UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 March 31, 2023

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: 001-04321

WHEELS UP EXPERIENCE INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**98-1617611**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
601 West 26th Street, Suite 900, New York, New York	**10001**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code: (212) 257-5252

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, $0.0001 par value 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: (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 Regulations 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, a 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	☐	Accelerated filer	☑
Non-accelerated Filer	☐	Smaller reporting company	☐
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. ☐

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 May 8, 2023, 251,613,698 shares of Class A common stock, $0.0001 par value per share, were outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains certain "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"). 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 Experience Inc. ("Wheels Up", or "we", "us", or "our"), 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 including member program changes; (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) the impact of Wheels Up's operational efficiency and cost reduction efforts on its business and results of operations, including the timing and magnitude of such expected reductions and any associated expenses and impact of the new member operations center; (vi) Wheels Up's ability to maintain cost discipline and achieve positive Adjusted EBITDA (as defined herein) pursuant to the schedule that it has announced; (vii) 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 (viii) 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. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual events and results to differ materially from those contained in such forward-looking statements, including those described in our Annual Report on Form 10-K for the year ended December 31, 2022 under Part I, Item 1A — "Risk Factors," in this Quarterly Report under Part I, Item 2 — "Management's Discussion and Analysis of Operations" and Part II, Item 1A — "Risk Factors," and elsewhere in this Quarterly Report. 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. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, we do not intend to update any of these forward-looking statements after the date of this Quarterly Report or to conform these statements to actual results or revised expectations.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	March 31, 2023 (Unaudited)	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 363,177	$ 585,881
Accounts receivable, net	107,659	112,383
Parts and supplies inventories, net	39,326	29,000
Aircraft inventory	10,368	24,826
Prepaid expenses	47,356	39,715
Other current assets	35,243	27,814
Total current assets	603,129	819,619
Property and equipment, net	398,710	394,559
Operating lease right-of-use assets	99,036	106,735
Goodwill	350,233	348,118
Intangible assets, net	136,189	141,765
Other non-current assets	123,166	112,429
Total assets	$ 1,710,463	$ 1,923,225
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 27,006	$ 27,006
Accounts payable	42,225	43,166
Accrued expenses	137,718	148,947
Deferred revenue, current	975,735	1,075,133
Other current liabilities	48,964	49,968
Total current liabilities	1,231,648	1,344,220
Long-term debt, net	220,397	226,234
Operating lease liabilities, non-current	77,138	82,755
Other non-current liabilities	18,093	18,096
Total liabilities	1,547,276	1,671,305
Commitments and contingencies (Note 13)		
Equity:		
Class A common stock, $0.0001 par value; 2,500,000,000 authorized; 254,258,113 and 251,982,984 shares issued and 251,613,698 and 249,338,569 common shares outstanding as of as of March 31, 2023 and December 31, 2022, respectively	25	25
Additional paid-in capital	1,556,718	1,545,508
Accumulated deficit	(1,376,739)	(1,275,873)
Accumulated other comprehensive loss	(9,130)	(10,053)

Treasury stock, at cost, 2,644,415 and 2,644,415 shares, respectively	(7,687)	(7,687)
Total Wheels Up Experience Inc. stockholders’ equity	163,187	251,920
Non-controlling interests	—	—
Total equity	163,187	251,920
Total liabilities and equity	$ 1,710,463	$ 1,923,225

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

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

	Three Months Ended March 31,	
	2023	**2022**
Revenue	$ 351,812	$ 325,635
Costs and expenses:		
Cost of revenue	353,791	332,758
Technology and development	15,873	11,191
Sales and marketing	25,803	23,243
General and administrative	39,416	38,904
Depreciation and amortization	14,445	14,228
Gain on sale of aircraft held for sale	(866)	(1,971)
Total costs and expenses	448,462	418,353
Loss from operations	(96,650)	(92,718)
Other income (expense):		
Change in fair value of warrant liability	125	3,631
Interest income	3,821	77
Interest expense	(8,119)	—
Other expense, net	145	(30)
Total other income (expense)	(4,028)	3,678
Loss before income taxes	(100,678)	(89,040)
Income tax expense	(188)	—
Net loss	(100,866)	(89,040)
Less: Net loss attributable to non-controlling interests	—	(387)
Net loss attributable to Wheels Up Experience Inc.	$ (100,866)	$ (88,653)
Net loss per share of Class A common stock:		
Basic and diluted	$ (0.40)	$ (0.36)
Weighted-average shares of Class A common stock outstanding:		
Basic and diluted	253,345,272	244,609,635

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

WHEELS UP EXPERIENCE INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, in thousands)

	Three Months Ended March 31,	
	2023	**2022**
Net loss	$ (100,866)	$ (89,040)
Other comprehensive loss:		
Foreign currency translation adjustments	923	—
Comprehensive loss	(99,943)	(89,040)
Less: Comprehensive loss attributable to non-controlling interests	—	—
Comprehensive loss attributable to Wheels Up Experience Inc.	$ (99,943)	$ (89,040)

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

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

	Class A common stock					Treasury stock			
	Shares	**Amount**	**Additional paid-in capital**	**Accumulated deficit**	**Accumulated other comprehensive loss**	**Shares**	**Amount**	**Non-controlling interests**	**Total**
Balance as of December 31, 2022	251,982,984	$ 25	$ 1,545,508	$ (1,275,873)	$ (10,053)	2,644.415	$ (7,687)	$ —	$ 251,920
Equity-based compensation	—	—	9,951	—	—	—	—	1,259	11,210
Change in non-controlling interests allocation	—	—	1,259	—	—	—	—	(1,259)	—
Issuance of Class A common stock upon settlement of restricted stock units	2,275,129	—	—	—	—	—	—	—	—
Net loss	—	—	—	(100,866)	—	—	—	—	(100,866)
Other comprehensive loss	—	—	—	—	923	—	—	—	923
Balance as of March 31, 2023	254,258,113	$ 25	$ 1,556,718	$ (1,376,739)	$ (9,130)	2,644,415	$ (7,687)	$ —	$ 163,187

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

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

	Class A common stock				Treasury stock			
	Shares	**Amount**	**Additional paid-in capital**	**Accumulated deficit**	**Shares**	**Amount**	**Non-controlling interests**	**Total**
Balance as of December 31, 2021	245,834,569	$ 25	$ 1,450,839	$ (720,713)	—	$ —	$ 6,077	$ 736,228
Equity-based compensation	—	—	13,659	—	—	—	8,895	22,554
Change in non-controlling interests allocation	—	—	11,743	—	—	—	(11,743)	—
Shares withheld for employee taxes on vested equity awards	—	—	—	—	1,682,380	(6,107)	—	(6,107)
Issuance of Class A common stock upon settlement of restricted stock units	76,732	—	—	—	—	—	—	—
Net loss	—	—	—	(88,653)	—	—	(387)	(89,040)
Balance as of March 31, 2022	245,911,301	$ 25	$ 1,476,241	$ (809,366)	1,682,380	$ (6,107)	$ 2,842	$ 663,635

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

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

	Three Months Ended March 31,	
	2023	**2022**
Cash flows from operating activities		
Net loss	$ (100,866)	$ (89,040)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	14,445	14,228
Equity-based compensation	11,538	22,554
Amortization of deferred financing costs and debt discount	915	—
Change in fair value of warrant liability	(125)	(3,631)
Gain on sale of aircraft held for sale	(866)	(1,971)
Other	(146)	(384)
Changes in assets and liabilities:		
Accounts receivable	4,118	3,088
Parts and supplies inventories	(10,323)	(277)
Aircraft inventory	4,878	—
Prepaid expenses	(8,540)	(8,747)
Other non-current assets	(8,363)	(25,688)
Accounts payable	(812)	7,599
Accrued expenses	(10,276)	(6,648)
Deferred revenue	(99,760)	(30,406)
Other assets and liabilities	1,701	(1,893)
Net cash used in operating activities	(202,482)	(121,216)
Cash flows from investing activities		
Purchases of property and equipment	(8,750)	(66,343)
Purchases of aircraft held for sale	(98)	(51,073)
Proceeds from sale of aircraft held for sale, net	5,697	14,942
Acquisitions of businesses, net of cash acquired	—	(11,530)
Capitalized software development costs	(7,984)	(5,548)
Other	100	—
Net cash used in investing activities	(11,035)	(119,552)
Cash flows from financing activities		
Purchase of Shares for Treasury	—	(6,107)
Repayments of long-term debt	(6,752)	—
Net cash used in financing activities	(6,752)	(6,107)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(86)	—
Net decrease in cash, cash equivalents and restricted cash	(220,355)	(246,875)
Cash, cash equivalents and restricted cash, beginning of period	620,153	786,722
Cash, cash equivalents and restricted, cash end of period	$ 399,798	$ 539,847
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 8,100	$ —

The accompanying notes are an integral part of these condensed consolidated financial statement

WHEELS UP EXPERIENCE INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. SUMMARY OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Wheels Up Experience Inc. (together with its consolidated subsidiaries, “Wheels Up”, the “Company”, “we”, “us”, or “our”) is a 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, aircraft management services and whole aircraft sales, as well as unique commercial travel benefits through a strategic partnership with Delta Air Lines, Inc. (“Delta”). Wheels Up also offers freight, safety and security solutions and managed services to individuals, industry, government and civil organizations.

Wheels Up is guided by the mission to connect private flyers to aircraft, and one another, through an open platform that seamlessly enables life’s most important experiences. Powered by a global private aviation marketplace connecting its base of over 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 and website, members and customers have the digital convenience to search, book and fly.

Basis of Presentation

The unaudited interim condensed consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial reporting and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the financial information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of the Company’s management, the unaudited condensed consolidated financial statements include all adjustments necessary for the fair presentation of the Company’s balance sheet as of March 31, 2023, and its results of operations, including its comprehensive loss, stockholders' equity and its cash flows for the three months ended March 31, 2023 and 2022. All adjustments are of a normal recurring nature. The results for the three months ended March 31, 2023 are not necessarily indicative of the results to be expected for any subsequent quarter or for the fiscal year ending December 31, 2023.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the Securities and Exchange Commission (the “SEC”) on March 31, 2023.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. We consolidate Wheels Up Partners MIP LLC (“MIP LLC”) and record the profits interests held in MIP LLC that Wheels Up does not own as non-controlling interests (see Note 12). All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

Preparing the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates due to risks and uncertainties. The most significant estimates include, but are not limited to, the useful lives and residual values of purchased aircraft, the fair value of financial assets and liabilities, acquired intangible assets, goodwill, contingent consideration and other assets and liabilities, sales and use tax, the estimated life of member relationships, the determination of the allowance for credit losses, impairment assessments, the determination of the valuation allowance for deferred tax assets and the incremental borrowing rate for leases.

Foreign Currency Translation Adjustments

Assets and liabilities of foreign subsidiaries, where the functional currency is not the United States ("U.S.") dollar, have been translated at period-end exchange rates and profit and loss accounts have been translated using weighted-average exchange rates. Adjustments resulting from currency translation have been recorded in the equity section of the condensed consolidated balance sheets and the condensed consolidated statements of other comprehensive loss as a cumulative translation adjustment.

Adopted Accounting Pronouncements and Accounting Pronouncements Note Yet Effective

There have been no recent accounting pronouncements, changes in accounting pronouncements or recently adopted accounting guidance during the three months ended March 31, 2023 that are of significance or potential significance to us.

2. REVENUE RECOGNITION

Disaggregation of Revenue

The following table disaggregates revenue by service type and the timing of when these services are provided to the member or customer (in thousands):

	Three Months Ended March 31,	
	2023	2022
Services transferred at a point in time:		
Flights, net of discounts and incentives	$ 231,762	$ 236,363
Aircraft management	61,242	58,049
Other	31,807	7,178
Services transferred over time:		
Memberships	21,680	20,647
Aircraft management	2,452	2,457
Other	2,869	941
Total	$ 351,812	$ 325,635

Revenue in the condensed consolidated statements of operations is presented net of discounts and incentives of $1.6 million for the three months ended March 31, 2023, and $3.2 million for the three months ended March 31, 2022.

Other revenue included within services transferred at a point in time is primarily related to whole aircraft sales of $10.7 million, group charter of $6.4 million and safety and security of $5.9 million for the three months ended March 31, 2023, and whole aircraft sales of $1.1 million for the three months ended March 31, 2022.

Contract Balances

Accounts receivable, net consists of the following (in thousands):

	March 31, 2023	December 31, 2022
Gross receivables from members and customers	$ 108,890	$ 112,243
Undeposited funds	6,404	10,122
Less: Allowance for credit losses	(7,635)	(9,982)
Accounts receivable, net	$ 107,659	$ 112,383

Deferred revenue consists of the following (in thousands):

	March 31, 2023	December 31, 2022
Flights - Prepaid Blocks	$ 927,607	$ 1,023,985
Memberships - annual dues	41,624	43,970
Memberships - initiation fees	3,677	3,899
Flights - credits	2,423	4,246
Other	2,096	775
Deferred revenue - total	977,427	1,076,875
Less: Deferred revenue - current	(975,735)	(1,075,133)
Deferred revenue - non-current	$ 1,692	$ 1,742

Changes in deferred revenue for the three months ended March 31, 2023 were as follows (in thousands):

Deferred revenue as of December 31, 2022	$ 1,076,875
Amounts deferred during the period	173,226
Revenue recognized from amounts included in the deferred revenue beginning balance	(219,462)
Revenue from current period sales	(53,212)
Deferred revenue as of March 31, 2023	$ 977,427

Revenue expected to be recognized in future periods for performance obligations that are unsatisfied, or partially unsatisfied, as of March 31, 2023 were as follows (in thousands):

Remainder of 2023	$ 478,252
2024	323,290
2025	88,253
2026	87,632
Total	$ 977,427

Costs to Obtain a Contract

Capitalized costs related to sales commissions and referral fees were $1.6 million for the three months ended March 31, 2023, and $4.3 million for the three months ended March 31, 2022.

As of March 31, 2023 and December 31, 2022, capitalized sales commissions and referral fees of $6.7 million and $8.7 million, respectively, were included in Other current assets and $1.1 million and $1.3 million, respectively, were included in Other non-current assets on the condensed consolidated balance sheets. Amortization expense related to capitalized sales commissions and referral fees included in sales and marketing expense in the condensed consolidated statements of operations was $3.7 million for the three months ended March 31, 2023, and $3.5 million for the three months ended March 31, 2022.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

	March 31, 2023	December 31, 2022
Aircraft	$ 563,934	$ 566,338
Software development costs	73,098	65,303
Leasehold improvements	15,769	11,930
Computer equipment	3,719	3,014
Buildings and improvements	1,424	1,424
Furniture and fixtures	3,110	3,208
Tooling	3,998	3,835
Vehicles	1,834	1,538
	666,886	656,590
Less: Accumulated depreciation and amortization	(268,176)	(262,031)
Total	$ 398,710	$ 394,559

Depreciation and amortization expense of property and equipment was $9.0 million for the three months ended March 31, 2023 and $9.5 million for the three months ended March 31, 2022.

Amortization expense related to software development costs, included as part of depreciation and amortization expense of property and equipment, was $2.8 million for the three months ended March 31, 2023, and $2.3 million for the three months ended March 31, 2022.

4. ACQUISITIONS

Alante Air Charter, LLC Acquisition

On February 3, 2022, we acquired all of the outstanding equity of Alante Air Charter, LLC ("Alante Air") for a total purchase price of $15.5 million in cash. Alante Air added 12 Light jets to our controlled fleet and expands our presence in the Western U.S. Acquisition-related costs for Alante Air of $0.5 million were included in general and administrative expense in the condensed consolidated statements of operations for the three months ended March 31, 2022. The acquisition of Alante Air was determined to be a business combination.

We have allocated the purchase price for Alante Air to its individual assets and liabilities assumed. As of the date of acquisition, the total purchase price allocated to the Alante Air assets acquired and liabilities assumed according to their estimated fair values were as follows (in thousands):

Current assets	$ 4,452
Goodwill	13,069
Other assets	22,048
Total assets acquired	39,569
Total liabilities assumed	(24,101)
Net assets acquired	$ 15,468

Current assets of Alante Air included $3.0 million of cash and $1.4 million of accounts receivable, including $15 thousand owed from Wheels Up that was eliminated in consolidation upon acquisition.

Goodwill represents the excess of the purchase price over the fair values of the acquired net tangible assets. The allocated value of goodwill primarily relates to anticipated synergies and economies of scale by combining the use of Alante Air's aircraft and existing business processes with our other acquisitions. The acquired goodwill is deductible for tax purposes.

Air Partner plc Acquisition

On April 1, 2022, we acquired all of the outstanding equity of Air Partner plc ("Air Partner") for a total purchase price of $108.2 million in cash. Air Partner is a United Kingdom-based international aviation services group that provides us with operations in 18 locations across four continents. Acquisition-related costs for Air Partner included in general and administrative expense in the condensed consolidated statements of operations for the three months ended March 31, 2022 were immaterial. The acquisition of Air Partner was determined to be a business combination.

As of the date of acquisition, the total purchase price allocated to the Air Partner assets acquired and liabilities assumed according to their estimated fair values were as follows (in thousands):

Current assets	$	49,617
Property and equipment, net		2,012
Operating lease right-of-use assets		2,780
Goodwill		83,910
Intangible assets		20,921
Restricted cash		27,507
Other assets		1,686
Total assets acquired		188,433
Total liabilities assumed		(80,239)
Net assets acquired	$	108,194

Current assets of Air Partner included $18.0 million of cash and $16.6 million of accounts receivable.

The allocated value of goodwill primarily relates to anticipated synergies and economies of scale by combining the use of Air Partner's existing business processes with our platform to expand on an international basis. The acquired goodwill is not deductible for tax purposes.

The amounts allocated to acquired intangible assets and their associated weighted-average amortization periods, which were determined based on the period the assets are expected to contribute directly or indirectly to our cash flows, consist of the following:

	Amount (In thousands)		Weighted-Average Amortization Period (Years)
Customer relationships	$	16,521	5.7
Backlog		1,458	1.5
Trade name		1,931	1.9
Developed technology		1,011	5.8
Total acquired intangible assets	$	20,921	5.1

The intangible asset fair value measurements are primarily based on significant inputs that are not observable in the market which represent a Level 3 measurement (see Note 8). The valuation method used for the Air Partner intangible assets was the income approach.

Unaudited Pro Forma Summary of Operations

The accompanying unaudited pro forma summary represents the consolidated results of operations as if the 2022 acquisitions of Alante Air and Air Partner had been completed as of January 1, 2022. The unaudited pro forma financial results for 2022 reflect the results for the three months ended March 31, 2022, as well as the effects of pro forma adjustments for the transactions in 2022. The unaudited pro forma financial information includes the accounting effects of the acquisitions, including adjustments to the amortization of intangible assets and professional fees associated with the transactions. The pro forma results were based on estimates and assumptions, which we believe are reasonable but remain subject to adjustment. The unaudited pro forma summary does not necessarily reflect the actual results that would have been achieved had the companies been combined during the periods presented, nor is it necessarily indicative of future consolidated results (in thousands, except per share data).

	Three Months Ended March 31, 2022	
Net revenue	$	363,454
Net loss	$	(87,689)
Net loss attributable to Wheels Up Experience Inc.	$	(87,313)
Net loss per share	$	(0.36)

5. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table presents goodwill carrying value and the change in balance, by reporting unit, during the three months ended March 31, 2023 (in thousands):

	WUP Legacy		Air Partner		Total	
Balance as of December 31, 2022[(1)]	$	270,467	$	77,651	$	348,118
Acquisitions[(2)]		—		350		350
Foreign currency translation adjustment		—		1,765		1,765
Balance as of March 31, 2023	$	270,467	$	79,766	$	350,233

(1) Net of accumulated impairment losses of $ 180 million, all of which was recognized on the goodwill attributable to the WUP Legacy reporting unit during the year ended December 31, 2022.
(2) Reflects the current period impact of measurement period adjustments (See Note 4).

Intangible Assets

The gross carrying value, accumulated amortization and net carrying value of intangible assets consisted of the following (in thousands):

	March 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Status	$ 80,000	$ 25,645	$ 54,355
Customer relationships	91,121	27,349	63,772
Non-competition agreement	210	210	—
Trade name	16,161	8,636	7,525
Developed technology	20,556	10,082	10,474
Leasehold interest - favorable	600	85	515
Backlog	1,458	1,024	434
Foreign currency translation adjustment	(1,219)	(333)	(886)
Total	$ 208,887	$ 72,698	$ 136,189

	December 31, 2022		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Status	$ 80,000	$ 23,644	$ 56,356
Customer relationships	91,121	24,613	66,508
Non-competition agreement	210	210	—
Trade name	16,161	8,294	7,867
Developed technology	20,556	9,332	11,224
Leasehold interest - favorable	600	80	520
Backlog	1,458	880	578
Foreign currency translation adjustment	(1,662)	(374)	(1,288)
Total	$ 208,444	$ 66,679	$ 141,765

Amortization expense of intangible assets was $5.9 million for the three months ended March 31, 2023, and $5.2 million for the three months ended March 31, 2022.

Intangible Liabilities

The gross carrying value, accumulated amortization and net carrying value of intangible liabilities consisted of the following (in thousands):

	March 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Intangible liabilities	$ 20,000	$ 6,417	$ 13,583

	December 31, 2022		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Intangible liabilities	$ 20,000	$ 5,917	$ 14,083

Amortization of intangible liabilities, which reduces amortization expense, was $0.5 million for each of the three months ended March 31, 2023, and 2022, respectively.

Future amortization expense of intangible assets and intangible liabilities held as of March 31, 2023, were as follows (in thousands):

	Intangible Assets	Intangible Liabilities
Remainder of 2023	$ 17,757	$ 1,500
2024	22,969	2,000
2025	22,555	2,000
2026	21,694	2,000
2027	17,193	2,000
2028 and Thereafter	34,021	4,083
Total	$ 136,189	$ 13,583

6. CASH EQUIVALENTS AND RESTRICTED CASH

Cash Equivalents

As of March 31, 2023 and December 31, 2022, cash equivalents on the condensed consolidated balance sheets were $269.0 million and $430.3 million, respectively, and generally consisted of investments in money market funds, U.S. treasury bills and time deposits.

Restricted Cash

As of March 31, 2023 and December 31, 2022, restricted cash, which is presented within Other assets on the condensed consolidated balance sheets, included $7.7 million held by financial institutions to establish standby letters of credit required by the lessors of certain corporate office space that we leased as of such dates. The standby letters of credit expire on December 31, 2033 and June 30, 2034. The balances as of March 31, 2023 and December 31, 2022 also included $28.2 million and $26.3 million, respectively, related to funds held but unavailable for immediate use due to contractual restrictions.

A reconciliation of cash and cash equivalents and restricted cash from the condensed consolidated balance sheets to the condensed consolidated statements of cash flows is as follows (in thousands):

	March 31, 2023	December 31, 2022
Cash and cash equivalents	$ 363,177	$ 585,881
Restricted cash	36,621	34,272
Total	$ 399,798	$ 620,153

7. LONG-TERM DEBT

The following table presents the components of long-term debt on our condensed consolidated balance sheets (in thousands):

	Weighted Average Interest Rate	March 31, 2023	December 31, 2022
Equipment Notes	12.0 %	$ 263,249	$ 270,000
Total debt		263,249	270,000
Less: Total unamortized deferred financing costs and debt discount		15,845	16,760
Less: Current maturities of long-term debt		27,006	27,006
Long-term debt		$ 220,397	$ 226,234

Maturities of our debt for the next five years are as follows (in thousands):

	Maturities
Remainder of 2023	$ 20,255
2024	45,767
2025	40,760
2026	35,111
2027	23,211
2028 and Thereafter	98,145
Total	$ 263,249

2022-1 Equipment Note Financing

On October 14, 2022, Wheels Up Partners LLC, our indirect subsidiary ("WUP LLC"), issued $270.0 million aggregate principal amount of 12% fixed rate equipment notes (collectively, the "Equipment Notes") using an EETC (enhanced equipment trust certificate) loan structure. The Equipment Notes were issued for net proceeds (before transaction-related expense) of $259.2 million. The final expected distribution date of the Equipment Notes varies from July 15, 2025 to October 15, 2029, unless redeemed earlier by WUP LLC. The Equipment Notes bear interest at the rate of 12% per annum with annual amortization of principal amount equal to 10% per annum and balloon payments due at each maturity date. The Equipment Notes are secured by first-priority liens on 134 of the Company's owned aircraft fleet and by liens on certain intellectual property assets of the Company and certain of its subsidiaries.

The Equipment Notes were sold pursuant to a Note Purchase Agreement, dated as of October 14, 2022 (the "Note Purchase Agreement"), and issued under separate Trust Indentures and Mortgages, dated as of October 14, 2022 (each, an "Indenture" and collectively, the "Indentures"). The Note Purchase Agreement and the Indentures and related guarantees contain certain covenants, including a liquidity covenant that requires the Company to maintain minimum liquidity of $125 million, a covenant that limits the maximum loan to appraised value ratio of all aircraft financed, subject to certain cure rights of the Company, and restrictive covenants that provide limitations under certain circumstances on, among other things: (i) certain acquisitions, mergers or disposals of its assets; (ii) making certain investments or entering into certain transactions with affiliates; (iii) prepaying, redeeming or repurchasing the Equipment Notes, subject to certain exceptions; and (iv) paying dividends and making certain other specified restricted payments. Each Indenture contains customary events of default for Equipment Notes of this type, including cross-default provisions among the Equipment Notes. WUP LLC's obligations under the Equipment Notes are guaranteed by the Company and certain of its subsidiaries. WUP LLC is also obligated to cause additional subsidiaries and affiliates of WUP LLC to become guarantors under certain circumstances. The Equipment Notes issued with respect to each aircraft are cross-collateralized by the other aircraft for which Equipment Notes were issued under the Indentures. The maturity of the Equipment Notes may be accelerated upon the occurrence of certain events of default under the Note Purchase Agreement and each Indenture and the related guarantees. As of March 31, 2023, we were in compliance with the covenants under the Note Purchase Agreement and each Indenture and the related guarantees.

As of March 31, 2023, the carrying value of the aircraft that are subject to first-priority liens under the Equipment Notes was $323.4 million.

Interest and principal payments on the Equipment Notes are payable quarterly on each January 15, April 15, July 15 and October 15, which began on January 15, 2023. Amortization expense for debt discounts and deferred financing costs of $0.9 million was recorded in interest expense in the condensed consolidated statement of operations for the three months ended March 31, 2023.

8. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, an exit price, in an orderly transaction between unaffiliated willing market participants on the measurement date under current market conditions. Assets and liabilities recorded at fair value are measured and classified in accordance with a three-tier fair value hierarchy based on the observability of the inputs available and activity in the markets used to measure fair value. A financial instrument’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Level 1 -	Quoted prices, unadjusted, in active markets for identical assets or liabilities that can be accessed at the measurement date.
Level 2 -	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 -	Unobservable inputs developed using our own estimates and assumptions, which reflect those that market participants would use in pricing the asset or liability.

Financial instruments that are measured at fair value on a recurring basis and their corresponding placement in the fair value hierarchy consisted of the following (in thousands):

	March 31, 2023			
	Level 1	Level 2	Level 3	Fair Value
Assets:				
Money market funds	$ 268,940	$ —	$ —	268,940
Total assets	$ 268,940	$ —	$ —	$ 268,940
Liabilities:				
Warrant liability - Public Warrants	$ 400	$ —	$ —	$ 400
Warrant liability - Private Warrants	—	226	—	226
Equipment Notes	—	—	263,249	263,249
Total liabilities	$ 400	$ 226	$ 263,249	$ 263,875

	December 31, 2022			
	Level 1	Level 2	Level 3	Fair Value
Assets:				
Money market funds	$ 230,626	$ —	$ —	$ 230,626
Treasury bills	199,700	—	—	199,700
Total assets	$ 430,326	$ —	$ —	$ 430,326
Liabilities:				
Warrant liability - Public Warrants	$ 479	$ —	$ —	$ 479
Warrant liability - Private Warrants	—	272	—	272
Equipment Notes	—	270,000	—	270,000
Total liabilities	$ 479	$ 270,272	$ —	$ 270,751

The carrying amount of cash equivalents approximates fair value and is classified within Level 1, because we determined the fair value through quoted market prices.

The estimated fair value of the Equipment Notes is categorized as a Level 3 valuation. We considered the relatively short time period between the issuance of the Equipment Notes and the measurement date of March 31, 2023, as well as the estimated fair value of aircraft subject to first priority liens under the Equipment Notes to determine the fair value of the Equipment Notes as of March 31, 2023.

The warrants were accounted for as a liability in accordance with Accounting Standards Codification 815-40 (see Note 11). The warrant liability was measured at fair value upon assumption and on a recurring basis, with changes in fair value presented in the condensed consolidated statements of operations. As of March 31, 2023 and December 31, 2022, we used Level 1 inputs for the Public Warrants (as defined below) and Level 2 inputs for the Private Warrants (as defined below). We valued the Private Warrants by applying the valuation technique of a Monte Carlo simulation model to reflect the redemption conditions. The Private Warrants are substantially similar to the Public Warrants, but are not directly traded or quoted on an active trading market.

The following table presents the changes in the fair value of the warrant liability (in thousands):

	Public Warrants	Private Warrants	Total Warrant Liability
Fair value as of December 31, 2022	$ 479	$ 272	$ 751
Change in fair value of warrant liability	(80)	(45)	(125)
Fair value as of March 31, 2023	$ 399	$ 227	$ 626

9. LEASES

Leases primarily pertain to certain controlled aircraft, corporate headquarters and operational facilities, including aircraft hangars, which are all accounted for as operating leases. We sublease an aircraft hangar at Cincinnati/Northern Kentucky International Airport from Delta. Certain of these operating leases have renewal options to further extend for additional time periods at our discretion.

Our leases do not contain residual value guarantees, covenants or other associated restrictions. We have certain variable lease agreements with aircraft owners that contain payment terms based on an hourly lease rate multiplied by the number of flight hours during a month. Variable lease payments are not included in the right-of-use asset and lease liability balances but rather are expensed as incurred.

The components of net lease cost were as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Operating lease costs	$ 11,694	$ 9,102
Short-term lease costs	2,486	5,293
Variable lease costs	5,833	4,362
Total lease costs	$ 20,013	$ 18,757

Lease costs related to leased aircraft and operational facilities are included in cost of revenue in the consolidated statements of operations. Lease costs related to leased corporate headquarters and other office space including expenses for non-lease components are included in general and administrative expense in the consolidated statements of operations.

Sublease income is presented in general and administrative expenses in the consolidated statements of operations. Sublease income was not material for either of the three month periods ended March 31, 2023 and 2022.

Supplemental cash flow information related to leases were as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash flows paid for operating leases	$ 10,102	$ 9,119
Right-of-use assets obtained in exchange for operating lease obligations	$ 5,420	$ 37,180

Supplemental balance sheet information related to leases are as follows:

	March 31, 2023	December 31, 2022
Weighted-average remaining lease term (in years):		
Operating leases	6.1	5.9
Weighted-average discount rate:		
Operating leases	9.1 %	9.0 %

Maturities of lease liabilities, as of March 31, 2023, were as follows (in thousands):

Year ending December 31,	Operating Leases
2023 (remaining)	$ 27,104
2024	33,849
2025	19,937
2026	12,293
2027	8,168
2028 and Thereafter	43,054
Total lease payments	144,405
Less: Imputed interest	(37,723)
Total lease obligations	$ 106,682

10. STOCKHOLDERS' EQUITY AND EQUITY-BASED COMPENSATION

Pursuant to the Wheels Up Experience Inc. certificate of incorporation, we are authorized to issue2,500,000,000 shares of Class A common stock, par value of $0.0001 per share, and 25,000,000 shares of preferred stock, par value $0.0001 per share. Holders of Class A common stock are entitled toone vote per share.

As of March 31, 2023, we havenine equity-based compensation plans that were approved by the board of directors of WUP prior to the Business Combination (as defined below), which collectively constitute the "WUP Management Incentive Plan", and the Wheels Up Partners Holdings LLC Option Plan, which is the "WUP Option Plan." Following the consummation of the Business Combination (as defined below), no new grants can be made under the WUP Management Incentive Plan or WUP Option Plan.

In connection with the Business Combination (as defined below), the board of directors (the "Board") and stockholders of Wheels Up adopted the Wheels Up Experience Inc. 2021 Long-Term Incentive Plan (the "2021 LTIP"), for employees, consultants and other qualified persons.

On June 30, 2022, the Board adopted the Wheels Up Experience Inc. 2022 Inducement Grant Plan (the "2022 Inducement Plan") to be used for a one-time employment inducement grant for our Chief Financial Officer, Todd Smith, pursuant to New York Stock Exchange Rule 303A.08. The maximum number of awards that could be granted under the 2022 Inducement Plan were 2,051,282 shares of Class A common stock, which were all granted in the form of restricted stock units to Mr. Smith on July 1, 2022. Restricted stock unit awards granted under the 2022 Inducement Grant Plan contain generally the same terms as other restricted stock unit awards granted under the 2021 LTIP during the fiscal year ended December 31, 2022.

WUP Management Incentive Plan

WUP Profits Interests

As of March 31, 2023, an aggregate of31.3 million WUP profits interests have been authorized and issued under the WUP Management Incentive Plan. Vested WUP profits interests are eligible to be exchanged into shares of Class A common stock. Amounts of WUP profits interests reported in the tables below represent the maximum number of WUP profits interests outstanding or that could be realized upon vesting and immediately exchanged for the maximum number of shares of Class A common stock. The actual number of shares of Class A common stock received upon exchange of such WUP profits interests will depend on the trading price per share of Class A common stock at the time of such exchange.

The following table summarizes the WUP profits interests activity under the WUP management incentive plan as of March 31, 2023:

	Number of WUP Profits Interests (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding WUP profits interests as of January 1, 2023	28,813	$ 0.42
Granted	—	—
Exchanged	—	—
Expired/forfeited	—	—
Outstanding WUP profits interests as of March 31, 2023	28,813	$ 0.42

The weighted-average remaining contractual term as of March 31, 2023, for WUP profits interests outstanding was approximately8.3 years.

The following table summarizes the status of non-vested WUP profits interests as of March 31, 2023:

	Number of WUP Profits Interests (in thousands)	Weighted-Average Grant Date Fair Value
Non-vested WUP profits interests as of January 1, 2023	1,697	$ 0.42
Granted	—	—
Vested	(1,430)	0.45
Forfeited	—	—
Non-vested WUP profits interests as of March 31, 2023	267	$ 0.24

The total unrecognized compensation cost related to non-vested WUP profits interests wasnominal as of March 31, 2023 and is expected to be recognized over a weighted-average period of 0.4 years. The total fair value for WUP profits interests that vested was approximately$0.6 million for the three months ended March 31, 2023.

WUP Option Plan

As of March 31, 2023, the number of WUP stock options authorized and issued in aggregate under the WUP Option Plan was17.5 million. Each outstanding stock option is exercisable for one share of Class A common stock.

The following table summarizes the activity under the WUP Option Plan as of March 31, 2023:

	Number of WUP Stock Options	Weighted-Average Exercise Price	Weighted-Average Grant Date Fair Value
	(in thousands)		
Outstanding WUP stock options as of January 1, 2023	12,984	$ 7.51	$ 1.20
Granted	—	—	—
Exercised	—	—	—
Forfeited	(86)	7.27	0.73
Expired	—	—	—
Outstanding WUP stock options as of March 31, 2023	12,898	$ 7.51	$ 1.20
Exercisable WUP stock options as of March 31, 2023	11,974	$ 7.46	$ 1.13

The aggregate intrinsic value as of March 31, 2023, for WUP stock options that were outstanding and exercisable wa nil, respectively.

The weighted-average remaining contractual term as of March 31, 2023, for WUP stock options that were outstanding and exercisable was approximately 6.4 years and 6.3 years, respectively.

The following table summarizes the status of non-vested WUP stock options as of March 31, 2023:

	Number of WUP Stock Options	Weighted-Average Grant Date Fair Value
	(in thousands)	
Non-vested WUP stock options as of January 1, 2023	1,044	$ 2.00
Granted	—	—
Vested	(115)	1.13
Expired	—	—
Forfeited	(6)	1.60
Non-vested WUP stock options as of March 31, 2023	923	$ 2.11

The total unrecognized compensation cost related to non-vested WUP stock options wa $0.7 million as of March 31, 2023 and is expected to be recognized over a weighted-average period of 0.4 years. The total fair value for WUP stock options that vested wa $0.1 million for the three months ended March 31, 2023.

2021 LTIP

As of March 31, 2023, an aggregate of 27.3 million shares were authorized for issuance under the 2021 LTIP.

Restricted Stock Units ("RSUs")

The following table summarizes the activity under the 2021 LTIP related to RSUs as of March 31, 2023:

	Number of RSUs[1]	Weighted-Average Grant Date Fair Value
	(in thousands)	
Non-vested RSUs as of January 1, 2023	16,162	$ 3.46
Granted[2]	15,136	0.63
Vested	(2,142)	3.92
Forfeited	(1,334)	3.75
Non-vested RSUs as of March 31, 2023	27,822	$ 1.87

(1) RSU awards granted under the 2022 Inducement Grant Plan contain generally the same terms as other RSU awards granted under the 2021 LTIP during the fiscal year ended December 31, 2022. The number of RSUs and weighted-average grant date fair value include 2,051,282 RSUs granted under the 2022 Inducement Grant Plan in July 2022, of which 683,760 RSUs had vested as of January 1, 2023 and the remaining 1,367,522 RSUs are scheduled to vest in equal installments on December 30, 2023 and December 30, 2024, subject to continued service through each such vesting date.

(2) RSU awards granted during the three months ended of March 31, 2023 are liability classified because such awards are contingent on receipt of approval by the Company's stockholders of the Amended and Restated Wheels Up Experience Inc. 2021 Long-Term Incentive Plan (the "Amended and Restated 2021 LTIP") at the Company's 2023 annual meeting of stockholders (the "2023 Annual Meeting"). If the Company's stockholders do not approve the Amended and Restated 2021 LTIP at the 2023 Annual Meeting, the Compensation Committee of the Board will settle such awards in cash upon vesting based on the fair market value per share of Class A common stock on the applicable vesting date.

The total unrecognized compensation cost related to non-vested RSUs was $42.7 million as of March 31, 2023 and is expected to be recognized over a weighted-average period of 1.4 years. The total fair value for RSUs that vested was approximated $8.4 million for the three months ended March 31, 2023.

Performance-Based Restricted Stock Units ("PSUs")

Under the terms of the non-vested PSUs granted to certain employees, upon the achievement of certain pre-determined performance objectives, each PSU may settle into shares of our Class A common stock. The PSUs will vest, if at all, upon the actual achievement of the related performance objective, subject to specified change of control exceptions.

The following table summarizes the activity under the 2021 LTIP related to PSUs as of March 31, 2023:

	Number of PSUs	Weighted-Average Grant Date Fair Value
	(in thousands)	
Non-vested PSUs as of January 1, 2023	957	$ 2.17
Granted[1]	1,262	0.63
Vested	(133)	2.50
Forfeited	—	—
Non-vested PSUs as of March 31, 2023[2]	2,086	$ 1.22

(1) PSU awards granted during the three months ended March 31, 2023 are liability classified because such awards are contingent on receipt of approval by the Company's stockholders of the Amended and Restated 2021 LTIP at the 2023 Annual Meeting. If the Company's stockholders do not approve the Amended and Restated 2021 LTIP at the 2023 Annual Meeting, the Compensation Committee of the Board will settle such awards in cash upon vesting based on the fair market value per share of Class A common stock on the applicable vesting date.

(2) Non-vested PSUs reflected in the table above include approximately 0.6 million of the PSUs reflected in this table may settle into shares of our Class A common stock equal to 0-120% of the PSUs and 1.3 million PSUs that may settle into shares of Class A common stock equal to 0-200% of the PSUs, in each case based on the level of performance.

Compensation expense associated with PSUs is recognized over the vesting period of the awards that are ultimately expected to vest when the achievement of the related performance objectives becomes probable. Total unrecognized compensation cost related to non-vested PSUs was $2.5 million as of March 31, 2023. As of

March 31, 2023, the achievement of the performance objectives associated with unvested awards was deemed not probable of being achieved and, accordingly, no compensation cost has been recognized. Compensation cost recognized during the three months ended March 31, 2023 associated with PSUs which vested during the period was $0.1 million.

RSUs Subject to Market-Based Vesting Conditions ("Market-Based RSUs")

Under the terms of the non-vested Market-Based RSUs granted to certain employees each Market-Based RSU may settle into shares of our Class A common stock. The Market-Based RSUs will vest, if at all, based on the closing trading price per share of our Class A common stock over any 30 consecutive trading day-period that occurs prior to the end date specified in the underlying award agreement, subject to continued service through each such vesting date.

The grant-date fair value of outstanding Market-Based RSUs, using a Monte Carlo simulation model, was $0.3 million. The derived service period for such Market-Based RSUs began on June 8, 2022 with a weighted average period of 3.8 years. Based on the Class A common stock trading price, the market conditions for the outstanding Market-Based RSUs were not met, and no shares vested as of March 31, 2023. The total unrecognized compensation cost related to such Market-Based RSUs was $0.2 million as of March 31, 2023 and is expected to be recognized over 3.0 years.

Wheels Up Stock Options

The following table summarizes the activity under the 2021 LTIP related to Wheels Up stock options as of March 31, 2023:

	Number of Wheels Up Stock Options (in thousands)	Weighted-Average Exercise Price	Weighted-Average Grant Date Fair Value
Outstanding Wheels Up stock options as of January 1, 2023	768	$ 10.00	$ 4.75
Granted	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Expired	—	—	—
Outstanding Wheels Up stock options as of March 31, 2023	768	$ 10.00	$ 4.75
Exercisable Wheels Up stock options as of March 31, 2023	768	$ 10.00	$ 4.75

The aggregate intrinsic value as of March 31, 2023, for Wheels Up stock options that were outstanding and exercisable was nil.

The weighted-average remaining contractual term as of March 31, 2023, for Wheels Up stock options that were outstanding and exercisable was approximately 4.6 years, respectively. All Wheels Up stock options vested in prior periods.

Equity-Based Compensation Expense

Compensation expense for WUP profits interests recognized in the condensed consolidated statements of operations was $0.1 million and $0.7 million for the three months ended March 31, 2023 and March 31, 2022, respectively.

Compensation expense for WUP restricted interests recognized in the condensed consolidated statements of operations was nil and $0.2 million for the three months ended March 31, 2023 and March 31, 2022, respectively.

Compensation expense for WUP stock options under the WUP Option Plan and Wheels Up stock options under the 2021 LTIP recognized in the condensed consolidated statements of operations was $0.5 million and $3.1 million for the three months ended March 31, 2023 and March 31, 2022, respectively.

Compensation expense for RSUs, PSUs, and Market-Based RSUs recognized in the condensed consolidated statements of operations was $5.7 million and $9.0 million for the three months ended March 31, 2023 and March 31, 2022, respectively.

The following table summarizes equity-based compensation expense recognized by condensed consolidated statement of operations line item (in thousands):

	Three Months Ended March 31,	
	2023	2022
Cost of revenue	$ 1,179	$ 4,432
Technology and development	484	641
Sales and marketing	700	2,701
General and administrative	9,175	14,780
Total equity-based compensation expense	$ 11,538	$ 22,554

Earnout Shares

On July 13, 2021 (the "Closing Date"), we consummated the transactions contained in the Agreement and Plan of Merger with Aspirational Consumer Lifestyle Corp. ("Aspirational"), a blank check company, dated as of February 1, 2021, as amended on May 6, 2021 (the "Business Combination"). As part of the Business Combination, existing holders of WUP equity, including certain holders of WUP profits interests and restricted interests, but excluding holders of WUP stock options, have the right to receive up to an aggregate of 9 million additional shares of our Class A common stock in three equal tranches, which are issuable upon the achievement of share price thresholds of $12.50, $15.00 and $17.50 for any 20 trading days within a period of 30 consecutive trading days within five years of the Closing Date, respectively (the "Earnout Shares"). Earnout Shares are not attributable to any equity compensation plan.

Earnout Shares that are attributable to WUP profits interests and restricted interests require continued employment as of the date on which each of the Earnout Share market conditions are met. There have been no forfeitures of Earnout Shares as of March 31, 2023.

The grant-date fair value of the Earnout Shares attributable to the holders of WUP profits interests and restricted interests, using a Monte Carlo simulation model, was $57.9 million. The derived service period began on the Closing Date and is a weighted-average period of 1.7 years.

Based on the Class A common stock trading price, the market conditions were not met, and no Earnout Shares vested as of March 31, 2023. Compensation expense for Earnout Shares recognized in the condensed consolidated statements of operations was $1.4 million and $9.5 million for the three months ended March 31, 2023 and March 31, 2022, respectively.

Treasury Stock

As of March 31, 2023 and December 31, 2022, we had 2,644,415 shares of treasury stock. Treasury stock has historically consisted of shares of Class A common stock withheld to settle employee taxes due upon the vesting of RSUs and WUP restricted interests, none of which occurred during the three months ended March 31, 2023.

11. WARRANTS

Prior to the Business Combination, Aspirational issued 7,991,544 public warrants ("Public Warrants") and 4,529,950 private warrants ("Private Warrants"). On the Closing Date, Wheels Up assumed the warrants. Each whole warrant entitles the holder to purchase one share of Class A common stock at a price of $11.50 per share. The Public Warrants and Private Warrants became exercisable on September 25, 2021, which was 12 months from the closing of the Aspirational initial public offering, and expire on July 13, 2026 or earlier upon redemption or liquidation.

In connection with the Business Combination, we filed a Registration Statement on Form S-1 that was declared effective by the SEC on August 24, 2021, as amended by Post-Effective Amendment No. 1 thereto that was declared effective by the SEC on March 21, 2022, as further amended by Post-Effective Amendment No. 2 to Form S-1 on Form S-3 filed with the SEC on July 20, 2022, and as further amended by Post-Effective Amendment No. 3 to Form S-1 on Form S-3 that was declared effective by the SEC on August 10, 2022 (collectively, the "Selling Stockholder Registration Statement"). The Selling Stockholder Registration Statement relates to the issuance of an aggregate of 12,521,494 shares of Class A common stock underlying the Public Warrants and Private Warrants. As of March 31, 2023, there have not been any warrants exercised and 12,521,494 remain outstanding.

12. NON-CONTROLLING INTERESTS

MIP LLC is a single purpose entity formed for the purpose of administering and effectuating the award of WUP profits interests to employees, consultants and other qualified persons. Wheels Up is the sole managing member of MIP LLC and, as a result, consolidates the financial results of MIP LLC. We record non-controlling interests representing the ownership interest in MIP LLC held by other members of MIP LLC. In connection with the Business Combination, the Seventh Amended and Restated LLC Agreement of WUP was adopted, allowing members of MIP LLC, subject to certain restrictions, to exchange their vested WUP profits interests for cash or a corresponding number of shares of Class A common stock, at the option of Wheels Up, based on the value of such WUP profits interests relative to their applicable participation threshold.

The decision of whether to exchange WUP profits interests for cash or Class A common stock is made solely at the discretion of Wheels Up. Accordingly, the WUP profits interests held by MIP LLC are treated as permanent equity and changes in the ownership interest of MIP LLC are accounted for as equity transactions. Future exchanges of WUP profits interests, if settled in Class A common stock at the discretion of Wheels Up, will reduce the amount recorded as non-controlling interests and increase additional paid-in-capital on the condensed consolidated balance sheets.

The calculation of non-controlling interests was as follows:

	March 31, 2023		December 31, 2022	
Number of WUP common units held by Wheels Up[1]	251,613,698	100.0 %	249,338,569	100.0 %
Number of vested WUP profits interests attributable to non-controlling interests[2]	— %	— %	—	— %
Total WUP common units and vested WUP profits interests outstanding	251,613,698	100.0 %	249,338,569	100.0 %

(1) WUP common units represent an equivalent ownership of Class A common stock outstanding.

(2) Based on the closing price of Class A common stock on the last trading day of the period covered by this Quarterly Report, there would be no WUP common units issuable upon conversion of vested and unvested WUP profits interests outstanding as of March 31, 2023.

Weighted-average ownership percentages are used to allocate net loss to Wheels Up and the non-controlling interest holders. The non-controlling interests weighted-average ownership percentage was 0.0% and 0.4% for the three months ended March 31, 2023 and March 31, 2022, respectively.

13. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We are party to various legal actions arising in the normal course of business. While we do not expect that the ultimate resolution of any of these pending actions will have a material effect on our consolidated results of operations, financial position, or cash flows, litigation is subject to inherent uncertainties. As such, there can be no assurance that any pending legal action, which we believe to be immaterial as of March 31, 2023, does not become material in the future.

Sales and Use Tax Liability

We regularly provide services to members in various states within the continental U.S., which may create sales and use tax nexus via temporary presence, potentially requiring the payment of these taxes. We determined that there is uncertainty as to what constitutes nexus in respective states for a state to levy taxes, fees and surcharges relating to our activity. As of March 31, 2023 and December 31, 2022, we estimate the potential exposure to such tax liability was $10.5 million and $10.4 million, respectively, the expense for which was included in accrued expenses on the condensed consolidated balance sheets and cost of revenue in the condensed consolidated statements of operations as of and for the applicable periods presented.

14. RELATED PARTIES

We engage in transactions with certain stockholders who are also members, ambassadors or customers. Such transactions primarily relate to their membership in the Wheels Up program, flights and flight-related services.

We incurred expenses of $0.6 million and $0.3 million for the three months ended March 31, 2023 and 2022, respectively, from transactions related to a commercial cooperation agreement with our stockholder Delta. As of March 31, 2023 and December 31, 2022, $2.9 million and $2.4 million, respectively, were included in Accrued expenses on the condensed consolidated balance sheets related to transactions associated with the commercial cooperation agreement.

Other transactions with related parties during the three months ended March 31, 2023 and 2022 were immaterial individually and in the aggregate for financial reporting purposes.

15. RESTRUCTURING AND RELATED CHARGES

On March 1, 2023, we announced a restructuring plan (the “Restructuring Plan”) as part of our previously announced focus on implementing cost reductions and improving the efficiency of our operations, which consisted of a reduction in headcount (excluding pilots, maintenance and operations-support personnel). We estimated that we would incur approximately $14 million in total pre-tax charges in connection with the Restructuring Plan, primarily related to severance payments, employee benefits and equity-based compensation.

As of March 31, 2023, we have incurred $17.7 million of charges associated with the Restructuring Plan related to severance payments, employee benefits and equity-based compensation, which represents substantially all cash and non-cash charges expected under the Restructuring Plan. During the three months ended December 31, 2022, we recorded $7.2 million of expenses related to actions taken in the fourth quarter of 2022 and in connection with the Restructuring Plan.During the three months ended March 31, 2023, $10.5 million of expenses related to the Restructuring Plan were recorded in the Company’s condensed consolidated statement of net income, as follows (in thousands):

Cost of revenue	$	755
Technology and development		2,299
Sales and marketing		5,379
General and administrative		2,058
Total restructuring expenses	$	10,491

Approximately $2.7 million of charges associated with the Restructuring Plan remained unpaid and were included within Accrued expenses in the Company's condensed consolidated balance sheet as of March 31, 2023 and are expected to be paid during the second quarter of fiscal 2023.

16. INCOME TAXES

We are subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income or loss from WUP, as well as any standalone income or loss Wheels Up generates. WUP is treated as a partnership for U.S. federal and most applicable state and local income tax purposes and generally does not pay income taxes in most jurisdictions. Instead, any taxable income or loss generated by WUP is passed through to and included in the taxable income or loss of its members, including Wheels Up. We are also subject to income taxes in the various foreign jurisdictions in which we operate.

We recorded income tax expense of $0.2 million for the three months ended March 31, 2023, and $0 for the three months ended March 31, 2022. The effective tax rate was (0.2) % for the three months ended March 31, 2023, and0% for the three months ended March 31, 2022. Our effective tax rate for the three months ended March 31, 2023 differs from the federal statutory rate of 21% primarily due to a full valuation allowance against the majority of our net deferred tax assets where it is more likely than not that the deferred tax assets will not be realized and geographical mix of our earnings.

We currently expect the undistributed earnings of our foreign subsidiaries to be indefinitely reinvested. Accordingly, the Company has not provided for the tax effect, if any, of limited outside basis differences of its foreign subsidiaries. If these foreign earnings are repatriated to the U.S., or if the Company determines that such earnings are repatriated to the U.S., or if the Company determines that such earnings will be remitted in a future period, additional tax provisions may be required.

We evaluate the realizability of our deferred tax assets on a quarterly basis and establish valuation allowances when it is more likely than not that all or a portion of the deferred tax assets may not be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, and tax-planning strategies. As of March 31, 2023, we concluded, based on the weight of all available positive and negative evidence, that it is more likely than not that the majority of U.S. deferred tax assets will not be realized. Accordingly, a valuation allowance has been established on the majority of our net deferred tax assets in the U.S.

Additionally, the Company is subject to the income tax effects associated with the Global Intangible Low-Taxed Income ("GILTI") provisions and treats the tax effects of GILTI as a current period expense in the period incurred.

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act ("IRA Act"), which is effective January 1, 2023 and contains provisions implementing a 15% minimum corporate income tax and a 1% excise tax on stock repurchases. While we are continuing to evaluate the impact of the IRA Act, at this time, we do not believe it will have a material impact on our consolidated financial statements.

17. NET LOSS PER SHARE

The following table sets forth the computation of basic and diluted net loss per share (in thousands, except per share data):

	Three Months Ended March 31,	
	2023	2022
Numerator:		
Net loss attributable to Wheels Up Experience Inc. - basic and diluted	$ (100,866)	$ (88,653)
Denominator:		
Weighted-average shares of Class A common stock outstanding - basic and diluted	253,345,272	244,609,635
Basic and diluted net loss per share of Class A common stock	$ (0.40)	$ (0.36)

There were no dividends declared or paid during each of the three months ended March 31, 2023 or 2022.

Basic and diluted net loss per share were computed using the two-class method. Shares of unvested restricted stock are considered participating securities, because these awards contain a non-forfeitable right to participate equally in any dividends prior to forfeiture of the restricted stock, if any, irrespective of whether the awards ultimately vest. All issued and outstanding shares of restricted stock are included in the weighted-average shares of Class A common stock outstanding.

WUP profits interests held by other members of MIP LLC are not subject to the net loss per share calculation until such time the vested WUP profits interests are actually exchanged for shares of Class A common stock.

The following securities were not included in the computation of diluted shares outstanding, because the effect would be anti-dilutive, and issuance of such shares is contingent upon the satisfaction of certain conditions which were not satisfied by the end of the period:

	Three Months Ended March 31,	
	2023	2022
Warrants	12,521,494	12,521,494
Earnout Shares	9,000,000	9,000,000
RSUs(1)	27,852,662	15,633,060
Stock options	13,665,147	16,193,621
Total anti-dilutive securities	63,039,303	53,348,175

(1) Includes RSUs, PSUs and CEO Market-Based RSUs outstanding as of March 31, 2023.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our financial condition and results of operations ("MD&A") should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes included in Part I, Item 1 of this Quarterly Report and our audited consolidated financial statements included in our most recent Annual Report on Form 10-K for the year ended December 31, 2022. This discussion contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements" included in this Quarterly Report. Unless the context otherwise requires, references in this MD&A section to "Wheels Up", "we," "us," "our," and "the Company" are intended to mean the business and operations of Wheels Up Experience Inc. and its consolidated subsidiaries.

Overview of Our Business

Wheels Up strives to disrupt private aviation by delivering innovative, accessible, travel through simple-to-use proprietary technology and mobile applications. We have become a recognized market leader and are redefining private flying by leveraging our unique technology-enabled marketplace platform. We connect flyers to private aircraft, and to one another, creating memorable lifestyle experiences.

We have a diversified and evolving business model generating revenue through flights, membership fees, management of aircraft and other services. Our chief operating decision maker, Kenny Dichter, our Chief Executive Officer and Chairman of our Board of Directors, reviews our financial information presented on a consolidated basis, and accordingly, we operate under one reportable segment, which is private aviation services.

Flight revenue includes both retail and wholesale charter. Wheels Up has one of the largest and most diverse mix of available aircraft in the industry. As of March 31, 2023, we had over 200 aircraft in our owned and leased fleet that includes Turboprops, Light, Midsize, Super-Midsize and Large-Cabin jets, approximately half of which are Wheels Up branded aircraft. As of March 31, 2023, we also had a managed fleet across all private aircraft cabin classes of over 100 aircraft and an extensive network of third-party operators available in our program fleet from whom we can access over 1,200 additional safety vetted and verified partner aircraft.

Members pay a fixed quoted amount for flights plus certain incidental or additional costs, if applicable. The quoted amount can be based on a contractual capped hourly rate or dynamically priced based on a number of variables at time of booking. Wholesale customers, such as charter flight brokers and third-party operators, primarily pay a fixed rate for flights. Members are also able to purchase dollar-denominated credits that can be applied to future costs incurred by members, including annual dues, flight services and other incidental costs such as catering and ground transportation ("Prepaid Blocks"). Prepaid Block sales allow us to have a certain amount of revenue visibility into future flight and travel demand, and are an important source of cash for our operations. Members who elect not to purchase a Prepaid Block "pay as they fly" by paying for their flights at the time of booking or after their flights based on then-current market rates.

Membership revenue is generated from initiation and annual renewal fees across three different annual subscription tiers — Connect, Core and Business — each of which is designed to provide the varying services required across a range of existing and potential private flyers. Core membership is ideal for the more frequent individual private flyer who wants guaranteed availability and pricing, high-touch account management, capped rates and values ultimate convenience and flexibility. The Business membership is best suited for companies of any size that want a broader group of individuals in their organization to be able to book and fly, while also requiring maximum flexibility to meet their business needs. Our Business customers include companies that fully-outsource their private travel solution to Wheels Up, including but not necessarily managing their privately owned aircraft, and those that use Wheels Up to serve or supplement their in-house flight desks. We have offered Core and Business memberships with guaranteed aircraft availability and fixed rate pricing since our inception. The Connect membership, our introductory tier, offers variable rate pricing on a per trip basis and is designed for the consumer with less frequent flight needs or who has more flexibility in their schedule or does not seek capped rate pricing. All membership options provide access through the Wheels Up mobile app to on-demand charter flights, dynamic pricing, a variety of Shared Flights, empty-leg Hot Flights, Shuttles and The Community, an online platform of members-only forums to facilitate flight sharing, enabling members to reduce their cost of flying private. In addition, customers can qualify for Delta Air Lines, Inc. ("Delta") miles in the Delta SkyMiles Program as part of their membership.

In addition, non-member customers now have access to a full-scale marketplace of private aircraft through the Wheels Up mobile app, available on iOS and Android where they can view real-time dynamic pricing for available aircraft classes, making it possible to instantaneously search, book and fly. These flyers are not required to purchase a membership but may pay additional transaction fees not applicable to members and do not receive membership benefits. In addition, non-member flyers do not have aircraft availability guarantees as members do and flights are priced dynamically at rates that are not capped.

We also manage aircraft for owners in exchange for a recurring contractual fee. Under the terms of many of our management agreements, in addition to owners utilizing their own aircraft, the managed aircraft may be used by us to fulfill member and non-member flights on a revenue sharing arrangement with the owner. Revenue associated with the management of aircraft also includes the recovery of owner incurred expenses, as well as the recharging of certain incurred aircraft operating costs.

We earn other revenue from sales of whole aircraft, group charter, cargo, maintenance, repair and operations ("MRO"), ground services and fixed-base operator ("FBO") activities. In addition, other revenue includes safety and security revenue, flight management software subscription fees from third-party operators for access to our proprietary cloud-based flight management system, UP FMS, sponsorships and partnership fees, and special missions revenue, including government, defense, emergency and medical transport.

Recent Developments

Operational Efficiency and Cost Reduction Initiatives

Member Program Changes

On May 9, 2023, we announced changes to our member program that we expect will better serve members and customers, while also improving our operational efficiency and flight margins. These member program changes include, among others, creating two primary service areas – one East of the Mississippi River and one focused in the Western region of the country – that we believe will allow us to better position our King Air and Light, Mid and Super-Midsize jet fleets to enhance flight experience and member service in our primary operating areas. We will continue to provide flight services to all regions in the United States. Regions outside of our primary service areas will be dynamically priced at competitive market rates. We currently expect these latest member program changes to take effect in June 2023. The nature of these program changes could cause financial variability in the short-term during the period of implementation. However, we believe that these program changes will support our previously announced goal of delivering positive Adjusted EBITDA in 2024.

Certificate Consolidation and Operational Efficiency Efforts

We expect the consolidation of our FAA operating certificates will simplify our flight operations by harmonizing our procedures across the entire company versus the multiple operating silos that exist today. In February 2023, we consolidated the legacy Alante Air Charter operations and our Cessna CJ3 aircraft onto one certificate. We anticipate that our certificate consolidation and related operational efficiency efforts will contribute meaningfully to our service delivery and financial results in future periods. In addition, we have also implemented changes to our aircraft fleet management and maintenance operations intended to improve the efficiency of our operations and the availability of our aircraft. We are also conducting a strategic review to further simplify our business and focus on our core charter operations, which could include divesting some of our non-core assets.

Restructuring Plan

In March 2023, we announced the adoption of a restructuring plan (the "Restructuring Plan") as part of the Company's previously announced focus on delivering positive Adjusted EBITDA in 2024. The Restructuring Plan is intended to streamline the Company's organization and reduce headcount in areas of the business that do not directly impact the Company's operations or its customers' experience. Excluded from these actions were key operationally focused employee groups such as pilots, maintenance and operations-support personnel.

Atlanta Member Operations Center

In October 2022, we announced our plan to relocate significant elements of our member operations team from Columbus, Ohio to Atlanta, Georgia, which will include construction of a 34,000 square foot Member Operations Center (the "Atlanta Member Operations Center") and the relocation of certain employees to the Atlanta area. Establishment of the Atlanta Member Operations Center is expected to centralize our critical functions with the goal of better serving our members and customers. The Atlanta Member Operations Center is expected to open on May 15, 2023.

UP Global Response

In November 2022, we announced a partnership with AirMed International, a global leader in air medical transport, to bring an array of medical-travel services to our members and their families through our new UP Global Response membership offering. UP Global Response provides the member and up to 11 additional designated individuals with access to air medical transport from nearly any location in the world should they have a covered medical event while traveling more than 150 miles from home. The membership also includes access to a 24/7 global medical services referral hotline, and a transport of mortal remains benefit, among other features. We began offering the UP Global Response membership to our current and prospective members in January 2023.

Non-GAAP Financial Measures

In addition to our results of operations below, we report certain key financial measures that are not required by, or presented in accordance with, U.S. Generally Accepted Accounting Principles ("U.S. GAAP").

These non-GAAP financial measures are in addition to, and not a substitute for, 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 about Wheels Up to investors and are utilized internally by our management team to assess certain aspects of our performance. 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.

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 and (vi) other items not indicative of our ongoing operating performance, including but not limited to, restructuring charges. We include Adjusted EBITDA as a supplemental measure for assessing operating performance and for the following:

- To be used in conjunction with bonus program target achievement determinations, strategic internal planning, annual budgeting, allocating resources and making operating decisions; and
- To provide useful information for historical period-to-period comparisons of our business, as it removes the effect of certain non-cash expenses and variable amounts.

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

	Three Months Ended March 31,	
	2023	2022
Net loss	$ (100,866)	$ (89,040)
Add back (deduct)		
Interest expense	8,119	—
Interest income	(3,821)	(77)
Income tax expense	188	—
Other expense, net	(145)	30
Depreciation and amortization	14,445	14,228
Change in fair value of warrant liability	(125)	(3,631)
Equity-based compensation expense	11,538	22,554
Acquisition and integration expense(1)	2,034	3,834
Restructuring charges(2)	10,491	2,674
Atlanta Member Operations Center set-up expense(3)	6,960	—
Certificate consolidation expense(4)	2,647	—
Other(5)	(380)	—
Adjusted EBITDA	$ (48,915)	$ (49,428)

(1) Consists of expenses incurred associated with acquisitions as well as integration-related charges incurred within one year of acquisition date primarily related to system conversions, re-branding costs and fees paid to external advisors.
(2) For the three months ended March 31, 2023, includes restructuring charges related to the Restructuring Plan and other strategic business initiatives. For the three months ended March 31, 2022, includes restructuring charges for employee separation programs following strategic business decisions.
(3) Consists of expenses associated with establishing the Atlanta Member Operations Center and its operations.
(4) Consists of expenses incurred to execute our consolidation of our FAA operating certificates.
(5) Includes collections of certain aged receivables which were added back to Net Loss in the reconciliation presented for the three and twelve months ended December 31, 2022.

Adjusted Contribution and Adjusted Contribution Margin

We calculate Adjusted Contribution as gross profit (loss) excluding depreciation and amortization and adjusted further for equity-based compensation included in cost of revenue and 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 and for the following:

- To be used to understand our ability to achieve profitability over time through scale and leveraging costs; and
- To provide useful information for historical period-to-period comparisons of our business and to identify trends.

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 March 31,	
	2023	2022
Revenue	$ 351,812	$ 325,635
Less: Cost of revenue	(353,791)	(332,758)
Less: Depreciation and amortization	(14,445)	(14,228)
Gross profit (loss)	$ (16,424)	$ (21,351)
Gross margin	(4.7) %	(6.6) %
Add back:		
Depreciation and amortization	$ 14,445	$ 14,228
Equity-based compensation expense in cost of revenue	1,179	4,432
Restructuring expense in cost of revenue[1]	755	—
Atlanta Member Operations Center set-up expense in cost of revenue[2]	3,799	—
Certificate consolidation expense in cost of revenue[3]	2,601	—
Adjusted Contribution	$ 6,355	$ (2,691)
Adjusted Contribution Margin	1.8 %	(0.8) %

(1) For the three months ended March 31, 2023, includes restructuring charges related to the Restructuring Plan and other strategic business initiatives. For the three months ended March 31, 2022, includes restructuring charges for employee separation programs following strategic business decisions.
(2) Consists of expenses associated with establishing the Atlanta Member Operations Center and its operations.
(3) Consists of expenses incurred to execute our consolidation of our FAA operating certificates.

Key Operating Metrics

In addition to financial measures, we regularly review certain key operating metrics to evaluate our business, determine the allocation of resources and make decisions regarding business strategies. We believe that these metrics can be useful for understanding the underlying trends in our business.

The following table summarizes our key operating metrics:

	As of March 31,		
	2023	2022	% Change
Active Members	12,285	12,424	(1) %

	Three Months Ended March 31,		
	2023	2022	% Change
Active Users	13,336	12,547	6 %
Live Flight Legs	15,389	17,626	(13) %
Flight revenue per Live Flight Leg	$ 15,060	$ 13,410	12 %

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 as of the reporting date plus unique non-member consumers who completed a revenue generating flight at least once in a given period and excluding 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.

Components of Results of Our Operations

The key components of our results of operations include:

Revenue

Revenue is derived from flight, membership, aircraft management and other services.

Flight revenue consists of retail and wholesale flights and certain related fees and surcharges. Members can either pay as they fly or prepay for flights when they purchase a Prepaid Block.

Membership revenue is comprised of a one-time initiation fee paid at the commencement of a membership and recurring annual dues. In the first year of membership, a portion of the initiation fee is applied to annual dues. The remainder of the initiation fee, less any flight credits, is deferred and recognized on a straight-line basis over the estimated duration of the customer relationship period, which is estimated to be three years as of March 31, 2023. Members are charged recurring annual dues to maintain their membership. Revenue related to the annual dues are deferred and recognized on a straight-line basis over the related contractual period. If a member qualifies to earn Delta miles in the Delta SkyMiles Program as part of their membership, then a portion of the membership fee is allocated at contract inception.

Aircraft management revenue consists of contractual monthly management fees charged to aircraft owners, recovery of owner incurred expenses including maintenance coordination, cabin crew and pilots, and recharging of certain incurred aircraft operating costs such as maintenance, fuel, landing fees and parking. We pass recovery and recharge amounts back to owners at either cost or at a predetermined margin.

Other revenue primarily consists of (i) sales of whole aircraft, (ii) group charter revenue, (iii) cargo revenue, and (iv) MRO and FBO revenues. In addition, other revenue includes safety and security revenue, flight management software subscription fees from third-party operators for access to UP FMS, fees from third-party sponsorships and partnership fees, and special missions revenue, including government, defense, emergency and medical transport.

Costs and Expenses

Costs and expenses consist of the following components:

Cost of Revenue

Cost of revenue primarily consists of direct expenses incurred to provide flight services and facilitate operations, including aircraft lease costs, fuel, crew travel, maintenance and third-party flight costs. Cost of revenue also consists of compensation expenses, including equity-based compensation and related benefits for employees that directly facilitate flight operations. In addition, cost of revenue includes aircraft owner expenses incurred such as maintenance coordination, cabin crew and pilots, and certain aircraft operating costs such as maintenance, fuel, landing fees and parking.

Technology and Development

Technology and development expense primarily consists of compensation expenses for engineering, product development and design employees, including equity-based compensation, expenses associated with ongoing improvements to, and maintenance of, our platform offerings and other technology. Technology and development expense also includes software expenses and technology consulting fees.

Sales and Marketing

Sales and marketing expense primarily consists of compensation expenses in support of sales and marketing such as commissions, salaries, equity-based compensation and related benefits. Sales and marketing expense also includes expenses associated with advertising, promotions of our services, member experience, account management and brand-building.

General and Administrative

General and administrative expense primarily consists of compensation expenses, including allocable portions of equity-based compensation and related benefits for our executive, finance, human resources and legal teams, and other personnel performing administrative functions. General and administrative expense also includes corporate office rent expense, third-party professional fees, acquisition and integration related expenses, and any other cost or expense incurred not deemed to be related to cost of revenue, sales and marketing expense or technology and development expense.

We allocate overhead such as facility costs and telecommunications charges, based on department headcount, as we believe this to be the most accurate measure. As a result, a portion of general overhead expenses are reflected in each operating expense category.

Depreciation and Amortization

Depreciation and amortization expense primarily consists of depreciation of capitalized aircraft as well as amortization of capitalized software development costs and acquired finite-lived intangible assets.

Gain on Sale of Aircraft Held for Sale

Gain on sale of aircraft held for sale consists of the gain on aircraft previously held as property and equipment and subsequently elected to actively market for sale or aircraft purchased where our intent to sell and not to hold the asset long-term.

Change in Fair Value of Warrant Liability

Change in fair value of warrant liability consists of unrealized gain (loss) on warrants assumed as part of the business combination consummated on July 13, 2021 between Wheels Up Partners Holdings LLC, a Delaware limited liability company (“WUP”), and Aspirational Consumer Lifestyle Corp. (“Aspirational”), a blank check company (the “Business Combination’), including 7,991,544 public warrants (“Public Warrants”) and 4,529,950 private warrants (the “Private Warrants” and, together with the Public Warrants, the “Warrants”).

Interest Income

Interest income primarily consists of interest earned on cash equivalents in money market funds, U.S. treasury bills and time deposits.

Interest Expense

Interest expense primarily consists of the interest paid or payable and the amortization of debt discounts and deferred financing costs on our credit facilities, promissory notes and other debt obligations.

Income Tax Expense

Income tax expense consists of income taxes recorded using the asset and liability method. Under this method, deferred tax assets and liabilities are recorded based on the estimated future tax effects of differences between the financial reporting and tax bases of existing assets and liabilities. These differences are measured using the enacted tax rates that are expected to be in effect when these differences are anticipated to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management believes it is not more likely than not to be realized.

Results of Our Operations

The following table sets forth our results of operations for each of the three months ended March 31, 2023 and 2022 (in thousands, except percentages):

	Three Months Ended March 31,		Change in	
	2023	2022	$	%
Revenue	$ 351,812	$ 325,635	$ 26,177	8.0 %
Costs and expenses:				
Cost of revenue	353,791	332,758	21,033	6.3 %
Technology and development	15,873	11,191	4,682	41.8 %
Sales and marketing	25,803	23,243	2,560	11.0 %
General and administrative	39,416	38,904	512	1.3 %
Depreciation and amortization	14,445	14,228	217	1.5 %
Gain on sale of aircraft held for sale	(866)	(1,971)	1,105	(56.1) %
Total costs and expenses	448,462	418,353	30,109	7.2 %
Loss from operations	(96,650)	(92,718)	(3,932)	4.2 %
Other income (expense):				
Change in fair value of warrant liability	125	3,631	(3,506)	(96.6) %
Interest income	3,821	77	3,744	n/m
Interest expense	(8,119)	—	(8,119)	n/m
Other expense, net	145	(30)	175	n/m
Total other income (expense)	(4,028)	3,678	(7,706)	(209.5) %
Loss before income taxes	(100,678)	(89,040)	(11,638)	13.1 %
Income tax expense	(188)	—	(188)	n/m
Net loss	(100,866)	(89,040)	(11,826)	13.3 %
Less: Net loss attributable to non-controlling interests	—	(387)	387	(100.0) %
Net loss attributable to Wheels Up Experience Inc.	$ (100,866)	$ (88,653)	$ (12,213)	13.8 %

n/m - Not meaningful

Revenue

Revenue increased by 8.0%, or $26.2 million, for the three months ended March 31, 2023, compared to the three months ended March 31, 2022, as follows (in thousands, except percentages).

	Three Months Ended March 31,		Change in	
	2023	2022	$	%
Membership	$ 21,680	$ 20,647	$ 1,033	5.0 %
Flight	231,762	236,363	(4,601)	(1.9)%
Aircraft management	63,694	60,506	3,188	5.3 %
Other	34,676	8,119	26,557	327.1 %
Total	$ 351,812	$ 325,635	$ 26,177	8.0 %

Membership revenue increased 5.0% year-over-year. The 1% decrease in Active Members year-over-year was offset by a higher mix of Core members combined with lower incentives on memberships.

The decrease in Flight revenue was primarily driven by a 13% decrease in Live Flight Legs year-over-year, which resulted in a $30.0 million reduction to revenue during the period, partially offset by a 12% increase in flight revenue per Live Flight Leg, which drove $25.4 million of year-over-year revenue increase. The decrease in Flight revenue for the three months ended March 31, 2023 was partially offset by $10.7 million of fuel surcharge revenue, which we began collecting effective April 1, 2022 and modified to a fuel surcharge indexed to fuel prices effective June 1, 2022, as well as $8.5 million of flight revenue attributable to Air Partner plc ("Air Partner"), which we acquired on April 1, 2022.

The increase in Aircraft management revenue was primarily attributable to an increase in our recovery of owner and rechargeable costs related to operating aircraft under management, both of which stemmed from an increase in operating costs.

The increase in Other revenue was primarily attributable to a $9.6 million increase in sales of aircraft inventory and a $14.3 million increase attributable to Air Partner for the three months ended March 31, 2023.

Cost of Revenue

Cost of revenue increased by $21.0 million, or 6%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. The increase in cost of revenue is primarily attributable sales of aircraft inventory, cost of revenue attributable to Air Partner and one-time expenses associated with certificate consolidation and set-up of our Atlanta Member Operations Center. The increase was partially offset by a decrease in equity-based compensation expense associated with historical awards which vested prior to or within the current period.

Adjusted Contribution Margin decreased 260 basis points for the three months ended March 31, 2023 compared to the three months ended March 31, 2022, which was primarily attributable to fixed costs while we experienced lower live flight legs combined with cost pressures impacting us and the industry, partially offset by increased whole aircraft sales during the period. Specifically, reduced maintenance availability, which can result in lower utility or higher procurement costs, increased crew travel costs and wage inflation each contributed to the decline in Adjusted Contribution Margin. See *"Non-GAAP Financial Measures"* above for a definition of Adjusted Contribution Margin, information regarding our use of Adjusted Contribution Margin and a reconciliation of gross margin to Adjusted Contribution Margin.

Other Operating Expenses

Technology and Development

Technology and development expenses increased by $4.7 million, or 41.8%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022, primarily attributable to a $6.3 million increase in employee compensation and allocable costs, including $2.3 million of one-time charges associated with the

Restructuring Plan. The increase was also attributable to a $1.3 million increase in enterprise software expense and $1.0 million of expenses attributable to Air Partner. The increase was partially offset by a $1.3 million decrease in IT equipment spend.

Sales and Marketing

Sales and marketing expenses increased by $2.6 million, or 11.0%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022, primarily attributable to $7.2 million of expenses attributable to Air Partner, of which $1.2 million were one-time charges incurred associated with the Restructuring Plan, as well as $0.9 million of other one-time charges associated with the Restructuring Plan charges. The increase was partially offset by a $2.0 million decrease in equity-based compensation associated with historical awards which vested prior to or within the current period, a $1.1 million decrease in events spending, a $1.7 million decrease in employee compensation and allocable costs, due in part to the effect of the Restructuring Plan, and a $0.5 million decrease in advertising spend.

General and Administrative

General and administrative expenses increased by $0.5 million, or 1.3%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022, primarily attributable to $5.5 million of expenses attributable to Air Partner, $5.4 million in one-time restructuring charges associated with the Restructuring Plan, a $2.7 million increase year-over-year, and $0.7 million in one-time costs related to the set-up of the Atlanta Member Operations Center. The increase was also attributable to a $1.8 million increase in acquisition and integration charges and a $0.9 million increase in professional fees. The increases were partially offset by a $5.7 million decrease in equity-based compensation associated with historical awards which vested prior to or within the current period, a $3.5 million decrease in acquisition-related consulting charges and a $1.9 million decrease in legal-related charges.

Depreciation and Amortization

Depreciation and amortization expenses were relatively flat for the three months ended March 31, 2023 compared to the three months ended March 31, 2022.

Interest Income

Interest income increased by $3.7 million, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. The increase was attributable to higher rates of interest earned on cash equivalents in money market funds.

Interest Expense

Interest expense was $8.1 million for the three months ended March 31, 2023 with no comparable amount in the three months ended March 31, 2022. The increase was attributable to the Equipment Notes (as defined below) issued in October 2022.

Other Expense, Net

Other expense, net was relatively flat for the three months ended March 31, 2023 compared to the three months ended March 31, 2022.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity have historically consisted of financing activities, including proceeds from the Business Combination and debt financing transactions, and operating activities, primarily from the increase in deferred revenue associated with the sale of Prepaid Blocks. As of March 31, 2023, we had $363.2 million of cash and cash equivalents, which were primarily invested in money market funds, and $36.6 million of restricted cash.

Long-Term Debt

From time to time, we obtain debt financing to, among other things, refinance or purchase aircraft or fund our strategic growth initiatives. In October 2022, Wheels Up Partners LLC, our indirect subsidiary ("WUP LLC"), entered into a Note Purchase Agreement, dated as of October 14, 2022 (“Note Purchase Agreement”), pursuant to which WUP LLC issued $270.0 million aggregate principal amount of the equipment notes (collectively, the “Equipment Notes”) using an EETC (enhanced equipment trust certificate) loan structure. The Equipment Notes bear interest at the rate of 12% per annum with annual amortization of principal amount equal to 10% per annum and balloon payments due at each maturity date. Interest and principal payments on the Equipment Notes are payable quarterly on each January 15, April 15, July 15 and October 15, which began on January 15, 2023. The Equipment Notes are secured by first-priority liens on 134 of the Company’s owned aircraft fleet and by liens on certain intellectual property assets of the Company and certain of its subsidiaries.

The Equipment Notes were sold pursuant to the Note Purchase Agreement, and issued under separate Trust Indentures and Mortgages, dated as of October 14, 2022 (each, an “Indenture” and collectively, the “Indentures”). The Note Purchase Agreement and the Indentures and related guarantees contain certain covenants, including a liquidity covenant that requires the Company to maintain minimum liquidity of $125 million, a covenant that limits the maximum loan to appraised value ratio of all aircraft financed, subject to certain cure rights of the Company, and restrictive covenants that provide limitations under certain circumstances on, among other things: (i) certain acquisitions, mergers or disposals of its assets; (ii) making certain investments or entering into certain transactions with affiliates; (iii) prepaying, redeeming or repurchasing the Equipment Notes, subject to certain exceptions; and (iv) paying dividends and making certain other specified restricted payments. Each Indenture contains customary events of default for Equipment Notes of this type, including cross-default provisions among the Equipment Notes. WUP LLC’s obligations under the Equipment Notes are guaranteed by the Company and certain of its subsidiaries. WUP LLC is also obligated to cause additional subsidiaries and affiliates of WUP LLC to become guarantors under certain circumstances.

As of March 31, 2023, approximately $263.2 million aggregate principal amount of Equipment Notes were outstanding and the carrying value of the aircraft that are subject to first-priority liens under the Equipment Notes was $323.4 million.

Cash Flows

The following table summarizes our cash flows for each of the three months ended March 31, 2023 and 2022 (in thousands):

	Three Months Ended March 31,	
	2023	**2022**
Net cash used in operating activities	$ (202,482)	$ (121,216)
Net cash used in investing activities	$ (11,035)	$ (119,552)
Net cash provided by (used in) financing activities	$ (6,752)	$ (6,107)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	$ (86)	$ —
Net increase (decrease) in cash, cash equivalents and restricted cash	$ (220,355)	$ (246,875)

Cash Flow from Operating Activities

The cash outflow from operating activities consisted of our net loss, net of non-cash items of $25.9 million and the balance from an increase in net operating assets and liabilities. During the three months ended March 31, 2023, we sold $99.9 million of Prepaid Blocks compared to $174.6 million during the three months ended March 31, 2022. The year-over-year decrease in Prepaid Block purchases was primarily attributable to normalization of supply versus demand for aviation services.

Cash Flow from Investing Activities

The cash outflow from investing activities was primarily attributable to $16.7 million for capital expenditures, including $8.0 million of software development costs. The cash outflow was partially offset by $5.7 million in proceeds from the sale of aircraft that were classified as held for sale.

Cash Flow from Financing Activities

The cash outflow from financing activities was attributable to the payment of principal on the Equipment Notes.

Contractual Obligations and Commitments

As of March 31, 2023, our principal commitments consisted of contractual cash obligations under the Equipment Notes, operating leases for certain controlled aircraft, corporate headquarters, and operational facilities, including aircraft hangars, and ordinary course arrangements involving our obligation to provide services for which we have already received deferred revenue. For further information on the Equipment Notes, see "—Long-Term Debt" above and Note 7, Long-Term Debt of the Notes to Condensed Consolidated Financial Statements included herein. For further information about our lease obligations, see Note 9, Leases of the Notes to Condensed Consolidated Financial Statements included herein. For further information about deferred revenue, see Note 2, Revenue of the Notes to Condensed Consolidated Financial Statements included herein.

Critical Accounting Policies and Estimates

For further information on our critical accounting policies and estimates, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations - Critical Accounting Policies and Estimates" included in our Annual Report on Form 10-K for the year ended December 31, 2022.

Recent Accounting Pronouncements

For further information on recent accounting pronouncements, see Note 1, Summary of Business and Significant Accounting Policies of the Notes to Condensed Consolidated Financial Statements included herein.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the ordinary course of operating our business, we are exposed to market risks. Market risk represents the risk of loss that may impact our financial position or results of operations due to adverse changes in financial market prices and rates. Our principal market risks have related to interest rates, aircraft fuel and foreign currency exchange. There has not been any material change to the information included in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act of 1934, as amended (the "Exchange Act")), that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding required disclosure. It should be noted that, because of inherent limitations, our disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the disclosure controls and procedures are met.

As required by Rule 13a-15(b) under the Exchange Act, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of March 31, 2023, due to the on-going remediation efforts associated with the material weaknesses in internal control over financial reporting described in Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2022 (the "Annual Report") and the need for impacted controls to operate for a sufficient period of time and for management to conclude, through testing, that the controls are designed and operating effectively.

Notwithstanding the pending remediation efforts described below, based on additional analysis and other post-closing procedures performed, management believes that the financial statements included in this report present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

Remediation Plans to Address Material Weaknesses

To date, we have implemented certain measures to address the controls and procedures deficiencies identified in Item 9A of the Annual Report. These measures include (i) adding key personnel, (ii) improving our internal controls around financial systems and processes and (iii) designing and operating user access and change management controls. We intend to take additional steps to remediate the deficiencies identified in Item 9A of the Annual Report and further evolve our internal controls and processes.

Since the date of the Annual Report, we have taken the following steps as part of our remediation plan:

- implemented preventative controls to better ensure segregation of duties; and
- improved system capabilities around posting of journal entries, enhancing journal entry review and approval controls.

Our remediation plan includes the following actions that management intends to undertake during the remainder of the fiscal year ending December 31, 2023:

- ensuring that the IT general controls specific to all key systems supporting financial reporting, including user access reviews, are consistently operating and evidenced; and
- formalizing our accounting policies and ensuring training of relevant personnel on the importance of internal controls and compliance with policies.

We are working aggressively and prioritizing the above actions to complete our remediation plan before the end of the second quarter of the fiscal year ending December 31, 2023, but no later than the end of the fiscal year. As we continue to evaluate and improve the applicable controls, management may take additional remedial measures or modify the remediation plan described above. We believe that these actions, when fully implemented, will remediate the deficiencies identified in Item 9A of the Annual Report. The deficiencies will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are designed and operating effectively.

Changes in Internal Control over Financial Reporting

Except for the items referred to above, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Inherent Limitation on the Effectiveness of Internal Control over Financial Reporting and Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also 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; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected or preventable.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are subject to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, we do not believe that the outcome of any of these matters, individually or in the aggregate, will have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes to the significant risk factors and uncertainties known to the Company and disclosed in the Company's Form 10-K for the fiscal year ended December 31, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report.

No.	Description of Exhibit
3.1	Certificate of Incorporation of Wheels Up Experience Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 19, 2021).
3.2	Amended and Restated By-Laws of Wheels Up Experience Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 31, 2023).
10.1*†^	Offer Letter, dated July 19, 2022, by and between Mark Briffa and Air Partner Limited (including the Director's Service Agreement attached as Annex A thereto and Amendment No. 1 thereto).
31.1*	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* Filed herewith

** Furnished herewith

† Identifies each management contract or compensatory plan or arrangement.

^ Certain private and confidential information have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of any omitted private or confidential information to the SEC upon request.

SIGNATURES

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

WHEELS UP EXPERIENCE INC.

Date: May 9, 2023		/s/ Kenneth Dichter
	Name:	Kenneth Dichter
	Title:	Chief Executive Officer
		(Principal Executive Officer)
		/s/ Todd Smith
Date: May 9, 2023	Name:	Todd Smith
	Title:	Chief Financial Officer
		(Principal Financial and Accounting Officer)

CERTAIN IDENTIFIED INFORMATION HAS BEEN REDACTED FROM THIS EXHIBIT, BECAUSE IT IS (1) NOT MATERIAL AND (2) THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. "[***]" INDICATES THAT INFORMATION HAS BEEN REDACTED.

WHEELS UP

601 West 26TH St.
New York, NY 10001
wheelsup.com
855-FLY-8760

July 19, 2022

Mark Briffa
[***]

Dear Mark,

We are pleased to offer you a new role at Air Partner Limited on the terms set out in the attached Service Agreement (Annex A). You acknowledge that your employment with Air Partner Limited in this new role is conditional upon the execution and delivery of the Service Agreement.

Wholly separate to your employment with Air Partner Limited, Wheels Up Partners LLC ("the Company") shall also offer you the following benefits:

1. New Hire Equity Award. The Company will recommend to the Compensation Committee of the Board of Directors ("Compensation Committee") that you be granted a one-time equity award of 560,649 restricted stock units (the "New Hire Equity Award"). The New Hire Equity Award shall vest in equal, annual installments over a three-year period. The New Hire Equity Award shall be subject to the terms of the Company's long-term incentive plans, and as may be amended from time to time at the discretion of the Company. The New Hire Equity Award grant is expected to be made on the next regularly scheduled grant date by the Compensation Committee.

2. Annual Equity Award. Commencing in 2023, you will be eligible for an Annual Equity Award. The award is based on performance and will be aligned to your level at the time of the award. All equity awards are subject to approval by the Compensation Committee.

3. Provided you join the Wheels Up Core membership program by paying the current member rate, upon commencement of membership, in accordance with the Executive Flight Hour Bonus Award, for 2022 you shall receive an advance of twenty (20) bonus hours of flight time on a King Air 350i. Thereafter, you shall receive bonus hours in accordance with the Executive Flight Hours plan established by the Company, as may be amended from time to time. In the event you fail to renew your membership for a minimum of two additional years following the initial year of membership, you shall pay to the Company a sum equal to the annual dues you would have otherwise paid in connection with such membership renewal.

The equity-related benefits shall not form part of the terms and conditions of your employment, and further details shall be communicated to you separately.

Please sign and return a copy of this letter and the attached annex to me to signify your agreement with their terms.

Sincerely,

/s/ Kenneth Dichter

Kenneth Dichter

Chief Executive Officer

Enc.

Annex A – Service Agreement

……………………………………………………………………………………………………..

I confirm my agreement to the content of this letter.

Signed /s/ Mark Briffa

Dated 20 July 2022

DATED JULY 19, 2022

(1) AIR PARTNER LIMITED

- and -

(2) MARK BRIFFA

DIRECTOR'S SERVICE AGREEMENT

Draft No: 1

CONTENTS

THIS SERVICE AGREEMENT is made on **July 19, 2022**

BETWEEN:

(1) **AIR PARTNER LIMITED** registered number 980675 whose registered office is at 2 City Place, Beehive Ring Road, West Sussex, RH6 0PA (**"Company"**); and

(2) **MARK BRIFFA** of [***] (**"You"**).

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 In this agreement where it is appropriate in context singular words shall include the plural and vice versa. Words defined below shall have the following respective meanings:

"Appointment" means your employment under the terms of this agreement;

"Board" means the Board of Directors of Wheels Up from time to time or its duly authorised representative;

"Business" means the business of private aviation, brokering and travel services and any other business carried on by the Company and any Group Company from time to time;

"Company Intellectual Property" means Intellectual Property Rights created by You (whether jointly or alone) from time to time in the course of your employment with the Company, whether or not during working hours or using Company premises or resources and whether or not recorded in material form;

"Confidential Information" means:

(a) information relating to the financial affairs of the Company and/or any Group Company;

(b) the business methods and information of the Company and any Group Company (including prices charged, discounts given to customers or obtained from suppliers, product development, marketing and advertising programmes, costings, budgets, turnover, sales targets or other financial information);

(c) lists and particulars of the Company's and any Group Company's clients, operators, agents, suppliers, customers and prospective customers and the individual contacts at such agents, suppliers, customers or prospective customers;

(d) details and terms of the Company's and any Group Company's agreements with its and/or their agents, suppliers and customers;

(e) manufacturing or production processes and know-how employed by the Company and any Group Company and its and/or their suppliers;

(f) details as to the design of the Company's and any Group Company's and its and/or their suppliers' products and inventions or developments relating to future products;

(g) details of any promotions or future promotions or marketing or publicity exercises planned by the Company and any Group Company and any personnel information relating to employees, directors, officers and consultants employed or engaged by the Company or any Group Company;

(h) unpublished price sensitive information relating to the Company or the securities of any other Group Company listed on any Recognised Investment Exchange obtained during the Appointment, including details of business development projects, proposed acquisitions, sales, joint ventures or disposals involving the Company or any Group Company;

(i) contact details of, and correspondence with, major shareholders, bankers and analysts following the aviation sector;

(j) details of any budgets, business or management plans of the Company and any Group Company; and

(k) any information which may affect the value of the Business or the shares of the Company or any Group Company, in whatever form, which is confidential, whether or not it is information which has been verbally confirmed to You as confidential or in the case of documents or other written materials or any materials in electronic format whether they are or were marked as confidential;

“Employee Handbook” means the non-contractual policies and procedures set out in the Company’s employee handbook as amended from time to time;

"Garden Leave" means any period in respect of which the Company has exercised its rights under clause 26.1;

"Group" means the Company and all companies which are for the time being either a Holding Company of the Company or a Subsidiary of either the Company or any such Holding Company;

"Group Company" means any company within the Group;

"Incapacitated" means prevented by illness, injury, accident or other incapacity or circumstances beyond your control from properly fulfilling your duties under this agreement (and **"Incapacity"** shall be construed accordingly);

"Intellectual Property Rights" means patents, Inventions, copyright and related rights, trade marks, trade names, service marks and domain names, rights in get-up, goodwill, rights to sue for passing off, design rights, semi-conductor topography rights, database rights, Confidential Information, trade secrets, moral rights, proprietary rights and any other intellectual property rights in each case whether registered or unregistered and including all applications or rights to apply for, and renewals or extensions of such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

"Invention" means any invention, idea, discovery, development, improvement or innovation, processes, formulae, models or prototypes, methods, techniques, processes, data, reports, drawings, plans, research, know-how, databases, designs, systems, software, creative works, domain names, email addresses, logos, graphics, concepts and any other material produced, prepared, created, developed or discovered, whether or not patentable or capable of registration, and whether or not recorded in any medium;

"Recognised Investment Exchange" means a recognised investment exchange as defined by section 285 of the Financial Services and Markets Act 2000;

"Salary" means the basic salary payable to You under this agreement from time to time and does not include any benefits (or the value of benefits, including pension benefits), bonus, commission or other remuneration payable to You; and

"Subsidiary" and **"Holding Company"** shall have the meanings ascribed to them by section 1159 of the Companies Act 2006 or any statutory modification or re-enactment thereof but for the purposes of section 1159(1) Companies Act 2006 a company shall be treated as a member of another company if any shares in that other company are registered in the name of:

(a) a person by way of security (where the company has provided the security); or

(b) a person as nominee for the company.

"Wheels Up" means Wheels Up Partners LLC, the US established parent company of the Company and for the avoidance of doubt is a member of the Group.

1.2 The headings in this agreement are included for convenience only and shall not affect its interpretation or construction.

1.3 References to any legislation shall be construed as references to legislation as from time to time amended, re-enacted or consolidated.

1.4 References to clauses and the parties are respectively to clauses of and the parties to this agreement.

1.5 Save as otherwise defined words and expressions shall be construed in accordance with the Interpretation Act 1978.

1.6 The Company accepts the benefits in this agreement on its own behalf and on behalf of all Group Companies. The Company shall be entitled to assign its rights and those of other Group Companies in connection with this agreement to any other Group Company at any time with immediate effect on giving written notice to You.

2. RIGHT TO WORK IN THE UK

You warrant that You satisfy the necessary immigration requirements of, and are entitled to work in, the United Kingdom and will notify the Company immediately if You cease to be so entitled during the Appointment.

3. START DATE

Your Appointment with the Company under this agreement commenced on April 1, 2022 **.** Your employment with Air Partner PLC, which commenced on 1 February 1996, counts towards your period of continuous employment with the Company.

4. PROBATIONARY PERIOD

A probationary period does not apply to your Appointment.

5. **NOTICE PERIOD**

5.1 Unless terminated in accordance with clauses 24.1 or 29.2 of this agreement, your Appointment shall continue until terminated by at least 12 weeks' written notice given by the Company to You or at least 1 week's written notice given by You to the Company.

6. **JOB TITLE AND DIRECTORSHIP**

6.1 The Company shall employ You in the capacity of President, International Charter & Aviation Services and/or in such other position or capacity with such job title and duties as the Board may from time to time reasonably decide and subject to the terms and conditions set out in this agreement.

6.2 Subject to clause 6.3, the Company shall procure your appointment and You shall act as a director of the Company. You shall also accept (if offered) appointment as a director and/or officer of any Group Company or hold any other appointment or office as nominee or representative of the Company or any Group Company. Your appointment as a director of the Company or any Group Company shall be with or without such executive powers as the Board shall decide in its absolute discretion.

6.3 Your appointment as a statutory director of the Company or any Group Company does not amount to a term of employment. In the event of you ceasing to be a statutory director as a result of the Company removing You from any such directorship at any time for any reason, this will not amount to a breach of this agreement and shall not give rise to a claim for damages or compensation.

7. **TRAINING**

7.1 During your Appointment, You are required to complete any mandatory training paid for by the Company that may be required from time to time. Examples of such training include in relation to code of conduct and diversity and inclusion.

7.2 During your Appointment, You are not required to complete any mandatory training at your own expense.

7.3 During your Appointment, subject to meeting any eligibility requirements, You may be offered the opportunity to complete optional training. Further details are available from the Company's HR Manager.

8. **DUTIES**

8.1 You warrant that by entering into this agreement You will not be in breach of any express or implied terms of any contract or of any other obligation binding upon You.

8.2 In your work for the Company, You will be expected not to use or disclose any Confidential Information, including trade secrets, of any former employer or other person to whom You have an obligation of confidentiality. You agree that You will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom You have any obligation of confidentiality.

8.3 During the Appointment, You shall:

(a) be responsible directly to Vinayak Hegde, President, Wheels Up, (based in the United States of America) or such other individual as the Company may decide from time to time;

(b) shall additionally perform such duties and exercise such powers and functions as may from time to time be reasonably assigned to or vested in You by Wheels Up whether relating to the Company or any Group Company;

(c) not engage in any form of facilitating tax evasion whether under UK law or under the law of any foreign country. You must immediately report to the Board any request or demand from a third party to facilitate the evasion of tax or any concerns that such a request or demand may have been made;

(d) provide and hold on the Company's internal business management systems any lists and/or particulars of the clients, customers or other contacts with whom You are, or have been, engaged in business on behalf of the Company or any Group Company and keep these lists and/or particulars up-to-date on an ongoing basis. Any such lists and/or particulars shall be, and shall remain, the property of the Company;

(e) without prejudice to clause 21.3 use your best endeavours to prevent the use or communication of Confidential Information by any person, organisation or company, unless such use or communication is for a legitimate purpose of, or has been expressly authorised by, the Company or any Group Company. You shall inform the Board immediately if You know, or suspect, that any such person, organisation or company knows or has used, or is intending to use, any Confidential Information without a legitimate purpose, or without the prior express authorisation, of the Company or any Group Company;

(f) subject to the remaining terms of this agreement, unless prevented by Incapacity devote the whole of your time and attention, endeavours and abilities to promoting the interests of the Company and of any Group Company and You shall not engage in any activity which may be or may become harmful to or contrary to the interests of the Company or of any Group Company;

(g) carry out your duties in a proper, loyal and efficient manner to the best of your ability and use your best endeavours to maintain, develop and extend the business of the Company and of the Group;

(h) comply with all legal duties imposed on You including those contained in the Companies Act 2006 and any professional conduct rules applicable to You;

(i) report to the Chief Legal Officer of Wheels Up in writing any matter relating to the Company or any Group Company or any of its or their officers or employees of which You become aware and which could be the subject of a qualifying disclosure as defined by section 43B of the Employment Rights Act 1996;

(j) report your own wrongdoing and any wrongdoing or proposed wrongdoing of any other officer, employee or director of the Company or of any Group Company to the Chief Legal Officer of Wheels Up immediately on becoming aware of it;

(k) keep the Board fully informed (in writing if so requested) of the your conduct of the business or affairs of the Company and any Group Company and provide such explanations as the Board may require;

(l) avoid conflicts of interest with third parties, refrain from accepting benefits from third parties as set out in section 176 of the Companies Act 2006 and disclose to the Board any interest in a transaction or arrangement which the Company or any Group Company proposes to enter into;

(m) not make any statement knowing or having reasonable grounds to believe it to be untrue or misleading relating to the Company or any Group Company;

(n) resign any appointment as a director if requested by the Board without any claim for damages or compensation. If You fail to resign any such appointment the Company is hereby irrevocably authorised to appoint a person in your name and on your behalf to sign and execute all documents and do all things necessary to constitute and give effect to such resignation. Termination, at the Board's request, of a directorship or other office held by You will not terminate your employment or amount to a breach of the terms of this agreement by the Company.

8.4 During the Appointment, You shall not pledge the credit of the Company or any Group Company other than in the day to day running of the Business or enter into any contracts or obligations involving the Company or any Group Company in major or substantial commitments with a value in excess of the levels of authority notified to You by the Company from time to time or negotiate in any collective bargaining nor engage in any works councils.

8.5 During the Appointment:

(a) the Company has no duty to provide any work to, or vest any powers in, You and You shall have no right to perform any services for the Company or for any Group Company; and

(b) the Board shall be entitled at any time to appoint another person to act jointly with You in any capacity in which You may be employed.

8.6 You consent to the Company or any Group Company making your service contract (as defined in the Companies Act 2006) available for inspection in compliance with that Act notwithstanding that it contains your residential address.

9. OUTSIDE INTERESTS

9.1 During the Appointment, You shall not without the written consent of Vinayak Hegde, President Wheels Up and vetted by the Chief legal Officer of Wheels Up (such consent not to be unreasonably withheld):

(a) serve on the board of directors or advisory board of more than one for-profit company. You may serve as an officer, manager or director of or otherwise participate in charitable, educational, welfare, social, religious and civic organizations so long as such activities do not interfere with or conflict with your employment with the Company;

(b) become a member of the Territorial Army or another reservist force, a member of Parliament, a councillor of a local authority or a magistrate, or occupy or be engaged in public office.

9.2 Subject to any regulations from time to time issued by the Company which may apply to You, You shall not receive or obtain directly or indirectly any discount, rebate, commission or other inducement in respect of any sale or purchase of any goods or services effected or other business transacted (whether or not by You) by or on behalf of the Company or any Group Company and if You (or any firm or company in which You are directly or indirectly engaged, concerned or interested) shall obtain any such discount, rebate, commission or inducement, You shall account to the Company for the amount received by You or the amount received by such firm or company. For the purpose of this clause, You shall be deemed not to be engaged, concerned or interested in such a company as is referred to in the proviso to clause 9.1.

10. COMPANY RULES AND PROCEDURES

10.1 There are no collective agreements in force which affect the terms and conditions of your Appointment.

10.2 You are required at all times to comply with any rules, policies and procedures set out in the Employee Handbook and any other policies or procedures of the Company or Group as amended from time to time including, but not limited to, policies relating to equal opportunities, e-mail and Internet use and business ethics. Failure to do so may result in disciplinary action being taken against You. However, in the event of any conflict between the terms of this agreement and the Employee Handbook and any policies or procedures, the terms of this agreement shall prevail.

10.3 The disciplinary procedure which applies to your employment with the Company is contained in the Employee Handbook. For the avoidance of doubt, this procedure is not contractual.

10.4 You must refer any grievance You may have about your employment, or an appeal in connection with any disciplinary decision relating to You, to Vinayak Hegde, President Wheels Up in writing in the first instance.

10.5 The Board has the right to suspend You from your duties on such terms and conditions as the Board determines for the purpose of carrying out an investigation into any allegation of misconduct or negligence or an allegation of bullying, harassment or discrimination against You, and pending any disciplinary hearing. During any period of suspension, the Company will continue to pay You such Salary and provide all such other contractual benefits as You would have been entitled to if not suspended.

11. WORKING HOURS

11.1 Your normal working hours are 9:00 am to 5:30 pm Monday to Friday but You must also work such additional hours and travel within and outside the United Kingdom as may reasonably be required for the proper performance of your duties.

11.2 You agree to opt-out of the average maximum weekly working time of 48 hours in regulation 4(1) of Working Time Regulations 1998. You may at any time terminate this opt out by giving the Company three months' notice in writing.

12. PLACE OF WORK

You will be based at the Company's offices at 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA and perform such duties at such other place or places in the United Kingdom or elsewhere as the Board shall decide but unless otherwise agreed You shall not be required to work outside the United Kingdom for a continuous period exceeding one month.

13. SALARY

13.1 Your basic salary from 1 April 2022 is £351,562 gross per annum or such other rate as may from time to time be agreed between the Company and You (**"Salary"**). You will receive a backdated award covering the increased salary from 1 April 2022 to the date of signature of this agreement in the next available payroll following signature of this agreement by you. You acknowledge that You are not entitled to receive further remuneration in respect of any additional hours worked above your normal working hours. Your right to receive your Salary is dependent on You being provided by the Company with work of the kind which You are employed to do.

13.2 With effect from 1 February 2023, your Salary will increase to £391,243 gross per annum.

13.3 The Salary shall be deemed to accrue evenly from day to day and shall be payable in arrears by equal monthly instalments in accordance with the Company's normal pay policy into a bank account nominated by You and shall be inclusive of any fees and/or remuneration to which You may be entitled as a director of the Company or any Group Company.

13.4 Your remuneration will be reviewed on an annual basis. Your compensation is subject to review and approval by the Compensation Committee of the Board.

13.5 You expressly agree that the Company may deduct from your Salary or any other payments due to You during the Appointment, or on its termination, any sums which You owe to the Company or are recoverable by it, including but not limited to loans, advances, relocation expenses and excess holiday payments.

14. DISCRETIONARY BONUS

14.1 During the period up to and including 31 January 2023, You shall participate in a bonus scheme on the same terms that applied immediately prior to the date of this agreement. The target bonus amount for your position under such scheme is equal to one hundred and fifty percent (150%) of your Salary under this agreement. Any amount awarded shall not imply any expectation or precedent for the awarding of any other subsequent bonus payment or incentive.

14.2 With effect from 1 February 2023, You shall be eligible to participate in the Company's annual discretionary bonus plan on such terms and subject to such conditions as may be decided from time to time by the Board and notified to You. The target bonus amount for your position under such scheme shall be equal to one hundred percent (100%) of your Salary at that time. Any amount awarded shall not imply any expectation or precedent for the awarding of any other subsequent bonus payment or incentive.

14.3 The Company reserves the right to vary the bonus scheme in place from time to time at any time on giving one month's notice to You provided that such variation shall be on no less favourable terms.

14.4 It is a condition of eligibility for any bonus that You are employed and not on notice of termination of your employment (whether given by You or the Company) at the time the bonus would otherwise be paid and that you have been employed throughout the whole of the relevant financial year of the Company in respect of which the bonus is paid.

15. PENSION

15.1 The Company will comply with any duties it may have in respect of You under part 1 of the Pensions Act 2008.

15.2 You have elected not to participate in the Company's pension arrangements and have consequently opted out.

15.3 The Company shall contribute an amount equal to not less than 12% of your Salary during each year of the Appointment. The Company's contributions to the scheme shall be payable in equal monthly instalments in arrears, and shall be subject to the rules of the scheme and the tax reliefs and exemptions available from HM Revenue & Customs, as amended from time to time. For the duration of your op-out, this sum shall be paid to You directly on monthly basis. In the event that you opt back in these payments will cease and shall be paid onto the pension scheme instead.

15.4 The Company shall be entitled to deduct from your Salary any amounts payable by You as member contributions to such pension scheme as the Company is using from time to time.

16. EXPENSES

The Company will reimburse You for all reasonable and authorised out of pocket expenses (including hotel and travelling expenses) wholly, necessarily and exclusively incurred by You in the discharge of your duties subject to the production of appropriate receipts or such other evidence as the Company may reasonably require as proof of such expenses and in accordance with the Company's rules and policy on travel and expenses as may be in force from time to time. If You are provided with a credit or charge card by the Company this must only be used for expenses which You incur in performing the duties of your Appointment.

17. HOLIDAY

17.1 The Company's holiday year runs between January and December. You shall be entitled to 28 working days' paid holiday during each holiday year, in addition to the usual bank holidays in England and Wales (which is inclusive of your statutory holiday entitlement) to be taken in accordance with the Company's paid time off policy at such time as the President of Wheels

Up may from time to time approve in advance and paid at the rate of your normal remuneration (**"Holiday Entitlement"**).

17.2 In any holiday year, your statutory holiday entitlement will be deemed to be taken first.

17.3 During any period in which You are Incapacitated for a continuous period of one month or more You will only accrue your statutory holiday entitlement.

17.4 Save as required by law, You may not carry forward untaken Holiday Entitlement from one holiday year to the next and any such Holiday Entitlement will be forfeited without any right to payment in lieu.

17.5 Notwithstanding clause 17.4, You may with the consent of the President, Wheels Up carry forward up to five days' Holiday Entitlement into the next holiday year.

17.6 In the holiday year in which your Appointment commences or terminates Your holiday entitlement will be calculated on a pro-rata basis, rounded up to the nearest half day.

17.7 Upon termination of the Appointment You shall, subject to clause 24.2 if appropriate, either be entitled to Salary in lieu of any outstanding Holiday Entitlement or be required to repay to the Company any Salary received in respect of Holiday Entitlement taken in excess of your proportionate Holiday Entitlement calculated at 1/260th of your Salary for each excess day and any sums repayable by You may be deducted from any outstanding Salary or other payments due to You.

17.8 The Company reserves the right to require You to take any accrued but unused Holiday Entitlement during any period of notice given to terminate the Appointment or at any other time, or, if applicable, any such holiday shall be deemed to be taken during any period of Garden Leave.

18. OTHER PAID LEAVE

18.1 You may also be eligible for other paid leave in accordance with the Company's policies and procedures as amended from time to time. This paid leave includes maternity leave, paternity leave, adoption leave and shared parental leave. Copies of the relevant policies are in the Employee Handbook, available from the Company's HR Manager.

19. OTHER BENEFITS

19.1 Insurance

(a) Without prejudice to the Company's right to vary or discontinue any such benefits at its discretion, the Company shall, subject to clauses 19.1(b) and 19.1(c) below, provide You with the following benefits, particulars of which may be obtained from the Company's HR Manager:

(i) private medical expenses insurance for You and your spouse or civil partner and your dependent children up to the limit set by the current terms of the scheme (being at the date of this agreement the renewal date following the earlier of any dependent child's marriage or their 24 birthday) in accordance with arrangements made between the Company and such reputable insurer as the Company may decide from time to time and subject to the terms and conditions applicable to any such insurance;

(ii) all necessary medical treatment when travelling overseas on the Company's business;

(iii) death in service insurance;

(iv) critical illness insurance; and

(v) income protection insurance.

(b) The benefits referred to in clause 19.1(a) are conditional on the relevant insurer accepting cover for You at a premium the rate of which the Company considers reasonable and accepting liability for any particular claim. In the event that the relevant insurer does not accept cover or liability in respect of You at a premium the rate of which the Company considers reasonable or any claim by You in respect of any of the benefits referred to in clause 19.1(a), the Company shall have no obligation to provide any alternative benefit or cover in this regard. The provision of the benefits in clause 19.1(a) shall not restrict the Company's ability to terminate the Appointment in accordance with clauses 5, 24.1, or 29.2 of this agreement for any reason including, without limitation, because You are Incapacitated.

(c) All and any benefits provided under clause 19.1(a) shall cease with effect from the date you reach state pension age or from the date of termination of the Appointment whichever is earlier.

19.2 Other benefits

(a) Without prejudice to the Company's right to vary or discontinue any such benefits at its discretion, the Company shall, provide You with the following benefits, particulars of which may be obtained from the Company's HR Manager:

(i) **Equipment:** The Company shall provide You, at its own cost, both a home and business landline and a mobile telephone and shall reimburse You for both line rental charges and the cost of all telephone calls (reasonable personal and business calls) made using such equipment for the duration of the Appointment. You shall use reasonable endeavours to keep the equipment provided by the Company in good condition and shall comply with any relevant Company policy covering telephone use from time to time in force.

(ii) **Gym membership:** The Company shall reimburse the costs of your membership of one gym or sports club per year on production by You of a receipt or other satisfactory supporting documentation from a recognised club.

19.3 You shall pay and fully indemnify the Company against all income tax payable by the Company on your behalf by reason of any of the benefits received by You in connection with the Appointment. The Company shall be entitled to make deductions from the Salary or other payments due to You to satisfy any such income tax liability.

20. SICKNESS AND SICK PAY

20.1 If You are Incapacitated You shall immediately notify the President of Wheels Up and inform them of the reason for your absence.

20.2 Each time You are absent greater than 7 consecutive days from work You shall provide evidence to the Company of the reason for your absence. This evidence shall be provided by way of a self-certification form obtainable from the Company's HR Manager which shall be completed by You on the first day on which You return to work.

20.3 Subject to compliance with the provisions of clauses 20.1 and 20.2 and subject to the Company's right to terminate the Appointment for any reason including, without limitation

Incapacity, if You are at any time Incapacitated, You shall be paid sick pay (**"Company Sick Pay"**) consisting of:

(a) your Salary and your contractual benefits for up to three months' absence in aggregate in any period of 12 months; and

(b) thereafter, such remuneration (if any) is subject to the discretion of the President of Wheels Up.

20.4 Any Company Sick Pay paid to You under clause 20.3 shall be inclusive of any statutory sick pay to which You may be entitled under the provisions of the Social Security Contributions and Benefits Act 1992. For statutory sick pay purposes your qualifying days shall be your normal working days.

20.5 Once Company Sick Pay under clause 20.3 has expired You shall have no further entitlement to Company Sick Pay until You have returned to work for a consecutive period of eight weeks. You may still be entitled to statutory sick pay, subject always to the applicable rules of that scheme.

20.6 The Company shall be entitled to deduct from any Company Sick Pay paid under clause 20.3 or any other such remuneration as may be paid to You any sickness or injury benefits otherwise recoverable by or payable to You.

20.7 You agree that, at any time during the Appointment, You will attend, if required by the Company, a medical examination by a medical practitioner appointed by the Company at its expense and shall authorise such medical practitioner to disclose to, and discuss with, the Company's HR Manager the results of any such medical examination.

20.8 If You are Incapacitated for a consecutive period of 20 working days the President, Wheels Up may (without prejudice to the provisions of clause 8.5(b)) appoint another person or persons to perform your duties until such time as You are able to resume fully the performance of your duties.

20.9 If You are Incapacitated by the action of a third party in respect of which damages are, or may be, recoverable, You shall notify the Company's HR Manager of that fact and of any claim, compromise, settlement or judgment awarded as soon as is reasonably practicable. You shall include in any claim for damages against such third party a claim in respect of monies paid by the Company under this clause 20 and shall receive the Company Sick Pay referred to in clause 20.3 (other than the statutory sick pay element referred to in clause 20.4) as loans by the Company to You (notwithstanding that as an interim measure income tax has been deducted from such payments as if they were emoluments of employment). You shall repay such loans (net of costs) when and to the extent that You recover compensation for loss of earnings from the third party by action or otherwise.

21. CONFIDENTIAL INFORMATION

21.1 You acknowledge that in the course of the Appointment You will have access to trade secrets of the Company and/or Group Company and/or Confidential Information. You agree that You shall not at any time during the Appointment nor at any time after its termination except for a purpose of the Company or the Group directly or indirectly:

(a) use or disclose trade secrets of the Company and/or Group Company and/or any Confidential Information;

(b) make, use, or remove from the premises of the Company or of any Group Company copies of any Confidential Information or other document, record, memoranda, correspondence or other data (including emails) (created or stored in whatever media, including for the avoidance of doubt in any electronic format) relating to the Company or Group Company other than in the proper performance of your duties under this agreement except with the written authority of the Board which authority will apply in that instance only;

(c) post Confidential Information on any social media sites, including Facebook, LinkedIn, Twitter, WhatsApp or any similar social or professional networking online sites or applications. On termination of employment, You must comply with the terms of the Company's Social Media Policy governing termination.

21.2 All trade secrets of the Company and/or Group Company and its/their Confidential Information are and remain the property of the Company and/or Group Company at all times.

21.3 Notwithstanding your obligations under clauses 8.3(e), 21.1 and 21.5, You shall not be restrained from using or disclosing any Confidential Information which:

(a) You are authorised to use or disclose by the Board; or

(b) has entered the public domain unless it enters the public domain as a result of an unauthorised disclosure by You or anyone else employed or engaged by the Company or any Group Company; or

(c) is required by HM Revenue & Customs; or

(d) You are required to disclose by law or is appropriate to disclose to a regulatory body; or

(e) is appropriate to disclose to the police in circumstances in which a criminal offence has been, or is alleged to have been, committed; or

(f) is necessary and appropriate to disclose in confidence to a trade union representative or a regulated health, care or legal professional; or

(g) You are entitled to disclose under section 43A to 43L of the Employment Rights Act 1996 (whistleblowing provisions) provided that the disclosure is made in an appropriate way to an appropriate person having regard to the provisions of that Act and clause 8.3(i),

provided that, in the case of any disclosure under clauses 21.3(c) to 21.3(g), You shall (to the extent permitted by the applicable laws) notify the Company in advance of the disclosure.

21.4 You must not make any public statement (whether written or oral) to the media or otherwise relating to the affairs of the Company or any Group Company and shall not write any article for publication on any matter concerned with the Business or other affairs of the Company or the Group without the prior written consent of the Board.

21.5 Without prejudice to clause 21.3, You must not directly or indirectly make, whether in writing or otherwise, any adverse statements or comments about the Company or any Group Company or its/their officers, directors, shareholders or employees.

22. POST-TERMINATION RESTRICTIONS

22.1 In this clause 22 the following words and phrases shall have the following meanings:

"Customer" means any person, firm or company who at the Termination Date, or at any time during the 12 months immediately prior to the Termination Date or start of any Garden Leave period, if earlier, was a customer of the Company or any Group Company, and from whom You had obtained business on behalf of the Company or any Group Company, or to whom You had provided or arranged the provision of goods or services on behalf of the Company or any Group Company, or for whom You had management responsibility, in each case at any time during the 12 months immediately prior to the Termination Date or start of any Garden Leave period, if earlier;

"Potential Customer" means any person, firm or company with whom either You or any other employee of the Company or any Group Company for whom You had, at the date of the negotiations, management responsibility, carried out negotiations on behalf of the Company or any Group Company, at any time during the period of three months immediately prior to the Termination Date or start of any Garden Leave period, if earlier, with a view to such person, firm or company becoming a customer of the Company or of any Group Company;

"Restricted Business" means the Business or any part of the Business which in either case:

(a) is carried on by the Company or any Group Company at the Termination Date; or

(b) was carried on by the Company or by any Group Company at any time during the period of six months immediately prior to the Termination Date or start of any Garden Leave period, if earlier; or

(c) is to your knowledge to be carried out by the Company or by any Group Company at any time during the period of six months immediately following the Termination Date

and with which You were materially concerned or had management responsibility for or had substantial Confidential Information regarding in each case at any time during the period of 12 months immediately prior to the Termination Date or start of any Garden Leave period, if earlier;

"Restricted Employee" means any employee of the Company or any Group Company employed at the Termination Date in the capacity of director or in any senior research, technical, IT, financial, marketing, sales or other managerial role whom You have managed, or with whom You have worked, at any time during the period of 12 months immediately prior to the Termination Date or start of any Garden Leave period, if earlier, and shall not include any non-managerial employee employed in an administrative, clerical, manual or secretarial capacity;

"Restricted Supplier" means any supplier to the Company or to any Group Company with whom You have had material personal contact or for whom You have had managerial responsibility during the period of 12 months immediately prior to the Termination Date or start of any Garden Leave period, if earlier;

"Restricted Territory" means England, Scotland, Wales, Northern Ireland and the United States of America together with any other country in which the Company or any other Group Company:

(a) carried on any Restricted Business or provided any goods or services in connection with any Restricted Business at the Termination Date; or

(b) carried on any Restricted Business or provided any goods or services in connection with any Restricted Business at any time during the period of twelve months immediately prior to the Termination Date or start of any Garden Leave period, if earlier; or

(c) is to your knowledge to carry out any Restricted Business at any time during the period of six months immediately following the Termination Date,

and regarding which country at any time during the period of 12 months immediately prior to the Termination Date or start of any Garden Leave period, if earlier, You:

(d) were materially concerned with or worked in; and/or

(e) had management responsibility for; and/or

(f) obtained Confidential Information;

"Termination Date" means the effective date of termination of the Appointment.

22.2 You acknowledge that following termination of the Appointment, You will be in a position to compete unfairly with the Company as a result of the Confidential Information, trade secrets and knowledge about the business, operations, customers, employees and trade connections of the Company and the Group You have acquired or will acquire and through the connections that You have developed and will develop during the Appointment. You therefore agree to enter into the restrictions in this clause 22 for the purpose of protecting the Company's legitimate business interests and in particular the Confidential Information, goodwill and the stable trained workforce of the Company and the Group.

22.3 You covenant with the Company and each Group Company that You shall not directly or indirectly, on your own behalf, or on behalf of any person, firm or company in connection with any business which is or is intended or about to be competitive with the Restricted Business (as defined above) or in relation to the provision of any goods or services similar to or competitive with those sold or provided by the Company or any Group Company in connection with the Restricted Business:

(a) for a period of twelve months following the Termination Date solicit or canvass the custom of any Customer (as defined above);

(b) for a period of twelve months following the Termination Date solicit or canvass the custom of any Potential Customer (as defined above);

(c) for a period of twelve months following the Termination Date deal with any Customer;

(d) for a period of twelve months following the Termination Date deal with any Potential Customer;

(e) for a period of twelve months following the Termination Date solicit or entice away, or attempt to entice away from the Company or any Group Company any Restricted Employee (as defined above);

(f) for a period of twelve months following the Termination Date employ, offer to employ or enter into partnership with any Restricted Employee with a view to using the knowledge or skills of such person in connection with any business or activity which is or is intended to be competitive with the Restricted Business.

22.4 You shall not for a period of twelve months following the Termination Date, directly or indirectly, on your own behalf, or on behalf of any person, firm or company:

(a) within the Restricted Territory (as defined above) set up, carry on, be employed in, provide services to, be associated with, or be engaged or interested in, whether as director, employee, principal, shareholder, partner or other owner, agent or otherwise, any business which is, or is intended or about to be, competitive with the Restricted Business save as a shareholder of not more than three per cent of any public company whose shares or stocks are quoted or dealt in on any Recognised Investment Exchange;

(b) endeavour to cause any person, firm or company who at the Termination Date, or at any time during the 12 months immediately prior to the Termination Date, is or was a Restricted Supplier (as defined above) to the Company and/or any Group Company, to either cease to supply the Company or any Group Company or materially alter the terms of such supply in a manner detrimental to the Company or any Group Company.

22.5 In the event that You receive an offer of employment or request to provide services either during the Appointment or during the currency of the restrictive periods set out in clauses 22.3 and 22.4, You shall (and the Company may) provide immediately to such person, company or other entity making such an offer or request a full and accurate copy of this agreement signed by both parties.

22.6 The restrictions contained in this clause are considered by the parties to be reasonable in all the circumstances. Each sub clause constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are no greater than is necessary for the protection of the interests of the Company and any Group Company.

23. INTELLECTUAL PROPERTY RIGHTS

23.1 You (and the Company) acknowledge that You may create Inventions (alone or jointly) in the course of your employment with the Company and that You have a special obligation to further the interests of the Company in relation to such Inventions. You shall, promptly following creation, disclose to the Company all such Inventions and works embodying Company Intellectual Property.

23.2 You acknowledge that (except to the extent prohibited by or ineffective in law) all Company Intellectual Property and materials embodying them shall automatically belong to the Company as from creation for the full term of those rights.

23.3 To the extent that any Company Intellectual Property does not vest in the Company automatically pursuant to clause 23.2 (and except to the extent prohibited by or ineffective in law) You:

(a) hereby assign, by way of present and future assignment, any and all right, title and interest in the Company Intellectual Property to the Company; and

(b) shall hold the Company Intellectual Property on trust for the benefit of the Company until such Company Intellectual Property fully vests in the Company; and

(c) hereby grant to the Company an exclusive, worldwide, transferable, sub-licensable, royalty-free and fully paid-up licence to use the Company Intellectual Property in its discretion until such Company Intellectual Property fully vests in the Company.

23.4 To the extent that any Inventions You create (whether alone or jointly) at any time during the course of your Appointment are prohibited by or prevented in law from automatically vesting with the Company pursuant to clause 23.2 or from being assigned to the Company pursuant to clause 23.3(a), You shall, immediately upon creation of such rights, grant the Company a right of first refusal, in writing, to acquire them on arm's length terms to be agreed between You and the Company. If You and the Company cannot agree on such terms within 30 days of the Company receiving your offer, the Company shall refer the dispute to an independent expert who shall be appointed by the President of the Institute of Chartered Accountants in England and Wales. The expert shall be instructed to act as an independent expert, and not as an arbitrator. The expert's decision shall be final and binding on the parties and the costs of the expert's determination shall be borne equally by You and the Company.

23.5 You agree:

(a) to use best endeavours to execute all such documents, both during and after the Appointment, as the Company may require to vest in the Company all right, title and interest pursuant to this agreement at the reasonable expense of the Company;

(b) to use best endeavours to, provide all such information and assistance and do all such further things as the Company may require to enable it to protect, maintain and exploit the Company Intellectual Property to the best advantage, at the reasonable expense of the Company, including (without limitation), at the Company's request, applying for the protection of Inventions throughout the world;

(c) to use best endeavours to assist the Company in applying for the registration of any registrable Company Intellectual Property, to enable it to enforce the Company

Intellectual Property against third parties and to defend claims for infringement of third party Intellectual Property Rights at the reasonable expense of the Company;

(d) not to apply for the registration of any Company Intellectual Property in the United Kingdom or any other part of the world without the prior written consent of the Company; and

(e) to keep confidential all Company Intellectual Property unless the Company has consented in writing to its disclosure by You;

23.6 You hereby waive, as against the Company, its successors and assigns and any licensee of any of the foregoing **,** all of your present and future moral rights which arise under the Copyright Designs and Patents Act 1988 and all similar rights in other jurisdictions relating to the Company Intellectual Property.

23.7 You acknowledge that, except as provided by law, no further remuneration or compensation, other than that provided for in this agreement, is or may become due to You in respect of your compliance with this clause 23. This clause is without prejudice to your rights under the Patents Act 1977.

23.8 You irrevocably appoint the Company as your attorney in your name to sign, execute, do or deliver on your behalf any deed, document or other instrument and to use your name for the purpose of giving full effect to this clause.

23.9 Rights and obligations under this agreement shall continue in force after termination of this agreement in respect of any Company Intellectual Property.

24. TERMINATION OF EMPLOYMENT

24.1 The Appointment may be terminated without notice or payment in lieu of notice with immediate effect by the Company if at any time:

(a) it is found that You did not materially comply with any reasonable lawful order or direction given to You by the Company; or

(b) the Company reasonably believes that You have committed any serious breach or repeated after written warning any breach or are guilty of a continuing breach of any of the terms of this agreement; or

(c) the Company reasonably believes that You are guilty of any gross or serious misconduct or (after written warning) wilful neglect in the discharge of your duties under this agreement; or

(d) the Company reasonably believes that You are guilty of any bribery, corruption, fraud, dishonesty or conduct tending to bring You or the Company or any Group Company into disrepute including for the avoidance of doubt any criminal offence (except a road traffic offence not involving a custodial sentence); or

(e) the Company reasonably believes that You have committed a breach of any legislation in force which may affect or relate to the business of the Company or any Group Company; or

(f) You are declared bankrupt or have a receiving order made against You or You make any general composition with your creditors or take advantage of any statute affording relief for insolvent debtors; or

(g) You become prohibited by law from being or acting as a statutory director of the Company; or

(h) You refuse or fail to agree to accept employment on the terms and in the circumstances specified in clause 29.1 of this agreement; or

(i) You resign as a director of the Company other than at the request of the Board; or

(j) the office of director of the Company held by You is vacated pursuant to the Company's Articles of Association save if the vacation shall be caused by illness (including mental disorder) or injury; or

(k) You are guilty of a serious breach of any professional conduct rules applicable to You, any regulatory authorities relevant to the Company or any Group Company or any code of practice or policy issued by the Company (as amended from time to time); or

(l) You have committed a serious breach of the Company's policies;

(m) You are in material breach of the articles of association of the Company.

24.2 In the event of termination under clause 24.1 the Company shall not be obliged to make any further payment to You except such Salary as shall have accrued at the date of termination and payment in respect of accrued but untaken Holiday Entitlement.

24.3 Upon notice of termination of the Appointment being given, or upon termination of the Appointment, or, at the start of a period of Garden Leave, or at any time upon request by the Company in writing, You shall:

(a) at the request of the Company resign from all (if any) offices held by You in the Company or any Group Company, from all other appointments or offices which You hold as nominee or representative of the Company or any Group Company and from all (if any) trusteeships held by You of any pension scheme or any trust established or subscribed to/by the Company and any Group Company and in the event of your failure to do so the Company is hereby irrevocably authorised to appoint some person in your name and on your behalf to sign and execute all documents and do all things necessary to constitute and give effect to such resignation;

(b) immediately return to the Company all Company or Group Company related correspondence (including emails), documents, papers, materials, memoranda, notes, records (on whatever media and whether or not prepared or produced by You) and any copies thereof, all business passwords, any charge or credit cards and all other property belonging to the Company or any Group Company which may be in your possession or under your control provided that You shall not be obliged to return during any period of Garden Leave any property provided to You as a contractual benefit;

(c) if requested send to the Chief People Officer, Wheels Up a signed statement confirming that You have complied with clause 24.3(b);

(d) provide the Company with any information, advice or reasonable assistance it requires in respect of your Appointment or its termination.

24.4 You agree that the Company may withhold any sums owing to You on termination of your Appointment pending your compliance with clause 24.3.

24.5 You shall not at any time after the termination of the Appointment represent yourself as being in any way connected with or interested in the Business of the Company or the Group.

24.6 Upon the termination of the Appointment, You may be entitled to an executive severance package in accordance with the terms and conditions of Wheels Up's Executive Severance Plan in force from time to time. For the avoidance of doubt:

(a) any such severance package shall be inclusive of any payment due to You in respect of your statutory minimum notice entitlement and any contractual notice entitlement under this agreement;

(b) any such severance package shall be conditional upon You entering into a settlement agreement on terms acceptable to the Company and Wheels Up;

(c) any reference to the "COBRA" benefit in the Executive Severance Plan shall not be applicable to You and should therefore be ignored;

(d) in the event of termination under clause 24.1 You shall not be entitled to an executive severance package; and

(e) Wheels Up may vary or discontinue its Executive Severance Plan at its absolute discretion.

25. PAYMENT IN LIEU OF NOTICE

25.1 At its absolute discretion the Company may at any time (including without limitation after notice of termination has been given by either party under clause 5) lawfully terminate this agreement with immediate effect by notifying You in writing that the Company is exercising its right under this clause 25.1 and that it will make within 45 days either a payment in lieu of notice (**"Payment in Lieu"**) or the first instalment of a Payment in Lieu.

25.2 The Payment in Lieu will be equal to your Salary for the then unexpired period of notice under clause 5 (subject to deductions required by law including the deduction at source of income tax and national insurance contributions). For the avoidance of doubt, the Payment in Lieu shall not include any element in relation to:

(a) any bonus or commission payments, or payments, rights or benefits under any share option or long term incentive plan or salary sacrifice scheme that might otherwise have been due had You worked for the Company during the notice period for which the Payment in Lieu is made;

(b) any payment in respect of benefits which You would have been entitled to receive had You worked for the Company during the notice period for which the Payment in Lieu is made; and

(c) any payment in respect of any Holiday Entitlement that would have accrued had You worked for the Company during the notice period for which the Payment in Lieu is made.

25.3 Where the Company opts to pay the Payment in Lieu due under clause 25.1 in instalments, it will do so by equal monthly payments. You will be obliged to seek alternative income until the day on which the notice period in clause 5 would have expired, if notice had been given and to notify the Company of any income received. The Company shall be entitled to either recover the corresponding amount from any payment made to You in respect of your Payment in Lieu or to reduce your monthly instalments accordingly. If requested, You shall provide the Company promptly with a true copy of an itemised pay statement relating to any alternative income.

25.4 You shall have no right to receive a Payment in Lieu unless the Company has exercised its discretion in clause 25.1. Nothing in this clause 25 shall prevent the Company from terminating the Appointment in breach.

25.5 Notwithstanding clause 25.1 You shall not be entitled to any Payment in Lieu if the Company would otherwise have been entitled to terminate the Appointment without notice in accordance with clause 24.1 and in that case the Company shall also be entitled to recover from You any Payment in Lieu, or instalments thereof, already made.

25.6 On termination of the Appointment howsoever arising You shall not have any claim for breach of contract in respect of the loss of any rights or benefits under any share option, bonus, long-term incentive plan or other profit sharing scheme operated by the Company or by any Group Company in which You may participate which would otherwise have accrued during the period of notice to which You are entitled under clause 5 of the agreement.

26. GARDEN LEAVE

26.1 Following notice to terminate the Appointment being given by the Company or You or if You purport to terminate the Appointment in breach of contract the Company may by written notice require You not to perform any services (or to perform only specified services) for the Company or for any Group Company for all or part of the applicable notice period required under clause 5.

26.2 During any period of Garden Leave You shall:

(a) continue to receive the Salary and other contractual benefits under this agreement in the usual way and subject to the terms from time to time in force of any benefit arrangements;

(b) remain an employee of the Company and remain bound by your duties and obligations, whether under this agreement or otherwise, which shall continue in full force and effect;

(c) not contact or deal with (or attempt to contact or deal with) any customer, client, supplier, agent, distributor, shareholder, employee, officer or other business contact of the Company or any Group Company without the prior written consent of the Board;

(d) not (unless otherwise requested) enter onto the premises of the Company or any Group Company without the prior written consent of the Board;

(e) not, without the prior written consent of the Company, take, use, copy or refer to documents belonging to the Company and any Group Company including, but not limited to, any Confidential Information;

(f) not commence any other employment or engagement (including taking up any directorships or consultancy services;

(g) provide such assistance as the Company or any Group Company may require to effect an orderly handover of your responsibilities to any individual or individuals appointed by the Company or any Group Company to take over your role or responsibilities; and

(h) make yourself available to deal with requests for information, to provide assistance, to attend meetings and to advise on matters relating to the Business.

26.3 In the event that the Company exercises its rights under clause 26.1 of this agreement then any Garden Leave shall be set off against and therefore reduce the periods for which the restrictions in clauses 22.3 and 22.4 of this agreement apply.

27. DATA PROTECTION

27.1 You confirm that You have read and understood each of:

(a) the Company's Data Protection Policy, a copy of which is contained in the Employee Handbook; and

(b) the employee privacy notice, a copy of which is available for review on the intranet (**"Employee Privacy Notice"**).

27.2 You shall use all reasonable endeavours to keep the Company informed of any changes to your personal data.

27.3 You acknowledge that in the course of your employment You have access to personal data and special categories of data relating to other employees, other individuals who work for the Company or Group, shareholders, client/customers or contacts at clients/customers, suppliers and contacts at suppliers, and agree to comply with the Company's data protection policies and procedures in respect of such data at all times. You must keep such data confidential and not use or disclose it other than in the proper performance of your duties.

27.4 The Company may change its Data Protection Policy and update the Employee Privacy Notice at any time and will notify employees in writing of any changes. The Employee Privacy Notice does not form part of your contract of employment.

28. BRIBERY AND CORRUPTION

28.1 The Company expects the highest standards of integrity in relation to your dealings with the Company's customers, suppliers, agents and subcontractors and with any government official.

28.2 You must comply with the Company's Anti-bribery and Corruption Policy. Any breach of this policy will be regarded as a serious matter and will be dealt with under the Company's disciplinary procedure. Serious cases may be treated as gross misconduct leading to summary dismissal.

29. AMALGAMATION OR RECONSTRUCTION

29.1 If the Company is wound up for the purposes of reconstruction or amalgamation You shall not as a result or by reason of any termination of the Appointment or the redefinition of your duties within the Company or the Group arising or resulting from any reorganisation or amalgamation of the Group have any claim against the Company or any other Group Company for damages for termination of the Appointment or otherwise so long as You shall be offered employment with any concern or undertaking resulting from such reconstruction reorganisation or amalgamation on terms and conditions no less favourable to You than the terms contained in this agreement.

29.2 If You shall at any time have been offered but shall have unreasonably refused or failed to agree to the transfer of this agreement by way of novation to a Group Company or any company which has agreed to acquire, directly or indirectly, 50 per cent of the share capital of the Company, the Company may terminate the Appointment by such notice as is required by section 86 of the Employment Rights Act 1996 given within one month of such offer.

29.3 Should the Appointment terminate in any of the circumstances described above, no payment will be due to You under the terms of the Wheels Up's Executive Severance Plan.

30. NOTICES

Notices may be given by either party by personal delivery or by letter or email or fax message addressed to the other party at (in the case of the Company) its registered office for the time being and (in the case of You) your last known address. Any such notice given by letter shall be deemed to have been given 48 hours after posting. Any notice given to the Company by email may be sent to the normal business email address of the Wheels Up Legal department at Legal@WheelsUp.com.

31. VALIDITY OF AGREEMENT

If any provision of this agreement (including without limitation the provisions contained in clause 22 and clause 23) shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this agreement which shall remain in full force and effect. If any provision of this agreement (including without limitation the provisions contained in clause

22 and clause 23) is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modifications as may be necessary to make it valid.

32. ENTIRE AGREEMENT

32.1 This agreement constitutes the entire agreement and understanding between the parties in respect of the matters dealt with in it and supersedes cancels and nullifies any previous agreement between the parties relating to such matters notwithstanding the terms of any previous agreement or arrangement expressed to survive termination.

32.2 Each of the parties acknowledges and agrees that in entering into this agreement it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) other than as expressly set out in this agreement. The only remedy available to either party in respect of any such statement, representation, warranty or understanding shall be for breach of contract under the terms of this agreement.

32.3 Nothing in this clause 32 shall operate to exclude any liability for fraud.

33. THIRD PARTY RIGHTS

Other than a Group Company, a person who is not party to this agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

34. COUNTERPARTS

This agreement may be executed in any number of counterparts each of which when executed by one or more of the parties hereto shall constitute an original but all of which shall constitute one and the same instrument.

35. GOVERNING LAW AND JURISDICTION

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 construed and governed in accordance with the laws of England and Wales and the parties submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this agreement.

IN WITNESS whereof the parties have executed this agreement as a deed on the date of this agreement.

Executed as a deed, but not delivered until the first date specified on page 1, by **AIR PARTNER LIMITED** by a director in the presence of a witness:))))

Signature /s/ Kenneth Dichter

Name (block capitals) KENNETH DICHTER
Director

Witness signature /s/ Kate O'Malley

Witness name (block capitals) KATE O'MALLEY

Witness address [***]

[***]

Signed as a deed, but not delivered until the first date specified on page 1, by **MARK BRIFFA** in the presence of:))))

Signature /s/ Mark Briffa

Witness signature /s/ Stephanie Craddock

Witness name (block capitals) STEPHANIE CRADDOCK

Witness address [***]

[***]

[***]

AMENDMENT NO. 1 TO DIRECTOR SERVICE AGREEMENT

THIS AMENDMENT_NO. 1 ("Amendment"), is entered into as of March 1, 2023 by and between Mark Briffa ("You") and Air Partner Limited LLC, registered number 980675 whose registered office is at 2 City Place, Beehive Ring Road, West Sussex, RH6 OPA ("Company"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Service Agreement (defined below).

Whereas, You and Company are parties to that certain Service Agreement dated as of April 28, 2022 (the "Service Agreement"); and

Whereas, the parties hereto desire to amend the Service Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. In **Section 6.1** of the Service Agreement, effective March 1, 2023, the reference to "President, International Charter & Aviation Services" shall be deleted and replaced with "EVP and Chief Commercial Officer." You agree to perform the duties consistent with the responsibilities of a Chief Commercial Officer, which include leading the combined salesforce across the company's full portfolio of products, developing and implementing sales strategies, and managing the overall commercial and sales operation, including core sales processes, account management, incentive planning. Further, all other references in all other places in the Service Agreement to "President, International Charter & Aviation Services" shall be deleted and replaced with "EVP and Chief Commercial Officer".

2. In **Section 13.1** of the Service Agreement, effective March 1, 2023, the reference to a base salary of "£377,500 gross per annum" shall be deleted and replaced with a base salary of "£450,000 gross per annum."

Except as amended hereby, each of the parties hereto acknowledges and agrees that the Service Agreement shall continue and remain in full force and effect in all respects.

[Signature Page Follows]

Executed as a deed, but not delivered until the first date specified on page 1, by **AIR PARTNER LIMITED** by a director in the presence of a witness:))))

Signature /s/ Kenneth Dichter

Name (block capitals) KENNETH DICHTER
Director

Witness signature /s/ Kate O'Malley

Witness name (block capitals) KATE O'MALLEY

Witness address [***]

[***]

Signed as a deed, but not delivered until the first date specified on page 1, by **MARK BRIFFA** in the presence of:))))

Signature /s/ Mark Briffa

Witness signature /s/ Michelle Briffa

Witness name (block capitals) MICHELLE BRIFFA

Witness address [***]

[***]

[***]

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kenneth Dichter, certify that:

1. I have reviewed this Quarterly Report of Wheels Up Experience Inc. on Form 10-Q for the quarterly period ended March 31, 2023;

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)) for the registrant 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; and

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   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: May 9, 2023	By:	/s/ Kenneth Dichter
		Name: Kenneth Dichter
		Title: Chief Executive Officer
		(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Todd Smith, certify that:

1. I have reviewed this Quarterly Report of Wheels Up Experience Inc. on Form 10-Q for the quarterly period ended March 31, 2023;

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)) for the registrant 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; and

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   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: May 9, 2023	By:	/s/ Todd Smith
		Name: Todd Smith
		Title: Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

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 Wheels Up Experience Inc. (the “Company”) on Form 10-Q for the quarterly period ended March 31, 2023, as filed with the Securities and Exchange Commission (the “Report”), I, Kenneth Dichter, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: May 9, 2023

By: /s/ Kenneth Dichter
Name: Kenneth Dichter
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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 Wheels Up Experience Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, Todd Smith, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: May 9, 2023	By:	/s/ Todd Smith
		Name: Todd Smith
		Title: Chief Financial Officer
		(Principal Financial Officer)