ (6,489)	\$ 9,228

4. Equity Method Investments

The Company maintains a portfolio of equity method investments owned through noncontrolling interests in investments with one or more partners. There have been no changes in the Company's equity method investment ownership interests in existing entities and no new equity method investments since January 2, 2022. Under applicable guidance for VIEs, the Company determined that its investments in Soho House Toronto Partnership ("Soho House Toronto") and the entities comprising 56-60 Redchurch Street, London are VIEs. Soho House Toronto owns and operates a House located in Toronto, while 56-60 Redchurch Street, London provides additional members' accommodation capacity for Shoreditch House in London.

Toronto Joint Venture

On March 28, 2012, the Company and two unrelated investors ("Toronto Partners") formed Soho House Toronto to establish and operate a House in Toronto, Canada. The Company is responsible for managing the development and operations of the property with key operating decisions requiring joint approval with the Toronto Partners.

56-60 Redchurch Street, London Joint Venture

On July 6, 2015, the Company and a related party investor ("Raycliff Partner") formed Raycliff Red LLP ("Club Row Rooms") to develop and operate a hotel at 58-60 Redchurch Street intended to provide additional members' accommodation to the nearby Shoreditch House in London. This was later extended to include 56 Redchurch Street under the same terms. The Company is responsible for managing the operations of the property and the Raycliff Partner is responsible for managing the building.

The Company concluded that it is not the primary beneficiary of the Soho House Toronto or 56-60 Redchurch Street, London VIEs in any of the periods presented, as its joint venture partners have the power to participate in making decisions related to the majority of significant activities of each investee. Accordingly, the Company concluded that application of the equity method of accounting is appropriate for these investees.

Summarized Financial Information

The following tables present summarized financial information for all unconsolidated equity method investees. The Company's maximum exposure to losses related to its equity method investments is limited to its ownership interests, as well as certain guarantees.

Membership Collective Group Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)
As of October 2, 2022 and January 2, 2022 and for the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021

<i>(in thousands)</i>	For the 13 Weeks Ended		For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021 ⁽¹⁾
Revenues	\$ 12,382	\$ 9,059	34,300	\$ 22,110
Operating income (loss)	3,183	2,456	8,007	(722)
Net income (loss) ⁽²⁾	1,392	2,469	4,207	(709)

⁽¹⁾ Includes the financial information of Soho House—Cipura (Miami), LLC (“Cipura”), in which the Company owned a 50% interest prior to May 10, 2021. Following the Company’s acquisition of the remaining 50% interest in Cipura, this entity became a consolidated subsidiary of the Company.

⁽²⁾ The net income (loss) shown above relates entirely to continuing operations.

<i>(in thousands)</i>	As of	
	October 2, 2022	January 2, 2022
Current assets	\$ 25,053	\$ 33,705
Non-current assets	132,841	137,753
Total assets	157,894	171,458
Current liabilities	13,092	13,976
Non-current liabilities	95,817	121,311
Total liabilities	108,909	135,287
Net assets	\$ 48,985	\$ 36,171

The Company’s equity method investees have not yet adopted ASC 842, *Leases* (“Topic 842”); therefore, the balance sheets of equity method investees do not include operating right-of-use assets and liabilities.

5. Leases

The Company has entered into various lease agreements for its Houses, hotels, restaurants, spas and other properties across North America, Europe, and Asia. The Company’s material leases have reasonably assured lease terms ranging from 1 year to 30 years for operating leases and 50 years for finance leases. Certain operating leases provide the Company with multiple renewal options that generally range from 5 years to 10 years, with rent payments on renewal based on a predetermined annual increase or market rates at the time of exercise of the renewal. The Company has 3 material finance leases with 25-year renewal options, with rent payments on renewal based on upward changes in inflation rates. As of October 2, 2022, the Company recognized right-of-use assets and lease liabilities for 108 operating leases and 3 finance leases. As of January 2, 2022, the Company recognized right-of-use assets and lease liabilities for 101 operating leases and 2 finance leases. When recognizing right-of-use assets and lease liabilities, the Company includes certain renewal options where the Company is reasonably assured to exercise the renewal option.

As part of our overall plan to improve liquidity during the COVID-19 pandemic, the Company negotiated with certain lessors to defer or waive certain rent payments on leased buildings. Cash payment deferrals and waivers have been separately recorded in the period arrangements occurred, and therefore, there have been no remeasurements to the lease liabilities and right-of-use assets associated with the sites that received concessions. The Company accounted for the deferrals of lease payments as if there are no changes in the lease contract. Deferred amounts have been recognized in accounts payable and subsequent reversals will occur once the payments are made. As of October 2, 2022 and January 2, 2022, \$1 million and \$12 million, respectively, is recorded in accounts payable in the unaudited condensed consolidated balance sheets related to deferred lease payments.

Membership Collective Group Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)
As of October 2, 2022 and January 2, 2022 and for the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021

The maturity of the Company's operating and finance lease liabilities as of October 2, 2022 is as follows:

<i>(in thousands)</i> Fiscal year ended	Operating Leases	Finance Leases
Undiscounted lease payments		
Remainder of 2022	\$ 30,337	\$ 1,314
2023	126,080	5,288
2024	128,838	5,289
2025	131,872	5,325
2026	132,748	5,255
Thereafter	1,645,919	200,705
Total undiscounted lease payments	2,195,794	223,176
Present value adjustment	1,021,665	152,434
Total net lease liabilities	\$ 1,174,129	\$ 70,742

As of October 2, 2022 and January 2, 2022, the long-term liabilities for finance leases were \$70 million and \$73 million, respectively, and are recorded as finance lease liabilities on the unaudited condensed consolidated balance sheets. As of October 2, 2022 and January 2, 2022, finance lease assets, net of accumulated depreciation, were \$58 million and \$64 million, respectively, and are recorded within property and equipment, net on the unaudited condensed consolidated balance sheets.

Certain lease agreements include variable lease payments that, in the future, will vary based on changes in the local inflation rates, market rate rents, or business revenues of the leased premises. Leases that contain market rate rents generally reset every five years.

Straight-line rent expense recognized for operating leases was \$34 million and \$30 million for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$99 million and \$84 million for the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

For the 13 weeks ended October 2, 2022 and October 3, 2021, the Company recognized amortization expense related to the right-of-use asset for finance leases of less than \$1 million and less than \$1 million, respectively, and interest expense related to finance leases of \$1 million and \$1 million, respectively. For the 39 weeks ended October 2, 2022 and October 3, 2021, the Company recognized amortization expense related to the right-of-use asset for finance leases of \$1 million and \$1 million, respectively, and interest expense related to finance leases of \$4 million and \$4 million, respectively.

New Houses typically have a maturation profile that commences sometime after the lease commencement date used in the determination of the lease accounting in accordance with Topic 842. The unaudited condensed consolidated balance sheets set out the operating lease liabilities split between sites trading less than one year and sites trading more than one year. "Sites trading less than one year" and "sites trading more than one year" reference sites that have been open (as measured from the date the site first accepted a paying guest) for a period less than one year from the balance sheet date and those that have been open for a period longer than one year from the balance sheet date.

The following information represents supplemental disclosure for the statement of cash flows related to operating and finance leases:

<i>(in thousands)</i>	For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021
Cash flows from operating activities:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ (83,271)	\$ (58,428)
Interest payments for finance leases	(3,656)	(3,803)
Cash flows from financing activities:		
Principal payments for finance leases	\$ (431)	\$ (214)
Supplemental disclosures of non-cash investing and financing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	\$ 101,640	\$ 125,199
Acquisitions of property and equipment under finance leases	11,357	—

Membership Collective Group Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)
As of October 2, 2022 and January 2, 2022 and for the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021

The following summarizes additional information related to operating and finance leases:

	As of	
	October 2, 2022	January 2, 2022
Weighted-average remaining lease term		
Finance leases	43 years	44 years
Operating leases	17 years	18 years
Weighted-average discount rate		
Finance leases	7.29%	7.00%
Operating leases	7.95%	8.06%

As of October 2, 2022, the Company has entered into 13 lease agreements for Houses, hotels, restaurants, and other properties that are in various stages of construction by the landlord. The Company will determine the classification as of the lease commencement date, but currently expects these under construction leases to be operating leases. Soho House Design (“SHD”) is involved to varying degrees in the design of these leased properties under construction. For certain of these leases, the SHD team is acting as the construction manager on behalf of the landlord. Pending significant completion of all landlord improvements and final execution of the related lease, the Company expects these leases to commence in fiscal years ending 2022, 2023, 2024, and 2025. The Company estimates the total undiscounted lease payments for the leases commencing in fiscal years ended 2022, 2023, 2024, and 2025 will be \$239 million, \$378 million, \$372 million, and \$320 million, respectively, with weighted-average expected lease terms of 23 years, 21 years, 17 years, and 15 years for 2022, 2023, 2024, and 2025, respectively.

The following summarizes the Company’s estimated future undiscounted lease payments for current leases under construction, including properties where the SHD team is acting as the construction manager:

(in thousands)	Operating Leases Under Construction
Fiscal year ended	
Estimated total undiscounted lease payments	
Remainder of 2022	\$ 1,464
2023	13,268
2024	37,601
2025	56,352
2026	67,079
Thereafter	1,132,782
Total undiscounted lease payments expected to be capitalized	\$ 1,308,546

6. Revenue Recognition

The Company’s revenues consist primarily of annual membership fees, and initial registration fees paid by members historically; food and beverage, accommodation and spa revenues generated in the Company’s Houses; and revenues that are not generated within the Houses, such as revenues from Scorpios Beach Club, Soho Works sites and our stand-alone restaurants, procurement fees from SHD, Soho Home and Cowshed retail products, and other revenues from products and services that we provide outside of our Houses, as well as management fees from The Ned and The LINE and Saguaro hotels. Disaggregated revenue disclosures by reportable segments for the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021 are included in Note 18, Segments.

The following table includes estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period ended October 2, 2022.

(in thousands)	Next twelve months from October 2, 2022	Future periods
Membership, registration fees, and House Introduction Credits	\$ 73,765	\$ 26,787
Total future revenues	\$ 73,765	\$ 26,787

All consideration from contracts with customers is included in the amounts presented above.

The following table provides information about contract receivables, contract assets and contract liabilities from contracts with customers:

(in thousands)	As of	
	October 2, 2022	January 2, 2022
Contract receivables	\$ 32,285	\$ 19,338
Contract assets	6,312	5,553
Contract liabilities	129,641	113,630

Membership Collective Group Inc.**Notes to Condensed Consolidated Financial Statements (Unaudited)****As of October 2, 2022 and January 2, 2022 and for the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021**

Contract assets consist of accrued unbilled income related to build-out contracts and are recognized in prepaid expenses and other current assets on the unaudited condensed consolidated balance sheets.

Contract liabilities include deferred membership revenue, hotel deposits (which are presented in accrued liabilities on the unaudited condensed consolidated balance sheets), and gift vouchers. Revenue recognized that was included in the contract liabilities balance as of the beginning of the period was \$27 million and \$19 million during the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$65 million and \$55 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

7. Inventories, Prepaid Expenses and Other Current Assets

Inventories consist of raw materials, service stock and supplies (primarily food and beverage) and finished goods which are externally sourced. Raw materials and service stock and supplies totaled \$9 million and \$8 million as of October 2, 2022 and January 2, 2022, respectively. Finished goods totaled \$28 million and \$22 million as of October 2, 2022 and January 2, 2022, respectively.

The table below presents the components of prepaid expenses and other current assets.

<i>(in thousands)</i>	As of	
	October 2, 2022	January 2, 2022
Amounts owed by equity method investees	\$ 381	\$ 879
Prepayments and accrued income	21,145	26,037
Contract assets	6,312	5,553
Other receivables	53,275	24,535
Total prepaid expenses and other current assets	\$ 81,113	\$ 57,004

8. Property and Equipment, Net

Additions totaled \$26 million and \$27 million during the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$64 million and \$64 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively, and were primarily related to leasehold improvements and fixtures and fittings for existing sites.

9. Goodwill

A summary of goodwill for each of the Company's applicable reportable segments from January 2, 2022 to October 2, 2022 is as follows:

<i>(in thousands)</i>	UK	North America	Europe and ROW	Total
January 2, 2022	\$ 100,665	\$ 47,446	\$ 66,146	\$ 214,257
Foreign currency translation adjustment	(17,686)	—	(9,154)	(26,840)
October 2, 2022	\$ 82,979	\$ 47,446	\$ 56,992	\$ 187,417

10. Accrued Liabilities

The table below presents the components of accrued liabilities.

<i>(in thousands)</i>	As of	
	October 2, 2022	January 2, 2022
Accrued interest	\$ 634	\$ 727
Hotel deposits	12,181	9,246
Trade, capital and other accruals	53,081	53,154
Total accrued liabilities	\$ 65,896	\$ 63,127

11. Debt

Debt balances, net of debt issuance costs, are as follows:

(in thousands)	As of	
	October 2, 2022	January 2, 2022
Senior Secured Notes, interest at 8.1764% for the Initial Notes and 8.5% for the Additional Notes, maturing March 2027	\$ 550,397	\$ 447,719
Other loans (see additional description below)	9,669	18,547
	560,066	466,266
Less: Current portion of long-term debt	(897)	(6,923)
Total long-term debt, net of current portion	\$ 559,169	\$ 459,343

Property mortgage loans, net of debt issuance costs, are as follows:

(in thousands)	As of	
	October 2, 2022	January 2, 2022
Term loan, interest at 5.34%, maturing February 6, 2024	\$ 54,531	\$ 54,293
Mezzanine loan, interest at 7.25%, maturing February 6, 2024	61,481	60,829
Total property mortgage loans	\$ 116,012	\$ 115,122

Related party loans, net of current portion and imputed interest, are as follows:

(in thousands)	As of	
	October 2, 2022	January 2, 2022
Related party loans, unsecured, 7% interest bearing, maturing September 2023 (see additional description below)	\$ 21,265	\$ 21,092
Related party loans, unsecured, 4% interest bearing, maturing December 2022	398	569
	21,663	21,661
Less: Current portion of related party loans	(21,663)	(21,661)
Total related party loans, net of current portion	\$ —	\$ —

The weighted-average interest rate on fixed rate borrowings was 8% as of October 2, 2022 and 8% as of January 2, 2022. There were no outstanding floating rate borrowings as of October 2, 2022 or as of January 2, 2022.

Debt

The descriptions below show the financial instrument amounts in the currency of denomination with the United States dollar (“USD”) equivalent in parentheses, where applicable, translated using the exchange rates in effect at the time of the respective transaction.

On December 5, 2019, the Company entered into a £55 million (\$72 million) floating rate revolving credit facility (the “Revolving Credit Facility”) with a maturity date of January 25, 2022. In April 2020, the Company secured an additional £20 million (\$25 million) of liquidity under this facility and extended the maturity until January 2023. On November 15, 2021, the Company amended the Revolving Credit Facility which, among other things, changed the reference rate under the Revolving Credit Facility for borrowings denominated in British pound sterling (“GBP”) from a LIBOR-based rate to a SONIA-based rate and to transition reporting from accounting principles generally accepted in the United Kingdom to US GAAP. On February 11, 2022, the Company amended the Revolving Credit Facility to extend the maturity date to January 25, 2024. During the fiscal year ended January 2, 2022, the Company repaid the entire outstanding balance of the facility with proceeds from the IPO. As of October 2, 2022 and January 2, 2022, £71 million (\$79 million) and £71 million (\$96 million), respectively, is available to draw under this facility, with £4 million (\$5 million) and £4 million (\$6 million), respectively, utilized as a letter of guarantee in respect of one of the Company’s lease agreements. The facility is secured on a fixed and floating charge basis over certain assets of the Company. The Company incurred interest expense of \$1 million and less than \$1 million on this facility during the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$2 million and \$3 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively. On November 10, 2022, Soho House Bond Limited, a wholly-owned subsidiary of the Company, entered into the Third Amended and Restated Revolving Facility Agreement (the “Third Amendment”), which amends and restates the Revolving Credit Facility. The Third Amendment amends the Revolving Credit Facility to extend the maturity date from January 25, 2024 to July 25, 2026 and includes a Leverage Covenant, effective from March 2023 and only applicable when 40% or more of the facility is drawn. Refer to Note 20 - Subsequent events.

In April 2017, the Company entered into the Permira Senior Facility, which consisted of a £275 million (\$345 million) senior secured loan with an interest rate of LIBOR (subject to a floor of 1%) + 8%. A portion of the interest on the Permira Senior Facility was in the form of payment-in-kind interest, with the accrued interest being converted to capital outstanding on the loan at each interest payment date. The Permira Senior Facility was

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secured on a fixed and floating charge basis over the assets of the Company. In March 2021, the Company repaid in full the balance outstanding under the Permira Senior Facility, consisting of a GBP tranche with an outstanding principal balance, including accrued payment-in-kind interest, of £368 million (\$505 million); a USD tranche with an outstanding principal balance, including accrued payment-in-kind interest, of \$8 million, and an EUR tranche with an outstanding principal balance, including accrued payment-in-kind interest, of €45 million (\$53 million). As a result of the repayment, the Company recognized a loss on extinguishment of debt of \$9 million, consisting of prepayment penalties of \$4 million and write-offs of unamortized debt issuance costs of \$5 million. During the 13 weeks ended October 3, 2021, the Company paid an additional exit fee to the lender of the Permira Senior Facility of \$5 million, which is included as a component of the total loss on extinguishment of debt in the condensed consolidated statements of operations. The loss on extinguishment of debt is reflected in interest expense, net on the unaudited condensed consolidated statements of operations for the 13 weeks and 39 weeks ended October 3, 2021. Upon repayment of the facility, the Company also settled accrued payment-in-kind interest totaling \$79 million. The Company incurred interest expense of \$13 million on the Permira Senior Facility during the 39 weeks ended October 3, 2021.

On April 24, 2020, the Company entered into an unsecured promissory note under the Paycheck Protection Program (the “PPP”), with a principal amount of \$22 million. The loan had a January 2023 maturity date and was subject to a 1% interest rate. The PPP was established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and was administered by the US Small Business Administration (the “SBA”). The Company repaid all amounts outstanding under the US government-backed bank loan in March 2021. The Company incurred interest expense of less than \$1 million on this loan during the 39 weeks ended October 3, 2021.

On March 31, 2021, Soho House Bond Limited, a wholly-owned subsidiary of the Company, issued senior secured notes pursuant to a Notes Purchase Agreement, which were subscribed for by certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC or its affiliates, in aggregate amounts equal to \$295 million, €62 million (\$73 million) and £53 million (\$73 million) (the “Initial Notes”). The Notes Purchase Agreement included an option to issue, and a commitment on the part of the purchasers to subscribe for, further notes in one or several issuances on or prior to March 31, 2022 in an aggregate amount of up to \$100 million (the “Additional Notes” and, together with the Initial Notes, the “Senior Secured Notes”). The Company exercised this option on March 9, 2022 for a total of \$100 million of Additional Notes and received net proceeds of \$99 million. The Senior Secured Notes mature on March 31, 2027 and bear interest at a fixed rate equal to a cash margin of 2.0192% per annum for the Initial Notes and 2.125% per annum for the Additional Notes, plus a payment-in-kind (capitalized) margin of 6.1572% per annum for the Initial Notes and 6.375% per annum for the Additional Notes. The Senior Secured Notes issued pursuant to the Notes Purchase Agreement may be redeemed and prepaid for cash, in whole or in part, at any time in accordance with the terms thereof, subject to payment of redemption fees. The Senior Secured Notes are guaranteed and secured on substantially the same basis as the Revolving Credit Facility. The Company incurred transaction costs of \$13 million (\$12 million for the year ended January 2, 2021, plus the additional \$1 million incurred for the 39 weeks ended October 2, 2022) related to the Senior Secured Notes. The Company incurred interest expense of \$12 million and \$10 million on the Senior Secured Notes during the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and of \$34 million and \$20 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

On June 1, 2021, certain subsidiaries of the Company entered into a development funding agreement with Dorncroft Limited, the landlord of Soho Farmhouse. The agreement provided for a commitment of up to £9 million (\$12 million) for certain improvements at the Soho Farmhouse property. Interest on the balance drawn under the agreement accrued at an annual rate of 7.9% per annum and was added to the loan principal balance. The facility expired on July 31, 2022, and the outstanding loan balance converted to a finance lease. The Company incurred interest expense of less than \$1 million and less than \$1 million on this loan during the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and of less than \$1 million and less than \$1 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

The remaining loans consist of the following:

	Currency	Maturity date	Principal balance as of October 2, 2022	Applicable interest rate as of October 2, 2022
Greek Street loan	£	January 2028	\$ 3,327	7.5 %
Compagnie de Phalsbourg credit facility	€	January 2025	5,061	7 %
Greek government loan	€	July 2025	1,287	3.1 %

Property Mortgage Loans

In February 2019, the Company refinanced an existing term loan and mezzanine loan associated with a March 2014 corporate acquisition of Soho Beach House Miami with a new term loan and mezzanine loan. The new term loan of \$55 million and mezzanine loan of \$62 million are secured on the underlying property and operations of Soho Beach House Miami and are due in February 2024. The loans bear interest at 5.34% and 7.25%, respectively. The Company incurred interest expense of \$2 million and \$2 million on these facilities during the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$6 million and \$6 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

Related Party Loans

In 2017, SWL entered into a £40 million term loan facility agreement with two individuals who are related parties of the Company. The SWL loan bears interest at 7% and was initially scheduled to mature at the earliest of: (a) September 29, 2022; (b) the date of disposal of the whole or substantial part of the SWL; (c) the date of sale by the shareholders of the entire issued share capital of SWL to a third party; (d) the date of the admission of SWL to any recognized investment exchange or multi-lateral trading facility; and (e) any later date that the two individuals may determine in their sole discretion. On March 11, 2022, this loan was extended and the maturity date is now September 29, 2023. The carrying amount of the term loan was £19 million (\$21 million) and £16 million (\$21 million) as of October 2, 2022 and January 2, 2022, respectively. The

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Company incurred interest expense of \$1 million and less than \$1 million during the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$2 million and \$1 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

In August 2020, the Company entered into a non-interest bearing loan agreement with a noncontrolling interest shareholder of certain of its subsidiaries in Greece for a principal amount of less than €1 million (\$1 million). The shareholder loan has an effective interest rate of 4%, matures in December 2022, and is presented within current portion of related party loans on the unaudited condensed consolidated balance sheets.

Future Principal Payments

The following table presents future principal payments for the Company's debt, property mortgage loans, and related party loans as of October 2, 2022:

<i>(in thousands)</i>	
Remainder of 2022	\$ 973
2023	21,864
2024	117,655
2025	7,057
2026	734
Thereafter	558,602
	\$ 706,885

12. Fair Value Measurements*Recurring and Non-recurring Fair Value Measurements*

There were no assets or liabilities measured at fair value on a recurring or non-recurring basis as of October 2, 2022 or January 2, 2022.

Fair Value of Financial Instruments

The Company believes the carrying values of its financial instruments related to current assets and liabilities approximate fair value due to short-term maturities.

The Company has estimated the fair value of the debt as of October 2, 2022 and the fair value of the Senior Secured Notes as of January 2, 2022 using a discounted cash flow analysis. The fair value of the property mortgage loans and other non-current debt as of January 2, 2022 is estimated to be equal to the current carrying value of each instrument based on a comparison of each instrument's contractual terms to current market terms. The Company does not believe that the use of different market inputs would have resulted in a materially different fair value of debt as of October 2, 2022 and January 2, 2022.

The following table presents the estimated fair values (all of which are Level 3 fair value measurements) of the Company's debt instruments with maturity dates in 2023 and thereafter:

<i>(in thousands)</i>		Carrying Value	Fair Value
October 2, 2022			
Senior Secured Notes	\$	550,397	\$ 562,262
Property mortgage loans		116,012	114,488
Other non-current debt		9,301	9,118
	\$	675,710	\$ 685,868
<i>(in thousands)</i>		Carrying Value	Fair Value
January 2, 2022			
Senior Secured Notes	\$	447,719	\$ 460,182
Property mortgage loans		115,122	115,122
Other non-current debt		12,260	12,260
	\$	575,101	\$ 587,564

The carrying values of the Company's other non-current liabilities and non-current assets approximate their fair values.

13. Share-Based Compensation

In August 2020, the Company established the 2020 Equity and Incentive Plan (the "2020 Plan") under which SHHL Share Appreciation Rights ("SARs") and SHHL Growth Shares were issued to certain employees. The awards are settled in ordinary D shares of SHHL and the Company can grant up to 9,978,143 SHHL ordinary D shares under the 2020 Plan. In connection with the IPO in July 2021, 25% of the outstanding awards accelerated in accordance with the original plan and all of the outstanding awards were exchanged into awards that will be settled in Class A common stock of MCG. As a result of the exchange, 7,127,246 SHHL SARs were converted into 6,023,369 MCG SARs and 2,850,897 SHHL

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Growth Shares were converted into 781,731 MCG restricted stock awards. The exchanged awards are subject to the same vesting conditions as the original awards.

In December 2021, the Company granted 506,990 RSUs to certain employees that were scheduled to vest over a month. On January 16, 2022, the vesting schedule of the RSUs was updated from one vesting end date of January 17, 2022 to a graded vesting schedule that vests 25% on each of January 24, January 31, February 7, and February 14, 2022, respectively. The Company accounted for the modification as a Type I modification and no incremental compensation cost was incurred related to the modification. As of October 2, 2022 and January 2, 2022, there were 5,433,580 and 5,840,483 SARs outstanding under the 2020 Plan, respectively. As of October 2, 2022 and January 2, 2022, there were 179,147 and 781,731 MCG restricted stock awards outstanding under the 2020 Plan, respectively.

In July 2021, the Company established its 2021 Equity and Incentive Plan (the "2021 Plan"). The 2021 Plan allows for grants of nonqualified stock options, SARs, and restricted stock units ("RSUs"), or performance awards. There were 12,107,333 shares initially available for all awards under the 2021 Plan and the shares available will increase annually on the first day of each calendar year, beginning with the calendar year ended December 31, 2022. As of October 2, 2022, there were 7,957,901 shares available for future awards. The Company granted 1,526,552 new RSUs under the 2021 Plan during the 39 weeks ended October 2, 2022. In September 2022, in conjunction with the departure of an employee, the Company modified the existing awards to allow continued vesting and issued 365,000 new RSUs under the 2021 Plan to the same former employee. The Company accounted for the modification of existing awards as a Type III modification, and \$2 million of incremental compensation expense was recognized and included in the "Type III modification" line item below. As of October 2, 2022 and January 2, 2022, there were 3,064,788 and 2,622,877 RSUs outstanding under the 2021 Plan, respectively.

Share-based compensation during the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021 was recorded in the unaudited condensed consolidated statements of operations within a separate line item as shown in the following table:

<i>(in thousands)</i>	For the 13 Weeks Ended		For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
SARs	\$ 1,665	\$ 10,804	\$ 5,876	\$ 14,178
Restricted stock awards (Growth Shares)	550	3,252	1,853	4,555
RSUs	3,143	1,225	9,234	1,225
Type III modification	1,902	—	1,902	—
Employer-related payroll expense ⁽¹⁾	518	—	990	—
Total share-based compensation expense	7,778	15,281	19,855	19,958
Tax benefit for share-based compensation expense	—	—	—	—
Share-based compensation expense, net of tax	\$ 7,778	\$ 15,281	\$ 19,855	\$ 19,958

- (1) Relates to national insurance tax in the UK. These amounts were settled in cash and are not included in additional paid-in capital or as an adjustment to reconcile net loss to net cash used in operating activities in the unaudited condensed consolidated statements of cash flows.

As of October 2, 2022, total compensation expense not yet recognized is as follows:

- With respect to the unvested SARs issued under the 2020 Plan, approximately \$6 million, which is expected to be recognized over a weighted average period of 1.01 years;
- With respect to the unvested restricted stock awards (Growth Shares) issued under the 2020 Plan, approximately \$2 million, which is expected to be recognized over a weighted average period of 0.90 years; and
- With respect to the unvested RSUs issued under the 2021 Plan, approximately \$19 million, which is expected to be recognized over a weighted average period of 2.62 years.

14. SHHL Redeemable Preferred Shares and SHHL Redeemable C Ordinary Shares

On March 31, 2021, the Company issued 12,970,766 SHHL senior convertible preference shares (the "Senior Preference Shares") in an aggregate liquidation preference of \$175 million, or approximately \$13.49 per Senior Preference Share (the "Issuance Price"), to certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC or its affiliates (the "Preference Share Investors"). The Company received net proceeds of \$162 million and incurred transaction costs of \$13 million related to the Senior Preference Shares. The Senior Preference Shares accrued a non-cash dividend of 8% per annum on the investment amount of the Senior Preference Shares plus all previously compounded non-cash dividends. The Senior Preference Shares were initially presented as mezzanine equity due to the existence of certain redemption options. On July 19, 2021, all of the outstanding Senior Preference Shares were converted into an aggregate of 15,526,619 shares of Class A common stock of MCG immediately upon the closing of the IPO (as described in Note 1, Nature of the Business).

In March 2021, the Company issued 4,751,497 SHHL redeemable C ordinary shares to an unrelated third party under an existing investor option. The Company received net proceeds of \$47 million and did not incur any material share issuance costs. The SHHL redeemable C ordinary shares were classified as mezzanine equity due to the existence of certain redemption options. Immediately prior to the IPO, the Company had 21,187,494 SHHL redeemable C ordinary shares issued and outstanding. Redemption of these SHHL redeemable C ordinary shares was not probable as of any period preceding the IPO. On July 19, 2021, all of the outstanding SHHL C ordinary shares were exchanged into an aggregate of 6,592,023 shares of Class A common stock and 10,871,215 shares of Class B common stock of MCG in connection with the Reorganization Transactions (as described in Note 1, Nature of the Business).

15. Loss Per Share and Shareholders' Equity

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Prior to the IPO, SHHL had five classes of ordinary shares: A ordinary shares, B ordinary shares, C ordinary shares (a portion of which had certain redemption rights), C2 ordinary shares and D ordinary shares. Immediately prior to the closing of the IPO, affiliates of The Yucaipa Companies, LLC, and Messrs. Ron Burkle, Nick Jones, and Richard Caring exchanged their SHHL A ordinary shares, B ordinary shares, C ordinary shares and D ordinary shares for 141,500,385 shares of Class B common stock of MCG having an equivalent value, while the other ordinary shareholders of SHHL exchanged their equity interests for 14,935,193 shares of Class A common stock of MCG having an equivalent value.

Holders of Class A common stock and Class B common stock are entitled to receive dividends out of legally available funds on a pari passu basis. Holders of Class A common stock are entitled to one vote per share, while holders of Class B common stock are entitled to 10 votes per share. Each holder of Class B common stock has the right to convert its shares of Class B common stock into shares of Class A common stock, at any time, on a one-for-one basis. Additionally, shares of Class B common stock will automatically convert into shares of Class A common stock, on a one-for-one basis, upon transfer to any non-permitted holder of Class B common stock. Holders of Class A and Class B common stock are entitled to liquidation distributions on a pro rata basis, subject to prior satisfaction of all outstanding debt and liabilities and the payment of liquidation preferences, if any.

The tables below present changes in each class of the Company's redeemable preferred shares, ordinary shares and common stock, as applicable:

	SHHL Redeemable Preferred Shares	SHHL Redeemable C Ordinary Shares	SHHL Ordinary Shares					MCG Common Stock	
			A Ordinary Shares	B Ordinary Shares	C Ordinary Shares	C2 Ordinary Shares	D Ordinary Shares	Class A Common Stock	Class B Common Stock
As of January 3, 2021	10,000,000	16,435,997	166,575,991	4,469,417	1,710,546	3,326,048	2,850,897	—	—
Issuance of SHHL senior convertible preference shares (Note 14)	12,970,766	—	—	—	—	—	—	—	—
Issuance of SHHL redeemable C ordinary shares (Note 14)	—	4,751,497	—	—	—	—	—	—	—
As of April 4, 2021	22,970,766	21,187,494	166,575,991	4,469,417	1,710,546	3,326,048	2,850,897	—	—
SHHL C2 ordinary shares issued in connection with the Cipura Acquisition	—	—	—	—	—	644,828	—	—	—
SHHL C2 ordinary shares issued in connection with the Mandolin Acquisition	—	—	—	—	—	92,647	—	—	—
Purchase of Soho Works North America noncontrolling interests	—	—	—	—	—	3,984,883	—	—	—
Purchase of Scorpios noncontrolling interests	—	—	—	—	—	572,410	—	—	—
SHHL C2 ordinary shares issued in connection with the LINE and Saguaro Acquisition	—	—	—	—	—	1,900,599	—	—	—
As of July 4, 2021	22,970,766	21,187,494	166,575,991	4,469,417	1,710,546	10,521,415	2,850,897	—	—
Effect of the Reorganization Transactions (Note 1)	—	(21,187,494)	(166,575,991)	(4,469,417)	(1,710,546)	(10,521,415)	(2,850,897)	14,935,193	141,500,385
Issuance of common stock in connection with initial public offering	—	—	—	—	—	—	—	30,567,918	—
Redemption of the May 2016 preferred shares	(10,000,000)	—	—	—	—	—	—	—	—
Conversion of senior convertible preference shares into Class A common stock (Note 1)	(12,970,766)	—	—	—	—	—	—	15,526,619	—
As of October 3, 2021	—	—	—	—	—	—	—	61,029,730	141,500,385

	MCG Common Stock	
	Class A Common Stock	Class B Common Stock
As of January 2, 2022	61,029,730	141,500,385
Shares repurchased	(324,972)	—
RSUs vested	506,990	—
As of April 3, 2022	61,211,748	141,500,385
Shares repurchased	(2,254,505)	—
As of July 3, 2022	58,957,243	141,500,385
Shares repurchased	(2,362,083)	—
RSUs vested	502,305	—
As of October 2, 2022	57,097,465	141,500,385

Stock Repurchase Program

On March 18, 2022, the Company's board of directors and a relevant sub-committee thereof authorized and approved a stock repurchase program for up to \$50 million of the currently outstanding shares of the Company's Class A common stock. Under the stock repurchase program, the Company is authorized to repurchase from time to time shares of its outstanding Class A common stock on the open market or in privately negotiated transactions in the United States. The timing and amount of stock repurchases will depend on a variety of factors, including market conditions as well as corporate and regulatory considerations. The stock repurchase program may be suspended, modified or discontinued at any time, in accordance with relevant and applicable regulatory requirements, and the Company has no obligation to repurchase any amount of its common stock under the program. The Company intends to make all repurchases in accordance with applicable federal securities laws, including Rule of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended. Under the program, the repurchased shares will be returned to the

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status of authorized, but unissued shares of common stock held in treasury at average cost. During the 13 weeks and 39 weeks ended October 2, 2022, the Company repurchased a total of 2,362,083 and 4,941,560 shares of Class A common stock for \$15 million and \$35 million, including commissions, respectively.

Loss per Share

The Company computes loss per share using the two-class method. As the liquidation and dividend rights are identical, the undistributed earnings or losses are allocated on a proportionate basis to each class of common stock, and the resulting basic and diluted loss per share attributable to common stockholders are therefore the same for Class A and Class B common stock.

As discussed in Note 1, Nature of the Business, immediately prior to the IPO, the Company completed certain Reorganization Transactions which resulted in changes to our common stock and issued and outstanding shares but no change in relative shareholder rights, rank, or value before and after the Reorganization Transactions. As such, the Reorganization Transactions were considered to have an equivalent effect to a stock split and require retrospective treatment for purposes of computing loss per share. All share and per share information has been retroactively adjusted to reflect the impact of the Reorganization Transactions for all periods presented.

The table below illustrates the reconciliation of the loss and the number of shares used in the calculations of basic and diluted loss per share:

	For the 13 Weeks Ended		For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
<i>(in thousands except share and per share amounts)</i>				
Net loss attributable to Membership Collective Group Inc.	\$ (91,668)	\$ (77,027)	\$ (234,106)	\$ (223,493)
Less: Cumulative SHHL preferred shares undeclared dividends	—	(4,778)	—	(4,778)
Less: Incremental accretion of SHHL preferred shares to redemption value	—	(1,085)	—	(1,085)
Add: Foreign currency remeasurement of SHHL preferred shares	—	(242)	—	666
Less: Non-cash dividends on the SHHL senior convertible preference shares	—	(4,335)	—	(4,335)
Less: Preferred Shares deemed dividend upon conversion	—	(51,469)	—	(51,469)
Adjusted net loss attributable to Class A and Class B common stockholders	(91,668)	(138,936)	(234,106)	(284,494)
Weighted average shares outstanding for basic and diluted loss per share for Class A and Class B common stockholders	199,390,524	194,015,595	201,020,845	164,208,521
Basic and diluted loss per share	\$ (0.46)	\$ (0.72)	\$ (1.16)	\$ (1.73)

The net loss attributable to the Company in calculating basic and diluted loss per share for the 13 weeks and 39 weeks ended October 3, 2021 is adjusted for cumulative undeclared dividends on certain SHHL preferred shares, which were redeemed for cash in July 2021. The loss per share calculations for the 13 weeks and 39 weeks ended October 3, 2021 exclude additional shares that would be issuable to the holders of SHHL redeemable C ordinary shares in the event of a public listing that resulted in the value of the SHHL redeemable C ordinary shares being less than the investor's initial subscription price, because the impact of including such additional shares would be anti-dilutive. In addition, the loss per share calculations for the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021 exclude the impact of unvested SHHL Growth Shares (which were exchanged into restricted stock awards in connection with the IPO) because the inclusion of such shares in diluted loss per share would be anti-dilutive.

16. Commitments and Contingencies

Litigation Matters

The Company is not a party to any litigation other than litigation in the ordinary course of business. The Company's management and legal counsel do not expect that the ultimate outcome of any of its currently ongoing legal proceedings, individually or collectively, will have a material adverse effect on the Company's unaudited condensed consolidated financial statements.

Commitments and Contingencies

In connection with the closure of Houses across the world beginning on March 14, 2020, the Company in its sole discretion issued membership credits to Soho House members to be redeemed for certain Soho House products and services. Membership credits were issued by the Company as a one-time goodwill gesture deemed to be a marketing offer to Soho House members, and were initially set to expire on December 31, 2020. The liability associated with the membership credits was derecognized based on the usage of credits and the cost of the inventory or services to fulfill the Company's obligation to its Soho House members and was classified within other current liabilities on the Company's unaudited condensed consolidated balance sheet. In March 2021, the Company decided in its discretion to extend the expiration date of the membership credits to September 30, 2021. The Company simultaneously adjusted its obligation based on its best estimate of the cost to be incurred. The redemption rate

used to estimate the obligation associated with the membership credits was based on the Company's cumulative experience to-date. The Company recognized marketing expenses of \$1 million and \$5 million during the 13 weeks and 39 weeks ended October 3, 2021, respectively, which are included within other expense in the unaudited condensed consolidated statements of operations. There were no material marketing expenses recognized during the 39 weeks ended October 2, 2022.

Capital Commitments

As of October 2, 2022, capital expenditure commitments contracted for but not yet incurred total \$2 million and are related primarily to site improvement costs for Soho Beach House, Soho House New York, and Soho House Hong Kong.

Business Interruption and Property Insurance

The Company maintains insurance policies to cover business interruption with terms that management believes to be adequate and appropriate. These policies may be subject to applicable deductible or retention amounts, coverage limitations and exclusions and may not be sufficient to cover all of the losses incurred. The Company did not incur any losses during the 13 weeks and 39 weeks ended October 3, 2021.

In February 2022, there was a fire at Little Beach House Malibu which resulted in full House closure until April 2022. As a result of the fire damage, the Company recorded business interruption insurance proceeds totaling less than \$1 million related to the reimbursement of lost profits as a result of the closure. This amount is recorded as business interruption income on the unaudited condensed consolidated statement of operations for the 39 weeks ended October 2, 2022.

In addition, the Company received cash totaling less than \$1 million in connection with a property damage insurance claim, which reimburses the replacement cost for repair or replacement of damaged assets. This amount is recorded as insurance proceeds received on the unaudited condensed consolidated statement of cash flows for the 39 weeks ended October 2, 2022.

17. Income Taxes

In July 2021, the Company carried out a legal entity restructuring which resulted in the formation of Membership Collective Group Inc., a US domiciled corporation, as the parent entity of the Company. Prior to July 2021, the parent entity of the Company was a UK domiciled entity.

For the 13 weeks and 39 weeks ended October 2, 2022, there have been no material changes in the Company's estimates or provisions for income taxes recorded in the unaudited condensed consolidated balance sheet. The Company has generated incremental deferred tax assets relating to tax losses, share-based compensation, and excess interest of \$20 million and \$45 million based on the results for the 13 weeks and 39 weeks ended October 2, 2022. As a consequence of the IPO, the Company anticipates that tax deductions will be available in certain jurisdictions in connection with share-based compensation and a deferred tax asset has therefore been recognized. Full valuation allowances have been recorded against the incremental deferred tax assets recognized for tax losses, share-based compensation, and excess interest. The level of unrecognized tax benefits has increased by \$4 million and \$15 million in the 13 weeks and 39 weeks ended October 2, 2022, respectively. There is no impact on the Company's effective tax rate for the 13 weeks and 39 weeks ended October 2, 2022 as there is a corresponding reduction in the valuation allowance applied for the period.

The effective tax rate for the 13 weeks ended October 2, 2022 was (3.41)%, compared to (3.91)% for the 13 weeks ended October 3, 2021. The effective tax rate for the 39 weeks ended October 2, 2022 was (1.32)% compared to 0.91% for the 39 weeks ended October 3, 2021. The effective tax rate for the 13 weeks and 39 weeks ended October 2, 2022 differs from the US statutory rate of 21% primarily due to a full valuation allowance being recorded against the tax losses and other deferred tax assets generated during the period then ended.

18. Segments

The Company's core operations comprise of Houses and restaurants across a number of territories, which are managed on a geographical basis. In addition to Houses and restaurants, the Company offers other products and services, such as retail, home & beauty products and services, which comprise its Retail operating segment; access to Soho Works collaboration spaces across the UK and North America, which comprise its Soho Works operating segment; and memberships for people who live in cities where physical Houses do not exist, which comprise its Cities Without Houses operating segment.

The Company has identified the following three reportable segments:

- UK,
- North America, and
- Europe and ROW.

The manner in which the Company's Chief Operating Decision Maker ("CODM") assesses information for decision-making purposes changed during the fourth quarter of the fiscal year ended January 2, 2022. SHD, which was previously a separate reportable segment, is no longer a separate operating segment or reportable segment since the CODM does not review discrete financial information for the business. In addition, Soho Restaurants, which was previously not a separate operating or reportable segment, became a separate operating segment since the CODM reviews discrete financial information for the business. The Company restated segment information for the historical periods presented herein to conform to the current presentation. This change in segment presentation does not affect the Company's unaudited condensed consolidated statements of operations, balance sheets or statements of cash flows.

Membership Collective Group Inc.
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The Company analyzed the results of the Retail, Soho Works, Soho Restaurants, and Cities Without Houses operating segments and concluded that they did not warrant separate presentation as reportable segments as they do not provide additional useful information to the readers of the financial statements. Therefore, these segments are included as part of an "All Other" category.

The Company manages and assesses the performance of the reportable segments by adjusted EBITDA, which is defined as net income (loss) before depreciation and amortization, interest expense, net, provision (benefit) for income taxes, adjusted to take account of the impact of certain non-cash and other items that the Company does not consider in its evaluation of ongoing operating performance. These other items include, but are not limited to, loss (gain) on sale of property and other, net, share of loss (profit) of equity method investments, foreign exchange, pre-opening expenses, non-cash rent, deferred registration fees, net, deferred revenue from House Introduction Credits, share of equity method investments adjusted EBITDA, share-based compensation expense, and certain other expenses.

The following tables present disaggregated revenue for the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021 and the key financial metrics reviewed by the CODM for the Company's reportable segments:

For the 13 Weeks Ended October 2, 2022						
(in thousands)	North America	UK	Europe & ROW	Reportable Segment Total	All Other	Total
Membership revenues	\$ 36,902	\$ 19,469	\$ 8,239	\$ 64,610	\$ 9,118	\$ 73,728
In-House revenues	47,380	40,313	27,612	115,305	—	115,305
Other revenues	16,703	16,906	25,506	59,115	30,280	89,395
Total segment revenue	100,985	76,688	61,357	239,030	39,398	278,428
Elimination of equity accounted revenue	(3,663)	(1,833)	(6,886)	(12,382)	—	(12,382)
Consolidated revenue	\$ 97,322	\$ 74,855	\$ 54,471	\$ 226,648	\$ 39,398	\$ 266,046
For the 13 Weeks Ended October 3, 2021						
(in thousands)	North America	UK	Europe & ROW	Reportable Segment Total	All Other	Total
Membership revenues	\$ 25,239	\$ 16,101	\$ 5,841	\$ 47,181	\$ 6,274	\$ 53,455
In-House revenues	26,703	30,389	13,282	70,374	—	70,374
Other revenues	12,102	10,703	17,735	40,540	24,249	64,789
Total segment revenue	64,044	57,193	36,858	158,095	30,523	188,618
Elimination of equity accounted revenue	(2,001)	(2,662)	(4,396)	(9,059)	—	(9,059)
Consolidated revenue	\$ 62,043	\$ 54,531	\$ 32,462	\$ 149,036	\$ 30,523	\$ 179,559
For the 39 Weeks Ended October 2, 2022						
(in thousands)	North America	UK	Europe & ROW	Reportable Segment Total	All Other	Total
Membership revenues	\$ 99,960	\$ 55,105	\$ 22,632	\$ 177,697	\$ 25,991	\$ 203,688
In-House revenues	138,113	120,003	64,559	322,675	—	322,675
Other revenues	52,095	43,120	36,845	132,060	77,701	209,761
Total segment revenue	290,168	218,228	124,036	632,432	103,692	736,124
Elimination of equity accounted revenue	(10,770)	(5,549)	(17,981)	(34,300)	—	(34,300)
Consolidated revenue	\$ 279,398	\$ 212,679	\$ 106,055	\$ 598,132	\$ 103,692	\$ 701,824
For the 39 Weeks Ended October 3, 2021						
(in thousands)	North America	UK	Europe & ROW	Reportable Segment Total	All Other	Total
Membership revenues	\$ 68,841	\$ 44,155	\$ 15,988	\$ 128,984	\$ 13,818	\$ 142,802
In-House revenues	65,131	48,280	20,955	134,366	—	134,366
Other revenues	30,003	17,598	22,536	70,137	50,844	120,981
Total segment revenue	163,975	110,033	59,479	333,487	64,662	398,149
Elimination of equity accounted revenue	(9,667)	(4,071)	(8,372)	(22,110)	—	(22,110)
Consolidated revenue	\$ 154,308	\$ 105,962	\$ 51,107	\$ 311,377	\$ 64,662	\$ 376,039

Membership Collective Group Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)
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The following tables present the reconciliation of reportable segment adjusted EBITDA to total consolidated segment revenue and the reconciliation of net loss to adjusted EBITDA:

(in thousands)	For the 13 Weeks Ended October 2, 2022					
	North America	UK	Europe & ROW	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	\$ 97,322	\$ 74,855	\$ 54,471	\$ 226,648	\$ 39,398	\$ 266,046
Total segment operating expenses	(81,309)	(66,320)	(42,861)	(190,490)	(39,505)	(229,995)
Share of equity method investments adjusted EBITDA	496	187	1,295	1,978	-	1,978
Reportable segments adjusted EBITDA	16,509	8,722	12,905	38,136	(107)	38,029
Unallocated corporate overhead						(10,358)
Consolidated adjusted EBITDA						27,671
Depreciation and amortization						(26,971)
Interest expense, net						(18,453)
Income tax expense						(3,013)
Loss on sale of property and other, net						(12)
Share of profit of equity method investments						686
Foreign exchange						(53,910)
Pre-opening expenses						(2,555)
Non-cash rent						(4,654)
Deferred registration fees, net						489
Share of equity method investments adjusted EBITDA						(1,978)
Share-based compensation expense ⁽¹⁾						(3,980)
Other expenses, net ⁽¹⁾						(4,693)
Net loss						\$ (91,373)

- (1) Other expenses, net includes share-based compensation expense incurred related to the departure of the former Chief Operating Officer of the Company of \$4 million for the 13 weeks and 39 weeks ended October 2, 2022. This balance is reported within Share-based compensation expense in the unaudited condensed consolidated statement of operations for the 13 and 39 weeks ended October 2, 2022.

Membership Collective Group Inc.

Notes to Condensed Consolidated Financial Statements (Unaudited)

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	For 13 Weeks Ended October 3, 2021					
(in thousands)	North America	UK	Europe & ROW	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	\$ 62,043	\$ 54,531	\$ 32,462	\$ 149,036	\$ 30,523	\$ 179,559
Total segment operating expenses	(54,156)	(47,686)	(21,373)	(123,215)	(34,340)	(157,555)
Share of equity method investments adjusted EBITDA	390	615	843	1,848	—	1,848
Reportable segments adjusted EBITDA	8,277	7,460	11,932	27,669	(3,817)	23,852
Unallocated corporate overhead						(8,402)
Consolidated adjusted EBITDA						15,450
Depreciation and amortization						(21,500)
Interest expense, net						(20,827)
Income tax expense						(2,868)
Loss on sale of property and other, net						(31)
Share of profit of equity method investments						949
Foreign exchange						(14,599)
Pre-opening expenses						(4,672)
Non-cash rent						(1,191)
Deferred registration fees, net						(974)
Share of equity method investments adjusted EBITDA						(1,848)
Share-based compensation expense						(15,281)
Other expenses, net ⁽¹⁾						(8,829)
Net loss						\$ (76,221)

(1) Includes membership credits expense, COVID-19 related charges and corporate financing and restructuring costs.

Membership Collective Group Inc.
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(in thousands)	For the 39 Weeks Ended October 2, 2022					
	North America	UK	Europe & ROW	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	\$ 279,398	\$ 212,679	\$ 106,055	\$ 598,132	\$ 103,692	\$ 701,824
Total segment operating expenses	(229,118)	(178,043)	(96,715)	(503,876)	(109,338)	(613,214)
Share of equity method investments adjusted EBITDA	1,783	579	3,320	5,682	—	5,682
Reportable segments adjusted EBITDA	52,063	35,215	12,660	99,938	(5,646)	94,292
Unallocated corporate overhead						(32,275)
Consolidated adjusted EBITDA						62,017
Depreciation and amortization						(72,490)
Interest expense, net						(52,948)
Income tax expense						(3,070)
Gain on sale of property and other, net						1,529
Share of profit of equity method investments						2,426
Foreign exchange						(128,160)
Pre-opening expenses						(10,328)
Non-cash rent ⁽¹⁾						(5,644)
Deferred registration fees, net						(1,393)
Share of equity method investments adjusted EBITDA						(5,682)
Share-based compensation expense ⁽²⁾						(16,057)
Other expenses, net ⁽²⁾						(5,754)
Net loss						\$ (235,554)

- (1) Includes the effect of a prior-period error correction, as discussed in Note 2, Summary of Significant Accounting Policies—Basis of Presentation.
- (2) Other expenses, net includes share-based compensation and severance expense incurred related to the departure of the former Chief Operating Officer of the Company of \$4 million for the 13 weeks and 39 weeks ended October 2, 2022. This balance is reported within Share-based compensation expense in the unaudited condensed consolidated statement of operations for the 13 and 39 weeks ended October 2, 2022.

Membership Collective Group Inc.
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As of October 2, 2022 and January 2, 2022 and for the 13 weeks and 39 weeks ended October 2, 2022 and October 3, 2021

(in thousands)	For 39 Weeks Ended October 3, 2021					
	North America	UK	Europe & ROW	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	\$ 154,308	\$ 105,962	\$ 51,107	\$ 311,377	\$ 64,662	\$ 376,039
Total segment operating expenses	(130,112)	(99,431)	(42,859)	(272,402)	(81,992)	(354,394)
Share of equity method investments adjusted EBITDA	1,948	599	1,628	4,175	—	4,175
Reportable segments adjusted EBITDA	26,144	7,130	9,876	43,150	(17,330)	25,820
Unallocated corporate overhead						(27,293)
Consolidated adjusted EBITDA						(1,473)
Depreciation and amortization						(61,250)
Interest expense, net						(67,449)
Income tax expense						(2,048)
Gain on sale of property and other, net						6,872
Share of profit of equity method investments						123
Foreign exchange						(30,521)
Pre-opening expenses						(15,990)
Non-cash rent						(6,898)
Deferred registration fees, net						(585)
Share of equity method investments adjusted EBITDA						(4,175)
Share-based compensation expense						(19,958)
Other expenses, net ⁽¹⁾						(23,014)
Net loss						\$ (226,366)

(1) Includes membership credits expense, COVID-19 related charges and corporate financing and restructuring costs.

(in thousands)	For the 13 Weeks Ended		For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
Net loss	\$ (91,373)	\$ (76,221)	\$ (235,554)	\$ (226,366)
Depreciation and amortization	26,971	21,500	72,490	61,250
Interest expense, net	18,453	20,827	52,948	67,449
Income tax expense	3,013	2,868	3,070	2,048
EBITDA	(42,936)	(31,026)	(107,046)	(95,619)
Loss (gain) on sale of property and other, net	12	31	(1,529)	(6,872)
Share of profit of equity method investments	(686)	(949)	(2,426)	(123)
Foreign exchange	53,910	14,599	128,160	30,521
Pre-opening expenses ⁽¹⁾	2,555	4,672	10,328	15,990
Non-cash rent ⁽²⁾	4,654	1,191	5,644	6,898
Deferred registration fees, net	(489)	974	1,393	585
Share of equity method investments adjusted EBITDA	1,978	1,848	5,682	4,175
Share-based compensation expense ⁽³⁾	3,980	15,281	16,057	19,958
Other expenses, net ⁽³⁾⁽⁴⁾	4,693	8,829	5,754	23,014
Adjusted EBITDA	\$ 27,671	\$ 15,450	\$ 62,017	\$ (1,473)

(1) The entire balance of these costs is related to pre-opening activities for our Houses in each of the periods presented.

(2) The non-cash rent balance for the 39 weeks ended October 2, 2022 includes the effect of a prior-period error correction, as discussed in Note 2, Summary of Significant Accounting Policies – Basis of Presentation.

(3) Other expenses, net includes non-cash share-based compensation and severance expense incurred with respect to an internal reorganization program of the Company's operations team of \$4 million for the 13 weeks and 39 weeks ended October 2, 2022. This balance is reported within Share-based compensation expense in the unaudited condensed consolidated statement of operations for the 13 and 39 weeks ended October 2, 2022.

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- (4) Represents other items included in operating expenses, which are outside the normal scope of the Company's ordinary activities or non-cash, including expenses incurred in respect of membership credits of \$1 million and \$1 million for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and less than \$1 million and \$5 million for the 39 weeks ended October 2, 2022 and October 3, 2021. Other expenses, net also include IPO-related costs of \$15 million and corporate financing and restructuring costs of \$2 million incurred during the 39 weeks ended October 3, 2021.

The following table presents long-lived asset information (which includes property and equipment, net, operating lease right-of-use assets and equity method investments) by geographic area as of October 2, 2022 and January 2, 2022. Asset information by segment is not reported internally or otherwise regularly reviewed by the CODM.

<i>(in thousands)</i>	As of	
	October 2, 2022	January 2, 2022
Long-lived assets by geography		
North America	\$ 895,852	\$ 806,617
United Kingdom	472,627	571,716
Europe	246,715	270,657
Asia	48,984	56,583
Total long-lived assets	\$ 1,664,178	\$ 1,705,573

19. Related Party Transactions

In 2017, SWL entered into a term loan facility agreement with two individuals who are related parties of the Company. For additional information, refer to Note 11, Debt.

The amounts owed by (to) equity method investees due within one year are as follows:

<i>(in thousands)</i>	As of	
	October 2, 2022	January 2, 2022
Soho House Toronto Partnership	\$ (1,082)	\$ (810)
Raycliff Red LLP	(3,545)	(2,952)
Mirador Barcel S.L.	(96)	450
Little Beach House Barcelona S.L.	(258)	(203)
Mimea XXI S.L.	381	429
	\$ (4,600)	\$ (3,086)

Amounts owed by equity method investees due within one year are included in prepaid expenses and other current assets on the unaudited condensed consolidated balance sheets. Amounts owed to equity method investees due within one year are included in other current liabilities on the unaudited condensed consolidated balance sheets.

In 2016, SWL, a consolidated VIE, entered into an agreement to lease a property under construction by the landlord with Store Holding Group Ltd, a wholly-owned subsidiary of the noncontrolling interest holders of SWL. The handover of six floors of the leased property occurred on a floor-by-floor basis upon substantial completion of landlord improvements, resulting in multiple lease commencement dates in 2019. Lease commencement for the remaining four floors occurred during 2020 upon substantial completion of landlord improvements. This lease runs for a term of 19 years until July 25, 2039. The operating lease asset and liability associated with this lease are \$79 million and \$94 million as of October 2, 2022, respectively, and \$97 million and \$117 million as of January 2, 2022, respectively. Rent expense associated with this lease totaled \$3 million and \$3 million during the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$8 million and \$8 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

The Company is party to a property lease arrangement with The Yucaipa Companies LLC. This lease runs for a term of 20 years until December 31, 2038. The operating lease asset and liability associated with this lease are \$17 million and \$21 million as of October 2, 2022, respectively, and \$11 million and \$17 million as of January 2, 2022, respectively. Rent expense associated with this lease totaled \$1 million and \$1 million for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$2 million and \$2 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

Through Soho-Ludlow Tenant LLC, the Company is a party to a property lease agreement dated May 3, 2019 for 137 Ludlow Street, New York with Ludlow 137 Holdings LLC, an affiliate of The Yucaipa Companies LLC. This lease runs for a term of 22 years until April 20, 2041, with options to extend for three additional five-year terms. The operating lease right-of-use asset and liability associated with this lease were \$9 million, \$15 million, respectively, as of October 2, 2022 and \$9 million and \$15 million, respectively, as of January 2, 2022. The rent expense associated with this lease was less than \$1 million and less than \$1 million for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$1 million and \$1 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

The Company leases the Ludlow property from 139 Ludlow Acquisition LLC, an equity method investee. This is a 25-year lease that commenced May 1, 2016. The operating lease right-of-use asset and liability associated with this lease were \$29 million and \$33 million, respectively, as of October 2, 2022 and \$30 million and \$33 million, respectively, as of January 2, 2022. The rent expense associated with this lease was \$1 million and \$1 million for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$3 million and \$3 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

The Company leases the Tel Aviv House from an affiliate of Raycliff Capital, LLC which held a portion of the SHHL redeemable C ordinary shares prior to the IPO and continues to hold Class A common stock of MCG. This lease commenced on June 1, 2021. This lease runs for a term of 19 years until December 15, 2039. The operating lease right-of-use asset and liability associated with this lease were \$21 million and \$22 million, respectively, as of October 2, 2022 and \$23 million and \$22 million, respectively, as of January 2, 2022. The rent expense associated with this lease was \$1 million and \$2 million for the 13 weeks and 39 weeks ended October 2, 2022, respectively. The rent expense associated with this lease was \$1 million and \$1 million for the 13 weeks and 39 weeks ended October 3, 2021, respectively.

The Company leases the Little House West Hollywood from GHWHI, LLC, a company controlled by an affiliate of the Company. This lease commenced on October 16, 2021. This lease runs for a term of 25 years (15-year base lease term, including two 5-year renewal options). The operating lease right-of-use asset and liability associated with this lease were \$65 million and \$69 million, respectively, as of October 2, 2022. The rent expense associated with this lease was \$1 million and \$4 million for the 13 weeks and 39 weeks ended October 2, 2022, respectively.

The Company leases a property from GHPSI, LLC in order to operate the Le Vallauris restaurant in Palm Springs, California. GHPSI's ultimate parent entity is GHREP, LLC, an affiliate of The Yucaipa Companies LLC. This lease commenced on February 2, 2022. This lease runs for a term of 15 years until March 16, 2037, with options to extend for two additional five-year terms. The operating lease right-of-use asset and liability associated with this lease were \$7 million and \$7 million, respectively, as of October 2, 2022. The rent expense associated with this lease was less than \$1 million and \$1 million for the 13 weeks and 39 weeks ended October 2, 2022, respectively.

The Company leases a property from GHPSI, LLC in order to operate the Willows Historic Palm Springs Inn in Palm Springs, California. GHPSI's ultimate parent entity is GHREP, LLC, an affiliate of The Yucaipa Companies LLC. This lease commenced on September 15, 2022. This lease runs for a term of 15 years until September 14, 2037, with options to extend for two additional five-year terms. The operating lease right-of-use asset and liability associated with this lease were \$15 million and \$15 million, respectively, as of October 2, 2022. The rent expense associated with this lease was less than \$1 million for both the 13 weeks and 39 weeks ended October 2, 2022.

Ned-Soho House, LLP received management fees from The Ned totaling less than \$1 million for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$2 million and less than \$1 million during the 39 weeks ended October 2, 2022 and October 3, 2021, respectively. The Company received management fees from affiliates of the Company related to the operations of The Ned New York totaling less than \$1 million for the 13 weeks and 39 weeks ended October 2, 2022.

In return for arranging, and providing financial and transaction advisory services in connection with, the issuance of the Senior Secured Notes and the Senior Preference Shares as described in Note 11, Debt, and Note 14, SHHL Redeemable Preferred Shares and SHHL Redeemable C Ordinary Shares, respectively, an affiliate of Yucaipa Companies LLC received a fee in an aggregate amount of \$10 million pursuant to a fee letter arrangement with the Company dated March 23, 2021.

In return for its role as sponsor in connection with our IPO, an affiliate of Yucaipa Companies LLC received a fee of \$9 million pursuant to a fee letter arrangement with the Company dated July 19, 2021. The fee, which has been paid in full, has been recognized as a reduction of additional paid-in capital.

The Company received management fees under our hotel management contract for the operation of the LINE and Saguaro hotels from an affiliate of Yucaipa Companies LLC. These fees amounted to \$3 million and \$1 million for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$7 million and \$1 million for the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

Fees from the provision of Soho House Design services were received from affiliates of the Company totaled \$3 million and less than \$1 million for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$8 million and \$1 million for the 39 weeks ended October 2, 2022 and October 3, 2021, respectively. Costs from the provision of Soho House Design services were received from affiliates of the Company totaled \$2 million and less than \$1 million for the 13 weeks ended October 2, 2022 and October 3, 2021, respectively, and \$4 million and \$1 million for the 39 weeks ended October 2, 2022 and October 3, 2021, respectively.

20. Subsequent Events

Shares repurchased

Since October 2, 2022, the Company has repurchased a total of 1,219,799

shares of Class A common stock for \$5 million as a result of the ongoing stock repurchase program as described in Note 15, Loss Per Share and Shareholders' Equity.

Restricted stock unit award issued

During October 2022, the Company granted a new restricted stock unit award with respect to 300,000 shares of Class A Common Stock as consideration to a former employee who entered into a Separation and Release Agreement with the Company following a reorganization of the Company's regional leadership team in North America. As the award is to a nonemployee, without substantive future service conditions, the associated expense will be recognized in full in the period it was granted.

Shares issued

During October 2022, the Company issued a total of 75,346 shares of Class A common stock as a result of RSU awards vesting. The Company issued an additional 75,346 shares of Class A common stock in November 2022 as a result of further RSU awards vesting.

Shares sold

Since October 2, 2022, the Company has automatically sold a total of 73,214 shares of Class A common stock for proceeds of less than \$1 million on behalf of the RSU award holders. The proceeds from the sale of these shares were used to cover payroll taxes due upon the vesting of RSU awards vested in October and November 2022.

Membership Collective Group Inc.

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Amendment Letter Agreement to the Existing Revolving Credit Facility

On November 10, 2022, Soho House Bond Limited, a wholly-owned subsidiary of the Company entered into an amendment letter agreement to extend the termination date, from January 25, 2024 to July 25, 2026. Also included in the amendment was the addition of a springing leverage covenant and changes to the margin. A copy of the amendment letter agreement is filed as Exhibit to the Form 8-K which the Company filed with the SEC on November 10, 2022.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Management's discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and notes thereto and the related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended January 2, 2022.

In addition to historical financial information, this discussion and other parts of this report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, based upon current expectations that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the "Risk Factors" section in this Quarterly Report on Form 10-Q, and under Part II, Item 1A below. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results and events to differ from those anticipated. These statements are based upon information currently available to us, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements, like all statements in this report, speak only as of their date, and we undertake no obligation to update or revise these statements in light of future developments. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

Overview

Our Membership Platform

The Membership Collective Group ("MCG") is a global membership platform that connects a vibrant, diverse group of members from across the world. These members use the MCG platform to both work and socialize, to connect, create, have fun and drive a positive change.

We began with the opening of the first Soho House in 1995 and remain the only company to have scaled a private membership platform with a global presence. Over the last 27 years, we have expanded our membership expertise and diversified our offerings—both physically and digitally. As of October 2, 2022, we have approximately 211,400 members (including approximately 152,200 Soho House members) who engage with MCG through our global portfolio of 38 Soho Houses, 9 Soho Works, The Ned in London and New York, The LINE and Saguaro hotels in North America, Scorpions Beach Club in Mykonos, Soho Home, our interiors and lifestyle retail brand, and our digital channels.

The central pillar of MCG is Soho House, which drives the majority of our membership and revenue today. Since the opening of our first House in the Soho district of London in 1995, we have successfully identified the demand for a premium membership offering that caters to a progressive, creative and diverse global audience. Today, we believe our membership offering, consistently high standards of service, and our global footprint remain unparalleled. A Soho House membership offers access to a network of distinctive and carefully curated Houses, across North America, the United Kingdom, Europe and Asia, which serve as the cornerstone of our member experience. We enhance our member experience through our digital channels, including the SH.APP and our website. Our vision for the SH.APP has always been for it to be like having a House in your pocket. It's our central destination for members to make bookings, invite guests and to connect with each other. It's become an enabler to make member experience convenient and fulfilling—both in the houses and outside. Annually, we host thousands of member events worldwide, spanning film, fashion, art, food and drink, well-being, work and music—and help our members forge connections to bring them closer together.

Our membership expertise, honed through the growth of Soho House, has led to our evolution into the Membership Collective Group, a home to numerous memberships including Cities Without Houses, Soho Works, Soho Friends, and Ned's Club. By designing, curating and growing our membership offering, our membership platform can quickly and easily respond to shifting lifestyle trends and the evolution of our members' needs. Our memberships work together, allowing us to reach new audiences with a set of interconnected offerings.

Everything we do across these memberships begins and ends with our members. The foundation of our member experience has been crafted over our 27-year history and is built on the following pillars:

- *Membership:* We are in the business of forging connections and bringing people together. Our diverse global membership is the soul of our company. It is the people that define our culture and shape the experience – in turn attracting new members.
- *Physical and digital spaces:* We create and operate interconnected spaces. Each of our physical locations is designed to reflect our members and the local community that they serve. Our digital platforms extend our connection with members beyond our physical spaces, in turn significantly enhancing the member experience.
- *Design:* Our design DNA is instantly recognizable across all of our membership models, whether in our Houses, Soho Works, The Ned, Scorpions Beach Club or Soho Home. While each House is unique, they each have a consistency in their architectural and interior style that has come to define the Soho House experience. In each new House or site that we develop for our other brands, this style is interpreted for local tastes and preferences, reflecting the culture of the respective city.
- *Services, products and experiences:* Our member-obsessed culture drives us to relentlessly improve the quality of the services, products and experiences we offer to our members. We do not cut corners or compromise on quality, taking the long-term view that there is no substitute for the highest quality services, products and experiences when it comes to fostering loyalty from our members.

- *Innovation:* We have always strived to adapt and evolve by anticipating our members' needs and wants. Innovation has always been part of our culture and approach, and we have used that mindset to create new memberships to serve a wider audience of people who desire personal connection via new channels.
- *House Foundations:* We are committed to integrating the pillars of our social responsibility and sustainability program, House Foundations, into everything we do.

Our membership has remained resilient through multiple economic cycles and the COVID-19 pandemic. When our physical sites were forced to close as a result of the COVID-19 pandemic, there was minimal impact on the retention of Soho House members. The power of our model is driven by the important role we believe that we play in our members' lives and the value we consistently provide them for their membership fees. We believe our retention compares very favorably to leading consumer subscriptions or memberships—across music, media, fitness, entertainment and commerce—despite, in many cases, their significantly lower price points.

The demand for our membership is also demonstrated by our large and growing MCG global wait list, which as of October 2, 2022 stands at approximately 85,000 applicants. Awareness of our distinct membership offerings and their scarcity is spread by our members organically through word of mouth, social media and press coverage.

There are multiple consumer forces at play that have increased the relevance of our memberships. We have observed a secular shift in the ways that people live and work—with less time spent in traditional corporate offices and more time in social spaces that encourage creativity and mutual engagement. We believe that these trends will only accelerate, and that the freedom to be able to choose where to live and work—particularly in light of the COVID-19 pandemic—will likely have a significant impact on our target market. We believe this will create an even greater demand for curated communities that can grow and thrive in a more deliberate environment.

For the 39 weeks ended October 2, 2022, of our \$702 million in revenue, \$196 million (28%) was attributable to Membership Revenues, \$306 million (44%) to In-House Revenues, and \$200 million (28%) to Other Revenues. For the 39 weeks ended October 3, 2021, of our \$376 million in revenue, \$137 million (36%) was attributable to Membership Revenues, \$129 million (34%) to In-House Revenues, and \$111 million (30%) to Other Revenues.

Membership Revenues are comprised of annual membership fees and one-time legacy initial registration fees paid by members prior to April 4, 2022. From April 4, 2022, new admitted members will be required to purchase House Introduction Credits which will be redeemable against purchases of food and beverage items and bedroom stays at the Houses which will be recorded as In-House Revenues. Any unused amounts will be recognized as Membership Revenues. Refer to Note 2, Summary of Significant Accounting Policies—Basis of Presentation in this Quarterly Report on Form 10-Q for further information on House Introduction Credits.

In-House Revenues include all revenues realized within our Houses, including food and beverage, accommodation, and spa products and treatments. We view Membership Revenues and In-House Revenues as interrelated, insofar as although there is no minimum spend for any member on our In-House offerings that generate In-House Revenues. In practice the significant majority of In-House Revenues are generated by our members, and the pricing of our In-House offerings reflects that accordingly, with pricing of such In-House offerings being identical for both members and non-members.

Other Revenues include all revenues not realized within our Houses, including Scorpios, Soho Works and standalone restaurants, design and procurement fees from SHD and Soho Home among others.

Our Membership Platform

All of our memberships have been built to enrich the lives of their members, as well as expand our membership offering to a broader audience.

Soho House

Soho House remains at the core of our membership platform by creating a foundation upon which additional membership businesses can be built and scaled. While our physical Houses provide our foundation, the people inside them are the soul of Soho House. As a membership founded for the creative industries, we are proud to have championed members who have gone on to shape our cultural landscape as world class writers, artists, performers, directors, founders, designers, and producers – all reflecting the spirit and energy of Soho House.

The membership of each House is assembled by a select committee of influential creatives and innovators that represent the local area in which the membership is founded. Our members actively engage in creating the culture of each House, helping to shape and localize it by participating in member events and contributing to editorial and digital content. We believe this adds to the value of each House, enriching the membership and enhancing the attractiveness of membership to prospective members worldwide. With a current US Every House annual membership fee of approximately \$4,000 providing access to all of our Houses globally, we believe our membership offering provides compelling value to our members that increases as we add new Houses and more members to our global community. Our Houses attract members from every demographic, with members from “Generation Z” (25 years old and younger) and “Millennials” (26- to 41-year-olds) constituting the fastest-growing cohorts. We also believe that the pricing of our In-House offerings represents great value to our members because of the level of quality provided, reinforcing the overall membership experience, rewarding their brand loyalty and creating opportunities for future and recurring revenues.

We created the following types of membership under Soho House to reach a broader audience and enhance the experience of our existing members:

- *Cities Without Houses*

In 2017, we introduced a new type of Soho House membership known as Cities Without Houses (“CWH”), which opens up the Soho House membership to people who live in cities where we do not yet have a physical House. This membership allows us to welcome members to our global community in new geographies, generates additional revenues on our existing base of Houses and provides intelligence for future growth, which we have employed to open new Houses in certain locations, including Nashville (February 2022), Brighton (March 2022) and Copenhagen (July 2022). As of October 2, 2022, we have over 6,400 CWH members across 58 cities.

- *Soho Friends*

There are a significant number of people who enjoy the Soho House way of living and who have already visited our Houses as guests, stayed in our bedrooms, or visited our public restaurants and spas, but do not currently have a Soho House membership. To respond to this audience, we launched Soho Friends in November 2020 for an annual subscription cost of \$130. We offer access to physical spaces, including Soho House bedrooms, and Soho Studios (social spaces for Soho Friends and Soho House members) that host curated programs of events and screenings, with additional benefits from our restaurants, spas and online retail brands, although Soho Friends do not have full access to our Houses. As of October 2, 2022, we had 52,698 Soho Friends members. We intend to grow this membership brand in a measured way so that our Soho House members continue to account for the majority of visitors to our Houses and restaurants.

Soho Home

Soho Home was created as a result of the constant requests from our members to recreate the look and feel of the Houses in their own homes. Soho Home is an interiors and lifestyle retail brand that offers handcrafted furniture, lighting, textiles, tableware and accessories mostly through ecommerce. Over the past few years, we have transformed Soho Home into a high growth retail business. At the beginning of August 2022 we merged our SOHO HOME+ membership into Soho Friends.

Soho Works

First launched in 2015, Soho Works provides its members with the space and resources to work alongside other like-minded individuals and businesses—facilitating connections and providing the tools to flourish. Aimed at existing Soho House and Soho Friends members, Soho Works draws on the same design principles and membership ethos as Soho House, but is a space purposed entirely for work and creative collaboration.

Beginning with one location in London, we have since opened eight additional sites in London, New York and Los Angeles over the last two years and as of October 2, 2022, we had 6,488 members. Soho Works membership rates vary by location and Soho House membership status. For Soho House members, a US Soho Works membership ranges from \$200—\$750 per month, depending on membership type.

Scorpios Beach Club

Set in a cove on the southern tip of Mykonos, Scorpios offers a one of a kind beach experience with a well-established globally recognized brand. With a restaurant, terraces and daybeds, and a distinctive wellness offering, Scorpios enriches the lives of its guests who are looking to escape from their daily lives. We believe the Scorpios concept has significant potential to expand into additional locations as a key part of our platform and we expect to open our second site in Tulum, Mexico in 2023.

The Ned

The Ned has created a new space in the heart of the City of London for its members to meet, eat, drink and socialize. The Ned brand seeks to embody a “city within a city” full-service destination, by playing host to multiple restaurants, bedrooms, a range of grooming services, spa, gym and a full service members’ club. The membership offered by The Ned (“Ned’s Club”) is aimed at a broader group of professional people. As of October 2, 2022, Ned’s Club London has approximately 3,000 members. In June 2022, we opened The Ned NoMad in New York which covers 117,000 sq ft and includes a Ned’s Club, Cecconi’s restaurant, as well as 167 bedrooms. As of October 2, 2022, Ned NoMad has over 1,000 members. We opened another location, The Ned Doha, in November 2022. The Ned offers its members The Ned’s Club app, that allows members to make bookings, publish benefits, events and Club related information. We receive management fees under hotel management contracts for each of the operations of The Ned sites.

The LINE

On June 22, 2021, we acquired the operating agreements relating to the ‘The LINE’ and ‘Saguaro’ hotels. The hotels that are currently operational are located in Los Angeles, Washington, Austin, San Francisco (opened in September 2022) and Palm Springs, and among them offer a variety of food and beverage offerings together with approximately 1,370 hotel rooms. We receive management fees under hotel management contracts for the operation of these hotels. We believe the transaction will broaden our geographic reach in North America.

Factors Affecting Our Business

We believe the coveted lifestyle brand we have created has significant and proven growth potential. This potential, combined with the stability of our membership base, we believe will enable us to maintain our position as an industry leader in the future. We expect to grow our member base by growing the number of Soho Houses, continuing to scale our existing membership brands and launching and growing new membership brands. We believe our track record in expanding and growing our platform will position us to achieve significant and sustained growth.

A significant portion of our revenues is derived from House Revenues which consist of Membership Revenues and In-House Revenues. Our Membership Revenues, which are reflective of our steady and growing global brand, help to provide us with a recurring revenue base that limits the impact of fluctuations in regional economic conditions.

Our business and future performance is also affected by a variety of factors, including:

- *The ability to grow our member base.* Long-term member growth is a direct driver of Membership Revenue growth and an important factor in In-House Revenue growth. The impact of long-term member growth on Membership Revenues can be particularly impactful to our earnings given the lower direct expenses associated with incremental Membership Revenues relative to our other revenue streams.
- *Our ability to grow In-House Revenues.* In addition to their annual membership fee, our members pay for goods and services that they consume, which we refer to as In-House Revenues. We continue to actively develop the offerings in our Soho Houses and our other membership brands to improve overall experience and capture greater spend on food and beverage, accommodation, spa services, private events and our other goods and services. We believe that the pricing of our In-House offerings, which is reflective of the membership fees we receive from members who consume most of our In-House offerings, represents great value to our members for the level of quality provided, reinforcing the overall membership experience, rewarding brand loyalty and creating the opportunity for future revenue enhancement. Our proven ability to drive long-term member growth at existing Houses is also an important contributing factor in sustaining In-House Revenue growth.
- *Our ability to adjust membership pricing.* As we expand our number of Soho Houses globally and continue to invest in maintaining the quality of our existing Soho Houses, we are able to grow Membership Revenue by periodically reviewing our membership fee rates, as well as migrating members from Local House to Every House membership, which also has the effect of increasing Membership Revenues and offering new membership brands to join. Contrary to traditional hospitality companies which may experience brand dilution as they expand, the value of our membership and brand strengthens as we expand into new cities and properties and new membership brands. As we expand globally, the value of an Every House membership becomes more compelling to both new and existing members, enhancing our revenue potential. Historically, our membership price increases have not had a material impact on our retention rates and we believe this provides a strong indication of demand and price inelasticity for our memberships.
- *Our ability to grow our membership brands and products.* We believe the strength of our brand and our culture of creativity and innovation will allow us to continue to capitalize on opportunities in complementary concepts and product lines and that our adjacent lines of business can achieve substantial stand-alone scale. Our expansion into new products and businesses can contribute meaningfully to our revenue in the future as we tap into our existing and growing membership base.

Reportable Segments

Our operations consist of three reportable segments (United Kingdom, North America, and Europe and Rest of the World (“ROW”)) and one non-reportable segment that we present as “All Other”. Each of our segments includes all operations in that region including our Houses and all associated facilities, spas and stand-alone restaurants. Refer to Note 18—Segments in this Quarterly Report on Form 10-Q for more information on reportable segments.

Key Performance and Operating Metrics Evaluated by Management

In assessing the performance of our business, we consider a variety of operating and financial measures. These key measures include:

NUMBER OF SOHO HOUSES. The number of Soho Houses reflects the total number of Soho Houses in operation in any period, irrespective of whether each House is (i) controlled by us, (ii) operated through a non-controlling interest in a joint venture or (iii) operated through a management contract.

We review the number of members from all Houses to assess new member growth, total House Revenues, and House-Level Contribution.

NUMBER OF SOHO HOUSE MEMBERS. Our Soho House membership model is an integral part of our business and has a significant impact on our profitability and financial performance. Typically, members hold an Every House membership or a Local House membership. Member count is the primary driver of Membership Revenues and is also a critical factor in In-House Revenues as members utilize the offerings that are provided within the Houses. Soho House members include all active, frozen and non-paying members.

The extent to which we achieve growth in our membership base, retain existing members and periodically increase our membership fee rates will impact our profitability. We have historically enjoyed strong member loyalty, reflected by very high retention rates. Robust demand for our memberships is also evidenced by considerable wait lists for our Houses.

The year-over-year increase in our total number of Soho House members is driven by a combination of increases in membership at existing Houses and members from new Houses.

NUMBER OF OTHER MEMBERS. Other members include members of Soho Works and Soho Friends are key to our growth strategy and enhancing our Soho House member experience. Like Soho House members, other memberships are an integral part of our business and we believe will have a significant impact on our profitability and financial performance in the future.

FROZEN MEMBERS. Frozen Members refers to Soho House members who have elected to suspend their membership payments on a six, nine- or twelve-month basis during which period the member is not able to gain access to a Soho House site as a member, access our membership Apps, or book bedrooms or Cowshed treatments or products on discounted member rates. Frozen Members are not included in Adult Paying Members, but are included in the total number of Soho House members.

MEMBERSHIP REVENUES. Membership Revenues are comprised of House Membership Revenues (as defined below) and Non-House Membership Revenues (as defined below). House Membership Revenues and Non-House Membership Revenues are each comprised primarily of annual membership fees and one-time legacy registration fees which are amortized over 20 years. The one-time registration fee is no longer applicable to new members admitted from

April 4, 2022; see "House Introduction Credits" below. Membership Revenues are a function of the number of members, membership mix, and membership pricing. For GAAP, we report Membership Revenues only from Houses and sites in which we own a controlling interest. Our membership pricing varies by geographic segment and membership offering and, as such, our mix of House and Soho Works club openings can affect our revenue growth and profitability over time. Prices are generally higher in North America and the ROW compared with the UK and Europe. Membership Revenues provide a stable and recurring source of revenues which have few direct costs and, as such, is a reliable and predictable source of cash flow.

HOUSE INTRODUCTION CREDITS. New members admitted from April 4, 2022 are required to purchase House Introduction Credits as part of their membership, per the House rules. House Introduction Credits are credits of an equivalent value to cash within Houses and are redeemable against purchases of food and beverage items, and bedroom stays, at the Houses. House Introduction Credits expire after the first three months from the date of issuance, where legally permitted in the regions we operate, if not utilized or if the Company terminates a member's House membership. House Introduction Credits are recognized upon issuance as deferred revenue on our unaudited condensed consolidated balance sheets. Revenue from House Introduction Credits are recognized as In-House revenues when redeemed by members, and as breakage revenue within Membership revenues upon expiration or in the period that we are able to reliably estimate expected breakage. House Introduction Credits expire three months from the date of issue.

HOUSE MEMBERSHIP REVENUES. House Membership Revenues are comprised primarily of annual membership fees and one-time legacy registration fees from Soho House members which are amortized over 20 years. The one-time registration fee is no longer applicable to new members admitted from April 4, 2022; see "House Introduction Credits" above.

IN-HOUSE REVENUES. In-House Revenues refer to all revenues realized within our Houses, and primarily includes revenues from food and beverage, accommodation, and spa products and treatments.

HOUSE REVENUES. House Revenues is defined as House Membership Revenues plus In-House Revenues, less Non-House Membership Revenues. Our management views House Membership Revenues and In-House Revenues as interrelated and their aggregation as important in tracking House performance. Although there is no minimum spend for any member on In-House offerings, nevertheless in practice most members consume food and beverage, accommodations and other offerings at our Houses. The pricing of our In-House offerings is reflective of the fact that the significant majority of In-House offerings that generate In-House revenues are consumed by members who also pay a membership fee in relation to that House, with pricing of such In-House offerings being identical for both members and non-members.

OTHER REVENUES. Other Revenues are defined as total revenues that are not realized within our Houses, including revenues from Scorpios, Soho Works and our stand-alone restaurants, procurement fees from SHD, Soho Home and Cowshed retail products and other revenues from products and services that we provide outside of our Houses, as well as management fees from hotel management contracts for The Ned Sites and The LINE and Saguaro hotels.

NON-HOUSE MEMBERSHIP REVENUES. Non-House Membership Revenues are comprised of Soho Works membership revenue, Soho Friends membership revenue and SOHO HOME+ membership revenue which was merged into Soho Friends membership at the beginning of August 2022.

ACTIVE APP USERS. Active App Users is defined as unique users who have logged into any of our membership Apps within the last three months.

Non-GAAP Financial Measures

We refer to Adjusted EBITDA, House-Level Contribution, House-Level Contribution Margin, Other Contribution and Other Contribution Margin throughout this Quarterly Report on Form 10-Q, as we use these measures to evaluate our operating performance and each of these measures is defined in "Non-GAAP Financial Measures." We believe these measures are useful to investors in evaluating our operating performance. Adjusted EBITDA, House-Level Contribution, House-Level Contribution Margin, Other Contribution and Other Contribution Margin are all supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. Adjusted EBITDA, House-Level Contribution, House-Level Contribution Margin, Other Contribution and Other Contribution Margin should not be considered as substitutes for GAAP metrics such as Operating Loss and Net Loss or any other performance measure derived in accordance with GAAP. Some of our financial and operational data that we disclose in this Quarterly Report on Form 10-Q are presented on a 'constant currency' basis to isolate the effect of currency changes during the period. Where we refer to a measure being calculated in 'constant currency', we are calculating the USD change and the percentage change as if the exchange rate that is being used in the current period was in effect for the prior period presented. We believe that this calculation provides a more meaningful indication of actual year over year performance and eliminates the fluctuations from currency exchange rates.

KEY PERFORMANCE AND OPERATING METRICS

	As of	
	October 2, 2022	October 3, 2021
	(Unaudited)	
Number of Soho Houses	38	32
North America	13	11
United Kingdom	13	11
Europe/RoW	12	10
Number of Soho House Members	152,165	117,728
North America	57,221	44,067
United Kingdom	58,106	47,341
Europe/RoW	30,374	22,013
All Other	6,464	4,307
Number of Other Members	59,186	26,775
North America	16,200	6,385
United Kingdom	35,969	18,372
Europe/RoW	7,017	2,018
Number of Total Members	211,351	144,503
Number of Active App Users	156,769	93,410

	For the 13 Weeks Ended		For the 13 Weeks Ended		For the 39 Weeks Ended		For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
	Actuals		Constant Currency ⁽¹⁾		Actuals		Constant Currency ⁽¹⁾	
	(Unaudited, dollar amounts in thousands, except percentages)							
Operating loss	\$ (70,581)	\$ (53,444)	\$ (70,581)	\$ (45,562)	\$ (183,491)	\$ (163,864)	\$ (183,491)	\$ (147,728)
Operating loss margin	(27)%	(30)%	(27)%	(30)%	(26)%	(44)%	(26)%	(44)%
House-Level Contribution	32,599	23,950	32,599	20,417	98,977	50,816	98,977	45,812
House-Level Contribution Margin	19 %	21 %	19 %	21 %	21 %	20 %	21 %	20 %
Other Contribution	19,753	11,890	19,753	10,136	37,094	(3,613)	37,094	(3,257)
Other Contribution Margin	21 %	18 %	21 %	18 %	17 %	(3)%	17 %	(3)%
Adjusted EBITDA	20,260	8,820	20,260	7,519	37,838	(26,528)	37,838	(23,916)
Percentage of total revenues	8 %	5 %	8 %	5 %	5 %	(7)%	5 %	(7)%

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Results of Operations

Comparison of the 13 weeks ended October 2, 2022 and October 3, 2021

The following table summarizes our results of operations for the 13 weeks ended October 2, 2022 and October 3, 2021 (in thousands, except percentages):

	For the 13 Weeks Ended			October 3, 2021 Constant Currency ⁽¹⁾ (Dollar amounts in thousands)	Constant Currency Change % ⁽¹⁾
	October 2, 2022	October 3, 2021			
	Actuals				
	(Dollar amounts in thousands)		Change % (Unaudited)		
Revenues					
Membership revenues	\$ 71,023	\$ 51,162	39 %	\$ 43,616	63 %
In-House revenues	108,488	66,859	62 %	56,997	90 %
Other revenues	86,535	61,538	41 %	52,461	65 %
Total revenues	266,046	179,559	48 %	153,074	74 %
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization)	(139,212)	(89,340)	(56)%	(76,162)	(83)%
Other operating expenses (exclusive of depreciation and amortization)	(74,482)	(54,379)	(37)%	(46,358)	(61)%
General and administrative expenses	(30,807)	(24,369)	(26)%	(20,775)	(48)%
Pre-opening expenses	(2,555)	(4,672)	45%	(3,983)	36%
Depreciation and amortization	(26,971)	(21,500)	(25)%	(18,329)	(47)%
Share-based compensation	(7,778)	(15,281)	49%	(13,027)	40%
Foreign exchange loss, net	(53,910)	(14,599)	n/m	(12,446)	n/m
Other	(912)	(8,863)	90%	(7,556)	88%
Total operating expenses	(336,627)	(233,003)	(44)%	(198,636)	(69)%
Operating loss	(70,581)	(53,444)	(32)%	(45,562)	(55)%
Other (expense) income					
Interest expense, net	(18,453)	(20,827)	11%	(17,755)	(4)%
Loss gain on sale of property and other, net	(12)	(31)	61%	(26)	54%
Share of income of equity method investments	686	949	(28)%	809	(15)%
Total other expense, net	(17,779)	(19,909)	11%	(16,972)	(5)%
Loss before income taxes	(88,360)	(73,353)	(20)%	(62,534)	(41)%
Income tax expense	(3,013)	(2,868)	(5)%	(2,445)	(23)%
Net loss	(91,373)	(76,221)	(20)%	(64,979)	(41)%
Net income attributable to noncontrolling interest	(295)	(806)	63%	(687)	57%
Net loss attributable to Membership Collective Group Inc.	\$ (91,668)	\$ (77,027)	(19)%	\$ (65,666)	(40)%

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Components of Operating Results

Revenues

Total Revenue

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)		(Unaudited)	
Total revenues	\$ 266,046	\$ 179,559	48 %	74 %
North America	97,322	\$ 62,043	57 %	57 %
United Kingdom	74,855	\$ 54,531	37 %	61 %
Europe/RoW	54,471	\$ 32,462	68 %	97 %
All Other	39,398	\$ 30,523	29 %	51 %

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Membership revenues	\$ 71,023	\$ 51,162	39 %	63 %
North America	35,469	24,168	47 %	47 %
United Kingdom	19,469	16,102	21 %	42 %
Europe/RoW	6,967	4,618	51 %	77 %
All Other	9,118	6,274	45 %	70 %

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Membership revenues increased by 39% to \$71,023 for the 13 weeks ended October 2, 2022. This increase was predominantly driven by an additional 32,393 Adult Paying Soho House members at the end of the third quarter of fiscal 2022 versus the comparative period driven by new House openings, intakes at existing Houses and the unfreeze of members following the reduction in COVID-19 restrictions versus third quarter fiscal 2021. Additionally, the Soho House membership fee was increased at the start of fiscal 2022. This increase will impact new members on the date they join and existing members on their renewal date.

Our United Kingdom segment saw an increase in Membership revenues of \$3,367, or 21% (42% constant currency), due to the opening of Brighton Beach House in March 2022 and Little House Balham in July 2022, as well as membership intakes across all existing Houses, which resulted in an increase in Adult paying members of approximately 10,800 versus third quarter of fiscal 2021.

North America segment saw an increase in revenues of \$11,301, or 47% (47% constant currency), due to an increase of approximately 13,200 Adult paying members in third quarter of fiscal 2022 versus third quarter 2021, helped by the opening of Soho House Nashville in February 2022 and Holloway House, West Hollywood in May 2022.

The Europe/RoW segment saw an increase in Membership revenues of \$2,349, or 51% (77% constant currency), due to an increase of over approximately 5,900 Adult paying members, predominantly driven by intakes across all Houses, particularly at our new and maturing sites, Soho House Paris (September 2021), Soho House Rome (October 2021), and Soho House Copenhagen (July 2022).

Membership revenues reported under All Other above saw an increase predominantly driven by growth in CWH Adult Paying members as well as over 1,900 additional Soho Works paying members and 34,800 Soho Friends members in comparison to the third quarter of fiscal 2021.

In constant currency, Membership revenues would have increased by \$27,407, or 63%.

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
In-House revenues	\$ 108,488	\$ 66,859	62 %	90 %
North America	46,176	26,455	75 %	75 %
United Kingdom	40,313	30,389	33 %	56 %
Europe/RoW	21,999	10,015	n/m	n/m

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

In-House revenues were \$108,488 for the 13 weeks ended October 2, 2022, an increase of \$41,629 versus the comparative period in 2021. The increase was predominantly driven by Houses being back at full trading capacity in comparison to third quarter fiscal 2021 where a number of sites were still impacted by local social distancing restrictions, particularly in North America, Europe and Hong Kong. Revenues were further increased due to new Soho Houses opening in the last quarter of fiscal 2021 and then first three quarters of fiscal 2022 and well as selective price increases across our food and beverage offerings.

North America In-House revenues increased significantly versus third quarter fiscal 2021, predominantly due to the reduction in social distancing measures across states, where mask and vaccine mandates were still in place across a number of properties in third quarter 2021. The increase was further boosted by the opening of Soho House Nashville and Holloway House, West Hollywood in February 2022 and May 2022, respectively.

In-House revenues in the United Kingdom segment saw an increase year on year due to removal of all COVID-19 related social distancing restrictions present in third quarter 2021, additional rooms added to the offering at Soho Farmhouse, Oxfordshire versus the comparative period, and additional revenues from Brighton Beach House which opened in March 2022 and Little House Balham which opened in July 2022.

Europe/RoW In-House revenues segment saw a large increase year on year predominantly driven by increased revenues from Soho House Paris and Soho House Tel Aviv, which were only open for part of third quarter 2021, and Soho House Rome and Soho House Copenhagen which opened in October 2021 and

July 2022 respectively. Additionally Soho House Berlin and Soho House Amsterdam saw increased revenues versus the comparative period in 2021 following removal of certain international travel restrictions the were present in third quarter fiscal 2021.

In constant currency, In-House Revenues would have increased by \$51,490, or 90%.

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Other revenues	\$ 86,535	\$ 61,538	41 %	65 %
North America	15,676	11,420	37 %	37 %
United Kingdom	15,073	8,041	87 %	n/m
Europe/RoW	25,506	17,828	43 %	68 %
All Other	30,280	24,249	25 %	46 %

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Other revenues were \$86,535 for the 13 weeks ended October 2, 2022, compared to \$61,538 for the 13 weeks ended October 3, 2021, an increase of \$24,997. The increase is predominantly driven by increased sales volumes at our public restaurants in North America and the United Kingdom, as well as at Scorpios, Mykonos in third quarter of fiscal 2022 following fewer COVID-19 related restrictions and increased footfall, in comparison to third quarter fiscal 2021.

The increase in Other revenues in the North America segment in third quarter of fiscal 2022 is predominantly driven by a reduction in social distancing measures in comparison to third quarter of fiscal 2021, as well as the agreement to manage and operate the Le Vallauris restaurant, Palm Springs in the first quarter of fiscal 2022, which has also contributed to the increase in Other revenues.

The increase in Other revenues in the United Kingdom segment are predominantly driven by increased footfall at our restaurants following the reduction in social distancing restrictions versus third quarter 2021, coupled with selective price increases across our food and beverage offerings, as well as a stronger average daily rate at our London townhouse which was up 13% versus the comparative period.

The Europe/RoW Other revenues segment has increased compared to third quarter fiscal 2021 due to Scorpios Beach Club which operated with less restrictions versus last year, and saw significant increase in visits following relaxed travel rules for key markets, such as the United States.

Other revenues reported under All Other above have increased predominantly due to increased revenues from our Soho Home offering which increased 55% compared to the third quarter of fiscal 2021 and the lease promote received following the sale of our Paris property by the landlord of \$4 million. As part of our lease agreements we often include a promote clause to ensure a share of any gain in the value of the property during our tenancy.

In constant currency, Other Revenues have an increase by \$34,074, or 65%.

In-House Operating Expenses and House-Level Contribution

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
In-House operating expenses	\$ (139,212)	\$ (89,340)	(56)%	(83)%
Percentage of total House revenues	(81)%	(79)%		
Operating loss	\$ (70,581)	\$ (53,444)	(32)%	(55)%
Operating loss margin	(27)%	(30)%		
House-Level Contribution	\$ 32,599	\$ 23,950	36 %	60 %
House-Level Contribution Margin	19 %	21 %	(2)%	
House-Level Contribution by segment:				
North America	\$ 17,093	\$ 9,200	86 %	86 %
United Kingdom	13,399	10,686	25 %	47 %
Europe/RoW	418	3,356	(88)%	(85)%
All Other	1,689	708	n/m	n/m
House-Level Contribution Margin by segment:				
North America	21 %	18 %		
United Kingdom	23 %	23 %		
Europe/RoW	1 %	23 %		
All Other	64 %	40 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

In-House Operating Expenses were \$139,212 for the 13 weeks ended October 2, 2022, an increase of \$49,872. The increase is primarily a result of fewer capacity restrictions in third quarter 2022 in comparison to third quarter 2021, where some of the Houses were operating at reduced capacity, and the associated increase in volumes. The increase year on year is also driven by six additional Houses opened since third quarter 2021, the impact of wage inflation and retention incentives across all regions as well as energy increases in the United Kingdom, the cost of which has doubled at our UK House versus the comparative quarter.

In constant currency, In-House Operating Expenses would have increased by \$63,050.

House-Level Contribution, which is defined as House Revenues less In-House Operating Expenses, was \$32,599 for the 13 weeks ended October 2, 2022, compared to \$23,950 for the 13 weeks ended October 3, 2021, an increase of \$8,649. The increase in House-Level Contribution predominantly relates to increased Soho House membership revenues as well as higher sales volumes and pricing across our rooms and food and beverage. These gains have been partly offset by increased operating expenses following the increase in trading volumes in third quarter 2022, as well as cost price inflation felt across all regions.

The Europe/ROW segment saw a decrease in Contribution and margin versus the comparative period predominantly due to the dilutive impact of two new Houses; Soho House Copenhagen and Soho House Tel Aviv, as well as lower contribution from Soho House Berlin versus the comparative period due to cost increases outstripping revenue increases predominantly due to significant wage increases, as a result of both higher trading volumes and wage inflation within the region.

House-Level Contribution Margin was 19% for the 13 weeks ended October 2, 2022, decreased by 2% from the prior period due to increased membership revenues in the quarter compared to the prior period being more than offset by higher expenses, especially wages.

Other Operating Expenses and Other Contribution

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Other operating expenses	\$ (74,482)	\$ (54,379)	(37)%	(61)%
Percentage of total other revenues	(79)%	(82)%		
Operating loss	\$ (70,581)	\$ (53,444)	(32)%	(55)%
Operating loss margin	(27)%	(30)%		
Other Contribution	\$ 19,753	\$ 11,890	66 %	95 %
Other Contribution Margin	21 %	18 %	3 %	
Other Contribution by segment:				
North America	\$ 4,718	\$ 3,539	33 %	33 %
United Kingdom	3,112	1,289	n/m	n/m
Europe/RoW	11,217	6,103	84 %	n/m
All Other	706	959	(26)%	(14)%
Other Contribution Margin by segment:				
North America	30 %	31 %		
United Kingdom	20 %	16 %		
Europe/RoW	44 %	34 %		
All Other	2 %	3 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Other Operating Expenses were \$74,482 for the 13 weeks ended October 2, 2022, compared with \$54,379 for the 13 weeks ended October 3, 2021, an increase of \$20,103, or 37%. This increase is primarily driven by reduced COVID-19 related trading restrictions in third quarter 2022 compared to third quarter 2021, thus resulting in higher trading volumes, particularly in relation to Scorpios Mykonos. In constant currency, Other Operating Expenses would have increased \$28,124, or 61%.

Other Contribution, which we define as Other Revenues plus Non-House Membership Revenues less Other Operating Expenses, was \$19,753 for the 13 weeks ended October 2, 2022, compared to income of \$11,890 for the comparative period, an increase of \$7,863. This was predominantly driven by higher Non-House Membership Revenues, and a stronger performance year on year from Scorpios, Mykonos.

Other Contribution Margin was 21% for the 13 weeks ended October 2, 2022, an increase of 3% compared to the prior period driven by margin improvement at Scorpios, Mykonos, the lease promote gain in relation to the Soho House Paris property, as well as increased Non-House Membership Revenue following an additional approximately 32,400 members year on year.

General and Administrative Expenses

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
General and administrative expenses	\$ 30,807	\$ 24,369	26 %	48 %
Percentage of total revenues	12 %	14 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

General and Administrative Expenses were \$30,807 for the 13 weeks ended October 2, 2022, compared with \$24,369 for the 13 weeks ended October 3, 2021, an increase of \$6,438, or 26%. The increase year on year was primarily driven by additional headcount to support the Soho House expansion in the last 12 months coupled with wage increases for existing staff from February 2022 onwards, and costs associated with being a public company which have increased 38% versus the comparative period, driven predominantly by legal and professional fees.

In constant currency, General and Administrative Expenses would have an increase of \$10,032, or 48%.

Pre-Opening Expenses

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Pre-opening expenses	\$ 2,555	\$ 4,672	(45) %	(36) %
Percentage of total revenues	1 %	3 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Pre-Opening expenses were \$2,555 for the 13 weeks ended October 2, 2022, driven by the opening of Little House Balham and Soho House Copenhagen during the quarter as well as some costs for future House openings. This is a decrease of 45% compared with the 13 weeks ended October 3, 2021, driven by better cost control and size of the Houses opened in the quarter compared to third quarter fiscal 2021. In constant currency, Pre-Opening expenses would have decreased by 36%.

Depreciation and Amortization

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Depreciation and amortization	\$ 26,971	\$ 21,500	25 %	47 %
Percentage of total revenues	10 %	12 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Depreciation and amortization was \$26,971 for the 13 weeks ended October 2, 2022, an increase of \$5,471, or 25%, from the 13 weeks ended October 3, 2021. This increase was driven by the depreciation associated with six new Soho Houses that have opened since third quarter fiscal 2021, including Soho House Nashville, Holloway House, West Hollywood, Little House Balham and Brighton Beach House, all of which have opened in fiscal 2022 and by depreciation of \$3 million recorded in the third quarter fiscal 2022, which we do not expect to recur. In constant currency, depreciation and amortization expenses would have increased by \$8,642, or 47%.

Other Expenses

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Share-based compensation	\$ 7,778	\$ 15,281	(49)%	(40)%
Percentage of total revenues	3 %	9 %		
Foreign exchange loss, net	\$ 53,910	\$ 14,599	n/m	n/m
Percentage of total revenues	20 %	8 %		
Other	\$ 912	\$ 8,863	(90)%	(88)%
Percentage of total revenues	n/m	5 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Share-based compensation expense decreased by \$7,503 to \$7,778 for the 13 weeks ended October 2, 2022, primarily driven by the one time expense recognized in the third quarter of 2021 from the acceleration of vesting for certain outstanding awards in connection with the IPO, in accordance with the original award terms. In both periods presented the pre-fiscal 2021 awards (Share Appreciation Rights and Growth Shares) continued to vest. The acceleration expense of approximately \$9 million was partially offset by the impact of new grants made since the third quarter of 2021 and the full vesting impact of IPO awards which were only partially expensed in the third quarter of 2021. Also included in the 13 weeks ended October 2, 2022 is an expense of \$1.9 million from the modification grant as a result of departure of the former Chief Operating Officer of the Company as well as \$1.9 million from a new grant of RSUs that was made and fully expensed in the period.

Foreign exchange loss, net, which is unrealized and non-cash in nature, increased by \$39,311 to \$53,910 for the 13 weeks ended October 2, 2022, primarily driven by foreign exchange revaluation of our borrowings. The significant increase is a function of the relative volatility, period on period, of foreign exchange markets and the impact that this has had, most notably, on the revaluation of dollar borrowings held by non-dollar Group undertakings. Whilst the majority of our external borrowings are denominated in dollars, the foreign exchange impact primarily reflects the revaluation of our non-dollar denominated intra-group debt where we have lent dollars to non-dollar operating companies outside of the United States as well as our dollar denominated external borrowing held in non-dollar companies in our Group. When we consolidate our non- United States companies and present a dollar view of the MCG Group, this intra-group debt is revalued from local currencies (pounds, euros etc.) to dollars and it is this non-cash revaluation that causes us to have this foreign exchange volatility.

Other expenses decreased by \$7,951 to \$912 for the 13 weeks ended October 2, 2022, primarily driven by non-recurring IPO related expenses of \$8,514 and the non-cash member credit expense of \$898 in the prior period as a result of the pandemic related closures. During the 13 weeks ended October 2, 2022, other expenses primarily related to cash severance payments totally \$250 and legal expenses of \$150.

Interest Expense, Net

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Interest expense, net	\$ 18,453	\$ 20,827	(11)%	4%
Percentage of total revenues	7 %	12 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Net Interest Expense was \$18,453 for the 13 weeks ended October 2, 2022, a decrease of \$2,374, or 11%, on the comparative period in 2021. This decrease is primarily due to FX movements, as in constant currency, net interest would have increased by \$698, or 4%.

Adjusted EBITDA

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Adjusted EBITDA	\$ 20,260	\$ 8,820	n/m	n/m
Percentage of total revenues	8 %	5 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Adjusted EBITDA was \$20,260 for the 13 weeks ended October 2, 2022, in comparison to income of \$8,820 for the 13 weeks ended October 3, 2021, an increase of \$11,440. The increase is driven by increased operations following the removal of COVID-19 related restrictions in comparison to the 13 weeks ended October 3, 2021 as well as increased membership revenues from both Soho House and Non-House members. These increases were partially offset by an increases in General and administrative and In-House and Other operating expenses year on year. In constant currency, Adjusted EBITDA would have increased by \$12,741 compared to the comparative period in fiscal 2021. For a reconciliation of Adjusted EBITDA, please refer to section "Non-GAAP Financial Measures" in this Quarterly Report on Form 10-Q.

Comparison of the 39 weeks ended October 2, 2022 and October 3, 2021

The following table summarizes our results of operations for the 39 weeks ended October 2, 2022 and October 3, 2021 (in thousands, except percentages):

	For the 39 Weeks Ended			October 3, 2021 Constant Currency ⁽¹⁾ (Dollar amounts in thousands)	Constant Currency Change % ⁽¹⁾
	October 2, 2022	October 3, 2021			
	Actuals				
	(Dollar amounts in thousands)		Change % (Unaudited)		
Revenues					
Membership revenues	\$ 195,685	\$ 136,518	43 %	\$ 123,074	59 %
In-House revenues	305,928	128,911	n/m	116,216	n/m
Other revenues	200,211	110,610	81 %	99,717	n/m
Total revenues	701,824	376,039	87 %	339,007	n/m
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization)	(380,880)	(205,579)	(85) %	(185,334)	n/m
Other operating expenses (exclusive of depreciation and amortization)	(184,873)	(123,257)	(50) %	(111,119)	(66) %
General and administrative expenses	(86,740)	(60,374)	(44) %	(54,429)	(59) %
Pre-opening expenses	(10,328)	(15,990)	35 %	(14,415)	28 %
Depreciation and amortization	(72,490)	(61,250)	(18) %	(55,218)	(31) %
Share-based compensation	(19,855)	(19,958)	1 %	(17,993)	(10) %
Foreign exchange loss, net	(128,160)	(30,521)	n/m	(27,515)	n/m
Other	(1,989)	(22,974)	91 %	(20,712)	90 %
Total operating expenses	(885,315)	(539,903)	(64) %	(486,735)	(82) %
Operating loss	(183,491)	(163,864)	(12) %	(147,728)	(24) %
Other (expense) income					
Interest expense, net	(52,948)	(67,449)	21 %	(60,807)	13 %
Gain on sale of property and other, net	1,529	6,872	(78) %	6,195	(75) %
Share of income of equity method investments	2,426	123	n/m	111	n/m
Total other expense, net	(48,993)	(60,454)	19 %	(54,501)	10 %
Loss before income taxes	(232,484)	(224,318)	(4) %	(202,229)	(15) %
Income tax expense	(3,070)	(2,048)	(50) %	(1,846)	(66) %
Net loss	(235,554)	(226,366)	(4) %	(204,075)	(15) %
Net loss attributable to noncontrolling interest	1,448	2,873	(50) %	2,590	(44) %
Net loss attributable to Membership Collective Group Inc.	\$ (234,106)	\$ (223,493)	(5) %	\$ (201,485)	(16) %

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Components of Operating Results

Revenues

Total Revenue

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	Unaudited			
Total revenues	\$ 701,824	\$ 376,039	87 %	n/m
North America	279,398	154,308	81 %	81 %
United Kingdom	212,679	105,962	n/m	n/m
Europe/RoW	106,055	51,107	n/m	n/m
All Other	103,692	64,662	60 %	78 %

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Membership Revenues

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	Unaudited			
Membership revenues	\$ 195,685	\$ 136,518	43 %	59 %
North America	95,795	65,840	45 %	45 %
United Kingdom	55,105	44,156	25 %	38 %
Europe/RoW	18,794	12,704	48 %	64 %
All Other	25,991	13,818	88 %	n/m

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Membership revenues increased by 43% (59% constant currency) to \$195,685 for the 39 weeks ended October 2, 2022. This increase was predominantly driven by an additional 32,393 Adult Paying Soho House members at the end of the first three quarters of fiscal 2022 versus the comparative period driven by new members as well as the unfreezing of existing memberships as COVID-19 restrictions lifted in the second half of fiscal 2021. Additionally Soho House Every House membership fees were increased in February 2022 and again in April 2022, impacting all new members at the time of initial membership and existing members on renewal, which further increased membership revenue year on year.

There was also an increase in Non-House Membership revenues, following the increase in the number of Soho Friends and Soho Works members, with approximately 32,411 additional members in comparison to the end of the first three quarters of fiscal 2021.

Our United Kingdom segment saw an increase in Membership revenues of \$10,949, or 25% (38% constant currency), due to the opening of Brighton Beach House in March 2022 and Little House Balham, London in July 2022, as well as membership intakes and unfreezing memberships across all existing Houses following the lifting of COVID-19 restrictions, meaning an increase in Adult paying members versus three quarters of fiscal 2021.

North America segment saw an increase in revenues of \$29,955, or 45% (45% constant currency), due to an increase in Adult paying members during the first three quarters of fiscal 2022 versus first three quarters 2021, including the opening of Soho House Nashville in February 2022 and Holloway House, West Hollywood, in May 2022 as well as increased intakes in existing Houses versus the first three quarters of fiscal 2021 where intakes were limited due to COVID-19 restrictions.

The Europe/ROW segment saw an increase in Membership revenues of \$6,090, or 48% (64% constant currency), due to an increase in Adult paying members, predominantly from new and maturing Houses, and recommencement of larger intakes at Soho House Hong Kong in fiscal 2022 in comparison to the prior period.

Membership revenue reported under All Other above saw an increase predominantly driven by growth in CWH Adult Paying members as well as over 1,900 additional Soho Works paying members and approximately 34,800 additional Soho Friends members in comparison to the first three quarters of fiscal 2021.

In constant currency, Membership revenues would have increased by \$72,611, or 59%.

In-House Revenues

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
In-House revenues	\$ 305,928	\$ 128,911	n/m	n/m
North America	135,510	64,858	n/m	n/m
United Kingdom	120,003	48,280	n/m	n/m
Europe/RoW	50,415	15,773	n/m	n/m

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

In-House revenues were \$305,928 for the 39 weeks ended October 2, 2022, an increase of \$177,017 versus the comparative period in 2021. The increase was predominantly driven by an easing of social distancing restrictions as a number of our Houses were either not open in first three quarters of fiscal 2021 or operating at reduced capacity, such as outdoor dining only in our North America and London Houses. Revenues were further increased due to new Soho Houses opening in first three quarters 2022, as well as select price increases across our In-House offerings.

In constant currency, In-House Revenues would have increased by \$189,711.

Other Revenues

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Other revenues	\$ 200,211	\$ 110,610	81 %	n/m
North America	48,094	23,610	n/m	n/m
United Kingdom	37,571	13,527	n/m	n/m
Europe/RoW	36,845	22,629	63 %	81 %
All Other	77,701	50,844	53 %	70 %

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Other revenues were \$200,211 for the 39 weeks ended October 2, 2022, compared to \$110,610 for the 39 weeks ended October 3, 2021, an increase of \$89,601. The increase is predominantly driven by increased trading in first three quarters of fiscal 2022 following fewer COVID-19 related restrictions in comparison to first three quarters of fiscal 2021.

In addition to reduced trading restrictions, the North America segment Other revenues have benefited in first three quarters of fiscal 2022 due to the acquisition of the remaining 50% share of the Mandolin restaurant in the second quarter of 2021 such that we now fully consolidate the restaurant’s financial results. The acquisition of the operating agreements relating to The LINE & Saguaro hotels in the second quarter of fiscal 2021 and the agreement to manage and operate the Le Vallauris restaurant, Palm Springs in the first quarter of fiscal 2022 have also contributed to the increase in Other revenues year on year.

The Europe/RoW Other revenues segment has increased compared to first three quarters of fiscal 2021 due to Scorpios Beach Club, which benefited from less restrictions versus last year as well as opening for the season two weeks earlier than in fiscal 2021, meaning increased revenue year on year.

In constant currency, Other Revenues have an increased by \$100,493.

In-House Operating Expenses and House-Level Contribution

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
In-House operating expenses	\$ (380,880)	\$ (205,579)	(85)%	n/m
Percentage of total House revenues	(79)%	(80)%		
Operating loss	\$ (183,491)	\$ (163,864)	(12)%	(24)%
Operating loss margin	(26)%	(44)%		
House-Level Contribution	\$ 98,977	\$ 50,816	95%	n/m
House-Level Contribution Margin	21%	20%	1%	
House-Level Contribution by segment:				
North America	\$ 60,593	\$ 26,895	n/m	n/m
United Kingdom	36,532	16,747	n/m	n/m
Europe/RoW	(2,394)	4,756	n/m	n/m
All Other	4,246	2,418	76%	95%
House-Level Contribution Margin by segment:				
North America	26%	21%		
United Kingdom	21%	18%		
Europe/RoW	(3)%	17%		
All Other	62%	46%		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

In-House Operating Expenses were \$380,880 for the 39 weeks ended October 2, 2022, an increase of \$175,301. The increase is a result of six new Houses and fewer capacity restrictions in comparison to first three quarters of 2021, where the majority of Houses were shut or operating at reduced capacity, and the associated increase in volumes. Additionally, we also experienced significant cost inflation, and received fewer COVID-19 related government support grants to retain workers than in the first three quarters of fiscal 2021. The increase in In-House Operating Expenses was offset by an out-of-period adjustment correcting an error with respect to the estimation of the operating lease liability identified during the 13 week period ended July 3, 2022 but relating to the 13 week period ended April 3, 2022 and fiscal years 2022, 2020 and 2019. Refer to Note 2, Summary of Significant Accounting Policies—Basis of Presentation for further information.

In the first three quarters of 2022, as a result of the continued impact from the COVID-19 pandemic, governmental agencies in the European Union provided grants primarily to retain on payroll workers that would have otherwise been terminated and were instead furloughed in accordance with the rules of the applicable national scheme. Such government grants, which under their terms meant that the furloughed employees were prohibited by law from providing the Company with services but kept on payroll rather than being terminated to claim unemployment benefits, totaled \$0.7 million in first three quarters of 2022, and are presented as a reduction of payroll expenses within In-House Operating Expenses. Under the rules of the schemes, we applied to the relevant government agency and recovered the costs of furloughed employees. The net payroll expense within In-House Operating Expenses therefore only reflects the costs incurred from staff that were not furloughed and hence provided revenue generating services. In constant currency, In-House Operating Expenses would have increased by \$195,546.

House-Level Contribution, which is defined as House Revenues less In-House Operating Expenses, was \$98,977 for the 39 weeks ended October 2, 2022, compared to \$50,816 for the 39 weeks ended October 3, 2021, an increase of \$48,161. The increase in House-Level Contribution partly relates to the impact of COVID-19 related restrictions in the first three quarters of fiscal 2021 and the return of trading volumes in the first three quarters of fiscal 2022, as well as increased Soho House membership revenues. This increase is partially offset by the opening of six additional Houses versus the first three quarters of fiscal 2021, with Houses tending to have negative contribution in their first year as the House matures.

House-Level Contribution Margin was 21% for the 39 weeks ended October 2, 2022, increased by 1% from the prior period due to increased membership revenues and higher trading in the 39 weeks ended October 3, 2021 compared to the prior period, partially offset by the dilutive impact of six new Houses, Houses in Europe / RoW that were still impacted by COVID restrictions, and significant cost inflation.

Other Operating Expenses and Other Contribution

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Other operating expenses	\$ (184,873)	\$ (123,257)	(50)%	(66)%
Percentage of total other revenues	(83)%	n/m		
Operating loss	\$ (183,491)	\$ (163,864)	(12)%	(24)%
Operating loss margin	(26)%	(44)%		
Other Contribution	\$ 37,094	\$ (3,613)	n/m	n/m
Other Contribution Margin	17 %	(3)%	20 %	(23)%
Other Contribution by segment:				
North America	\$ 10,323	\$ 6,258	65 %	65 %
United Kingdom	8,798	(2,138)	n/m	n/m
Europe/RoW	14,459	6,928	n/m	n/m
All Other	3,514	(14,661)	n/m	n/m
Other Contribution Margin by segment:				
North America	21 %	26 %		
United Kingdom	23 %	(15)%		
Europe/RoW	39 %	31 %		
All Other	4 %	(25)%		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Other Operating Expenses were \$184,873 for the 39 weeks ended October 2, 2022, compared with \$123,257 for the 39 weeks ended October 3, 2021, an increase of \$61,616, or 50%. This increase is primarily driven by reduced COVID-19 related trading restrictions in the first three quarters of fiscal 2022 compared to the first three quarters of fiscal 2021, thus resulting in higher trading volumes. In constant currency, Other Operating Expenses would have increased \$73,754, or 66%.

Other Contribution, which we define as Other Revenues plus Non-House Membership Revenues less Other Operating Expenses, was \$37,094 for the 39 weeks ended October 2, 2022, compared to a loss of \$3,613 for the comparative period, an increase of \$40,707. This was predominantly driven by higher Non-House Membership Revenues and increased contribution from public restaurants and Scorpios Beach Club, Mykonos following removal of COVID-19 related trading restrictions.

Other Contribution reported under All Other above has increased significantly year on year due to better performance of Soho Restaurants, following removal of COVID-19 restrictions in UK, improved sales and profitability from Soho Home, as well as higher contribution of our Soho House Design business year on year due to third party projects.

Other Contribution Margin was 17% for the 39 weeks ended October 2, 2022, an increase of 20% compared to the prior period, predominantly driven by removal of trading restrictions coupled with a very strong season at Scorpios Mykonos.

General and Administrative Expenses

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
General and administrative expenses	\$ 86,740	\$ 60,374	44 %	59 %
Percentage of total revenues	12 %	16 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

General and Administrative Expenses were \$86,740 for the 39 weeks ended October 2, 2022, compared with \$60,374 for the 39 weeks ended October 3, 2021, an increase of \$26,366, or 44%. The increase was primarily driven by the increase in headcount at support offices as a result of increase in business activity following removal of COVID restrictions, additional headcount to support expansion and wage increases for existing staff from February 2022 onwards. In addition to this, there was a decrease in government support received in the 39 weeks ended October 2, 2022 in comparison to the prior period.

In constant currency, General and Administrative Expenses would have an increase of \$32,311, or 59%.

Pre-Opening Expenses

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Pre-opening expenses	\$ 10,328	\$ 15,990	(35)%	(28)%
Percentage of total revenues	1 %	4 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Pre-Opening expenses were \$10,328 for the 39 weeks ended October 2, 2022, driven by the opening of five Soho Houses during the first three quarters of fiscal 2022. The reduction in comparison to \$15,990 for the 39 weeks ended October 3, 2021, is predominantly driven by better cost control and timing and size of new House openings. In constant currency, Pre-Opening expenses would have decreased by 28%.

Depreciation and Amortization

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Depreciation and amortization	\$ 72,490	\$ 61,250	18 %	31 %
Percentage of total revenues	10 %	16 %		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Depreciation and amortization was \$72,490 for the 39 weeks ended October 2, 2022, an increase of \$11,240, or 18%, from the 39 weeks ended October 3, 2021. This increase was primarily driven by amortization of capitalized IT development costs, as well as depreciation associated with six new Soho Houses that opened in since the first three quarters of fiscal 2021 and by depreciation of \$3 million recorded in the third quarter fiscal 2022, which we do not expect to recur. In constant currency, depreciation and amortization expenses would have increased by \$17,272, or 31%.

Other Expenses

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Share-based compensation	\$ 19,855	\$ 19,958	(1)%	10%
Percentage of total revenues	3%	5%		
Foreign exchange loss, net	\$ 128,160	\$ 30,521	n/m	n/m
Percentage of total revenues	18%	8%		
Other	\$ 1,989	\$ 22,974	(91)%	(90)%
Percentage of total revenues	n/m	6%		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Share-based compensation expense decreased by \$103 to \$19,855 for the 39 weeks ended October 2, 2022, was primarily driven by the one time expense recognized in the 39 weeks ended October 3, 2021 from the acceleration of vesting for certain outstanding awards in connection with the IPO, in accordance with the original award terms. In both periods presented the pre-fiscal 2021 awards (Share Appreciation Rights and Growth Shares) continued to vest. The acceleration expense of approximately \$9 million was almost fully offset by the impact of new grants made since the 39 weeks ended October 3, 2021 and the full vesting impact of IPO awards which were only partially expensed in the third quarter of 2021.

Foreign exchange loss, net, which is unrealized and non-cash in nature, increased by \$97,639 to \$128,160 for the 39 weeks ended October 2, 2022, primarily driven by foreign exchange revaluation of our borrowings, which have increased since the preceding period. Increased foreign exchange volatility during the period has also contributed to this increase most notably on our dollar borrowings held by non-dollar Group undertakings. Whilst the majority of our external borrowings are denominated in dollars, the foreign exchange impact primarily reflects the revaluation of our non-dollar denominated intra-group debt where we have lent dollars to non-dollar operating companies outside of the United States as well as our dollar denominated external borrowing held in non-dollar companies in our Group.

Other expenses decreased by \$20,985 to \$1,989 for the 39 weeks ended October 2, 2022, primarily driven by non-cash member credit expense of \$5 million in the prior period as a result of the pandemic related closures and costs incurred associated with our Goldman Sachs refinancing in March 2021 and July 2021 IPO of \$17 million. In the current period, the expense primarily relates to member credits and, because of comparatively fewer closures and operating restrictions, the associated expense is smaller. There were no refinancing or IPO related costs.

Interest Expense, Net

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Interest expense, net	\$ 52,948	\$ 67,449	(21)%	(13)%
Percentage of total revenues	8%	18%		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Net Interest Expense was \$52,948 for the 39 weeks ended October 2, 2022, a decrease of \$14,501, or 21%, on the comparative period in 2021. This decrease is primarily due to the one off \$9 million loss on extinguishment of the Permira Senior Facility, in addition to a \$5 million exit fee on the Senior Facility related to the IPO transaction, in the 39 weeks ended October 3, 2021, offset by the incremental interest expense incurred following issuance of \$100 million of additional notes in March 2022 under the Goldman Sachs Senior Secured Note facility. In constant currency, net interest would have decreased by \$7,859, or 13%.

Adjusted EBITDA

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actual	Constant Currency ⁽¹⁾
	(Dollar amounts in thousands)			
	(Unaudited)			
Adjusted EBITDA	\$ 37,838	\$ (26,528)	n/m	n/m
Percentage of total revenues	5%	(7)%		

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Adjusted EBITDA was \$37,838 for the 39 weeks ended October 2, 2022, in comparison to a loss of \$26,528 for the 39 weeks ended October 3, 2021, an increase of \$64,366. The increase is driven by increased operations following the removal of COVID-19 related restrictions in comparison to the 39 weeks ended October 3, 2021 as well as increased membership revenues from both Soho House and Non-House members driven by both price increase for Soho House membership as well as an increase in the number of both House and Non-House member versus the first three quarters of fiscal 2021. This increase was partially offset by increased General and administrative, In-House and Other operating costs in contrast to the first three quarters of fiscal 2021. In constant currency, Adjusted EBITDA would have increased by \$61,754 compared to the comparative period in fiscal 2021. For a reconciliation of Adjusted EBITDA, please refer to section "Non-GAAP Financial Measures" in this Quarterly Report on Form 10-Q.

Non-GAAP Financial Measures

For the 13 weeks ended October 2, 2022 and October 3, 2021

A reconciliation of Net Loss to Adjusted EBITDA is set forth below for the periods specified:

	For the 13 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	Actuals	Actuals		
	(Unaudited, dollar amounts in thousands)			
Net loss	\$ (91,373)	\$ (76,221)	(20)%	(41)%
Depreciation and amortization	26,971	21,500	25%	47%
Interest expense, net	18,453	20,827	(11)%	4%
Income tax expense	3,013	2,868	5%	23%
EBITDA	(42,936)	(31,026)	(38)%	(62)%
Loss on sale of property and other, net	12	31	(61)%	(54)%
Share of profit of equity method investments	(686)	(949)	28%	15%
Foreign exchange ⁽²⁾	53,910	14,599	n/m	n/m
Share of equity method investments adjusted EBITDA	1,978	1,848	7%	26%
Adjusted share-based compensation expense ⁽²⁾⁽³⁾	3,980	15,281	(74)%	(69)%
Operational reorganization and severance expense ⁽⁴⁾	4,046	—	n/m	n/m
Membership credits (rebate) expense ⁽⁵⁾	(44)	898	n/m	n/m
COVID-19 related rebate ⁽⁶⁾	—	(376)	n/m	n/m
Corporate financing and restructuring costs ⁽⁷⁾	—	8,514	n/m	n/m
Adjusted EBITDA	<u>\$ 20,260</u>	<u>\$ 8,820</u>	<u>n/m</u>	<u>n/m</u>

- (1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.
- (2) See “Comparison of the 13 Weeks Ended October 2, 2022 and October 3, 2021—Other Expenses” for information regarding the increase in foreign exchange and share-based compensation period-on-period.
- (3) This excludes a \$4 million non-cash expense, which is included within Share-based compensation expense in the Condensed Consolidated Statements of Operations, separately presented within Operational reorganization and severance expense below.
- (4) Represents expenses incurred with respect to an internal reorganization program of the Company's operations team. In the 13 weeks ended October 2, 2022 this includes a non-cash share-based compensation expense of \$4 million and cash severance related to the departure of the former Chief Operating Officer of the Company. The non-cash share-based compensation expense is reported within Share-based compensation expense in the unaudited condensed consolidated statement of operations for the 13 weeks ended October 2, 2022.
- (5) Beginning on March 14, 2020, due to the COVID-19 pandemic, we issued membership credits to active members of our closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. The expense represents our best estimate of the cost in fulfilling the membership credits.
- (6) Represent items of additional expense incurred in order to comply with health and safety protocols while keeping certain Houses open during the pandemic. In 2021, we received a government grant related to business rates in the UK which reduced our COVID-19 related expenses.
- (7) Our Corporate financing and restructuring costs vary significantly each year and period presented based on financing and restructuring being undertaken. Such costs do not relate to normal, recurring, cash operating expenses. In the third quarter of 2021, these costs consisted of IPO-related costs of \$9 million.

The computation of House-Level Contribution and Other Contribution is set forth below:

	For the 13 Weeks Ended				
	October 2, 2022	October 3, 2021	Change %	October 3, 2021 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Operating loss	\$ (70,581)	\$ (53,444)	(32)%	\$ (45,562)	(55)%
General and administrative	30,807	24,369	26 %	20,775	48 %
Pre-opening expenses	2,555	4,672	(45)%	3,983	(36)%
Depreciation and amortization	26,971	21,500	25 %	18,329	47 %
Share-based compensation	7,778	15,281	(49)%	13,027	(40)%
Foreign exchange loss, net	53,910	14,599	n/m	12,446	n/m
Other	912	8,863	(90)%	7,556	(88)%
Non-House membership revenues	(7,700)	(4,731)	(63)%	(4,033)	(91)%
Other revenues	(86,535)	(61,538)	(41)%	(52,461)	(65)%
Other operating expenses	74,482	54,379	37 %	46,358	61 %
House-Level Contribution	\$ 32,599	\$ 23,950	36 %	\$ 20,418	60 %
Operating loss margin	(27)%	(30)%		(30)%	
House-Level Contribution Margin	19 %	21 %		21 %	

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

	For the 13 Weeks Ended				
	October 2, 2022	October 3, 2021	Change %	October 3, 2021 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Membership revenues	\$ 71,023	\$ 51,162	39 %	\$ 43,616	63 %
Less: Non-House membership revenues	(7,700)	(4,731)	(63)%	(4,033)	(91)%
Add: In-House revenues	108,488	66,859	62 %	56,997	90 %
Total House revenues	171,811	113,290	52 %	96,580	78 %
Less: In-House operating expenses	139,212	89,340	56 %	76,162	83 %
House-Level Contribution	\$ 32,599	\$ 23,950	36 %	\$ 20,418	60 %

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

	For the 13 Weeks Ended				
	October 2, 2022	October 3, 2021	Change %	October 3, 2021 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Operating loss	\$ (70,581)	\$ (53,444)	(32)%	\$ (45,562)	(55)%
General and administrative	30,807	24,369	26%	20,775	48%
Pre-opening expenses	2,555	4,672	(45)%	3,983	(36)%
Depreciation and amortization	26,971	21,500	25%	18,329	47%
Share-based compensation	7,778	15,281	(49)%	13,027	(40)%
Foreign exchange loss, net	53,910	14,599	n/m	12,446	n/m
Other	912	8,863	(90)%	7,556	(88)%
House membership revenues	(63,323)	(46,431)	36%	(39,583)	(60)%
In-House revenues	(108,488)	(66,859)	(62)%	(56,997)	(90)%
In-House operating expenses	139,212	89,340	56%	76,162	83%
Total Other Contribution	\$ 19,753	\$ 11,890	66%	\$ 10,136	95%
Operating loss margin	(27)%	(30)%		(30)%	
Other Contribution Margin	21%	18%		18%	

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

	For the 13 Weeks Ended				
	October 2, 2022	October 3, 2021	Change %	October 3, 2021 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Other Contribution					
Non-House membership revenues	\$ 7,700	\$ 4,731	63 %	\$ 4,033	91 %
Add: other revenues	86,535	61,538	41 %	52,461	65 %
Less: other operating expenses	74,482	54,379	37 %	46,358	61 %
Other Contribution	\$ 19,753	\$ 11,890	66 %	\$ 10,136	95 %

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

For the 39 weeks ended October 2, 2022 and October 3, 2021

A reconciliation of Net Loss to Adjusted EBITDA is set forth below for the periods specified:

	For the 39 Weeks Ended		Percent Change	
	October 2, 2022	October 3, 2021	Actuals	Constant Currency ⁽¹⁾
	Actuals	Actuals		
	(Unaudited, dollar amounts in thousands)			
Net loss	\$ (235,554)	\$ (226,366)	(4) %	(15) %
Depreciation and amortization	72,490	61,250	18 %	31 %
Interest expense, net	52,948	67,449	(21) %	(13) %
Income tax expense	3,070	2,048	50 %	66 %
EBITDA	(107,046)	(95,619)	(12) %	(24) %
Gain on sale of property and other, net	(1,529)	(6,872)	78 %	75 %
Share of profit of equity method investments	(2,426)	(123)	n/m	n/m
Foreign exchange ⁽²⁾	128,160	30,521	n/m	n/m
Share of equity method investments adjusted EBITDA	5,682	4,175	36 %	51 %
Adjusted share-based compensation expense ⁽²⁾⁽³⁾	16,057	19,958	(20) %	(11) %
Operational reorganization and severance expense ⁽⁴⁾	4,046	—	n/m	n/m
Membership credits (rebate) expense ⁽⁵⁾	1,216	5,052	(76) %	(73) %
COVID-19 related rebate ⁽⁶⁾	—	(617)	n/m	n/m
Corporate financing and restructuring costs ⁽⁷⁾	—	16,997	n/m	n/m
Out of period operating lease liability adjustment ⁽⁸⁾	(6,322)	—	n/m	n/m
Adjusted EBITDA	\$ 37,838	\$ (26,528)	n/m	n/m

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

(2) See “Comparison of the 39 Weeks Ended October 2, 2022 and October 3, 2021—Other Expenses” for information regarding the increase in foreign exchange and share-based compensation period-on-period.

(3) This excludes a \$4 million non-cash expense, which is included within Share-based compensation expense in the Condensed Consolidated Statements of Operations, separately presented within Operational reorganization and severance expense below.

(4) Represents expenses incurred with respect to an internal reorganization program of the Company's operations team. In the 39 weeks ended October 2, 2022 this includes a non-cash share-based compensation expense of \$4 million and cash severance related to the departure of the former Chief Operating Officer of the Company. The non-cash share-based compensation expense is reported within Share-based compensation expense in the unaudited condensed consolidated statement of operations for the 39 weeks ended October 2, 2022.

(5) Beginning on March 14, 2020, due to the COVID-19 pandemic, we issued membership credits to active members of our closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. The expense represents our best estimate of the cost in fulfilling the membership credits.

(6) Represent items of additional expense incurred in order to comply with health and safety protocols while keeping certain Houses open during the pandemic. In 2021, we received a government grant related to business rates in the UK which reduced our COVID-19 related expenses.

(7) Our Corporate financing and restructuring costs vary significantly each year and period presented based on financing and restructuring being undertaken. Such costs do not relate to normal, recurring, cash operating expenses. In the first three quarters of 2021, these costs consisted of certain items relating to acquiring shareholdings of joint ventures and non-controlling interests of \$250 not held by the Company and refinancing fees and IPO-related costs totaling \$16,747.

(8) Represents an out-of-period adjustment correcting an error with respect to the estimation of the operating lease liability identified during the 39 week period ended October 3, 2022 but relating to fiscal years 2021, 2020 and 2019. There is no material impact from the correction of this error to previously reported periods. Refer to Note 2, Summary of Significant Accounting Policies—Basis of Presentation for further information.

The computation of House-Level Contribution and Other Contribution is set forth below:

	For the 39 Weeks Ended				
	October 2, 2022	October 3, 2021	Change %	October 3, 2021 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Operating loss	\$ (183,491)	\$ (163,864)	(12)%	\$ (147,728)	(24)%
General and administrative	86,740	60,374	44 %	54,429	59 %
Pre-opening expenses	10,328	15,990	(35)%	14,415	(28)%
Depreciation and amortization	72,490	61,250	18 %	55,218	31 %
Share-based compensation	19,855	19,958	(1)%	17,993	10 %
Foreign exchange loss, net	128,160	30,521	n/m	27,515	n/m
Other	1,989	22,974	(91)%	20,712	(90)%
Non-House membership revenues	(21,756)	(9,034)	n/m	(8,144)	n/m
Other revenues	(200,211)	(110,610)	(81)%	(99,717)	n/m
Other operating expenses	184,873	123,257	50 %	111,119	66 %
House-Level Contribution	\$ 98,977	\$ 50,816	95 %	\$ 45,812	n/m
Operating loss margin	(26)%	(44)%		(44)%	
House-Level Contribution Margin	21 %	20 %		20 %	

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

	For the 39 Weeks Ended				
	October 2, 2022	October 3, 2021	Change %	October 3, 2021 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Membership revenues	\$ 195,685	\$ 136,518	43 %	\$ 123,074	59 %
Less: Non-House membership revenues	(21,756)	(9,034)	n/m	(8,144)	n/m
Add: In-House revenues	305,928	128,911	n/m	116,216	n/m
Total House revenues	479,857	256,395	87 %	231,146	n/m
Less: In-House operating expenses	380,880	205,579	85 %	185,334	n/m
House-Level Contribution	\$ 98,977	\$ 50,816	95 %	\$ 45,812	n/m

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

	For the 39 Weeks Ended				
	October 2, 2022	October 3, 2021	Change %	October 3, 2021 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Operating loss	\$ (183,491)	\$ (163,864)	(12)%	\$ (147,728)	(24)%
General and administrative	86,740	60,374	44 %	54,429	59 %
Pre-opening expenses	10,328	15,990	(35)%	14,415	(28)%
Depreciation and amortization	72,490	61,250	18 %	55,218	31 %
Share-based compensation	19,855	19,958	(1)%	17,993	10 %
Foreign exchange loss, net	128,160	30,521	n/m	27,515	n/m
Other	1,989	22,974	(91)%	20,712	(90)%
House membership revenues	(173,929)	(127,484)	(36)%	(114,930)	(51)%
In-House revenues	(305,928)	(128,911)	n/m	(116,216)	n/m
In-House operating expenses	380,880	205,579	85 %	185,334	n/m
Total Other Contribution	\$ 37,094	\$ (3,613)	n/m	\$ (3,258)	n/m
Operating loss margin	(26)%	(44)%		(44)%	
Other Contribution Margin	17 %	(3)%		(3)%	

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

	For the 39 Weeks Ended				
	October 2, 2022	October 3, 2021	Change %	October 3, 2021 Constant Currency ⁽¹⁾	Constant Currency Change % ⁽¹⁾
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Other Contribution					
Non-House membership revenues	\$ 21,756	\$ 9,034	n/m	\$ 8,144	n/m
Add: other revenues	200,211	110,610	81 %	99,717	n/m
Less: other operating expenses	184,873	123,257	50 %	111,119	66 %
Other Contribution	\$ 37,094	\$ (3,613)	n/m	\$ (3,258)	n/m

(1) See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Liquidity and Capital Resources

Liquidity is the ability to generate sufficient cash flows to meet the cash requirements of our business operations. Our principal sources of liquidity are operating cash flows, holdings of cash and cash equivalents and availability under our Revolving Credit Facility. As of October 2, 2022, we maintained a Cash and cash equivalents balance of \$228 million and a Restricted cash balance of \$7 million.

Our primary requirements for liquidity are to fund our working capital needs, operating and finance lease obligations, capital expenditures and general corporate needs. Our ongoing capital expenditures are principally related to opening new Houses, refurbishing and maintaining the existing House portfolio as well as investments in our corporate technology infrastructure to support our digital strategy and technology infrastructure.

In a given year, our primary cash inflows and outflows relate to the following:

- (1) from operating activities, our cash inflows include Membership revenues, In-House revenues and Other revenues, such as the sale of retail products. The primary cash outflows from operating activities include general operating expenses and interest payments.
- (2) from investing activities, our cash inflows include the proceeds from sale of property and equipment and the sales of subsidiaries. The primary cash outflows from investing activities include the purchase of property and equipment as well as intangibles.
- (3) from financing activities, our cash inflows from financing activities include proceeds from borrowings and from the issuance of shares. The primary cash outflows from financing activities include repayments of borrowings and legal and professional fees from debt or equity related transactions.

We believe our existing cash and marketable securities balances will be sufficient to fund our operating and finance lease obligations, capital expenditures and working capital needs for at least the next 12 months and the foreseeable future.

Cash Flows and Working Capital

The following table provides a summary of cash flow data for the periods presented:

	For the 39 Weeks Ended	
	October 2, 2022	October 3, 2021
	(Unaudited, dollar amounts in thousands)	
Net cash generated by (used in)		
Net cash provided by (used in) operating activities	\$ 38,106	\$ (114,939)
Net cash used in investing activities	(79,614)	(79,556)
Net cash provided by financing activities	69,171	404,451
Effect of exchange rates on cash and cash equivalents	(13,224)	(1,104)
Net increase in cash and cash equivalents	\$ 14,439	\$ 208,852

Net Cash Used in Operating Activities

The primary cash inflows from operating activities include Membership Revenues, In-House Revenues and Other Revenues, such as the sale of retail products. The primary cash outflows from operating activities include general operating expenses and interest payments.

For the 39 weeks ended October 2, 2022, we had a \$38,106 inflow of cash from operating activities, which includes a net loss of \$235,554, depreciation and amortization of \$72,490, and a favorable net working capital change of \$28,669.

For the 39 weeks ended October 3, 2021, we had a \$114,939 outflow of cash from operating activities, which includes a net loss of \$226,366, depreciation and amortization of \$61,250, and a favorable net working capital change of \$52,337.

Net Cash Used in Investing Activities

The primary cash inflows from investing activities include the cash acquired as a result of acquisitions. The primary cash outflows from investing activities include the purchase of property and equipment, intangibles and the acquisition of noncontrolling interests.

For the 39 weeks ended October 2, 2022, we had a \$79,614 outflow of cash from investing activities, primarily due to purchases of property and equipment of \$62,989 and purchases of intangible assets of \$17,628.

For the 39 weeks ended October 3, 2021, we had a \$79,556 outflow of cash from investing activities, primarily due to purchases of property and equipment of \$64,125 and the acquisition of an additional 12% noncontrolling interest related to Scorpios Beach Club of \$8,653.

Net Cash Provided by Financing Activities

The primary cash inflows from financing activities include proceeds from borrowings and from the issuance of shares. The primary cash outflows from financing activities include principal payments on borrowings and payments to settle redeemable preferred shares.

For the 39 weeks ended October 2, 2022, we had a \$69,171 inflow of cash from financing activities, primarily due to the proceeds from borrowings, net of debt issuance costs of \$1 million, of \$99 million related to the Goldman Sachs Senior Secured Note Purchase Agreement. Refer to Note 11 - Debt in this Quarterly Report on Form 10-Q for additional information.

For the 39 weeks ended October 3, 2021, we had a \$404,451 inflow of cash from financing activities, primarily due to the proceeds from the initial public offering of \$388,078, the receipt of proceeds of new borrowings of \$459,290 and a further \$161,574 and \$47,000 in proceeds from the issuance of preferred shares and redeemable C ordinary shares, respectively, partially offset with the repayment of borrowings of \$612,566.

Cash Requirements from Contractual and Other Obligations

As of October 2, 2022, there have been no material changes outside the ordinary course of business to our contractual obligations from those disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as described in our Annual Report on Form 10-K for the fiscal year ended January 2, 2022.

Critical Accounting Estimates and Judgments

Management’s discussion and analysis of the financial condition and results of operations is based on the financial statements, which have been prepared in accordance with US GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses incurred during the reporting periods. The estimates are based on historical experience and on various other factors that are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There have been no significant changes in our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included our Annual Report on Form 10-K for the fiscal year ended January 2, 2022.

Emerging Growth Company Status

We are an ‘emerging growth company,’ as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not ‘emerging growth companies,’ including, but not limited to: presenting only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley; having reduced disclosure obligations regarding executive compensation in our periodic reports and proxy or information statements; being exempt from the requirements to hold a non-binding advisory vote on executive compensation or seek stockholder approval of any golden parachute payments not previously approved; and not being required to adopt certain accounting standards until those standards would otherwise apply to private companies. As a result, our financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk has not materially changed from what was previously disclosed in our Annual Report on Form 10-K for the fiscal year ended January 2, 2022; however, we continue to monitor our exposure to market risk given the continued impact of the COVID-19 pandemic as well as the impact of the Russian invasion of Ukraine.

Foreign Exchange Risk

We principally operate in the UK and North America, although we have significant operations in Europe. Therefore, we are exposed to reporting foreign exchange risk in Pound sterling and Euros.

Accordingly, we have not, to date, used any material financial instruments to mitigate our foreign exchange risk. The directors and management will keep this situation under review. As income is received and suppliers paid in respect of the UK and European operations in Pound sterling or Euros, respectively, this acts as a natural hedge against foreign exchange risk.

If the USD had strengthened/weakened by 10% versus the GBP, revenue would have been approximately \$4 million lower and approximately \$5 million higher, respectively, and Net Loss would have been approximately \$3 million lower and approximately \$3 million higher, respectively, for the 13 weeks ended October 2, 2022.

If the Euro had strengthened/weakened by 10% versus the GBP, revenue would have been approximately \$2 million lower and approximately \$2 million higher, respectively, and Net Loss would have been approximately less than \$1 million lower and approximately less than \$1 million higher, respectively, for the 13 weeks ended October 2, 2022.

If the USD had strengthened/weakened by 10% versus the GBP, revenue would have been approximately \$36 million lower and approximately \$40 million higher, respectively, and Net Loss would have been approximately \$21 million lower and approximately \$23 million higher, respectively, for the 39 weeks ended October 2, 2022.

If the Euro had strengthened/weakened by 10% versus the GBP, revenue would have been approximately \$9 million lower and approximately \$8 million higher, respectively, and Net Loss would have been approximately \$1 million lower and approximately less than \$1 million higher, respectively, for the 39 weeks ended October 2, 2022.

Concentration of Credit Risk

Credit risk is the risk of loss from amounts owed by financial counterparties. Credit risk can occur at multiple levels; as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Financial instruments that potentially subject us to credit risk consist of cash equivalents and accounts receivable.

We maintain cash and cash equivalents with major financial institutions. Our cash and cash equivalents consist of bank deposits held with banks, and money market funds that, at times, exceed federally or locally insured limits. We limit our credit risk by dealing with counterparties that are considered to be of high credit quality and by performing periodic evaluations of investments and of the relative credit standing of these financial institutions.

Liquidity Risk

We seek to manage our financial risks to ensure that sufficient liquidity is available to meet our foreseeable needs. We believe we have significant flexibility to control our capital expenditure commitments in new House developments through different investment formats. As of October 2, 2022, we had \$228 million in cash and cash equivalents on the balance sheet to meet our funding needs.

Cash Flow and Fair Value Interest Rate Risk

We have historically financed our operations through a mixture of bank borrowings and bond notes which are generally fixed, and expect to finance our operations through operating cash flows and availability under our Revolving Credit Facility, which is currently undrawn. We seek to manage exposure to adverse interest rate changes through our normal operating and financing activities.

Inflation Risk

Inflation has an impact on food, utility, labor, rent, and other costs which materially impact operations. Severe increases in inflation could have an adverse impact on our business, financial condition and results of operations. If several of the various costs in our business experience inflation at the same time, we may not be able to adjust prices to sufficiently offset the effect of the various cost increases without negatively impacting consumer demand.

Commodity Price Risks

We are exposed to commodity price risks specially foodstuffs, natural gas and oil. Many of the ingredients we use to prepare our food and beverages are commodities or are affected by the price of other commodities. Factors that affect the price of commodities are generally outside of our control and include foreign currency exchange rates, foreign and domestic supply and demand, inflation, weather, the geopolitical situation, and seasonality.

Item 4. Controls and Procedures.***Evaluation of Disclosure Controls and Procedures***

Management concluded that as of October 2, 2022 our disclosure controls and procedures were not effective at the reasonable assurance level, due to material weaknesses in our internal control over financial reporting, to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As disclosed in our Annual Report in Form 10-K for the fiscal year ended January 2, 2022, based on management's assessment of the effectiveness of our internal controls over financial reporting, management concluded that our internal controls over financial reporting were not effective as of January 2, 2022, due to insufficiently qualified accounting and other finance personnel with an appropriate level of US GAAP knowledge and experience. Management believes that our lack of experience with US GAAP and the fact that policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions were either not designed and in place or were not operating effectively constituted material weaknesses in our internal control over financial reporting. Until such time, if ever, that we remediate the material weakness in our internal control over financial reporting we expect that the material weaknesses in our disclosure controls and procedures will continue.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the 39 weeks ended October 2, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Disclosure Controls and Procedures

In designing and evaluating our disclosure controls and procedures and internal control over financial reporting, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and our management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. The design of any disclosure controls and procedures and internal control over financial reporting also are based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time we are subject to legal proceedings and claims that arise in the ordinary course of business. At present, we are not a party to any litigation other than litigation in the ordinary course of business. We do not expect that the ultimate outcome of any of the currently ongoing legal proceedings, individually or collectively, will have a significant adverse effect on our business, financial condition, results of operations or cash flows.

However, the results of litigation and arbitration are inherently unpredictable and the possibility exists that the ultimate resolution of matters to which we are or could become subject could result in a material adverse effect on our business, financial condition, results of operations and cash flows.

Item 1A. Risk Factors.

You should carefully consider the risk factors discussed in section “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended January 2, 2022, which could materially affect our business, financial position, or future results of operations. There have been no material changes to the risk factors described in our Annual Report on Form 10-K, except for the below. The risks described in our Annual Report Form 10-K are not the only risks that we face. Additional risks and uncertainties not precisely known to us, or that we currently deem to be immaterial, may also arise and materially impact our business. If any of these risks occur, our business, results of operations and financial condition could be materially and adversely affected and the trading price of our common stock could decline.

Our business, financial condition and results of operations could be adversely affected by disruptions in the global economy caused by Russia’s ongoing conflict with Ukraine

Russia’s invasion of Ukraine has negatively affected the global economy. Financial and economic sanctions imposed on certain industry sectors and parties in Russia by the U.S., United Kingdom and European Union, as well as potential retaliatory actions by Russia, could also have a negative impact on the global economy. Although the Company does not operate in Russia or Ukraine, the broader consequences of this conflict, including rising energy prices and shortages of and increased costs for food, goods and services and transportation or further escalation in adjacent areas could have negative downstream effects on our business and operations. Further expansion or escalation of military confrontations or related geopolitical tensions, including increased restrictions on global trade, could result in, among other things, lower travel demand, cyberattacks, terrorist activities, supply disruptions, workforce volatility and changes to foreign currency exchange rates and constraints, volatility or disruption in financial markets including increases in interest rates, any of which may adversely affect the global economy and our business. In addition, the effects of the ongoing conflict could intensify or otherwise affect many of our other risk factors that are included in “Part I—Item 1A. Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended January 2, 2022, filed with the SEC on March 16, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) Sales of Unregistered Securities

None.

(b) Use of Proceeds from Public Offering of Common Stock

On July 19, 2021, we completed the IPO of our Class A of our common stock pursuant to a Registration Statement on Form S-1 (File No. 333-257206). We sold 30,567,918 shares of Class A common stock (which included 567,918 shares that were offered and sold pursuant to the partial exercise of the IPO underwriters’ option to purchase additional shares) at a price to the public of \$14.00 per share. Including the option exercise, The Company received aggregate net proceeds of \$388 million after deducting underwriting discounts and other offering costs. The underwriters of the offering were J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, BofA Securities, Inc., HSBC Securities (USA) Inc., Citigroup Global Markets Inc., William Blair & Company, L.L.C and Loop Capital Markets LLC. Following the sale of the shares in connection with the closing of the IPO, the offering terminated. No offering expenses were paid or are payable, directly or indirectly, to our directors or officers, to persons owning 10% or more of any class of our equity securities or to any of our affiliates except for a fee payable to our sponsor, an affiliate of Yucaipa Companies LLC, of \$9 million pursuant to a fee letter arrangement with the Company dated July 19, 2021.

(c) Issuer Purchases of Equity Securities

The following table sets forth information regarding our purchases of shares of our common stock during the 13 weeks ended October 2, 2022:

Period	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Program ⁽²⁾	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program ⁽²⁾ (in millions)
July 4, 2022 through July 31, 2022	513,570	\$ 6.68	513,570	\$ 27
August 1, 2022 through August 28, 2022	1,002,066	\$ 7.27	1,002,066	\$ 20
August 29, 2022 through October 2, 2022	846,447	\$ 5.41	846,447	\$ 15
Total	<u>2,362,083</u>	\$ 6.47	<u>2,362,083</u>	

- (1) Includes commissions paid.
- (2) Our stock repurchase program, which was announced on March 18, 2022, allows for the repurchase of up to a total of \$50 million of the Company's Class A common stock. Under this publicly announced program, we are authorized to repurchase shares through open market purchases, privately-negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The repurchase program does not have an expiration date and may be suspended or discontinued at any time.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
10.1*	<u>Amendment to Restricted Stock Award Agreement under the Membership Collective Group, Inc. 2021 Equity and Incentive Plan, dated as of September 28, 2022.</u>
10.2*	<u>Restricted Stock Unit Award Agreement, dated as of September 28, 2022.</u>
10.3*	<u>Amendment to Restricted Stock Unit Award Agreement under the Membership Collective Group, Inc. 2021 Equity and Incentive Plan, dated as of September 28, 2022.</u>
10.4*	<u>Consultancy Agreement between Soho House UK Limited and Martin Kuczmarski, dated as of September 28, 2022.</u>
10.5*	<u>Soho House UK Limited and Martin Kuczmarski Settlement Deed, 28 September 2022.</u>
10.6	<u>Amendment Letter Agreement dated as of November 10, 2022 among Soho House Bond Limited, the subsidiary obligors party thereto and Global Loan Agency Services Limited, acting on behalf of the Lenders under the Revolving Credit Facility (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 10, 2022).</u>
31.1*	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1*	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Membership Collective Group Inc.

Date: November 16, 2022

By: /s/ Nick Jones
Nick Jones
Chief Executive Officer

Date: November 16, 2022

By: /s/ Thomas Allen
Thomas Allen
Chief Financial Officer

**AMENDMENT TO
RESTRICTED STOCK AWARD AGREEMENT
UNDER THE MEMBERSHIP COLLECTIVE GROUP, INC.
2021 EQUITY AND INCENTIVE PLAN**

WHEREAS, Membership Collective Group, Inc. (the “Company”) previously made a grant of a restricted stock award to the undersigned (the “Holder”) pursuant to the terms and conditions of the Membership Collective Group, Inc. 2021 Equity and Incentive Plan (the “Plan”), and the terms of an award agreement, dated as of 19 July 2021 with respect to 260,577 of Stock (the “Award Agreement”); and

WHEREAS, the Company and the Holder desire to amend the Award Agreement in accordance with the terms and conditions of this Amendment (this “Amendment”).

NOW, THEREFORE, BE IT RESOLVED, that the Award Agreement is hereby amended as follows, effective as of 28 September 2022:

1. Section 4 of the Award Agreement is hereby amended in its entirety to read as follows:

Restriction Period and Vesting. The Company and the Holder agree that 195,433 of Stock out of the total Award of 260,577 has vested as at the date of this Amendment. Except as otherwise provided in the Plan or in section 2.7 of the Settlement Agreement, by and between Holder and SoHo House UK Limited, dated 28 September 2022, the remaining Award of 65,144 shall vest in four equal installments of 16,286 on each of 1 October 2022, 1 November 2022, 1 January 2023 and 1 April 2023 (each, a “Vesting Date”). The period of time prior to the vesting shall be referred to herein as the “Restriction Period”. The Company and the Holder agree that for the avoidance of doubt, the vesting of the Award in accordance with this Section 4 is not conditional on the employment or engagement of the Holder by the Company, any Subsidiary or any Affiliate and in the event that this conflicts with the provisions of Plan, this Section 4 shall control. The vesting schedule set out in the Restricted Stock Award Notice dated 19 July 2021 and accepted and signed by the Holder on 20 August 2021 shall be amended and construed in accordance with this Section 4.

2. Except as set forth in this Amendment, the terms and conditions of the Award Agreement as in effect immediately prior to the date hereof shall remain in full force and effect.
-

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date set forth above.

MEMBERSHIP COLLECTIVE GROUP, INC.

By: /s/ Andrew Carnie

Print Name: Andrew Carnie

HOLDER

Signature: /s/ Martin Kuczmarski

Print Name: Martin Kuczmarski

MEMBERSHIP COLLECTIVE GROUP, INC.
2021 EQUITY AND INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Membership Collective Group, Inc., a Delaware corporation (the “Company”), hereby grants to Martin Kuczmarski (the “Holder”) as of 28 September 2022 (the “Grant Date”), pursuant to the provisions of the Membership Collective Group, Inc. 2021 Equity and Incentive Plan (the “Plan”), a restricted stock unit award (the “Award”) with respect to 365,000 shares of Class A common stock, par value \$0.01 per share, of the Company (“Stock”), upon and subject to the restrictions, terms and conditions set forth in the Plan and this agreement (the “Agreement”). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless the Holder (a) accepts this Agreement by executing it in the space provided therefor and returning an original execution copy to the Company (or electronically accepts this Agreement within the Holder’s stock plan account with the Company’s stock plan administrator according to the procedures then in effect) and (b) agrees to abide by all administrative procedures established by the Company or its stock plan administrator, including any procedures requiring the Holder to notify the Company of any proposed sale of any Stock acquired upon the vesting of this Award.

2. No Rights as a Stockholder. The Holder shall not be entitled to any privileges of ownership with respect to the shares of Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and the Holder becomes a stockholder of record with respect to such shares of Stock.

3. Restriction Period and Vesting. Except as otherwise provided in the Plan or in section 2.7 of the Settlement Agreement, by and between Holder and SoHo House UK Limited, dated [] September 2022, the Award shall vest in two equal installments on each of 4 July 2023 and 3 October 2023 (each, a “Vesting Date”). The period of time prior to the vesting shall be referred to herein as the “Restriction Period”.

4. Issuance or Delivery of Shares. Subject to Section 6, as soon as practicable (but no later than thirty (30) days) after each vesting of the Award, the Company shall issue or deliver, subject to the conditions of this Agreement, the vested shares of Stock to the Holder. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided in Section 6. Prior to the issuance to the Holder of the shares of Stock subject to the Award, the Holder shall have no direct or secured claim in any specific assets

of the Company or in such shares of Stock, and will have the status of a general unsecured creditor of the Company.

5. Transfer Restrictions and Investment Representation.

5.1. Nontransferability of Award. During the Restriction Period, the Award may not be offered, sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) by the Holder or be subject to execution, attachment or similar process other than by will, the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company. Any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of such shares shall be null and void.

5.2. Investment Representation. The Holder hereby represents and covenants that (a) any share of Stock acquired upon the vesting of the Award will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), unless such acquisition has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Holder shall submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of vesting of any shares of Stock hereunder or (y) is true and correct as of the date of any sale of any such share, as applicable. As a further condition precedent to the delivery to the Holder of any shares of Stock subject to the Award, the Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board shall in its sole discretion deem necessary or advisable.

6. Additional Terms and Conditions of Award.

6.1. Withholding Taxes.

(a) As a condition precedent to the issuance of Stock upon vesting, Holder shall, upon request by the Company, pay to the Company and/or the relevant company to which Holder is providing services (the “Relevant Company”), such amount of cash as the Relevant Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and/or pay over as income or other withholding taxes (including, for the avoidance of doubt, any income tax, social charges, national insurance contributions (excluding employer national insurance contributions) or other similar withholding taxes and including any interest and penalties thereon) (the “Required Tax Payments”) with respect to the Award. If Holder shall fail to advance the Required Tax Payments after request by the Relevant Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company, a Subsidiary or the Relevant Company to Holder.

(b) Holder may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Relevant Company; and (ii) except as may be prohibited by applicable law, a cash payment by a broker-dealer acceptable to the Relevant Company to whom Holder has submitted an irrevocable notice of sale; provided, however, that if the Vesting Date occurs during any blackout period under the Company's insider trading policy, then the portion of the Award that vests on such Vesting Date shall be distributed to Holder on the thirtieth (30th) day after such Vesting Date and Holder shall be required to sell as of such date a number of whole shares which would otherwise be delivered to Holder upon the vesting of the Award having an aggregate Fair Market Value, determined as of the date on which such withholding obligation arises, equal to the Required Tax Payments and remit such proceeds to the Company to pay such Required Tax Payments. Notwithstanding the foregoing, the Company (or, in the case of a Holder subject to Section 16 of the Securities Exchange Act of 1934, as amended, the Committee) may, in its sole discretion, establish alternative methods for Holder to satisfy the Required Tax Payments. No shares or certificate representing shares shall be issued or delivered until the Required Tax Payments have been satisfied in full.

6.2. Adjustment. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation) that causes the per share value of shares of Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the terms of this Award, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of the Holder. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

6.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the vesting or delivery of shares hereunder, the shares of Stock subject to the Award shall not vest or be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

6.4. Award Confers No Rights to Continued Service. In no event shall the granting of the Award or its acceptance by the Holder, or any provision of the Agreement or the Plan, give or be deemed to give the Holder any right to continued service by the Company, any Subsidiary or any Affiliate or affect in any manner the right of the Company, any Subsidiary or any Affiliate to terminate the service of any person at any time. For the avoidance of doubt, the Award is not conditional on the employment or engagement of the Holder by the Company, any Subsidiary or any Affiliate and in the event that this conflicts with the provisions of Plan, this Section 6.4 shall control.

6.5. Decisions of Board or Committee. The Board or the Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Board or the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

6.6. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Holder, acquire any rights hereunder in accordance with this Agreement or the Plan.

6.7. Taxation. The Holder understands that the Holder is solely responsible for all tax consequences to the Holder in connection with this Award. The Holder represents that the Holder has consulted with any tax consultants the Holder deems advisable in connection with the Award and that the Holder is not relying on the Company for any tax advice. This Award is intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly, and each settlement hereunder shall be considered a different payment under Section 409A of the Code. To the extent that any agreement provides for the Award to become vested and be settled upon the Holder's termination of service, the applicable shares of Stock shall be transferred to the Holder or his or her beneficiary upon the Holder's "separation from service," within the meaning of Section 409A of the Code; provided that if the Holder is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such shares of Stock shall be transferred to the Holder or his or her beneficiary upon the earlier to occur of (i) the six-month anniversary of such separation from service and (ii) the date of the Holder's death.

6.8. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Membership Collective Group, Inc., Attn: Chief People & Development Officer, Soho House & Co, 180 The Strand, London, WC2R 1EA, and if to the Holder, to the last known mailing address of the Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

6.9. Governing Law. This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code, shall be governed by the laws of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws, and subject to the exclusive jurisdiction of the Delaware courts.

6.10. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. Subject to Section 6.4, in the event

that the provisions of this Agreement and the Plan conflict, the Plan shall control. The Holder hereby acknowledges receipt of a copy of the Plan.

6.11. Entire Agreement. This Agreement, together with the Plan, constitute the entire agreement of the parties with respect to the shares of Stock subject to this Award and supersede in their entirety all prior undertakings and agreements of the Company and the Holder with respect to such shares of Stock, and may not be modified adversely to the Holder's interest except by means of a writing signed by the Company and the Holder.

6.12. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

6.13. Amendment and Waiver. The provisions of this Agreement may be amended or waived only by the written agreement of the Company and the Holder, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

6.14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

THE PARTIES STATE THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING AND KNOWINGLY AND VOLUNTARILY SIGN BELOW INTENDING TO BE BOUND HERETO:

MEMBERSHIP COLLECTIVE GROUP, INC.

By: /s/ Andrew Carnie

Name: Andrew Carnie

Title: President and Director

Acknowledgment, Acceptance and Agreement:

By signing below and returning this Agreement to Membership Collective Group, Inc., I hereby acknowledge receipt of the Agreement and the Plan, accept the Award granted to me and agree to be bound by the terms and conditions of this Agreement and the Plan.

/s/ Martin Kuczmariski

Holder

Date 28 September 2022

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**AMENDMENT TO
RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE MEMBERSHIP COLLECTIVE GROUP, INC.
2021 EQUITY AND INCENTIVE PLAN**

WHEREAS, Membership Collective Group, Inc. (the “Company”) previously made a grant of restricted stock units to the undersigned (the “Holder”) pursuant to the terms and conditions of the Membership Collective Group, Inc. 2021 Equity and Incentive Plan (the “Plan”), and the terms of an award agreement, dated as of 19 July 2021 with respect to 401,845 of Stock (the “Award Agreement”);

WHEREAS, the Company and the Holder desire to amend the Award Agreement in accordance with the terms and conditions of this Amendment (this “Amendment”).

NOW, THEREFORE, BE IT RESOLVED, that the Award Agreement is hereby amended as follows, effective as of 28 September 2022:

1. Section 3 of the Award Agreement is hereby amended in its entirety to read as follows:

Restriction Period and Vesting. The Company and the Holder agree that 100,461 of Stock out of the total Award of 401,845 has vested as at the date of this Amendment. Except as otherwise provided in the Plan or in section 2.7 of the Settlement Agreement, by and between Holder and Soho House UK Limited, dated 28 September 2022, the remaining Award of 301,384 shall vest in four equal installments of 75,346 on each of 1 October 2022, 1 November 2022, 1 January 2023 and 1 April 2023 (each, a “Vesting Date”). The period of time from the date of this Amendment prior to the vesting shall be referred to herein as the “Restriction Period.” The Company and the Holder agree that for the avoidance of doubt, the vesting of the Award in accordance with this Section 3 is not conditional on the employment or engagement of the Holder by the Company, any Subsidiary or any Affiliate and in the event that this conflicts with the provisions of Plan, this Section 3 shall control.

2. Except as set forth in this Amendment, the terms and conditions of the Award Agreement as in effect immediately prior to the date hereof shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date set forth above.

MEMBERSHIP COLLECTIVE GROUP, INC.

By: /s/ Andrew Carnie

Print Name: Andrew Carnie

HOLDER

Signature: /s/ Martin Kuczmariski

Print Name: Martin Kuczmariski

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This agreement is dated 28 September 2022

Parties

- (1) **Soho House UK Limited** incorporated and registered in England and Wales with company number 02864389 whose registered office is at 180 The Strand, London, United Kingdom, WC2R 1EA (**Client**); and
- (2) **The individual** set out in Schedule 1 (**Consultant**).

Agreed terms

1. TC "1. Interpretation" \1 Interpretation

The following definitions and rules of interpretation apply in this agreement (unless the context requires otherwise).

1.1 Definitions

Business of the Client: a global membership platform of physical and digital spaces that connects a vibrant, diverse and global group of members. This platform includes but is not limited to, the provision of private members' clubs and services, hotels, chain restaurants, health clubs, co-working spaces, interior and lifestyle retail brands by any Group Company.

Business Day: a day, other than a Saturday, Sunday or public holiday in England, when banks in London are open for business.

Client Property: all documents, books, manuals, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the Business or affairs of the Client or Group Company or their members, customers and business contacts, and any equipment, keys, hardware or software provided for the Consultant's use by the Client during the Engagement, and any data or documents (including copies) produced, maintained or stored by the Consultant on the computer systems or other electronic equipment of the Client or the Consultant.

Commencement Date: as set out in Schedule 1.

Engagement: the engagement of the Consultant by the Client on the terms of this agreement.

Group Company MACROBUTTON optional : the Client, its subsidiaries or holding companies from time to time and any subsidiary of any holding company from time to time.

holding company MACROBUTTON optional : has the meaning given in 21.6.

Services: the services provided by the Consultant in a consultancy capacity for the Client or any Group Company as more particularly described in Schedule 1.

subsidiary MACROBUTTON optional : has the meaning given in 21.6.

Termination Date: the date of termination of this agreement, howsoever arising.

- 1.2 The headings in this agreement are inserted for convenience only and shall not affect its construction.
- 1.3 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.
- 1.5 The Schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules.
- 1.6 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) as a nominee.

2. TC "2. Term of engagement" \I 1Term of engagement

- 2.1 The Client shall engage the Consultant and the Consultant shall provide the Services on the terms of this agreement.
- 2.2 The Engagement shall commence on the Commencement Date and shall continue for a fixed term of 12 months from the Commencement Date unless and until terminated earlier as provided by the terms of this agreement.

3. TC "3. Duties and obligations" \I 1Duties and obligations

- 3.1 During the Engagement the Consultant shall:
- (a) provide the Services with all due care, skill and ability;
 - (b) unless prevented by ill health or accident, provide the Services at such times and on such days as reasonably requested by the Company; and

- (c) comply with any policy of the Client on anti-bribery and anti-corruption and any procedures, restrictions or guidelines on the prevention of bribery and corruption issued by the Client from time to time. Failure to comply with policies may result in the immediate termination of this agreement.

3.2 Unless they have been specifically authorised to do so by the Client in writing, the Consultant shall not:

- (a) have any authority to incur any expenditure in the name of or for the account of the Client or any other Group Company; or
- (b) hold themselves out as having authority to bind the Client or any other Group Company.

3.3 When providing the Services, the Consultant shall comply with the Client's policies on social media use of information and communication systems, anti-harassment and bullying and equal opportunities from time to time.

4. TC "4. Fees" \1 Fees

4.1 In consideration of the provision of the Services during the Engagement, the Client shall pay the Consultant in accordance with the arrangements set out in Schedule 1.

5. TC "11. Termination" \1 Termination

5.1 Notwithstanding the provisions of 22.2, the Client may terminate the Engagement with immediate effect without notice and without any liability to make any further payment to the Consultant, if at any time the Consultant:

- (a) commits any gross or wilful misconduct affecting the Business of the Client or any Group Company;
- (b) commits any act which is reasonably foreseeable and which is seriously harmful to the interests of the Client or Group Company or brings the Consultant or any Group Company into serious disrepute;
- (c) commits any breach of the code of conduct of any Group Company from time to time (which is not immaterial) which includes, but are not limited to:
 - (i) any act of sexual misconduct;
 - (ii) any act of discrimination, harassment, bullying;
 - (iii) any act of theft or fraud;
- (d) commits any serious breach or serious non-observance of any of the material provisions of this agreement;

- (e) is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or a custodial penalty of less than 6 months is imposed);
- (f) is declared bankrupt or makes any arrangement with or for the benefit of their creditors or has a county court administration order made against them under the County Court Act 1984;
- (g) dies or is incapacitated (including by reason of illness or accident) from providing the Services for an aggregate period of 26 weeks in any 52-week consecutive period;
- (h) commits any offence under the Bribery Act 2010; or
- (i) commits a UK tax evasion facilitation offence under section 45(1) of the Criminal Finances Act 2017 or a foreign tax evasion facilitation offence under section 46(1) of the Criminal Finances Act 2017.

5.2 The rights of the Client under 35.1 are without prejudice to any other rights that it might have at law to terminate the Engagement or to accept any breach of this agreement on the part of the Consultant as having brought the agreement to an end. Any delay by the Client in exercising its rights to terminate shall not constitute a waiver of these rights.

6. **TC "12. Obligations on termination" \ 1 Obligations on termination**

On the Termination Date the Consultant shall:

- (a) immediately deliver to the Client all Client Property and original Confidential Information which is in their possession or under their control;
- (b) subject to the Client's data retention guidelines, irretrievably delete any information relating to the Business of the Client or any Group Company stored on any magnetic or optical disk or memory (including but not limited to any Confidential Information) and all matter derived from such sources which is in their possession or under their control outside the premises of the Client. For the avoidance of doubt, the contact details of business contacts made during the Engagement are regarded as Confidential Information and, as such, must be deleted from personal social or professional networking accounts;
- (c) provide a signed statement that they have complied fully with their obligations under this 46, together with such evidence of compliance as the Client may reasonably request; and
- (d) cease to represent himself as being in any way connected with the Client or any Group Company on an ongoing basis.

7. TC "13. Status" \I 1Status

- 7.1 The relationship of the Consultant to the Client will be that of independent contractor and nothing in this agreement shall render them an employee, worker, agent or partner of the Client and the Consultant shall not hold themselves out as such.
- 7.2 This agreement constitutes a contract for the provision of services and not a contract of employment and accordingly the Consultant shall be fully responsible for and shall indemnify the Client or any Group Company for and in respect of the following:
- (a) any income tax, National Insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with the performance of the Services, where such recovery is not prohibited by law. The Consultant shall further indemnify the Client against all reasonable costs, expenses and any penalty, fine or interest incurred or payable by the Client in connection with or in consequence of any such liability, deduction, contribution, assessment or claim other than where the latter arise out of the Client's negligence or wilful default; and
 - (b) any liability arising from any employment-related claim or any claim based on worker status (including reasonable costs and expenses) brought by the Consultant arising out of or in connection with the provision of the Services, except where such claim is as a result of any act or omission of the Client.

8. TC "14. Notices" \I 1Notices

- 8.1 Any notice or other communication given to a party under or in connection with this agreement shall be in writing and shall be:
- (a) delivered by hand or by pre-paid first-class post or other next working day delivery service at the address given in this agreement or as otherwise notified in writing to the other party; or
 - (b) sent by email to its main email address.
- 8.2 Unless proven otherwise, any notice or communication shall be deemed to have been received:
- (a) if delivered by hand, at the time the notice is left at the address given in this agreement or given to the addressee; or
 - (b) if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; or
 - (c) if sent by email, at the time of transmission.

8.3 If deemed receipt under 58.2 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this 68.3, business hours means 9.00am to 5.00pm Monday to Friday on a day that is not a public holiday in the place of receipt.

8.4 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any other method of dispute resolution.

9. TC "15. Entire agreement" \I 1Entire agreement

9.1 This agreement constitutes the entire agreement between the parties and any Group Company concerning consultancy services and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to consultancy services.

9.2 Each party acknowledges that in entering into this agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement.

9.3 Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this agreement.

9.4 Nothing in this clause shall limit or exclude any liability for fraud.

10. General

10.1 The Consultant will not have the right to assign, transfer, delegate, grant security over or otherwise deal with any of its obligations or rights referred to under this Agreement, in whole or in part, to any third party, except with the prior written consent of the Client.

11. TC "16. Variation" \I 1Variation

No variation of this agreement or of any of the documents referred to in it shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

12. TC "17. Counterparts" \I 1Counterparts

12.1 This agreement may be executed in any number of counterparts, each of which shall constitute a duplicate original when delivered, but all the counterparts shall together constitute the one agreement.

12.2 No counterpart shall be effective until each party has delivered to the other at least one executed counterpart.

13. TC "18. Third party rights" \I 1Third party rights

13.1 Except as expressly provided elsewhere in this agreement, only the parties and in the Company's case, the Group Company, shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

13.2 The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this agreement are not subject to the consent of any other person.

14. TC "19. Governing law" \I 1Governing law

This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

15. TC "20. Jurisdiction" \I 1Jurisdiction

Each party irrevocably agrees that the English courts shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

THIS AGREEMENT has been entered into on the date stated at the beginning of it.

SCHEDULE 1 Consultant Particulars

CONSULTANT	Martin Kuczmarski of the address on record with the Company
COMMENCEMENT DATE	28 September 2022
FEE	In consideration for, and subject to the terms, of this agreement, Consultant shall receive £1.
SERVICES	Advising the Client and its other Group Companies, using reasonable endeavours, on operational matters relating to the Business of the Client and its other Group Companies on a discrete case by case basis subject to prior agreement between the parties on reasonable notice.
REPORTING	The Consultant shall report to Andrew Carnie (<i>President</i>) in relation to the provision of the Services or such other representative as Andrew Carnie or the Client may reasonably request from time to time.
HOURS OF WORK	On an ad-hoc on demand basis subject to prior agreement on reasonable notice

Signed for and on behalf of **Soho House UK Limited**

/s/ Andrew Carnie

By Andrew Carnie, as a Director

Date: 28 September 2022

Signed by **Martin Kuczmariski**

/s/ Martin Kuczmariski

Date: 28 September 2022

SOHO HOUSE UK LIMITED

and

MARTIN KUCZMARSKI

SETTLEMENT DEED

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This Deed is entered into on 28 September 2022 between:

- (1) **SOHO HOUSE UK LIMITED**, a private limited company incorporated and registered in England and Wales with company number 02864389, whose registered office is at 180 The Strand, London, United Kingdom, WC2R 1EA (the "**Company**"); and
- (2) **MARTIN KUCZMARSKI** of the address on record with the Company (the "**Employee**"),
(together the "**Parties**")

BACKGROUND

- (A) The Employee has been in continuous employment with the Company since 21 January 2008 and is employed under a service agreement with the Company dated 5 July 2021 as Chief Operating Officer (the "**Employment Contract**").
- (B) The Employee's employment with the Company will terminate on 28 September 2022 (the "**Termination Date**") and he will immediately enter into a consultancy agreement with the Company on the terms set out in the consultancy agreement attached at Schedule 3 (the "**Consultancy Agreement**") which will take effect on the following day.
- (C) The Parties have entered into this agreement to record and implement the terms on which they have agreed to settle any claims that the Employee has or may have in connection with the Employee's employment or its termination against any Group Company (as defined below) or their officers, directors, employees or workers, whether or not those claims are, or could be, in the contemplation of the Parties at the time of signing this agreement, and including, in particular, the statutory complaints that the Employee raises in this agreement.
- (D) The Parties intend this agreement to be an effective waiver of any such claims and to satisfy the conditions relating to settlement agreements and compromise contracts in the relevant legislation.
- (E) The Company enters into this agreement for itself and as agent and trustee for all Group Companies and they are authorised to do so. It is the Parties' intention that each Group Company should be able to enforce any rights it has under this agreement, subject to and in accordance with the Contracts (Rights of Third Parties) Act 1999.

AGREED TERMS:

1. INTERPRETATION

The following definitions and rules of interpretation apply in this agreement.

1.1 Definitions:

Adviser means Ewan Keen of Simons Muirhead Burton LLP of 87-91 Newman Street, London W1T 3EY.

Confidential Information means information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) relating to any Group Company's business, products, affairs and finances for the time being confidential to any Group Company and trade secrets including, without limitation, technical data and know-how relating to any Group Company's business or any of its suppliers, clients, customers, agents, distributors, shareholders or management, including (but not limited to) information that the Employee created, developed, received or obtained in connection with the Employee's employment, whether or not such information (if in anything other than oral form) is marked confidential.

Copies means copies or records of any Confidential Information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) including, without limitation, extracts, analysis, studies, plans, compilations or any other way of representing or recording and recalling information which contains, reflects or is derived or generated from Confidential Information.

Group Company means either of the Company, its subsidiaries or holding companies from time to time and any subsidiary of any holding company from time to time.

Holding company MACROBUTTON optional has the meaning given in clause 1.6.

Insider Trading Policy: the Insider Trading Policy of any Group Company restricting transactions in the securities of any Group Company by directors, executives and certain employees of any Group Company during certain times (such as closed periods) and setting out the procedure for obtaining clearance to deal in the securities of any Group Company. A copy of the Insider Trading Policy is available from the Chief Legal Officer of the Company.

Market Abuse Regulation: the Market Abuse Regulation (EU) 596/2014 as applicable in the European Union, and as onshored into UK law on 31 December 2020 by the UK European Union (Withdrawal) Act 2018, and any similar regulations in the United States or any other applicable jurisdiction.

Post-Employment Notice Pay: has the meaning given in section 402D of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA).

Post-Employment Notice Period: has the meaning given in section 402E(5) of ITEPA.

Subsidiary MACROBUTTON optional has the meaning given in clause 1.6.

- 1.2 The headings in this agreement are inserted for convenience only and shall not affect its construction.
- 1.3 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.5 The Schedules shall form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules.
- 1.6 A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006.

2. ARRANGEMENTS ON TERMINATION

- 2.1 The Employee's employment with the Company will terminate on the Termination Date. The Company shall pay the Employee his salary and provide benefits to the Employee up to the Termination Date in the usual way.
- 2.1 It is a condition of this agreement that the Employee shall on or around the signing of this agreement also enter into the Consultancy Agreement as attached at Schedule 3.
- 2.2 The Employee hereby waives his rights to notice or any payment in lieu with respect to three months of his total six month contractual notice period under the Employment Contract. The Company shall pay the Employee a sum of £200,000 representing his remaining three months' contractual notice period (the "**PILON**"). One third of the PILON shall be paid to the Employee on or before 15 October 2022, one third of the PILON to the Employee on or before 15 November 2022 and one third of the PILON to the Employee on or before 15 December 2022 by BACS transfer into a bank account nominated by the Employee. The PILON shall be subject to PAYE income tax and national insurance contributions deductions that the Company is required by law to make. The parties accordingly believe that the Employee's Post-Employment Notice Period and Post-Employment Notice Pay are nil.
- 2.3 The Employee acknowledges and agrees that in connection with his employment with the Company he has no entitlement to any discretionary bonus awards for the performance year

2022 or any other performance year, shares or cash awards or other incentive arrangements, or other remuneration or expenses from the Company, save as set out in this agreement.

2.4 The parties acknowledge and agree that:

- (a) the Employee was granted a restricted stock unit award with respect to 401,845 shares of Class A common stock, par value \$0.01 per share ("**Class A Common Stock**"), in Membership Collective Group, Inc. ("**MCG**") under an award agreement dated 19 July 2021 and pursuant to the MCG 2021 Equity and Incentive Plan (the "**MCG Plan**") (the "**Old RSU Award**") and the vesting of the Old RSU Award shall accelerate such that any unvested restricted stock units due to the Employee under the Old RSU Award shall vest in 25% increments on 1 October 2022, 1 November 2022, 1 January 2023 and 1 April 2023 in accordance with an amendment agreement to the underlying award agreement for the Old RSU Award in the terms attached at Schedule 4 Part 1 (the "**MCG RSU Variation**") to be entered into between the parties stated therein and dated on or before the date of this agreement;
- (b) the Employee shall be granted a restricted stock unit award with respect to 365,000 shares of Class A Common Stock of MCG under a new award agreement in accordance with the terms attached at Schedule 4 Part 2 to be entered into between the parties stated therein and dated on or before the date of this agreement (the "**New RSU Award**") whereby the vesting of the New RSU Award shall be in 50% increments on 4 July 2023 and 3 October 2023 on the terms set out in the New RSU Award; and
- (c) the Employee was granted a restricted stock unit award with respect to 260,577 shares of Class A Common Stock in MCG under an award agreement dated 19 July 2021 and pursuant to the MCG Plan (the "**RSA Award**") and the vesting of the RSA Award shall accelerate such that any unvested stock due to the Employee under the RSA Award shall vest in 25% increments on 1 October 2022, 1 November 2022, 1 January 2023 and 1 April 2023 in accordance with an amendment agreement to the underlying award agreement for the RSA Award in the terms attached at Schedule 4 Part 3 (the "**MCG RSA Variation**") to be entered into between the parties stated therein and dated on or before the date of this agreement.

2.5 The Employee acknowledges and agrees that with regard to the Old RSU Award, the New RSU Award and the RSA Award (the "**Equity Awards**") the Company shall be entitled to make any deductions or withholdings as required by law with respect to the vesting or issuance of the Equity Awards or part thereof.

2.6 In relation to the Equity Awards the following provisions shall apply:

- (a) the Employee shall comply with any Group Company's code of practice on dealings in securities in place from time to time, and the provisions of the Securities Exchange Act of 1934, the Market Abuse Regulation, and any other applicable laws and regulations in any jurisdiction governing insider trading relating to any Group Company and any other applicable law or regulations applying to dealings in securities of the Company or of any Group Company, and will comply with the Insider Trading Policy.
- (b) the Employee shall not and shall procure that none of his closely associated persons (as defined in the Market Abuse Regulation) (including his spouse or civil partner and any children or step-children under the age of 18) shall deal in any way in any securities of the Company or of any Group Company except in accordance with the code of practice from time to time in relation to such dealings.

2.7 For so long as the Equity Awards are unvested, the Company may, in its sole and absolute discretion, cease any vesting under the Equity Awards with immediate effect and without notice and without liability to make further payment to the Employee (other than in respect of amounts or stock awards accrued and/or vested before the Termination Date) if at any time after the date of this agreement the Employee:

- (a) commits any gross or wilful misconduct affecting any Group Company;
- (b) commits any material breach of any continuing provisions under the Employment Contract as set out in clause 8 of this agreement;
- (c) commits any act which is reasonably foreseeable and which is seriously harmful to the interests of any Group Company or brings the Employee or any Group Company into serious disrepute;
- (d) commits any breach of the code of conduct of any Group Company from time to time (which is not immaterial) which includes, but are not limited to:
 - (i) any act of sexual misconduct;
 - (ii) any act of discrimination, harassment, bullying;
 - (iii) any act of theft or fraud;
- (e) commits any serious breach or serious non-observance of any of the material provisions of this agreement;
- (f) is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or a custodial penalty of less than six months is imposed);

- (g) is declared bankrupt or makes any arrangement with or for the benefit of their creditors or has a county court administration order made against them under the County Court Act 1984;
- (h) commits any offence under the Bribery Act 2010; or
- (i) commits a UK tax evasion facilitation offence under section 45(1) of the Criminal Finances Act 2017 or a foreign tax evasion facilitation offence under section 46(1) of the Criminal Finances Act 2017.

- 2.8 The Employee acknowledges that he has taken all outstanding days' holiday accrued up to and including the Termination Date and agrees that no payment shall be made in respect of any holiday entitlement.
- 2.9 The Employee shall submit on or before the Termination Date his expenses claims in the usual way and the Company shall reimburse the Employee for any expenses properly incurred before the Termination Date in the usual way.

3. PENSION

The Company shall notify the trustees or administrators of the Company's pension scheme (the "**Pension Scheme**") that the Employee's employment will terminate and request written confirmation of the Employee's accrued entitlement under the Pension Scheme and request that the options available for dealing with his entitlement are sent to the Employee.

4. WAIVER OF CLAIMS

- 4.1 The Employee agrees that the terms of this agreement are offered by the Company without any admission of liability on the part of the Company and are in full and final settlement of all and any claims or rights of action that the Employee has or may have against any Group Company or its officers, directors, employees or workers arising out of the Employee's employment with the Company or its termination, whether under common law, contract, statute or otherwise, whether such claims are, or could be, known to the Parties or in their contemplation at the date of this agreement in any jurisdiction and including, but not limited to, the claims specified in Schedule 1 (each of which is waived by this clause).
- 4.2 The waiver in clause 4.1 shall not apply to the following:
- (a) any claims by the Employee to enforce this agreement;

- (b) any claims by the Employee to enforce the Old RSU Award (as amended by the MCG RSU Variation), the RSA Award (as amended by the MCG RSA Variation) or the New RSU Award;
- (c) claims in respect of personal injury of which the Employee is not aware and could not reasonably be expected to be aware at the date of this agreement (other than claims under discrimination legislation); and
- (d) any claims in relation to accrued entitlements under the Pension Scheme.

4.3 The Employee warrants that:

- (a) before entering into this agreement he received independent advice from the Adviser as to the terms and effect of this agreement and, in particular, on its effect on the Employee's ability to pursue any complaint before an employment tribunal or other court;
- (b) the Adviser has confirmed to him that they are a solicitor holding a current practicing certificate and that there is in force a policy of insurance covering the risk of a claim by the Employee in respect of any loss arising in consequence of their advice;
- (c) the Adviser shall sign and deliver to the Company a letter in the form attached at Schedule 2 to this agreement;
- (d) before receiving the advice he disclosed to the Adviser all facts and circumstances that may give rise to a claim by his against any Group Company or its officers, directors, employees or workers;
- (e) the only claims that he has or may have against any Group Company or its officers, directors, employees or workers (whether at the time of entering into this agreement or in the future) relating to his employment with the Company or its termination are specified in clause 4.1; and
- (f) he is not aware of any facts or circumstances that may give rise to any claim against any Group Company or its officers, directors, employees or workers other than those claims specified in clause 4.1.

The Employee acknowledges that the Company acted in reliance on these warranties when entering into this agreement.

4.4 The Employee acknowledges that the conditions relating to settlement agreements under section 147(3) of the Equality Act 2010, section 288(2B) of the Trade Union and Labour Relations (Consolidation) Act 1992, section 203(3) of the Employment Rights Act 1996, regulation 35(3) of the Working Time Regulations 1998, section 49(4) of the National Minimum Wage Act 1998,

regulation 41(4) of the Transnational Information and Consultation etc. Regulations 1999, regulation 9 of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, regulation 10 of the Fixed-Term Executives (Prevention of Less Favourable Treatment) Regulations 2002, regulation 40(4) of the Information and Consultation of Executives Regulations 2004, paragraph 13 of the Schedule to the Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006, regulation 62 of the Companies (Cross Border Mergers) Regulations 2007 and section 58 of the Pensions Act 2008 have been satisfied.

- 4.5 The waiver in clause 4.1 shall have effect irrespective of whether or not, at the date of this agreement, the Employee is or could be aware of such claims or have such claims in his express contemplation (including such claims of which the Employee becomes aware after the date of this agreement in whole or in part as a result of new legislation or the development of common law or equity).
- 4.6 The Employee agrees that, except for the payments and benefits provided for in this agreement, and subject to the waiver in clause 4.1, he shall not be eligible for any further payment from any Group Company relating to his employment or its termination and he expressly waives any right or claim that he has or may have to payment of bonuses, any benefit or award programme, under any share plan operated by any Group Company or any stand-alone share incentive arrangement, or to any other benefit, payment or award he may have received had his employment not terminated.

5. EMPLOYEE INDEMNITIES

- 5.1 The Parties do not give any warranty as to the taxable status of the payments to be made and benefits to be provided under this Agreement. The Employee shall be responsible for any income tax and employee national insurance contributions which arise in respect of the Termination Payment and will keep the Company indemnified against any income tax and employees' national insurance contributions arising in respect of such payment on an after tax basis (save that this indemnity will not apply to any deductions actually made by the Company in respect of income tax and employees' national insurance contributions under this Agreement or to any such penalties or interest which arises as a result of the Company's delay, error or default). As soon as practicable following receipt, the Company will provide the Employee with a copy of any request from a relevant authority received by it for payment, assessment, demand or other notification of liability or potential liability to income tax or employees' national insurance contributions, costs, penalties or interest in respect of the payments and benefits to be provided under this Agreement and afford to the Employee the opportunity at his own expense to challenge any such request and the Company will reasonably co-operate in any such challenge (provided that nothing

in this clause shall prevent the Company from complying with their legal obligations with regard to HM Revenue and Customs or other competent body).

- 5.2 If the Employee breaches any material provision of this agreement or pursues a claim against any Group Company arising out of his employment or its termination other than those excluded under clause 4, he agrees to indemnify the Company for any losses suffered as a result thereof, including all reasonable legal and professional fees incurred. The Company may at its option satisfy this indemnity (in whole or in part) by way of deduction from any outstanding payments due to the Employee or any vesting under any Equity Awards.

6. COMPANY PROPERTY AND INFORMATION

Save where retained by mutual agreement between the Employee and the Company in respect of the Consultancy Agreement, the Employee confirms that:

- 6.1 he has returned to the Company:
- (a) all Confidential Information and Copies;
 - (b) all property belonging to the Company in satisfactory condition including (but not limited to) any keys, security pass, identity badge or lap-top computer; and
 - (c) all documents and copies (whether written, printed, electronic, recorded or otherwise and wherever located) made, compiled or acquired by him during his employment with the Company or relating to the business or affairs of any Group Company or its business contacts;

in the Employee's possession or under his control. Each of the Employee and the Company agrees to use reasonable endeavours to transfer the Employee's mobile phone to the Employee as soon as practicable after the date of this agreement.

- 6.2 he shall prior to the Termination Date provide to the Company contact details and passwords for all suppliers of the Company or any Group Company, or provide an indication of where such contact details and passwords are located on the shared drives of the Company or any Group Company.
- 6.3 he shall prior to the Termination Date, erase to the extent reasonably possible any information relating to the business or affairs of any Group Company or its business contacts from computer and communications systems and devices owned or used by him outside the premises of the Company, including such systems and data storage services provided by third parties (to the extent technically practicable).

- 6.4 he shall, if requested to do so by the Company, provide a signed statement that he has complied fully with his obligations under clause 6.1, clause 6.2 and clause 6.3 and shall provide it with such reasonable evidence of compliance as may be requested.

7. EMPLOYEE WARRANTIES AND ACKNOWLEDGMENTS

- 7.1 As at the date of this agreement, the Employee warrants and represents to the Company that there are no circumstances of which the Employee is aware of which the Employee ought reasonably to be aware that would amount to a repudiatory breach by the Employee of any express or implied term of the Employee's contract of employment that would entitle (or would have entitled) the Company to terminate the Employee's employment without notice or payment in lieu of notice and the payment of the PILON, MCG RSU Variation and MCG RSA Variation are conditional on this being so.
- 7.2 The Employee agrees to make himself available to, and to cooperate with, the Company or its advisers in any regulatory, judicial or quasi-judicial proceedings. The Employee acknowledges that this could involve, but is not limited to, responding to or defending any regulatory or legal process, providing information in relation to any such process, preparing witness statements and giving evidence in person on the Company's behalf. The Company shall reimburse any reasonable expenses that the Employee incurs as a consequence of complying with his obligations under this clause, provided that such expenses are approved in advance by the Company.
- 7.3 Save as otherwise set out at in this Agreement, the Employee acknowledges that he is not entitled to any compensation for the loss of any rights or benefits under any bonus plan, benefit or award programme, share plan operated by any Group Company or any stand-alone share incentive arrangement, or for loss of any other benefit, payment or award he may have received had his employment not terminated other than the payments and benefits provided for in this agreement.

8. RESTRICTIVE COVENANTS, CONFIDENTIALITY, INTELLECTUAL PROPERTY AND DATA PROTECTION

- 8.1 Notwithstanding clause 10, the Employee agrees and acknowledges that the restrictions relating to confidentiality and intellectual property in clause 22 and clause 23 of the Employment Contract, and the post-termination restrictions in clause 30 of the Employment Contract and relating to data protection in clause 33 of the Employment Contract, will continue to apply after the Termination Date save as set out in clause 8.2 below and that the Employee shall not be in breach of the same by entering into and performing services under the Consultancy Agreement.

8.2 The parties agree that clauses 30.2.5 to 30.2.6 of the Employment Contract shall by mutual consent be amended so that the period of “twelve months” is replaced with the period of “three years” and that any reference to the termination of employment means the Termination Date as defined in this agreement, and the Employee acknowledges and agrees that the terms of this agreement are valid and sufficient consideration for such variation.

9. CONFIDENTIALITY

9.1 The Parties confirm that they have kept and agree to keep the circumstances concerning the termination of the Employee’s employment confidential, except where such disclosure is to HM Revenue & Customs, any regulatory, supervisory or law enforcement body or otherwise as required by law, or (where necessary or appropriate) to:

- (a) the Employee’s spouse, civil partner or partner, immediate family or legal or professional advisers, provided that they agree to keep the information confidential; or
- (b) the Employee’s insurer for the purposes of processing a claim for loss of employment.

For the avoidance of any doubt, nothing in this agreement shall prevent the Employee from confirming that his employment with the Company terminated by reason of mutual agreement.

9.2 The parties acknowledge that the Company is required by law to publicly file this agreement, and its terms will therefore not be kept confidential.

9.3 The Employee shall not make any adverse or derogatory comment (whether in writing or any otherwise) about any Group Company or any Group Company's shareholders, officers, directors, employees or workers and shall not do anything which shall bring any Group Company or any Group Company's shareholders, officers, directors, employees or workers into disrepute. The Company shall instruct the officers and senior employees of any Group Company with knowledge of this agreement not to make any adverse or derogatory comment about the Employee or do anything that shall, or may, bring the Employee into disrepute. This clause is subject to remaining provisions of this clause 9.

9.4 Nothing in this clause 9 shall prevent the Employee from:

- (a) making a protected disclosure under section 43A of the Employment Rights Act 1996;
- (b) making a disclosure to a regulator regarding any misconduct, wrongdoing or serious breach of regulatory requirements, or reporting a criminal offence to any law enforcement agency; or

(c) co-operating with any law enforcement agency regarding a criminal investigation or prosecution.

9.5 Nothing in this clause 9 shall prevent the Company from making such disclosure or notification as they are required to make by law and/or the rules of any regulatory or supervisory authority.

10. ENTIRE AGREEMENT

10.1 Each Party on behalf of itself and, in the case of the Company, as agent for any Group Company acknowledge and agrees with the other Party (the Company acting on behalf of themselves and as agent for each Group Company) that:

- (a) this agreement, including its Schedules, constitutes the entire agreement between the Parties and any Group Company and supersedes and extinguishes all agreements, promises, assurances, warranties, representations and understandings between them whether written or oral, relating to its subject matter;
- (b) in entering into this agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement; and
- (c) it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this agreement.

10.2 Nothing in this agreement shall, however, operate to limit or exclude any liability for fraud.

11. VARIATION

No variation of this agreement shall be effective unless it is in writing and signed by the Parties (or their authorized representatives).

12. THIRD PARTY RIGHTS

Except as expressly provided elsewhere in this agreement, no person other than the Employee and any Group Company shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.

13. GOVERNING LAW

This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

14. JURISDICTION

Each Party irrevocably agrees that the English courts shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

15. SUBJECT TO CONTRACT AND WITHOUT PREJUDICE

This agreement shall be deemed to be without prejudice and subject to contract until such time as it is signed by both Parties and dated, when it shall be treated as an open document evidencing a binding agreement.

16. COUNTERPARTS

This agreement may be executed and delivered in any number of counterparts, each of which, when executed, shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

Signature page to follow

In witness whereof the parties hereto have executed this agreement as a Deed on the date stated at the beginning of it.

Signed as a deed by Andrew Carnie for and on behalf of

SOHO HOUSE UK LIMITED

/s/ Andrew Carnie

ANDREW CARNIE

DIRECTOR

Signed as a deed by **MARTIN KUCZMARSKI**

/s/ Martin Kuczmariski

SCHEDULE 1 CLAIMS

Claims:

- (a) for breach of contract or wrongful dismissal;
- (b) for unfair dismissal, under section 111 of the Employment Rights Act 1996;
- (c) in relation to the right to a written statement of reasons for dismissal, under section 93 of the Employment Rights Act 1996;
- (d) for a statutory redundancy payment, under section 163 of the Employment Rights Act 1996;
- (e) in relation to an unlawful deduction from wages or unlawful payment, under section 23 of the Employment Rights Act 1996;
- (f) for unlawful detriment, under section 48 of the Employment Rights Act 1996 or section 56 of the Pensions Act 2008;
- (g) in relation to written employment particulars and itemised pay statements, under section 11 of the Employment Rights Act 1996;
- (h) in relation to guarantee payments, under section 34 of the Employment Rights Act 1996;
- (i) in relation to suspension from work, under section 70 of the Employment Rights Act 1996;
- (j) in relation to parental leave, under section 80 of the Employment Rights Act 1996;
- (k) in relation to a request for flexible working, under section 80H of the Employment Rights Act 1996;
- (l) in relation to time off work, under sections 51, 54, 57, 57B, 57ZC, 57ZF, 57ZH, 57ZM, 57ZQ, 60, 63 and 63C of the Employment Rights Act 1996;
- (m) in relation to working time or holiday pay, under regulation 30 of the Working Time Regulations 1998;
- (n) in relation to the national minimum wage, under sections 11, 18, 19D and 24 of the National Minimum Wage Act 1998;
- (o) for equal pay or equality of terms under sections 120 and 127 of the Equality Act 2010 and/or section 2 of the Equal Pay Act 1970;
- (p) for pregnancy or maternity discrimination, direct or indirect discrimination, harassment or victimisation related to sex, marital or civil partnership status, pregnancy or maternity or gender reassignment under section 120 of the Equality Act 2010 and/or direct or indirect discrimination, harassment or victimisation related to sex, marital or civil partnership status,

gender reassignment, pregnancy or maternity under section 63 of the Sex Discrimination Act 1975;

- (q) for direct or indirect discrimination, harassment or victimisation related to race under section 120 of the Equality Act 2010 and/or direct or indirect discrimination, harassment or victimisation related to race, colour, nationality or ethnic or national origin, under section 54 of the Race Relations Act 1976;
- (r) for direct or indirect discrimination, harassment or victimisation related to disability, discrimination arising from disability, or failure to make adjustments under section 120 of the Equality Act 2010 and/or direct discrimination, harassment or victimisation related to disability, disability-related discrimination or failure to make adjustments under section 17A of the Disability Discrimination Act 1995;
- (s) for direct or indirect discrimination, harassment or victimisation related to religion or belief under section 120 of the Equality Act 2010 and/or under regulation 28 of the Employment Equality (Religion or Belief) Regulations 2003;
- (t) for direct or indirect discrimination, harassment or victimisation related to sexual orientation, under section 120 of the Equality Act 2010 and/or under regulation 28 of the Employment Equality (Sexual Orientation) Regulations 2003;
- (u) for direct or indirect discrimination, harassment or victimisation related to age, under section 120 of the Equality Act 2010 and/or under regulation 36 of the Employment Equality (Age) Regulations 2006;
- (v) for less favourable treatment on the grounds of part-time status, under regulation 8 of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000;
- (w) for less favourable treatment on the grounds of fixed-term status, under regulation 7 of the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002;
- (x) under regulations 27 and 32 of the Transnational Information and Consultation of Employees Regulations 1999;
- (y) under regulations 29 and 33 of the Information and Consultation of Employees Regulations 2004;
- (z) under regulations 45 and 51 of the Company (Cross-Border Mergers) Regulations 2007;
- (aa) under paragraphs 4 and 8 of the Schedule to the Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006;
- (bb) under sections 68A, 87, 137, 145A, 145B, 146, 168, 168A, 169, 170, 174 and 192 of the Trade Union and Labour Relations (Consolidation) Act 1992;

- (cc) in relation to the obligations to elect appropriate representatives or any entitlement to compensation, under the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- (dd) in relation to the right to be accompanied under section 11 of the Employment Relations Act 1999;
- (ee) in relation to refusal of employment, refusal of employment agency services and detriment under regulations 5, 6 and 9 of the Employment Relations Act 1999 (Blacklists) Regulations 2010;
- (ff) in relation to the right to request time off for study or training under section 63I of the Employment Rights Act 1996; and
- (gg) in relation to the right to equal treatment, access to collective facilities and amenities, access to employment vacancies and the right not to be subjected to a detriment under regulations 5, 12, 13 and 17(2) of the Agency Workers Regulations 2010.
- (hh) in relation to personal injury, of which the Employee/Executive is or ought reasonably to be aware at the date of this agreement;
- (ii) for harassment under the Protection from Harassment Act 1997;
- (jj) for failure to comply with obligations under the Human Rights Act 1998;
- (kk) for failure to comply with obligations under the Data Protection Act 1998;
- (ll) arising as a consequence of the United Kingdom's membership of the European Union; and
- (mm) in relation to the right not to be subjected to a detriment under regulation 3 of the Exclusivity Terms in Zero Hours Contracts (Redress) Regulations 2015.

SCHEDULE 2 ADVISER'S CERTIFICATE

[ON HEADED NOTEPAPER OF ADVISER]

For the attention of **Soho House UK Limited**

180 The Strand

London

WC2R 1EA

[DATE]

Dear Sirs,

I am writing in connection with the agreement between my client, Martin Kuczmarski ("**Mr Kuczmarski**") and Soho House UK Limited (the "**Company**") (the "**Agreement**") to confirm that:

1. I, Ewan Keen, am a Solicitor of the Senior Courts of England and Wales who holds a current practising certificate.
2. I have given Mr Kuczmarski legal advice on the terms and effect of the Agreement and, in particular, its effect on his ability to pursue the claims specified in Schedule 1 of the Agreement.
3. I gave the advice to Mr Kuczmarski as a relevant independent adviser within the meaning of the above acts and regulations referred to at clause 4.4 of the Agreement.
4. There is now in force (and was in force at the time I gave the advice referred to above) a policy of insurance or an indemnity provided for members of a profession or professional body covering the risk of claim by Mr Kuczmarski respect of loss arising in consequence of the advice I have given her.

Yours faithfully,

[DATE] 2022

SCHEDULE 3 CONSULTANCY AGREEMENT

SCHEDULE 4 PARTS 1-3 EQUITY AWARDS

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Nick Jones, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Membership Collective Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [Paragraph omitted in accordance with Exchange Act Rule 13a-14(a)]
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2022

By: /s/ Nick Jones

Nick Jones
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas Allen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Membership Collective Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [Paragraph omitted in accordance with Exchange Act Rule 13a-14(a)]
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2022

By: /s/ Thomas Allen

Thomas Allen
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Membership Collective Group Inc. (the "Company") on Form 10-Q for the 13-week period ending October 2, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations the Company.

November 16, 2022

By: /s/ Nick Jones

Nick Jones

Chief Executive Officer

(Principal Executive Officer)

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Report and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Membership Collective Group Inc. (the “Company”) on Form 10-Q for the 13-week period ending October 2, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to her knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations the Company.

November 16, 2022

By: /s/ Thomas Allen

Thomas Allen
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Report and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.
