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

FORM 8-K

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

Date of Report (Date of earliest event reported): November 7, 2022

WHEELS UP EXPERIENCE INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-39541**	**98-1617611**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

601 West 26th Street, Suite 900 **New York, New York**	**10001**
(Address of principal executive offices)	**(Zip Code)**

(212) 257-5252
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Class A common stock, par value $0.0001 per share	UP	New York Stock Exchange
Redeemable warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of $11.50	UP WS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

Item 2.02. Results of Operations and Financial Condition.

On November 9, 2022, Wheels Up Experience Inc., a Delaware corporation (the "Company"), issued a press release announcing its financial results for the third fiscal quarter ended September 30, 2022. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

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

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The Company is also announcing the departure of Vinayak Hegde, President of Wheels Up Partners LLC, an indirect subsidiary of the Company ("WUP"), effective as of November 9, 2022 (the "Separation Date"). In connection with Mr. Hegde's separation of employment, on November 7, 2022, WUP and Mr. Hegde entered into a Separation and Release Agreement (the "Separation Agreement"). The Separation Agreement includes a general release of claims by Mr. Hegde subject to a 21-day consideration period beginning on the date the Separation Agreement was delivered to Mr. Hegde and a seven-day revocation period beginning on the Separation Date.

Pursuant to the Separation Agreement, WUP will pay Mr. Hegde a lump sum in the amount equal to $600,000, less applicable withholdings and other customary payroll deductions, representing twelve (12) months of Mr. Hegde's base salary and payable on WUP's first regularly scheduled payroll date that is at least ten (10) business days from the Separation Date (the "Payment Date"). In addition, Mr. Hegde will receive $400,000, less applicable withholdings and other customary payroll deductions, as an additional lump sum, payable on the Payment Date. Further, Mr. Hegde will be eligible for an annual bonus with a target of 125% of his annual base salary for fiscal year 2022, to be paid in a lump sum to Mr. Hegde at the same time and in the same manner as regular annual bonuses are distributed to other similarly situated senior executives of WUP in accordance with WUP's policy and as would otherwise have been payable to Mr. Hegde had he continued employment with WUP; provided, that pursuant to his employment agreement with WUP, as amended, for the time period between January 1, 2022, and May 6, 2022, Mr. Hegde's target bonus is guaranteed to be paid at 100%. Further, Mr. Hegde and WUP have agreed that Mr. Hegde will act as an advisor to the Company for a period of 12 months following the Separation Date in exchange for the payment to Mr. Hegde of a lump sum of $110,000 due within 30 days following the Separation Date. Any stock options and restricted stock units, or any other equity interest in the Company, held by Mr. Hegde as of the Separation Date that would have otherwise vested in accordance with its terms, absent Mr. Hegde's separation of employment, during the 12-month period immediately following the Separation Date will become vested and exercisable as of the Separation Date. In addition, Mr. Hegde will also be entitled to exercise any stock options that are vested as of the Separation Date until the earlier of the fifth anniversary of the Separation Date and the expiration of such stock options. Mr. Hegde may elect to continue to participate in WUP's group health insurance plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), provided that WUP will pay the premiums for such coverage (at the coverage levels in effect immediately prior to the Mr. Hegde's separation of employment) for a period of up to twelve (12) months after November 30, 2022.

The preceding description of the Separation Agreement is a summary of its material terms, does not purport to be complete, and is qualified in its entirety by reference to the Separation Agreement, a copy of which is being filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1†	Separation and Release Agreement, dated November 7, 2022, by and between Vinayak Hegde and Wheels Up Partners LLC
99.1	Press Release, dated November 9, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

† Identifies each management contract or compensatory plan or arrangement.

SIGNATURE

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 hereunto duly authorized.

WHEELS UP EXPERIENCE INC.

Date: November 9, 2022	By:	/s/ Kenneth Dichter	
		Name:	Kenneth Dichter
		Title:	Chief Executive Officer

SEPARATION AND RELEASE AGREEMENT

This Separation and Release Agreement (this "**Agreement**") is entered into by and between Vinayak Hegde ("**Employee**") and Wheels Up Partners LLC (the "**Company**") as of November 7, 2022. In consideration of the material promises contained herein, the parties agree as follows:

1. TERMINATION OF EMPLOYMENT

Employee's last day of employment with the Company is November 9, 2022 (the "**Separation Date**"). Employee's final paycheck, which will include payment for any earned but unpaid wages for time worked through the Separation Date, is being paid to Employee regardless of whether Employee signs this Agreement. Employee's earned wages will not include payment for accrued but unused PTO/vacation through the Separation Date (to the extent not already paid) as it is not required under Washington state law. If Employee has existing coverage under the Company's medical, dental and/or visions plans, such coverage shall continue through November 30, 2022. Thereafter, regardless of whether Employee enters into this Agreement, Employee shall have the right to elect to continue coverage under such plan pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"). Employee shall be advised as to Employee's rights to continue such coverage under COBRA under separate cover. In the event Employee elects continuation coverage pursuant to COBRA, for Employee and Employee's eligible dependents within the time period prescribed pursuant to COBRA, the Company will pay the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Employee's separation from service) for a period of twelve (12) months.

2. SEPARATION PAYMENT

If Employee executes this Agreement and does not revoke it as provided in Section 6 below, the Company will (1) provide to Employee a separation payment in the amount of $600,000, less applicable withholdings, which represents twelve (12) months of Employee's base pay; and (2) Company will pay Employee an additional separation payment of $400,000, less applicable withholdings, in consideration of (x) Employee's representations, promises, agreements and his adherence to his obligations under this Agreement and (y) Employee foregoing any other compensation under his employment arrangements with the Company, if any, except as otherwise outlined in this Agreement. The sum total of subsections (1) and (2) is the "Payment", and the Payment will be paid in a lump sum on the Company's next regularly scheduled payroll date that is at least ten (10) business days after the Separation Date.

(a) in consideration of Employee's representations and obligations under this Agreement. The sum total of subsections (1) and (2) is the "**Payment**", and the Payment will be paid in a lump sum on the Company's next regularly scheduled payroll date that is at least ten (10) business days from the Separation Date.

(b) If Employee executes this Agreement and does not revoke it as provided in Section 6 below, Employee shall be eligible for an annual bonus with a target of 125% of annual base salary for fiscal year 2022 to be paid in a lump sum to Employee at the same time and in the same manner as regular annual bonuses are distributed to other similarly situated senior executives of the Company in accordance with Company policy and as would otherwise have been payable to Employee had he continued employment with the Company. In the event that applicable Company or other performance goals attributable to management bonuses generally for fiscal year 2022 are achieved at a level below target levels but in excess of a threshold level, as may be determined by the Company's board of directors (the "**Board**") in its sole discretion, Employee will be eligible to earn an annual bonus, if any, in an amount less than the target bonus amount set forth above in the same manner as other similarly situated senior executives of the Company are generally eligible for such a partial bonus. Notwithstanding the foregoing, pursuant to the Employment Agreement dated April 27, 2021, as amended January 30, 2022 ("**Employment Agreement**"), for the time period between January 1, 2022, and May 6, 2022, Employee's target bonus is guaranteed to be paid at 100%.

(c) Employee acknowledges and agrees that the Payment constitutes adequate consideration for all of the terms of this Agreement and does not include any benefit, monetary or otherwise, that was earned or accrued or to which Employee was already entitled without signing this Agreement.

(d) If Employee executes this Agreement and does not revoke it as provided in Section 6 below, all outstanding options to purchase Company common stock and any restricted stock, restricted stock units or other equity interest in the Company (each separate award, an "**Equity Interest**" and reflected on Exhibit 1) held by Employee as of the Separation Date that would have otherwise vested in accordance with its terms, absent termination of employment, during the twelve (12) month period immediately following the Separation Date shall become vested and exercisable as of the Separation Date and each award agreement governing such Equity Interest shall be, and hereby is, amended to provide that any Equity Interest that would have otherwise vested in accordance with its terms, absent termination of employment, during the twelve (12) month period immediately following the Separation Date shall become vested and exercisable, as applicable, as of the Separation Date.

(e) Employee shall be entitled to exercise stock options granted to him by the Company or its parent company in accordance with the terms of such stock options (and any plans governing such stock options) that are vested and exercisable as of the Separation Date until the earlier of (i) the fifth anniversary of the Separation Date and (ii) the expiration date of such stock options.

(f) Additionally, for a period of twelve (12) months following the Separation Date ("**Advisory Period**"), Employee agrees to be available in an advisory capacity to Company and the Board by phone or email as needed. Employee shall receive $110,000 deposited within thirty (30) days of the Separation Date.

3. RELEASE AND COVENANT NOT TO SUE

(a) Employee hereby voluntarily, irrevocably, fully, and completely RELEASES, ACQUITS, AND FOREVER DISCHARGES the Company (including any current or former parent company, subsidiaries, affiliates, predecessors, successors, assigns, agents, employees, plan administrators, representatives, attorneys, insurers, related business entities, and benefit plans, collectively known herein as "Releasees") from any and all claims, complaints, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses of any nature whatsoever (whether known or unknown), including attorneys' fees, which Employee ever had, may have, or now has arising from or related to, directly or indirectly, Employee's employment with the Company, the termination of Employee's employment or other events occurring through and including the date of Employee's execution of this Agreement, including, but not limited to:

i. violations of Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Americans with Disabilities Act, the Equal Pay Act, 42 U.S.C. § 1981, the Family and Medical Leave Act, the Employee Retirement Income Security Act (excluding claims for accrued and vested benefits, if any), the Age Discrimination in Employment Act of 1967 ("**ADEA**"), the Older Workers Benefit Protection Act ("**OWBPA**"), the Worker Adjustment and Retraining Notification (WARN) Act, the Sarbanes-Oxley Act of 2002, any amendments to the foregoing, and any other federal law, order or regulation applicable to Employee's employment;

ii. violations of any state or local statutes, orders, laws, ordinances, or regulations applicable to Employee's employment, and any amendments to the foregoing;

iii. violations of any other federal, state or local statute, rule, regulation or ordinance;

iv. claims for lost or unpaid wages, compensation, or other benefits claims under state law, defamation, intentional infliction of emotional distress, negligent infliction of emotional distress, bad faith action, slander, assault, battery, wrongful or constructive discharge, negligent hiring, retention and/or supervision, fraud, misrepresentation, conversion, tortious interference with property, negligent investigation, breach of contract, or breach of fiduciary duty;

v. any claims to benefits under any bonus, severance, outplacement, or similar plan sponsored by the Company (excluding claims for accrued and vested benefits, if any); and

vi. any other claims for alleged unlawful behavior, the existence of which is specifically denied by the Company.

(b) Employee understands that the release herein includes a release of all known and unknown claims, suspected or unsuspected, past or present, which Employee has or may have against any of the Releasees under any state or local statute, executive order, regulation, common law and/or public policy relating to unknown claims.

(c) Employee acknowledges that this Agreement constitutes a full SETTLEMENT, ACCORD AND SATISFACTION of all claims covered by the release provisions of this Section. Employee also covenants not to sue or file, or assign to others the right to file, any complaint or claim against the Company or any of the Releasees with any court based on any act or omission arising or occurring prior to the date of Employee’s execution of this Agreement, whether known or unknown at the time of execution. Except as set forth herein, Employee also waives any right to recover individual relief in any civil suit or proceeding brought by Employee or on Employee’s behalf against the Company or any of the Releasees. Notwithstanding the foregoing, nothing in this Agreement shall be construed to prohibit or prevent Employee from communicating with, filing a charge or complaint with, providing documents or information voluntarily or in response to a subpoena or other information request to, or from participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission, National Labor Relations Board, the Securities and Exchange Commission, the Occupational Safety and Health Administration, law enforcement, or any other federal, state or local agency charged with the enforcement of any employment laws. However, by signing this Agreement, Employee is waiving any right to individual relief (including backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, lawsuit or other proceeding brought by Employee or on Employee’s behalf by any third party, except for any right Employee may have to receive a payment or award from a government agency (and not the Company or any of the Releasees) for information provided to the government agency or where such a waiver of individual relief is otherwise prohibited. In addition, nothing in this Agreement limits or affects Employee from exercising rights, if any, under Section 7 of the NLRA or similar state law to engage in protected, concerted activity with other employees.

(d) Employee and the Company acknowledge that the above release and waiver of claims shall not apply to: (i) claims that either party might make to enforce the terms of this Agreement; (ii) claims for Employee’s vested benefits pursuant to applicable plans, if any; (iii) Employee’s right, if applicable, to continue healthcare insurance under COBRA; (iv) Employee’s right to receive benefits for unemployment or workers’ compensation benefits; (vi) Employee’s right to pursue any rights or claims that may arise after Employee signs this Agreement; (vii) Employee’s right to challenge the validity or knowing and voluntary nature of this Agreement under the ADEA or OWBPA; and (viii) any other claims that, under controlling law, may not be released by private settlement.

4. CONFIDENTIALITY AND NON-DISPARAGEMENT

(a) Confidentiality of this Agreement. Employee agrees that the existence and the terms of this Agreement are confidential and will not be disclosed by Employee at any time, under any circumstances, without the express written consent of the Company. However, nothing in this Section shall prohibit Employee from disclosing the terms of this Agreement if legally compelled to do so or from disclosing or discussing this Agreement with his or her spouse, attorneys, or tax advisors, or a governmental agency, who (with the exception of a governmental agency) must be informed of and agree to be bound by the confidentiality provisions contained in this Agreement before Employee discloses any information to them about this Agreement.

(b) Confidentiality of the Company's Trade Secrets and Confidential Information. Employee understands and agrees that in the course of Employee's employment with the Company, Employee has acquired confidential information, trade secrets, proprietary data and other non-public information concerning the business, professional and/or personal affairs, activities and operations of the Company, and the Company's plans, methods of doing business, practices, procedures, customers and suppliers, as well as confidential information disclosed to the Companies from time to time by third parties, any or all of which (the "**Confidential Information**"). Employee understands and agrees would be extremely damaging to the Companies if disclosed to a competitor or made available to any other person or corporation. Employee understands and agrees that the Confidential Information has been provided to the Employee in confidence, and Employee further understands and agrees that the Employee has obtained Confidential Information in a fiduciary relationship of trust and confidence and that the Employee will keep the Confidential Information strictly and completely secret and confidential for all time, both now and hereafter, and that Employee will not disclose it in any way, directly or indirectly, or otherwise use for Employee's benefit or for the benefit of any third party any part or all of the Confidential Information. In addition, Employee agrees to continue to honor all confidentiality commitments of the Company known to Employee and owed to any third parties. Employee further acknowledges that the federal Defend Trade Secrets Act ("**DTSA**") provides that an individual shall not be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret (as defined in the federal Economic Espionage Act) that is made (i) in confidence to a government official or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, Employee acknowledges that the DTSA provides that an individual who files a retaliation lawsuit against an employer for reporting a suspected violation of law may disclose a trade secret to his/her attorney and use the trade secret information in court, but only if the individual (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

(c) Non-Disparagement. Employee agrees that Employee will not make, directly or indirectly, to any person or entity, including any member of the public and/or the press, any negative or disparaging oral or written statements by any means, including on social media, about the Company, its products or services or any of the Releasees or their products or services or employees. Company agrees that it shall advise its officers and members of its Board they should not intentionally make, directly or indirectly, to any person or entity, including any member of the public and/or the press, any negative or disparaging oral or written statements by any means, including on social media, about Employee. Nothing in this paragraph shall preclude Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful or testifying honestly if required by law to testify in a proceeding or complying with any other law.

(d) Restrictive Covenants Acknowledgement. By signing this Agreement, Employee hereby acknowledges that Employee is bound by certain restrictive covenants set forth in Employee's Employment Agreement dated April 27, 2022, as amended, including Exhibit A "Confidentiality Agreement and Restrictive Covenants" or any other post-termination restrictive covenant agreement

Employee entered into at any time with the Company. Employee hereby reaffirms such restrictive covenants and acknowledges and agrees that such covenants are incorporated herein by reference, shall survive the termination of Employee's employment with the Company and shall remain in full force and effect.

5. RETURN OF COMPANY PROPERTY

By signing this Agreement, Employee acknowledges that Employee has returned to the Company all of the Company's property in Employee's possession, custody and control obtained as a result of employment with the Company, except those items that the Company specifically agrees in writing to permit Employee to retain. Such property includes, but is not limited to, the original and any copy (regardless of the manner in which it is recorded) of all documents provided by the Company to Employee or which Employee developed or collected in the scope of Employee's employment, as well as all Company-issued equipment, supplies, accessories, keys, access cards, disks, tapes, software, materials, files, or records. If Employee has electronic files or backup copies of Company records, data or information, Employee must return or destroy (at Company's election) such electronic or backup copies. The Company has agreed to allow Employee to retain his Company-issued cell phone, laptop and home office equipment.

6. CONSIDERATION AND REVOCATION PERIODS, OTHER INFORMATION

Employee and the Company acknowledge and agree that Employee has been given at least twenty-one (21) calendar days from the time that Employee receives this Agreement and any attached information to consider the terms of this Agreement before signing it ("**Consideration Period**"). Employee must return this signed Agreement to the Company's representative set forth below within the Consideration Period but not prior to the Separation Date. If Employee signs this Agreement before the full 21-day has expired, Employee acknowledges that Employee is knowingly and voluntarily waiving the remainder of the 21-day consideration period, if any, after carefully considering its terms. Additionally, Employee understands that Employee may revoke this Agreement within seven (7) calendar days following the date Employee signs this Agreement ("**Revocation Period**"). To be effective, such notice of revocation must be received by the Company by no later than 5:00 PM local time on the seventh (7th) calendar day following the date Employee signs and delivers this Agreement to the Company. Provided that Employee does not revoke this Agreement within the Revocation Period, this Agreement shall be effective and enforceable on the day after the end of the Revocation Period (the "**Effective Date**"). Employee should return this signed Agreement and any written revocation notice by e-mail or mail to:

If by mail:	Lori Sylvester Wheels Up 601 West 26th Street, Suite 900 New York, NY 10001
If by e-mail:	LSylvester@wheelsup.com

7. REMEDIES FOR BREACH

The Company's obligations under this Agreement are contingent upon Employee's compliance with all terms and conditions provided for herein. Employee acknowledges that the damages in the event of a breach of any term, condition or covenant in this Agreement would be extremely difficult to calculate. As such, in the event Employee breaches any term, condition or covenant in this Agreement, Employee agrees that the Company will be entitled to recover all payments already made under this Agreement as liquidated damages (and not as a penalty) and cease payment of any as of yet unpaid severance – except that the Company will not seek to recover the first $10,000 worth of severance pay provided to employee, which Employee may retain and agrees will constitute full and adequate consideration for the release and waiver of claims in this Agreement – in addition to injunctive relief by temporary restraining order, temporary injunction and/or permanent injunction, recovery of attorney's fees and costs incurred by the Company in obtaining such relief where allowed by law, and any other legal or equitable relief to which the Company may be entitled. Injunctive relief will not exclude other remedies that might apply. Should either party institute an action to enforce the terms of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs. Because of certain language in the OWBPA and associated regulations, this paragraph does not apply to claims Employee might have to challenge the knowing and voluntary nature of this Agreement under the ADEA and OWBPA.

8. MISCELLANEOUS

(a) Scope of Agreement. This Agreement shall accrue to the benefit of and be binding upon the parties hereto, their respective successors, agents and permitted assigns, and as to Employee, his or her spouse, heirs, legatees, administrators, and personal representatives. Employee may not assign his or her rights or obligations under this Agreement without the prior written consent of the Company.

(b) Applicable Law. This Agreement shall be interpreted, enforced, construed, and governed under the laws of the state of New York without reference to any conflict of laws principles thereof.

(c) Non-Admission. This Agreement is not, and shall not be construed as, an admission by the Company of any wrongdoing or illegal acts or omissions, and the Company expressly denies that it engaged in any wrongdoing or illegal or acts or omissions with respect to Employee's employment or the separation of Employee's employment. Employee hereby represents and agrees that Employee shall not, directly or indirectly make any written or oral statements, suggestions or representations that the Company has made or implied any such admission.

(d) Entire Agreement. This Agreement contains the entire agreement and understanding concerning the subject matter hereof between the parties hereto, superseding and replacing all prior negotiations, understandings, representations and agreements, written or oral, except that Employee's post-termination obligations under any previously-signed confidentiality or restrictive covenant agreements entered into by Employee with the Company shall remain in full force and effect. No modification, amendment, waiver, termination or discharge of this Agreement, or any of the terms or provisions hereof, shall be binding upon either of the parties unless confirmed by a written instrument signed by Employee and an officer of the Company. No waiver by any party of any term or provision of this Agreement or of any default hereunder shall affect such party's rights thereafter to enforce such term or provision or to exercise any right or remedy in the event of any other default, whether or not similar.

(e) Employee Acknowledgements. Employee acknowledges and affirms that Employee has (i) been paid and/or received all wages, commissions, bonuses, leave (paid or unpaid), separation pay, vacation pay, or any other compensation, benefits, payment or remuneration of any kind or nature with receipt of Employee's final paycheck except as provided in this Agreement; (ii) reported to the Company any and all work-related injuries or illnesses incurred by Employee during Employee's employment with the Company; (iii) been properly provided any leave of absence because of any health condition of Employee or any family members, and has not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave; and (iv) not raised a claim, including but not limited to, unlawful discrimination, harassment, sexual harassment, abuse, assault, or other criminal conduct, or retaliation, in a court or government agency proceeding, in an alternative dispute resolution forum, or through the Company's internal compliance process, involving the Company or any of the Releasees.

(f) Severability. The provisions of this Agreement are severable, and if any provision of this Agreement (except the release and waiver of claims) shall be held void, voidable, invalid or unenforceable , no other provision of this Agreement shall be affected as a result thereof, and accordingly, the remaining provisions of this Agreement shall remain in full force and effect as though such void, voidable, invalid or inoperative provision had not been contained herein. If the release and waiver of claims is found to be unenforceable, the parties agree to seek a determination by a court of competent jurisdiction as to the rights of the parties, including whether Employee is entitled to retain the benefits paid to Employee under this Agreement.

(g) Counterparts and Electronic Signature. This Agreement may be executed in one or more counterparts, each of which shall be deemed one agreement binding on each of the parties hereto, regardless of whether each party hereto is a signatory to the same counterpart. The parties also agree that this Agreement may be executed by original signature or electronic signature. By using an electronic signature option, Employee and the Company agree and intend to be bound by an electronic signature of the other in the same manner as the use of a signature affixed by hand. Although neither Employee nor the Company are required to electronically sign this Agreement, by using an electronic signature option, the parties are agreeing to conduct this transaction by electronic means. For purposes of this Agreement, facsimile or scanned signatures in lieu of original signatures are also acceptable.

(h) Proper Construction. The language in all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either of the parties. As utilized in this Agreement, the term "or" shall be deemed to include the term "and/or" and the singular or plural number shall be deemed to include the other, whenever the context so indicates or requires. The section and subsection headings used in this Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify, or otherwise be used in the interpretation of any of the provisions hereof.

9. INFORMATION ABOUT GROUP TERMINATION PROGRAM

If Employee is age 40 or over and Employee's termination is part of an employment termination program that affects a group of employees, Employee acknowledges that the Company has attached an Appendix A which describes: (a) the class, unit, or group of individuals covered by the employment termination program; the eligibility factors for the program; and applicable time limits; and (b) a list of the job titles and ages of all individuals eligible or selected for the employment termination program as well as those persons who were part of the decisional unit but who are not eligible or selected for the program.

10. ADVICE OF COUNSEL, ACKNOWLEDGMENT OF KNOWING AND VOLUNTARY WAIVER

Employee hereby represents and warrants that:

(a) Employee has CAREFULLY READ THIS AGREEMENT AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THIS AGREEMENT;

(b) Employee has been ADVISED IN WRITING BY THE COMPANY and had an OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF EMPLOYEE'S CHOICE AS TO THE TERMS OF THIS AGREEMENT to the full extent that Employee desired before signing this Agreement;

(c) Employee understands, through signing this Agreement, Employee is FOREVER RELEASING the Company and the Releasees from any and all claims arising prior to the date of execution of this Agreement by Employee, including claims under the ADEA and OWBPA;

(d) Employee has had the opportunity to REVIEW AND CONSIDER THIS AGREEMENT FOR TWENTY-ONE (21) DAYS FROM EMPLOYEE'S RECEIPT OF THE

AGREEMENT AND ANY ATTACHED INFORMATION, AND HAS SEVEN (7) DAYS AFTER SIGNING THE AGREEMENT TO REVOKE IT;

(e) In signing this Agreement, EMPLOYEE DOES NOT RELY ON NOR HAS HE OR SHE RELIED ON ANY REPRESENTATION OR STATEMENT, WRITTEN OR ORAL, NOT SPECIFICALLY SET FORTH IN THIS AGREEMENT by the Company or by any of the Company's agents, representatives, or attorneys with regard to the subject matter, basis, or effect of this Agreement or otherwise;

(f) Employee was not coerced, threatened, or otherwise forced to sign this Agreement, and Employee is acting VOLUNTARILY, DELIBERATELY, AND OF EMPLOYEE'S OWN FREE WILL IN SIGNING THIS AGREEMENT, and with ALL INFORMATION NEEDED TO MAKE AN INFORMED DECISION to enter this Agreement; and

(g) The Company has provided Employee with the opportunity to ask any questions regarding this Agreement and provided notice of and an opportunity to retain an attorney, or Employee is already represented by an attorney.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have signed and executed this Agreement on the date first above written as an expression of their intent to be bound by the foregoing terms of this Agreement.

WHEELS UP PARTNERS LLC

By: /s/ Kenny Dichter______________________
Kenny Dichter
Chief Executive Officer

/s/ Vinayak Hegde_________________________
Vinayak Hegde

Address:

Date: November 7, 2022

[Separation and Release Agreement]

WHEELS UP

Wheels Up Announces Record Third Quarter Revenue Up 39% Year-over-Year

Continued focus on delivering Adjusted EBITDA profitability in 2024 through cost reductions, streamlined organizational structure, and accelerated digital transformation

NEW YORK – November 9, 2022 – Wheels Up Experience Inc. (NYSE:UP) today announced financial results for the third quarter, which ended September 30, 2022.

Third Quarter 2022 Highlights

- Revenue increased 39% year-over-year to $420.4 million
- Active Members grew 12% year-over-year to 12,688 in total
- Live Flight Legs increased 7% year-over-year to 21,025 in total
- Net loss increased by $27.4 million year-over-year to a net loss of $86.8 million
- Adjusted EBITDA decreased by $21.3 million year-over-year to a loss of $45.2 million

"Our strong foundation, with an iconic brand and large base of loyal customers, helped drive another record revenue performance in the third quarter, further reinforcing the strength of our demand, even in this uncertain macroeconomic environment," said Chairman and CEO Kenny Dichter. "We are implementing a streamlined organizational structure, with senior leadership focused on driving key initiatives at an accelerated pace, which is a significant step in delivering profitable growth and an enhanced experience for our members and customers."

"With our strong revenue performance, and the cash proceeds from our recent debt financing, we are in a strong position to continue our efforts to drive pricing, cost reductions and improved operational performance in support of our commitment to Adjusted EBITDA profitability in 2024," said Todd Smith, CFO. "We expect increased focus and improved accountability to accelerate our execution and position us to achieve our goals."

Recent Initiatives

- Strengthened cash position through the issuance of $270 million of equipment notes through a EETC loan structure, giving the company greater flexibility to invest in its customers, improve operations and further develop its technology infrastructure as the management team executes on the path to positive Adjusted EBITDA in 2024.
- Announced program changes, set to take effect on December 1st, that make important adjustments to capped rates and other program rulesets that are expected to contribute to stronger Adjusted Contribution Margins in 2023.
- Announced plans to consolidate its Member Operations Center (MOC), which houses day-to-day operations, including flight, member, and maintenance functions, into a new state-of-the-art facility in Atlanta, one of the world's largest aviation hubs.

Financial and Operating Highlights

	As of September 30,		
	2022	2021	% Change
Active Members	12,688	11,375	12 %

(In thousands, except percentages, Active Users, Live Flight Legs and Flight revenue per Live Flight Leg)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	% Change
Active Users(1)	13,339	12,011	11 %
Live Flight Legs(1)	21,025	19,714	7 %
Flight revenue per Live Flight Leg	$ 13,266	$ 11,076	20 %
Revenue	$ 420,356	$ 301,978	39 %
Net loss	$ (86,838)	$ (59,455)	(46)%
Adjusted EBITDA(1)	$ (45,229)	$ (23,928)	(89)%

(In thousands, except percentages)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	% Change
Revenue	$ 1,171,503	$ 849,215	38 %
Net loss	$ (268,637)	$ (120,622)	(123)%
Adjusted EBITDA(1)	$ (141,546)	$ (41,070)	(245)%

(1) For information regarding Wheels Up's use and definition of this measure, see “Definitions of Key Operating Metrics and Non-GAAP Financial Measures” and “Reconciliations of Non-GAAP Financial Measures” sections herein.

For the third quarter:

- Active Members grew 12% year-over-year to 12,688 driven by healthy new member sales and strong membership retention.
- Active Users grew 11% to 13,339 year-over-year primarily driven by the growth in Active Members and the acquisition of Air Partner.
- Live Flight Legs increased by 7% year-over-year to 21,025 with continued flight demand driven by the growth in Active Members and the acquisition of Air Partner.
- Flight revenue per Live Flight Leg was $13,266, up 20% year-over-year, and up 25% year-over-year excluding Air Partner. The increase was due primarily to program changes, which included higher pricing and the introduction of a fuel surcharge, and a shift in the mix of cabin flying.
- Revenue increased 39% year-over-year driven by continued flight demand and higher revenue per Live Flight Leg as well as the acquisition of Air Partner.
- Net loss increased by $27.4 million year-over-year due to higher operating expenses, including higher technology spend and a broad-based equity grant to the Wheels Up employee pilots.
- Adjusted EBITDA loss of $45.2 million increased $21.3 million year-over-year, due primarily to a decline in flight margins caused by supply constraints and inflationary pressures as well as investments in technology while partially offset by the acquisition of Air Partner and an increase in aircraft sales.

Webcast and Conference Call Information

A conference call with management will be held today at 4:30 pm ET. To access a live webcast of the conference call and any supporting materials please visit the Wheels Up investor site (www.wheelsup.com/investors). The site will include an archive of this webcast and supporting materials as well as any announcements regarding the Company's financial performance, including U.S. Securities and Exchange Commission (the "SEC") filings, investor events, press and earnings releases.

About Wheels Up

Wheels Up is the leading provider of on-demand private aviation in the U.S. and one of the largest private aviation companies in the world. Wheels Up offers a complete global aviation solution with a large, modern and diverse fleet, backed by an uncompromising commitment to safety and service. Customers can access membership programs, charter and aircraft management services—as well as unique commercial travel benefits through a strategic partnership with Delta Air Lines Inc. The Wheels Up Services brands also offer freight, safety & security solutions and managed services to individuals, industry, government and civil organizations.

Wheels Up is guided by the mission to connect flyers to private aircraft—and one another—and deliver exceptional, personalized experiences. Powered by a global private aviation marketplace connecting its growing base of 12,000+ members and customers to a network of more than 1,500 safety-vetted and verified private aircraft, Wheels Up is widening the aperture of private travel for millions of consumers globally. With the Wheels Up mobile app, members and customers have the digital convenience to search, book and fly. Wheels Up is committed to aligning with philanthropic organizations that matter most to our company, members, customers, families and friends.

Through the Wheels Up Cares program, a Wheels Up Beechcraft King Air 350i aircraft is custom-designed to represent the established cause and is a flying symbol of each charity's mission. Headquartered in New York City, Wheels Up has office locations in 25 cities and towns across three continents and a workforce of nearly 2,700 employees.

To learn more about Wheels Up, go to wheelsup.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains certain "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside of the control of Wheels Up that could cause actual results to differ materially from the results discussed in the forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding the expectations, hopes, beliefs, intentions or strategies of Wheels Up regarding the future, including, without limitation, statements regarding: (i) the size, demands and growth potential of the markets for Wheels Up's products and services and Wheels Up's ability to serve those markets; (ii) the degree of market acceptance and adoption of Wheels Up's products and services; (iii) Wheels Up's ability to develop innovative products and services and compete with other companies engaged in the private aviation industry; (iv) Wheels Up's ability to attract and retain customers; (v) Wheels Up's liquidity, future cash flows, acquisition activities, measures intended to increase Wheels Up's operational efficiency and certain restrictions related to our debt obligations; and (vi) general economic and geopolitical conditions, including due to fluctuations in interest rates, inflation, foreign currencies, consumer and business spending decisions, and general levels of economic activity. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "strive," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that statement is not forward-looking. Additional factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements can be found in the Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC by Wheels Up on March 10, 2022, and other documents filed by Wheels Up from time to time with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. You are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made, and Wheels Up undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, changes in expectations, future events or otherwise. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. We do not give any assurance that Wheels Up will achieve its expectations.

Use of Non-GAAP Financial Measures

This press release includes certain non-GAAP financial measures such as Adjusted EBITDA, Adjusted Contribution, and Adjusted Contribution Margin. These non-GAAP financial measures are an addition, and not a substitute for or superior to, measures of financial performance prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and should not be considered as an alternative to net income (loss), operating income (loss) or any other performance measures derived in accordance with U.S. GAAP. Reconciliations of non-GAAP financial measures to their most directly comparable U.S. GAAP counterparts are included in the "Reconciliations of Non-GAAP Financial Measures" section herein to this earnings press release. Wheels Up believes that these non-GAAP financial measures of financial results provide useful supplemental information to investors about Wheels Up. However, there are a number of limitations related to the use of these non-GAAP financial measures and their nearest U.S. GAAP equivalents, including that they exclude significant expenses that are required by U.S. GAAP to be recorded in Wheels Up's financial measures. In addition, other companies may calculate non-GAAP financial measures differently, or may use other measures to calculate their financial performance, and therefore, Wheels Up's non-GAAP financial measures may not be directly comparable to similarly titled measures of other companies. Additionally, to the extent that forward-looking non-GAAP financial measures are provided, they are presented on a non-GAAP basis without reconciliations of such forward-looking non-GAAP financial measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

For more information on these non-GAAP financial measures, see the sections titled "Definitions of Key Operating Metrics and Non-GAAP Financial Measures" and "Reconciliations of Non-GAAP Financial Measures" included at the end of this earnings press release.

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WHEELS UP EXPERIENCE INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	September 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 285,498	$ 784,574
Accounts receivable, net	127,354	79,403
Other receivables	8,920	8,061
Parts and supplies inventories, net	18,127	9,410
Aircraft inventory	33,231	—
Aircraft held for sale	20,113	18,101
Prepaid expenses	38,561	21,789
Other current assets	19,790	11,736
Total current assets	551,594	933,074
Property and equipment, net	387,802	317,836
Operating lease right-of-use assets	111,250	108,582
Goodwill	521,847	437,398
Intangible assets, net	146,881	146,959
Restricted cash	26,416	2,148
Other non-current assets	63,948	35,067
Total assets	$ 1,809,738	$ 1,981,064
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 48,962	$ 43,672
Accrued expenses	128,557	107,153
Deferred revenue, current	966,367	933,527
Operating lease liabilities, current	30,051	31,617
Intangible liabilities, current	2,000	2,000
Other current liabilities	18,126	17,068
Total current liabilities	1,194,063	1,135,037
Deferred revenue, non-current	1,885	1,957
Operating lease liabilities, non-current	87,027	83,461
Warrant liability	2,003	10,268
Intangible liabilities, non-current	12,583	14,083
Other non-current liabilities	2,742	30
Total liabilities	1,300,303	1,244,836
Commitments and contingencies (Note 11)		
Equity:		
Class A common stock, $0.0001 par value; 2,500,000,000 authorized; 248,131,546 shares issued and 245,744,961 shares outstanding as of September 30, 2022; and 245,834,569 shares issued and outstanding as of December 31, 2021	25	25
Additional paid-in capital	1,522,368	1,450,839
Accumulated deficit	(988,964)	(720,713)
Accumulated other comprehensive loss	(16,647)	—
Treasury stock, at cost, 2,386,585 and 0 shares, respectively	(7,347)	—
Total Wheels Up Experience Inc. stockholders' equity	509,435	730,151
Non-controlling interests	—	6,077
Total equity	509,435	736,228
Total liabilities and equity	$ 1,809,738	$ 1,981,064

WHEELS UP EXPERIENCE INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	$ 420,356	$ 301,978	$ 1,171,503	$ 849,215
Costs and expenses:				
Cost of revenue	403,042	283,495	1,144,698	773,191
Technology and development	16,639	8,769	42,436	23,818
Sales and marketing	30,830	22,157	87,761	55,846
General and administrative	44,323	42,490	130,200	76,444
Depreciation and amortization	16,500	13,639	46,862	40,952
Gain on sale of aircraft held for sale	(1,316)	—	(3,950)	—
Total costs and expenses	510,018	370,550	1,448,007	970,251
Loss from operations	(89,662)	(68,572)	(276,504)	(121,036)
Other income (expense):				
Change in fair value of warrant liability	2,504	12,271	8,265	12,271
Loss on extinguishment of debt	—	(2,379)	—	(2,379)
Interest income	1,130	7	1,612	25
Interest expense	—	(782)	—	(9,503)
Other expense, net	(625)	—	(1,505)	—
Total other income (expense)	3,009	9,117	8,372	414
Loss before income taxes	(86,653)	(59,455)	(268,132)	(120,622)
Income tax expense	(185)	—	(505)	—
Net loss	(86,838)	(59,455)	(268,637)	(120,622)
Less: Net loss attributable to non-controlling interests	—	(970)	(387)	(6,572)
Net loss attributable to Wheels Up Experience Inc.	$ (86,838)	$ (58,485)	$ (268,250)	$ (114,050)
Net loss per share of Class A common stock:				
Basic	$ (0.36)	$ (0.25)	$ (1.10)	$ (0.60)
Diluted	$ (0.36)	$ (0.25)	$ (1.10)	$ (0.60)
Weighted-average shares of Class A common stock outstanding:				
Basic	244,350,959	235,341,054	244,347,871	191,057,091
Diluted	244,350,959	235,341,054	244,347,871	191,057,091

WHEELS UP EXPERIENCE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Nine Months Ended September 30,	
	2022	2021
OPERATING ACTIVITIES:		
Net loss	$ (268,637)	$ (120,622)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	46,862	40,952
Amortization of deferred financing costs and debt discount	—	618
Equity-based compensation	65,839	30,668
Change in fair value of warrant liability	(8,265)	(12,271)
Provision for (recovery of) expected credit losses	(489)	1,163
Gain on sale of aircraft held for sale	(3,950)	—
Loss on extinguishment of debt	—	2,379
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable	(31,474)	(9,074)
Other receivables	(859)	(1,906)
Parts and supplies inventories	(8,544)	(2,749)
Aircraft inventory	(33,231)	—
Prepaid expenses	(8,065)	(11,673)
Other current assets	(2,477)	
Other non-current assets	(27,534)	(256)
Operating lease liabilities, net	(624)	(1,414)
Accounts payable	(2,885)	11,807
Accrued expenses	(1,131)	(9,742)
Other current liabilities	812	(1,037)
Other non-current liabilities	(1,036)	131
Deferred revenue	(2,653)	(69,390)
Net cash used in operating activities	(288,341)	(152,416)
INVESTING ACTIVITIES:		
Purchases of property and equipment	(80,039)	(6,683)
Purchase of aircraft held for sale	(39,894)	—
Proceeds from sale of aircraft held for sale, net	41,833	—
Acquisition of businesses, net of cash acquired	(75,093)	7,844
Capitalized software development costs	(18,532)	(9,589)
Net cash used in investing activities	(171,725)	(8,428)
FINANCING ACTIVITIES:		
Proceeds from stock option exercises	—	1,332
Proceeds from Business Combination and PIPE Investment	—	656,304
Purchase of Shares for Treasury	(7,347)	—
Transaction costs in connection with the Business Combination and PIPE Investment	—	(70,406)
Repayments of long-term debt	—	(213,934)
Repayment of loans to employees	—	102
Net cash provided by (used in) financing activities	$ (7,347)	$ 373,398
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(7,395)	—
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(474,808)	212,554
CASH, CASH EQUIVALENTS AND RESTRICTED CASH BEGINNING OF PERIOD	786,722	324,876
CASH, CASH EQUIVALENTS AND RESTRICTED CASH END OF PERIOD	$ 311,914	$ 537,430
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Non-cash consideration issued for business acquisition of Mountain Aviation, LLC	—	30,172
Assumption of warrant liability in Business Combination	—	28,219

Definitions of Key Operating Metrics and Non-GAAP Financial Measures

We report certain key financial measures that are not required by, or presented in accordance with, U.S. GAAP. These non-GAAP financial measures are an addition, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP and should not be considered as an alternative to any performance measures derived in accordance with U.S. GAAP. We believe that these non-GAAP financial measures of financial results provide useful supplemental information to investors, about Wheels Up. However, there are a number of limitations related to the use of these non-GAAP financial measures and their nearest U.S. GAAP equivalents, including that they exclude significant expenses that are required by U.S. GAAP to be recorded in Wheels Up's financial measures. In addition, other companies may calculate non-GAAP financial measures differently, or may use other measures to calculate their financial performance, and therefore, our non-GAAP financial measures may not be directly comparable to similarly titled measures of other companies.

Definitions of Key Operating Metrics

Active Members. We define Active Members as the number of Connect, Core, and Business membership accounts that generated membership revenue in a given period and are active as of the end of the reporting period. We use Active Members to assess the adoption of our premium offerings which is a key factor in our penetration of the market in which we operate and a key driver of membership and flight revenue.

Active Users. We define Active Users as Active Members and jet card holders as of the reporting date plus unique non-member consumers who completed a revenue generating flight at least once in the given quarter and excludes wholesale flight activity. While a unique consumer can complete multiple revenue generating flights on our platform in a given period, that unique user is counted as only one Active User. We use Active Users to assess the adoption of our platform and frequency of transactions, which are key factors in our penetration of the market in which we operate and our growth in revenue.

Live Flight Legs. We define Live Flight Legs as the number of completed one-way revenue generating flight legs in a given period. The metric excludes empty repositioning legs and owner legs related to aircraft under management. We believe Live Flight Legs are a useful metric to measure the scale and usage of our platform, and our growth in flight revenue.

Definitions of Non-GAAP Financial Measures

Adjusted Contribution and Adjusted Contribution Margin. We calculate Adjusted Contribution as gross profit (loss) excluding depreciation and amortization and adjusted further for (i) equity-based compensation included in cost of revenue, (ii) acquisition and integration expense included in cost of revenue and (iii) other items included in cost of revenue that are not indicative of our ongoing operating performance. Adjusted Contribution Margin is calculated by dividing Adjusted Contribution by total revenue.

We include Adjusted Contribution and Adjusted Contribution Margin as supplemental measures for assessing operating performance. Adjusted Contribution and Adjusted Contribution Margin are used to understand our ability to achieve profitability over time through scale and leveraging costs. In addition, Adjusted Contribution and Adjusted Contribution Margin provides useful information for historical period-to-period comparisons of our business and to identify trends. Prior to issuing a broad-based equity grant for our pilots during the third quarter of 2021, equity-based compensation expense included in cost of revenue for prior periods was not significant.

Adjusted EBITDA. We calculate Adjusted EBITDA as net income (loss) adjusted for (i) interest income (expense), (ii) income tax expense, (iii) depreciation and amortization, (iv) equity-based compensation expense, (v) acquisition and integration related expenses, (vi) public company readiness related expenses, (vii) change in fair value of warrant liability and (viii) other items not indicative of our ongoing operating performance, including restructuring charges.

We include Adjusted EBITDA because it is a supplemental measure used by our management team for assessing operating performance. Adjusted EBITDA is used in conjunction with bonus program target achievement determinations, strategic internal planning, annual budgeting, allocating resources and making operating decisions. In addition, Adjusted EBITDA provides useful information for historical period-to-period comparisons of our business, as it removes the effect of certain non-cash expenses and variable amounts.

Reconciliations of Non-GAAP Financial Measures

Adjusted Contribution and Adjusted Contribution Margin

The following table reconciles Adjusted Contribution to gross profit (loss), which is the most directly comparable U.S. GAAP measure (in thousands, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	$ 420,356	$ 301,978	$ 1,171,503	$ 849,215
Less: Cost of revenue	(403,042)	(283,495)	(1,144,698)	(773,191)
Less: Depreciation and amortization	(16,500)	(13,639)	(46,862)	(40,952)
Gross profit (loss)	$ 814	$ 4,844	$ (20,057)	$ 35,072
Gross margin	0.2 %	1.6 %	(1.7) %	4.1 %
Add back:				
Depreciation and amortization	$ 16,500	$ 13,639	$ 46,862	$ 40,952
Equity-based compensation expense in cost of revenue	3,581	679	11,320	779
Acquisition and integration expense in cost of revenue	650	—	650	1,011
Adjusted Contribution	$ 21,545	$ 19,162	$ 38,775	$ 77,814
Adjusted Contribution Margin	5.1 %	6.3 %	3.3 %	9.2 %

Adjusted EBITDA

The following table reconciles Adjusted EBITDA to net loss, which is the most directly comparable U.S. GAAP measure (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss	$ (86,838)	$ (59,455)	$ (268,637)	$ (120,622)
Add back (deduct)				
Interest expense	—	782	—	9,503
Interest income	(1,130)	(7)	(1,612)	(25)
Income tax expense	185	—	505	—
Other expense, net	625	—	1,505	—
Depreciation and amortization	16,500	13,639	46,862	40,952
Equity-based compensation expense	22,504	27,906	65,839	30,668
Public company readiness expense(1)	—	2,455	—	3,298
Acquisition and integration expenses(2)	4,747	644	16,092	5,017
Restructuring charges(3)	682	—	6,165	—
Change in fair value of warrant liability	(2,504)	(12,271)	(8,265)	(12,271)
Loss on extinguishment of debt	—	2,379	—	2,379
Corporate headquarters relocation expense	—	—	—	31
Adjusted EBITDA	$ (45,229)	$ (23,928)	$ (141,546)	$ (41,070)

(1) Includes costs primarily associated with compliance, updated systems and consulting in advance of transitioning to a public company.
(2) Consists mainly of system conversions, merging of operating certificates, re-branding costs and fees paid to external advisors in connection with strategic transactions.
(3) During 2022, we recorded restructuring charges for employee separation programs following strategic business decisions.

The following tables reconcile Adjusted EBITDA to net loss, including the impact of reconciled items on individual income statement expense classifications (in thousands):

	Three Months Ended September 30, 2022				
	GAAP as reported	**Equity-based compensation expense**	**Acquisition and integration expense**	**Restructuring**	**Non-GAAP**
Revenue	$ 420,356	$ —	$ —	$ —	$ 420,356
Costs and expenses:					
Cost of revenue	403,042	(3,581)	(650)	—	398,811
Technology and development	16,639	(751)	—	—	15,888
Sales and marketing	30,830	(2,756)	—	—	28,074
General and administrative	44,323	(15,416)	(4,097)	(682)	24,128
Depreciation and amortization	16,500	—	—	—	16,500
Gain on sale of aircraft held for sale	(1,316)	—	—	—	(1,316)
Total costs and expenses:	510,018	(22,504)	(4,747)	(682)	482,085
Loss from operations	(89,662)	22,504	4,747	682	(61,729)
Other income (expense)					
Change in fair value of warrant liability	2,504				2,504
Interest income	1,130				1,130
Other expense, net	(625)				(625)
Total other income	3,009				3,009
Income tax expense	(185)				(185)
Net loss	$ (86,838)				(58,905)
Add back (deduct)					
Depreciation and amortization					16,500
Change in fair value of warrant liability					(2,504)
Interest income					(1,130)
Income tax expense					185
Other expense, net					625
Adjusted EBITDA					$ (45,229)

	Three Months Ended September 30, 2021				
	GAAP as reported	Equity-based compensation expense	Public company readiness expense	Acquisition and integration expense	Non-GAAP
Revenue	$ 301,978	$ —	$ —	$ —	$ 301,978
Costs and expenses:					
Cost of revenue	283,495	(679)	—	—	282,816
Technology and development	8,769	(619)	—	—	8,150
Sales and marketing	22,157	(2,449)	(780)	—	18,928
General and administrative	42,490	(24,159)	(1,675)	(644)	16,012
Depreciation and amortization	13,639	—	—	—	13,639
Total costs and expenses:	370,550	(27,906)	(2,455)	(644)	339,545
Loss from operations	(68,572)	27,906	2,455	644	(37,567)
Other income (expense)					
Change in fair value of warrant liability	12,271				12,271
Loss on early extinguishment of debt	(2,379)				(2,379)
Interest income	7				7
Interest expense	(782)				(782)
Total other income	9,117				9,117
Income tax expense	—				—
Net loss	$ (59,455)				(28,450)
Add back (deduct)					
Depreciation and amortization					13,639
Change in fair value of warrant liability					(12,271)
Loss on early extinguishment of debt					2,379
Interest income					(7)
Interest expense					782
Adjusted EBITDA					$ (23,928)

	Nine Months Ended September 30, 2022				
	GAAP as reported	Equity-based compensation expense	Acquisition and integration expense	Restructuring	Non-GAAP
Revenue	$ 1,171,503	$ —	$ —	$ —	$ 1,171,503
Costs and expenses:					
Cost of revenue	1,144,698	(11,320)	(650)	—	1,132,728
Technology and development	42,436	(2,047)	—	—	40,389
Sales and marketing	87,761	(8,314)	—	—	79,447
General and administrative	130,200	(44,158)	(15,442)	(6,165)	64,435
Depreciation and amortization	46,862	—	—	—	46,862
Gain on sale of aircraft held for sale	(3,950)	—	—	—	(3,950)
Total costs and expenses:	1,448,007	(65,839)	(16,092)	(6,165)	1,359,911
Loss from operations	(276,504)	65,839	16,092	6,165	(188,408)
Other income (expense)					
Change in fair value of warrant liability	8,265				8,265
Interest income	1,612				1,612
Other expense, net	(1,505)				(1,505)
Total other income	8,372	$8,372			8,372
Income tax expense	(505)				(505)
Net loss	$ (268,637)				(180,541)
Add back (deduct)					
Depreciation and amortization					46,862
Change in fair value of warrant liability					(8,265)
Interest income					(1,612)
Income tax expense					505
Other expense, net					1,505
Adjusted EBITDA					$ (141,546)

	Nine Months Ended September 30, 2021					
	GAAP as reported	Equity-based compensation expense	Public company readiness expense	Acquisition and integration expense	Corporate headquarters relocation expense	Non-GAAP
Revenue	$ 849,215	$ —	$ —	$ —	$ —	$ 849,215
Costs and expenses:						
Cost of revenue	773,191	(779)	—	(1,011)	—	771,401
Technology and development	23,818	(806)	—	—	—	23,012
Sales and marketing	55,846	(2,901)	(780)	—	—	52,165
General and administrative	76,444	(26,182)	(2,518)	(4,006)	(31)	43,707
Depreciation and amortization	40,952	—	—	—	—	40,952
Total costs and expenses:	970,251	(30,668)	(3,298)	(5,017)	(31)	931,237
Loss from operations	(121,036)	30,668	3,298	5,017	31	(82,022)
Other income (expense)						
Change in fair value of warrant liability	12,271					12,271
Loss on early extinguishment of debt	(2,379)					(2,379)
Interest income	25	—	—	—	—	25
Interest expense	(9,503)	—	—	—	—	(9,503)
Total other income	414	—	—	—	—	414
Income tax expense	—					—
Net loss	$ (120,622)					(81,608)
Add back (deduct)						
Depreciation and amortization						40,952
Change in fair value of warrant liability						(12,271)
Loss on early extinguishment of debt						2,379
Interest income						(25)
Interest expense						9,503
Income tax expense						—
Adjusted EBITDA						$ (41,070)

Supplemental Revenue Information

(In thousands, except percentages)	Three Months Ended September 30, 2022	2021	Change in $	%
Membership	$ 22,409	$ 17,982	$ 4,427	25 %
Flight	278,917	218,360	60,557	28 %
Aircraft management	58,962	58,005	957	2 %
Other	60,068	7,631	52,437	687 %
Total	$ 420,356	$ 301,978	$ 118,378	39 %

(In thousands, except percentages)	Nine Months Ended September 30, 2022	2021	Change in $	%
Membership	$ 67,076	$ 49,144	$ 17,932	36 %
Flight	799,351	621,494	177,857	29 %
Aircraft management	180,186	158,840	21,346	13 %
Other	124,890	19,737	105,153	533 %
Total	$ 1,171,503	$ 849,215	$ 322,288	38 %